

14 October 2020

Union Jack Oil plc
("Union Jack" or the "Company")
North Kelsey Further Acquisition and Alignment of Interests in PEDL241

Union Jack Oil plc (AIM: UJO), a UK focused onshore hydrocarbon production, development and exploration company is pleased to announce a further 30% acquisition of PEDL241, containing the conventional, drill-ready, North Kelsey Prospect, the alignment of our equity interests in that licence with Egdon Resources U.K Limited (the "Operator") and to jointly pursue a farmout for the drilling of the North Kelsey-1 exploration well.

North Kelsey is a conventional oil prospect along trend from and analogous to the Wressle oil development, which lies approximately 15 kilometres to the northwest. The prospect has been mapped from 3-Dimensional seismic data and has the potential for oil in up to four stacked conventional Carboniferous reservoir targets. The Operator estimates that the Prospective Resources range from 4.66 million barrels up to 8.47 million barrels of oil, with a Mean Resource volume of 6.47 million barrels.

In September 2020, the existing planning consent for drilling North Kelsey-1 was extended to 31 December 2021 by the Lincoln County Council. Requisite permits for drilling have also been received from the Environment Agency.

Under the terms of the agreement Union Jack will acquire an additional 30% interest in the licence for a cash consideration of £100,000. Previous financial farm-in obligations in respect of the 20% interest in PEDL241 already held by Union Jack will lapse. Further financial obligations will be equally carried on a 50/50 basis by Union Jack and the Operator. The transaction is subject to Oil and Gas Authority consent.

Upon completion of the acquisition the interests held in PEDL241 will be as follows:

Company	Previous Interest	New Interest
Union Jack Oil plc	20%	50%
Egdon Resources U.K. Limited (Operator)	80%	50%

David Bramhill, Executive Chairman of Union Jack Oil plc commented: "North Kelsey is a low cost, drill-ready onshore acquisition for Union Jack in our focus area, consistent with our strategy.

"The increase in our interest to 50% increases our exposure to this potentially value adding project and expands our balanced drilling and development portfolio.

“North Kelsey sits within our focus areas of the East Midlands, Humber Basin and East Yorkshire and is on trend with our Wressle oil development project which is on-track to produce first oil later this quarter.

“The acquisition of this additional 30% interest has been executed on attractive terms without any promote and will also deliver additional savings by removing our previous farm-in carry obligations.

“Subject to a successful farm-out process, North Kelsey-1 is expected to be drilled during 2021.”

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 approved by Graham Bull, Non-Executive Director, who has over 46 years of international oil and gas industry experience.

Evaluation of hydrocarbon volumes has been assessed in accordance with 2018 Petroleum Resources Management System (PRMS) prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG), the Society of Petroleum Evaluation Engineers (SPPE), the Society of Exploration Geophysicists (SEG), the Society of Petrophysicists and Well Log Analysts (SPWLA) and the European Association of Geoscientists & Engineers (EAGE).

For further information, please contact:

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