

## **Union Jack Oil plc**

(AIM: UJO)

### **UPDATE ON WRESSLE-1 WELL TESTING – RESULTS OF PENISTONE FLAGS FLOW TEST AND FORWARD PROGRAMME**

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 and gas 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 first set of perforations in the Penistone Flags reservoir ("the Penistone"), the last of three hydrocarbon bearing zones identified in the well.*

*The Penistone test produced gas at restricted flowrates of up to 1.7 million cubic feet of gas per day ("mmcf") with associated oil of up to 12 barrels of oil per day ("bopd") and no free water from a 9 metre perforated zone at the top of the formation. Gas flow rates were constrained by the equipment and flaring limits imposed by the environmental permit. The gas and oil are of good quality with the oil having a gravity of 35o API. The downhole pressure data recorded during the testing will now be analysed to estimate the gas flow rates that could be achieved under production, unconstrained by the flare and permit restrictions.*

*A further test will now be undertaken to evaluate the gas-oil and oil-water contacts in the Penistone by perforating the formation deeper in the section. Following this it is intended to isolate the Penistone and Wingfield Flags perforations to enable a longer term pumped production test of the Ashover Grit to be undertaken to further "clean-up" the formation and determine the potential pumped production rate for this formation. All of the data gathered from the test operations will be integrated into a full evaluation of the Wressle discovery to enable an updated resource assessment and to inform the options for field development. We will provide shareholders with updates as work on monetising Wressle progresses.*

*Commenting on the test results and the planned forward programme at Wressle, Mark Abbott Managing Director of Egdon Resources said;*

*"We are very encouraged by the early test results from the Wressle-oil and gas discovery. All three zones tested have produced hydrocarbons to surface, with a restricted flowrate of 1.7 mmcf from the Penistone Flags, free-flowing rates of up to 182 bopd and 0.46 mmcf from the Wingfield Flags and 80 bopd from the Ashover Grit.*

*We now look forward to the results of our work to identify the location of the expected oil leg in the Penistone and to seeing what oil rates can be achieved with pumping of the Ashover Grit. We will now be working hard to integrate these test results into our models of the Wressle discovery to enable us to update our resource assessment and to plan for the development of the field where we will look to maximise value from both the oil and gas. "*

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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)*

*Ashover Grit – 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.*

*On 19 February we updated shareholders on the initial successful Wingfield Flags Flow Test which recorded 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 interests in the Wressle-1 well are:*

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

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