

9 March 2020

Union Jack Oil plc
("Union Jack" or the "Company")

Acquisition of an Additional 35% Interest in the Producing Keddington Oilfield PEDL005(R)

Union Jack Oil plc (AIM: UJO), a UK focused onshore hydrocarbon production, development and exploration company is pleased to announce the acquisition of an additional 35% economic interest in PEDL005(R) containing the producing Keddington Oilfield ("Keddington") from Terrain Energy Limited (the "Acquisition").

Following completion of the Acquisition, Union Jack will hold a 55% economic interest in Keddington, with Egdon Resources plc ("Egdon" or the "Operator") holding the remaining 45%.

Highlights

- Union Jack's interest in the Keddington Oilfield increases to 55% following completion
- Net Contingent Resource increases to 311,000 barrels ("bbls") of oil
- Net Prospective Resource increases to 349,250 bbls of oil
- Potential to increase production volumes multi-fold via a relatively inexpensive side-track well

The consideration for the Acquisition is £200,000. In addition, Union Jack has assumed costs of £35,000 in relation to site activities from the effective economic date of the Acquisition, being 1 January 2020 (the "Economic Date"). The cost of the acquisition will be financed by existing cash resources. The Company will receive its increased share of Keddington production proceeds from the Economic Date. The Acquisition is subject to approval by the Oil & Gas Authority.

Keddington

Keddington, currently producing approximately 28 bbls of high-quality oil per day from Carboniferous age sandstone reservoirs, is located along the highly prospective East Barkwith Ridge, an east-west structural high on the southern margin of the Humber Basin.

A detailed, in-depth subsurface review of the Keddington field and the surrounding licence area was conducted by Egdon and Union Jack during 2019, resulting in a fully audited and consistent data set that supports updated resource estimates generated by the Operator.

These geological and geophysical studies indicate that potentially significant resources remain unswept at Keddington, highlighting an excellent opportunity to increase production volumes multi-fold by the drilling of a relatively inexpensive development well from the existing production site. The gross remaining Mean Contingent Resource at Keddington is 567,000 bbls of oil (311,000 bbls net to Union Jack).

The Operator is finalising the assessment of potential in-fill drilling locations at Keddington with a view to targeting a side-track drilling location.

The Keddington site lease has been extended until 2029. Current planning consent expires in 2058, with approval in place for the drilling of a further two wells.

In addition to the unswept resources in Keddington, a near field exploration opportunity exists at Keddington South, which has a gross Mean Prospective Resource Volume of 635,000 bbls of oil (349,250 bbls net to Union Jack).

As part of this Acquisition, the Company is also acquiring a 15% interest in PEDL339 into which the Louth Prospect, with a gross Mean Prospective Resource of 600,000 bbls of oil, extends from PEDL005(R). Significant additional Prospective Resources, both for oil and gas also exist over the licence areas and includes the North Somercotes Prospect.

David Bramhill, Executive Chairman of Union Jack, commented:

“This Acquisition is an inexpensive transaction and provides an immediate uplift in oil production, which will have a beneficial effect when consolidated into the production revenues generated from Fiskerton Airfield and the expected “first oil” from the Wressle development later in the year.

“Keddington also contains major scope for expansion which could be achieved by drilling a relatively inexpensive development well from the existing Keddington site.

“Union Jack’s other key projects remain on track, with news expected during the remainder of Q1 and Q2 in respect of:

- *The Extended Well Test at the West Newton A-2 discovery*
- *Commencement of site works in preparation for the drilling of the West Newton B-1 well*
- *Update in respect of achieving “first oil” from the Wressle discovery during H2 2020*
- *Update in respect of Biscathorpe, where significant technical work has been undertaken to fully assess what Union Jack considers may become a significant project for the Joint Venture going forward*

“The Company continues to exercise strict financial discipline and is fully funded to cover all planned drilling and development commitments at West Newton, Wressle and Biscathorpe.

“I look forward to reporting to shareholders in respect of progress of our principal projects in the near term.”

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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Glossary

Term	Description
Reserves	Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions.
Proved Reserves	Proved reserves are those quantities of petroleum which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under current economic conditions, operating methods, and government regulations. Proved reserves can be categorised as developed or undeveloped. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.
Probable Reserves	Probable reserves are those unproved reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable. In this context, when probabilistic methods are used, there should be at least a 50% probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable reserves.
Possible Reserves	Those additional reserves that analysis of geoscience and engineering data indicates are less likely to be recoverable than Probable Reserves.
1P	Proved Reserves
2P	Proved Reserves + Probable Reserves
3P	Proved Reserves + Probable Reserves + Possible Reserves
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies.
1C	Denotes low estimate scenario of Contingent Resources
2C	Denotes best estimate scenario of Contingent Resources
3C	Denotes high estimate scenario of Contingent Resources
Prospective Resources	Those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.
1U	Denotes the unrisks low estimate qualifying as Prospective Resources.
2U	Denotes the unrisks best estimate qualifying as Prospective Resources.
3U	Denotes the unrisks high estimate qualifying as Prospective Resources.