

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement

4 August 2020

Union Jack Oil plc
("Union Jack" or the "Company")
West Newton Operations and Progress Update

Union Jack Oil plc (AIM: UJO), a UK focused onshore hydrocarbon production, development and exploration company is pleased to announce a positive update on operations and progress at West Newton in respect of the planned near term drilling of the West Newton B-1 (WNB-1) appraisal well, and its subsequent testing, and the completion of the Extended Well Test at the West Newton A-2 (WNA-2) discovery well.

Union Jack holds a 16.665% interest in PEDL183 containing the WNA-1 and WNA-2 discoveries and the Operator is Rathlin UK Limited.

Highlights:

- Significant progress made at West Newton B site while successfully managing Covid-19 related restrictions
- Initial drilling operations at WNB-1 expected to commence in the next few weeks
- Combined testing programme at both WNB-1 and WNA-2 to follow WNB-1 drilling

Update on the Planned Drilling of the West Newton B-1 Well

Significant progress has been made at the West Newton B drilling site over the last few months, successfully managing through the Covid-19 related restrictions.

The WNB-1 well has the dual objective of appraising the significant discovery made in the Kirkham Abbey formation, as well as evaluating the deeper and potentially substantial Cadeby prospect, in a more optimal location than was encountered at the WNA-2 well.

Pre-construction works commenced in April 2020, with land drainage installed and two water monitoring boreholes drilled, with baseline sampling presently underway.

Work commenced on the site access track in early May 2020. This activity, which was subject to an archaeological watching brief, was completed in mid-June 2020, facilitating access to the B site. Local road closures, agreed by East Riding of Yorkshire Council, are now in effect.

Site works commenced in late May 2020, with a full archaeological strip, map and record study. Following topsoil stripping and archaeological reporting, construction operations were initiated, and good progress has been made toward completion of the site.

Mobilisation of the geotechnical rig to drill the initial 80 metres of the well bore is anticipated within the next few weeks. This will be followed by the main drilling rig which will drill and case the well to approximately 2,100 metres.

Update on West Newton A-2 Extended Well Test

Evaluation of the WNA-2 open hole data identified an estimated gross hydrocarbon column of approximately 65 metres in the Kirkham Abbey formation. A cased hole pulsed-neutron tool was run across the Kirkham Abbey zone and initial petrophysical evaluation identified a gross oil column of approximately 45 metres underlying a gross gas column of approximately 20 metres within that interval. The West Newton A-2 well exhibited encouraging porosities on logs and in core, particularly in the identified oil zone where in-excess of 30 metres with good matrix porosities, approaching 15 per cent., were measured. The core also exhibited natural fracturing which is confirmed by an imaging log run across the entire Kirkham Abbey interval.

The Operator provided updated volumetric estimates for the Kirkham Abbey formation post drilling that were contained in an RNS on 11 November 2019:

Base Case: - Liquids: 146.4 million barrels (“mmbbl”) of oil initially in-place (“OIIP”)
- Gas: 211.5 bcf of gas initially in-place (“GIIP”)

Upside Case: - Liquids: 283 mmbbl OIIP
- Gas: 265.9 bcf GIIP

The deeper Cadeby prospect offers considerable potential additional upside to the potential value of West Newton and the planned WNB-1 well will target this zone at an optimal position.

At WNA-2, a permit variation from the Environment Agency was received in late April 2020, allowing the Operator to recommence the well test utilising a pumpjack and a smaller incinerator unit. However, activities were delayed due to Covid-19 related issues, notably restrictions of the international movement of equipment and personnel. Whilst these issues are now broadly resolved, the significant progress made at the B site during this period means it is now more efficient to drill the WNB-1 well first, and subsequently to carry out a testing programme at both WNA-2 and WNB-1. This is expected to result in cost savings via shared testing equipment, and more importantly, allows the drilling of the WNB-1 well to proceed without any delays resulting from testing operations at the A-2 site as it would not be prudent to run these activities concurrently during this period.

Carbon Intensity at West Newton

Union Jack was pleased to announce on 16 June 2020 that a GaffneyCline study gave the West Newton development plan an AA rating for carbon intensity, the highest possible grade for low carbon emissions marked by GaffneyCline.

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

“The drilling of the WNB-1 well is important for the West Newton project for appraisal of the Kirkham Abbey formation that was penetrated successfully in A-2 well as well as targeting the deeper and potentially significant Cadeby prospect. We are delighted that the Operator has managed to make excellent progress with the B site operations despite the extreme challenges thrown up by events since March 2020. Subsequent to drilling WNB-1, we look forward to carrying out testing at both WNA-2 and WNB-1.

“We are fortunate to be in a position where the West Newton JV is fully funded for its planned drilling and testing activities.

“The potential of the onshore West Newton project to Union Jack is significant due to its oil and gas volumes and reduced onshore development costs compared to alternatives resulting in economics that are highly favourable and a very valuable project from an industry perspective.

“I look forward with enthusiasm over the coming months to reporting progress on WNB-1 drilling activities that will be followed by well testing at both sites.”

For further information, please contact:

Union Jack Oil plc +44 (0)78 0154 0358

David Bramhill

SP Angel Corporate Finance LLP +44 (0)20 3470 0470

Nominated Adviser and Broker

Richard Morrison

Richard Hail

Caroline Rowe

Cassiopeia Services Ltd +44 (0)7949 690 338

Public Relations

Stefania Barbaglio