

5 November 2018

Union Jack Oil plc

("Union Jack" or the "Company")

Farm-in Agreement for a 16.665% Interest in PEDL183 Containing Major West Newton Gas Discovery

The Directors of Union Jack Oil plc (AIM: UJO) are pleased to announce that, further to entering into a Heads of Agreement as announced on 3 October 2018, the Company has now signed a farm-in agreement with Rathlin Energy (UK) Limited ("**Rathlin**"), a wholly owned subsidiary of Canadian registered Connaught Oil & Gas Ltd ("**Connaught**"), for a 16.665% licence interest in PEDL183 (the "**Farm-in**"). PEDL183 is located onshore UK in East Yorkshire and within the Western sector of the Southern Zechstein Basin and contains the significant West Newton A-1 gas discovery (Best Estimate Contingent Resource 189 Bcfe or 31.5 MMboe gross), where the drill-ready West Newton conventional appraisal well is planned to be drilled in Q1 2019.

Farm-in Highlights

- Acquiring a 16.665% interest in the large 176,000 acre PEDL183 licence containing the significant West Newton A-1 UK onshore gas discovery
- Best Estimate Contingent Resources of 189 Bcf of gas equivalent or 31.5 million barrels of oil equivalent (gross) assigned to West Newton in a Competent Persons Report
- West Newton A-1 gas discovery is on-trend with the prolific offshore Hewett gas complex
- Proximity to existing gas pipelines and infrastructure
- Drill-ready conventional appraisal well planned to be drilled in Q1 2019 to appraise the gas discovery
- Appraisal well to be fully funded from existing cash resources
- Compelling immediate and future economic value from a development of the gas discovery alone
- Operator's NPV10% of US\$247 million and 52.5% ROR for the gas discovery alone
- Attractive acquisition metrics of less than US\$0.30 per barrel of oil equivalent for the gas discovery alone
- Considerable upside potential from the lower Cadeby Reef oil exploration target underlying the gas reservoir that will also be drilled, with Best Estimate Prospective Resources of 79.1 million boe (gross)
- Further significant upside potential from numerous other prospects and leads
- A successful appraisal well in Q1 2019 is expected to deliver a major onshore gas development

David Bramhill, Executive Chairman of Union Jack, commented:

"We are pleased to be able to confirm the Farm-in to PEDL183 containing the material West Newton gas discovery that represents a significant project technically and is compelling financially for Union Jack has now been signed.

"The drilling of the material West Newton conventional appraisal well, where success is expected to deliver a significant onshore gas development project, will be transformational for Union Jack.

“We look forward to working with Rathlin, as Operator, and Humber Oil & Gas Limited (“**Humber**”), as our Commercial Partner, and drilling the West Newton conventional appraisal well in order to firm up the project’s significant potential and, upon a successful appraisal well, progress to a Field Development Plan. On completion of this Farm-in, Union Jack can book immediately 5.3 million barrels of oil equivalent Contingent Resources to its existing reserve and resource portfolio and once a Field Development Plan is in place, West Newton’s Contingent Resources can be converted to Reserves.

“In addition to our ongoing commitment to develop the Wressle oil discovery, and plans to commence drilling of the material conventional Biscathorpe-2 oil appraisal well later this quarter, the Farm-in and drilling of West Newton in Q1 2019 puts Union Jack in an even stronger position to deliver growth in reserves, production and asset value while adhering to our principles of strict financial and technical discipline.”

Frazer Lang, Director of Humber, and Union Jack’s Commercial Partner, commented:

“PEDL183 is one of the largest onshore licences within the UK and we are delighted to be investing in parallel in this project alongside our Commercial Partner, Union Jack.

“The conventional West Newton appraisal well is planned to be drilled in Q1 2019 and, if successful, the effect will be transformational for both Union Jack and Humber.

“Humber is also pleased to be partner in the Wressle oil discovery and also a participant in the Biscathorpe-2 appraisal well planned to be drilled soon

“Success in any one of these stand-alone projects would change materially the dynamics of both Union Jack and Humber.”

Further information on the Farm-in

The Farm-in is subject to the normal Oil and Gas Authority regulatory approval process and certain precedents being satisfied.

On completion, the interests held in PEDL183 will be:

Rathlin Energy (UK) Limited (Operator)	66.67%
Union Jack Oil plc	16.665%
Humber Oil & Gas Limited	16.665%

For further information on the West Newton gas discovery and PEDL183 please visit the Union Jack website www.unionjackoil.com where the following information can be found:

- the announcement by Union Jack on the Rathlin Farm-in and Fundraising dated 3 October 2018
- the “Rathlin Opportunity” presentation dated October 2018
- the Executive Summary extracted from the Competent Person’s Report prepared by Deloitte LLP, an independent petroleum engineering firm that conforms to SPE-PRMS guidelines, dated 25 July 2017

Commercial Partner Participation

Union Jack has an established relationship with Humber which forms the basis of an ongoing Commercial Partnership whereby both parties seek to co-invest in UK onshore hydrocarbon opportunities. The first such commercial collaboration was the acquisition of a combined 20% economic interest in PEDL253 containing the Biscathorpe-1 oil discovery where the conventional appraisal well Biscathorpe-2 is planned to be drilled Q4 2018.

The second significant commercial collaboration between Union Jack and Humber is the Farm-in for a combined 33.3% economic interest in PEDL183, where Humber has also entered into a Definitive Agreement on identical terms to that of Union Jack that will result in each of Union Jack and Humber acquiring a 16.665% interest.

In addition to the commercial collaborations between Humber and Union Jack, Humber's Executive Director Frazer Lang, is beneficially interested in 1,267,606,538 Ordinary Shares of the Company held by G.P. (Jersey) Limited representing 15% of the issued share capital of the Company

Competent Person's Statement

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.

For further information, please contact:

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