

UNION JACK OIL PLC

(AIM: UJO)

Completion of Acquisition of Additional Interest in PEDL180 and PEDL182 Including the Wressle-1 Discovery and Broughton North Prospect, onshore UK

Further to the announcement of 27 September 2016, Union Jack Oil plc (“**Union Jack**” or the “**Company**”), an onshore oil and gas production and exploration company with a focus on production, exploration development and investment in the United Kingdom hydrocarbon sector, is pleased to announce that the Oil and Gas Authority (“**OGA**”) has now approved the acquisition by Union Jack of a further 3.34% interest in PEDL180 and PEDL182 from Europa Oil & Gas Limited. These licences contain the Broughton North Prospect situated in PEDL182 and the Wressle-1 discovery well from which first commercial oil is expected to flow at an estimated constrained rate of 500 barrels of oil per day gross in early 2017.

Union Jack now holds an 11.67% interest in both licences following completion of this transaction.

The consideration for the acquisition was £600,000 (“**Consideration**”) for the additional 3.34% economic interest.

The Company’s cash balance following payment of the Consideration is approximately £2,000,000 and the Company is fully funded for its other committed projects including the drill-ready Holmwood-1 and Biscathorpe-2 conventional wells and ongoing development costs for Wressle-1 and remains debt free.

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	30.00%
Union Jack Oil plc	11.67%

David Bramhill, Executive Chairman of Union Jack, commented: “We are delighted to be able to confirm the increase in our position in Wressle, an attractive near term production asset where first commercial oil is expected to flow at an estimated constrained rate of 500 barrels of oil per day gross in early 2017, as well as providing Union Jack with further exposure to the promising Broughton North Prospect.

The future looks bright for this project given the early 2017 production target and the additional potential for multi-development opportunities we see within PEDL180 and 182.”

The Wressle-1 Discovery

The Wressle-1 oil and gas discovery is located within PEDL180 and PEDL182, in Lincolnshire, on the western margin of the Humber Basin.

On Extended Well Test the well flowed an aggregate of 710 barrels of oil equivalent per day over three horizons, the Ashover Grit, Wingfield Flags and the Penistone Flags.

The summary details of a Competent Persons Report (“CPR”) compiled by ERC Equipoise Limited were published by Union Jack and its partners in respect of Wressle and the Broughton North Prospect on 26 September 2016.

The oil and gas Reserves and Contingent Resources identified by the CPR in aggregate exceed the Operator’s original pre-drill estimates.

Gross P Mean Discovered Oil Initially in Place 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 gross stock tank barrels of oil are classified as discovered (2P+2C).

Gross 2P oil Reserves of 0.62 million stock tank barrels of oil in aggregate identified across two reservoir sands, the Ashover Grit and the 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 and Gas Authority and for which a planning application is currently being considered by the North Lincolnshire Council.

Substantial Contingent Resources have also been confirmed in the Penistone Flags reservoir 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 2C Contingent Resources of 1.53 million stock barrels of oil and 2.0 billion standard cubic feet of gas.

The conversion of the Penistone Flags 2C Contingent Resources 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.

Development options and production planning for the Penistone Flags reservoir are expected to progress 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.

The Broughton North Prospect

The Broughton North Prospect is located in a fault block immediately to the north west of the Wressle structure within PEDL182 and ERCE has attributed a high geological chance of success of 40% to 49% to the prospect.

Gross unrisks Mean Oil Initially in Place for the Broughton North Prospect is an undiscovered 3.43 million stock tank barrels of oil in aggregate across two reservoir sands, the Ashover Grit and Penistone Flags with Mean Prospective Resources of 0.51 million stock tank barrels of oil plus 0.51 billion standard cubic feet of gas.

Mapping of the Broughton North Prospect also benefits from the same high quality 3D data set 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 expected to be generated from commercial production from the initial Wressle development.

	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

Gas converted to oil equivalent using 6 Bscf/MMboe conversion and added to oil volume

Net Volumes of hydrocarbons attributable to Union Jack pre-acquisition

	Gross Volumes			Net Volumes attributable to Union Jack Post-acquisition		
	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	0.07	0.02	0.07
2C Penistone Flags	1.53	2.00	1.86	0.18	0.24	0.22
Broughton North Mean Unrisked Prospective Resources	0.51	0.51	0.60	0.06	0.06	0.07

Gas converted to oil equivalent using 6 Bscf/MMboe conversion added to oil volume

Net Volumes of hydrocarbons attributable to Union Jack post-acquisition

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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 their work using the March 2007 SPE/WPC/AAPG/SPEE Petroleum Resources Management System (PRMS) as the standard for classification and reporting. The extracts of the report shown above are compliant with the AIM Rules – Note for Mining and Oil and Gas Companies.

ERCE`s summary of the findings of their CPR including the definition of the terms used in this announcement can be found on the Company`s website www.unionjackoil.com.