

**Market Abuse Regulation (MAR) Disclosure:** Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

14 February 2018

**UNION JACK OIL PLC  
(AIM: UJO)**

**Operations Update and New Corporate Presentation**

Union Jack Oil plc (“**Union Jack**” or the “**Company**”), a UK-focused, onshore oil and gas production and exploration company with a balanced portfolio of twelve licence interests covering conventional production, development and drill-ready appraisal and exploration targets, is pleased to provide an operational update. This update highlights projects that are being evaluated and where near-term news flow is expected.

2018 is expected to see potentially high-impact drilling at Biscathorpe and Holmwood plus a new planning application to be submitted during April 2018 on Wressle. In addition, results are expected from the workover of wells currently underway at the recently acquired Fiskerton Airfield and discussions will commence with the operator to progress potential development plans at the Dukes Wood and Kirklington oil facilities, as well as at the producing Keddington oilfield.

Expected activity during 2018 includes:

- **PEDL182 and PEDL180 Wressle Discovery** – New planning application to be submitted before end of April 2018: oil production of 500 barrels of oil per day (gross) is expected from this conventional oil development
- **PEDL253 Biscathorpe** – Partner approval received to drill the high-impact conventional Biscathorpe-2 well during 2018 down dip from the original discovery well
- **PEDL143 Holmwood** – High-impact conventional exploration well in the Weald basin expected to be drilled during 2018. Located close to important Horse Hill discovery
- **EXL294 Fiskerton Airfield Oilfield** – Producing oilfield. Workovers currently underway on FA-1 and FA-3 wells. Reprocessing of 3D data will help identify further potential drilling opportunities to increase production
- **PEDL118 and PEDL203 Kirklington and Dukes Wood Oilfields** – Options to bring these previously producing oilfields back into production are being evaluated
- **PEDL005(R) Keddington Oilfield** – Possible development plans to increase oil production are being considered

**David Bramhill, Executive Chairman of Union Jack commented:**

“Union Jack is positioned to deliver ongoing news flow throughout 2018 from our onshore portfolio of producing assets, drill-ready appraisal and exploration targets given our active evaluation programme in today’s attractive oil price environment.

“Union Jack is seeing a significant effect on the value of its oil production assets resulting from an improved oil price environment. The oil price also enables us to discuss with our partners methods to expand oil production at the existing Keddington, Fiskerton Airfield, Kirklington and Dukes Wood oilfields all of which have production licences and dedicated production facilities so are not as dependent upon local planning application approvals.

“I highlighted in a recent announcement that going forward we also intend to have “a more hands on approach” with our assets and we can confirm we are actively involved in the evaluation of all our projects with our partners including making technical contributions across our portfolio resulting from our own independent technical work. We also intend to be more flexible and entrepreneurial in the way we pursue future acquisition and partnering opportunities while continuing to apply strict financial and technical discipline.”

An updated Corporate Presentation can be found on the UJO website at: [www.unionjackoil.com](http://www.unionjackoil.com)

Further details on Union Jack’s conventional UK onshore oil and gas activities follow.

#### **PEDL180 and PEDL182 Wressle Discovery and Broughton North Prospect (15%)**

Located in Lincolnshire, on the western margin of the Humber Basin, PEDL180 and PEDL182 contain the substantial conventional Wressle oil discovery with proven reserves and significant upside from which first commercial oil is expected to flow at a constrained rate of 500 barrels of oil per day gross. Union Jack holds a 15% interest in both licences including the Wressle-1 oil discovery awaiting development.

During testing, the Wressle-1 discovery well flowed an aggregate of 710 barrels of oil equivalent per day from the three zones tested. Subsequent to testing and the decision by the joint venture to declare commerciality status on the project, an independent Competent Persons Report was prepared by ERCE that provided Reserves, Contingent and Prospective Resources associated with the Wressle-1 discovery and Broughton North Prospect. The findings of ERCE are tabled below.

#### **Gross Volumes at PEDL180 and PEDL182 and net attributable to Union Jack**

	GROSS VOLUMES			NET ATTRIBUTABLE TO UNION JACK		
	OIL MMSTB	GAS BCF	OIL EQUIV*	OIL MMSTB	GAS BCF	OIL EQUIV*
<b>2P Ashover Grit and Wingfield Flags</b>	0.62	0.20	0.65	0.09	0.03	0.10
<b>2C Penistone Flags</b>	1.53	2.00	1.86	0.23	0.30	0.28
<b>Broughton North Mean Unrisked Prospective Resources</b>	0.51	0.51	0.60	0.08	0.08	0.09

*Note (\*) Gas converted to oil equivalent using 6 Bscf/MMboe conversion added to oil*

The operator is currently preparing a new planning application for the Wressle oil development project which will be submitted during April 2018 having fully considered the information previously provided by the Planning Inspector and after the joint venture partners had taken appropriate planning, legal, commercial and technical advice.

The joint venture partners remain fully committed to the future development of Wressle and the new application will address the concerns previously raised by the Planning Inspector. The Joint Venture partners remain confident that the Wressle development project will be brought to production status and will continue to pursue all credible avenues to achieve this objective. An Environmental Agency permit for production is already in place for the Wressle oil development project.

#### **PEDL253 Biscathorpe (12%)**

PEDL233 is within the proven hydrocarbon fairway of the South Humber Basin and is on trend with the Saltfleetby gas field, Kedlington oilfield and the Louth and North Somercotes prospects and contains the Biscathorpe Prospect.

The current Best Estimate is a gross Prospective Resource of 14 million barrels of oil with a geological Chance of Success of 40%.

The Biscathorpe Prospect is a well-defined, four-way dip closed structure mapped from recently re-processed 3D seismic. The Biscathorpe-1 well drilled by BP in 1987 encountered a thin oil filled sandstone which is expected to thicken down-dip.

The Biscathorpe-2 conventional well will be located in a direction towards a potentially thicker sand development within the structural closure of the trap.

Partner approval has been granted to drill Biscathorpe-2 during 2018.

During 2017, Union Jack commissioned an independent review of Biscathorpe 3D conducted by geophysical consultants Sotwell Exploration Ltd (“**Sotwell**”) and its findings were encouraging confirming the Biscathorpe “concept” with good evidence from attributes of the sand thickening away from the current well location which in the opinion of Sotwell the Biscathorpe-2 location to appraise the prospect appears optimal. In addition, Sotwell’s belief is that the whole area is very attractive for hydrocarbon exploration and that a “mega” play trap is potentially feasible with significant stratigraphic resources volume upside potential. According to the operator, if the stratigraphic elevation is present, gross Prospective Resources could increase to 41 million barrels of oil.

#### **PEDL143 Holmwood (7.5%)**

Holmwood is a conventional oil prospect located in the Weald Basin and first identified by BP in 1988 and is estimated to hold gross mean un-risked Prospective Resources of 5.6 million barrels of oil with a geological chance of success of 50%. Further upside resource potential exists from the Jurassic Kimmeridge limestones and there is believed to be the presence of multiple potential pay zones.

The proposed drill site for the Holmwood-1 exploration well is approximately 12 kilometres immediately west of and of similar stratigraphy to the important Horse Hill discovery.

Holmwood-1 is a conventional exploration well and is expected to be drilled during 2018.

### **EXL294 Fiskerton Airfield Oilfield (20%)**

Union Jack purchased a 20% economic interest including surface infrastructure and facilities in this producing oilfield in November 2017. The oilfield is currently undergoing workovers on wells FA-1 and FA-3 with a view to enhancing cash flows by increasing production via low-cost well interventions, installation of new tubing, pumps and the isolation of water producing zones. It is expected that operations will be completed and the results reported upon during Q1 2018.

The Company believes there is upside potential in the oil resources at Fiskerton Airfield. Union Jack is funding a 3D seismic re-processing exercise on behalf of the joint venture partners to assist in re-mapping a 24 square kilometre area surrounding Fiskerton Airfield to identify further production opportunities from the reservoir. It is expected that initial interpretations from the 3D seismic processing will be available during H1 2018.

Subject to the results of the 3D seismic re-processing, the joint venture partners will investigate the potential to further increase production through in-fill drilling.

### **PEDL203 Kirklington Oilfield (16.67%) and PEDL118 Dukes Wood Oilfield (16.67%)**

Union Jack acquired these licence interest in October 2017, when it purchased Cairn Energy plc's entire onshore UK portfolio. These licence interests contain previously producing oilfields that are currently shut-in.

PEDL203 contains the Kirklington oilfield that was originally discovered by BP in 1985 and produced oil from two Carboniferous reservoirs.

The Kirklington-3 and 3-Z sidetrack wells were drilled in 2010 and produced oil from only one of nine potential pay zones until mid 2013. The Kirklington 3-Z well is currently shut in and production facilities have been preserved on a care and maintenance basis. Should a future production decision be taken, the existing production facilities can be made production ready once remedial work has been conducted to site equipment.

PEDL118 contains the Dukes Wood oilfield originally discovered by a predecessor company to BP in 1939. The oilfield was decommissioned in 1966 having produced approximately 6.5 million barrels of oil from a mapped 25.6 million barrels of oil in place representing a recovery factor of 24.5%.

The Dukes Wood-1 well was drilled in 2010 and encountered three reservoir zones, the Ashover Grit, Crawshaw sandstone and Loxley Edge Rock, all of which were flow tested.

Various studies are currently ongoing at both Kirklington and Dukes Wood to identify reservoir zones containing previously unproduced or undrained resources, and also to evaluate completion and enhanced recovery operations, both mechanical and chemical, which could be applied to the unswept oil reservoirs that are present that could justify re-establishing production from either oilfield.

### **PEDL005(R) Keddington Oilfield (20%)**

Keddington is currently producing approximately 30 barrels of oil per day (gross) from Carboniferous age sandstone reservoirs from the Keddington 3-Z well. Recent mapping of the 3D seismic over the producing Keddington oilfield has indicated areas of potentially unswept oil within structural closure. Comprehensive geophysical and geological evaluation is ongoing to better define the greater Keddington area.

PEDL005(R) contains the Louth Prospect which also extends into PEDL339 (20%). Louth is defined on reprocessed 3D seismic data and is estimated to contain STOIP of 5.5 million barrels of oil and gross mean Prospective Resources of 1.4 million barrels of oil with an attractive chance of success of 37%.

In addition, the entire North Somercotes gas prospect is within PEDL005(R) which is estimated to contain gross mean Prospective Resources of 11 billion cubic feet of gas with a chance of success of 25%.

### **For further information, please contact:**

**Union Jack Oil plc**  
David Bramhill

+44 (0)7787 160 682

**SP Angel Corporate Finance LLP**  
*Nominated Adviser and Joint Broker*  
Lindsay Mair  
Richard Hail  
Stephen Wong

+44 (0)20 3470 0470

**Turner Pope Investments (TPI) Ltd**  
*Joint Broker*  
Ben Turner  
James Pope

+44 (0)20 3621 4120

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 carried out its 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](http://www.unionjackoil.com)).