

20<sup>th</sup> July 2016

ASX Release

## **OPERATIONS UPDATE – AJE FIELD NIGERIA**

P.R. OIL AND GAS NIGERIA LIMITED (PROG), a wholly owned subsidiary of Jacka Resources Limited (ASX:JKA), is pleased to announce that the commissioning of the Front Puffin FPSO has now been completed, and the Front Puffin FPSO is on hire following the 72 hour test. Targeted stabilised production rates have not yet been achieved, due to mechanical issues and Nigerian regulatory approvals. Until the outstanding issues are resolved, which could take until the end of Q4 2016, production shall be maintained at a restricted daily rate of approximately 7,000-8,000 barrels of oil. We expect the first crude oil lifting from the Front Puffin FPSO to take place at the end of August.

In the meantime we continue to be encouraged by the performance of the reservoir to date.

Material reductions in operating costs have also been achieved at Aje, and continuing efforts are being made to secure further savings.

Laboratory assays have been delivered on Aje crude oil which show it to be as expected a high quality grade of approximately 42 degree API. Several international oil companies and trading houses have expressed interest in purchasing Aje crude.

Work continues for planning of Aje Phase 2 (additional Cenomanian oil wells) and Phase 3 (Turonian gas and condensate), and in evaluating the wider exploration potential on OML 113.

As previously advised, Jacka's funding for the project is via an arrangement with AIM-listed MX Oil Plc. (AIM:MXO).

### **For more information please contact:**

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