

5 March 2013

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

(ISDX Growth Market: UJOP)

Farm- In to Petroleum Exploration and Development Licences PEDL253 and PEDL241

Option Agreement Signed to Acquire Interest in PEDL005R (part) and Further Interest in PEDL241

Union Jack, the hydrocarbon exploration company, is pleased to announce that the Company is continuing to build its portfolio by the addition of two new assets.

Farm- In agreements have been executed to acquire a 6% interest from Egdon Resources U.K. Limited ("Egdon") and a 4% interest from Montrose Industries Limited ("Montrose"), in onshore UK Petroleum Exploration and Development Licence PEDL 253, containing the Biscathorpe Prospect and a 10% interest in PEDL241, containing the North Kelsey Prospect, from Egdon.

In addition, an option agreement has been signed with Egdon, whereby Union Jack has the right to acquire a 10% interest in Licence PEDL005R, limited to the North Somercotes Prospect and a further 5% interest in PEDL241.

These transactions are subject to approval from the Department of Energy and Climate Change.

Farm-In to PEDL253

PEDL253 is located onshore UK within the proven hydrocarbon fairway of the South Humber Basin, on trend with the Saltfleetby gasfield and Keddington oilfield which produces oil from the Upper Carboniferous Westphalian aged reservoir sandstones.

The Biscathorpe Prospect, a well defined four-way dip closed structure mapped from reprocessed 3D seismic is contained within the licence area.

The subsurface target location to evaluate the exploration potential of the Biscathorpe Prospect has been defined and a surface drilling location has been identified from which a vertical well can be drilled to test the primary reservoir objective.

Drilling operations are planned to commence in late Q4 2013 or Q1 2014 subject to receipt of planning and other consents.

The mean Prospective Resource volume for the main reservoir objective, as calculated by Egdon, is estimated to be 17.81 million barrels of oil. Further exploration upside is recognised from the 3D seismic and well data which suggests the presence of a pinchout providing a stratigraphic component to the trap.

The Biscathorpe structure was originally drilled by BP in 1987 by the Biscathorpe-1 well which encountered a thin, oil-filled sandstone in a crestal position. Biscathorpe-2 will be located in a direction towards thicker sand development within structural closure of the trap.

Under the terms of the agreement, Union Jack will pay 12% and 8% of the cost of the planned Biscathorpe -2 well to earn a 6% and 4% interest from Egdon and Montrose respectively.

Following completion of the transaction the interested parties in licence PEDL253 will be as follows;

Egdon Resources U.K. Limited 54% (operator)

Montrose Industries Limited 36%

Union Jack Oil plc 10%

Farm-In to PEDL241

PEDL241 is located onshore UK within the proven hydrocarbon fairway of the Humber Platform. The nearby Crosby Warren oilfield and the Brigg oil discovery are productive from Upper Carboniferous Namurian aged reservoirs.

The North Kelsey Prospect, a well defined tilted fault block mapped from 3D seismic, is contained within the licence area. Based on offset well data, potential exists for four separate stacked reservoir sequences to be hydrocarbon bearing.

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.

Drilling operations are planned to commence in late Q4 2013 or Q1 2014 subject to receipt of planning and other consents.

The mean combined Prospective Resource volume for these four reservoir objectives, as calculated by Egdon, is estimated to be 6.7 million barrels of oil.

Under the terms of the agreement Union Jack will pay 20% of the cost of the North Kelsey well to earn a 10% interest from Egdon.

Following completion of the transaction the interested parties in licence PEDL241 will be as follows;

Egdon Resources U.K. Limited 40%

Celtique Energie Petroleum Limited 50%

Union Jack Oil plc 10%

Further to the PEDL241 agreements, Union Jack has signed a Letter of Intent with Egdon which gives the Company an option to enter into a second Farm-In agreement for a further 5% Participating Interest in PEDL241 under the same terms as above. The Letter of Intent will terminate on 31 July 2013 should the option not be exercised.

North Somercotes/PEDL005R(part) Option

Union Jack has signed a Letter of Intent with Egdon for an option to acquire a 10% Participating Interest in PEDL005R, limited to the North Somercotes Prospect. The Letter of Intent will terminate on 31 July 2013 should the option not be exercised.

PEDL005R is located onshore UK within the proven hydrocarbon fairway of the South Humber Basin and contains the North Somercotes Prospect, a tilted fault block mapped from 3D seismic.

Review of local offset well data suggests that the reservoir sands are likely to be thicker than the productive equivalent units in the hydrocarbon producing Kedlington and Saltfleetby fields.

The subsurface target for a deviated well trajectory to evaluate the exploration potential of the North Somercotes Prospect has been defined.

A surface wellsite location has been identified and drilling operations are planned to commence, subject to necessary consents, in 2014 or 2015.

The mean Prospective Resource volume for the main reservoir objective, as calculated by Egdon is estimated to be 9 billion cubic feet of gas. Further exploration upside may exist in a closure mapped in the hanging wall of the

prospect.

This announcement has been reviewed and approved by Martin Durham, a non-executive Director of the Company and a geologist with over 30 years of experience.

Martin is a fellow of the Geological Society and an Honorary Member of the Petroleum Exploration Society of Great Britain.

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

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Editors Note:

Union Jack Oil plc is an oil and gas exploration company.

The Company has acquired interests in several UK onshore projects where drilling is planned in the near term, offering substantial potential upside.

The ongoing strategy is to acquire further licence interests with an emphasis on "drill ready" prospects. The Company sources such opportunities on a regular basis.