

UNION JACK OIL PLC

(AIM: UJO)

Extension of Licence PEDL 143, the Weald Basin

Union Jack Oil plc ("**Union Jack**" or "**the Company**"), an onshore oil and gas production and exploration company with a focus on drilling, development and investment opportunities in the United Kingdom hydrocarbon sector, notes that Europa Oil & Gas (Holdings) plc ("**Europa**") has released an RNS regarding the PEDL143 in the Weald Basin, Surrey. Union Jack acquired a 7.5% economic interest in PEDL143 in May 2016. The acquisition remains subject to Oil and Gas Authority approval.

Europa's RNS contained the following information:

Europa Oil & Gas (Holdings) plc, the AIM listed oil and gas exploration, development and production company focused on Europe, is pleased to announce it has received notification from the Oil & Gas Authority that the PEDL 143 Licence in the Weald Basin, Surrey, UK, has been extended by two years until 1 October 2018. This will enable Europa to drill the conventional Holmwood prospect ('Holmwood'), which has estimated gross mean unrisks prospective resources of 5.6 million barrels of oil ('mmbo') in Portlandian and Corallian sandstones and a P90 – P10 range of resources of 1 to 11mmbo, in late 2016 / H1 2017, subject to funding.

PEDL143 is located in an area of the Weald Basin where 30 million barrels have been produced to date from 14 oil and gas fields. The Holmwood prospect is located 5km to the south of the Brockham oil field, which was discovered by BP in 1987 and today produces oil from Portlandian sandstone reservoirs. Holmwood is also 12km to the west of the Horse Hill-1 well in PEDL137 where UK Oil & Gas Investments PLC ('UKOG') has reported production at a combined average stable rate of over 1,688 bopd from Upper and Lower Kimmeridge Limestone reservoirs and Upper Portland sandstone reservoir during flow tests.

Planning permission is in place for a deviated exploration well to be drilled at Holmwood which will penetrate similar stratigraphy to Horse Hill, targeting oil in Upper and Lower Kimmeridge Limestones in addition to Corallian and Portlandian sandstones. The 5.6mmbo gross mean unrisks prospective resources at Holmwood do not include any estimate for the Jurassic limestones which have been found to be producing in Horse Hill. Subject to approval from the Oil & Gas Authority for the farm out to Union Jack Oil ('UJO') (see announcement of 23 May 2016 for further details), Europa will have a 32.5% interest in, and operatorship of, PEDL143 alongside Egdon Resources (18.4%), Altwood Petroleum (1.6%), Warwick Energy (10%), UKOG (30%), and UJO (7.5%).

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