

UNION JACK OIL PLC

(AIM: UJO)

Unaudited Results for the Six Months Ended 30 June 2016

Union Jack Oil plc ("**Union Jack**" or the "**Company**"), an onshore oil and gas production company with a focus on drilling and development opportunities in the United Kingdom hydrocarbon sector, is pleased to announce its unaudited results for the half year ended 30 June 2016.

Operational Highlights

- Field Development Plan progressing to proceed with commercial production from the Wressle discovery expected to commence in late Q4 2016
- Acquisition of a 7.5% interest in PEDL143 containing the drill-ready Holmwood Prospect on trend with the Horse Hill-1 discovery
- Acquisition of an 8.33% interest in PEDL182 containing the Broughton North Prospect

Financial Highlights

- Cash position in excess of £2 million as at 5 September 2016
- Company remains debt free
- Company is fully funded for current planned drill programme and Wressle development

David Bramhill, Executive Chairman, commented: "Union Jack is well placed with a number of development, appraisal and drilling projects underway that are fully funded from our available cash resources.

We are not deviating from our strategy and we are continuing to see an escalation of the rewards of that focus.

I am pleased to offer a positive Half Yearly Report to our shareholders and I look forward to reporting on the progress of our asset base during the remainder of 2016 and beyond."

For further information please contact the following:

Union Jack Oil plc +44 (0) 77871 60682
David Bramhill

Shore Capital +44 (0) 20 7408 4090
Nominated Adviser
Edward Mansfield
Anita Ghanekar
Corporate Broking
Jerry Keen

SP Angel +44 (0) 20 3470 0470
Joint Broker
Richard Hail

Yellow Jersey PR Limited +44 (0) 7768 537 739
Public Relations
Dominic Barretto
Aidan Stanley

CHAIRMAN'S STATEMENT

INTRODUCTION AND PROJECT REVIEW

I am pleased to present this Half Yearly Report for the six months ended 30 June 2016 to the shareholders of Union Jack Oil plc ("**Union Jack**" or the "**Company**").

The past six months have proven to be highly satisfactory operationally with the acquisition of three new licence interests, namely PEDL143 (7.5%) from Europa Oil and Gas Limited ("**Europa**"), incorporating the drill-ready Holmwold Prospect, PEDL209 (10%) from Egdon Resources plc ("**Egdon**") containing the Laughton Prospect and PEDL182 (8.33%) from Egdon containing the Broughton North Prospect. Entry into these additional licences provides the Company with additional exposure to potential production, development and appraisal.

On the financial aspect, costs are well under control and at the time of writing the Company holds cash in excess of £2 million and remains debt free.

Since incorporation, Union Jack's strategy has been to focus on low-cost UK onshore projects, initially in exploration and appraisal drilling, and more recently production through the oil and gas discovery at Wressle-1 where the operator, Egdon, is progressing a Field Development Programme with a view to commencing commercial production in Q4 2016, coupled with the acquisition of an interest in the producing Keddington oilfield (PEDL005(R)). It remains the Board's goal for Union Jack to become a cash generative profitable entity in due course.

This time last year in respect of the Wressle-1 discovery within PEDL180, I commented on the on-going testing. One year on Wressle is expected, within months, to become a producer from the Ashover Grit reservoir at a controlled rate of 500 barrels of oil gross per day. Union Jack's income from this development is expected to have a material impact on the Company's cash flow generation and to contribute to financing the development of other projects within the Company's portfolio.

In addition, a Competent Persons Report ("**CPR**") in respect of Wressle is nearing completion and publication. The CPR will set out 2P oil and gas reserves held by the Company together with significant contingent resources and the confirmation of the viability of the project.

The Wressle-1 discovery has been mapped as extending into PEDL182. As a result, under the terms of an agreement entered into with Egdon in May 2013, the Company has acquired, at no extra cost, an equivalent 8.33% interest in respect of the entire Wressle discovery that extends into PEDL182.

In respect of logistics, it was deemed commercially prudent by the Board that Union Jack obtain an equal interest in the remainder of PEDL182 not covered by the Wressle discovery. Union Jack acquired an 8.33% economic interest from Egdon in June 2016. PEDL182 contains the Broughton North Prospect which could be drilled from the existing Wressle well site. The prospect has been mapped from the same high quality 3D seismic data set used to define Wressle. The Wressle-1 discovery has significantly reduced the geological risk over PEDL180 and PEDL182 and this transaction will benefit the Company going forward in any "add on" development decisions which may follow once Wressle-1 is in commercial production.

In May 2016, Union Jack entered into an agreement with Europa to acquire a 7.5% interest in PEDL143

containing the drill-ready Holmwood Prospect. This is the first Weald Basin licence interest to be introduced to the expanding Union Jack UK onshore portfolio.

Holmwood is a conventional oil prospect first identified by BP in 1988 and is estimated by the operator, Europa, to hold gross mean unrisked prospective resources of 5.6 million barrels with a geological chance of success (“COS”) of 33% and located just 12 kilometres from, and on trend with, the Horse Hill-1 discovery. A two year extension to PEDL143 was granted by the Oil and Gas Authority (“OGA”), extending the licence term to October 2018. Holmwood is currently expected to be drilled H1 2017.

In January 2016 the Company acquired a 10% interest in PEDL209, containing the Laughton Prospect. In February 2016 the Laughton-1 well was spudded. The drilling of the Laughton-1 well satisfied the work commitment for the licence’s first term which allows it to proceed into its second term. Analysis of the wireline log data indicated that the hydrocarbon saturations associated with the shows were not sufficiently encouraging to warrant testing. There remain two further conventional prospects within PEDL209 to be evaluated.

Other assets held by Union Jack include interests in the producing Keddington oilfield PEDL005(R) (10%), Biscathorpe PEDL253 (12%), North Kelsey PEDL241 (20%), Burton on the Wolds PEDL201 (10%) and PEDL339 (10%) which contains an extension of the Louth Prospect.

Union Jack owns an interest in Keddington, which provides a modest income from our share of production. Within the licence area a number of high quality prospects are present, including the Louth Prospect, and the North Somercotes Prospect.

The Louth Prospect is estimated by the operator to contain Stock Tank Oil Initially in Place (“STOIIP”) of 5.5 million barrels and gross mean Prospective Resources of 1.4 million barrels with an attractive COS of 37%.

Biscathorpe is a drill-ready prospect with planning consent, expected to be drilled during H1 2017, adding considerable risk adjusted value. The Biscathorpe structure was initially drilled by BP in 1987 with the Biscathorpe-1 well, which encountered a thin oil-bearing sandstone. The sand unit is expected 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%.

North Kelsey is a multi-target drill-ready prospect located within the proven hydrocarbon fairway of the Humberside Platform and is approximately 10 kilometres to the south of the Wressle-1 discovery.

The prospect is defined on 3D seismic data and has the potential for four stacked sandstone reservoirs. The gross mean combined Prospective Resources for these multiple objectives, as calculated by Egdon, are estimated to be 6.7 million barrels of oil.

Post the period end, in July 2016 the OGA granted a one year extension to both PEDL253 and PEDL241 until 30 June 2017.

Data from the Burton on the Wolds-1 well suggest significant Bowland-Hodder unconventional shale potential may exist on PEDL201 where thermally rich, oil prone shales are expected to be present.

During 2014, industry consultants Molten Limited completed a report commissioned by Union Jack reviewing the shale potential within PEDL201. Molten’s review and summary concluded that the mean deterministic unrisked

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.

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

CORPORATE AND FINANCIAL

At the time of writing cash balances stand at in excess of £2 million, enough to cover the costs of our current planned drilling and development programme.

The Board intend to continue with the same low salary commitment going forward.

We apply strict financial and technical disciplines to our activities and we pride ourselves on our low general and administrative costs presented in the Income Statement within this report.

A further reduction in the Supplementary Tax rate from 20% to 10% in the March 2016 budget is constructive and positively impacts on the economics of onshore hydrocarbon projects. This would reduce the effective tax rate from 50% to 40% going forward.

Our strategy of focusing on late-stage drill-ready projects helps to manage the portfolio from a technical perspective and also a financial scenario where costs are manageable and development of any discovery can be achieved within a reasonable time frame.

We believe the full cycle costs associated with UK onshore production, development and exploration remain highly attractive even at current oil prices, of which, in the Board's opinion, the nadir has been tested.

I take this opportunity, as always, to thank the rest of my Board, Joe O'Farrell, Graham Bull and Ray Godson, for their continuing solid advice, technical support and expert guidance in respect of Company matters, and acknowledge the natural cohesion between the Board and our advisers who all interact well, resulting in a sound functional team.

SUMMARY

I am pleased to state that, as we enter a new corporate and financial period, the growth of Union Jack continues without financial concerns.

We work with sound operators and partners who have already demonstrated their prowess in making discoveries and taking them through from discovery to development.

Union Jack's strategy will continue as stated, and I look forward to reporting on the progress of our projects during 2016 and beyond, in particular Wressle-1 where development is imminent and the cash flow to Union Jack is expected be a major catalyst to achieving our goals.

David Bramhill

Executive Chairman

5 September 2016

UNAUDITED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Notes	Six months ended 30 June 2016 Unaudited £	Six months ended 30 June 2015 Unaudited £	Year ended 31 December 2015 Audited £
Revenue		8,152	–	–
Administrative expenses		(262,042)	(259,512)	(605,742)
Operating loss		(253,890)	(259,512)	(605,742)
Other Income		–	–	12,713
Finance income		3,193	3,474	6,569
Loss before taxation		(250,697)	(256,038)	(586,460)
Taxation	3	–	–	(841)
Loss for the period / year		(250,697)	(256,038)	(587,301)
Attributable to:				
Equity shareholders of the Company		(250,697)	(256,038)	(587,301)
Loss per share attributable to equity shareholders				
Basic and diluted loss per share (pence)	2	(0.01)	(0.01)	(0.02)

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Six months ended 30 June 2016 Unaudited £	Six months ended 30 June 2015 Unaudited £	Year ended 31 December 2015 Audited £
Loss for the financial period / year	(250,697)	(256,038)	(587,301)
Other comprehensive income	–	–	–
Total comprehensive loss for the period / year	(250,697)	(256,038)	(587,301)

UNAUDITED BALANCE SHEET

AS AT 30 JUNE 2016

	Notes	As at 30 June 2016 Unaudited £	As at 30 June 2015 Unaudited £	As at 31 December 2015 Audited £
Assets				
Non-current assets				
Exploration and evaluation assets		1,611,820	1,057,573	1,165,077
Investments		40,000	40,000	40,000
		1,651,820	1,097,573	1,205,077
Current assets				
Trade and other receivables		55,575	62,852	27,232
Cash and cash equivalents		2,288,410	2,741,214	3,078,311
		2,343,985	2,804,066	3,105,543
Total assets		3,995,805	3,901,639	4,310,620
Liabilities				
Current liabilities				
Trade and other payables		21,531	58,993	85,649
Provisions		18,000	–	18,000
Total liabilities		39,531	58,993	103,649
Net assets		3,956,274	3,842,646	4,206,971
Capital and reserves attributable to the Company's equity shareholders				
Share capital	4	2,593,458	2,475,811	2,593,458
Share premium		4,042,698	3,464,757	4,042,698
Share-based payment reserve		167,924	167,924	167,924
Accumulated deficit		(2,847,806)	(2,265,846)	(2,597,109)
Total equity		3,956,274	3,842,646	4,206,971

UNAUDITED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Six months ended 30 June 2016 Unaudited £	Six months ended 30 June 2015 Unaudited £	Year ended 31 December 2015 Audited £
Cash outflow from operating activities	(346,351)	(301,254)	(543,846)
Cash flow from investing activities			
Purchase of intangible assets	(446,743)	(415,326)	(534,320)
Purchase of investments	–	(20,000)	(20,000)
Interest received	3,193	3,474	6,569
Net cash used in investing activities	(443,550)	(431,852)	(547,751)
Cash flow from financing activities			
Proceeds on issue of new shares	–	–	800,000
Cost of issuing new shares	–	–	(104,412)
Net cash generated from financing activities	–	–	695,588
Net decrease in cash and cash equivalents	(789,901)	(733,106)	(396,009)
Cash and cash equivalents at beginning of period / year	3,078,311	3,474,320	3,474,320
Cash and cash equivalents at end of period / year	2,288,410	2,741,214	3,078,311

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2016

1 Accounting Policies

Basis of Preparation

These financial statements are for the six month period ended 30 June 2016.

The information for the year ended 31 December 2015 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 2016 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 2015.

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 2016 pence	Six months ended 30 June 2015 pence	Year ended 31 December 2015 pence
Loss per share from continuing operations	(0.01)	(0.01)	(0.02)

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

	Six months ended 30 June 2016 £	Six months ended 30 June 2015 £	Year ended 31 December 2015 £
Earnings used in the calculation of total basic and diluted earnings per share	(250,697)	(256,038)	(587,301)

Number of Shares	Six months ended 30 June 2016	Six months ended 30 June 2015	Year ended 31 December 2015
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	2,888,708,805	2,418,120,570	2,492,898,974

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

At 30 June 2016, there were 2,888,708,805 ordinary shares of a nominal value of 0.025 pence in issue.

At 30 June 2016, there were 831,680,400 deferred shares of 0.225 pence nominal value in issue.

At 30 June 2016, 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) Limited, an unincorporated entity, owned by Graham Bull, non-executive director, received from the Company the sum of £19,200 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.