

Production, Drilling, Development and Investment in the United Kingdom Onshore Hydrocarbon Sector



UNION JACK OIL plc

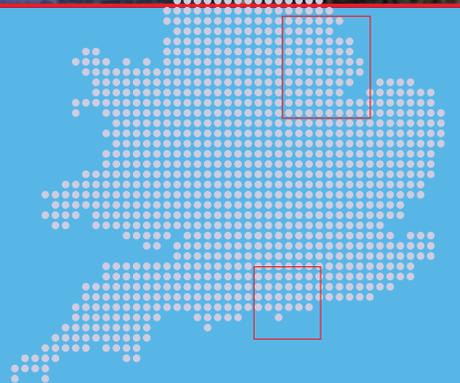


Half Yearly Report

FOR THE SIX MONTHS
ENDED 30 JUNE 2017



UNION JACK OIL



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Union Jack Oil plc is an onshore oil and gas exploration and production company with a focus on drilling, development, investment and production in the United Kingdom hydrocarbon sector. The issued share capital is traded on the AIM Market of the London Stock Exchange (Ticker: UJO).

Our strategy is the appraisal and exploitation of the assets currently owned. Simultaneous with this process, the Company's management expects to continue to use its expertise to acquire further licence interests over areas where there is a short lead time between the acquisition of the interest and either exploration drilling or initial production from any oil or gas fields that may be discovered.

SUMMARY OF LICENCE INTERESTS HELD BY UNION JACK OIL PLC

<p>PEDL180 PEDL182 WRESSLE DISCOVERY BROUGHTON NORTH</p> <p>15%</p>	<p>PEDL005(R) KEDDINGTON OILFIELD LOUTH NORTH SOMERCOTES</p> <p>10%</p>	<p>PEDL143 HOLMWOOD PROSPECT</p> <p>7.5%</p>	<p>PEDL253 BISCATHORPE</p> <p>12%</p>
<p>PEDL241 NORTH KELSEY</p> <p>20%</p>	<p>PEDL339 LOUTH EXTENSION</p> <p>10%</p>	<p>PEDL201 BURTON ON THE WOLDS</p> <p>10%</p>	<p>PEDL209 LAUGHTON</p> <p>10%</p>

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Chairman's Statement

INTRODUCTION AND PROJECT REVIEW

I am pleased to present this Half Yearly Report for the six months ended 30 June 2017 to the shareholders of Union Jack Oil plc (“**Union Jack**” or the “**Company**”).

The past six months have seen, as expected, a period of steady progress for Union Jack, a highlight being the acquisition of a further 3.33% interest in PEDL180 and PEDL182, for a consideration of £600,000. These licences contain the Wressle discovery and the Company now holds a 15% interest in this asset, providing additional proven reserves and increased exposure to an attractive development project and appraisal opportunity.

In February 2017, the Company raised approximately £1.4 million before expenses in order to acquire the additional interests in PEDL180 and PEDL182 and interests in other production or drill-ready assets. In respect of the potential purchase of further attractive assets, Union Jack is currently conducting a review of a production and development asset that, if executed as expected, will lead to its inclusion within our balanced portfolio during Q3/Q4 2017 and the consideration will be paid for from existing funds.

Union Jack holds a 7.5% interest in PEDL143 in the Weald Basin containing the Holmwood Prospect and a 12% interest in PEDL253 in Lincolnshire containing the Biscathorpe Prospect, both drill-ready, conventional assets and part of our forward drilling programme.

The operators of PEDL143 and PEDL253 manage these drill-ready assets professionally on behalf of the Company and the other Joint Venture partners and provide sustained and effective communication with the relevant authorities such as the Oil and Gas Authority (“**OGA**”), Environment Agency

(“**EA**”), the Health and Safety Executive (“**HSE**”) and other organisations to obtain the multiple permits required to enable the proposed drilling of the Holmwood-1 and Biscathorpe-2 wells to proceed in a safe and environmentally sensitive manner.

On our forward drilling programme, Union Jack's first well is expected to be the Holmwood-1 conventional exploration well located within PEDL143 in the Weald Basin. Drilling operations at Holmwood-1 are expected to commence during Q4 2017 once final approvals are in place. The well has been assessed as having a 33% geological chance of success.

In addition to targets in the Portland and Corallian sandstones where the operator has estimated gross mean prospective resources of 5.6 mmbbls of oil (“**mmbo**”), Holmwood-1 will also test the highly prospective Kimmeridge Limestone play which has been confirmed is evident in recent wells at Broadford Bridge, Brockham and Horse Hill. Over the next few months, production testing at these three discoveries should provide further insights across the Weald Basin into the commerciality of the Kimmeridge Limestone. These discoveries provide us with additional confidence given their proximity to our Holmwood-1 well and increases our perception of the chance of success at this important well in the Weald Basin. We will follow the results of production testing with interest.

The second planned well in our forward drilling programme, the Biscathorpe-2 conventional well located on PEDL253 in

“”

Drilling operations at Holmwood-1 are expected to commence during Q4 2017 once all final approvals are in place and the well has been assessed as having a 33% geological chance of success.

Lincolnshire, moved closer to being realised with the issue in July 2017 by the EA of the environmental permits for the well.

Drilling operations at Biscathorpe-2 are expected to commence early in 2018 and the well has been assessed as having a 40% geological chance of success. The Biscathorpe Prospect is estimated by the operator to hold gross mean prospective resources of 14 mmbbls. However, this figure could be significantly larger if a potential stratigraphic trapping mechanism that enhances the westerly closure of the prospect can be confirmed by drilling.

The Biscathorpe Prospect is located between Lincoln and Louth on the southern margin of the Humber Basin geological structure and is on-trend from, and to the west of, the producing Keddington oilfield (Union Jack 10%) and the Saltfleetby gas field.

The Biscathorpe-2 well will target a down-dip area of the structure identified following the drilling of the Biscathorpe-1 well in 1987 by BP which found oil in a thin sandstone of Westphalian age at the crest of the structure. The sandstone is expected to thicken and deepen to the north and west of the original well and has been defined by modern 3D seismic and is the justification for drilling this well and is referred to as the Biscathorpe “concept”.

Union Jack commissioned an independent review of the Biscathorpe 3D seismic by geophysical consultants Sotwell Exploration Ltd (“**Sotwell**”) during the period under review. Key points highlighted were that, in Sotwell's

opinion, the Biscathorpe “concept” is supported with good evidence of the possibility of the sand thickening away from the previous well location, that the whole area is very attractive for oil exploration and that a potential “mega play” trap is feasible with further upside from a stratigraphic trapping mechanism.

In respect of the Wressle oilfield development, in January and July 2017, planning consent for the development of the Wressle oilfield was declined by the North Lincolnshire District Planning Committee, despite recommendations to approve from the Council's Planning Officers on each occasion.

Significant efforts by the operator during the period have been made to progress the Wressle development. Appeals have been co-joined against both of these decisions and we expect the combined appeal to be heard in early November 2017.

The appeal will be heard by an independent inspector who will consider the application in the context of its planning merits.

We remain optimistic in respect of a positive outcome of the appeal which would see the commencement of operations to establish long-term production adding a further 75 barrels of oil per day net to Union Jack's production.

A detailed review of Union Jack's asset base can be found in the Review of Operations section within this report and also within a Corporate Presentation which can be viewed on the Company's website www.unionjackoil.com.



CORPORATE AND FINANCIAL

At the time of writing, cash balances stand at approximately £1.9 million, enough to comfortably cover the costs of our current committed drilling and development programme which includes the Holmwood-1 and Biscathorpe-2 conventional exploration wells and the Wressle development. Significantly, Union Jack remains debt free.

In February 2017, the Company raised £1.4 million before expenses from an oversubscribed placing to be used primarily for acquisitions. As previously stated, part of the funds raised were used to purchase a further 3.33% in PEDL180 and PEDL182 containing the Wressle development. There also remains sufficient cash from the placing to effect a potential further production focused acquisition during Q3 or early Q4 2017.

The Board continues to apply strict financial and technical discipline to the Company's activities and we pride ourselves on our relatively low general and administrative costs.

I would like to take this opportunity to thank our ever supportive shareholders and, in addition, the rest of Union Jack's Board, being Joe O'Farrell, Graham Bull and Ray Godson, for their guidance, and our team of advisers, all of whom work closely with the Company to ensure a smooth operating entity going forward.

SUMMARY

The next six months for Union Jack are expected to be particularly active with drilling of the high-impact Holmwood-1 and Biscathorpe-2 conventional exploration wells, resolution of the development approval of the Wressle oilfield and the potential acquisition of an interest in a further production asset. Success with any one, or more, of these activities could have a transformational effect on Union Jack.

We believe our onshore focus and low-cost business model, combined with actively managing the risk profile of each asset, ensures we meet our stated objective of building a balanced, low-risk portfolio with significant upside potential combining appropriate components of production, appraisal, discovery and exploration.

I look forward to reporting further on the progress of our existing projects and any potential new project we bring to our portfolio.

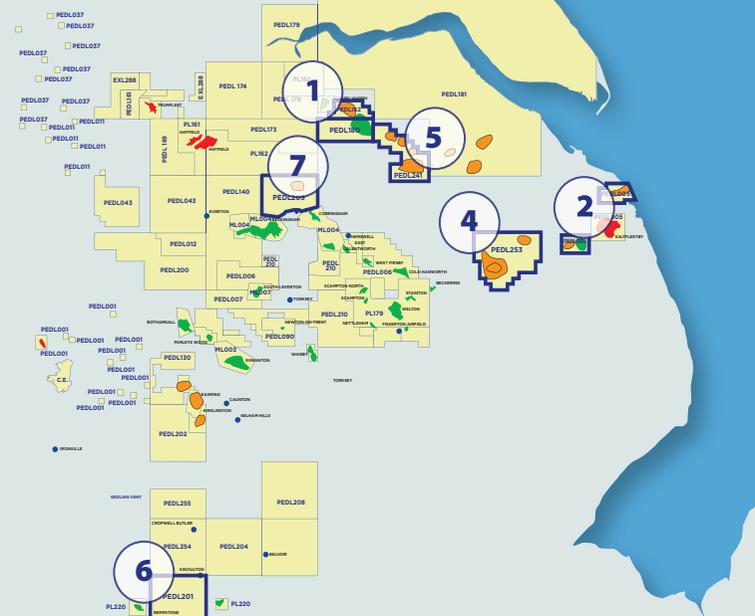
The future of Union Jack remains bright.



David Bramhill

Executive Chairman

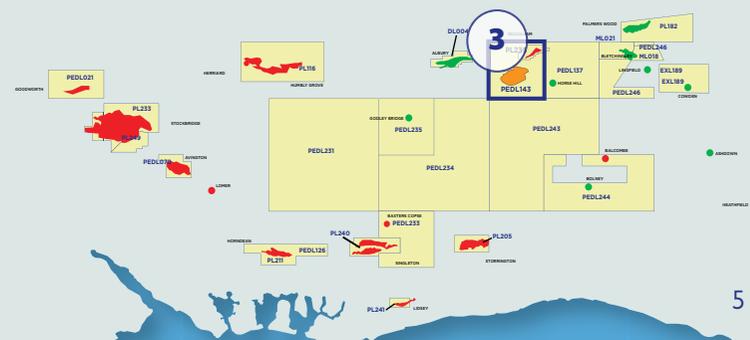
4 September 2017



REVIEW OF OPERATIONS

Union Jack's asset portfolio is well balanced, combining production, discovery, appraisal and exploration.

1	2	3	4	5	6	7
PEDL180 PEDL182 WRESSLE DISCOVERY BROUGHTON NORTH 15% SEE PAGE 6	PEDL005(R) KEDDINGTON OILFIELD LOUTH NORTH SOMERCOTES PEDL339 LOUTH EXTENSION 10% SEE PAGE 8	PEDL143 HOLMWOOD PROSPECT 7.5% SEE PAGE 9	PEDL253 BISCATHORPE 12% SEE PAGE 10	PEDL241 NORTH KELSEY 20% SEE PAGE 11	PEDL201 BURTON ON THE WOLDS 10% SEE PAGE 12	PEDL209 LAUGHTON 10% SEE PAGE 13



REVIEW OF OPERATIONS

PEDL180
PEDL182

WRESSLE DISCOVERY BROUGHTON NORTH

INTERESTS HELD BY
UNION JACK OIL PLC

15.0%

Further acquisitions have raised Union Jack's interest in PEDL180 and PEDL182 containing the Wressle hydrocarbon discovery to 15%.

Oil and gas Reserves and Contingent Resources identified by the Competent Person in aggregate exceed the operator's original pre-drill estimates.

Following two further acquisitions of interests during 2016 and 2017 in PEDL180 and PEDL182 from Europa Oil & Gas Limited and Celtique Energie Petroleum Limited respectively, Union Jack now holds a 15% interest in these licences.

These licences contain the Wressle-1 conventional discovery well from which first commercial oil is expected to flow at an initial constrained rate of approximately 500 barrels per day.

Located in Lincolnshire, on the western margin of the Humber Basin, the above licences contain the Wressle-1 oil discovery and are on trend with the nearby discoveries at Crosby Warren, Brigg and Broughton.

The results of a Competent Person's Report prepared by ERCE were published in September 2016. ERCE made independent estimates of the Reserves, Contingent and Prospective Resources associated with the Wressle-1 discovery and the Broughton North Prospect.

There were several highlights considered within this report which included:

- Gross P Mean Oil Originally in Place ("OOIP") is 14.8 million stock tank barrels in aggregate across three reservoir sands, the Ashover Grit, Wingfield Flags and Penistone Flags, of which 2.15 million stock tank barrels are potentially recoverable
- Gross 2P oil Reserves of 0.62 million stock tank barrels identified across two reservoir sands, the Ashover Grit and Wingfield Flags that form the basis of the initial development plan which currently excludes development of the material Penistone Flags reservoir sands

In respect of the drill-ready Broughton North Prospect ERCE commented;

- The Broughton North Prospect has OOIP of 3.43 million stock tank barrels, gross unrisks Mean Prospective Resources of 0.51 million stock tank barrels and 0.51 bcf of gas in aggregate across two reservoir sands, the Ashover Grit and Penistone Flags

The Wressle-1 well was spudded in July 2014. The Wressle-1 Prospect was defined on proprietary 3D seismic data acquired in 2012, and the well was drilled as a deviated well to a total depth ("TD") of 2,240 metres and was designed to intersect a number of prospective Upper Carboniferous age sandstone reservoirs in a structurally favourable position near the crest of the Wressle structure.

The well was logged using measurement whilst drilling (MWD) logging tools run on the drill string. Petrophysical evaluation of the log data indicated the presence of hydrocarbon pay in three intervals.

- Penistone Flags – up to 19.8 metres measured thickness (15.9 metres vertical thickness)
- Wingfield Flags – up to 5.64 metres measured thickness (5.1 metres vertical thickness)
- Ashover Grit – up to 6.1 metres measured thickness (5.8 metres vertical thickness)

In February 2015, shareholders were updated on the initial successful Ashover Grit flow test which recorded 80 bopd and 47,000 cubic feet of gas per day during a 16 hour main flow period.

No appreciable volumes of water were observed. The oil is of good quality with a gravity of 39-40° API.

Following the Ashover Grit test, shareholders were updated on the initial successful Wingfield Flags flow test which recorded up to 182 bopd of good quality oil with a gravity of 39-40° API along with up to 456,000 cubic feet of gas per day.

The next horizon to be flow tested was the Penistone Flags, the last of three hydrocarbon bearing zones identified in the well. The Penistone Flags test produced gas at restricted flow rates of up to 1.7 million cubic feet of gas per day with associated oil of up to 12 bopd and no free water from a 9 metre perforated zone at the top of the formation. Gas flow rates were constrained by the equipment and flaring limits imposed by the environmental permit. The gas and oil are of good quality with the oil having a gravity of 35° API.

A further test was carried out to evaluate the gas-oil and oil-water contacts in the Penistone Flags by perforating the formation deeper in the section. Zone 3a was perforated over a 7.5 metre interval and produced good quality oil with a gravity of 33° API. A total of 98.5 barrels of oil were recovered during the test, of which flow induced by swabbing operations produced 34.3 barrels of oil. This equates to approximately 77 bopd.

The Penistone Flags Zone 3a interval was pumped for a period of time and achieved average rates over a three day period of 131 bopd and 222,000 cubic feet of gas per day, together totalling 168 barrels of oil equivalent per day ("boepd") with an average producing gas oil ratio of approximately 1,700 cubic feet of gas per barrel of oil.

Due to increasing gas rates, the pump was then stopped and the well allowed to naturally flow to surface with a series of decreasing choke sizes from 12/64" down to 8/64" (being the smallest available). Average rates over a two day period on the 8/64" choke were 105 bopd with 465,000 cubic feet of gas per day, together totalling 182 boepd.

In January 2017 and in July 2017, the North Lincolnshire Council declined planning consent for the development of the Wressle-1 discovery.

The operator, Egdon, having consulted with the Joint Venture Partners ("JV") and having taken further advice, has informed the JV that it has submitted a formal appeal against the refusals of planning consent.

Focus is now concentrated on acquiring the required planning consent under appeal to enable commercial production from the Wressle discovery.

THE INTERESTS IN PEDL180 AND PEDL182 ARE HELD BY:

Egdon Resources U.K. Limited (operator)	25.0%
Celtique Energie Petroleum Limited	30.0%
Europa Oil & Gas Limited	30.0%*
Union Jack Oil plc	15.0%

* On 24 November 2016, Europa Oil & Gas Limited announced that it had agreed to sell a 10% interest in PEDL180 and PEDL182 to Upland Resources Limited which sale is still pending.

The table below show the net volumes of hydrocarbons attributable to Union Jack

	GROSS VOLUMES			NET VOLUMES ATTRIBUTABLE TO UNION JACK		
	OIL MMSTB	GAS BCF	OIL EQUIV MMBOE	OIL MMSTB	GAS BCF	OIL EQUIV MMBOE
2P Ashover Grit and Wingfield Flags	0.62	0.20	0.65	0.09	0.03	0.10
2C Penistone Flags	1.53	2.00	1.86	0.23	0.30	0.28
Broughton North Mean Unrisked Prospective Resources	0.51	0.51	0.60	0.08	0.08	0.09

REVIEW OF OPERATIONS

PEDL005(R)

KEDDINGTON

PEDL339

LOUTH EXTENSIONINTEREST HELD BY
UNION JACK OIL PLC**10.0%**

Producing oilfield with increased production potential from two additional prospects.

Louth Prospect extends into PEDL339.

In July 2015, Union Jack agreed to acquire a 10% interest from Egdon in PEDL005(R) located in Lincolnshire and incorporating the Keddington oilfield, the Louth oil prospect and the North Somercotes gas prospect.

Under the terms of the acquisition agreement Union Jack agreed to pay 20% of the costs of the Keddington-5 sidetrack development well drilled in January 2016 and the proposed Louth exploration well. The Company did not pay any upfront cash to earn its 10% economic interest in PEDL005(R). Under the terms of the agreement Union Jack would also earn a 10% interest from Egdon in any new licence awarded to the existing Joint Venture group in the UK 14th Landward Oil and Gas Licensing Round which contains the mapped extension to the Louth Prospect.

In December 2015, Egdon and its application partners were offered Block TF38c, now known as PEDL339, located within the Humber Basin and containing the western section of the Louth Prospect. Consequently, Egdon has transferred a 10% interest in PEDL339 to Union Jack at no cost.

Keddington Oilfield

Union Jack owns a 10% interest in Keddington and the associated infrastructure and production facilities. Union Jack receives 10% of all production revenues.

The partners in Keddington are seeking to maximise the value of the "Greater Keddington" area through two additional prospects located within PEDL005(R), namely the Louth oil and the North Somercotes gas prospects. As part of the acquisition, Union Jack also holds a 10% interest in both of these prospects.

Keddington has produced in excess of 300,000 barrels of oil to date and is currently producing approximately 30 bopd from the Keddington-3Z well. Testing of the recently drilled Keddington-5 sidetrack well saw production dominated by formation water and plans are being considered to target undrained reservoir sequences.

Louth Prospect

The Louth oil prospect is located mostly within PEDL005(R) and extends into PEDL339. Located on the margins of the Humber Basin, the prospect is defined on reprocessed 3D seismic data and is estimated by the operator to contain a STOIPP of 5.5 million barrels and gross mean Prospective Resources of 1.4 million barrels with an attractive COS of 37%.

North Somercotes

Located on the margins of the Humber Basin, the North Somercotes gas prospect is within PEDL005(R) to the north of the Saltfleetby gasfield and is estimated by the operator to contain gross mean Prospective Resources of 11.0 billion cubic feet of gas and to have a COS of 25%.

THE INTERESTS IN PEDL005(R) ARE HELD BY:

	KEDDINGTON OILFIELD	PEDL005(R) EXCLUDING KEDDINGTON
Egdon Resources U.K. Limited (operator)	45.0%	65.0%
Nautical Petroleum Limited	10.0%	10.0%
Terrain Energy Limited	35.0%	15.0%
Union Jack Oil plc	10.0%	10.0%

PEDL143

HOLMWOOD PROSPECTINTEREST HELD BY
UNION JACK OIL PLC**7.5%**

The first Weald Basin licence interest in Union Jack's expanding UK onshore portfolio.

Unrisked gross mean prospective resources of 5.6 million barrels from the shallower sandstone reservoirs only.

In May 2016, Union Jack entered into an agreement with the operator, Europa, to acquire a 7.5% economic interest in PEDL143 located within the Weald Basin in southern England and containing the drill-ready Holmwood Prospect.

During 2015, planning permission was obtained for both the surface well location and underground wellpath for the Holmwood-1 exploration well expected to be drilled during H2 2017.

The Holmwood Prospect is a conventional oil prospect first identified by BP in 1988, and is estimated by the operator to hold gross mean unrisked prospective resources of 5.6 million barrels of oil in the Portlandian and Corallian sandstones with a geological COS of 33%. The P90 – P10 range of prospective resources is 1 to 11 million barrels of oil which is the typical range for the Weald Basin, based on the 14 oil and gas fields that have been discovered and produced in the Weald Basin to date.

The Holmwood Prospect lies 12 kilometres immediately to the west of, and on trend with, the Horse Hill-1 discovery well in PEDL137 where earlier in 2016 UK Oil & Gas Investments PLC and its partners reported excellent flow rates from test production from the Upper Portland sandstone reservoir and the Upper and Lower Kimmeridge limestone reservoirs.

The Holmwood Prospect also lies approximately five kilometres south of the Brockham oilfield that produces from the Portland sandstone reservoir.

The Holmwood-1 exploration well is expected to penetrate similar stratigraphy to the Horse Hill-1 discovery, including the possibility that oil may be encountered in the Jurassic Upper and Lower Kimmeridge Limestones, in addition to its principal targets in the Corallian and Portlandian sandstone. Possible resources within the Jurassic limestones, equivalent to those at the Horse Hill-1 discovery, have not been estimated in the operator's mean unrisked prospective resources forecast of 5.6 million barrels of oil and so offer further upside potential.

A two year extension has been granted by the OGA to 1 October 2018 in respect of this licence.

THE INTERESTS IN PEDL143 ARE HELD BY:

Europa Oil and Gas Limited (operator)	20.0%
UK Oil & Gas Investments PLC	30.0%
Egdon Resources UK Limited	18.4%
Angus Energy plc	12.5%
Warwick Energy Exploration Limited	10.0%
Union Jack Oil plc	7.5%
Altwood Petroleum Limited	1.6%

REVIEW OF OPERATIONS

PEDL253

BISCATHORPEINTEREST HELD BY
UNION JACK OIL PLC**12.0%**

Drill-ready prospect expected to be drilled early in 2018 adding considerable risk adjusted value.

In March 2013, Union Jack entered into an agreement with Egdon, the licence operator, and Montrose Industries Limited (“**Montrose**”) to acquire a 10% interest in PEDL253 containing the Biscathorpe Prospect. During June 2015, Union Jack subsequently acquired an additional 2% interest pro-rata from Egdon and Montrose bringing the Company’s interest to 12%.

PEDL253 is located in Lincolnshire, within the proven hydrocarbon fairway of the Humber Basin, on trend with the Saltfleetby gas field and the Keddington oilfield which produces oil from the Upper Carboniferous Westphalian aged reservoir sandstones.

The Biscathorpe Prospect is a well-defined four way dip closed structure mapped from recently reprocessed 3D seismic and adds considerable risk adjusted value that also offers lower geological risk than a pure exploration well given that a prior well, Biscathorpe-1, encountering oil bearing sands, has already been drilled.

The Biscathorpe structure was initially drilled and tested by BP in 1987 with the Biscathorpe-1 well which encountered a 1.2 metre thick, oil-bearing sandstone of lower Westphalian age within a 24 metre gross sequence. Biscathorpe-2 will be located in a direction towards a potentially thicker sand development within the structural closure of the trap.

The sand unit is predicted to thicken away from the crest of the structure and the operator’s Best Estimate is a gross Prospective Resource of 14 million barrels of oil, with a COS of 40%, within the mapped structural closure. There is also the potential for stratigraphic trapping to the west which, if present, could increase the expected gross Prospective Resources to 41 million barrels of oil. The same sand unit is the producing reservoir in the Keddington oilfield in which Union Jack has a 10% interest.

A subsurface target location to evaluate the exploration potential of the Biscathorpe Prospect and a surface drilling location have been identified from which a vertical well to the depth of 2,100 metres can be drilled.

In March 2015, planning consent was granted for the drilling and any subsequent testing of the Biscathorpe-2 exploration well.

In July 2017, the EA issued the environmental permits for the planned Biscathorpe-2 well.

Drilling of the Biscathorpe-2 conventional exploration well is expected early in 2018.

A one year extension has been granted by the OGA to 30 June 2018 in respect of this licence.

THE INTERESTS IN PEDL253 ARE HELD BY:

Egdon Resources U.K. Limited (operator)	52.8%
Montrose Industries Limited	35.2%
Union Jack Oil plc	12.0%

PEDL241

NORTH KELSEYINTEREST HELD BY
UNION JACK OIL PLC**20%**

Drill-ready multi-target prospect.

Union Jack holds a 20% interest in PEDL241 containing the North Kelsey Prospect. The initial holding was 10% which was acquired from Egdon, the operator, during 2013 on a two for one promote agreement whereby Union Jack earned its interest by bearing an increased share of certain costs.

In June 2015, Celtique Energie Petroleum Limited relinquished its interest in PEDL241 and the Company acquired pro-rata a further 10% interest for a nominal consideration and without promote.

PEDL241 is located within the proven hydrocarbon fairway of the Humber side platform. The North Kelsey Prospect is located approximately 10 kilometres to the south of the Wressle-1 discovery in PEDL180.

The prospect is defined on 3D seismic data and has the potential for up to four stacked sandstone reservoirs in the Chatsworth, Beacon Hill, Raventhorpe and Santon sandstones. The nearby Crosby Warren oilfield and the Brigg oil discovery are productive from the Upper Carboniferous Namurian aged reservoirs.

The gross mean combined Prospective Resources for these multiple objectives, as calculated by the operator, are estimated to be 6.7 million barrels of oil.

The subsurface target location to evaluate the exploration of the North Kelsey Prospect has been defined and a surface drilling location has been identified from which a vertical well can be drilled.

In December 2014, the Planning and Regulation Committee of Lincolnshire County Council granted planning consent for the drilling of, and any subsequent testing of, the North Kelsey-1 well.

Drilling of the North Kelsey-1 well is subject to farm out and is targeted to commence before June 2018.

A one year extension has been granted by the OGA to 30 June 2018 in respect of this licence.

THE INTERESTS IN PEDL241 ARE HELD BY:

Egdon Resources U.K. Limited (operator)	80.0%
Union Jack Oil plc	20.0%

REVIEW OF OPERATIONS

PEDL201

BURTON ON THE WOLDSINTEREST HELD BY
UNION JACK OIL PLC**10.0%****Significant Bowland-Hodder Shale potential.**

Drilling operations were completed in October 2014 on the Burton on the Wolds-1 well located on PEDL201 in Leicestershire.

The well encountered the primary target, the Rempstone sand, which was water wet and as a result the well was plugged and abandoned.

However, a thickness of Bowland Shale was encountered during drilling, which according to studies undertaken by the British Geological Survey ("BGS"), has potential for unconventional resources of shale oil or gas if buried to greater depths.

Drill cutting samples of the Bowland Shale source rock collected at the well were sent for analysis to Houston based, Weatherford Laboratories to determine source rock quality. Weatherford are recognised experts in source rock evaluation.

Following analysis, Weatherford concluded that the Upper Bowland-Hodder Shale interval in the Burton on the Wolds well from the East Midlands region of the UK is a very good source rock containing predominantly oil prone Type I1 organic matter.

The Bowland Shale at the site of the Burton on the Wolds-1 well is deemed, not unsurprisingly, to be thermally immature owing to its shallow depth. Source rock maturity is a function of heat flow, burial depth and time. To the north of the well location is the Hoton Fault which forms the southern boundary of the Widmerpool Trough. Regional well correlations show the Bowland Shale to be buried at a much greater depth and is believed to be thermally mature for hydrocarbon generation.

The results of the Weatherford analysis and the BGS studies suggest an unconventional shale play is present under the retained part of PEDL201.

In June 2014, industry consultants Molten Limited completed a report commissioned by Union Jack reviewing the shale resource potential within PEDL201. Molten's review and summary concluded that the mean deterministic unrisks in place volumes within that shale area could be approximately 5.4 billion barrels of oil and in excess of 2.7 trillion standard cubic feet of gas gross.

Elsewhere in the world, the combination of the technologies has permitted extensive shale developments such as the Bakken oil play in the US. Shale oil recovery factors in the US have ranged from 1% to nearly 10%. If recovery factors, even at the low end of those achieved in the US can be seen in the UK these volumes would represent significant economic developments.

Awards of licences adjacent to PEDL201 to other parties under the 14th Round, offer encouragement regarding the unconventional play within the area under licence.

The directors are considering options to monetise the unconventional potential which has been highlighted within the licence area.

THE INTERESTS IN PEDL201 ARE HELD BY:

Egdon Resources U.K. Limited (operator)	45.0%
Celtique Energie Petroleum Limited	32.5%
Terrain Energy Limited	12.5%
Union Jack Oil plc	10.0%

PEDL209

LAUGHTONINTEREST HELD BY
UNION JACK OIL PLC**10%****Two additional conventional prospects and hydrocarbon potential to be further evaluated.**

In January 2016, Union Jack acquired from Egdon a 10% interest in PEDL209 in respect of the conventional prospects only within the licence area for no upfront consideration.

PEDL209 is located along the eastern side of the Gainsborough Trough, a proven hydrocarbon province within the East Midlands.

In February 2016, the Laughton-1 well was spudded and reached a total depth of 1,700 metres in line with the pre-drill prognosis. During drilling, the well recorded hydrocarbon shows from a number of potential reservoir sequences including the Kilburn Sandstone, Chatsworth Grit, Ashover Grit and Kinderscout Grit.

The Silkstone Rock primary objective was poorly developed in the well. Analysis of the wireline log data indicated that the hydrocarbon saturations associated with the shows were not sufficiently encouraging to warrant testing and the well was plugged and abandoned and the well-site restored to its original condition.

No immediate future activity is expected within the licence, although it contains two further conventional prospects with hydrocarbon potential that continue to be evaluated.

THE INTERESTS IN PEDL209 ARE HELD BY:

Egdon Resources UK Limited (operator)	38.0%
Blackland Park Exploration Limited	28.0%
Stelinmatvic Industries Limited	24.0%
Union Jack Oil plc	10.0%

UNAUDITED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Notes	Six months ended 30 June 2017 Unaudited £	Six months ended 30 June 2016 Unaudited £	Year ended 31 December 2016 Audited £
Revenue		17,331	8,152	22,119
Cost of sales		(16,803)	–	(22,696)
Gross profit (loss)		528	–	(577)
Administrative expenses		(310,152)	(262,042)	(598,075)
Impairment		(6,078)	–	(298,711)
Total administrative expenses		(316,230)	(262,042)	(896,786)
Operating loss		(315,702)	(253,890)	(897,363)
Finance income		95	3,193	5,654
Loss before taxation		(315,607)	(250,697)	(891,709)
Taxation	3	–	–	(885)
Loss for the period / year		(315,607)	(250,697)	(892,594)
Attributable to:				
Equity shareholders of the Company		(315,607)	(250,697)	(892,594)
Loss per share				
Basic and diluted loss per share (pence)	2	(0.01)	(0.01)	(0.03)

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Six months ended 30 June 2017 Unaudited £	Six months ended 30 June 2016 Unaudited £	Year ended 31 December 2016 Audited £
Loss for the financial period/year	(315,607)	(250,697)	(892,594)
Other comprehensive income	–	–	–
Total comprehensive loss for the period / year	(315,607)	(250,697)	(892,594)

UNAUDITED BALANCE SHEET

AS AT 30 JUNE 2017

Notes	As at 30 June 2017 Unaudited £	As at 30 June 2016 Unaudited £	31 December 2016 Audited £
Assets			
Non-current assets			
Exploration and evaluation assets	2,829,249	1,611,820	2,079,340
Investments	40,000	40,000	40,000
	2,869,249	1,651,820	2,119,340
Current assets			
Trade and other receivables	65,843	55,575	62,700
Cash and cash equivalents	2,015,448	2,288,410	1,861,964
	2,081,291	2,343,985	1,924,664
Total assets	4,950,540	3,995,805	4,044,004
Liabilities			
Current liabilities			
Trade and other payables	53,799	21,531	85,312
Provisions	18,000	18,000	18,000
Total liabilities	71,799	39,531	103,312
Net assets	4,878,741	3,956,274	3,940,692
Capital and reserves attributable to the Company's equity shareholders			
Share capital 4	2,954,546	2,593,458	2,696,399
Share premium	5,561,579	4,042,698	4,566,072
Share-based payment reserve	167,924	167,924	167,924
Accumulated deficit	(3,805,308)	(2,847,806)	(3,489,703)
Total equity	4,878,741	3,956,274	3,940,692

UNAUDITED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Six months ended 30 June 2017 Unaudited £	Six months ended 30 June 2016 Unaudited £	Year ended 31 December 2016 Audited £
Cash outflow from operating activities	(344,280)	(346,351)	(694,601)
Cash flow from investing activities			
Purchase of intangible assets	(755,986)	(446,743)	(1,153,715)
Interest received	95	3,193	5,654
Net cash used in investing activities	(755,891)	(443,550)	(1,148,061)
Cash flow from financing activities			
Proceeds on issue of new shares	1,393,997	–	700,000
Cost of issuing new shares	(140,342)	–	(73,685)
Net cash generated from financing activities	1,253,655	–	626,315
Net increase / (decrease) in cash and cash equivalents	153,484	(789,901)	(1,216,347)
Cash and cash equivalents at beginning of period / year	1,861,964	3,078,311	3,078,311
Cash and cash equivalents at end of period / year	2,015,448	2,288,410	1,861,964

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2017

I ACCOUNTING POLICIES

Basis of Preparation

These financial statements are for the six month period ended 30 June 2017.

The information for the year ended 31 December 2016 does not constitute statutory financial statements as defined in section 434 of the Companies Act 2006.

A copy of the statutory financial statements for that period has been delivered to the Registrar of Companies. The Auditor's Report was not qualified, did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying the report and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The interim financial statements for the six months ended 30 June 2017 are unaudited.

The interim financial information in this report has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") applied in accordance with the provisions of the Companies Act 2006.

The financial statements have been prepared under the historical cost convention. The principal accounting policies have been consistently applied to all periods presented.

Significant Accounting Policies

The accounting policies and methods of computation followed in the interim financial statements are consistent with those as published in the Company's Annual Report and Financial Statements for the year ended 31 December 2016.

The Annual Report and Financial Statements are available from the Company Secretary at the Company's registered office, 6 Charlotte Street, Bath BA1 2NE or on the Company's website www.unionjackoil.com.

Going Concern

The Directors have, at the time of approving the interim financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Thus they continue to adopt the going concern basis of accounting.

2 LOSS PER SHARE ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE COMPANY

Basic loss per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Given the Company's reported loss for the period, warrants are not taken into account when determining the weighted average of ordinary shares in issue during the period and therefore the basic and diluted earnings per share are the same.

Basic loss per share	Six months ended 30 June 2017 pence	Six months ended 30 June 2016 pence	Year ended 31 December 2016 pence
Loss per share from continuing operations	(0.01)	(0.01)	(0.03)

The loss and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	Six months ended 30 June 2017 £	Six months ended 30 June 2016 £	Year ended 31 December 2016 £
Loss used in the calculation of total basic and diluted earnings per share	(315,607)	(250,697)	(892,594)

Number of Shares	Six months ended 30 June 2017	Six months ended 30 June 2016	Year ended 31 December 2016
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	3,962,243,702	2,888,708,805	2,994,752,318

NOTES TO THE UNAUDITED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2017

3 TAXATION

There was no tax charge for the half yearly period due to the loss incurred. A deferred tax asset in respect of trading losses and share-based payments has not been recognised due to the uncertainty of timing of future profits. The trading tax losses are recoverable against suitable future trading profits.

4 SHARE CAPITAL

In February 2017, 1,032,589,694 new ordinary shares were issued for cash at 0.135 pence per share raising approximately £1,400,000 before expenses of £140,342.

At 30 June 2017, there were 4,333,063,205 ordinary shares of a nominal value of 0.025 pence in issue.

At 30 June 2017, there were 831,680,400 deferred shares of 0.225 pence nominal value in issue.

At 30 June 2017, there were 55,052,548 warrants outstanding and exercisable.

5 EVENTS AFTER THE BALANCE SHEET DATE

There are no events after the balance sheet date to report.

6 RELATED PARTY TRANSACTIONS

Charnia Resources (UK), an unincorporated entity owned by Graham Bull, non-executive director, received from the Company the sum of £25,125 during the period under review in respect of consulting fees.

Jayne Bramhill, spouse of David Bramhill, received from the Company the sum of £3,000 during the period under review in respect of IT maintenance and administration costs.

7 COPIES OF THE HALF YEARLY REPORT

A copy of the Half Yearly Report will shortly be posted to shareholders, and is now available on the Company's website www.unionjackoil.com.



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