

14 May 2013

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

Terms Agreed for the Purchase of an Interest in PL090 and PEDL237

Union Jack, the UK focused hydrocarbon exploration company, is pleased to announce that it has reached agreement on terms for the purchase of a 10% interest in Licences PL090 and PEDL237, from Dorset Exploration Limited, a 100% owned subsidiary of AIM listed Egdon Resources plc ("Egdon").

Under the terms of a Sale and Purchase Agreement (the "Agreement") Egdon has granted Union Jack an option to acquire the licence interests for a cash consideration of GBP560,000, payable on completion and exercisable up to 31 July 2013. A GBP20,000 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 and the recently announced transactions between Egdon and Corfe Energy Limited (Egdon RNS of 2 April 2013) have been completed, the resultant Licence Interests in PL090 (excluding Waddock Cross) and PEDL237 would be as follows;

Egdon Resources U.K. Limited (Operator)	38.7500%
First Oil Expro Limited	22.6042%
Aurora Exploration Limited	16.1458%
Corfe Energy Limited	12.5000%
Union Jack Oil plc	10.0000%

The Licence Interests at completion, in the Waddock Cross field development area of PL090 would be;

Egdon Resources U.K. Limited (Operator)	45.00%
First Oil Expro Limited	26.25%
Aurora Exploration Limited	18.75%
Union Jack Oil plc	10.00%

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

PL090 and PEDL237 are located in the Wessex Basin, Dorset, a geological basin with existing production at Wytch Farm, Wareham and Kimmeridge.

Planning permission for the Waddock Cross field development in PL090 is expected in the near future and it is anticipated that production will commence during the third quarter of 2013 at rates of approximately 30-40 barrels of oil per day. Waddock Cross is mapped as having a mean oil in place of over 30 million barrels of oil. The plan for the first phase of the development is to drill two further horizontal producer wells by 2015. Egdon estimates that the Proven and Probable Reserves of the field for this initial phase are approximately 300,000 barrels of oil.

Elsewhere in the licences, Egdon has identified a number of leads and prospects at various reservoir levels including the Sherwood Sandstone, the primary reservoir at the Wytch Farm oilfield. Two prospective structures at Casterbridge and Broadmayne are identified where Egdon has evaluated combined gross Best Estimate Prospective Resources of approximately 50 million barrels of oil.

A 3D seismic programme is planned to evaluate these structures later in 2013

and should enable the licence group to identify the optimum location for a future exploration well, currently anticipated in 2014.

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 the announcement.

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Editors 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 licences where drilling or development is planned during 2013/2014.