

Union Jack Oil plc

(AIM: UJO)

PLANNING PERMISSION GRANTED FOR BISCATHORPE-2 EXPLORATION WELL

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 its application for planning permission for the Biscathorpe-2 Exploration Well in licence PEDL253 located in Lincolnshire. Union Jack has a 20.00 per cent paying interest for a 10.00 per cent economic interest in PEDL253.

Egdon's RNS contained the following information:

Egdon Resources plc (AIM:EDR) is pleased to advise that at today's Planning and Regulation Committee Meeting of Lincolnshire County Council, planning consent was granted for the drilling and any subsequent testing of the Biscathorpe-2 exploration well in Lincolnshire licence PEDL253.

The Biscathorpe Prospect is located on farmland to the west of the hamlet of Biscathorpe, approximately 15 kilometres to the west of the Keddington oil field and approximately 36 kilometres to the south-east of the Wressle-1 discovery currently being tested by Egdon in PEDL180.

The Biscathorpe Prospect is a large anticlinal structure mapped on reprocessed 3D seismic data. Oil was discovered but not tested in a thin Basal Westphalian/Namurian Sandstone unit in the Biscathorpe-1 well drilled by BP in 1987 on the crest of the structure. The sand unit is predicted to thicken away from the crest of the structure and there is also potential for stratigraphic trapping in the west which if present could increase the expected total prospective reserves from an Egdon assessed Best Estimate case of 14 mmbls up to a High case of 41 mmbls. The same sand unit is the producing reservoir in the Egdon operated Keddington oil field.

We will review the planning conditions and advise in due course on the final timing of the well.

For clarity, operations at this site will not – either now or in the future - involve the process of hydraulic 'fracking' for shale gas.

The interests in the Biscathorpe-2 well are:

<i>Egdon Resources U.K. Limited</i>	<i>54% (Operator)</i>
<i>Montrose Industries Limited</i>	<i>36%</i>
<i>Union Jack Oil plc</i>	<i>10%</i>

Under the terms of a farm-in agreement, Egdon will be carried by Union Jack plc for 6% of the Biscathorpe-2 well costs making its paying interest 48%.

Commenting on the planning decision Mark Abbott, Managing Director of Egdon said;

"We are delighted to receive planning consent for the drilling of the Biscathorpe-2 exploration well. The well will expose Egdon to significant resource potential and we will now work through the various planning conditions to be in a position to drill the Biscathorpe-2 well later in 2015. During the current challenging low oil price environment for our industry, the low capital, development and operating costs of onshore UK operations means that prospects like Biscathorpe remain commercially attractive.

We recognise the sensitivity of the area in which we will be operating and will as always endeavour to ensure our operations are undertaken in such a way as to minimise our impact on the environment and without any disruption to our neighbours."

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