

12 July 2013

UNION JACK OIL PLC
("Union Jack" or the "Company")

(ISDX GROWTH MARKET: UJOP)

Set out below is the text of a letter which is today being posted to shareholders in the Company.

6 Charlotte Street
Bath
BA1 2NE
Registered in England & Wales
Registered No. 07497220

12 July 2013

Dear Shareholder

Proposed approvals in connection with admission to trading on the AIM market of the ordinary shares of 0.25p each ("Ordinary Shares") of Union Jack Oil plc

and

Notice of general meeting of shareholders ("General Meeting")

Introduction

Union Jack Oil plc (the "Company") intends to apply to London Stock Exchange plc for its issued and to be issued Ordinary Shares to be admitted to trading on the AIM market (in this document such application being referred to as the "AIM Admission"). It is currently envisaged that the AIM Admission will take place on or around 30 July 2013 and the Company will be publishing an admission document in connection with the AIM Admission in due course. The Company has appointed Shore Capital and Corporate Limited to act as its nominated adviser and Shore Capital Stockbrokers Limited to act as its broker (together, "Shore Capital") in connection with the AIM Admission.

The Company also intends to undertake a fundraising ("Fundraising") in conjunction with the AIM Admission, to consist of a placing and subscription of Ordinary Shares at a price of 0.25p per share. The board of directors of the Company (the "Board") is seeking authority to allot Ordinary Shares and warrants ("Warrants") over Ordinary Shares (such Warrants to be issued to those subscribing for Ordinary Shares as part of the Fundraising on a one for one basis at an exercise price of 0.3 pence per Ordinary Share exercisable at any time in the 18 months following the AIM Admission) in connection with the Fundraising. The Board is also seeking a general authority to allot Ordinary Shares after the AIM Admission and, to a limited extent, on a non pre-emptive basis.

The purpose of this document is to provide you with information regarding the proposals set out in paragraph 1 below, which are required to be implemented in connection with the proposed AIM Admission (the "Proposals") and to explain why the Board recommends that you vote in favour of the resolutions to be proposed at the General Meeting, notice of which is set out at the end of this document. The General Meeting is to be held at the offices of Osborne Clarke, 2 Temple Back East, Temple Quay, Bristol BS1 6EG on 29 July 2013.

1. Proposals connected to the AIM Admission

In order to prepare for the AIM Admission there are certain actions which the Company will need to take and for which shareholder approval is required. These are:

- a. to approve the allotment of up to 310,000,000 Ordinary Shares (which compares with the current issued share capital of 467,880,400 Ordinary

Shares) pursuant to a conditional placing and a share subscription at a price of 0.25p per share and the granting of warrants over 328,600,000 Ordinary Shares (relating to the Warrants and additional warrants to be granted to Shore Capital in accordance with its terms of engagement) to be carried out in conjunction with the AIM Admission (the "Placing"). In addition, the Directors have agreed to apply an aggregate of GBP145,000 of their salary entitlements (subject to deduction of tax and national insurance contributions) for the 12 months following Admission in subscribing for Ordinary Shares at a price of 0.25p per Ordinary Share and authority is required to approve the allotment of a further 34,800,000 Ordinary Shares in this respect (Resolution 1);

b. subject to the AIM Admission occurring on or before 31 December 2013, the Board is also seeking authority:

c.

i. to authorise the Directors to allot 410,840,200 Ordinary Shares (representing 50% of the issued share capital of the Company immediately following the AIM Admission (which will include any Ordinary Shares allotted in connection with the Placing) (the "Enlarged Share Capital")) (Resolution 2); and

ii. to empower the Directors to disapply the normal statutory pre-emption provisions in connection with the allotment of 205,420,100 Ordinary Shares (representing 25% of the Enlarged Share Capital) (Resolution 3).

The Board's authorities to be conferred by these two resolutions will replace existing authorities and will expire at the conclusion of the annual general meeting of the Company to be held in 2014. These authorities, once effective, will replace all equivalent existing authorities. The Board has no present intention of exercising these authorities; and

1.

c. the Board is seeking authority for the Company to adopt a share option scheme (the "Share Option Scheme") (a summary of which is appended to this document) (Resolution 4). The Board is committed to fostering and developing a culture of employee involvement in the business through equity participation. The Directors believe that the proposed Share Option Scheme will assist in the attraction and retention of skilled and committed executives and employees and be a driver in the Company's growth. A copy of the draft rules is available for inspection at the Company's registered office. The Share Option Scheme is unapproved for tax purposes. The Board has no present intention of issuing options under the Share Option Scheme.

2. General Meeting

The Proposals require the approval of the Company's shareholders ("Shareholders"). It is proposed that this approval will be given by the following resolutions (the "Resolutions"), of which resolutions numbered 2 and 4 will be proposed as ordinary resolutions and resolutions numbered 1 and 3 will be proposed as special resolutions of the Company:

- * Resolution 1: to empower the Directors to allot Ordinary Shares and grant warrants in connection with the Placing (as described in paragraph 1(a) above) otherwise than in accordance with the statutory pre-emption rights which would otherwise apply in the case of new issues of Ordinary Shares for cash;
- * Resolution 2: subject to the AIM Admission occurring on or before 31 December 2013, to generally authorise the Directors to allot relevant securities having an aggregate nominal value of GBP1,027,100.50 (amounting to 50% of the Enlarged Share Capital) (as described in paragraph 1(b) (i) above);
- * Resolution 3: subject to the AIM Admission occurring on or before 31 December 2013, to empower the Directors to allot equity securities pursuant to the authority referred to in Resolution 2 above up to an aggregate

nominal value up to GBP513,550.25 (amounting to 25% of the Enlarged Share Capital) otherwise than in accordance with statutory pre-emption rights, (as described in paragraph 1(b)(ii) above). The Directors have no present intention to exercise the authority to allot shares proposed to be granted pursuant to this resolution; and

- * Resolution 4 to approve the adoption by the Company of the Share Option Scheme. The resolution also asks Shareholders to authorise the Directors to the extent required, to adopt equivalent plans for employees of the Company and any future subsidiaries.

Accordingly, set out at the end of this document is a notice convening the General Meeting of the Company to be held at the offices of Osborne Clarke, 2 Temple Back East, Temple Quay, Bristol BS1 6EG at 10 a.m. on 29 July 2013.

1. Actions to be taken

Shareholders will find enclosed a form of proxy ("Form of Proxy") for the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete and sign the Form of Proxy and return it to Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ using the pre-paid envelope provided as soon as possible and, in any event, so as to be received by not later than 10 a.m. on 25 July 2013. Unless the Form of Proxy is received by this date and time, it will be invalid. The completion and return of a Form of Proxy will not preclude you from attending the General Meeting and voting in person if you so wish.

2. Recommendation

The Directors consider the Proposals to be in the best interests of the Company and Shareholders as a whole. Accordingly, your Board unanimously recommends that Shareholders vote in favour of the Resolutions as they intend to do in respect of their own shareholdings, which amount to 54,000,400 Ordinary Shares (representing approximately 11.54 per cent. of the issued share capital of the Company at the date of this document).

Yours sincerely

David Bramhill
Chairman

Notice of the General Meeting has been posted to shareholders today and will shortly be available at the ISDX Growth Market website at the following link: <http://www.isdx.com/forcompanies/ourcompanies/companydetail/default.aspx?securityid=1875611> and at the Company's website: <http://unionjackoil.com/>.

It is intended that withdrawal from the ISDX growth Market will take place simultaneously with admission to the AIM market of the London Stock Exchange.

(MORE TO FOLLOW) Dow Jones Newswires
July 12, 2013 08:15 ET (12:15 GMT)

The Directors of the Company accept responsibility for the content of this announcement.

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