

UNION JACK OIL plc

AIM: UJO

The Rathlin Opportunity

October 2018

**Acquiring a 16.67% interest in a major onshore
gas discovery**

**Appraisal well in Q1 2019 to confirm Best Estimate
189 Bcfe contingent gas resource**

Drill ready - onshore UK

Proximity to gas markets and infrastructure

Material value: NPV10% of US\$247 million



UNION JACK OIL

**Production, Drilling, Development
and Investment in the United Kingdom
Onshore Hydrocarbon Sector**

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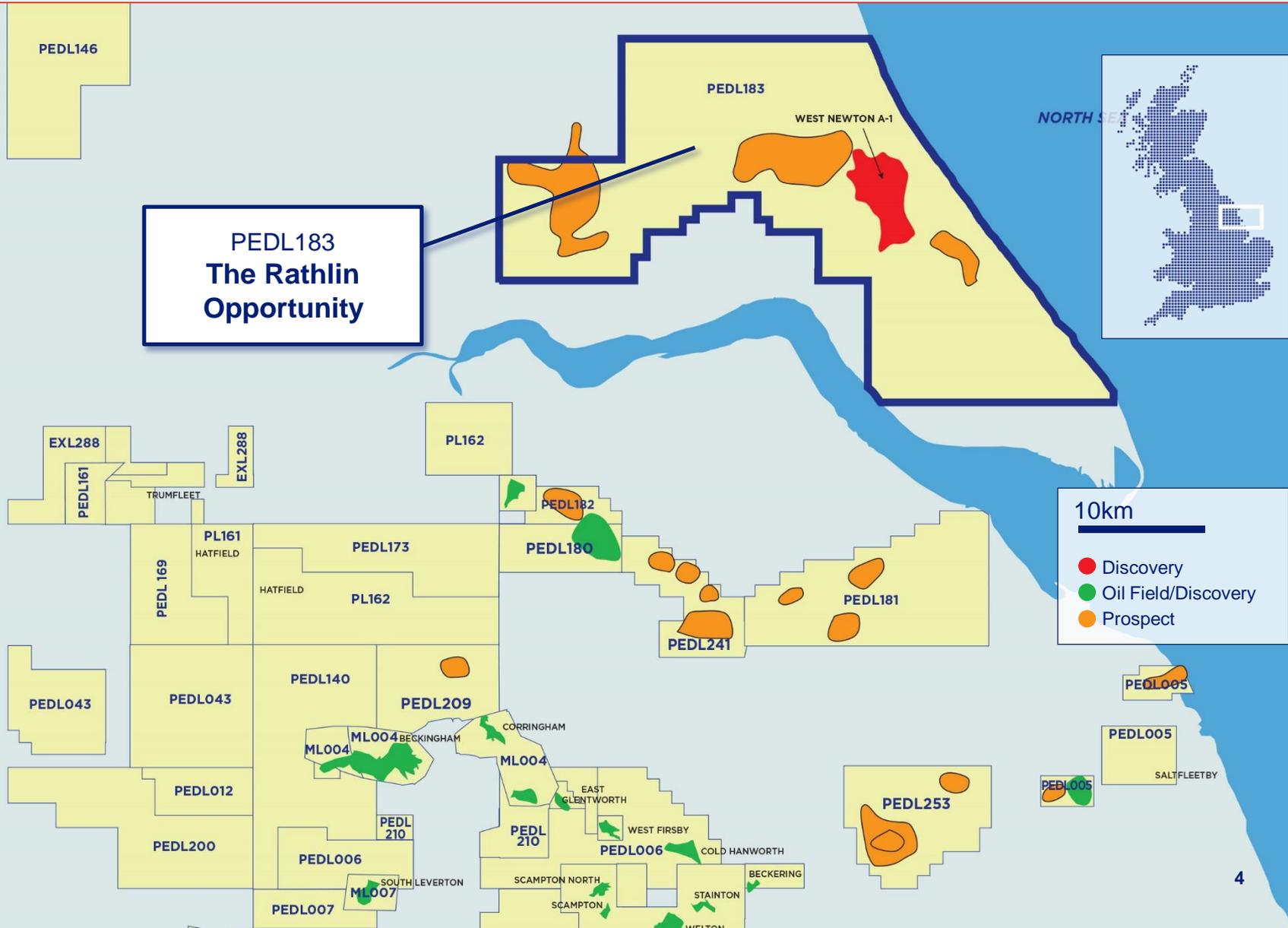
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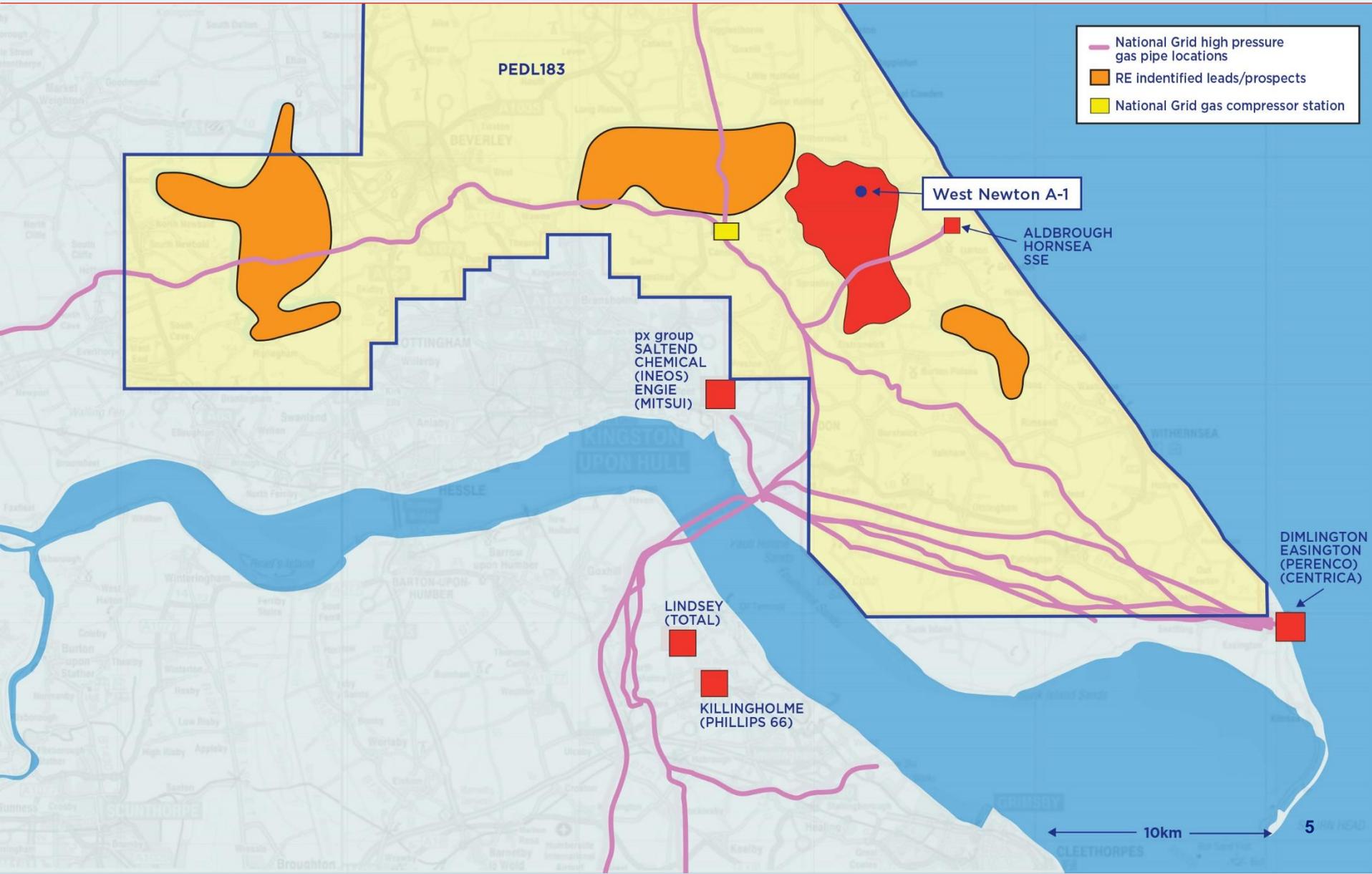
PEDL183 – Rathlin Investment Summary

- West Newton appraisal well is permitted to be drilled to evaluate the West Newton A-1 gas discovery
 - Planned to be drilled Q1 2019
 - The same well will also test the deeper Cadeby Reef oil prospect
- West Newton A-1 onshore gas discovery by Rathlin Energy UK (Operator) is a significant undeveloped gas project
 - Contingent gas resources Best Estimate gross of 189 Bcfe (31.5 MMboe): Kirkham Abbey reservoir only
 - Deloitte CPR also identifies additional extensive resources
- A successful appraisal would deliver a major onshore gas development
 - Proximity to markets and infrastructure: number of pipelines and gas processing facilities nearby
 - Gas development project alone has a NPV10% of US\$247 million
 - Further potential value upside from significant resources in other conventional carbonate reservoirs
- Farm-in delivers a 16.67% WI to UJO by paying 25% of the £4.6 million appraisal well cost
 - Consistent with UJO low-risk onshore strategy focused on drill-ready projects
 - Delivers immediate contingent resources to UJO that are materially accretive to asset value and market worth
- UJO's Commercial Partner, Humber Oil & Gas will farm-in on same terms
- **The West Newton commitment well is fully approved and drill-ready**

PEDL183 – The Rathlin Opportunity



Proximity to Markets and Infrastructure



Onshore Gas Discovery – Offers Proximity to Markets, Existing Pipelines and Infrastructure



Natural Gas

- Two major UK gas terminals located on licence
 - Dimlington (Perenco operated)
 - Easington (Centrica operated)
- Terminals are important to the UK National Grid, and are connected via pipeline to offshore gas fields

Oil

- Lindsey Oil Refinery (Total operated) and Humber Refinery (Phillips 66 operated) are located to the south of PEDL183
- Tetney Oil terminal (Phillips 66 operated) located south of PEDL183

Pipelines

- Well developed existing oil and gas pipeline infrastructure within and around licence

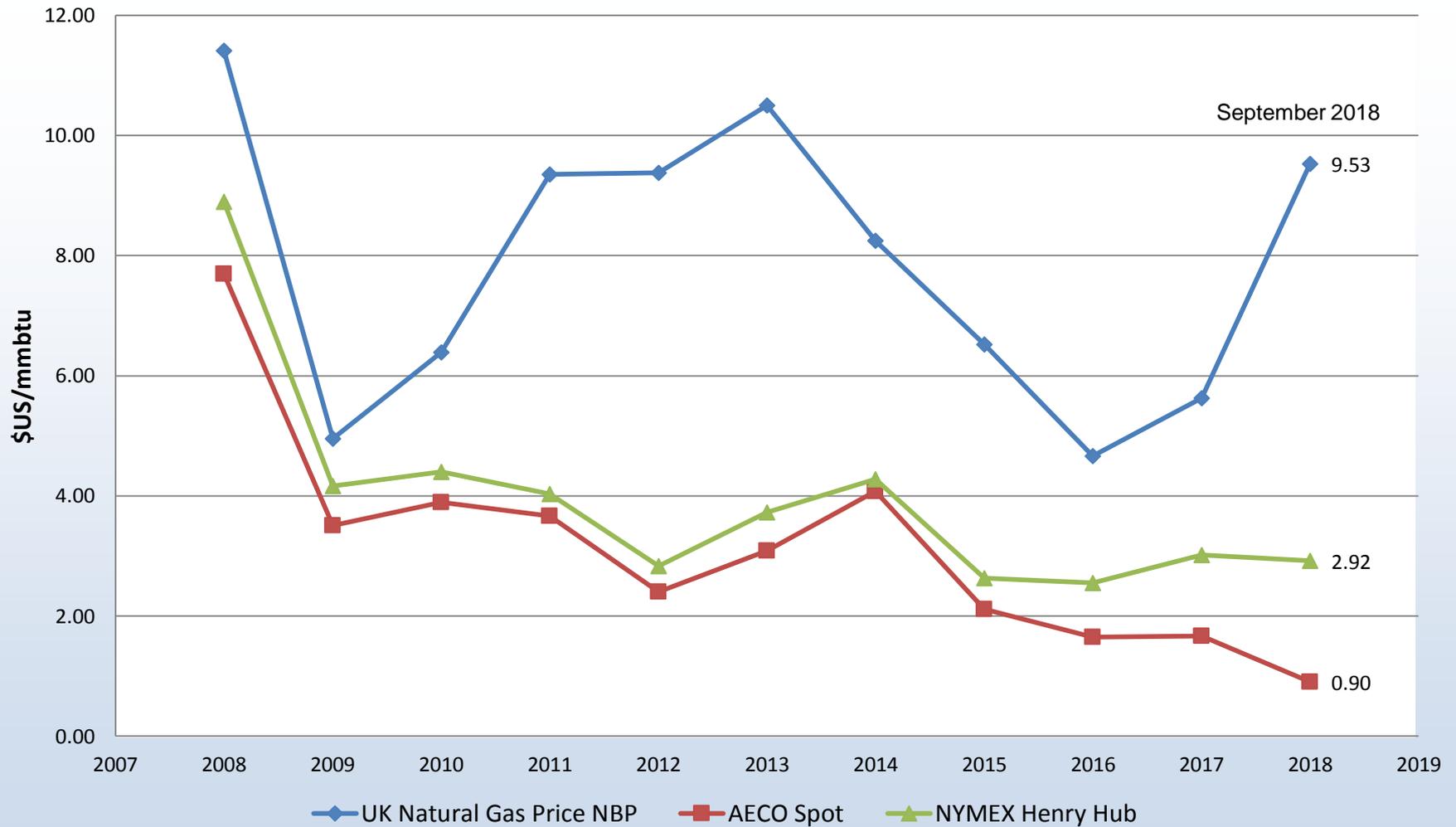
Power Stations

- PEDL183 is in close proximity to gas-fired electric generation facilities with a combined generation capacity of over 4,700MW of power
- Nearby power stations include;
 - Killingholme A (Uniper operated) and Killingholme B (Centrica operated) power stations in North Lincolnshire
 - Immingham Power Station (Vitol) in North Lincolnshire
 - Saltend Power Station (Engie operated) south-west of West Newton

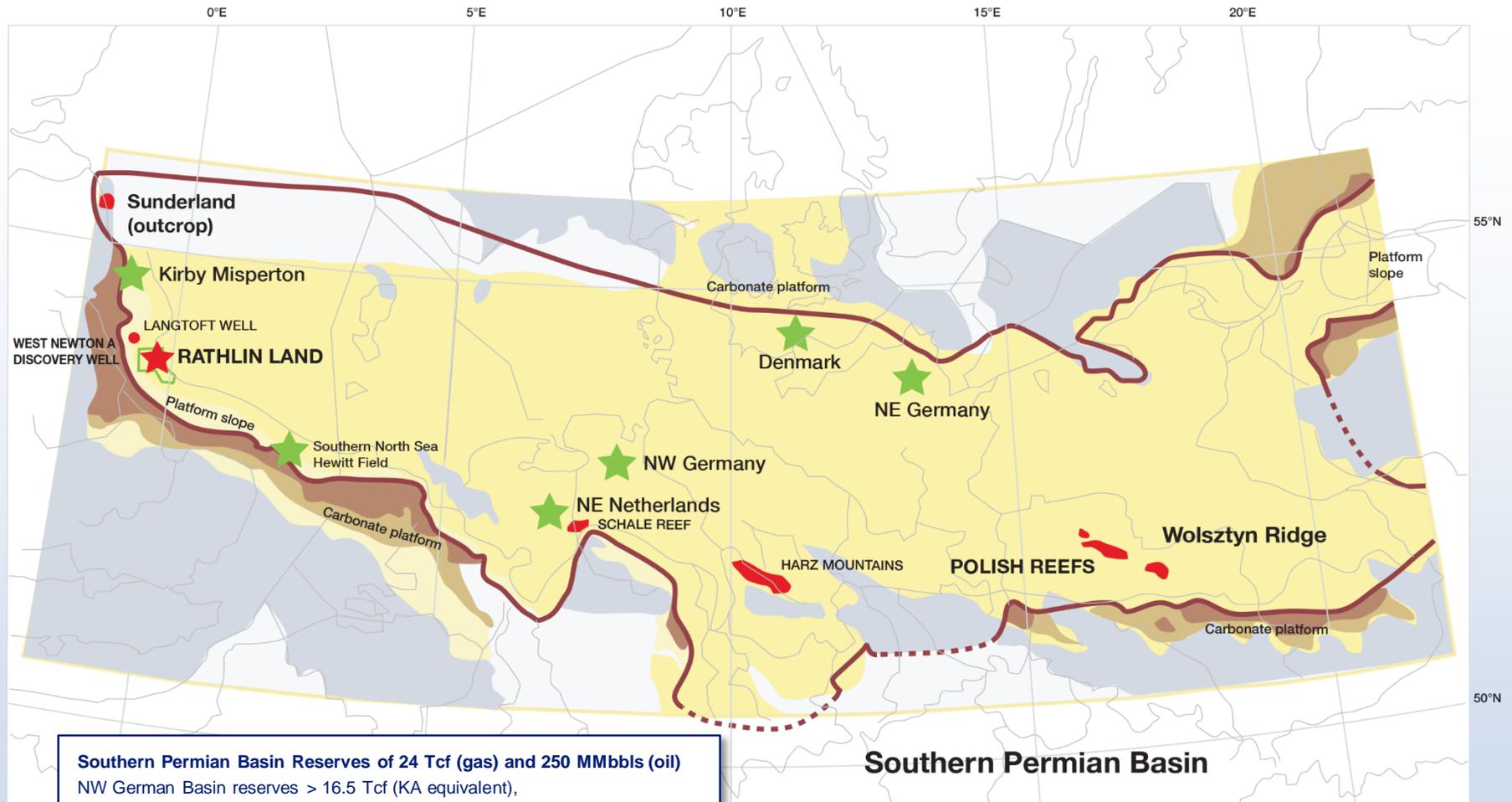
Other Infrastructure

- Saltend Chemical Park (owned and managed by px group) located south-west of West Newton is host to nine different chemical and energy companies including Engie and Ineos
- Aldbrough Gas Storage facility located east of West Newton
- Ports of Grimsby and Immingham

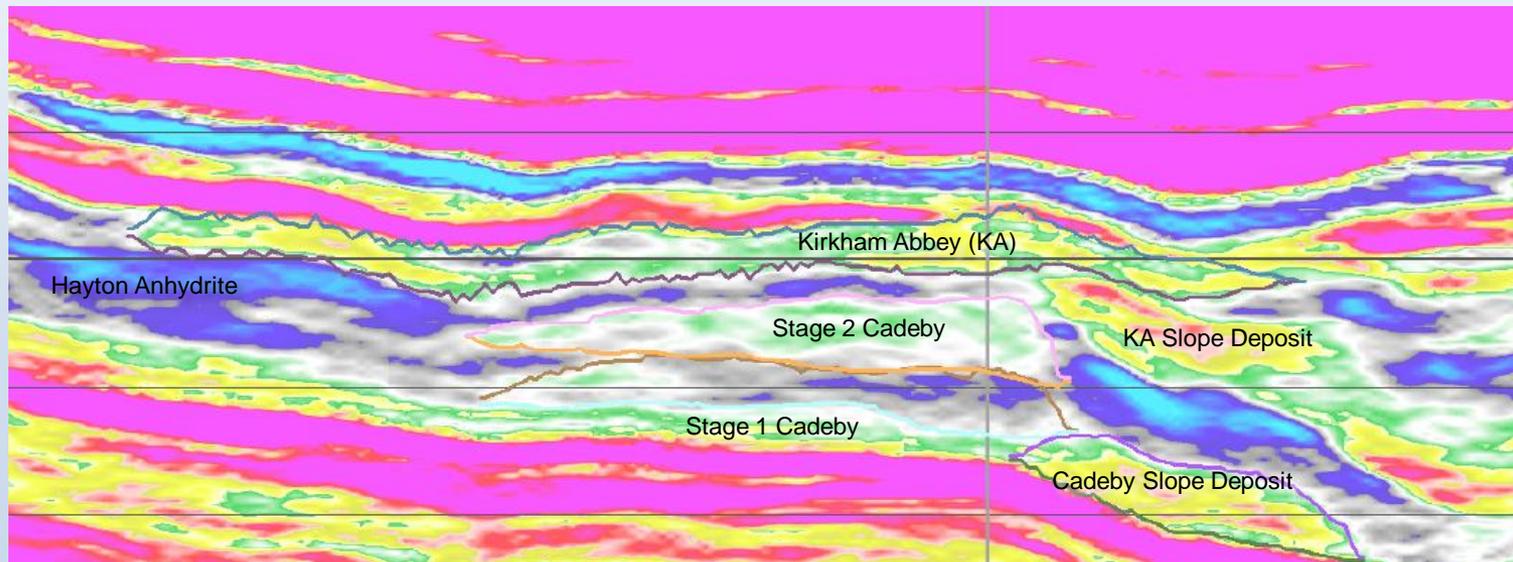
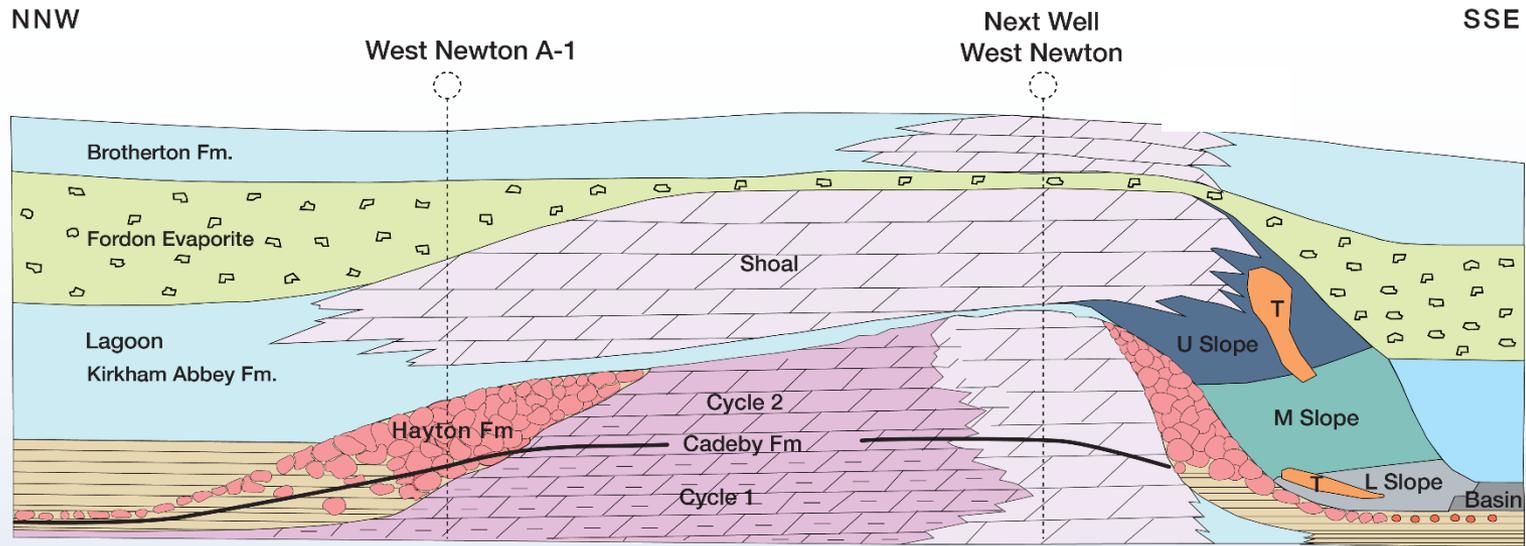
UK has Attractive Gas Pricing (\$US/mmbtu)



Permian Petroleum Fairway Model



Detailed Geological Model and Density Section



West Newton – Kirkham Abbey Shoal Gas Discovery Assigned Contingent Resources



	Low	Best*	High	Mean
Total Contingent Resource (MMboe)	15.9	31.5	62.6	36.4

* The Kirkham Abbey Shoal has a combined geological and commercial Probability of Success of 60%.

* The Kirkham Abbey “Slope Deposit” represents an additional Best Estimate 9.2 MMboe of Prospective Resource

Source: Deloitte CPR dated 25 July 2017

- The Kirkham Abbey Shoal has been assigned Contingent Resources and requires a development plan to convert them to Reserves
- Operator’s current economic evaluation of the Kirkham Abbey Shoal only (and based on produced reserves of 30.34 MMboe) yields:
 - ROR: 52.5%**
 - NPV10%**: US\$247 MM**
- The Kirkham Abbey “Slope Deposit” offers additional significant value and resource upside potential

** Based on Operator’s unrisksed project economic evaluation before tax

West Newton – The Cadeby Reef Oil Prospect is a Material Oil Target



	Low	Best*	High	Mean
Total Prospective Resource (MMboe)	42.8	79.1	146.0	88.6

* The Cadeby Reef and the Slope Deposit both have a geological Chance of Success of 26%

* The Cadeby “Slope Deposit” represents an additional Best Estimate of 43.7 MMboe of Prospective Resource

Source: Deloitte CPR dated 25 July 2017

- The West Newton commitment well will also target the deeper Cadeby Reef oil prospect
- Operator’s Economic Evaluation of the Cadeby Reef oil project only and based on produced reserves of 73.31 MMboe yields:
 - ROR: 104.8%**
 - NPV10%** : US\$850 MM**
- The Cadeby Slope Deposit offers additional significant value and resource upside potential

** Based on Operator’s unrisks project economic evaluation before tax

West Newton – Technically Compelling

- West Newton commitment well will appraise the gas discovery made by West Newton A-1
- Two stacked Permian aged conventional reservoirs being targeted (2000 metre well)

Kirkham Abbey Shoal Gas Discovery appraisal well

- Appraisal of West Newton A-1 natural gas discovery
- Delineated by 3 component 3D seismic survey
- Contingent Resources Best Estimate of 185 Bcf + 581 Mbbls of liquids

Cadeby Reef Oil Prospect will also be tested

- Step out from oil-bearing reef flank penetrated in West Newton A-1 well
- 3 component, 3D seismic survey defines reef
- Prospective Resources Best Estimate of 79.1 MMboe
- Additional potential identified in a basinward slope deposit (43.7 MMboe Best Estimate)

West Newton – Financially Attractive Project



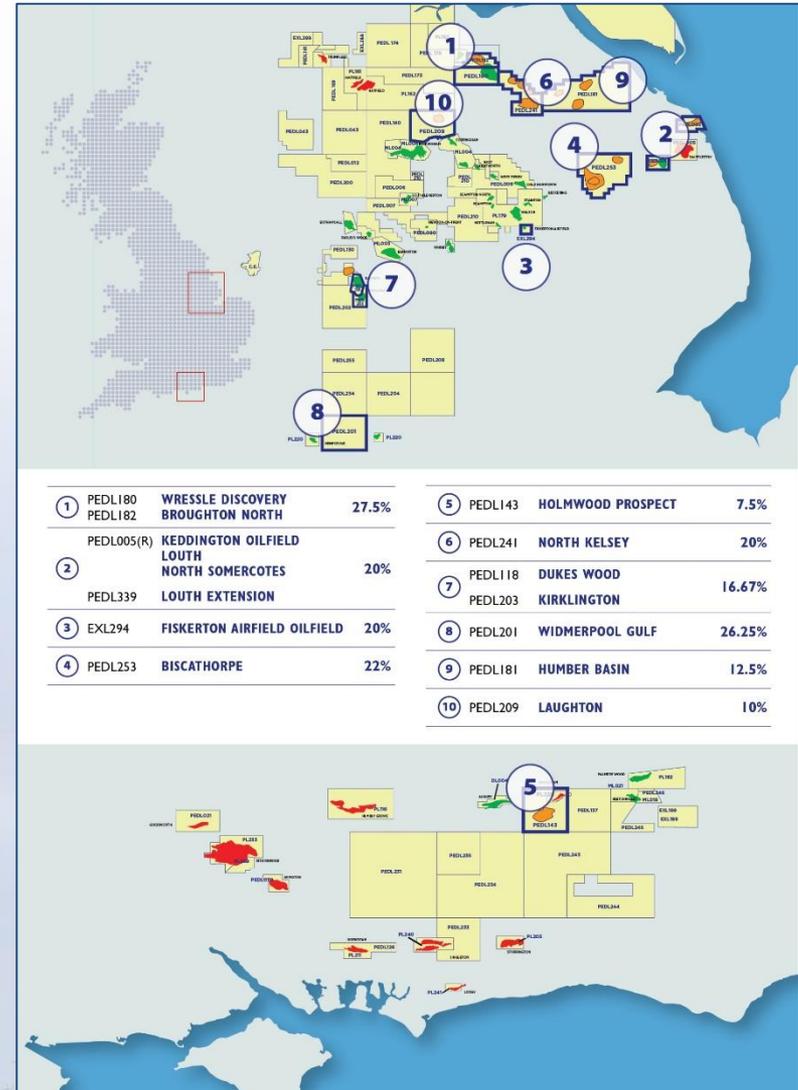
- A large onshore gas discovery with proximity to existing gas pipelines and infrastructure
- Compelling economic value from the gas discovery's contingent resources alone
 - Operator's evaluation of Kirkham Abbey gas only: **52.5% ROR and NPV10% US\$247MM**
- Significant value upside potential from the Cadeby oil prospect
 - Operator's evaluation of Cadeby Reef oil only: **105% ROR and NPV10% US\$850MM**
- Additional upside value potential from prospective resources in other gas targets
- UJO has entered into a Heads of Agreement to acquire a 16.67% interest in a compelling gas discovery on attractive terms
 - Delivers Contingent Resources of **5.3 MMboe** and significant prospective resources to UJO
 - Materially accretive to asset value and market worth based on UJO drilling cost so acquiring
 - Kirkham Abbey Contingent Resources only: NPV10%* ~\$7.84/boe for < \$0.30/boe
 - Adding Cadeby Reef oil Resources only, improves metrics
 - Contingent and Prospective Resources: NPV10%* ~\$9.92/boe for <\$0.10/boe
- A successful appraisal well in Q1 2019 would deliver a major onshore gas development
 - Contingent Resources require a development plan to convert to Reserves
- **A compelling project technically and financially**

Union Jack's Conventional Onshore Focus

– Production, Development and Exploration



- Assembled a balanced portfolio of 12 production, development and exploration interests
 - Located in two established onshore basins: the East Midlands Province and the Weald Basin
- 27.5% Wressle-1 oil discovery (PEDL180/182)
 - Combined ~710 boepd on test
 - Progressing planning application for field development
 - Contains Broughton North prospect
- 22% drill-ready Biscathorpe prospect (PEDL253)
 - Oil bearing sandstone has previously been discovered at Biscathorpe-1
 - Drilling to commence on completion of construction of wellsite
- 7.5% high-impact Holmwood prospect (PEDL143)
- 20% producing Fiskerton Airfield oilfield (EXL294)
- 16.67% in shut-in Dukes Wood and Kirklington oilfields acquired from Cairn (PEDL118/203)
- 20% producing Keddington oilfield (PEDL005R)
 - Contains the significant Louth oil and North Somercotes gas prospects
- 20% drill-ready North Kelsey prospect (PEDL241)
- 10% PEDL201 and PEDL209



Near-term News Flow and Value Drivers

– Active in a Number of Attractive Projects

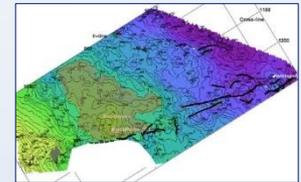
Wressle discovery (27.5%): PEDL180/182 – oil development project

- 2.51 MMboe reserves and resources (2P+2C)
- Attractive development project with initial oil production of 500 bbls/d (gross)
- New development application process underway



Biscathorpe (22%): PEDL253 – a prior oil discovery, drill ready and material to UJO

- Structure is large, drill ready and Biscathorpe-2 well planned before year end 2018
- 14MMbbl Gross mean prospective resources and COS of 40%
- Attractive economics and well/risk profile



Holmwood (7.5%): PEDL143 – high impact exploration prospect with multiple potential pay zones

- Gross mean prospective resources of 5.6 MM bbl and COS of 50%
- Licence term has been extended until 30 September 2020
- Evaluating potential drill sites for Holmwood-1 and other prospects on the licence



Fiskerton Airfield (20%): EXL294 – producing oilfield

- Successful workover increased production approaching 30 bopd
- Reprocess 3D seismic data to help identify new drilling opportunities



Keddington oilfield (20%): PEDL005(R) – producing oilfield

- Further High upside reserve potential
- Additional drilling being considered



Union Jack Oil Investment Summary



- Low-risk onshore strategy focused on drill-ready projects and value creation
- Balanced portfolio: production, development, appraisal and exploration
- Portfolio activity generates near-term news flow and value drivers
- Positioned to deliver growth: in reserves, production and asset value
- Active Commercial Partnership with Humber Oil & Gas
- Acquiring 16.67% in compelling West Newton gas discovery on attractive terms
- A successful appraisal would deliver a major onshore gas development