JACKA RESOURCES LIMITED

ABN: 79 140 110 130

And Controlled Entities

ANNUAL REPORT

For the year ended 30 June 2016

CONTENTS

CORPORATE DIRECTORY

DIRECTORS

Max Cozijn	Chairman
James Robinson	Non-Executive Director
Neil Fearis	Non-Executive Director

COMPANY SECRETARY
Stephen Brockhurst

E & P ADVISOR TO THE BOARD
Ken Charsinsky

REGISTERED OFFICE
Level 11, London House
216 St Georges Terrace
Perth WA 6000
Telephone: (08) 9481 0389
Facsimile: (08) 9463 6103

BUSINESS OFFICES

C/- PO Box 173
Road Town
Tortola
BRITISH VIRGIN ISLES

C/ - PO Box 1559
Dar-es-Salaam
TANZANIA

SHARE REGISTRY
Advanced Share Registry Services
110 Stirling Highway
Nedlands WA 6009
Telephone: (08) 9389 8033
Facsimile: (08) 9262 3723

AUDITORS
Bentleys Audit & Corporate (WA) Pty Ltd
Level 3, 216 St Georges Terrace
Perth WA 6000

Dear Shareholder,

Given the current state of the global oil markets, the ability of Jacka to access funding support on acceptable terms remains a challenge. In response, the Company has significantly reduced its operating costs and is exploring various options to manage its future funding requirements.

During the year the Company participated in the successful completion of Phase 1 of the AJE Project in Nigeria with commencement of commercial production in May 2016. As previously advised, Jacka's funding for this project was provided by MX Oil PLC (MXO). Pursuant to that arrangement MXO has taken ownership of the interest in this project and Jacka retains an indirect interest through its 3.8% equity interest in MXO.

With the further deterioration in the market for junior oil & gas exploration and development companies, the Company has continued to husband its limited resources and further reduce its expenditure commitments where ever possible. To this end, the Company has placed its subsidiary Jacka Tunisia Bargou Pty Ltd in voluntary liquidation, and is also seeking a possible withdrawal from its involvement in Tanzania, where it has had no success in attracting a farminee to its 100% interest in the Ruhuhu licence.

In Somaliland Jacka retains a 5% buy-in right on the Odewayne block.

While the Company continues to rationalize its investments and husband its remaining assets, we continue to review projects that will assist in reinvigorating the activity profile of the Company and attract funding support and growth in shareholder value.

I would also like to take the opportunity to thank the Board and our executives, shareholders, consultants and joint venture partners for their continuing contribution in seeking to further the development of the Company's assets in a very difficult market for junior oil & gas exploration and development companies.

Yours sincerely,

Max Cozijn
Chairman

Your Directors present their report on Jacka Resources Limited ("Jacka" or the "Company") and its controlled entities (together, the "Consolidated Entity" or "Group") for the financial year ended 30 June 2016.

DIRECTORS

The names of the Directors of the Company in office during the financial year and up to the date of this report are:

Max Cozijn BCom CPA MAICD – Chairman

Mr Cozijn has a Bachelor of Commerce Degree from the University of Western Australia having graduated in 1972, is a member of CPA Australia and the Australian Institute of Company Directors. He has over 30 years' experience in the administration of listed mining and industrial companies, as well as various private operating companies.

During the last three years Mr Cozijn has been a Director of:
Oilex Limited (from September 1997 to current)
Energia Minerals Limited (from May 1997 to June 2016)
Carbon Energy Limited (from September 1992 to April 2015)

Special Responsibilities:
Member of Audit and Risk, Remuneration and Nomination Committee

James Robinson BEc – Non-Executive Director

Mr Robinson has gained extensive capital markets and advisory experience during over 15 years with some of Western Australia's leading corporate advisory, funds management and stockbroking firms. He has served in either board or managerial positions of companies operating in North America, South America, Africa, Eastern Europe, Asia and Australia.
As a founding shareholder and director of Condor Energy Services Limited, Mr Robinson was instrumental in the successful launch of Australia's first home-grown fracture stimulation company.
He currently serves as a General Partner of ESVCLP Fund, Alchemy Venture Capital and as a founding shareholder and director of the Stone Axe Pastoral Company.
Along with his various personal interests, he is also Managing Director of the Cicero Group of Companies.
Mr Robinson is a member of the Australian Institute of Company Directors and holds a Bachelor of Economics from the University of Western Australia.

During the last three years Mr Robinson has been a Director of:
Wangle Technologies Limited (Formerly VTX Holdings Limited) (from January 2013 to February 2016)
Bisan Limited (from December 2011 to May 2012 and August 2013 to October 2013)

Special Responsibilities:
Member of Audit and Risk, Remuneration and Nomination Committee

Neil Fearis LL.B (Hons) FAICD F FIN– Non-Executive Director

Mr Fearis is a leading corporate and commercial lawyer in Western Australia specialising in mergers and acquisitions, capital raisings and corporate reconstructions, with a particular focus on the mining and resources sector. He has been in practice for 39 years and worked as a commercial lawyer in London, Sydney and Perth. Mr Fearis has been a director of a number of ASX and TSX-listed companies, primarily though not exclusively in the resources sector.

During the last three years Mr Fearis has been a Director of:
Golden Cross Resources Limited (October 2015 to current)
Ausgold Limited (April 2016 to current)

Tiger Resources Limited (from May 2011 to 31 December 2015)
Carnarvon Petroleum Limited (from November 1999 to December 2013)
Perseus Mining Limited (from May 2004 to November 2013)
Samson Oil & Gas Limited (from 5 November 2015 to 3 February 2016)

Special Responsibilities:
Chairman of Audit and Risk, Remuneration and Nomination Committee

COMPANY SECRETARY

Stephen Brockhurst BCom

Stephen Brockhurst, was appointed on 11 April 2014. Mr Brockhurst has over 15 years' experience in the finance and corporate advisory industry and has been responsible for the preparation of the due diligence process and prospectuses for a number of initial public offers. Mr Brockhurst's experience includes corporate and capital structuring, corporate advisory and Company secretarial services, capital raising, ASX and ASIC compliance requirements.

REVIEW OF OPERATIONS

Overview

During the year, your board has continued its efforts to align the ongoing obligations of the Company with its available financial resources. To that end, significant changes have occurred in each of the joint venture programs in which Jacka has, or formerly had, an investment.

Nigeria
OML 113 / Aje Field
Jacka 5% revenue interest
(6.675% paying interest)*

Aje Overview

Finalisation of the first phase of the Aje development project was marked by commencement of crude oil production on 5 May 2016. This first phase consisted of Cenomanian aged oil production from two wells, Aje-4 and Aje-5, both of which were completed in 2015. During this initial startup period, production has averaged approximately 5,700 gross barrels of oil per day (BOPD). Once production rates are stabilized and optimized for both wells, and all approvals from the Nigerian authorities are received, rates are expected to increase.

Aje is an offshore field located in OML 113 in the western portion of Nigeria in the Dahomey Basin. The field is situated in water depths ranging from 100 to 1,000 metres about 24 km from the coast. The Aje field contains hydrocarbon resources in sandstone reservoirs at three main levels, Turonian gas condensate reservoir, a Cenomanian oil reservoir and an Albian gas condensate reservoir.

*As previously advised, Jacka's funding for the project has been via an agreement with AIM-listed MX Oil Plc. (AIM:MXO). Under the terms of this agreement, ownership of Jacka's wholly owned subsidiary (P.R. Oil and Gas Nigeria Ltd (PROG)), which holds the Aje interest, transferred to MXO in August 2016. Jacka's shareholding in MXO is currently 3.8%.

Tunisia
Bargou Block, Gulf of Hammamet
Jacka 15% equity interest held by Jacka Tunisia Bargou Pty Ltd (in Liquidation)

The 4,616 km^2 Bargou Permit is located in the Gulf of Hammamet, offshore northern Tunisia.

The Bargou Joint Venture was granted an extension of the permit and a revised work programme commitment which refocused attention on de-risking additional hydrocarbon potential already identified on the block rather than delineation of the Hammamet West-3 ("HW3") field, which the Joint Venture discovered in 2013. This strategic change was the consequence of the worldwide drop in crude oil prices which caused HW3 resources to drop below current minimum economic field size thresholds. The newly committed work program required the acquisition of a 500km^2 3D seismic survey in addition to permanently plugging the HW3 discovery well.

The Bargou Permit is held through Jacka's wholly-owned subsidiary, Jacka Tunisia Bargou Pty Ltd ("JTB"). In light of ongoing project funding requirements and the Company's funding constraints, the Company considered all options regarding future participation in the project. As advised on 2 May 2016, JTB defaulted under the terms of the Bargou Permit Joint Operating Agreement ("JOA"). JTB is a single purpose entity with no access to further funding. According to the terms of the JOA, recourse is limited to JTB, and the parent company Jacka Resources Limited has no liability in respect of this default. JKA has resolved to place JTB in voluntary liquidation.

Tanzania
Ruhuhu Block
Jacka 100% equity interest

The Ruhuhu licence is located in southwest Tanzania and covers an area of 10,343 km^2. Jacka holds 100% of the licence, which provides the Company petroleum exploration rights over the entire Ruhuhu Basin and a portion of the Lake Nyasa rift basin, which is part of the East African rift system.

The continuing lack of industry interest for early stage exploration has adversely impacted Jacka's farmout efforts which were a key component of the stated exploration strategy. The Company has consequently curtailed its operating and overhead costs and continues to focus on minimising financial exposure by all available means including a negotiated withdrawal from or divestment of the project.

Somaliland
Odewayne Block
Jacka 5% Buy-In right

Jacka retains an option to acquire a 5% participating interest in this block arising from its original farm-in agreement on the block. That option can be exercised on the earlier of (1) the proposing of a second well in the Production Sharing Contract (PSC), or (2) the parties entering into the Fifth Period of the PSC.

The Odewayne PSC is currently in its Third Period. However, operations in Somaliland continue to be delayed by security concerns. Operator Genel Energy is working with the Ministry of Energy and Minerals to resume operations as soon as practicable.

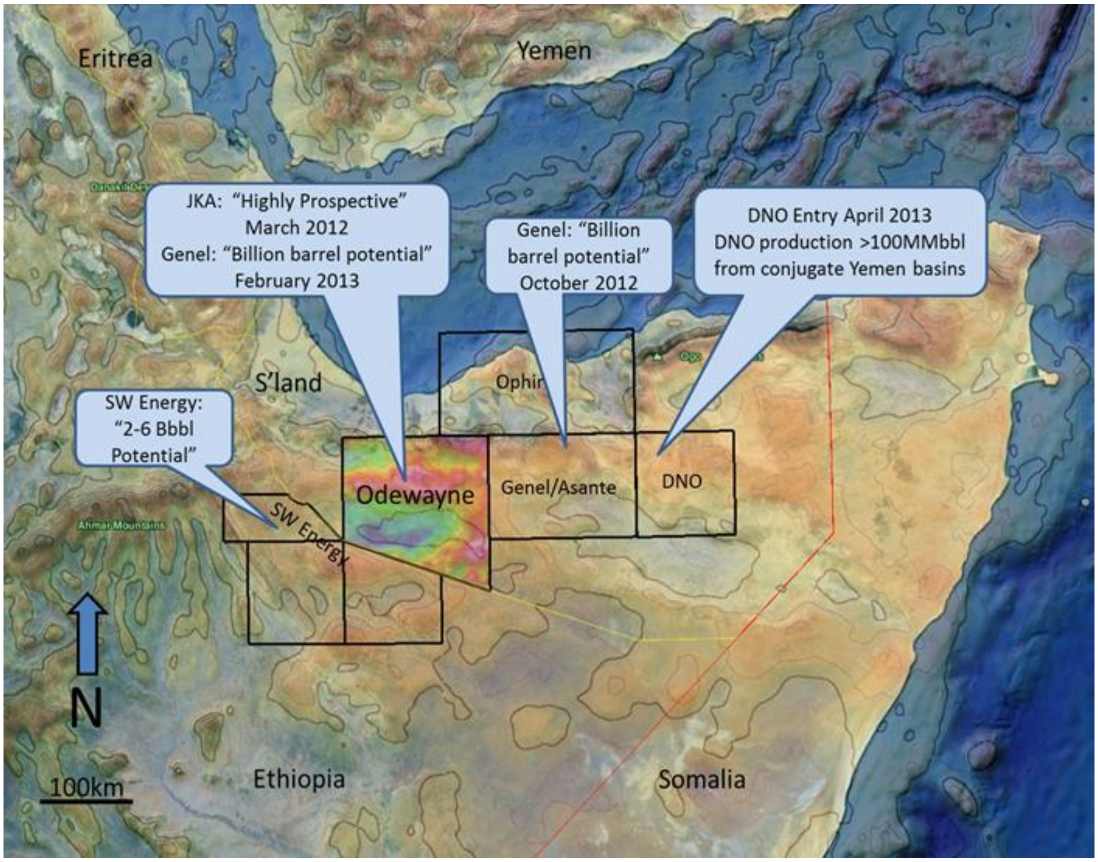

Table 1
Permit Summary as at 30 June 2016

Licence/ Country	Jacka Equity	Joint Venture Partner(s)	Partner Interest	Forward Program
Bargou/ Tunisia	15% (1)	Dragon Oil Cooper Energy*	55.0% 30.0%	Exploration & 3D Seismic
OML113 (Aje Field)/ Nigeria	5%(2)	Yinka Foliwayo* EER FHN NewAge Panoro	25.0% 16.9% 16.9% 24.1% 12.2%	Development & Exploration on 3D defined Prospects
Odewayne/Somaliland	0%(3)	Petrosoma Genel Energy* Sterling Energy	10.0% 50.0% 40.0%	Frontier Exploration
Ruhuhu/ Tanzania	100% (4)	None	N/A	Frontier Exploration

*Operator / Technical Advisor
(1)Jacka Tunisia Bargou Pty Ltd is in default and is currently in liquidation and this interest is in the process of being transferred proportionately to the remaining JV Participants
(2)Jacka has divested its interests after completing the sale to MXO
(3)Jacka has divested its direct interest and now holds a 5% buy-in option over the licence.
(4) Jacka has ceased operations and is seeking a negotiated withdrawal

Corporate
Liquid investments as at 30 June 2016

Available liquid investments as at 30 June 2016 of A$1.682 million, consisting of cash of A$0.966 million and listed securities of A$0.716 million.

Summary of capital structure as at the date of this Report	Quantity
ASX listed	
Ordinary Shares	460,859,758
Unlisted	
Unlisted Options exercisable at $0.20 on or before 3 May 2017	1,250,000
Unlisted Options exercisable at $0.02 on or before 8 June 2018	65,500,000

Persons compiling information about Hydrocarbons
Pursuant to the requirements of the ASX Listing Rules 5.11, 5.11.1, 5.12 and 5.13, the technical information provided in this report has been compiled by Mr Ken Charsinsky, an advisor to Jacka Resources Limited board. Mr Charsinsky (M.Sc. Geology) has over 35 years of experience in the exploration for, and appraisal and development of, petroleum resources and has sufficient relevant experience to qualify as a Qualified Petroleum Reserves and Resources Evaluator (QPPRE) under ASX Listing Rules. Mr Charsinsky consents to the inclusion in the report of the matters based on his information in the form and context in which they appear. Mr Charsinsky is a long-standing member of the AAPG.

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the period were oil and gas exploration in the Bargou Block in Tunisia, Odewayne Block in Somaliland, and Ruhuhu Block in Tanzania, with phase1 development of the Aje Project in OML113 Nigeria.

REMUNERATION REPORT

Details of key management personnel

Directors in office during the financial period were:
Non-Executive Directors
Max Cozijn
James Robinson
Neil Fearis
Executives
Ken Charsinsky
Andrew Gastevich (Resigned 31 May 2016)

SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL
2016

Key Management Personnel	Balance 01-Jul-15	On market purchase	Options exercised	Net change other	Balance 30-Jun-16
Neil Fearis	2,000,000	1,000,000	-	-	3,000,000
Max Cozijn	1,000,000	-	-	-	1,000,000
James Robinson	1,500,000	-	-	-	1,500,000
	4,500,000	**1,000,000**	**-**	**-**	**5,500,000**

2015

Key Management Personnel	Balance 01-Jul-14	On market purchase	Options exercised	Net change other	Balance 30-Jun-15
Bob Cassie* (Resigned 9 September 2014)	84,375	-	-	(84,375)	-
Max Cozijn	100,000	900,000	-	-	1,000,000
James Robinson	-	1,500,000	-	-	1,500,000
Neil Fearis (Appointed 9 September 2014)	-	2,000,000	-	-	2,000,000
Richard Aden* (Resigned 5 November 2014)	1,051,682	-	-	(1,051,682)	-
Stephen Brockhurst (Resigned 20 May 2014)	3,068,486	-	-	-	3,068,486
	4,304,543	**4,400,000**	**-**	**(1,136,057)**	**7,568,486**

* Director Resignation
'Net change other' represents on market share purchases or change on director resignation as noted.

OPTION HOLDINGS OF KEY MANAGEMENT PERSONNEL
2016

Key Management Personnel	Balance 01-Jul-15	Option grant	Options exercised	Option expiry	Balance 30-Jun-16	Vested during the period	Vested and exercisable
Max Cozijn	-	-	-	-	-	-	-
James Robinson	-	-	-	-	-	-	-
Neil Fearis	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**

2015

Key Management Personnel	**Balance 01-Jul-14**	**Option grant**	**Options exercised**	**Option expiry**	**Balance 30-Jun-15**	**Vested during the period**	**Vested and exercisable**
Bob Cassie (Resigned 9 September 2014)	504,688	-	-	(4,688)	500,000	-	-
Max Cozijn	-	-	-	-	-	-	-
James Robinson	-	-	-	-	-	-	-
Neil Fearis (Appointed 9 September 2014)	-	-	-	-	-	-	-
	504,688	**-**	**-**	**(4,688)**	**500,000**	**-**	**-**

In determining competitive remuneration rates, the Board reviews benchmarks on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Where appropriate, independent advice is obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

Performance Based Remuneration
The Board recognises that Jacka Resources Limited operates in a global environment. To prosper in this environment, it must attract, motivate and retain key executive staff. The principles supporting the remuneration policy are that:

- Reward reflects the competitive global market in which the Company operates.
- Individual reward is based on performance across a range of indicators that apply to delivering results across the Consolidated Entity.
- Rewards to executives are linked to creating value for shareholders.
- Executives are rewarded for both financial and non-financial performance.
- Remuneration arrangements are equitable and facilitate the deployment of senior management across the Consolidated Entity.

No options were issued to any Directors or key management personnel during the period.

Market Comparisons
Consistent with attracting and retaining talented executives, the Board endorses the use of incentive and bonus payments. Where appropriate, the Board seeks external advice to ensure reasonableness in remuneration scale and structure, and to compare the Consolidated Entity's position with the external market. The impact and high cost of replacing senior employees and the competition for talented executives requires the Company to reward key employees when they deliver consistently high performance.

Board Remuneration
Shareholders approve the maximum aggregate remuneration for Non-Executive Directors. The Board determines actual payments to Directors and reviews their remuneration annually, based on benchmarks with regard to market practice, relativities, and the duties and accountabilities of Directors. A review of Directors' remuneration is conducted annually to benchmark overall remuneration, including retirement benefits.

Mr Cozijn is also paid an additional fee at the rate of $1,500 per day worked for consultancy services over and above his current Non-Executive Chairman's fees of $70,000 per annum inclusive of super.

The following table of benefits and payment details, in respect of the financial year, the components of remuneration for each member of the key management personnel of the Consolidated Entity, and to the extent different, the Directors receiving the highest remuneration.

Service Agreements
Remuneration and other terms of employment for the executives are, where appropriate, formalised in service agreements specifying the components of remuneration, benefits and notice periods. Termination benefits are within the limits set by the Corporations Act 2001 such that they do not require shareholder approval.

The Company entered into an agreement on 20 March 2015 with Ken Charsinsky, the E&P advisor to the Board for the provision of his services. The agreement is for an unspecified period commencing 26 February 2015 and provided for remuneration of $30,000 per month, inclusive of superannuation, on 1 December 2015 this agreement was modified to a remuneration of $8,000 per month inclusive of superannuation at reduced hours due to reduced requirements. The agreement specifies a 30 day notice period in the event it is terminated. There are no other termination benefits or allowances specified in the agreement. This agreement will cease as from 30 September 2016, whereafter Mr Charsinsky's services will be retained as required on a day rate of $2,000

30 June 2016	**Short-term benefits Salary, fees and leave**	**Long-term benefits Superannuation**	**Share based payments Shares/options**	**Total**	**% Share or Performance based remuneration**
	$	**$**	**$**	**$**	**%**
Non-Executive Directors					
Max Cozijn	134,989	12,824	-	147,813	-
James Robinson	50,000	-	-	50,000	-
Neil Fearis	50,000	-	-	50,000	-
Executives					
Ken Charsinsky	202,198	19,208	-	221,406	-
Andrew Gastevich (Resigned 31 May 2016)	136,084	12,928	-	149,012	-
Chief Financial Officer Stephen Brockhurst[1] Company Secretary	-	-	-	-	-
	573,271	**44,960**	**-**	**618,231**	**-**

[1]Mining Corporate Pty Ltd, a company of which Stephen Brockhurst is a director, was paid $103,191 in cash for provision of registered office, administrative, bookkeeping, accounting and company secretarial services.

30 June 2015	Short-term benefits Salary, fees and leave	Long-term benefits Superannuation	Share based payments Shares/ options	Total	% Share or Performance based remuneration
	$	$	$	$	%
Non-Executive Directors					
Max Cozijn	168,264	15,984	-	184,248	-
James Robinson	50,000	-	-	50,000	-
Neil Fearis (Appointed 9 September 2014)	40,377	-	-	40,377	-
Executive Directors					
Bob Cassie (Resigned 9 September 2014)	97,584	10,302	-	107,886	-
Executives					
Ken Charsinsky (Appointed 26 February 2015)	112,329	10,671	-	123,000	-
Richard Aden (Resigned 5 November 2014)	153,944	14,625	-	168,569	-
Chief Financial Officer Andrew Gastevich (Appointed 10 November 2014) Chief Financial Officer	128,361	12,194	-	140,555	-
Stephen Brockhurst[1] Company Secretary	-	-	-	-	-
	750,859	**63,776**	**-**	**814,635**	**-**

[1]Mining Corporate Pty Ltd, a company of which Stephen Brockhurst is a director, was paid $158,982 in cash for provision of registered office, administrative, bookkeeping, accounting and company secretarial services.

Share based payments

A summary of the movements of all options granted is as follows:

	2016 Number	2016 Weighted Average Exercise Price ($)	2015 Number	2015 Weighted Average Exercise Price ($)
Options outstanding at beginning of year	**72,309,379**	**0.13**	153,259,379	0.23
Granted	**65,500,000**	**0.02**	-	-
	-	**-**	-	-
	-	**-**	-	-
Exercised	**(36,875)**	**0.13**	-	-
Expired	**(68,322,504)**	**0.13**	(80,950,000)	0.32
Options outstanding at end of year	**69,450,000**	**0.03**	72,309,379	0.13

A summary of all share based payment arrangements in existence is below:

Date of Grant	Number of Options	Exercise Price	Expiry Date	Fair Value at Grant Date	Vesting Period	Grant Date Share Price Volatility	Risk Free Interest Rate
14 November 2013	2,700,000	$0.20	11 September 2016	$54,614	14 November 2013	71.71%	2.61%
3 May 2012	1,250,000	$0.20	3 May 2017	$107,693	30 June 2013	75.17%	3.31%
	3,950,000			**$162,307**			

Voting and comments made at the Company's 2015 Annual General Meeting (AGM)
The resolution approving the 2015 Remuneration Report was passed unanimously on a show of hands. Proxy votes received in respect of the resolution were disclosed to the ASX in accordance with section 251AA of the Corporations Act.

OPERATING RESULTS

Loss after income tax for the financial year was $7,446,787 (2015: $44,106,138), the loss primarily reflecting the non-cash impairment of exploration and development expenditure in the 2016 financial year for the Tunisia and Tanzania projects for a value of $3,065,098, in addition to an impairment in financial assets held for resale of $3,388,442. The large loss in the 2015 year was primarily due to the non-cash impairment of exploration and development expenditure for the Bargou Block in Tunisia and Aje project in Nigeria for a combined value of $43,340,409. The net asset position of the Consolidated Entity at 30 June 2016 was $766,536 (2015: $8,219,685), the decrease primarily a result of the loan payable to MXO. As Jacka Tunisia Bargou Pty Ltd is in liquidation the Company does not expect to pay the Tunisia Cash call and therefore has an expected net asset position of $1,520,960.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant change in the nature of these activities occurred during the year.

AFTER BALANCE DATE EVENTS

On 14 July 2015, the Company announced that MX Oil PLC (**"MXO"**), a company listed on the Alternative Investment Market ("AIM") in London, would fund Jacka's portion of the ongoing Aje field development program and, in return, could gain control of Jacka's economic interest in the Aje field, upon the commencement of commercial production from the field. In addition, MXO has acquired Jacka's loans to its Nigerian subsidiary P.R.Oil & Gas Nigeria Limited in exchange for shares in MXO, thereby providing Jacka with ongoing exposure to the Aje project through its investment in MXO. Jacka's shareholding currently represents a 3.8% interest in MXO.

Pursuant to the above arrangement, first oil at the Aje field was reported on 4 May 2016, on 10 August 2016 Jacka's shareholdings in Jacka Resources Nigeria Holdings and P.R. Oil & Gas Nigeria Limited were transferred to MXO, thereby effecting a transfer of full ownership and control of the Consolidated Entity's interest in the Aje field to MXO.

The Company has resolved to voluntarily liquidate wholly owned subsidiary Jacka Tunisia Bargou Pty Ltd (JTB) after defaulting under the terms of the Bargou Permit Joint Operating Agreement (JOA) as per announcement on 6 July 2016. Under the JOA recourse is limited to JTB, and accordingly the Company has no liability in respect of this default.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

ENVIRONMENTAL ISSUES
The Consolidated Entity is subject to significant regulation in respect of its exploration activities and the Consolidated Entity is aware of its environmental obligations and ensures that it complies with all regulations when carrying out any exploration work. The Consolidated Entity is not aware of any environmental breaches during the year under review.

The Directors have considered the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development of the Company's projects, the Directors have determined that the NGER Act will have no effect on the Consolidated Entity. The Directors will reassess this position as and when the need arises.

DIVIDENDS PAID OR RECOMMENDED
No dividends were paid during the period and no recommendation is made as to dividends.

INDEMNIFYING OFFICERS
The Company currently has directors' and officers' liability insurance in place.

PROCEEDINGS ON BEHALF OF COMPANY
No person has applied for leave of Court to bring proceedings on behalf of the Consolidated Entity or to intervene in any proceedings to which the Consolidated Entity is a party for the purpose of taking responsibility on behalf of the Consolidated Entity for all or any part of those proceedings. The Consolidated Entity was not a party to any such proceedings during the year.

MEETINGS OF DIRECTORS

Director	Board Meetings Number Eligible to Attend	Board Meetings Number Attended	Audit Committee	Remuneration Committee	Nomination Committee
Max Cozijn	6	6	1	-	-
James Robinson	6	6	-	-	-
Neil Fearis	6	6	1	-	-

NON-AUDIT SERVICES
During the year ended 30 June 2016, the Company paid $6,780 (2015: $6,780) to Bentleys Audit & Corporate (WA) Pty Ltd for non-audit services, being taxation consulting services. The Board of Directors is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. No other fees were paid or payable to the auditors for non-audit services performed during the year.

AUDITOR'S DECLARATION OF INDEPENDENCE
The auditor's independence declaration for the period ended 30 June 2016 has been received and is included within the financial statements.

Signed in accordance with a resolution of directors.

Max Cozijn
Chairman 29 September 2016

Bentleys
THINKING AHEAD

Bentleys Audit & Corporate (WA) Pty Ltd
London House
Level 3,
216 St Georges Terrace
Perth WA 6000

PO Box 7775
Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500
F +61 8 9226 4300

bentleys.com.au

To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the audit of the financial statements of Jacka Resources Limited for the financial year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

BENTLEYS	**DOUG BELL CA**
Chartered Accountants	**Director**

Dated at Perth this 29th day of September 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	Consolidated 2016 $	Consolidated 2015 $
Interest revenue		**9,169**	18,595
Accounting		**(179,816)**	(243,800)
Compliance fees		**(94,664)**	(110,112)
Consultancy fees		**(141,346)**	(243,956)
Depreciation		**(2,431)**	(4,840)
Directors' remuneration		**(234,425)**	(298,563)
Exploration and evaluation expenditure provision for impairment	9(a)	**(3,065,098)**	(42,233,878)
Financial asset impairment	12	**(3,388,442)**	-
Impairment of development expenditure	6	**-**	(1,106,531)
Foreign exchange gain		**205,151**	879,847
Interest		**(490)**	(5,516)
Legal fees		**(22,451)**	(216,858)
Marketing		**(6,013)**	(66,587)
Occupancy		**(42,251)**	(97,972)
Profit/(loss) on sale of investments		**(852)**	300
Travel expenses		**(22,124)**	(108,746)
Other expenses		**(460,704)**	(267,521)
Profit / (Loss) before income tax benefit		**(7,446,787)**	(44,106,138)
Income tax benefit	2	**-**	-
Profit / (Loss) for the period		**(7,446,787)**	(44,106,138)
Other comprehensive income			
Other comprehensive income (net of income tax)			
Items that may be classified subsequently to profit or loss:			
Net unrealised (gain)/loss on available for sale financial assets		**(11,156)**	12,011
Total comprehensive income / (loss) for the year		**(7,457,943)**	(44,094,127)
Basic profit / (loss) per share (cents)	3	**(1.62)**	(11.01)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	**Consolidated Entity 2016**	Consolidated Entity 2015
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents	4	**966,144**	1,925,675
Trade and other receivables	5	**3,342**	872,836
Investments in Listed securities	7	**716,003**	-
Assets classified as held for sale	6	**28,678,602**	8,561,745
Total Current Assets		**30,364,091**	11,360,256
Non-Current Assets			
Other financial assets	7	**-**	45,431
Plant and equipment	8	**-**	4,283
Exploration and development expenditure	9	**-**	2,020,626
Total Non-Current Assets		**-**	2,070,340
Total Assets		**30,364,091**	13,430,596
LIABILITIES			
Current Liabilities			
Trade and other payables	10	**918,953**	593,640
Provisions	11	**-**	16,055
Liabilities directly associated with assets classified as held for sale	6	**28,678,602**	4,601,216
Total Liabilities		**29,597,555**	5,210,911
Net Assets		**766,536**	8,219,685
EQUITY			
Issued capital	13(a)	**48,247,687**	48,242,893
Reserves	14	**153,536**	164,692
Retained Profits/(Accumulated losses)		**(47,634,687)**	(40,187,900)
Total Equity		**766,536**	8,219,685

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

Consolidated Entity	Issued Capital	Option Reserve	Asset Revaluation Reserve	Forex Reserve	Accumulated Losses	Total
	$	$	$	$	$	$
Balance at 1 July 2015	**48,242,893**	**614,905**	**(2,609)**	**(447,604)**	**(40,187,900)**	**8,219,685**
Securities issued during the period	4,794	-	-	-	-	4,794
Loss for the period	-	-	-	-	(7,446,787)	(7,446,787)
Other comprehensive income	-	-	(11,156)	-	-	(11,156)
Total comprehensive income for the period	-	-	(11,156)	-	(7,446,787)	(7,457,943)
Balance at 30 June 2016	**48,247,687**	**614,905**	**(13,765)**	**(447,604)**	**(47,634,687)**	**766,536**

Consolidated Entity	Issued Capital	Option Reserve	Asset Revaluation Reserve	Forex Reserve	Accumulated Losses	Total
	$	$	$	$	$	$
Balance at 1 July 2014	**46,988,934**	**614,905**	**(14,620)**	**(447,604)**	**3,918,238**	**51,059,853**
Securities issued during the period	1,289,632	-	-	-	-	1,289,632
Security issue expenses	(35,673)	-	-	-	-	(35,673)
Foreign currency translation	-	-	-	-	-	-
Loss for the period	-	-	-	-	(44,106,138)	(44,160,138)
Other comprehensive income	-	-	12,011	-	-	12,011
Total comprehensive income for the period	-	-	12,011	-	(44,106,138)	(44,094,127)
Balance at 30 June 2015	**48,242,893**	**614,905**	**(2,609)**	**(447,604)**	**(40,187,900)**	**8,219,685**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	**Consolidated Entity 2016**	Consolidated Entity 2015
		$ Inflows/ (Outflows)	$ Inflows/ (Outflows)
Cash flows from operating activities			
Payments to suppliers and employees		**(1,206,867)**	(1,594,456)
Payments for exploration expenditure		**(599,634)**	(2,432,062)
Payments for development expenditure reimbursed by MXO		**(19,731,157)**	(5,067,060)
Interest paid on Aje cash calls reimbursed by MXO		**(385,700)**	-
Proceeds from MXO in relation to Aje		**20,950,354**	-
Interest received		**9,169**	18,595
Interest paid		**(490)**	(5,516)
Net cash (used in) operating activities	4(i)	**(964,325)**	(9,080,499)
Cash flows from investing activities			
Proceeds from sale of financial assets		**-**	1,100
Net cash (used in) investing activities		**-**	1,100
Cash flows from financing activities			
Repayment of borrowings		**-**	(300,000)
Proceeds from issue of shares		**4,794**	1,289,632
Payment of share issue costs		**-**	(21,917)
Net cash provided by financing activities		**4,794**	967,715
Net increase in cash held		**(959,531)**	(8,111,684)
Cash at beginning of the financial period		**1,925,675**	10,037,359
Cash and cash equivalents at period end	4	**966,144**	1,925,675

The accompanying notes form part of these financial statements.

1. Statement of Significant Accounting Policies

This financial report includes the consolidated financial statements and notes of Jacka Resources Limited and controlled entities ('Consolidated Entity'). Jacka Resources Limited is a company limited by shares, incorporated and domiciled in Australia.

Reporting Basis and Conventions

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations and complies with other requirements of the law. The financial report has been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of members.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated. The financial report is presented in Australian dollars. The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The material accounting policies that have been adopted in the preparation of this report are as follows:

Going Concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Group incurred a loss from ordinary activities of $7,446,787 for the year ended 30 June 2016 (2015 loss: $44,106,138) of which $6,453,540 related to non-cash impairments leaving net cash outflows from operating activities of $964,325 (2015: $9,080,499). The net working capital position of the Group at 30 June 2016 was $766,536 (2015: $6,149,345 working capital). As Jacka Tunisia Bargou Pty Ltd is in liquidation the Consolidated Entity's interest in the Bargou Block, Tunisia has been, or is in the process of being transferred to the other JV participants. Accordingly, the Consolidated Entity will not be funding any further cash calls referrable to the Bargou Block and therefore has an expected working capital of $1,520,960.

The Group has anticipated exploration commitments due within the next twelve months of $Nil (2015: $1,880,220). The ability of the Group to continue to pay its debts as and when they fall due is principally dependent upon the Company successfully raising additional share capital, full or partial divestment of assets, containing expenditure in line with available funding or ultimately developing one of its oil and gas fields. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because:

- the Directors have an appropriate plan to raise additional funds as and when it is required. In light of the Group's current exploration projects, the Directors believe that the additional capital required can be raised within the ordinary course of business;
- The Directors have an appropriate plan to minimise ongoing operating costs associated with the commitments (see Note 15) at negotiated termination costs.
- the Directors have an appropriate plan, that if required, they could divest the Company's interest in liquid investments to raise additional funding; and
- the Directors have an appropriate plan to contain operating and exploration expenditure if appropriate funding is unavailable.

1. Statement of Significant Accounting Policies (Continued)

- Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recovery and reclassification of assets carrying amounts or to the amount and classification of liabilities that might arise should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recovery and reclassification of assets carrying amounts or to the amount and classification of liabilities that might arise should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

a. Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Jacka Resources Limited at the end of the reporting period. A controlled entity is any entity over which Jacka Resources Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered. Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 23 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity. Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated Statement of Financial Position and Statement of Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

b. Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities. A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (ie: parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree. The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer. Fair

1. Statement of Significant Accounting Policies (Continued)

value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date. All transaction costs incurred in relation to the business combination are expensed to the statement of profit or loss and other comprehensive income.

c. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

1. Statement of Significant Accounting Policies (Continued)

d. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated amortisation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Consolidated Entity commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	12.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

e. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Consolidated Entity commits itself to either purchase or sell the asset (ie: trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and (iv) less any reduction for impairment. The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

i. *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated

1. Statement of Significant Accounting Policies (Continued)

as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

ii. *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

iii. *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

iv. *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Any gains or losses recognised on fair value adjustments to available-for-sale financial assets are taken to the asset revaluation reserve in equity.

v. *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

vi. *Fair value*

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

f. Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie: unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie: the market with the greatest volume and level of activity for the asset or liability) or, in the

1. Statement of Significant Accounting Policies (Continued)

absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie: the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability, The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

1. Statement of Significant Accounting Policies (Continued)

Level 3
Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or

(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

g. Impairment of Assets
At each reporting date, the Consolidated Entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

h. Exploration Expenditure
Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis. Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

1. Statement of Significant Accounting Policies (Continued)

i. Development Expenditure

Development expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises costs directly attributable to the construction of a commercial well and the related infrastructure, including the cost of materials, direct labour and an appropriate proportion of production overheads.

When further development expenditure is incurred in respect of a commercial well asset after the commencement of production, such expenditure is carried forward as part of the asset base when it is probable that additional future economic benefits associated with the expenditure will flow to the Group.
Otherwise such expenditure is recognised as a cost of production.

j. Interests in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the AASBs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.
When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

k. Assets classified as held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales for such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment of the portion of the investment that will be disposed is classified as held for sale when the above criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not be classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method

1. Statement of Significant Accounting Policies (Continued)

at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with AASB 139 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and the fair value less costs to sell.

l. Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of consideration to be paid in the future for goods and services received, whether or not billed to the Consolidated Entity. Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

m. Employee Benefits

Provision is made for the Consolidated Entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

n. Provisions

Provisions are recognised when the Consolidated Entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

o. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

p. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue. Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established. All revenue is stated net of the amount of goods and services tax (GST).

q. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST. Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

r. Asset retirement obligation

Where a legal or constructive obligation has been incurred, provision is made for the net present value of the estimated cost of decommissioning at the end of the producing lives of assets. When this provision gives access to future economic benefits, an asset is recognised and then subsequently depreciated in line with the life of the underlying producing asset, otherwise the costs are charged to the income statement. The unwinding of the discount on the provision is included in the income statement within

1. Statement of Significant Accounting Policies (Continued)

finance costs. Any changes to estimated costs or discount rates are dealt with prospectively.

s. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

t. Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical judgement and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Consolidated Entity.

u. Application of new and revised Accounting Standards

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretation did not have any significant impact on the financial performance or position of the Group during the financial year.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Key Estimates

Key Estimate - Impairment

The Consolidated Entity assesses impairment at each reporting date by evaluation of conditions and events specific to the Consolidated Entity that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions. A non-cash impairment loss of $3,065,098 (2015: $42,233,878) has been recognised in respect of deferred exploration expenditure at reporting date.

Key Estimate – Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Consolidated Entity as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

Key Estimate – Asset Retirement obligations

The Group estimates the future removal costs of offshore oil and gas platforms, production facilities, wells and pipelines at different stages of the development and construction of assets or facilities. In most instances, removal of assets occurs many years into the future. This requires judgemental assumptions regarding removal date, future environmental legislation, the extent of reclamation activities required, the engineering methodology for estimating cost, future removal technologies in determining the removal cost, and liability specific discount rates to determine the present value of these cash flows.

Key Estimate – Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the company's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

1. Statement of Significant Accounting Policies (Continued)

Key Judgements
Exploration and Evaluation Expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at $Nil (2015: $2,020,626).

v. Application of new and revised Accounting Standards

New and revised AASB's affecting amounts reported and/or disclosures in the financial statements

In the current year, the Group has applied a number of new and revised AASB's issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective from an accounting period on or after 1 January 2013. The Group has applied AASB 13 'Fair Value Measurement' for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of AASB 13 is broad; the fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements. In addition, standards on consolidation, joint arrangements, associates and disclosures were adopted. The impact of the application of these standards is not material.

Standards and Interpretations in issue not yet adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2016. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the group, are set out below.

AASB 9 Financial Institutions
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New impairment

1. Statement of Significant Accounting Policies (Continued)

requirements will use an ‘expected credit loss’ (‘ECL’) model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Group

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the group.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 ‘Leases’ and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a ‘right-of-use’ asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a ‘right-of-use’ asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The group will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the group.

The Annual Report was authorised for issue on 29 September 2016 by the Board of Directors.

	Consolidated Entity 2016 $	Consolidated Entity 2015 $

2. *Income tax*

(a) Income tax expense

Current tax	**-**	-
Deferred tax	**-**	-
	-	-
Deferred income tax expenses included in income tax expense comprises:	-	-
(Increase) in deferred tax assets	1,592,362	(257,360)
Increase in deferred tax liabilities	(1,592,362)	257,360
	-	-

(b) Reconciliation of income tax expense to prima facie tax payable

The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

Prima facie tax on operating profit / (loss) at 30% (2015: 30%)	**(2,234,036)**	(13,231,841)
Add / (Less)		
Tax effect of:		
Other assessable income	**-**	-
Non-assessable income	**-**	(724)
Non-deductible expenses	**4,424**	55,500
Other deductible expenses	**-**	(286,621)
Share issue cost deduction	**(177,722)**	(202,274)
Overseas tenement expenses	**919,529**	13,045,291
Deferred tax assets not brought to account	**1,487,805**	620,669
Income tax attributable to operating loss	**-**	-
The applicable weighted average effective tax rates as follows	**Nil%**	Nil%

	Consolidated Entity 2016 $	Consolidated Entity 2015 $
2. *Income tax (Continued)*		
(c) Deferred tax assets		
Tax losses	**2,445,244**	2,208,395
Provisions and accruals	**-**	4,817
Share issue cost	**149,776**	279,184
Unrealised foreign exchange loss	**-**	-
Other	**10,700**	9,673
	2,605,721	2,502,070
Set-off of deferred tax liabilities	**(1,024,917)**	(261,826)
Net deferred tax assets	**1,580,804**	2,240,245
Less: deferred tax assets not brought to account	**(1,580,804)**	(2,240,245)
	-	-
(d) Deferred tax liabilities		
Unrealised foreign exchange gains	**7,962**	261,717
Exploration expenditure	**1,016,956**	-
Other	**-**	109
	1,024,917	261,826
Set-off of deferred tax assets	**(1,024,917)**	(261,826)
	-	-
(e) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	**8,150,814**	7,361,318

	Consolidated Entity 2016 $	Consolidated Entity 2015 $
3. *Loss per share*		
Profit/(Loss) from continuing operations for the year	**(7,446,787)**	(44,106,138)
	No. of Shares 2016	**No. of Shares 2015**
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	**460,825,005**	400,541,290

Options have not been included in the calculation of diluted earnings per share as they are not dilutive.

	Consolidated Entity 2016 $	Consolidated Entity 2015 $

4. *Cash and cash equivalents*

Cash at bank	**966,144**	1,925,675

Cash at bank earns interest at floating rates based on daily bank deposit rates.

(i) Reconciliation of profit/(loss) for the period to net cash flows used in operating activities:

Profit/(Loss) for the period	**(7,446,787)**	(44,106,138)
Depreciation	**2,431**	4,840
(Gain)/Loss on disposal of investments	**1,852**	(300)
Net forex gain	**-**	(879,847)
Provision for exploration expenditure impairment	**3,065,098**	42,233,878
Financial asset impairment	**3,388,442**	-
Impairment of development expenditure	**-**	1,106,531
Shares acquired as consideration of loan	**(4,070,170)**	
Changes in assets and liabilities		
(Increase)/Decrease in trade and other receivables	**869,494**	(822,352)
(Increase)/Decrease in assets classified as held for sale	**(20,116,857)**	(3,960,529)
(Increase)/Decrease liabilities associated with assets classified as held for sale	**24,077,386**	
(Increase)/Decrease in exploration and evaluation expenditure excluding impairment	**(1,044,472)**	(2,739,541)
Increase/(Decrease) in trade payables	**325,313**	137,786
Increase/(Decrease) in provisions	**(16,055)**	(54,827)
Net cash flows (used in) operating activities	**(964,325)**	(9,080,499)

5. *Trade and other receivables*

Current		
Trade debtors	**-**	6,930
Prepayments	**719**	1,807
GST receivable	**5,645**	44,523
Receivables – other corporations (a)	**(3,022)**	819,576
	3,342	872,836

(a) Expenditure incurred to be (repaid to) reimbursed by MX Oil PLC.

6. *Assets classified as held for sale*

On 14 July 2015, the Company announced that MX Oil PLC (**"**MXO**"**), a company listed on the Alternative Investment Market ("AIM") in London, would fund Jacka's portion of the ongoing Aje field development program and, in return, could gain control of Jacka's economic interest in the Aje field, upon the commencement of commercial production from the field.

MXO has acquired Jacka's loans to its Nigerian subsidiary P.R.Oil & Gas Nigeria Limited in exchange for shares in MXO, thereby providing Jacka with ongoing exposure to the Aje project through its investment in MXO. Pursuant to this arrangement, on 21 July 2015, Jacka was issued US$3 million (AU$3,997,124) worth of MXO shares in consideration. Jacka's shareholding initially represented a 11.47% interest in MXO. Due to further issues of capital, Jacka's shareholdings now represents a 3.8% interest in MXO. Jacka has not disposed of any of its holding in MXO.

Commencement of commercial production has occurred and the transfer of ownership has taken place on 10 August 2016.

	Consolidated Entity 2016 $	Consolidated Entity 2015 $
Assets classified as held for sale		
Development expenditure	**27,763,460**	3.960.529
Trade and other receivables[1]	**-**	3,729,528
Asset Retirement Obligation	**915,142**	871,688
	28,678,602	8,561,745
Liabilities directly associated with assets classified as held for sale		
Trade and other payables	**-**	(3,729,528)
Financial liabilities[2]	**(27,763,460)**	
Asset Retirement Rehabilitation	**(915,142)**	(871,688)
	(28,678,602)	(4,601,216)
Net assets classified as held for sale	**-**	3,960,529

[1]These balances relate to funding receivable from MX Oil PLC for cash calls payable received on the Aje asset subsequent to entering the financing arrangement described above.
[2]Included in this amount are the following loans:

	Consolidated Entity 2016 $	Consolidated Entity 2015 $
Loan from MX Oil Plc owing by P.R. Oil & Gas Nigeria Limited, a wholly owned subsidiary of Jacka Resources Limited (1)	**10,994,686**	-
Loan from MX Oil Plc owing by Jacka Resources Nigeria Holdings Limited, a wholly owned subsidiary of Jacka Resources Limited(2)	**16,678,744**	-
	27,763,460	-

(1) MXO acquired Jacka's loan to its Nigerian subsidiary P.R. Oil & Gas Nigeria Limited in exchange for $3 Million USD worth of shares in MXO. This loan was assigned to MXO under a Loan Assignment Deed dated 27 May 2015 and subsequent Assignment and Supplement Deed dated 13 July 2015. The loan is repayable on demand, unsecured and interest free.

Assets classified as held for sale continued

(2) MXO is funding Jacka's portion of the ongoing Aje field development program, and, in return, could gain control of Jacka's economic interest in the Aje field, upon commencement of commercial production from the field. Under the Private Placement Deed dated 27 May 2015, MXO has elected to classify funds forwarded as an unsecured loan with no interest payable and such loans only become repayable in the event that commercial production has commenced. The loan may be converted into equity in Jacka Resources Nigeria Holdings Limited in the case that commercial production occurs. MXO has funded any and all cash calls required to fund up to the commencement of commercial production.

The liability has been extinguished for the Group as a result of the transfer of owner ship that has taken place on 10 August 2016.

	Consolidated Entity 2016 $	Consolidated Entity 2015 $
Reconciliation of movements during the period:		
Assets classified as held for sale		
Balance at beginning of period	**8,561,745**	-
Movement in Development expenditure	**23,802,931**	5,067,060
Movement in Trade and other receivables (a)	**(3,729,528)**	3,729,528
Movement in Asset Retirement Obligation (b)	**43,454**	871,688
Impairment	**-**	(1,106,531)
	28,678,602	8,561,745
Liabilities directly associated with assets classified as held for sale		
Balance at beginning of period	**(4,601,216)**	-
Movement in Trade and other payables (a)	**3,729,528**	(3,729,528)
Movement in Financial Liabilities	**(27,763,460)**	-
Movement in Asset Retirement Obligations (b)	**(43,454)**	(871,688)
	(28,678,602)	(4,601,216)
Net assets classified as held for sale (c)	**-**	3,960,529

(a) These balances relate to funding receivable from MX Oil PLC for cash calls payable received on the Aje asset subsequent to entering the financing arrangement described above.
(b) These balances relate to corresponding asset retirement assets/liabilities directly related to the Aje project that is classified as held for sale including interest.
(c) Net assets classified as held for sale are $Nil (2015: were measured at fair value less costs to sell being AU$3,997,124 in MXO shares less associated costs of $36,595), as Jacka has received its MXO shares as consideration (refer Note 7)

The liability has been extinguished for the Group as a result of the transfer of owner ship that has taken place on 10 August 2016.

7. *Other financial assets*

Current Assets		
Available for sale financial assets (level 1)- listed securities[1] ([1]The Company holds 43,380,325 MXO Shares)	**716,003**	-
	716,003	-
Non-Current Assets		
Other financial assets	-	45,431
	-	45,431

	Consolidated Entity 2016 $	Consolidated Entity 2015 $
8. *Plant and equipment*		
Plant and equipment		
At cost	-	24,265
Accumulated depreciation	-	(19,982)
	-	4,283
9. *Exploration and development expenditure*		
Exploration expenditure (a)	-	2,020,626
	-	2,020,626

(a) Costs carried forward in respect of deferred exploration expenditure:

Exploration at cost		
Balance at beginning of period	**2,020,626**	42,030,976
Exploration expenditure incurred	**1,044,472**	2,223,528
Exploration expenditure disposed during the year	-	-
Provision for exploration expenditure impairment (c)	**(3,065,098)**	(42,233,878)
Balance at end of period	-	2,020,626

The ultimate recoupment of the exploration expenditure carried forward is dependent on the successful development and commercial exploitation and/or sale of the relevant areas of interest, at amounts at least equal to book value.

(b) Costs carried forward in respect of development expenditure:

Development at cost		
Balance at beginning of period	-	-
Development expenditure incurred	-	**5,067,060**
Transferred to Assets classified as held for sale (note 6)	-	**(5,067,060)**
Balance at end of period	-	-
Asset Retirement Obligation Asset		
Balance at beginning of period	-	-
Recognition of asset retirement obligation asset	-	871,688
Transferred to assets classified as held for sale (note 6)	-	(871,688)
Balance at end of period	-	-

On 9 October 2014 the Company and its joint venture partners made a final investment decision on its Aje project for field development, as the asset progressed to a development stage. As described in note 6, subsequent to this date the Group entered into an arrangement to dilute its interest in the project, resulting in the transfer of development expenditure to assets classified as held for sale.

9. *Exploration and development expenditure (Continued)*

(c) Impairment charge

The sale of the Aje Project has been completed on 10 August 2016. As at 30 June 2016 a further impairment of $3,065,098 was recorded for the year to impair full balance of the Tanzanian and Tunisian projects.

At 30 June 2015 the Aje Project had transitioned to development stage and the Accounting Standards required that the asset be assessed for impairment as a transition date, which has resulted in the Company created a provision for diminution in the carrying value of this asset relating to its capitalized exploration expenditure ($20,455,305). With the difficulty in the oil market and pricing, the Company has created a provision for diminution of 100% against the carrying value of the Bargou Permit, Tunisia ($21,778,573).

(d) Joint Operations

The Consolidated entity participated in the following joint operations during the year

- Aje Field, Nigeria – 5.006% revenue interest, 6.675% contributing interest at 30 June 2016, Interest has ceased with effect 10 August 2016 pursuant to MXO Funding agreement completed.
- Bargou Permit, Tunisia – 15% participating interest at 30 June 2016, on 6 July 2016 FTI Consulting have been appointed as liquidators of Jacka Tunisia Bargou Pty Ltd
- Odewayne Block, Somaliland – 0% interest with an option to acquire a 5% participating interest

	Consolidated Entity 2016 $	Consolidated Entity 2015 $
10. *Trade and other payables*		
Current		
Trade payables and accruals		
Director fees payable	**13,750**	13,913
Cash Call – Jacka Tunisia Bargou	**744,730**	-
Other corporations	**160,473**	579,727
	918,953	593,640

Trade creditors are non-interest bearing and are normally settled on 30 day terms.

The Company does not expect to fund the Tunisia Cash call outstanding as Jacka Tunisia Bargou Pty Ltd is in liquidation.

	Consolidated Entity 2016 $	Consolidated Entity 2015 $
11. *Provisions*		
Current		
Provision for annual leave	**-**	16,055
	-	16,055
12. *Other financial assets*		
Financial asset impairment	**3,388,442**	-
	3,388,442	-

An impairment loss has been recognised in relation to the decrease in market value of the MXO shares during the period.

13. *Issued capital*	$	$
(a) Issued and paid up capital		
Ordinary shares fully paid of no par value	**48,247,687**	48,242,893

	Consolidated Entity 2016 Number	Consolidated Entity 2016 $	Consolidated Entity 2015 Number	Consolidated Entity 2015 $
(b) Movement in ordinary shares on issue				
Balance at beginning of period	**460,822,883**	**48,242,893**	395,322,883	46,988,934
Issued for cash at $0.020 per share on 1 June 2015	**-**	**-**	59,000,000	1,180,000
Issued for cash at $0.022 per share on 1 June 2015	**-**	**-**	6,500,000	143,000
Issued for cash at $0.13 per share on 9 June 2016 for options exercised	**36,875**	**4,794**	-	-
Transaction costs relating to share issues	**-**	**-**	-	(69,041)
Balance at end of the year	**460,859,758**	**48,247,687**	460,822,883	48,242,893

13. *Issued capital (Continued)*

(c) Share options

At the end of the year, the following options over unissued ordinary shares were outstanding:

	Quantity
Unlisted Options exercisable at $0.20 on or before 3 May 2017	1,250,000
Unlisted Options exercisable at $0.02 on or before 8 June 2018	65,500,000
Vesting period: options exercisable once ordinary shares in Jacka Resources Limited (JKA) trade at least $0.04 for 20 consecutive trading days	

(d) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Consolidated Entity, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Consolidated Entity.

Capital management

Management controls the capital of the Consolidated Entity in order to maintain a good working capital ratio, provide the shareholders with adequate returns and ensure that the Consolidated Entity can fund its operations and continue as a going concern.

The Consolidated Entity's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

The Consolidated Entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders. The Consolidated Entity's capital includes ordinary share capital and financial liabilities, supported by financial assets. The Consolidated Entity's working capital as at 30 June 2016, being current assets less current liabilities, is $766,536 (2015: $6,149,345 working capital). As Jacka Tunisia Bargou Pty Ltd is in liquidation the Company does not expect to fund the outstanding Tunisia Cash calls and therefore has an expected working capital position of $1,520,960. There are no externally imposed capital requirements.

	Note	Consolidated Entity 2016 $	Consolidated Entity 2015 $
The working capital for the financial year is as follows:			
Cash and cash equivalents	4	**966,144**	1,925,675
Trade and other receivables	5	**3,342**	872,836
Listed Securities available for sale	7	**716,003**	-
Assets classified as held for sale	6	**28,678,602**	8,561,745
		30,364,091	11,360,256
Less:			
Trade and other payables and provisions	10,11	**(918,953)**	(609,695)
Liabilities directly associated with assets classified as held for sale	6	**(28,678,602)**	(4,601,216)
Working capital		**766,536**	6,149,345

13. *Issued capital (Continued)*

Due to the nature of the Consolidated Entity's activities, being oil and gas exploration, it does not have ready access to credit facilities, with the primary source of funding being equity raisings and divestment of assets, be that via sale or farmout. Accordingly, the objective of the Consolidated Entity's capital risk management is to balance the current working capital position against the requirements of the Consolidated Entity to meet exploration programmes and corporate overheads. This is achieved by maintaining appropriate liquidity to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

	Consolidated Entity 2016 $	**Consolidated Entity 2015 $**
14. *Reserves*		
Asset revaluation reserve	**(13,765)**	(2,609)
Option reserve	**614,905**	614,905
Forex reserve	**(447,604)**	(447,604)
	153,536	164,692

15. *Commitments*

Expenditure commitments

There are currently no office rental, compliance and financial advisory contracts in place. The committed expenditure is :

Within one year	-	128,200
One to five years	-	200,664
	-	328,864

Exploration commitments

The work commitments on licences are as follows:

- In the Tunisian permits, the newly committed work program requires the acquisition of a 500km 3D survey in addition to plugging the HW3 discovery well before the end of the calendar year. As at 6 July Jacka Tunisia Bargou was put into creditor's voluntary liquidation.
- In Nigeria, the license is in good standing with no further commitment work required, all work is discretionary by the Joint Venture. Pursuant to the MXO agreement interest has ceased with effect on 10 August 2016.
- In the Tanzanian Ruhuhu block, the Company is partway through its 4 year exploration work program. Under the terms of the Production Sharing Agreement the US$4m minimum work program is required to be completed by March 2017. The Company also agreed to drill a well with an anticipated US$10m minimum expenditure on an identified target that may emerge from the exploration work program. The Company is in discussions with the Tanzanian government to renegotiate its commitments and has suspended in country activity during negotiations. The Company has spent a total of US$1,709,525 on the Tanzanian Ruhuhu block to date. The Company has provided a guarantee to the Tanzanian Petroleum Development Corporation in respect of its subsidiary's obligations under the PSA.

Commitments continued

	Consolidated Entity 2016 $	Consolidated Entity 2015 $
Within one year	**-**	1,880,220
One to five years	**-**	2,623,708
	-	4,503,928

16. ***Contingent liabilities***

There are no contingent liabilities as at the date of this report, other than as reported in Note 15 above.

17. ***Auditors' remuneration***

	Consolidated Entity 2016 $	Consolidated Entity 2015 $
Amounts, received or due and receivable by auditors for:		
- an audit or review services	**37,280**	46,430
- other services/tax	**6,780**	6,780
	44,060	53,210

18. *Key management personnel disclosures*

(a) Compensation of key management personnel

(i) Compensation policy

The remuneration policy of Jacka Resources Limited as it applies to key management personnel is disclosed in the Remuneration Report contained in the Directors' Report. Remuneration to the Group's key management personnel can be in the form of cash, options and share rights. Refer to the Remuneration Report contained in the Directors' Report for further details.

(ii) Compensation of key management personnel

30 June 2016	Short-term benefits Salary, fees and leave	Long-term benefits Superannuation	Share based payments Shares/options	Total	% Share or Performance based remuneration
	$	$	$	$	%
	573,271	44,960	-	618,231	-

30 June 2015	Short-term benefits Salary, fees and leave	Long-term benefits Superannuation	Share based payments Shares/options	Total	% Share or Performance based remuneration
	$	$	$	$	%
	750,859	63,776	-	814,635	-

(b) Loans with key management personnel

There were no loans to key management personnel or their related entities during the period ended 30 June 2016 (2015: $Nil).

19. *Related party transactions*

(a) Key management personnel

Disclosures relating to key management personnel are set out in Note 18, and the Remuneration Report in the Directors Report.

(b) Other transactions

There were no other transactions with key management personnel during the period other than the following:

Mining Corporate Pty Ltd, a company of which Stephen Brockhurst is a director, provided a registered office, administrative, bookkeeping, accounting, corporate compliance and company secretarial services to the Consolidated Entity during the period. These services totalled $103,191 (2015: $158,982).

20. *Financial reporting by segments*

During the financial period, the Consolidated Entity operated in two operating segments being oil and gas exploration in Australia and Africa.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted
Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Consolidated Entity.

Inter-segment transactions
Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

Segment assets
Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities
Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Company as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items
The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- administration and other operating expenses not directly related to a specific segment.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

20. *Financial reporting by segments (Continued)*

(a) Segment performance

	Australian Exploration $	African Exploration $	Total $
30 June 2016			
Segment revenue	-	-	-
Segment results	-	(3,065,098)	(3,065,098)
Amounts not included in segment results but reviewed by Board:			
Interest revenue			9,169
Accounting and audit fees			(179,816)
Compliance fees			(94,664)
Consultancy fees			(141,346)
Depreciation			(2,431)
Directors' remuneration			(234,425)
Financial Asset impairment			(3,388,442)
Foreign exchange gain			205,151
Interest			(490)
Legal fees			(22,451)
Marketing			(6,013)
Occupancy			(42,251)
Profit/(loss) on sale of investments			(852)
Travel expenses			(22,124)
Other expenses			(460,704)
Loss before income tax			**(7,446,787)**
Segment assets	-	28,678,602	28,678,602
Unallocated assets:			
Cash and cash equivalents			966,144
Trade and other receivables			3,342
Listed Securities			716,003
Total assets			**30,364,091**
Segment liabilities	-	29,433,026	29,433,026
Unallocated liabilities:			
Trade and other payables			164,529
Provisions			-
Total liabilities			**29,597,555**

	Australian Exploration $	African Exploration $	Total $
20. *Financial reporting by segments (Continued)*			
30 June 2015			
Segment revenue	-	-	-
Segment results	2,110	(43,484,808)	(43,482,698)
Amounts not included in segment results but reviewed by Board:			
Interest revenue			18,595
Accounting and audit fees			(94,042)
Compliance fees			(109,789)
Consultancy fees			(232,243)
Depreciation			(4,840)
Directors' remuneration			(298,563)
Forex			879,847
Insurance			(25,541)
Interest			(5,516)
Legal Fees			(181,862)
Marketing			(66,587)
Occupancy			(97,077)
Profit/(loss) on sale of investments			300
Travel expenses			(60,598)
Other expenses			(345,524)
Loss before income tax			**(44,106,138)**
Segment assets	-	10,582,371	10,582,371
Unallocated assets:			
Cash and cash equivalents			1,925,675
Trade and other receivables			872,836
Plant and equipment			4,283
Non-Current financial assets			45,431
Total assets			**13,430,596**
Segment liabilities	-	4,628,216	4,628,216
Unallocated liabilities:			
Trade and other payables			566,640
Provisions			16,055
Total liabilities			**5,210,911**

21. *Financial risk management*

Overview

The Consolidated Entity has exposure to the following risks from their use of financial instruments:

a) credit risk
b) liquidity risk
c) market risk

This note presents information about the Consolidated Entity's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Consolidated Entity through regular reviews of the risks.

a) Credit risk

Credit risk is the risk of financial loss to the Consolidated Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Consolidated Entity's receivables from customers and investment securities. Cash is held with the ANZ Bank which holds an AA credit rating.

Trade and other receivables

As the Consolidated Entity is not in the production phase, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

Exposure to credit risk

The carrying amount of the Consolidated Entity's financial assets represents the maximum credit exposure. The Consolidated Entity's maximum exposure to credit risk at the reporting date was:

	Consolidated Entity 2016 $	**Consolidated Entity 2015 $**
Financial assets		
Cash	**966,144**	1,925,675
Receivables	**3,342**	872,836
Other financial assets	**716,003**	45,431

Funding

As is inherent in every oil field development, project delays, partner funding issues and cost overruns could potentially increase the investment required in the Aje field development program. It is possible that the cost of the project may increase should any joint venture partner be unable to fulfil its financial obligations under the Joint Operating Agreement. MX Oil PLC, under its funding arrangements for Jacka's portion of the ongoing Aje field development program, will need to address these costs. Under these conditions, the Company does not recognise any ongoing liability.

b) Liquidity risk

Liquidity risk is the risk that the Consolidated Entity will not be able to meet its financial obligations as they fall due. The Consolidated Entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Consolidated Entity's reputation.

The Consolidated Entity manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows. Typically the Consolidated Entity ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

21. *Financial risk management (Continued)*

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Consolidated Entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk sensitivity analysis

The sensitivity analyses below have been determined based on those assets and liabilities with an exposure to interest rate risk at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the change in interest rates. At reporting date, if interest rates had been 100 basis points higher or lower and all other variables were held constant, the Consolidated Entity's:

d) Net loss would decrease by $550 (2015: $18,595) or increase by $550 (2015: $18,595).
e) Other equity reserves would increase by $550 (2015: $18,595) or decrease by $550 (2015: $18,595).

The following table details the Consolidated Entity's exposure to interest rate risk as at the reporting date:

<u>Consolidated Entity 2016</u>

Financial Instrument	Floating interest rate	Fixed interest rate maturing in: 1 year or less	Over 1 to 5 years	More than 5 years	Non-interest Bearing	Total	Weighted average effective interest rate
	$	$	$	$	$	$	%
Financial Assets							
Cash	54,959	-	-	-	911,185	**966,144**	0.3%
Receivables	-	-	-	-	3,342	**3,342**	N/A
Other financial assets	-	-	-	-	716,003	**716,003**	N/A
Total financial assets	54,959	-	-	-	1,630,530	**1,685,489**	
Financial Liabilities							
Trade payables and accruals	-	-	-	-	(918,953)	**(918,953)**	N/A
Financial liabilities directly associated with assets classified as held for sale[1]	-	-	-	-	(28,678,602)	**(28,678,602)**	N/A
Total financial liabilities	-	-	-	-	(29,597,555)	**(29,597,555)**	

[1] As disclosed in note 6, the liabilities classified as assets held for sale have been extinguished for the Group subsequent to year end as a result of the transfer of owner ship of Jacka Resources Nigeria Holdings Limited BVI and PR Oil and Gas Nigeria Limited that has taken place on 10 August 2016.

21. *Financial risk management (Continued)*

Consolidated Entity 2015

Financial Instrument	Floating interest rate	Fixed interest rate maturing in: 1 year or less	Over 1 to 5 years	More than 5 years	Non-interest Bearing	Total	Weighted average effective interest rate
	$	$	$	$	$	$	%
Financial Assets							
Cash	1,924,300				1,375	**1,925,675**	0.3%
Receivables – other	-	-	-	-	872,836	**872,836**	N/A
Financial assets – current	-	-	-	-	45,431	**45,431**	-
Financial assets – non-current	-	-	-	-	3,729,528	**3,729,528**	N/A
Total financial assets	1,924,300	-	-	-	4,649,170	**6,573,470**	
Financial Liabilities							
Trade payables and accruals	-	-	-	-	(593,640)	**(593,640)**	N/A
Financial liabilities directly associated with assets classified as held for sale	-	-	-	-	(3,729,528)	**(3,729,528)**	N/A
Total financial liabilities	-	-	-	-	(4,323,168)	**(4,323,168)**	

Fair value of financial instruments
The fair value of financial instruments measured on a recurring basis are disclosed at Note 7. The Groups other financial instruments consist of trade receivables, trade and other payables and borrowings. These financial instruments are measured at amortised cost and their carrying amounts approximate their fair value.

22. *Events subsequent to period end*

On 14 July 2015, the Company announced that MX Oil PLC (**"**MXO**"**), a company listed on the Alternative Investment Market ("AIM") in London, would fund Jacka's portion of the ongoing Aje field development program and, in return, could gain control of Jacka's economic interest in the Aje field, upon the commencement of commercial production from the field. In addition, MXO has acquired Jacka's loans to its Nigerian subsidiary P.R.Oil & Gas Nigeria Limited in exchange for shares in MXO, thereby providing Jacka with ongoing exposure to the Aje project through its investment in MXO. Jacka's shareholding currently represents a 3.8% interest in MXO.

Pursuant to the above arrangement, first Oil at the Aje Field was reported on 4 May 2016, on 10 August 2016 the effectuation of the transfer of Jacka's shareholdings in Jacka Resources Nigeria Holdings and P.R. Oil & Gas Nigeria Limited took place to effect the transfer of ownership and full control to MXO.

The Company has resolved to voluntarily liquidate wholly owned subsidiary Jacka Tunisia Bargou Pty Ltd (JTB) after defaulting under the terms of the Bargou Permit Joint Operating Agreement (JOA) as per announcement on 6 July 2016. Under the JOA recourse is limited to JTB, and accordingly once the subsidiary is liquidated the Consolidated Entity has no liability in respect of this default.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

23. *Interests in controlled entities*

The consolidated financial statements incorporate the assets, liabilities and the results of the following subsidiary in accordance with the accounting policy described in note 1:

Name	Country of incorporation	Class of share	Equity holding	
			30 June 2016	30 June 2015
Exmouth Energy Pty Ltd	Australia	Ordinary	100%	100%
Jacka Tunisia Bargou Pty Ltd (in Liquidation) as from 6 July 2016	Australia	Ordinary	100%	100%
Jacka Resources Nigeria Holdings Limited BVI	British Virgin Islands	Ordinary	100%	100%
PR Oil and Gas Nigeria Limited	Nigeria	Ordinary	100%	100%
Jacka Resources Africa Limited BVI	British Virgin Islands	Ordinary	100%	100%
Jacka Resources Somaliland Limited BVI	British Virgin Islands	Ordinary	100%	100%
Jacka Resources Tanzania Limited BVI	British Virgin Islands	Ordinary	100%	100%

24. *Parent entity disclosures*

(a) Financial position

	Company 2016 $	Company 2015 $
ASSETS		
Current Assets		
Cash and cash equivalents	**966,140**	1,925,670
Investment in listed securities	**716,003**	-
Trade and other receivables	**3,343**	872,836
Total Current Assets	**1,685,486**	2,798,506
Non-Current Assets		
Other financial assets	**-**	45,431
Plant and equipment	**-**	4,283
Total Non-Current Assets	**-**	49,714
Total Assets	**1,685,486**	2,848,220
LIABILITIES		
Current Liabilities		
Trade and other payables	**147,223**	566,640
Provision for annual leave	**-**	16,055
Total Current Liabilities	**147,223**	582,695
Total Liabilities	**147,223**	582,695
Net Assets	**1,538,263**	2,265,525
EQUITY		
Issued capital	**48,281,077**	48,242,893
Reserves	**601,140**	612,295
Accumulated losses	**(47,343,954)**	(46,589,663)
Total Equity	**1,538,263**	2,265,525

(b) Financial performance

	Company 2016 $	Company 2015 $
Loss for the period	**(754,291)**	(44,273,097)
Other comprehensive income	**(11,156)**	12,011
Total comprehensive income	**(765,447)**	(44,273,097)

(c) Other Financial Assets and Other Receivables

Loans are provided by the Company to its controlled entities for their respective activities. The recoverability of receivables and investments in subsidiaries is dependent upon the successful commercial application of these projects or the sale to third parties. Amounts receivable from controlled entities are non-interest bearing and have no fixed terms of repayment.

(d) Guarantees entered into by the parent entity in relation to its subsidiaries

As disclosed in Note 15, the Company has provided a guarantee to the Tanzanian Petroleum Development Corporation in respect of its subsidiary's obligations under the PSA.

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 15 to 50, are in accordance with the *Corporations Act 2001* and:
   a. comply with Accounting Standards;
   b. are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 1 to the financial statements; and
   c. give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the Company and the Group;

The Chief Executive Officer and Chief Financial Officer have each declared that:

a. the financial records of the Company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001*;
b. the financial statements and notes for the financial year comply with the Accounting Standards; and
c. the financial statements and notes for the financial year give a true and fair view;

In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.

Max Cozijn
Chairman

Perth, 29 September 2016

Independent Auditor's Report

To the Members of Jacka Resources Limited

Bentleys Audit & Corporate (WA) Pty Ltd
London House
Level 3,
216 St Georges Terrace
Perth WA 6000

PO Box 7775
Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500
F +61 8 9226 4300

bentleys.com.au

We have audited the accompanying financial report of Jacka Resources Limited ("the Company") and Controlled Entities ("the Consolidated Entity"), which comprises the statement of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standards AASB 101: *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion:

a. The financial report of Jacka Resources Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*;

b. The financial statements also comply with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial report which indicates that the Consolidated Entity incurred a net loss of $7,446,787 during the year ended 30 June 2016. This condition, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2016. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Jacka Resources Limited for the year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001*.

Bentleys

BENTLEYS
Chartered Accountants

DOUG BELL CA
Director

Dated at Perth this 29th day of September 2016

Corporate Governance Statement

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has considered the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Recommendations, 3rd Edition*. In line with the above, the Board has set out the way forward for the Company in its implementation of its Principles of Good Corporate Governance and Recommendations. The approach taken by the board was to set a blueprint for the Company to follow as it introduces elements of the governance process. Due to the current size of the Company and the scale of its operations it is neither practical nor economic for the adoption of all of the recommendations approved via the board charter. Where the Company has not adhered to the recommendations it has stated that fact in this Corporate Governance Statement however has set out a mandate for future compliance when the size of the Company and the scale of its operations warrants the introduction of those recommendations. Date of last review and Board approval: 29 September 2016.

Principle / Recommendation	Compliance	Reference	Commentary
Principle 1: **Lay solid foundations for management and oversight**			
<u>Recommendation 1.1</u> A listed entity should disclose: a) the respective roles and responsibilities of its board and management; and b) those matters expressly reserved to the board and those delegated to management.	Yes	Board Charter Code of Conduct, Independent Professional Advice Policy	To add value to the Company the Board has been formed so that it has effective composition, size and commitment to adequately discharge it responsibilities and duties. Directors are appointed based on the specific skills required by the Company and on their decision-making and judgment. The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out those delegated duties. In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company. To assist the Board carry its functions, it has developed a Code of Conduct to guide the Directors. In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things

			that may be necessary to be done in order to carry out the objectives of the Company. Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following. • Leadership of the Organisation: overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board. • Strategy Formulation: to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company. • Overseeing Planning Activities: the development of the Company's strategic plan. • Shareholder Liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company as well as ensuring timely and balanced disclosures of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the entity's securities. • Monitoring, Compliance and Risk Management: the development of the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company. • Company Finances: approving expenses and approving and monitoring acquisitions, divestitures and financial and other reporting along with ensuring the integrity of the Company's financial and other reporting. • Human Resources: reviewing the performance of Executive Officers and monitoring the performance of senior management in their implementation of the Company's strategy. • Ensuring the Health, Safety and Well-Being of Employees: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees. • Delegation of Authority: delegating appropriate powers to the Executives to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of the Committees of the Board. • Monitoring the effectiveness of the Company's corporate governance practices. Full details of the Board's and Company Secretary's roles and responsibilities are contained in the Board Charter. The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, with the Chairman's approval, to assist them to carry out their responsibilities.

Recommendation 1.2 A listed entity should: a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re- elect a director.	Yes	Director Selection Procedure	Directors are appointed based on the specific governance skills required by the Company. Given the size of the Company and the business that it operates, the Company aims at all times to have at least one Director with experience appropriate to the Company's operations. Directors should have the relevant blend of personal experience in: • Accounting and financial management; and • Director-level business experience. Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company. In determining candidates for the Board, the Nomination Committee follows a prescribed process whereby it evaluates the mix of skills, experience and expertise of the existing Board. In particular, the Nomination Committee is to identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors. Potential candidates are identified and, if relevant, the Nomination Committee (or equivalent) recommends an appropriate candidate for appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next general meeting. Each Non-Executive Director has a written agreement with the Company that covers all aspects of their appointment including term, time commitment required, remuneration, disclosure of interests that may affect independence, guidance on complying with the Company's corporate governance policies and the right to seek independent advice, indemnity and insurance arrangements, rights of access to the Company's information and ongoing confidentiality obligations as well as roles on the Company's committees. Each executive director's agreement with the Company includes the same details as the non-executive directors' agreements but also includes a position description, reporting hierarchy and termination clauses. The Nomination Committee is responsible for implementing a program to identify, assess and enhance Director competencies. In addition, the Nomination Committee puts in place succession plans to ensure an appropriate mix of skills, experience, expertise and diversity are maintained on the Board.
Recommendation 1.3	Yes	Kept at registered office, Independent Professional Advice Policy	The Board collectively, and each Director, individually has the right to seek independent professional advice at the Company's expense, up to specified limits, with the Chairman's approval, to assist them to carry out their responsibilities.

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.			
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	Board Charter	Full details of the Board's and Company Secretary's roles and responsibilities are contained in the Board Charter.
Recommendation 1.5 A listed entity should: a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; b) disclose that policy or a summary of it; and c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: 1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation	No	Diversity Policy	The Company does not have a documented policy concerning diversity or measurable objectives specifically to achieve gender diversity. Whilst the Company is committed to fostering diversity at all levels within the Company, it firmly believes that this must be done on a non-discriminatory basis. As such, the Company operates as a strict meritocracy, always seeking to employ and promote the best qualified person for the job, irrespective of race, colour, gender, religion, nationality, disability, marital status, sexual orientation, political conviction or any other personal attributes not relevant to the requirements of the job. To this end, the Company does not discriminate in favour of against any group of people, other than as required by law in the jurisdictions in which the Company has operations.

(including how the entity has defined "senior executive" for these purposes); or 2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.			
Recommendation 1.6: A listed entity should: a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	Board , Committee & Individuals Performance Evaluation Procedure	It is the policy of the Board to conduct evaluation of its performance. The objective of this evaluation is to provide best practice corporate governance to the Company. During the financial year an evaluation of the performance of the Board and its members was not formally carried out. However, a general review of the Board and executives occurs on an on-going basis to ensure that structures suitable to the Company's status as a listed entity are in place.
Recommendation 1.7: A listed entity should: a) have and disclose a process for periodically evaluating the performance of its senior executives; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	Board , Committee & Individuals Performance Evaluation Procedure	It is the policy of the Board to conduct evaluation of individuals' performance. The objective of this evaluation is to provide best practice corporate governance to the Company. During the financial year an evaluation of the performance of the individuals was not formally carried out. However, a general review of the individuals occurs on an on-going basis to ensure that structures suitable to the Company's status as a listed entity are in place.

Principle 2: Structure the board to add value			
Recommendation 2.1 The board of a listed entity should: a) have a nomination committee which: 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director, and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	Yes	Nomination Committee Charter, Independent Professional Advice Policy	The role of a Nomination Committee is to help achieve a structured Board that adds value to the Company by ensuring an appropriate mix of skills are present in Directors on the Board at all times. The Nomination Committee consists of James Robinson, Max Cozijn and Neil Fearis, Non-Executive directors, and the Company Secretary as Committee Secretary. The Chairman of the Nomination Committee is James Robinson, an independent director. The Nomination Committee has not met during the financial year; the board of directors has not changed during this time and the board has met its requirements for skills and experience. The responsibilities of a Nomination Committee would include devising criteria for Board membership, regularly reviewing the need for various skills and experience on the Board and identifying specific individuals for nomination as Directors for review by the Board. The Nomination Committee also oversees management succession plans including the Managing Director and his/her direct reports and evaluate the Board's performance and make recommendations for the appointment and removal of Directors. Matters such as remuneration, expectations, terms, the procedures for dealing with conflicts of interest and the availability of independent professional advice are clearly understood by all Directors, who are experienced public company Directors. The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, with the Chairman's approval, to assist them to carry out their responsibilities.
Recommendation 2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Yes	Director Selection Procedure	The Company has reviewed the skill set of its Board to determine where the skills lie and any relevant gaps in skills shortages.

<u>Recommendation 2.3</u> A listed entity should disclose: a) the names of the directors considered by the board to be independent directors; b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and c) the length of service of each director.	Yes	Board Charter, Independence of Directors Assessment	The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. An Independent Director: 1. is a Non-Executive Director and; 2. is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company; 3. within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment; 4. within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided; 5. is not a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; 6. has no material contractual relationship with the Company or other group member other than as a Director of the Company; 7. has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and 8. is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company. Materiality for the purposes of points 1 to 8 above is determined on the basis of both quantitative and qualitative aspects with regard to the independence of Directors. An amount over 5% of the Company's expenditure or 25% of the particular Director's annual gross income is considered to be material. A period of more than six years as a Director would be considered material when assessing independence. Max Cozijn (appointed 21 May 2014) is a Non-Executive Director and Chairman of the Company and meets the Company's criteria for independence. His experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board and in his position as a Non-Executive Director. Neil Fearis (appointed 9 September 2014) is a Non-Executive Director of the Company and meets the Company's criteria for independence. His experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board and in his position as a Non-Executive Director.

			James Robinson (appointed 21 May 2014) is a Non-Executive Director of the Company and meets the Company's criteria for independence. His experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board and in his position as a Non-Executive Director.
Recommendation 2.4 A majority of the board of a listed entity should be independent directors.	Yes	Independence of Directors Assessment	The Board has a majority of Directors who are independent.
Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Yes	Independence of Directors Assessment	The Chairperson is an independent Director who is not the CEO / Managing Director. The Chairperson does conduct consultancy services for the Company, however he still meets the criteria of an independent Director.
Recommendation 2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	Director Induction Program, Ongoing Education Framework	It is the policy of the Company that each new Director undergoes an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations. Information conveyed to new Directors include: • details of the roles and responsibilities of a Director; • formal policies on Director appointment as well as conduct and contribution expectations; • a copy of the Corporate Governance Statement, Charters, Policies and Memos and • a copy of the Constitution of the Company. In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. The Board has implemented an Ongoing Education Framework.
Principle 3: Act ethically and responsibly			
Recommendation 3.1 A listed entity should: a) have a code of conduct for its directors, senior executives and employees; and b) disclose that code or a summary of it.	Yes	Code of Conduct	As part of its commitment to recognising the legitimate interests of stakeholders, the Company has established a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders. These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole.
Principle 4: Safeguard integrity in corporate reporting			

<u>Recommendation 4.1</u> The board of a listed entity should: (a) have an audit committee which: a) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and 1) is chaired by an independent director, who is not the chair of the board, and disclose: 2) the charter of the committee; 3) the relevant qualifications and 4) experience of the members of the committee; and 5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	Yes	Audit and Risk Committee Charter	The Audit and Risk Committee consists of Neil Fearis (Chairperson of the Audit and Risk Committee), Max Cozijn and James Robinson who are independent Non-Executive Directors with experience relevant to being a member of the Audit and Risk Committee. The Audit and Risk Committee has not met during the 2016 year.
<u>Recommendation 4.2</u> The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity	Yes	Kept at registered office	The Non-Executive Chairman and the Chief Financial Officer provide a declaration to the Board in accordance with section 295A of the Corporations Act for each financial report and assure the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.			
Recommendation 4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	AGM	The external auditor is required to attend every AGM for the purpose of answering questions from security holders relevant to the audit.
Principle 5: Make timely and balanced disclosure			
Recommendation 5.1 A listed entity should: a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and b) disclose that policy or a summary of it.	Yes	Continuous Disclosure Policy	The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules the Company immediately notifies the ASX of information: 1. concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and 2. that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.
Principle 6: Respect the rights of security holders			
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	Yes	Continuous Disclosure Policy	The Company's website includes the following: • Corporate Governance policies, procedures, charters, programs, assessments, codes and frameworks • Names and biographical details of each of its directors and senior executives • Copies of annual, half yearly and quarterly reports • ASX announcements • Copies of notices of meetings of security holders • Media releases

			• Overview of the Company's current business, structure and history • Details of upcoming meetings of security holders • Summary of the terms of the securities on issue • Historical market price information of the securities on issue • Contact details for the share registry and media enquiries • Contact details for Share registry for key security holder forms
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	Shareholder Communication Policy, Social Media Policy	The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to: • communicating effectively with shareholders through releases to the market via ASX, information mailed to shareholders and the general meetings of the Company; • giving shareholders ready access to balanced and understandable information about the Company and corporate proposals; • requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report of future Annual Reports. The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company.
Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	Shareholder Communication Policy	The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to making it easy for shareholders to participate in shareholder meetings of the Company.
Recommendation 6.4 A listed entity should give security holders the option to receive communications from and send communications to, the entity and its security registry electronically.	Yes	Shareholder Communication Policy	Shareholders are regularly given the opportunity to receive communications electronically.
Principle 7: Recognise and manage risk			
Recommendation 7.1 The board of a listed entity should: a) have a committee or committees to oversee risk, each of which:	Yes	Risk Management Policy	Ultimate responsibility for risk oversight and risk management rests with the Board and risk management issues are considered at every Board meeting. The Audit and Risk Management Committee is responsible for ensuring that risks and mitigation of these risks are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Committee and the Board. The Audit and Risk Management Committee is chaired by Neal Fearis, an independent director, has three members who are

1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director, and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.			independent. Details of members and attendance at the Audit and Risk Management Committee meetings is provided in the Director's Report. A copy of the Audit and Risk Management Committee Charter is available on the Company's website.
Recommendation 7.2 The board or a committee of the board should: a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and b) disclose, in relation to each reporting period, whether such a review has taken place.	Yes	Risk Management Policy	The Company's Risk Management Policy states that the Audit and Risk Committee is responsible for the oversight of the Company's risk management and control framework. The objectives of the Company's Risk Management Strategy are to: • identify risks to the Company; • balance risk to reward; • ensure regulatory compliance is achieved; and • ensure senior executives, the Board and investors understand the risk profile of the Company. This is managed through various arrangements including: • regular Board meetings; • share price monitoring; • market monitoring; and • regular review of financial position and operations.

			The Company has developed a Risk Register in order to assist with the risk management of the Company. The Company's Risk Management Policy is considered a sound strategy for addressing and managing risk. During the year, management regularly reported to the Board on the following categories of risks affecting the Company as part of the Company's systems and processes for managing material business risks: operational, financial reporting, sovereignty and market-related risks.
<u>Recommendation 7.3</u> A listed entity should disclose: a) if it has an internal audit function, how the function is structured and what role it performs; or b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Yes	Audit and Risk Committee Charter	Due to the nature and size of the Company's operations, and the Company's ability to derive substantially all of the benefits of an independent internal audit function, the expense of an independent internal auditor is not considered to be appropriate. The Board works closely with the management team to identify and manage operational, financial and compliance risks which could prevent the Company from achieving its objectives. The Audit and Risk Management Committee actively encourages the External Auditor to raise internal control issues, and oversees management's timely remediation thereof.
<u>Recommendation 7.4</u> A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	Risk Management Policy	<u>Economic Risk</u> The Company continues to closely monitor its cash position and foreign currency exchange rates to early identify any economic risks that could arise as the company uses USD$ currency. <u>Environmental and social sustainability risks</u> The assets held by the Company's controlled subsidiaries are subject to local laws in Tanzania, Somaliland, Nigeria and Tunisia. These environmental laws are different to those generally applicable in Australia and are generally of a lower compliance and licensing level. Exploration and mining projects are expected to see a variety of environmental impacts. The Company intends to carry out its operations in compliance with all applicable environmental laws, in a responsible manner and to the highest standard possible. In the event that the Company does not operate in compliance with all applicable laws there is a risk that projects could be forfeited. The Company does have exposure to sovereign risk with its projects being in Tanzania, Somaliland, Nigeria and Tunisia. The risks of operating in an overseas jurisdiction, in this instance Tanzania, Somaliland, Nigeria

			and Tunisia, include economic, social or political instability or change, changes of law affecting foreign ownership, government participation, potential nationalisation, taxation, working conditions, rates of exchange, exchange control, licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over natural resources or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents. The Company and its advisers undertake all reasonable measures to manage the risks associated with oil and gas exploration and, production in Tanzania, Somaliland, Nigeria and Tunisia. The legal and governmental systems in Tanzania, Somaliland, Nigeria and Tunisia are based on different laws and systems. These are very different to the English common law and governmental systems that are applicable in Australia.
Principle 8: Remunerate fairly and responsibly			
Recommendation 8.1 The board of a listed entity should: a) have a remuneration committee which: 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director, and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or	Yes	Remuneration Committee Charter, Independent Professional Advice Policy	The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees. The Remuneration Committee consists of James Robinson, Max Cozijn and Neil Fearis Non-Executive Directors, and the Company Secretary as Committee Secretary. The Chairman of the Remuneration Committee is James Robinson, an independent director. The Remuneration Committee met twice during the financial year ended and all members at the time were present. The responsibilities of a Remuneration Committee include setting policies for senior officers' remuneration, setting the terms and conditions of employment for the Managing Director (if applicable), reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both Executive and Non-Executive Directors, recommendations for remuneration by gender and making recommendations on any proposed changes and undertaking reviews of the Managing Director's performance, including, setting with the Managing Director (if applicable) goals and reviewing progress in achieving those goals. The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, with Chairman's approval, to assist them to carry out their responsibilities.

b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.			
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	Remuneration Policy	Non-Executive Directors are to be paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. Managing Director (if applicable) remuneration is set by the Board with the executive director in question not present. Full details regarding the remuneration of Directors has been included in the Remuneration Report within the Annual Report.
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and b) disclose that policy or a summary of it.	Yes	Remuneration Policy	Executives and Non-Executive Directors are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

Holdings as at 26 September 2016

No. Securities Held	Fully Paid Shares No. Holders
1 – 1,000	60
1,001 – 5,000	141
5,001 – 10,000	235
10,001 – 100,000	1,224
> 100,001	605
Total no. holders	2,265
No. holders of less than a marketable parcel	1,521
Percentage of the 20 largest holders	35.27%
Total on issue	460,859,758

20 Largest holders of securities as at 26 September 2016

Fully paid ordinary shares	No. Shares	%
1) BNP PARIBAS NOMINEES PTY LTD <JARVIS A/C NON TREATY DRP>	48,850,000	9.949
2) BARCLAY WELLS LTD <NOMINEE A/C>	15,196,897	3.298
3) CITICORP NOMINEES PTY LIMITED	10,544,422	2.288
4) MR JOHN HAAST & MRS MAECHELL GAI HAAST < HAAST FAMILY S/F A/C>	10,000,000	2.170
5) LUNA ROSSA NO 2 PTY LTD <D'ANTONIO FAMILY A/C>	9,500,000	2.061
6) LEET INVESTMENTS PTY LIMITED <SUPERANNUATION FUND A/C>	9,176,249	1.991
7) MR ZIYIN FANG	9,000,000	1.953
8) SPECTRAL INVESTMENTS PTY LTD <LITHGOW FAMILY A/C>	6,229,624	1.352
9) STATE ONE STOCKBROCKING LTD <SOS HOUSE DBX A/C>	6,055,313	1.314
10) MR HARRY HOHOLIS	6,000,000	1.302
11) OLDFIELD KNOTT ARCHITECTS PTY LTD <OLDFIELD KNOTT S/F A/C>	5,900,000	1.208
12) MR GLENN SHAW & MRS LESLEY SHAW <CALDERBANK S/F A/C>	4,000,000	0.868
13) MR GEORGE KEITH REID	4,000,000	0.868
14) MR JASWINDER TAKHAR	3,880,000	0.842
15) MR MATTHEW THISTLEWAITE & MRS NATALIE THISTLEWAITE <THISTLEWAITE SUPER FUND A/C>	3,600,000	0.781
16) PENDOMER INVESTMENTS PTY LTD <LAW SETTLEMENTS FUND A/C>	3,000,000	0.651
17) MR DAVID EDWARD TRIMBOLI	2,800,000	0.608
18) MR NEIL HARRIS	2,750,000	0.597
19) MR JAMES MICHAEL SCOTT	2,600,000	0.564
20) ABLETT PTY LTD <DAVID EDWARDS FAMILY A/C>	2,500,000	0.542
TOTAL	165,582,505	35.27
TOTAL ISSUED CAPITAL	460,859,758	100%

Substantial Shareholders		
CORNHILL ASSET MANAGEMENT (included in BNP PARIBAS NOMINEES PTY LTD <JARVIS A/C NON TREATY DRP>)	32,750,000	7.10%

Unlisted options as at 16 September 2016

Details of unlisted option holders are as follows:

Class of unlisted options	No. Options
Options exercisable at $0.20 on or before 3 May 2017	1,250,000
Holders of this class	1
Options exercisable at $0.02 on or before 8 June 2018 Options vesting once ordinary shares in Jacka Resources Limited (ASX:JKA) trade at $0.04 or better for 20 consecutive trading days.	65,500,000
Holders of this class	1

Voting rights

The Constitution of the Consolidated Entity makes the following provision for voting at general meetings:
On a show of hands, every ordinary shareholder present in person, or by proxy, attorney or representative has one vote. On a poll, every shareholder present in person, or by proxy, attorney or representative has one vote for any share held by the shareholder.

Restricted securities

There are no restricted securities subject to voluntary escrow on issue.