

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

16 May 2017

UNION JACK OIL PLC

(AIM: UJO)

Final Results for the Year Ended 31 December 2016

Union Jack Oil plc (“**Union Jack**” or the “**Company**”) an onshore exploration and production company with a focus on drilling, development and investment opportunities in the United Kingdom hydrocarbon sector, is pleased to announce its audited results for the year ended 31 December 2016.

Operational Highlights

- Competent Persons Report indicates gross hydrocarbons in place at Wressle-1 to be 14.8 million barrels of oil equivalent
- Acquisition of a 7.5% interest in PEDL143 incorporating the drill-ready Holmwood Prospect
- Acquisition of a further 3.34% in PEDL180 and PEDL182 containing the Wressle-1 discovery. Subsequent to the year end, a further 3.33% was acquired in March 2017 (subject to OGA approval), bringing Union Jack’s combined interest to 15%

Financial Highlights

- Cash balance in excess of £2.0 million as at 30 April 2017
- £700,000 before expenses raised in September 2016 to further expand the Company’s asset portfolio
- The Company remains debt free

David Bramhill, Executive Chairman, commented: “2016 was a year that your Board regards as one of solid progress where our Company made significant headway in the face of the continuing low oil price and volatile stock markets. Noteworthy were value adding transactions and operating events that resulted in an expansion of our portfolio of licence interests, transforming the status of Union Jack from a pure exploration company into one with actual oil and gas reserves.

I am enthusiastic in respect of the year ahead and I look forward to reporting progress with our projects and new acquisitions during 2017 and beyond.”

For further information please contact the following:

Union Jack Oil plc

+44 (0)7787 160 682

David Bramhill

SP Angel Corporate Finance LLP

+44 (0)20 3470 0470

Nominated Adviser and Joint Broker

Lindsay Mair

Stephen Wong

Richard Hail

Turner Pope Investments (TPI) Ltd

+44 (0)20 3621 4120

Joint Broker

Ben Turner

James Pope

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 46 years of international oil and gas industry exploration experience.

This announcement contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the oil and gas exploration and production business. While the directors believe the expectation reflected within this announcement to be reasonable in light of the information available up to the time of approval of this announcement, the actual outcome may be materially different owing to factors either beyond the Company's control or otherwise within the Company's control, for example, owing to a change of plan or strategy.

Accordingly, no reliance may be placed on the forward-looking statements.

CHAIRMAN'S STATEMENT

2016 was a year that your Board regards as one of solid progress where our Company made significant headway in the face of the continuing low oil price and volatile stock markets. Noteworthy were value adding transactions and operating events that resulted in an expansion of our portfolio of licence interests, transforming the status of Union Jack from a pure exploration company into one with actual oil and gas reserves.

Looking back on my 2015 Chairman's Statement, I re-iterated then that the objective of the Company remained focused on building a successful UK onshore conventional hydrocarbon concern with the intention of expanding and developing our existing high quality licence interest portfolio. In this respect, in 2016 we welcomed the addition to our portfolio of a 7.5% interest in PEDL143 containing the drill-ready Holmwood Prospect located in Surrey, in the Weald Basin. This is our first foray in the South East and Holmwood-1 is expected to be drilled in late 2017. In addition, we purchased a further 3.34% of PEDL180 and PEDL182 containing the Wressle-1 discovery located in our traditional area of operation in the East Midlands.

Subsequent to the acquisition of an additional 3.34% interest in PEDL180 and PEDL182 from Europa Oil & Gas Limited ("**Europa**"), in March 2017 Union Jack acquired a further 3.33% in the blocks from Celtique Energie Petroleum Limited, bringing Union Jack's combined interest to 15%. The latter acquisition of interest is subject to the approval of the Oil and Gas Authority ("**OGA**") which is expected imminently. The result of these two acquisitions is multi-fold, the almost doubling of our oil and gas reserves and contingent resources identified by ERC Equipoise Ltd ("**ERCE**") within their independent Competent Persons Report ("**CPR**"), the expected increase in the production revenues when on-stream and the additional interest in the Broughton North Prospect in the Mean Prospective Resources contained in this 40-49% geological Chance of Success ("**COS**") prospect.

PEDL180 AND PEDL182 – WRESSLE

The PEDL180 and PEDL182 licences are located in Lincolnshire, on the western margin of the Humber Basin, within the established East Midlands producing province and are on trend with the nearby discoveries at Crosby Warren, Brigg and Broughton.

The licences contain the Wressle-1 discovery that produced an aggregate of 710 barrels of oil equivalent per day from the zones tested.

As highlighted above, the Company, now holds a 15% interest (3.33% subject to OGA approval) in these licences, as a result of a further acquisition of interest.

During September 2016 ERCE prepared an independent CPR in respect of the Wressle-1 discovery. A summary of their findings can be found on the Company's website (www.unionjackoil.com).

The oil and gas reserves and contingent resources identified by ERCE in the PEDL180 and PEDL182 licences, in aggregate, exceeded the operator's original pre-drill estimate.

ERCE has estimated that the gross oil initially in place is 14.8 million stock tank barrels across three reservoir sands, the Ashover Grit, Wingfield Flags and Penistone Flags, of which 2.15 million stock tank barrels gross are potentially recoverable as 2P Reserves.

In addition, ERCE has identified further Contingent Resources of 1.53 million stock tank barrels of oil gross and 2.0 billion cubic feet of gas ("**bcf**") gross in the Penistone Flags reservoir at Wressle which are over and above the oil and gas 2P Reserves identified in the

Ashover Grit and Wingfield Flags reservoirs. The conversion of the Penistone Flags Contingent Resources into 2P Reserves, in full or in part, is reliant upon receipt of development approvals and commencing production at Wressle and on a subsequent development plan being identified for considerable oil and gas volumes present in the Penistone Flags reservoir.

Commercial oil production is expected to initiate at an estimated 500 barrels per day following Environmental Agency and planning approvals.

The uplift in both 2P Reserves and Contingent Resources identified by ERCE in its CPR highlight a major attraction of the proposed conventional onshore development in respect of the two licence areas that contain the Wressle-1 discovery and the resulting additional significant upside potential. Even in this moderately low oil price environment, the Wressle development has the benefits of low capital and operating costs and the same is also expected of the Penistone Flags Contingent Resources, assuming their conversion to 2P Reserves.

ERCE also made an estimate of the Broughton North Prospect within PEDL182. Their findings indicated oil in place of 3.43 million stock tank barrels gross. The Broughton North Prospect is drill-ready, subject to obtaining planning permission, and benefits from the results of the Wressle-1 discovery significantly reducing the geological risk over PEDL180 and PEDL182. Consequently, ERCE attributes a high geological 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 hydrocarbon discovery.

Surprisingly, in January 2017 the North Lincolnshire Council, despite a positive recommendation by the Council's Planning Officer, which itself was determined following a comprehensive and thorough review of the Field Development Plan, declined planning approval for development. However, at the same meeting the application for the installation of groundwater monitoring boreholes was approved.

Subsequently, Union Jack recently announced that an appeal process has commenced and that a new planning application has been submitted in parallel with the appeal process.

The groundwater monitoring boreholes for Wressle have now been successfully installed and the Environmental Permit from the Environmental Agency is expected to be issued in the near future.

Extensive work has been carried out by the operator to progress the Wressle appeal process and environmental clearance for the development of a conventional project.

Union Jack looks forward to progressing Wressle to first oil from what is a significant discovery for our Company.

PEDL253 – BISCATHORPE

PEDL253 is within the proven hydrocarbon fairway of the South Humber Basin and is on trend with the Saltfleetby gas field, Keddington oil field and the Louth and North Somercotes prospects.

Biscathorpe is a large, well defined four-way dip closed structure mapped from recently reprocessed 3D seismic. A drill-ready prospect with planning consent for drilling and any subsequent testing is expected to be drilled during H2 2017, subject to partner consent,

adding considerable risk adjusted value. The Biscathorpe-1 structure was drilled by BP in 1987 and encountered a thin oil-bearing sandstone.

The sand unit is expected to thicken away from the crest of the structure and the operator's Best Estimate is a gross Prospective Resource of 14 million barrels of oil with a geological COS of 40%.

During 2017, Union Jack commissioned an independent review of the Biscathorpe 3D by geophysical consultants, Sotwell Exploration Ltd. The results of this review were highly encouraging and the comments included that well ties, by synthetic seismogram, are high quality and allow a robust link between the geology and seismic data.

Other key points highlighted were that, in Sotwell's opinion, the Biscathorpe "concept" is confirmed, with good evidence of the possibility of the sand thickening away from the previous well location, that the whole area is very attractive for oil exploration and that a "mega" play trap is potentially feasible with further stratigraphic upside. The proposed Biscathorpe-2 well location to appraise the prospect appears optimal and any additional wells linked to seismic would probably display new prospect concepts.

In March 2017, the OGA granted a further one year extension to PEDL253 and the licence now expires on 30 June 2018.

PEDL143 – HOLMWOOD

In May 2016, Union Jack entered into an agreement with Europa to acquire a 7.5% interest in PEDL143 containing the drill-ready Holmwood Prospect. This is the first Weald Basin licence interest located in the South of England to be introduced to the Union Jack UK onshore portfolio.

Holmwood is a conventional oil prospect first identified by BP in 1988 and is estimated by the operator to hold gross mean un-risked Prospective Resources of 5.6 million barrels of oil with a geological COS of 33%. Holmwood is on trend with, and located just 12 kilometres from, the Horse Hill-1 discovery.

Holmwood-1 is expected to be drilled in the Autumn of 2017.

OTHER ASSETS

Other assets held by Union Jack include interests in the producing Keddington oil field PEDL005(R) (10%) which provides the Company with a modest income each month from its share of oil production, North Kelsey PEDL241 (20%), Burton on the Wolds PEDL201 (10%), PEDL339 (10%) which contains an extension of the Louth Prospect and PEDL209 (10%) where the unsuccessful and fully impaired Laughton well was drilled in early 2016.

A detailed review of Union Jack's asset base can be found in the Review of Operations section within the Annual Report and Financial Statements. This document can be accessed on the Company's website (www.unionjackoil.com) and a hard copy will be posted to shareholders in the near future.

CORPORATE AND FINANCIAL

Union Jack remains debt free and our cash balance as at 30 April 2017 stands in excess of £2 million, with more than enough funds to cover the costs of our current planned drilling campaign which includes Biscathorpe-2 and Holmwood-1, and surplus working capital for at least a 12 month period from the date of approving the financial statements.

In September 2016, the Company raised £700,000 before expenses of £73,685 to further expand its near-term development and production portfolio. This expansion was satisfied by the acquisition of a 3.34% interest in PEDL180 and PEDL182 soon after completing that funding.

During February 2017, as described in the Events After the Balance Sheet Date note, the Company raised £1.4 million before expenses of £129,347 in a significantly oversubscribed placing with a view to utilising the funds raised to increase Union Jack's interests in the licences within its existing portfolio. Some of the proceeds were used to acquire a further 3.33% interest in PEDL180 and PEDL182 containing the Wressle-1 discovery and the Broughton North Prospect. Further funds resulting from the 2017 placing remain to be invested.

We continue to apply strict financial control and discipline to our activities and pride ourselves on our low general and administrative costs which during this period were on par with those reported last year.

Union Jack was largely insulated from the low oil price environment witnessed during the first half of 2016 due to our low corporate overheads, low operating costs by virtue of being onshore UK and our strategy of remaining debt free which allowed management to focus on low cost, late stage project acquisitions while maintaining a tight rein on our cash position. The result was that our growth plans were largely unaffected and the quest for new assets was successful along with our key aspiration to develop our "jewel in the crown", the Wressle-1 discovery that is currently seeking a satisfactory outcome to obtaining planning approval and moving into production.

I would like to take this opportunity to personally thank the rest of my Board, Joe O'Farrell, Graham Bull and Ray Godson for their sound advice, technical support and professional guidance in respect of Company matters. The same comment applies to our advisers for their help in assisting Union Jack, all of whom contribute to the seamless running of our Company.

SUMMARY

Given our focused strategy, I remain optimistic that 2017 will deliver positive results from the foundations that have been nurtured over recent years. We look forward to the drilling of Biscathorpe-2 and Holmwood-1 and, of the utmost importance, a resolution to the development of Wressle which, if and when positively determined, will ensure first oil resulting in a material transformation in cash flow to Union Jack.

We believe our focused strategy and maintaining a low cost base is key to managing risk and allowing Union Jack to thrive in difficult conditions, while ensuring that our asset portfolio remains well balanced by combining appropriate components of production, appraisal, discovery and exploration and, importantly, also ensuring we are adequately funded for all future commitments.

The future of Union Jack remains bright.

David Bramhill

Executive Chairman

15 May 2017

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

	31.12.16 £	31.12.15 £
Revenue	22,119	–
Cost of Sales	(22,696)	–
Gross Loss	(577)	–
Administrative expenses (excluding impairment charge)	(598,075)	(605,742)
Impairment	(298,711)	–
Total administrative expenses	(896,786)	(605,742)
Operating loss	(897,363)	(605,742)
Other income	–	12,713
Finance income	5,654	6,569
Loss before taxation	(891,709)	(586,460)
Taxation	(885)	(841)
Loss for the financial year	(892,594)	(587,301)
Attributable to:		
Equity shareholders of the Company	(892,594)	(587,301)
Loss per share		
Basic and diluted loss per share (pence)	(0.03)	(0.02)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	31.12.16 £	31.12.15 £
Loss for the financial year	(892,594)	(587,301)
Other comprehensive income	–	–
Total comprehensive loss for the financial year	(892,594)	(587,301)

BALANCE SHEET

AS AT 31 DECEMBER 2016

	31.12.16 £	31.12.15 £
Assets		
Non-current assets		
Exploration and evaluation assets	2,079,340	1,165,077
Investments	40,000	40,000
	2,119,340	1,205,077
Current assets		
Trade and other receivables	62,700	27,232
Cash and cash equivalents	1,861,964	3,078,311
	1,924,664	3,105,543
Total assets	4,044,004	4,310,620
Liabilities		
Current liabilities		
Trade and other payables	85,312	85,649
Provisions	18,000	18,000
	103,312	103,649
Total liabilities	103,312	103,649
Net assets	3,940,692	4,206,971
Capital and reserves attributable to the Company's equity shareholders		
Share capital	2,696,399	2,593,458
Share premium	4,566,072	4,042,698
Share-based payments reserve	167,924	167,924
Accumulated deficit	(3,489,703)	(2,597,109)
Total equity	3,940,692	4,206,971

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital £	Accumulated deficit £	Share premium £	Share-based payment reserve £	Total £
Balance at 1 January 2015	2,475,811	(2,009,808)	3,282,848	349,833	4,098,684
Total comprehensive loss	-	(587,301)	-	-	(587,301)
Contributions by and distributions to owners					
Issue of share capital	117,647	-	682,353	-	800,000
Share issue costs	-	-	(104,412)	-	(104,412)
Expiry of share-based payments	-	-	181,909	(181,909)	-
Total contributions by and distributions to owners	117,647	-	759,850	(181,909)	(695,588)
Balance at 31 December 2015	2,593,458	(2,597,109)	4,042,698	167,924	4,206,971
Balance at 1 January 2016	2,593,458	(2,597,109)	4,042,698	167,924	4,206,971
Total comprehensive loss	-	(892,594)	-	-	(892,594)
Contributions by and distributions to owners					
Issue of share capital	102,941	-	597,059	-	700,000
Share issue costs	-	-	(73,685)	-	(73,685)
Total contributions by and distributions to owners	102,941	-	523,374	-	626,315
Balance at 31 December 2016	2,696,399	(3,489,703)	4,566,072	167,924	3,940,692

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	31.12.16 £	31.12.15 £
Cash flow from operating activities	(694,601)	(543,846)
Cash flow from investing activities		
Purchase of intangible assets	(1,153,715)	(534,320)
Purchase of investments	–	(20,000)
Interest received	5,654	6,569
Net cash used in investing activities	(1,148,061)	(547,751)
Cash flow from financing activities		
Proceeds on issue of new shares	700,000	800,000
Cost of issuing new shares	(73,685)	(104,412)
Net cash generated from financing activities	626,315	695,588
Net decrease in cash and cash equivalents	(1,216,347)	(396,009)
Cash and cash equivalents at beginning of financial year	3,078,311	3,474,320
Cash and cash equivalents at end of financial year	1,861,964	3,078,311

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 ACCOUNTING POLICIES

Basis of Preparation

The financial information in this announcement, which was approved by the Board of Directors on 15 May 2017, does not constitute the Company's statutory accounts for the year ended 31 December 2016 but is derived from those financial statements. The auditor, BDO LLP, has reported on the statutory financial statements and the report was unqualified and did not contain statements under s498(2) or (3) Companies Act 2006. The statutory financial statements have not yet been delivered to the Registrar of Companies and will be delivered following the Company's Annual General Meeting.

The comparative figures are derived from the statutory financial statements of the Company for the year ended 31 December 2015. The previous auditor, Deloitte LLP, reported on the 2015 financial statements and their report was unqualified, did not contain statements under s498(2) or (3) Companies Act 2006 and have been filed with the Registrar of Companies.

Whilst the financial information in this announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRS") as adopted by the European Union, this announcement does not itself contain sufficient information to comply with IFRSs.

Significant Accounting Policies

The accounting policies and methods of computation followed in these financial statements are consistent with those as published in the Company's Annual Report and Financial Statements for the year ended 31 December 2016.

The Annual Report and Financial Statements are available from the Company Secretary at the Company's registered office, 6 Charlotte Street, Bath BA1 2NE or on the Company's website www.unionjackoil.com.

Going Concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement. The directors' forecasts demonstrate that the Company will meet its day to day working capital and share of estimated drilling costs over the forecast period (being at least 12 months from the date the financial statements were approved) from the cash held on deposit at the year end. The principal risk to the Company's working capital position is drilling cost overruns. The Company has sufficient funding to meet planned drilling expenditures and a level of contingency. Taking account of these risks, sensitised forecasts show that the Company should be able to operate within the level of funds currently held. The directors have a reasonable expectation that the Company has adequate resources to continue in

operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2 LOSS PER SHARE

The Company has issued warrants over ordinary shares which could potentially dilute basic earnings per share in the future.

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

During the current and prior year the Company had warrants in issue. At 31 December 2016 the Company had 55,052,548 (2015: 55,052,548) warrants in issue. These warrants have not been taken into account when calculating the diluted loss per share as their impact was anti-dilutive. Therefore the basic and diluted loss per share are the same.

Loss per share	2016 Pence	2015 Pence
Loss per share from continuing operations	(0.03)	(0.02)

The loss and weighted average number of ordinary shares used in the calculation of loss per share are as follows:

	2016 £	2015 £
Loss used in the calculation of total basic and diluted earnings per share	(892,594)	(587,301)

Number of shares	2016	2015
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	2,994,752,318	2,492,898,974

The Company has 831,680,400 (2015: 831,680,400) deferred shares. These have not been included within the calculations of basic shares above on the basis that IAS 33 defines an ordinary share as an equity instrument that is subordinate to all other classes of equity instruments. Any residual interest in the assets of the Company would not currently, on liquidation, go to the deferred shareholders, hence they are not currently considered subordinate. These deferred shares, being potential ordinary shares, have not been taken into account when calculating the diluted loss per share as their impact was anti-dilutive.

The Company issued 1,032,589,694 new ordinary shares after the year end. If the transaction had occurred before the year end the weighted average number of ordinary shares used above, in the calculation of loss per share, would have been increased.

3 RECONCILIATION OF LOSS TO CASH GENERATED FROM OPERATIONS

	31.12.16 £	31.12.15 £
Loss before taxation	(891,709)	(586,460)
Impairment of intangibles	298,711	–
Finance income	(5,684)	(6,569)
Income taxes paid	(885)	(841)
	(599,537)	(593,870)
(Increase) / decrease in trade and other receivables	(35,468)	6,006
(Decrease) / increase in trade and other payables	(59,596)	44,018
Cash used in operations	(694,601)	(543,846)

4 EXPLORATION AND EVALUATION ASSETS

	31.12.16 £	31.12.15 £
At 1 January	1,165,077	832,100
Costs incurred during the year	1,212,974	314,977
Costs impaired	(298,711)	–
Provision for site restoration	–	18,000
At 31 December	2,079,340	1,165,077

5 SHARE CAPITAL

Allotted and issued: Number	Class	Nominal value	31.12.16 £	31.12.15 £
3,300,473,511 (31 December 2015: 2,888,708,805)	Ordinary	0.025p	825,118	722,177
831,680,400 (31 December 2015: 831,680,400)	Deferred	0.225p	1,871,281	1,871,281
Total			2,696,399	2,593,458

Allotments during the year

In September 2016, 411,764,706 new ordinary shares with a par value of 0.025 pence were issued at 0.17 pence per share and are fully paid.

Total consideration received was £700,000, of which £597,059 has arisen in share premium.

Issue costs of £73,685 have been charged to the share premium account.

6 EVENTS AFTER THE BALANCE SHEET DATE

The following events have taken place after the year end:

In February 2017, 1,032,589,694 new ordinary shares were issued for cash at 0.135 pence per share raising approximately £1,400,000 before expenses of £129,347.

The enlarged issued share capital following the issue of new shares described in this section is 4,333,063,205 ordinary shares of 0.025 pence each.

In March 2017, the Company acquired a 3.33% interest in PEDL180 and PEDL182 containing the Wressle oil discovery from Celtique Energie Petroleum Limited for a consideration of £600,000. As a result the Company holds an interest of 15% in PEDL180 and PEDL182.

7 COPIES OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The Annual Report and Financial Statements will shortly be posted to shareholders and is now available on the Company's website www.unionjackoil.com.