

Union Jack Oil plc

(AIM: UJO)

Update on Wressle-1 Well Testing - Results of Wingfield Flags Flow Test

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 ("Egdon") has released an RNS regarding the ongoing well test operations at the Wressle-1 oil discovery in licence PEDL180 located to the East of Scunthorpe. Union Jack holds an 8.33 per cent interest in PEDL180.

Egdon's RNS contained the following information:

Test operations have now been completed on the Wingfield Flags reservoir, the second of three potentially hydrocarbon bearing zones identified in the well. Oil production rates equivalent of up to 182 barrels of oil per day ("bopd") of good quality 39-40 API oil were achieved on free flow, along with up to 456 thousand cubic feet of gas per day.

The final zone will now be tested, but it is already intended to undertake a longer term pumped production test to determine how best the field can be developed.

Details of the Testing

Test operations have now been completed on the Wingfield Flags reservoir, the second of three potentially hydrocarbon bearing zones identified in the well. An interval of three metres was perforated (1,937 to 1,940 metres measured depth) and following an initial "clean-up" oil and gas flow, two flow tests were carried out using different choke sizes to attempt to optimise oil flowrates - from what proved to be a high Gas Oil Ratio (GOR) oil during the clean-up period:

- During the initial free flowing test using a 16/64" choke, oil production rates equivalent to 116 barrels of oil per day ("bopd") were achieved during a four hour main flow period along with 341 thousand cubic feet of gas per day. No appreciable volumes of water were observed.*
- During the second free flowing test using a wider 32/64" choke, oil production rates equivalent to 182 barrels of oil per day ("bopd") were achieved during a five hour main flow period along with 456 thousand cubic feet of gas per day. Again no appreciable volumes of water were observed.*
- The oil is of good quality with a gravity of 39-40° API.*

Down-hole pressure data, recorded during the main flow and subsequent shut-in build-up period, will now be analysed to evaluate the nature of the reservoir permeability to determine the increased production rates that could be achieved during pumped production.

The Wingfield Flags interval will now be isolated with a bridge-plug and test operations will continue on the final zone, the Penistone Flags, where hydrocarbons are indicated from log data and gas chromatograph analysis. We will provide further updates as and when results are known from this interval.

Given the encouraging free-flow test results from the Ashover Grit and Wingfield Flags it is intended to undertake a longer term pumped production test subsequent to the completion of current test programme.

Commenting on the Wingfield Flags flow test results, Mark Abbott Managing Director of Egdon Resources said;

"These are very encouraging results, with free-flowing rates of up to 182 bopd from the Wingfield Flags and 80 bopd from the Ashover Grit zone tested last week. We now look forward to flow testing the final interval the Penistone Flags which could add further substantial production potential to that achieved from the Wingfield Flags and the Ashover Grit.

We are progressing with plans for an extended well test to provide an assessment of longer term production performance under pumped conditions, to confirm commerciality and provide the data required in planning for the development of the Wressle oil and gas discovery. As previously stated the low capital and operating cost of UK onshore developments make developments such as Wressle commercially attractive even in today's lower oil price environment. We look forward to updating shareholders further following the Penistone Flags test."

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Notes to Editors:

The Wressle Oil Discovery -The Wressle Prospect was defined on proprietary 3D seismic data, which was acquired by Egdon in February 2012. The structure is located on trend with the producing Crosby Warren oil field and the Broughton-B1 oil discovery, both to the immediate northwest, and the Brigg-1 oil discovery to the immediate southeast. All contain oil in various different sandstone reservoirs within the Upper Carboniferous succession. The pre-drill gross mean Prospective Resources at Wressle, as calculated by Egdon, were estimated to be 2.1 million barrels of oil. This will be updated following the results of the current test operations.

The Wressle-1 well reached a total depth (TD) of 2240 metres measured depth (MD) (1814 metres true vertical depth below OS datum (TVDSS)) on 23 August 2014. Elevated mud gas readings were observed over large parts of the interval from the top of the Penistone Flags reservoir target (1831.5 metres MD) to TD.

The well was logged using measurement whilst drilling (MWD) logging tools run on the drill string. Petrophysical evaluation of the log data has indicated the presence of potential hydrocarbon pay in three main intervals;

- Penistone Flags – up to 19.8 metres measured thickness (15.9 metres vertical thickness)
- Wingfield Flags – up to 5.64 metres measured thickness (5.1 metres vertical thickness)

- Wingfield Flags – up to 6.1 metres measured thickness (5.8 metres vertical thickness)

On 9 February we updated shareholders on the initial successful Ashover Grit Flow Test which recorded 80 barrels of oil per day (“bopd”) and 47 thousand cubic feet of gas per day during a 16 hour main flow period. No appreciable volumes of water were observed. The oil is of good quality with a gravity of 39-40° API.

The interests in the Wressle-1 well are:

Egdon Resources U.K. Limited	25.00% (Operator)
Celtique Energie Petroleum Limited	33.33%
Europa Oil & Gas Limited	33.34%
Union Jack Oil plc	8.33%

Operations at this site will not involve the process of hydraulic ‘fracking’ for shale gas.