

7 September 2015

**Union Jack Oil plc
(AIM: UJO)**

Wressle-1 Update and Forward Plan

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 encouraging RNS regarding 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:

"Egdon has commenced the planning and permitting work which will support the submission of a Field Development Plan ("FDP") and a planning application for production at Wressle.

Operations on the Penistone Flags oil zone ("Zone 3A") have now been suspended. The planned oil injection test to determine reservoir permeability was not undertaken due to delays from the Environment Agency in clarifying whether the current permit for the site allows for such an operation. In the tests conducted to date, both oil and gas have flowed with no evidence of water. Encouragingly, the well test data together with the log data indicate that the elevation of the oil water contact is deeper than previously considered for the Penistone Flags reservoir. An understanding of the oil water contact will enable a more accurate quantification of the oil and gas resource volumes together with optimisation of future well placement for development of this reservoir. In order to meet these objectives, Egdon now plans to undertake a further test to establish the nature of the fluids in the lowermost part of the Penistone Flags reservoir.

Plans are currently being finalised for a workover of the well in order to remove the existing completion, cement off the existing Zone 3A perforations, open new perforations into the lowermost parts of the Penistone Flags reservoir and drill short horizontal bores into the reservoir section by water jetting ("radial drilling") to be followed by a short flow test to establish the nature of the fluids in this interval.

In relation to the Ashover Grit reservoir, we have been unable to re-establish flow from this interval during EWT operations. The new planned workover will enable the existing completion to be inspected and, if required, a programme of remedial works to be undertaken prior to continuing with the EWT.

Although the Ashover Grit flowed at a rate of 80 barrels of oil per day when tested in February of this year, analysis of the well test data indicates that the flow rates were impaired due to a high "Skin Factor" and therefore were not representative of the flow rates that could be attained from this interval when fully "cleaned up". Egdon is examining options that could be implemented to increase production by reducing the Skin Factor including radial drilling of this interval as part of the planned workover.

Operations are expected to resume by late September or earliest October.

We are also expecting shortly the results of reprocessing of the 3D seismic data over the Wressle structure which will assist in finalising the FDP and identifying any additional prospectivity. Egdon remain committed to seeking early oil production from the Wressle site subject to receipt of the necessary consents."

David Bramhill, Executive Chairman of Union Jack Oil plc commented:

"It is encouraging to note that the operator has, at this early stage of appraisal, commenced the planning and permitting work to support the submission of a Field Development Plan in respect of production at Wressle.

Significant value has already been added by the drill bit where test production of over 700 barrels of oil equivalent per day has already been demonstrated.

This development coupled with the planned step-out well at the producing Keddington oilfield, of which Union Jack hold a 10 per cent interest subject to approval from the Oil and Gas Authority, which will be financed from existing cash resources, our planned strategy to transition from a pure explorer to producer is firmly on track.”

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