

6 November 2017

**UNION JACK OIL PLC**  
(AIM: UJO)

**Acquisition of Interest in Producing Fiskerton Airfield Oilfield EXL294**

Union Jack Oil plc (“**Union Jack**” or the “**Company**”), a UK-focused onshore oil and gas production and exploration company, is pleased to announce that it has signed a Sale and Purchase Agreement (the “**Agreement**”), to acquire from Egdon Resources plc (the “**Operator**”) a 20% economic interest in licence EXL294 containing the producing Fiskerton Airfield Oilfield (“**Fiskerton**”).

The cash consideration for the 20% interest, payable from existing cash resources, is approximately £137,000. This figure includes a pro rata share of the Operator’s legal, licence, planning and acquisition costs.

The Company’s initial review of historic 3D seismic and drill logs suggests that there is upside potential in the oil resources at Fiskerton. Union Jack will fund a 3D seismic re-processing exercise on behalf of the Joint Venture to assist in re-mapping the area over approximately 24 square kilometres surrounding Fiskerton to identify further production opportunities from the reservoir. It is estimated that initial interpretations from the 3D seismic re-processing will be available during H1 2018. The cost of this exercise to Union Jack will be £35,000.

The effective date of the agreement is 3 November 2017 and Union Jack will receive 20% of all production revenues from Fiskerton from that date.

Completion of the acquisition is subject to Oil and Gas Authority approval.

Following completion of the transaction, the interests held in EXL294 will be:

Egdon Resources plc (Operator)	80%
Union Jack Oil plc	20%

EXL294, containing Fiskerton, is located approximately seven miles east of the City of Lincoln. Fiskerton was discovered in 1997 and cumulative production has totalled approximately 440,000 barrels of oil from the most likely mapped Oil in Place of 2.2 million barrels. The oil is of good quality (35.2° API) and is exported by road tanker to a refinery at Immingham, North East Lincolnshire.

Fiskerton is currently producing circa 16 barrels of oil per day (“**bopd**”) from one of two production wells (FA-3). The second production well (FA-1) is shut-in awaiting a workover. Fiskerton also has a dedicated water disposal well (FA-2) to re-inject any produced water into the reservoir for pressure support.

Fiskerton has suffered from a marked lack of investment over the years. Prior to acting on the initial interpretations from the 3D seismic re-processing, the joint venture partners plan to enhance the cash flows and profitability of Fiskerton by increasing production initially to between 30 and 40 bopd via low cost well interventions. Workover operations are planned on both the producing FA-3 and the

shut-in FA-1 wells during the next few months including the installation of new tubing, pumps and the isolation of water producing zones.

Subject to the results of 3D seismic re-processing, the joint venture partners will investigate the potential to increase further production through in-fill drilling.

**David Bramhill, Executive Chairman of Union Jack commented:**

“The Board is delighted with the acquisition of the attractive producing Fiskerton Oilfield at a modest cost given the upside potential that we believe possible and expect will be borne out in the results of the proposed 3D seismic re-processing.

As with our recent increased interest in the producing Keddington Oilfield, Fiskerton adds additional oil production and cash-flow to Union Jack.

I am sure that shareholders will support and welcome Union Jack’s intention to have a more “hands on approach” to progressing the many attractive opportunities in our existing portfolio and in relation to evaluating further acquisitions of production opportunities.

In the meantime, we continue to work with our partners on progressing the drill-ready Biscathorpe-2 and Holmwood-1 exploration wells, combined with a continued focus on the significant oil discovery at Wressle and its associated appeal in order to bring it into production. While we await the outcome of these events, Union Jack will continue to evaluate and, where appropriate, be innovative in progressing opportunities in its existing portfolio and in evaluating new acquisition opportunities.”

**AIM Rule Disclosure**

The acquisition of the interest in the Fiskerton Airfield Oilfield is a substantial transaction as defined in the AIM Rules for Companies (the "**AIM Rules**"). Owing to a lack of historical financial information available to the Company on the previous operator’s activities at the oil field, the Company is not able to provide disclosure on the profits or losses attributable to the interest in the Fiskerton Airfield Oilfield, as required by the AIM Rules for substantial transactions. Union Jack has a thorough understanding of current and likely future operating costs on the field and the costs of the planned workovers. The Company will record the acquisition in its books at the purchase cost.

**For further information, please contact:**

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In accordance with the “AIM Rules – Note for Mining and Oil and Gas Companies”, the information contained within this announcement has been reviewed and signed off by Graham Bull, Non-Executive Director, who has over 47 years of international oil and gas industry experience.