

UNION JACK OIL PLC

(AIM: UJO)

Competent Person's Report on the Wressle-1 Discovery in PEDL180 and PEDL182 and the Broughton North Prospect in PEDL182, Onshore UK

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 provide summary details from a Competent Person's Report ("**CPR**") dated September 2016 prepared by ERC Equipoise Ltd ("**ERCE**" or "**Competent Person**"). ERCE has made independent estimates of the Reserves, Contingent and Prospective oil and gas Resources associated with the Wressle-1 discovery in PEDL180 and PEDL182 and the Broughton North Prospect in PEDL 182, located onshore Lincolnshire on the western margin of the Humber Basin. Union Jack holds an 8.33% economic interest in both licences for which Egdon Resources U.K. Limited is the operator ("**Operator**").

ERCE's summary of the findings of their CPR including the definitions of the terms used in this announcement has today been published on the Company's website, www.unionjackoil.com.

Highlights:

Wressle Reserves and Development Update

- Oil and gas Reserves and Contingent Resources identified by the Competent Person in aggregate exceed the Operator's original pre-drill estimates
- Gross P Mean Oil Initially In Place ("**OOIP**") is 14.18 million stock tank barrels in aggregate across three reservoir sands, the Ashover Grit, Wingfield Flags and Penistone Flags, of which 2.15 million stock tank barrels are potentially recoverable (2P+2C)
- Gross 2P oil Reserves of 0.62 million stock tank barrels in aggregate identified across two reservoir sands, the Ashover Grit and Wingfield Flags that form the basis of the initial development plan which currently excludes development of the material Penistone Flags reservoir sands
- The initial development plan utilising the Wressle-1 discovery well has been submitted to the Oil & Gas Authority ("**OGA**") and for which a planning application is currently being considered by the North Lincolnshire Council
- Commercial oil production is expected to commence in early 2017 at an estimated 500 barrels per day gross and generate significant net cash flow
- Gross 2P gas Reserves of 0.2 billion standard cubic feet
- Development options and production planning for the Penistone Flags reservoir are expected to be progressed following commissioning of the initial Wressle development and will include monetisation of the produced gas by pipeline or electricity generation which will be sold to the National Grid.

Substantial Contingent Resources in the Penistone Flags Confirmed

- Substantial Contingent Resources have also been confirmed by the Competent Person in the Penistone Flags reservoir at Wressle that are over and above the oil and gas Reserves identified in the Ashover Grit and Wingfield Flags reservoirs
- The Penistone Flags reservoir has gross oil 2C Contingent Resources of 1.53 million stock tank barrels and 2.0 billion standard cubic feet of gas

- The Competent Person highlights that the Penistone Flags reservoir was oil bearing in the Wressle-1 discovery well and also in the Broughton-B1 exploration well approximately two kilometres to the north west that was drilled by BP in 1984, and tested oil from the Penistone Flags reservoir at a rate of approximately 40 barrels per day. The gross thickness of the Penistone Flags reservoir sand is 26 metres in the Broughton-B1 exploration well and 29 metres in the Wressle-1 discovery well and it is expected to be laterally extensive
- Development options and timing of production plans from the Penistone Flags reservoir are expected to be progressed following commissioning of the Wressle development
- The conversion of the Penistone Flags 2C Contingent Resources of 1.53 million stock tank into 2P Reserves, in full or in part, is expected to occur following receipt of necessary development approvals and commencing production at the Wressle development and once a subsequent development plan has been identified for the Penistone Flags reservoir
- The Board intend to apply the net cash flows generated from the initial Wressle development to finance the development of the Penistone Flags reservoir

Broughton North Prospect Prospective Resources

- The Broughton North Prospect has OOIP of 3.43 million stock tank barrels, gross unrisked Mean Prospective Resources of 0.51 million stock tank barrels and 0.51 bcf of gas in aggregate across two reservoir sands, the Ashover Grit and Penistone Flags
- Broughton North is a drill-ready prospect, subject to obtaining planning permission
- The Broughton North Prospect benefits from the results of the Wressle-1 oil and gas discovery and the Broughton-B1 exploration well that significantly reduces the geological risk over PEDL180 and PEDL182. Consequently ERCE attribute a high Geological Chance of Success (“COS”) with a range of 40% to 49% for the prospect
- Mapping of the Broughton North Prospect also benefits from the same high quality 3D seismic data as was used to identify the Wressle-1 oil and gas discovery
- Funding for an exploration well on the prospect will be assisted by the significant net cash flows to be generated from commercial production from the initial Wressle development

The gross numbers mentioned above are summarised with the net Union Jack interests in the following table:

	Gross Volumes			Net Volumes attributable to Union Jack		
	Oil MMstb	Gas bcf	Oil Equiv MMboe	Oil MMstb	Gas bcf	Oil Equiv MMboe
2P Ashover Grit and Wingfield Flags	0.62	0.20	0.65	0.05	0.02	0.05
2C Penistone Flags	1.53	2.00	1.86	0.13	0.17	0.16
Broughton North Mean Unrisked Prospective Resources	0.51	0.51	0.60	0.04	0.04	0.05

The interests held in both PEDL180 and PEDL182 are:

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: "The CPR highlights the attractions of the proposed onshore development at Wressle which is due on-stream in early 2017 at an estimated constrained 500 barrels per day gross that is expected to generate considerable net cash flow over its life. The initial Wressle development is a particularly attractive project in the current oil price environment as it has the benefits of modest low capital costs and low operating costs.

We are also highly encouraged by the additional Resources identified in the Penistone Flags reservoir at Wressle as these additional Resources are not currently part of the initial Wressle development plan but are expected to be developed at a later date. The thickness of the oil bearing Penistone Flags sands of between 26 metres to 29 metres make this reservoir an attractive incremental development opportunity following on from commencement of commercial production under the initial Wressle development plan.

Similarly, the additional Resources identified in the Broughton North Prospect, contain reservoirs to which the CPR has assigned a high geological chance of success, and funding for a future exploration well will benefit from the significant net cash flows generated by the initial Wressle development as well as having access to the planned Wressle-Penistone production facilities in a cluster-style development given its close proximity".

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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.

ERCE have carried out this work using the March 2007 SPE/WPC/AAPG/SPEE Petroleum Resources Management System (PRMS) as the standard for classification and reporting. The report is compliant with the AIM Rules – Note for Mining and Oil and Gas Companies.