

4 June 2013

Union Jack Oil plc
("Union Jack" or the "Company")

Terms Agreed for the Purchase of an Interest in PEDL068
Block NZ/60A - Westerdale

Union Jack, the UK focused hydrocarbon exploration company, is pleased to announce that it has reached agreement on terms for the purchase of a 5% interest in part of Licence PEDL068 - UK National Grid Block NZ/60A, containing the Westerdale gas discovery from Montrose Industries Limited ("Montrose").

Under the terms of a Sale and Purchase Agreement ("the Agreement") Montrose has granted Union Jack an option to acquire the licence interest for a cash consideration of GBP175,000, payable on completion and exercisable up to 31 July 2013. A GBP5,000 non-refundable deposit has been made under the terms of the Agreement. This deposit will form part of the consideration should the option be exercised.

Assuming the option is exercised, the resultant Licence interests in PEDL068 - Block NZ/60A would be as follows;

Union Jack Oil plc 5%

Egdon Resources U.K. Limited (Operator) 40%

Sterling Resources (UK) Limited 47%

Yorkshire Exploration Limited 8%

The transfer of interest is subject to approval by the Department of Energy and Climate Change.

PEDL068 - Block NZ/60A containing the Westerdale gas discovery is located onshore UK within the Cleveland Basin in North Yorkshire and the licence term is to 2031, retained by virtue of drilling and development activity at the Kirkleatham gas field in the other part of licence PEDL068.

The Ralph Cross-1 well drilled in 1966 on the Westerdale structure tested gas from a naturally fractured limestone reservoir in the Brotherton Formation within the Permian Zechstein carbonate and evaporite section.

The Westerdale gas prospect is defined on 2D seismic data as a dip and fault closed structural trap on a Carboniferous inversion axis.

Planning consent was awarded by the North York Moors National Park Authority in 2012 for a directional well to be drilled on the structure to appraise the original Ralph Cross discovery.

The Westerdale Prospect has a Contingent Resource of 8.6 BCF of gas as calculated by the Operator, Egdon Resources U.K. Limited.

This announcement has been approved by Martin Durham, non-executive Director of the Company, a geologist with over 30 years industry experience.

The Directors of the Company accept responsibility for the contents of this announcement.

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Editor`s Note

Union Jack Oil plc is a new entrant to the UK hydrocarbon exploration sector and was admitted to trading on the ISDX Growth Market in December 2012 as an Investment Vehicle to identify opportunities with an emphasis on acquiring interests in late stage exploration projects, both onshore and offshore UK.

Since being admitted to the ISDX Growth Market, Union Jack has acquired or holds an option over several UK onshore licence interests where drilling or development is planned in the near to mid term.