

## Union Jack Oil plc

(AIM: UJO)

### Acquisition of Interest in PEDL209 and Laughton Prospect

Union Jack Oil plc (“**Union Jack**” or the “**Company**”), an onshore oil and gas production and exploration company with a focus on production, drilling, development and investment opportunities in the United Kingdom hydrocarbon sector is pleased to announce that it has entered into an agreement with Egdon Resources plc (“**Egdon**” or the “**Operator**”), to farm-in to the conventional prospects only of PEDL209 containing the Laughton Prospect (the “**Agreement**”).

PEDL209 is located along the eastern side of the Gainsborough Trough, a proven hydrocarbon province within the East Midlands.

Under the terms of the Agreement, Union Jack will pay 16.67% of the cost of the Laughton-1 well, scheduled to be drilled during February 2016, to earn a 10% economic interest the conventional resources in PEDL209.

Union Jack’s contribution towards the cost of the Laughton-1 well will be financed from the Company’s existing cash resources.

This transaction remains subject to approval from the Oil and Gas Authority.

Following approval of the transaction the interested parties in the Laughton-1 well will be as follows:

Egdon Resources U.K. Limited	50%
Blackland Park Exploration Limited	28%
Stelinmatvic Industries Limited	12%
Union Jack	10%

#### *Laughton Prospect*

The Laughton Prospect is a fault and dip closed structure mapped on a 2D seismic grid. The carboniferous Westphalian and Namurian contains numerous sandstones which are proven reservoirs in the oilfields within the Gainsborough Trough.

Numerous potential multiple stacked reservoirs will be targeted by the Laughton-1 conventional exploration well, which according to the resource estimates provided by the Operator could contain mean recoverable resources of 1.3 million barrels of oil.

In addition to the Laughton Prospect, PEDL209 also has two further leads all of which are similar dip and fault closed structures.

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

“We are pleased to be able to participate in the drilling of the Laughton-1 well which has the potential for discoveries in several stacked reservoirs.

The Company has started 2016 with an active programme including the drilling of the Keddington-5 development well, currently drilling ahead, the soon to be spudded Laughton-1 well and the

compilation of a Field Development Plan in respect of bringing the Wressle discovery, of which Union Jack holds an 8.33% interest into production later in the year.

These activities are all being funded from existing cash resources.”

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In accordance with the AIM Rules – Note for Mining and Oil and Gas Companies, the information contained within this announcement has been reviewed and signed off by Graham Bull, Non-Executive Director, who has over 45 years of international oil and gas industry exploration experience.