

## UNION JACK OIL PLC

(AIM: UJO)

### Acquisition of Interest in PEDL182 incorporating the Broughton North Prospect

Union Jack Oil plc (“**Union Jack**” or the “**Company**”), an onshore oil and gas exploration and production company with a focus on exploration, production, development and investment opportunities in the United Kingdom hydrocarbon sector, is pleased to announce it has reached agreement with Egdon Resources plc (“**Egdon**” or the “**Operator**”) to acquire an 8.33% economic interest in PEDL182, located in Lincolnshire on the western margin on the Humber Basin containing the Broughton North Prospect.

#### Highlights

- The acquisition affiliates two prospective licence areas, already demonstrated by the Wressle-1 oil and gas discovery
- Broughton North Prospect mapped on high quality 3D seismic data
- The Wressle-1 oil and gas discovery has significantly reduced the geological risk over licences PEDL180 and PEDL182
- The Wressle Field is deemed by the Operator to extend into the adjacent licence PEDL182
- Under an earlier agreement Union Jack is entitled to an 8.33% interest in the Wressle part of PEDL182 at no cost
- The Broughton North well, when drilled will be funded by Union Jack’s share of production from the Wressle Field

Under the terms of the agreement Union Jack will pay to Egdon 12.495% of the cost of any planned Broughton North well and associated agreed back costs of £64,000.

The back costs relate primarily to the acquisition of high quality 3D seismic acquired during 2012 over the Broughton North Prospect and other areas within PEDL182. This exercise has provided detailed structural data and enabled a bottom-hole target location in respect of the Broughton North Prospect.

Union Jack’s share of funding of the Broughton North well will be paid for by hydrocarbon sales from the Wressle-1 commercial production, which is expected to commence during Q4 2016.

The discovery at Wressle has significantly reduced the geological risk over PEDL182 and additionally, in respect of Union Jack this transaction will benefit the Company going forward in any “add on” development decisions which may follow once the planned production from the Ashover Grit formation commences at Wressle where Union Jack has an 8.33% interest.

In May 2013, Union Jack farmed in to the Wressle-1 exploration well and earned an 8.33% interest in PEDL180. Under the agreement, Union Jack also earned an 8.33% interest in any part of the Wressle-1 discovery which is determined to extend into the adjoining licence PEDL182.

The Wressle-1 discovery is mapped as extending into PEDL182 and Union Jack is entitled at no cost to an 8.33% interest in the Wressle portion of PEDL182.

The assignment of the interest in PEDL182 to Union Jack is subject to approval from the Oil and Gas Authority. Upon completion, the interests held in both PEDL180 and PEDL182 will be aligned and will be:

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

**David Bramhill, Executive Chairman of Union Jack, commented:** “This acquisition affiliates two prospective licence areas, already demonstrated by the Wressle-1 oil and gas discovery.

In addition to Wressle, which is anticipated to produce first oil during Q4 2016, Union Jack has also acquired a portfolio of high calibre licence interests containing several drill-ready prospects including Biscathorpe, North Kelsey, Keddington, Holmwood, Louth, North Somercotes and Broughton North.

The Company holds cash in excess of £2.3 million and remains debt free.”

For further information, please contact:

**Union Jack Oil plc** +44 (0) 77871 60682  
David Bramhill

**Shore Capital** +44 (0) 20 7408 4090  
*Nominated Adviser*  
Edward Mansfield  
Anita Ghanekar

*Corporate Broking*  
Jerry Keen

**SP Angel** +44 (0) 20 3470 0470  
*Joint Broker*  
Richard Hail

**Yellow Jersey PR Limited** +44 (0) 7768 537 739  
*Public Relations* +44 (0) 7584 085 670  
Dominic Barretto  
Aiden Stanley

In accordance with the AIM Rules – Note for Mining and Oil and Gas Companies, the information contained within the announcement has been reviewed and signed off by Graham Bull, Non-Executive Director, who has over 46 years of international oil and gas industry exploration experience.