

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement

7 January 2019

Union Jack Oil plc

("Union Jack" or the "Company")

Commencement of Drilling Operations at Biscathorpe

Union Jack Oil plc (AIM: UJO), a UK focused onshore hydrocarbon production, development and exploration company, is pleased to announce the commencement of drilling operations at Biscathorpe-2, located within PEDL253 in Lincolnshire, in which Union Jack has a 22% licence interest. The Biscathorpe-2 well was spudded at 12:30 p.m. today, Monday 7th January 2019.

David Bramhill, Executive Chairman of Union Jack, commented:

"Biscathorpe is one of the UK's largest onshore unappraised conventional oil prospects with Mean Prospective Resources of 14 million barrels gross and a geological chance of success of 40%, in which Union Jack has a meaningful 22% licence interest.

"The Company's economic modelling of the Biscathorpe Prospect highlights its attractiveness and shows a pre-drill value for the success case of circa £24 million net to Union Jack (using the industry standard net present value after tax at a 10% discount rate).

"Biscathorpe is one of Union Jack's near-term, high-impact projects and success here will be transformational for our Company. In addition to the defined structural closure, stratigraphic trapping, if present, could lead to significant upside for oil resources. We look forward to updating shareholders and the market with preliminary results from the well in early February 2019."

The Biscathorpe-2 Well

The well will be drilled to a total depth ("TD") of approximately 2,100 metres below ground level and is expected to take circa 30 days to reach TD. Biscathorpe-2 will target a structural/stratigraphic trap at a depth of over 1,800 metres below Mean Sea Level, defined on re-processed three-dimensional seismic data.

The targeted Basal Westphalian sandstone reservoir is expected to thicken at the well location to the north of the crest of the 'structural high'. This structural high was drilled by BP at Biscathorpe-1 in 1987 and encountered a 1.2 metre thick, oil saturated section of the sandstone reservoir.

The chance of success for Biscathorpe-2 is estimated as 40% and the range of gross Prospective Resources in million barrels of oil ("mmbo") as estimated by the Operator is tabulated below.

Volumetric Input / Output	P90	P50	P10	P(Mean)
STOIP (mmbo)	7.52	29.50	142.00	56.00
Prospective Resources (mmbo)	1.84	7.30	35.30	14.00*

*Net to Union Jack 22% interest 3mmbo

The interests in PEDL253 are held by:

Egdon Resources U.K. Limited (Operator)	35.8%
Union Jack Oil plc	22.0%
Montrose Industries Limited	22.2%
Humber Oil & Gas Limited	20.0%

Competent Person's Statement

In accordance with the "AIM Rules - Note for Mining and Oil and Gas Companies", the information contained within the announcement has been reviewed and signed off by Graham Bull, Non-Executive Director, who has over 46 years of international oil and gas industry exploration experience.

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