

Union Jack Oil plc
(AIM: UJO)

Commencement of Drilling Operations at Laughton-1 Well PEDL209

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 the commencement of drilling operations at the conventional Laughton-1 well, situated within PEDL209, located along the eastern side of the Gainsborough Trough, a proven hydrocarbon province within the East Midlands.

As announced in January 2016, Union Jack agreed to acquire a 10% interest in the conventional interests only, within PEDL209 from Egdon Resources plc (“**Egdon**”) in return for paying 16.67% of the cost of the Laughton-1 well.

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

The Laughton-1 well was spudded 12 February. The well will target a structural trap at a depth of over 1,500 metres below ground level defined on reprocessed two-dimensional seismic data.

The Laughton Prospect has multiple conventional Carboniferous sandstone reservoir targets with the primary objective being the Silkstone Rock, an approximately 15 metre thick sandstone interval which is productive in the analogous Corringham Oilfield located five kilometres to the south east.

Two other potential reservoirs, the Kilburn Sandstone and the Wingfield Flags, will also be targeted by the well.

The consolidated mean Prospective Resource volume for the three targets, as calculated by Egdon is estimated to be 1.3 million barrels of oil.

For clarity, the operations at the Laughton wellsite will not, either now or in the future, involve the process of High Volume Hydraulic Fracturing for shale gas.

The interests in the Laughton Prospect and two other conventional prospects in PEDL209 following the recent approval by the Oil and Gas Authority of the transaction between Egdon and Union Jack are as follows:

Egdon Resources U.K. Limited (operator)	50%
Blackland Park Exploration Limited	28%
Stelinmatvic Industries Limited	12%
Union Jack Oil plc	10%

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

“We are pleased to be part of the team participating in the Laughton-1 well which has potential for discoveries in several stacked reservoirs, similar to the Wressle-1 discovery in which Union Jack holds an 8.33% interest.

Even in this period of low oil and gas prices our strategy of focusing within the UK onshore sector remains sound and our current portfolio of interests continue to be commercially appealing.”

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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.