

## Union Jack Oil plc

(AIM: UJO)

### Hydrocarbon Portfolio Update

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, notes that Egdon Resources PLC (AIM: EDR) (“Egdon”) has released final results for the year ended 31 July 2013 which includes an update on its operations.

Egdon’s report included the following information on Union Jack’s interests:

*“We are finalising plans to commence operations at Burton on the Wolds and Wressle around the end of the year, subject to the grant of the new EA permits and final rig timing.*

*We completed farm-outs to Union Jack Oil plc for a 5% interest in PEDL201, a 6% interest in PEDL253 a 10% interest in PEDL241 and an 8.33% interest in PEDL180. In each case Union Jack will pay a “two for one” promoted interest on the first exploration well.*

#### Exploration and Appraisal

*Planned exploration drilling activity will be focused in Northern England during 2013-14 with exploration wells at Wressle-1 and Burton on the Wolds-1 forming the first phase of our planned drilling programme. The exploration wells will target Net Egdon Best Estimate Prospective Resources of 1.77 million barrels of oil (“mmbls”) and are expected to commence around the turn of the year. Further drilling at Laughton, Biscathorpe and North Kelsey would be part of a second phase of drilling, partly contingent upon planning and also funding via farm-out and available cash resources. These wells will target a further 10.6 mmbls of Net Egdon Best Estimate Prospective Resources.*

#### Outlook

*Exploration remains a key growth driver for the business and we are planning to commence the drilling of conventional exploration wells at Wressle and Burton on the Wolds around the turn of the year targeting 1.77 mmbls. We are also developing drilling plans for 2014 with potential conventional exploration wells at Laughton, North Kelsey, Biscathorpe and elsewhere in 2014 and beyond.*

#### Operational Review

*The next exploration wells to be drilled by Egdon will be on the Burton on the Wolds and Wressle prospects. Planning consent has been obtained during the period for both wells and we are in the process of fulfilling the various planning conditions and obtaining newly introduced Environment Agency permits for the sites with site operations planned to commence around the turn of the year.*

*The **Burton on the Wolds Prospect** (PEDL201 – Egdon 32.5%) is located on the southern margin of the Widmerpool Gulf in Leicestershire. Egdon has farmed-out a 17.5% interest in the well on a promoted basis. The well, which will be drilled vertically to a depth of around 1,000 metres, will target Net Egdon Best Estimate Prospective Resources of 1.24 mmbbls in two distinct Carboniferous stratigraphic levels. The shallower target, the Rempstone Sandstone, is productive at the nearby Rempstone oil field. A seismic anomaly, possibly indicative of a carbonate reef and untested in the basin, underlies the Rempstone Sandstone and provides a higher risk secondary target.*

*The **Wressle Prospect** (PEDL180 – Egdon 25%) is defined on proprietary 3D seismic data, which was acquired by Egdon in February 2012. The Prospect is located on trend with the producing Crosby Warren oil field and the Broughton-B1 oil discovery, both to the immediate North-West, and the Brigg-1 oil discovery to the immediate South-East. These contain oil in multiple Upper Carboniferous sandstone reservoirs. The Net Egdon Best Estimate Prospective Resources at Wressle, as calculated by Egdon, are estimated to be 0.53 mmbbl. The planned well will be drilled as a deviated well to a total depth of about 2,300 metres with a maximum offset of approximately 1,250 metres. It has been designed to intersect all of the prospective sandstone reservoirs in a structurally favourable position near the crest of the Wressle structure.*

*The **Biscathorpe Prospect** (PEDL253 – Egdon 54%) is located approximately 15 kilometres to the west of the Keddington oil field. Oil was discovered but not tested in a thin sand unit in the Biscathorpe-1 well drilled by BP in 1987. The sand unit is predicted to thicken off the crest of the structure and there is also potential for stratigraphic trapping which could increase the expected prospective reserves from the Net Egdon Best Estimate case of 7.62 mmbbls. Egdon farmed out a 6% interest in the licence to Union Jack Oil plc on a two for one basis. A planning application was submitted in the summer of 2013 and is currently being considered. It is intended to further farm-out the Biscathorpe Prospect prior to drilling in 2014, subject to planning.*

*The **North Kelsey Prospect** (PEDL241 – Egdon 40%) is a structural trap mapped on 3D seismic and has potential for up to four stacked reservoir intervals, namely the Chatsworth, Beacon Hill, Ravensthorpe and Santon sandstones. Net Egdon Best Estimate Prospective Resources are 2.4 mmbbls. Egdon have farmed out a 10% interest to Union Jack Oil plc who will pay 20% of the cost of the North Kelsey well. Subject to planning it is hoped that a vertical well to test multiple reservoir targets could be drilled in 2014.”*

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Editor`s Note

Union Jack is a new entrant to the UK hydrocarbon sector and was admitted to trading on AIM in July 2013.

The Company was formed as a vehicle to identify opportunities with an emphasis on acquiring interests in late stage exploration projects onshore UK.

During the past year Union Jack has acquired interests in several onshore licences where drilling is planned during late 2013 and 2014.