



UNION JACK OIL



**Production, Development,
Exploration Drilling and Investment in
the UK Onshore Hydrocarbon Sector**

UNION JACK OIL plc

AIM: UJO

Corporate Presentation

September 2016



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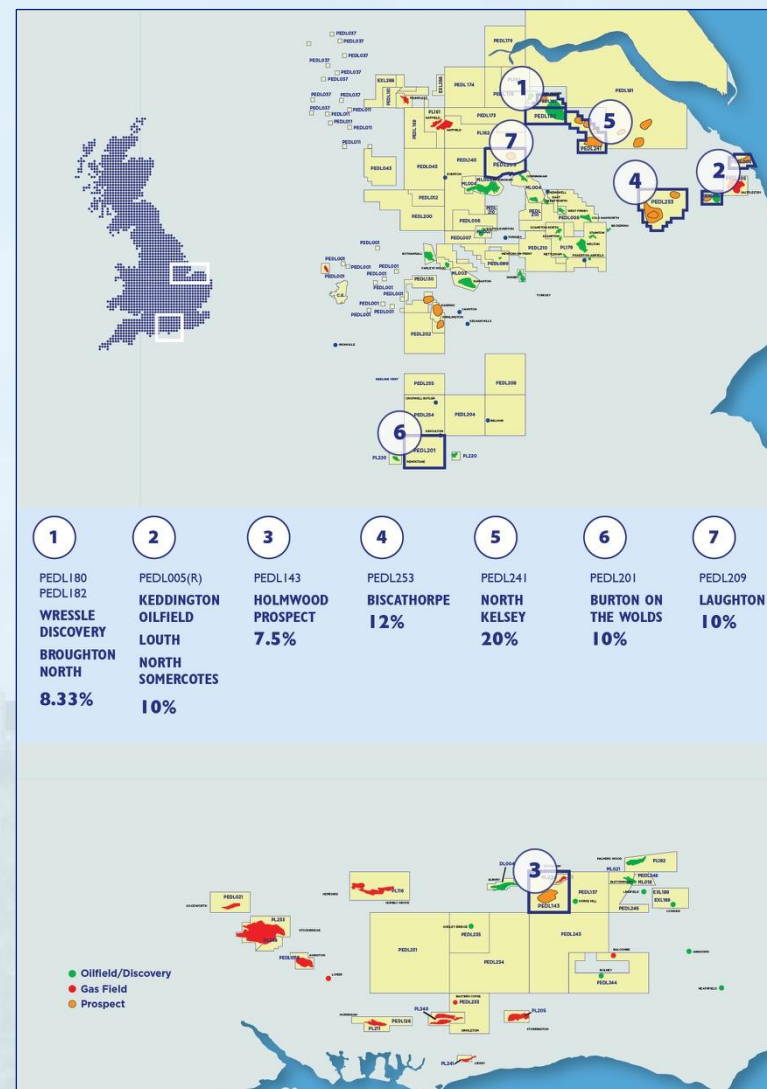
Strategy – focused on value creation



- **Strategic Objective: create shareholder value by building a successful UK onshore E&P company and growing risked asset value per share**
 - The Board believe the full-cycle costs associated with UK onshore E&P activity remain attractive
- **Focused on conventional low-cost onshore production, development, and exploration drilling: avoided early-stage and frontier exploration as high risk**
 - Conventional onshore projects are manageable and typically use straight forward development techniques
- **Assembled a portfolio of drill-ready exploration and appraisal targets**
 - Shortens lead times between acquisition and either exploration drilling or initial production from discoveries
- **Expand drill-ready portfolio selectively: open to production opportunities**
 - Asset farm-in, corporate activity and licence rounds: also targeting attractive low-cost producing assets
- **Apply strict financial and technical discipline to our activities**
 - Pride ourselves on having low general and administrative costs for the foreseeable future and remaining debt free

Conventional low-cost onshore production, development and exploration drilling

- Experienced corporate and technical team
- Listed on AIM: UJO
- Assembled a balanced portfolio of seven licence interests all based onshore UK
 - Wressle-1 discovery (PEDL180/PEDL182) with combined ~710 boepd on test
 - Progressing Field Development - for oil production at Wressle late Q4 2016
 - Acquired interest in (PEDL182) containing Broughton North prospect
 - Acquired interest in the producing Keddington oilfield (PEDL005R)
 - Contains the drill-ready and significant Louth and North Somercotes prospects (PEDL005R)
 - Acquired interest in (PEDL143) containing drill-ready Holmwood prospect
 - Drill-ready Biscathorpe prospect (PEDL253) where oil bearing sandstone has previously been discovered
 - Drill-ready North Kelsey prospect (PEDL241)
 - Significant shale potential in PEDL201
- Cash in excess of £2.0 million as at 1 September 2016
- Strategy is asset value accretive: portfolio risked NPV of £20.2 million or 0.77p per share (7.69p unrisksed)*



*Source: SP Angel Research (Date: 26 February 2016 – available on Company website)

Experienced corporate and technical team



David Bramhill, *Executive Chairman*

David has over forty years of experience in the natural resources industry. He has consulted for several companies including; Shell, Petrofina, British Petroleum, Premier Oil and Saxon Oil via Rotork plc. He has directed and managed several energy companies including Nighthawk Energy, Wessex Exploration and OilQuest Resources, an onshore UK exploration company that merged with EnCore Oil in 2006 and was subsequently acquired by Premier Oil plc in 2012.

Joseph O'Farrell, *Executive Director*

Joseph has over thirty years of corporate experience in the hydrocarbon industry. He has managed several energy companies and is a former director of OilQuest Resources. He has assisted numerous companies, working in conjunction with corporate advisers in Pre-IPO fund raising and project acquisition.

Graham Bull, *Non-Executive Director and Technical Adviser*

Graham is a geologist with 46 years of international oil and gas industry exploration experience. Following graduation from the University of Leicester in 1968 with a BSc Hons Geology he worked in Canada and held positions with Chevron, Dome Petroleum, Siebens Oil and Gas and Poco Petroleum and also provided exploration expertise to a Canadian drilling fund. He returned to the UK in 1982 taking the position as Chief Geologist to Sovereign Oil and Gas plc. In addition, Mr Bull has operated as a geological adviser for EnCore Oil plc (formerly OilQuest Resources plc), Premier Oil plc, Cirque Energy and DSM Energy. He is currently an exploration geological consultant working on Northwest Europe offshore and onshore United Kingdom and other international areas. Mr Bull is a member of the Petroleum Exploration Society of Great Britain, the American Association of Petroleum Geologists and a Fellow of the Geological Society of London.

Raymond Godson, *Non-Executive Director*

Raymond is a Chartered Accountant with forty years of experience in the hydrocarbon sector. He is a former director of RTZ Oil & Gas, subsequently acquired by Elf in 1988 and has held positions with numerous energy related companies including, Ophir Energy, Fusion Oil & Gas, Aurelian and Teredo Petroleum.

Assembled a balanced portfolio of eight licence interests

– significant value creation and upside potential

Currency	NPV †			
	mm*		per share**	
	Unrisked	Risked	Unrisked	Risked
US Dollar	282.2	26.2	0.10	0.01
British Pounds*	217.1	20.2	7.69	0.77

* Updated FX: \$/£ = 1.30 and 2.887mm shares in issue

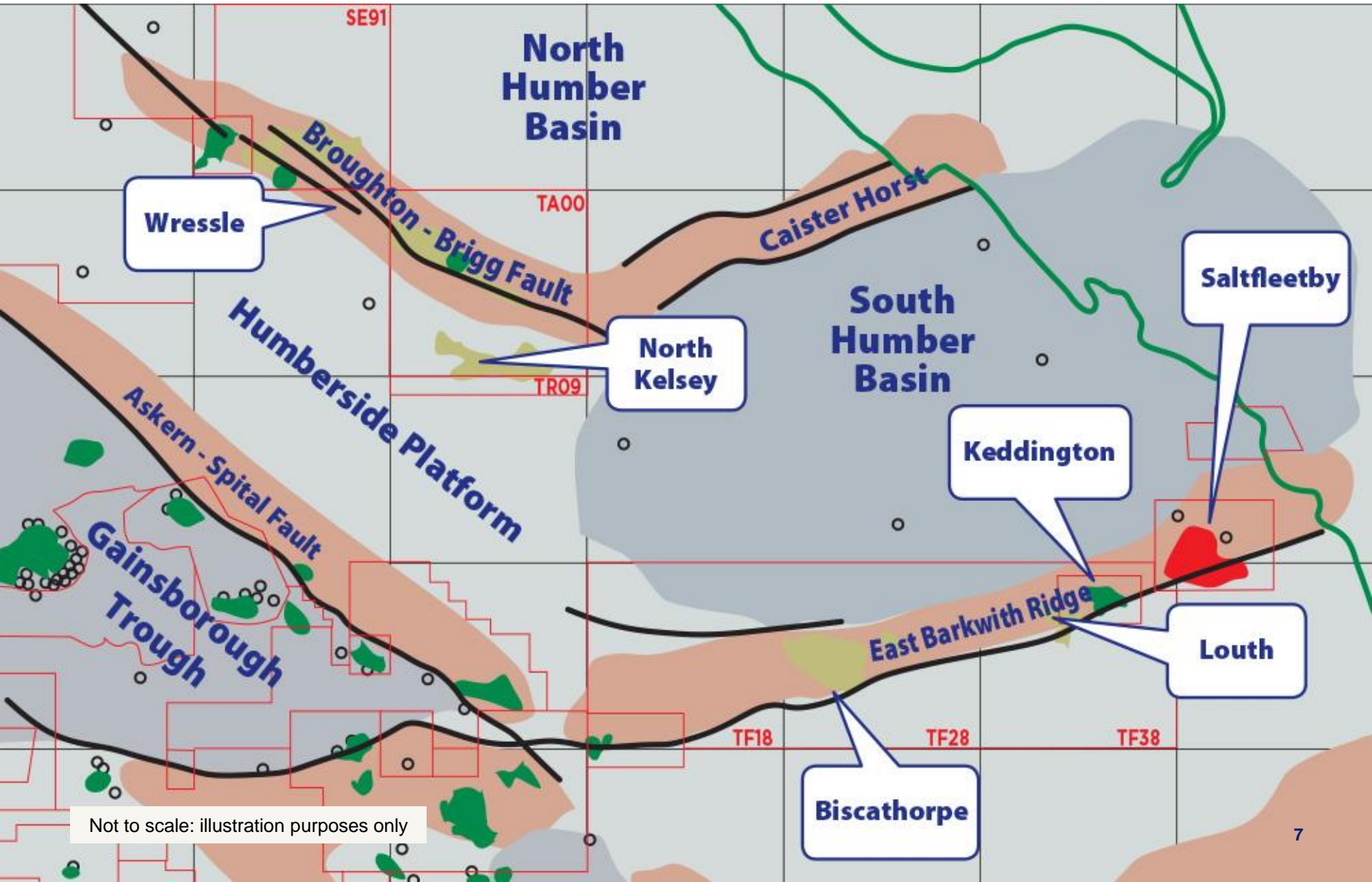
** pence per share for British pounds per share data

- Significant shareholder value created – risked NPV of £20.2 million††
- Cash in excess of £2.0 million as at 1 September 2016: fully funded drilling and testing programme and news flow
 - Progressing Field Development for oil production at Wressle late 2016
 - Three exploration wells Biscathorpe-2, North Kelsey-1 and Holmwood planned to be drilled during 2017

† Source: SP Angel Research (Date: 26 February 2016 – available on Company website)

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East Midlands Province: structural elements



PEDL180/PEDL182 Wressle oil discovery (8.33%)

– progressing Field Development Plan for oil production late 2016



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Wressle discovery (8.33%) – progressing Field Development Plan for oil production late 2016

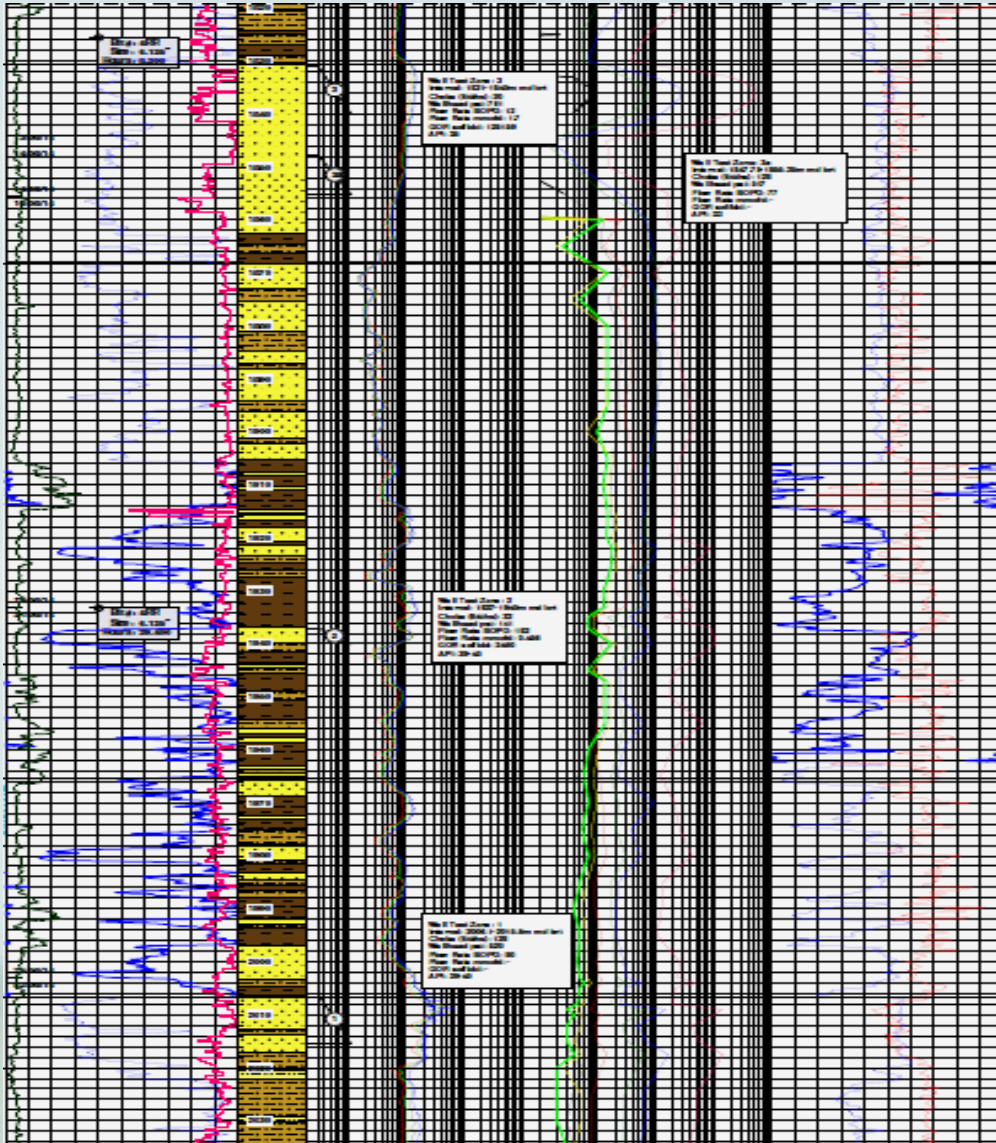
- PEDL180/PEDL182 licences are in Lincolnshire in the established East Midlands producing province
 - On trend with nearby discoveries at Crosby Warren, Brigg and Broughton
- Licences contain the Wressle-1 discovery that produced at an aggregate of ~710 boepd from all zones tested
 - Pre-drill mean prospective unrisks resources estimated at 2.13 MMbbl oil gross* (0.18 MMbbl net to UJO) under review following discovery well and Competent Persons Report nearing completion
- Commenced planning and permitting work in support of a Field Development Plan for oil production at Wressle
 - Fast track oil production at Wressle late 2016
 - 3D seismic data over the Wressle structure reprocessed in support of the Field Development Plan and to identify further prospectivity
- Significant value created by the drill bit at Wressle-1 discovery well
- Wressle structure extends into PEDL182

PEDL182 Broughton North Prospect (8.33%) - Broughton North Prospect mapped on high quality 3D seismic data



- 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 PEDL182
- Under an earlier agreement Union Jack has already earned 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

Wressle- 1 composite log



Penistone Flags

15.9 metre pay
DST 89 bopd, 35 API and 1.7 mmcf/d
EWT 180 bopd

Wingfield Flags

5.1 metre pay
DST 182 bopd, 39 API and 0.46 mmcf/d

Ashover Grit

6.1 metre pay
DST 80 bopd, 39 API and 0.47 mcfd

Wressle well site testing operations



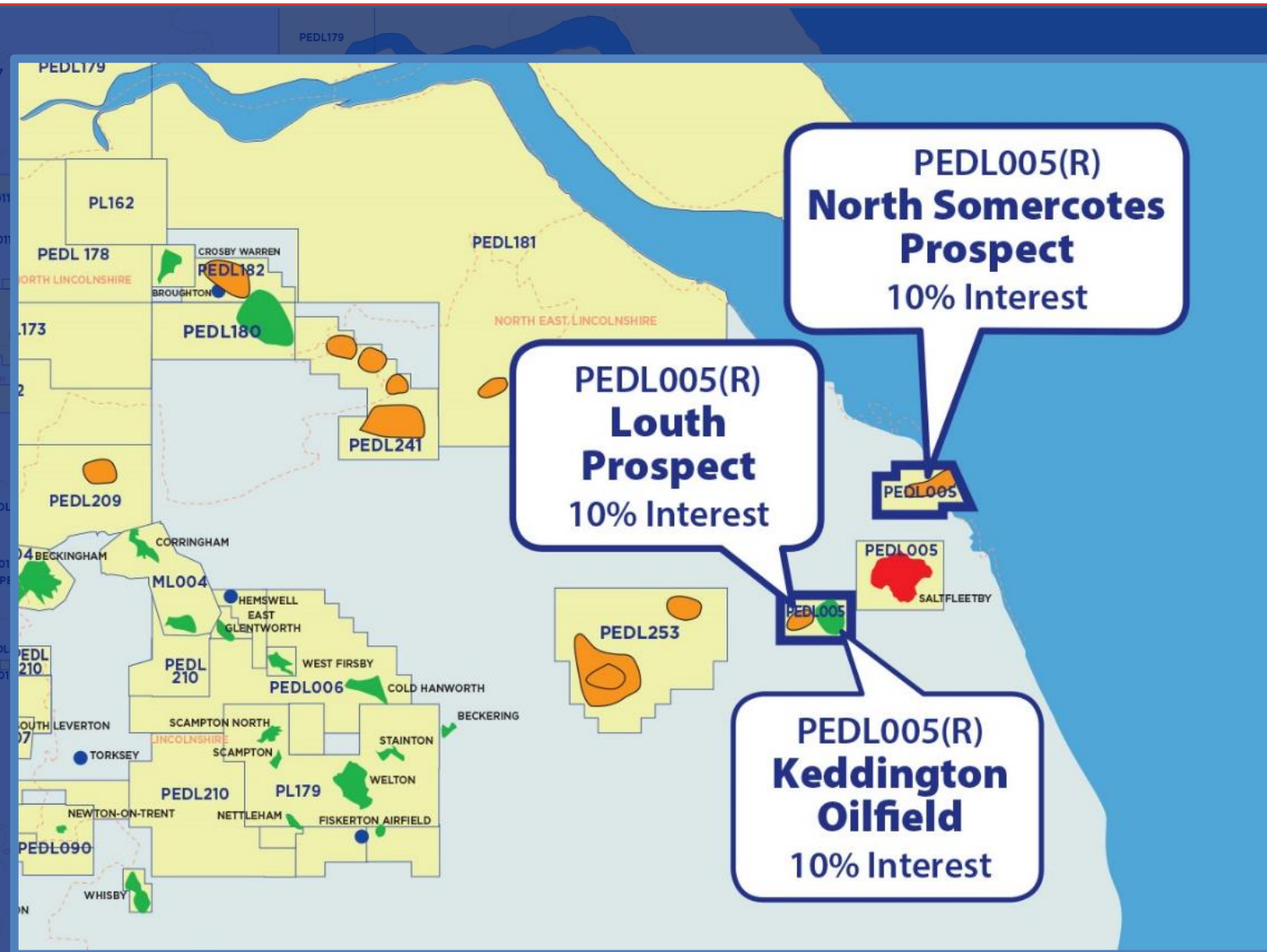
Testing at Wressle-1 discovery



Flaring at Wressle-1 discovery



PEDL005(R) Keddington oilfield (10%) – producing asset



PEDL005(R) Keddington oilfield (10%)



- Union Jack's first production interest acquired in September 2015
 - Acquired a 10% interest in Keddington, associated infrastructure and production facilities
- Will look to maximise the value of the “Greater Keddington” area
 - Licence has significant potential with two additional drill-ready prospects identified
- Louth Prospect: oil prospect is defined on reprocessed 3D seismic data
 - Estimated to contain OIIP of 5.5 MMbbl and mean prospective resources of 1.4 MMbbs (gross)* with an attractive COS_{geo} of 37%†
- North Somercotes Prospect: gas prospect located north of the Saltfleetby gasfield
 - Estimated to contain Mean Prospective Resources of 11.0 Bcf (gross)** and a COS_{geo} of 25%††
- Under the terms of the farm-in agreement, UJO will pay
 - 20% of the cost of the Keddington-5 well drilled in January 2016
 - 20% of the costs of the Louth-1 exploration well planned for 2017

* Source: Egdon Resources plc
† Source: Egdon Resources plc

** Source: Egdon Resources plc
†† Source: Egdon Resources plc

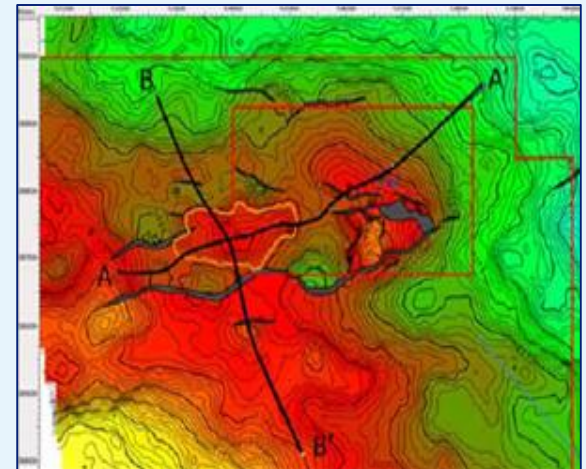
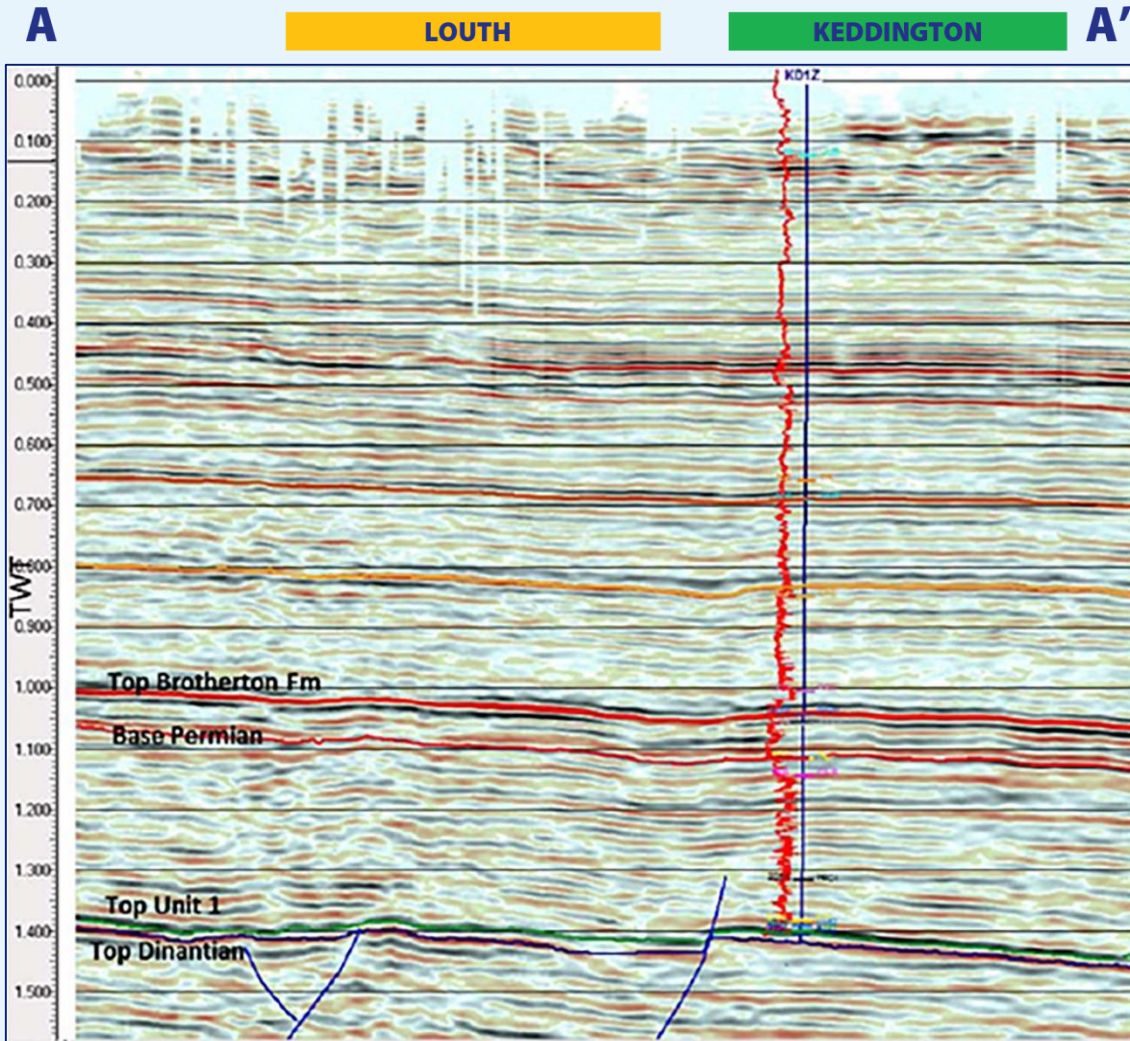
Keddington production facilities



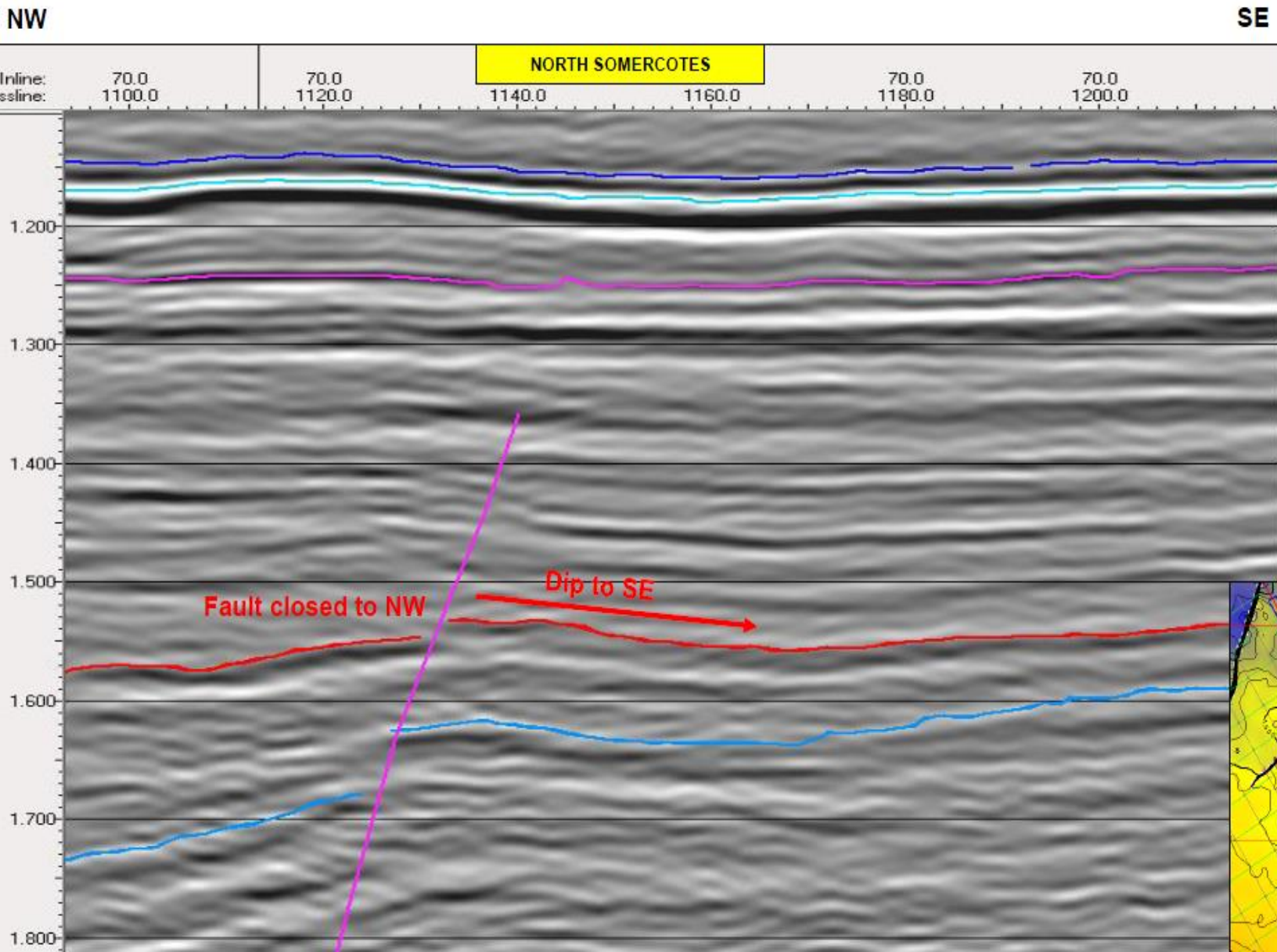
Keddington-5 drilling operations



Louth Prospect (10%)

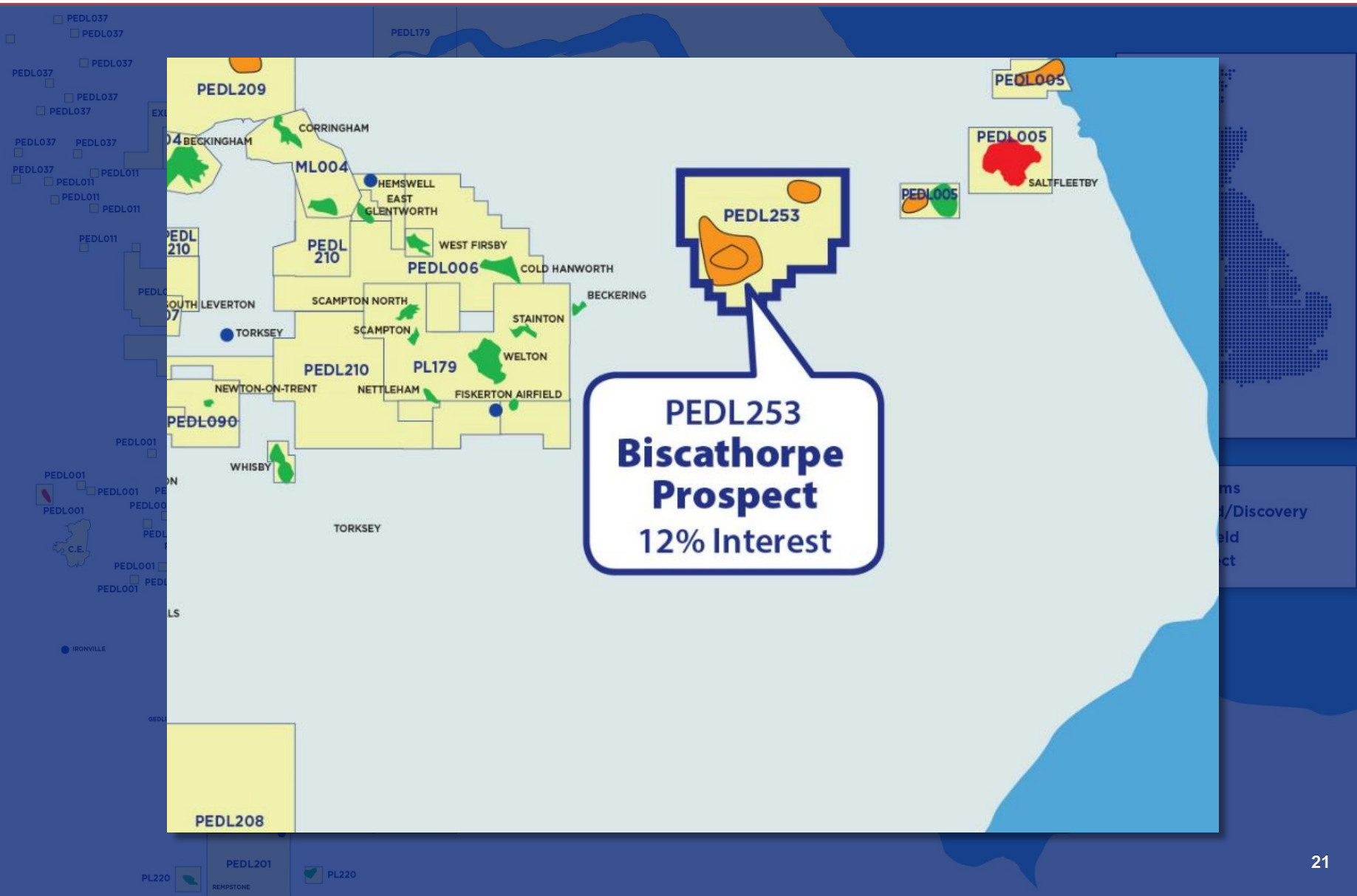


North Somercotes Prospect (10%)



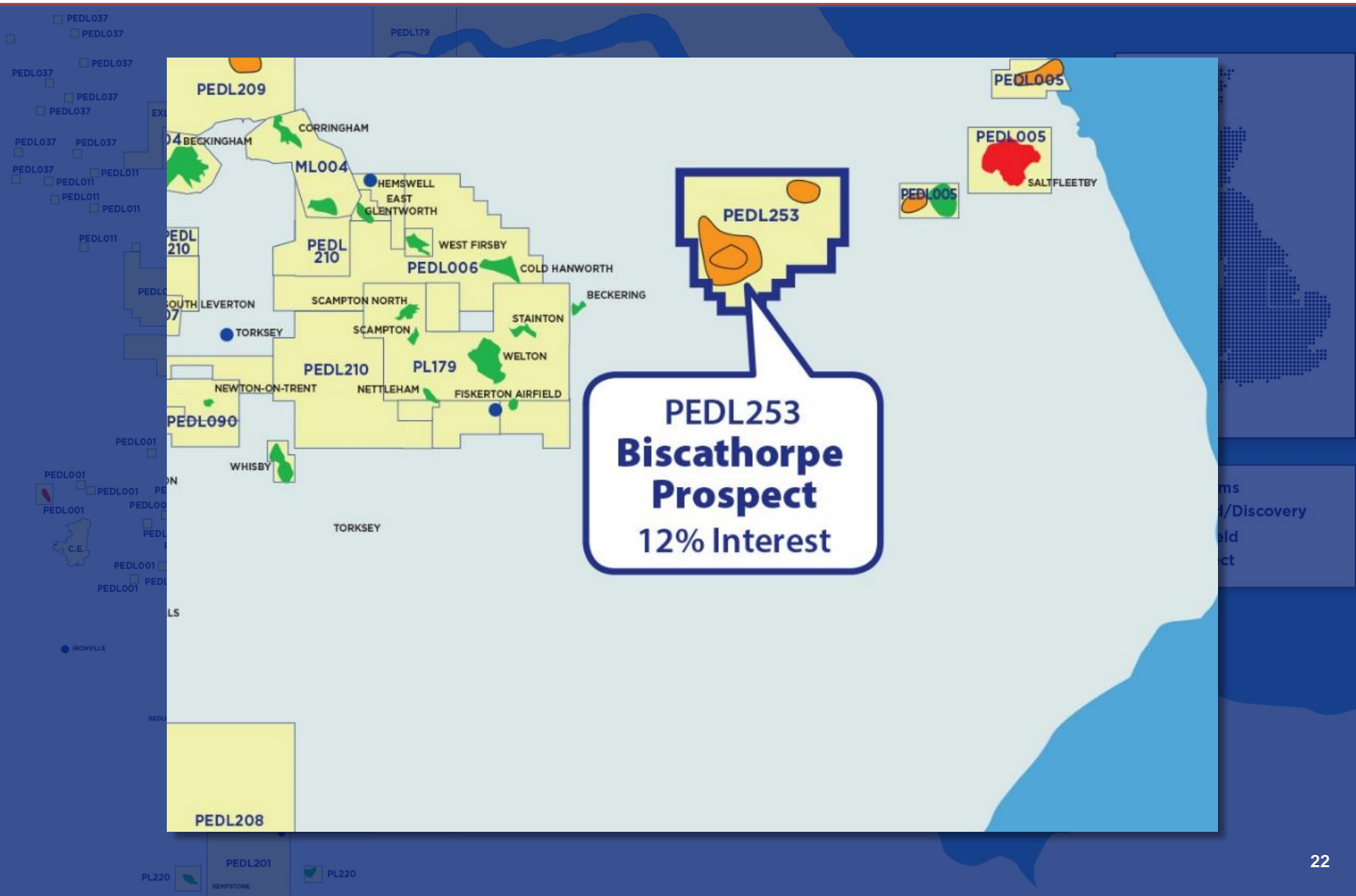
PEDL253 Biscathorpe Prospect (12%)

– large drill-ready prospect with planning consent



PEDL253 Biscathorpe Prospect (12%)

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Biscathorpe Prospect (12%)

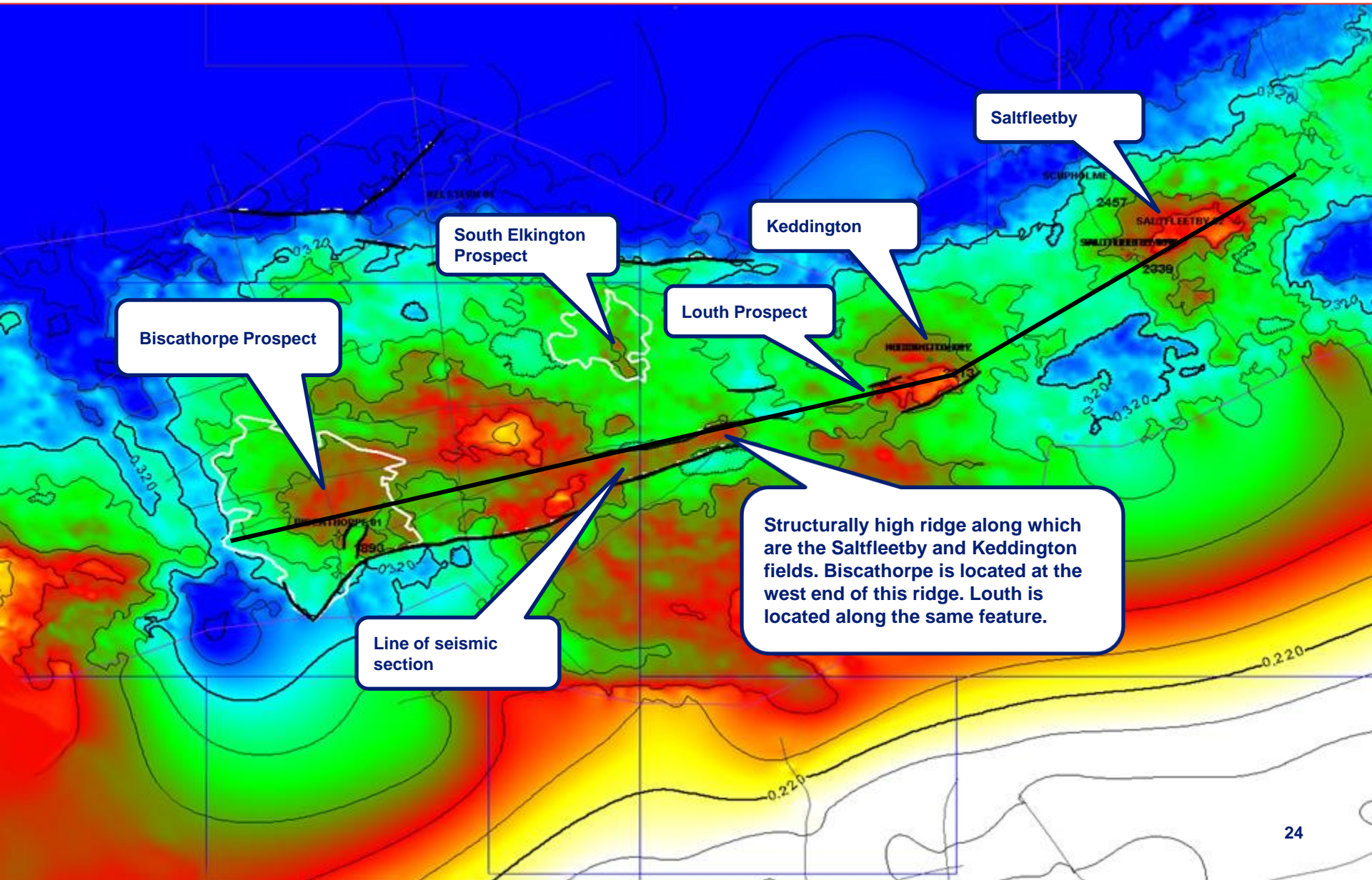
– large drill-ready prospect with planning consent

- PEDL253 is within the proven hydrocarbon fairway of the South Humber Basin
 - On trend with the Saltfleetby Gasfield, Keddington Oil Field and the Louth and North Somercotes prospects
- The Biscathorpe-1 well drilled by BP in 1987 encountered a thin oil filled sandstone which is expected to thicken down-dip
- Biscathorpe Prospect is a well defined four way dip closed structure mapped from recently reprocessed 3D seismic
 - Biscathorpe-2 well will be located in a direction towards a potentially thicker sand development within the structural closure of the trap
 - Subsurface target location defined and planning consent granted for the drilling and any subsequent testing
- Mean prospective resources estimated at 11.73 MMbbl oil (gross)* with COS_{geo} 40%†
 - 1.4 MMbbl net to UJO with additional exploration upside potential in the licence
- Biscathorpe-2 vertical appraisal well expected to be drilled during 2017
- Under the farm-in, UJO will pay a total of 24% of the cost of the well
- Licence extension of one year granted to 30 June 2017

* Source: Egdon Resources plc

† Source: Egdon Resources plc

Biscathorpe Prospect



Biscathorpe Prospect

South Elkington Prospect

Louth Prospect

Keddington

Saltfleetby

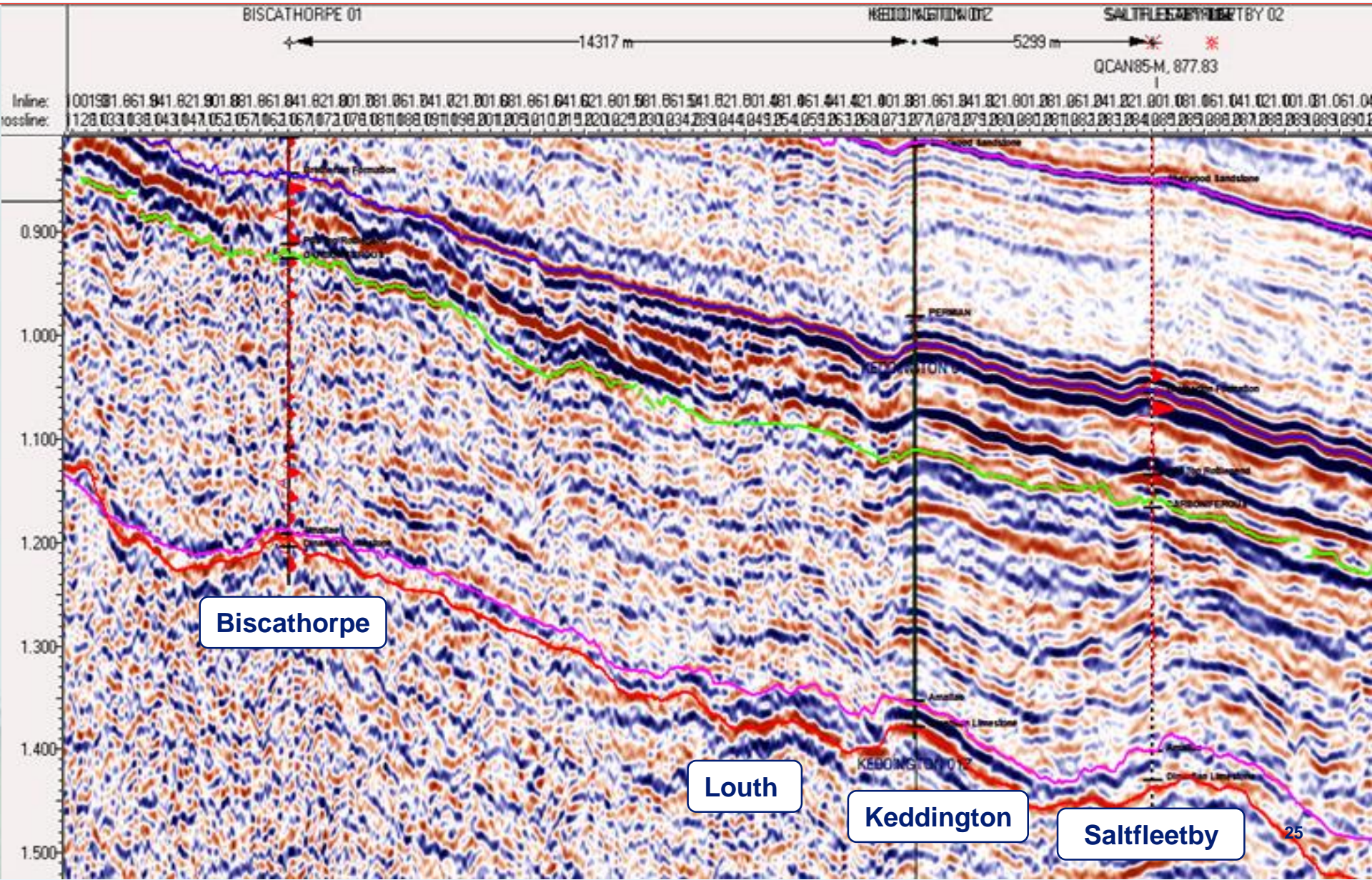
Line of seismic section

Structurally high ridge along which are the Saltfleetby and Keddington fields. Biscathorpe is located at the west end of this ridge. Louth is located along the same feature.

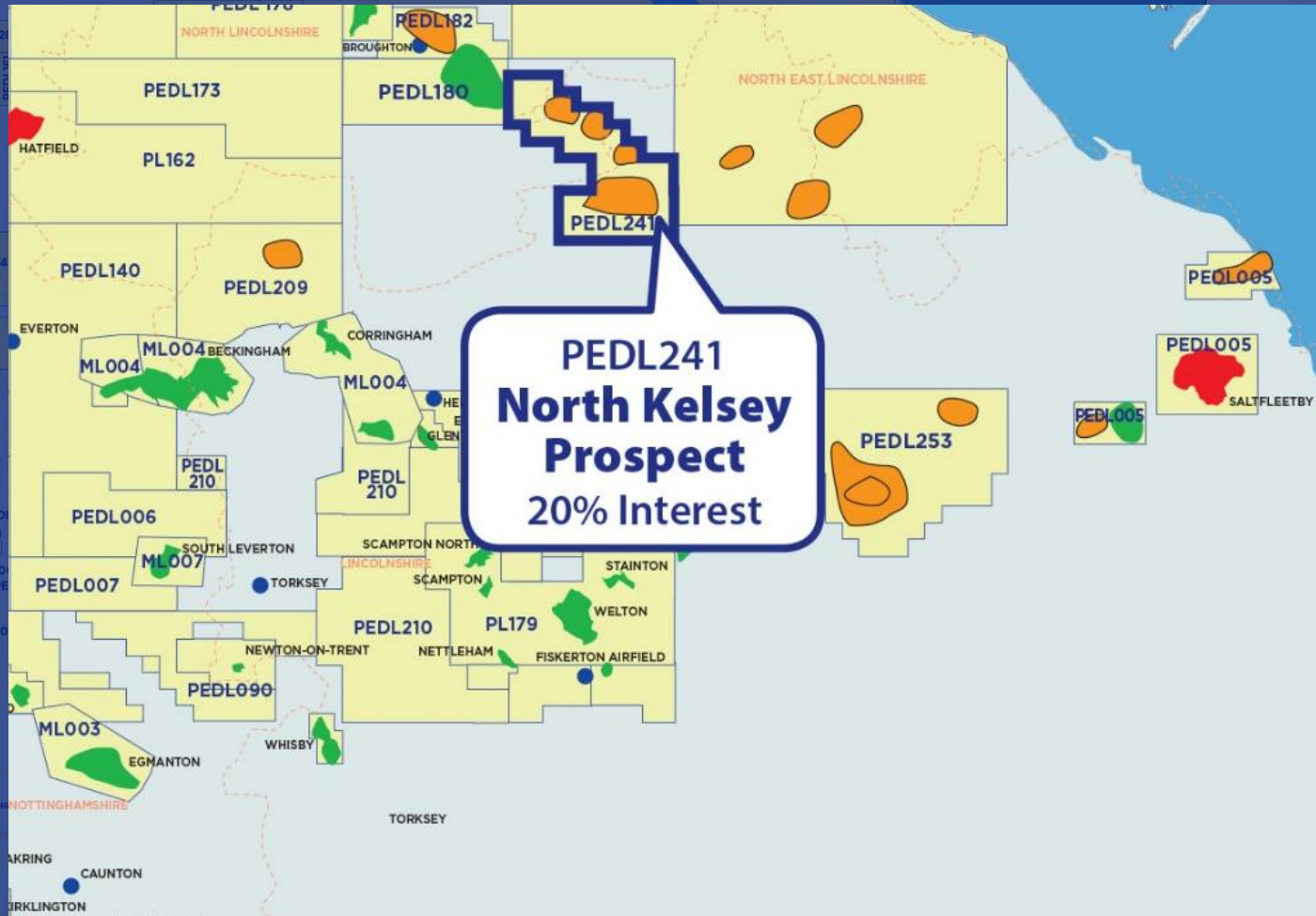
Biscathorpe Prospect seismic line



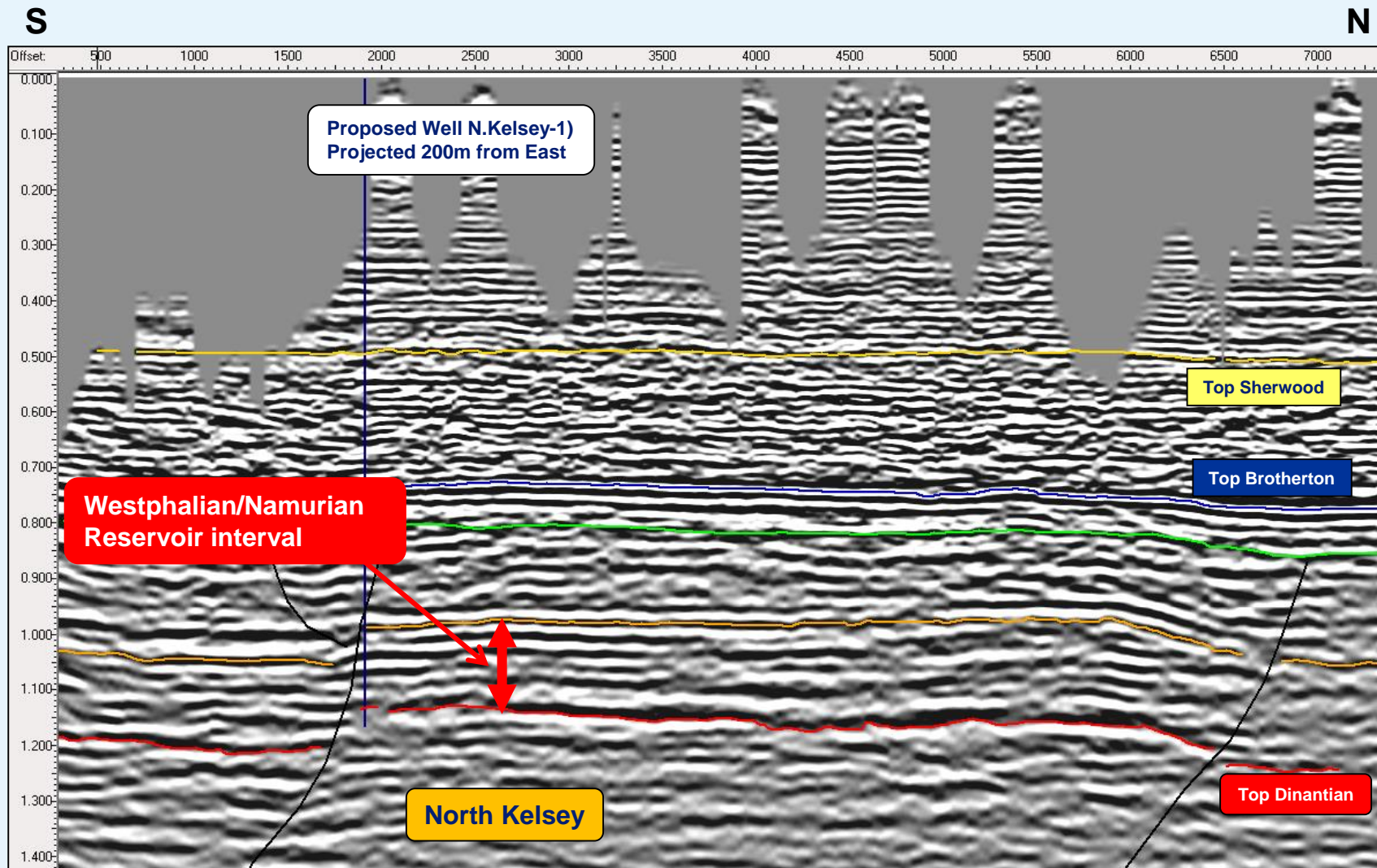
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PEDL241 North Kelsey Prospect (20%) – drill-ready prospect with planning consent



North Kelsey Prospect



North Kelsey Prospect (20%)

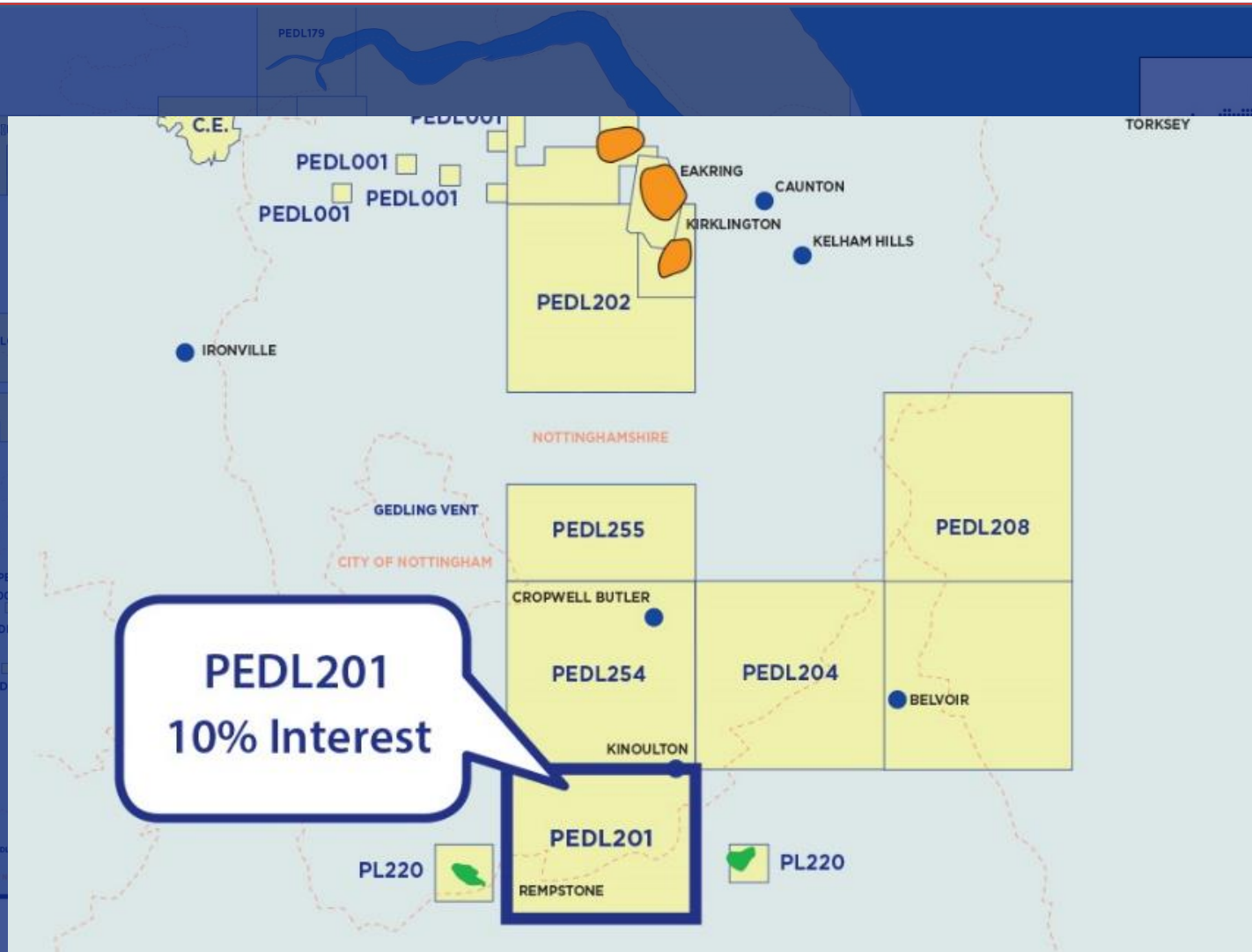
– drill-ready prospect with planning consent

- PEDL241 is within the proven hydrocarbon fairway of the Humber Platform
- Prospect is based on offset well data and structure is a well-defined tilted fault-block mapped from 3D seismic
 - Potential for multiple reservoir targets as up to four separate stacked reservoir sequences
- Subsurface target location has been defined and surface drilling site has been identified
- Planning consent granted December 2014
- Mean prospective resources estimated at 6.7 MMbbl oil (gross)* with $\text{COS}_{\text{geo}} 25\%^\dagger$
 - 1.34 million barrels net to UJO
- Drilling of North Kelsey-1 is expected during 2017
- Under the terms of the farm-in agreement, UJO will pay a total of 30% of the cost of the exploration well
- Licence extension of one year granted to 30 June 2017

* Source: Egdon Resources plc

† Source: Egdon Resources plc

PEDL201 Burton on the Wolds (10%) – significant unconventional prospectivity



PEDL201
10% Interest

PEDL201
10% Interest

PEDL201
REMPSTONE

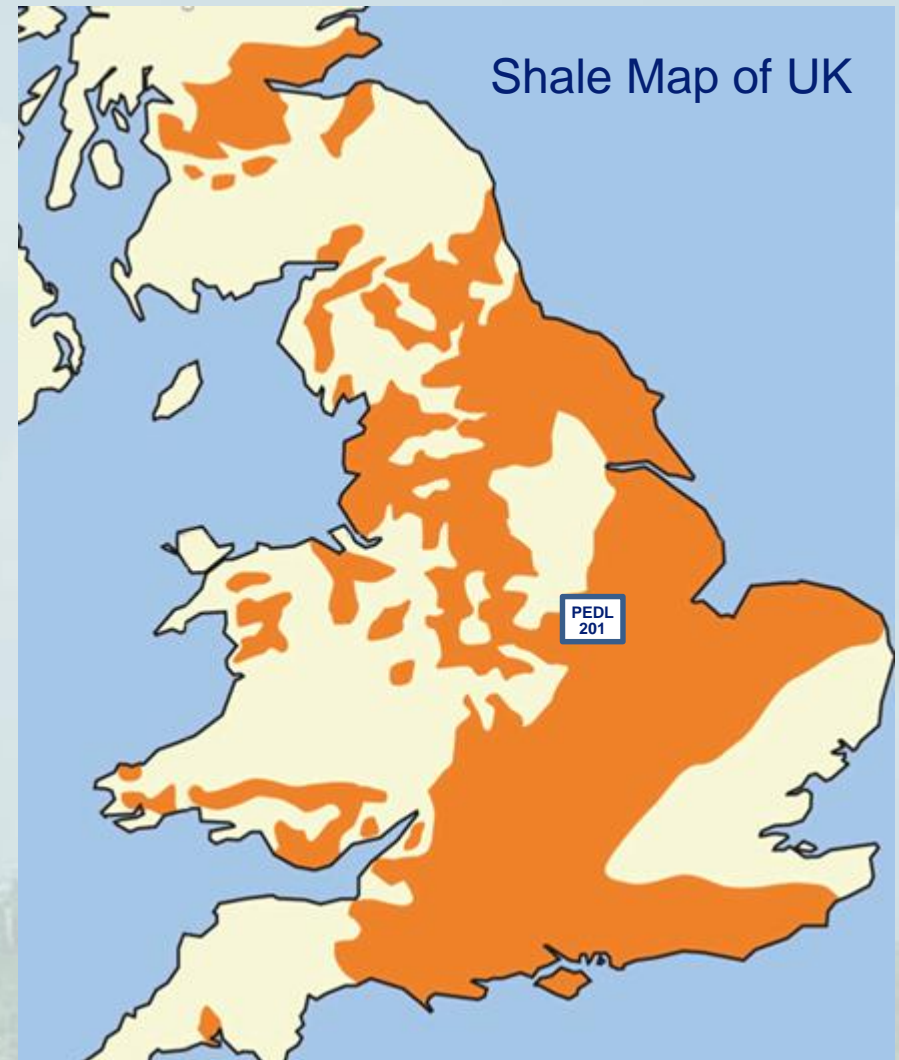
Burton on the Wolds (10%)

– significant unconventional prospectivity



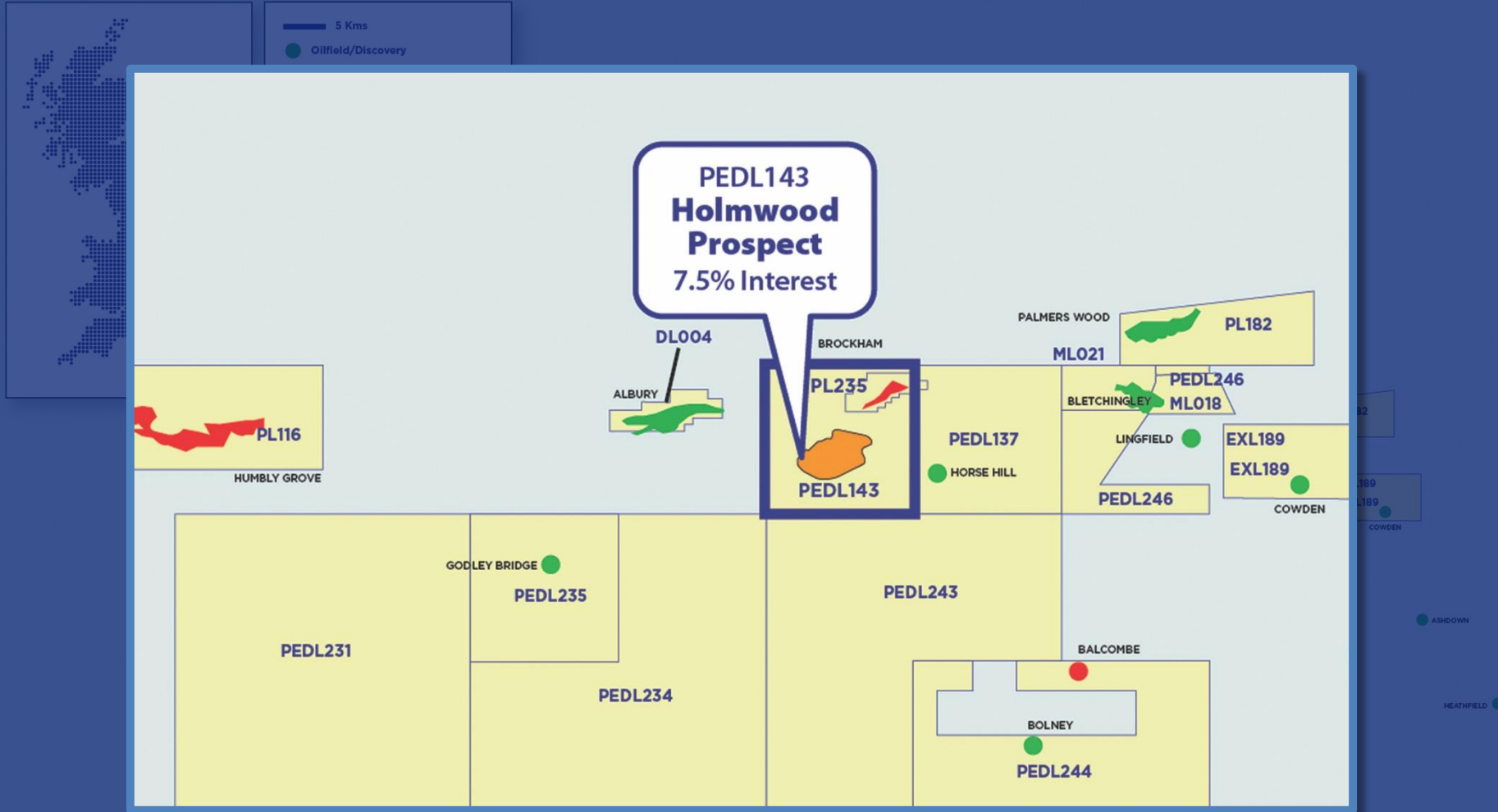
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- PEDL201 is in the onshore UK East Midlands Petroleum Province
 - Situated on the southern margin of the Widmerpool Gulf
- Molten Limited completed a report reviewing the shale resource potential of PEDL201
 - Mean deterministic un-risked in-place volumes within that shale area of approximately 5.4 Bbbl oil and over 2.7 Tcf gas (gross)
 - Mean un-risked in-place volumes of 540 MMbbl OIIP and 270 Bcf GIIP (net to UJO)
- Internationally, horizontal drilling and hydraulic fracturing technologies have permitted extensive shale developments, most notably in the United States
 - Developments such as the Bakken oil play in the US have been producing for over 19 years
 - Shale oil recovery factors in the US have ranged from approximately 1% to nearly 10%.
- Potential in-place volumes could represent significant economic value
 - Even if recovery factors at the low end of those in the US can be achieved in the UK



PEDL143 Holmwood Prospect (7.5%)

– Acquisition brings the first Weald Basin licence interest to Union Jack’s UK onshore portfolio



PL241 LISSEY

PEDL143 Holmwood Prospect (7.5%)

– Acquisition brings the first Weald Basin licence interest to Union Jack's UK onshore portfolio



- Holmwood -1 is a high impact exploration well with planning consent and is expected to be drilled during H1 2017
- The Operator estimates the unrisks gross mean prospective resources to be 5.6 million barrels with a geological chance of success of 33% from the shallower sandstone reservoirs only
- The drill site is 12 kilometres immediately west of and of similar stratigraphy to the Horse Hill discovery
- Further upside resource potential exists from the Jurassic Kimmeridge limestones
- Presence of multiple payzones

Union Jack investment summary



- Low-risk onshore strategy and a balanced portfolio of seven licence interests
- Portfolio positioned to deliver asset value growth
- Early commercialisation planned for Wressle-1: Field Development Plan underway for first oil in late Q4 2016
 - Three formations successfully tested under free flow (combined ~710 boepd)
- Planned drilling and testing activity in 2016/2017 that will generate ongoing news flow
- Planned activities all fully funded: Cash in excess of £2.0 million as at 1 September 2016
- Actively evaluating a number of opportunities created by volatile markets
- Apply strict financial and technical discipline and remain debt free
- Strategy is asset value accretive: portfolio risked NPV of £20.2 million or 0.77p per share (7.69p unrisksed)*

**Source: SP Angel Research (Date: 26 February 2016 – available on Company website)*

Corporate information

- Listed on AIM: 31 July 2013
- Shares in Issue:
 - 2,888,708,805 ordinary shares of 0.025p each
 - 55,052,548 warrants in issue
- Contact
info@unionjackoil.com
- Website
www.unionjackoil.com

- Advisers

	– Shore Capital: NOMAD and Broker
	– SP Angel: Broker and O&G Advisers
	– BDO: Auditor
	– Osborne Clarke: Solicitors
	– Yellow Jersey: PR Consultant
	– RBS: Bankers
	– Computershare: Registrars

3D Seismic

A set of numerous closely-spaced seismic lines that provide a high spatially sampled measure of subsurface reflectivity

B/Bcf

Billion (1×10^9) / billion cubic feet of gas

boe/boepd

Barrels of oil equivalent (6,000 cf = 1 boe)/barrels of oil equivalent per day

bbl/bopd

Barrels of oil / barrels of oil per day

cf

Cubic feet of gas

COS_{geo}

Geological chance of success

DST

Drill Stem Test

EWT

Extended Well Test

Farm-in

The process of buying into a licence block held by another licensee by paying a proportion of the costs, normally in excess to the interest that is finally earned, e.g., earning a 10% interest on a 2:1 basis means that 20% is paid by the party farming in to earn a 10% interest

GIIP

Gas initially In place

M/Mbbbl/Mboe

Thousand (1×10^3) / thousand barrels of oil / thousand barrels of oil equivalent

mcfd

Thousand cubic feet of gas per day

MM/MMbbbl/MMboe

Million (1×10^6)/million barrels of oil/million barrels of oil equivalent

mmcf

Million cubic feet of gas per day

NPV

Net present value typically discounted at 10%

OIIP

Oil initially In place

Prospective resources

Those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations

Recovery factor

The fraction of hydrocarbons that can or has been produced from a well, reservoir or field; also, the fluid that has been produced in comparison to the original hydrocarbons in place

Working interest

A company's equity interest in a project before reduction for royalties or production share owed to others under the applicable fiscal terms

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