

UNION JACK OIL PLC

(AIM:UJO)

Final Results for the Year Ended 31 December 2013

Union Jack Oil plc (“**Union Jack**” or the “**Company**”), an onshore oil and gas exploration company with a focus on drilling, development and investment opportunities in the United Kingdom hydrocarbon sector is pleased to announce its audited results for the year ended 31 December 2013.

Operational Highlights

- Acquisition of material interests and options in four onshore Petroleum Exploration Licences all containing drill ready prospects
- Progress made towards delivering on strategy to appraise and exploit the acquired assets
- Expected commencement of a conventional two well drilling programme comprising Wressle-1 and Burton on the Wolds-1 in June 2014

Financial Highlights

- Admission to trading on AIM in July 2013
- Placing and Subscription raising £909,500 before expenses in July 2013

David Bramhill, Executive Chairman, commented: “2013 saw the foundations of Union Jack being laid. We are soon to embark on a two well drilling programme, which if successful, could transform the Company from an explorer to producer”.

For further information please contact the following:

Union Jack Oil plc

David Bramhill +44 (0) 77871 60682

Shore Capital

Nominated Adviser

Bidhi Bhoma, Edward Mansfield

Corporate Broking

Jerry Keen +44 (0) 20 7408 4090

Northland Capital

Joint Broker

Gavin Burnell, Alice Lane +44 (0) 20 7382 1100

Yellow Jersey PR Limited

Public Relations

Dominic Barretto

+44 (0)7768 537 739

Kelsey Traynor

+44 (0)7799 003 220

Chairman's Statement

I am pleased to present to the Shareholders of Union Jack Oil plc ("**Union Jack**" or the "**Company**"), the Annual Report and Financial Statements for the year ended 31 December 2013.

The Board is of the opinion that the United Kingdom onshore hydrocarbon arena offers excellent value presenting the opportunity to participate in late stage projects in a reasonably low cost environment where commercial discoveries can be brought on-stream within a short timeframe.

The Company effectively commenced trading in February 2013 with the acquisition of a 10% interest in PEDL201, containing the drill ready Burton on the Wolds Prospect.

Following this initial acquisition, Union Jack acquired an 8.33% interest in PEDL180 containing the Wressle Prospect in May 2013.

The intention of the operator, Egdon Resources U.K. Limited, a subsidiary of AIM listed Egdon Resources plc, is to drill both the above mentioned conventional wells back to back commencing in June 2014. Union Jack has a firm commitment to participate in the drilling of these two prospects.

In addition, the Company holds options over 10% of PEDL253, containing the Biscathorpe Prospect and 10% of PEDL241, containing the North Kelsey Prospect.

A comprehensive summary of our licence interests can be found in the Review of Operations section of the Company's annual report and accounts, which have been published today.

Corporate and Financial

The highlight of the corporate year was the Company's admission to trading on the AIM Market of the London Stock Exchange in July 2013.

The admission was accompanied by a placing and subscription raising gross proceeds of £909,500.

This funding was preceded by a placing of £562,250 before expenses in February 2013.

These funds will be applied to the drilling of the Burton on the Wolds -1 and Wressle-1 wells and provide ongoing working capital for Union Jack.

Post the year end the Company raised £650,000 before expenses during March 2014.

The majority of the Company's funds are currently invested in deposit accounts with a high street bank. In the current environment of low interest rates we are pleased to receive a competitive return on shareholder funds without placing capital at risk.

The last two placings are Venture Capital Trust (VCT) and Enterprise Investment Scheme (EIS) qualifying, with the Company having been granted conditional clearance by HMRC. The key conditions are the commencement of production at one of the licence interests held within two years of admission to AIM.

On admission to AIM in July 2013, William O'Dea, non-executive director stepped down from the Board. An appreciative thank you is given to Willie for his efforts and support to Union Jack during its formation. A welcome is also given to Ray Godson who joined the Board on admission.

Summary

The past year has been one of operational and corporate growth for Union Jack.

In the opinion of the Board, the building blocks have been added with the acquisition of interests in four, high potential licences, two of which will be exploited by the drilling of conventional wells at Burton on the Wolds and Wressle during the coming months.

In addition, the directors plan to expand the Company's asset portfolio.

I hope to report on positive drill results from at least one of our exploration efforts in the near future.

The future of Union Jack remains bright.

David Bramhill

Executive Chairman

29 April 2014

Income Statement
for the year ended 31 December 2013

	31.12.13 £	Period 1.2.12 to 31.12.12 £
Revenue	–	–
Administrative expenses before AIM admission costs	(514,470)	(142,966)
AIM admission costs	(199,406)	–
Total administrative expenses	(713,876)	(142,966)
Operating loss	(713,876)	(142,966)
Finance income	5,025	393
Loss before taxation	(708,851)	(142,573)
Taxation	(69)	–
Loss for the financial year	(708,920)	(142,573)
Attributable to:		
Equity shareholders of the Company	(708,920)	(142,573)
Loss per share		
Basic and diluted loss per share (pence)	(0.12)	(0.24)

Statement of Comprehensive Income
for the year ended 31 December 2013

	31.12.13 £	Period 1.2.12 to 31.12.12 £
Loss for the financial year	(708,920)	(142,573)
Other comprehensive income	–	–
Total comprehensive loss for the financial year	(708,920)	(142,573)

Balance Sheet

as at 31 December 2013

	31.12.13	31.12.12
	£	£
Assets		
Non-current assets		
Exploration and evaluation assets	44,294	–
Investments	20,000	–
	64,294	–
Current assets		
Trade and other receivables	40,673	25,564
Cash and cash equivalents	867,207	485,187
	907,880	510,751
Total assets	972,174	510,751
Liabilities		
Current liabilities		
Trade and other payables	71,262	31,157
	71,262	31,157
Total liabilities	71,262	31,157
Net assets	900,912	479,594
Capital and reserves attributable to the Company's equity shareholders		
Called up share capital	2,079,201	607,451
Share-based payments reserve	284,263	14,716
Retained earnings	(1,462,552)	(142,573)
Total equity	900,912	479,594

Statement of Changes in Equity
for the year ended 31 December 2013

	Share capital £	Retained earnings £	Share-based payment reserve £	Total £
Balance at 1 February 2012 (unaudited)	1	–	–	1
Changes in equity				
Issue of share capital	607,450	–	–	607,450
Total comprehensive income	–	(142,573)	–	(142,573)
Share-based payment charge	–	–	14,716	14,716
Balance at 31 December 2012	607,451	(142,573)	14,716	479,594
Balance at 1 January 2013	607,451	(142,573)	14,716	479,594
Changes in equity				
Issue of share capital	1,471,750	–	–	1,471,750
Issue costs	–	(611,059)	–	(611,059)
Total comprehensive income	–	(708,920)	–	(708,920)
Share-based payment charge	–	–	269,547	269,547
Balance at 31 December 2013	2,079,201	(1,462,552)	284,263	900,912

Statement of Cash Flows
for the year ended 31 December 2013

	31.12.13 £	Period 1.2.12 to 31.12.12 £
Cash flow from operating activities	(688,949)	(117,656)
Cash flow from investing activities		
Purchase of intangible assets	(44,294)	–
Purchase of investments	(20,000)	–
Interest received	5,025	393
Net cash used in investing activities	(59,269)	393
Cash flow from financing activities		
Proceeds on issue of new shares	1,471,750	602,450
Cost of issuing new shares	(341,512)	–
Net cash generated from financing activities	1,130,238	602,450
Net increase in cash and cash equivalents	382,020	485,187
Cash and cash equivalents at beginning of financial year	485,187	–
Cash and cash equivalents at end of financial year	867,207	485,187

Notes

for the year ended 31 December 2013

1 Accounting Policies

Basis of Preparation

Whilst the financial information in this announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRS"), this announcement does not itself contain sufficient information to comply with IFRSs. The Company expects to publish full financial statements that comply with IFRSs shortly.

The financial information as set out does not constitute the Company's statutory accounts for the periods ended 31 December 2013 or 31 December 2012, but is derived from those accounts. Statutory accounts for 31 December 2012 have been delivered to the Registrar of Companies and those for 31 December 2013 will be delivered following the Company's Annual General Meeting. The auditors have reported on those accounts; their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under s498(2) or (3) Companies Act 2006.

Significant Accounting Policies

The accounting policies and methods of computation followed in these financial statements are consistent with those as published in the Company's Annual Report and Financial Statements for the year ended 31 December 2013.

The Annual Report and Financial Statements are available from the Company Secretary at the Company's registered office, 6 Charlotte Street, Bath BA1 2NE or on the Company's website www.unionjackoil.com.

Going Concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2 Loss Per Share

The Company has issued warrants over ordinary shares which could potentially dilute basic earnings per share in the future.

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

During the current and prior year the Company had warrants in issue. These warrants have not been taken into account when calculating the diluted loss per share as their impact was anti-dilutive. Therefore the basic and diluted loss per share are the same.

	2013 pence	2012 pence
Loss per share from continuing operations	(0.12)	(0.24)

The loss and weighted average number of ordinary shares used in the calculation of loss per share are as follows:

	2013 £	2012 £
Loss used in the calculation of total basic and diluted earnings per share	(708,920)	(142,573)

Number of shares	Number	Number
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	585,020,400	59,450,909

The deferred shares noted within note 5 have not been included within the calculations of basic or diluted shares above on the basis that IAS 33 defines an ordinary share as an equity instrument that is subordinate to all other classes of equity instruments. Any residual interest in the assets of the Company would not, on liquidation, go to the deferred shareholders, hence they are not considered subordinate.

3 Reconciliation of Loss to Cash Generated from Operations

	31.12.13	Period 1.2.12 to 31.12.12
	£	£
Loss before taxation	(708,851)	(142,573)
Finance income	(5,025)	(393)
Income taxes paid	(69)	–
Share-based payments	–	14,716
	(713,945)	(128,250)
Increase in trade and other receivables	(15,109)	(20,563)
Increase in trade and other payables	40,105	31,157
Cash used in operations	(688,949)	(117,656)

4 Share Capital

During the year ended 31 December 2013, 588,700,000 ordinary shares were issued for cash at a price of 0.25 pence raising £1,471,750 before expenses.

As at 31 December 2013 there were 831,680,400 ordinary shares in issue.

Issue costs have been recognised in retained earnings as there is no share premium. £269,547 of the issue costs were in the form of warrants, hence there was no cash impact.

5 Events after the Balance Sheet Date

A placing raising £650,000 before expenses was completed in March 2014.

In March 2014 shareholders approved a share sub-division at a General Meeting.

This means that ordinary shares of 0.25p in the capital of the Company were sub-divided into one new ordinary share of 0.025p each, and one deferred share of 0.225p.

The new ordinary shares have the same rights, being subject to the restrictions and ranking *pari passu* in all respects with the ordinary shares (save as to the nominal value).

6 Copies of the Annual report and Financial Statements

The Annual Report and Financial Statements will shortly be posted to shareholders and is now available on the Company's website www.unionjackoil.com.