

5 July 2018

Union Jack Oil plc
(“Union Jack” or the “Company”)
New Comprehensive Planning Application Submitted for Wressle Development

Union Jack Oil plc (AIM: UJO), a UK-focused onshore hydrocarbon production, development and exploration company, notes the announcement released today by Edgon Resources plc, confirming that a new comprehensive planning application in respect of the development of the Wressle oil field has been submitted to North Lincolnshire Council.

Commenting, David Bramhill, Executive Chairman of Union Jack, said:

“The operator has today submitted a comprehensive planning application on behalf of the joint venture partners for the development of the Wressle oil field.

Wressle is material to Union Jack and the economic impact of establishing commercial oil production will be transformative for our Company.

Considerable work has been carried out to address all the issues identified previously. As part of our ongoing belief in the development of Wressle, Union Jack reaffirmed its support in June 2018 by acquiring a further 12.5% interest, increasing our interest to 27.5%.*

Union Jack also fully supports the operator’s proposal in respect of a community liaison group and a community fund to ensure the local community are kept fully informed and share in the benefits of the Wressle development.

Note (): Transaction has obtained Oil & Gas Authority (OGA) approval but is subject to completion.*

An extract of the announcement today by Edgon Resources plc is attached.

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Extract of announcement made today by Edgon Resources plc

Edgon Resources plc (AIM:EDR) is pleased to announce the submission to North Lincolnshire Council (NLC) of a new planning application (the Application) for the development of the Wressle oil field, which the Company believes comprehensively addresses the reasons for the refusal of the original planning applications and the subsequent appeals.

The Application is supported by a detailed planning and sustainability statement, a suite of technical drawings showing construction and layout details and updated and new technical assessments.

The Company believes that the Application takes full account of the key findings of the Planning Inspector's decision to dismiss the Company's appeals as set out in his decision letter of 4 January 2018, which identified three key issues in his decision:

1. The absence of a ground conditions survey report;
2. The absence of sufficient evidence on the adequacy of the Geosynthetic Clay Liner (GCL) covering; and
3. Uncertainty with regards to the near surface geology and specifically the presence of capping layers to the underlying aquifers.

The first issue has been addressed by the production of an independent Ground Investigation Report which evaluates and confirms the underlying ground condition at the wellsite using information gained from geotechnical site investigation boreholes drilled in Q1 2018.

The second issue has been addressed through the proposed reconfiguration of the wellsite to install a new high-density polyethylene (HDPE) impermeable membrane above the existing GCL, with additional associated protection layers across the entire wellsite. The specification of the HDPE impermeable membrane, associated protection layers and thickness and suitability of the stone covering layer, has been informed by the Ground Investigation Report, tested and validated in a laboratory, and agreed between the membrane manufacturer and Egdon's consulting civil and structural engineers.

The third issue has been addressed through an updated independent Hydrogeological and Flood Risk Assessment (HRA), which includes the results of samples tested from two deeper cored boreholes drilled in Q1 2018. The HRA confirms the detail of the near surface geology and conclusively demonstrates the presence of laterally continuous capping layers to the underlying aquifers.

Further detail of the Application can be found in the notes to editors below.

Once validated by North Lincolnshire Council, the Application will be reviewed by the Planning Officers at NLC, considered by statutory consultees and will be open for comment from interested parties. The period of consultation should be 13 weeks for an application of this nature.

Mark Abbott, Managing Director of Egdon Resources plc, said:

"The submission of this new planning application is the culmination of a significant amount of detailed and thorough work by our team of specialist consultants and advisers. The new proposed development has been informed by information from the site investigation and deeper cored boreholes drilled during the first quarter of 2018 and has been designed to comprehensively address the key concerns which resulted in the Inspector's dismissal of our planning appeals.

The proposed development incorporates high levels of embedded mitigation, such as the new HDPE impermeable membrane system, to minimise the potential for any environmental or other impacts from our operations. The effectiveness of this mitigation will be verified by continuous monitoring of the nearby water and groundwater.

We plan to set up a community liaison group and a community fund to ensure the local community are kept fully informed and share in the benefits of the Wressle development.

We hope that North Lincolnshire Council will recognise the positive changes made to the proposed development when determining this planning application and we remain available to address any remaining questions or concerns which may arise during the consultation and determination process.”

Notes to Editors:

The Wressle-1 Oil Field:

The Wressle-1 well was drilled in 2014 and tested in 2015. The Wressle-1 well has flowed oil and gas from three separate reservoirs, the Ashover Grit, the Wingfield Flags and the Penistone Flags. This totalled 710 barrels of oil equivalent per day from all zones. In September 2016, a Competent Person's Report made independent estimates of Reserves and Contingent and Prospective oil and gas Resources for the Wressle discovery of 2.15 million stock tank barrels classified as discovered (2P+2C).

The New Planning Application:

The new planning application (the Application) seeks permission for the Proposed Development, which comprises:

“Retention of the Wressle-1 Well site and access track for the Production of Hydrocarbons, together with an extension of the site by 0.12ha for the installation of additional security facilities; site reconfiguration to facilitate the installation of a new impermeable membrane, French drain and surface water interceptor; construction of a bund, tanker loader plinth and internal roadway system; installation of up to 2 additional groundwater monitoring boreholes and deepening of 3 existing groundwater monitoring boreholes; well operations; installation of production facilities and equipment; installation of gas engine and electrical grid connection; oil and gas production for a temporary period of 15 years; and restoration to arable land at Lodge Farm, Clapp Gate, Appleby, Scunthorpe.”

The planning application is accompanied by the following documents:

- Planning and Sustainability Statement;
- Planning Application Form;
- Oil and Gas Checklist;
- Site Plans and Design Drawings;
- Technical Assessments comprising:
 - Air Quality Assessment;
 - Archaeology and Heritage Impact Assessment;
 - Civil and Structural Design Statement;
 - Ecological Appraisal;
 - Hydrogeological and Flood Risk Assessment;
 - Landscape and Visual Appraisal;
 - Lighting Assessment;
 - Assessment of Environmental Noise Emissions; and
 - Transport Statement.

Whilst the Inspector supported Egdon's position on many aspects of the previous applications the Inspector identified the following as key issues in his decision to dismiss the Company's appeals as set out in his decision letter of 4 January 2018:

- a. The absence of a ground conditions survey report;
- b. The absence of sufficient evidence on the adequacy of the Geosynthetic Clay Liner (GCL) covering; and
- c. Uncertainty with regards to the near surface geology and specifically the presence of capping layers to the underlying aquifers.

Egdon believes that these issues have been fully addressed in the Application as summarised in the RNS and as detailed further below.

- A number of geotechnical site investigation boreholes and two deeper cored boreholes were drilled on the Wressle-1 wellsite during Q1 2018.
- The nature of the underlying ground condition at the wellsite has been assessed and an independent Ground Investigation Report prepared which details the existing ground conditions at the wellsite, confirming the Company's view of the suitability of the site and satisfying the first of the Inspectors key reasons for dismissal of the appeals.
- This Ground Investigation Report has been utilised by an independent firm of consulting civil and structural engineers, to prepare a Civil and Structural Design Statement. This document details the design criteria, guidance and regulations applicable to the redesign and reconfiguration of the wellsite as proposed in the Application.
- The proposed wellsite reconfiguration will result in the installation of a new high-density polyethylene (HDPE) impermeable membrane and additional associated protection layers across the entire wellsite. As part of this, the existing site surface aggregate will be stripped and regraded, before being re-laid on top of the new HDPE impermeable membrane system.
- The installation specification of the HDPE impermeable membrane, associated protection layers and thickness and suitability of the stone covering layer, has been tested and validated in a laboratory against the maximum expected site loading, and agreed between the manufacturer and Egdon's consulting civil and structural engineers to ensure the HDPE impermeable membrane is protected throughout the life of the wellsite.
- Although on inspection it was found to be in effective condition, the existing GCL membrane will remain in place but will no longer be relied upon as tertiary containment, as it is being overlaid with the new HDPE impermeable membrane system.
- A Construction Quality Assurance plan will be used to ensure the installation of the lining system is robust and constructed to the highest engineering standards.
- A poured reinforced concrete internal roadway will be constructed to provide even greater weight distribution and protection above the HDPE impermeable membrane in the most heavily trafficked area of the site.
- The installation of a new HDPE impermeable membrane, which has been informed by the ground investigation report and designed and tested by Egdon's consulting civil and structural engineers, in consultation with, and in agreement with the manufacturer, along with other measures as detailed; comprehensively addresses the Inspectors concerns in relation to point b above.
- In relation to point c., Egdon commissioned an independent Hydrogeological and Flood Risk Assessment (HRA) to address the uncertainty identified by the Inspector with regard to the near surface geology and specifically the presence of capping layers to the underlying aquifers.

- The HRA defines a hydrogeological conceptual model (HCM) which has utilized regional, local and wellsite specific data, including the drilling of site investigation boreholes and laboratory testing for hydraulic conductivity of core samples from the two deeper cored boreholes drilled in Q1 2018.
- These cores and tests provide conclusive evidence that demonstrates the existence of a laterally continuous impermeable claystone capping layer above the primary aquifer in the Lincolnshire Limestone Formation beneath the wellsite and more widely.
- The HCM also demonstrates the presence of a capping layer to the Cornbrash secondary aquifer beneath the wellsite.
- The HRA concludes that the assessed risks relating to all possible hazards associated with the proposed development, range from 'Low' to 'None'. The overall risk profile for the proposed development is a reflection of the high level of embedded mitigation within the design of the wellsite reconfiguration (as detailed above) and the construction of the existing Wressle-1 well.
- The HRA confirms the detail of the near surface geology and hydrogeology, supporting the previously presented hydrogeological model and conclusively demonstrating the presence of a capping layer to the underlying aquifers. This together with the conclusions of the risk assessment, in the Company's view, fully addresses the final issue identified by the Inspector.

It is also proposed to install up to two new groundwater monitoring boreholes and to deepen three of the existing groundwater monitoring boreholes to verify the effectiveness of the embedded site environmental protection through ongoing monitoring.