

15 July 2019

Union Jack Oil plc
("Union Jack" or the "Company")
Biscathorpe-2 Well Update

Union Jack Oil plc (AIM: UJO), a UK focused on-shore hydrocarbon production, development and exploration company notes the positive announcement made today by Egdon Resources plc ("Egdon"), in respect of the Biscathorpe-2 exploration well. Union Jack holds a 22% interest in PEDL253 containing the Biscathorpe Prospect. Egdon included the following statements:

Egdon Resources plc (AIM:EDR) is pleased to provide a positive update in respect of the Biscathorpe-2 exploration well drilled in Petroleum Exploration and Development Licence PEDL253, located in Lincolnshire, where Egdon holds a 35.8% interest.

The Biscathorpe-2 well is located within the proven hydrocarbon fairway of the Humber Basin, on trend with the Saltfleetby gasfield and the Keddington oilfield which produces oil from a Carboniferous Westphalian aged sandstone reservoir ("Westphalian") and which was the principal target in the Biscathorpe-2 well. The initial well results were reported on 20 February 2019. During drilling elevated gas readings were recorded from the Westphalian and below this over the total 157 metre Dinantian Limestone interval ("Dinantian") along with the presence of oil shows (pale white blue cut fluorescence) in both Westphalian and Dinantian cuttings samples. The Biscathorpe-2 well was suspended to allow the option for a future side-track to be made following the re-processing and re-mapping of up to 85 square kilometres of existing 3D seismic data.

Since reporting the initial well results, further detailed technical analyses of the data from the Biscathorpe-2 well have been undertaken, including an updated petrophysical evaluation by both Egdon and Union Jack's petrophysical consultants which focussed specifically on the Dinantian. These petrophysical analyses indicated hydrocarbon saturations of greater than 50% within the upper parts of the Dinantian.

Union Jack, Montrose Industries Limited, and Egdon Resources plc, also appointed independent geotechnical consultants, Applied Petroleum Technology (UK) Limited ("APT"), to perform a detailed geochemical analysis of drill cutting samples taken from 20 intervals in the Biscathorpe-2 well, comprising five from the Westphalian and 15 from the Dinantian. The objective of the APT analysis was to provide geochemical evidence for the presence of live hydrocarbons together with an estimate of the likely oil quality (the "APT Report").

The APT Report has confirmed the occurrence of hydrocarbons in the Westphalian and Dinantian cutting samples analysed from the Biscathorpe-2 well. The APT Report also confirmed that the data supports the existence of a significant column of good quality oil (high API gravity), within the Dinantian, validated by the presence of a full suite of gases

ranging from methane to pentane (C1 to C5 and nC5) recorded during drilling, all indicative of a working petroleum system in close proximity to the Biscathorpe-2 well.

A sample of oil from the nearby producing Keddington oilfield to the east of PEDL253, was analysed as a benchmark for comparison with the hydrocarbons extracted by APT from the Biscathorpe-2 cutting samples.

The key results contained in the APT Report are summarised below:

- Good quality hydrocarbon extracts were obtained from the Westphalian and Dinantian cuttings samples
- All hydrocarbons extracted appear to be non-biodegraded
- The hydrocarbons extracted are comparable to those extracted from a known oil-bearing Westphalian interval (Keddington oilfield)
- APT confirmed the likely presence of a live oil column in the top of the Dinantian interval from approximately 1,980 metres to 2,015 metres (35 metres), with likely residual oil below
- Data evaluated at the base of the analysed section, and wellsite gas readings, are also suggestive of possible additional hydrocarbon pay below 2,133 metres
- API gravity results in the Biscathorpe-2 well intervals were as follows:

Westphalian interval	35° API
Dinantian interval	33-34° API

The results of the APT Report together with re-processed 3D seismic data will be integrated to inform the direction of any potential future side-track of the Biscathorpe-2 well that would target the Westphalian and Dinantian.

Commenting on these positive results Mark Abbott, Managing Director of Egdon, said:

“The results of the revised petrophysical analysis and the APT Report have upgraded the Biscathorpe-2 well result, confirming the likely presence of a 35 metre column, of good quality oil, within the Dinantian interval. This along with the elevated gas readings and oil shows over an extended interval in the well are indicative of proximity to an effective petroleum system and validate the potential that exists within the PEDL253 licence area.

The primary target reservoir at Biscathorpe, the Basal Westphalian sandstone, was likely absent at the Biscathorpe-2 location and remains untested by the well. Further technical work is planned, including the reprocessing of the existing 3D seismic data, prior to deciding the next steps for the project which could include a side track of the suspended Biscathorpe-2 well.

“We look forward to updating shareholders further once the results of the 3D reprocessing are finalised.”

Further commenting on these positive results, David Bramhill, Executive Chairman of Union Jack, said:

“The APT Report confirms the likely presence of hydrocarbons in the Westphalian and Dinantian, interpreted to be oil, over a potentially large interval, and highlights the potential upside we see within

the PEDL253 licence area. Biscathorpe, in the opinion of Union Jack's management, remains one of the UK's largest onshore un-appraised conventional hydrocarbon prospects.

"The confirmation within the APT Report of the likely presence of good quality API gravity hydrocarbons within the Westphalian and Dinantian, has significantly upgraded the Biscathorpe-2 well result and enables Union Jack to view the prospectivity of the area around Biscathorpe-2, and the overall potential of PEDL253, much more favourably.

"In our opinion, the Basal Westphalian sandstone that was the primary target of the Biscathorpe-2 well, remains untested, as do the hydrocarbons unexpectedly encountered within the Dinantian.

"Union Jack and its joint venture partners will now undertake further technical work before being able to confirm next steps in relation to a possible future side track of the Biscathorpe-2 well.

"We look forward to reporting on events in respect of Biscathorpe during 2019 and as they unfold thereafter."

Competent Person's Statement

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 experience.

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