

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

18 December 2019

**Union Jack Oil plc**  
**("Union Jack" or the "Company")**  
**West Newton A-2 Extended Well Test Update**

Union Jack Oil plc (AIM: UJO), a UK focused onshore hydrocarbon production, development and exploration company is pleased to announce an update on the Extended Well Test ("EWT") at the West Newton A-2 appraisal discovery well situated in East Yorkshire within PEDL183.

Completion and EWT operations on the Kirkham Abbey formation in the West Newton A-2 well were temporarily suspended in August 2019.

During the early stages of completion and testing it became apparent that the Kirkham Abbey formation which was previously expected to be principally a major gas discovery was a reservoir containing a 20 metre gas column overlying a 45 metre liquid hydrocarbon column.

The approved testing programme for the West Newton A-2 appraisal discovery well had originally been designed to test a gas column. Gas flow to surface was achieved and was flared during operations, however, due to the equipment availability at the time, reservoir fluids were not recovered. The oil zone, therefore, was not fully evaluated during the initial phase of testing.

The EWT was suspended in order to review and revise the well test design to deliver and validate this important onshore resource.

Pumping, surface separation, fluid storage tanks and other well testing equipment has now been sourced to undertake this work. Regulatory approvals to re-commence the EWT are currently being sought.

Once regulatory approvals have been received, the equipment will be mobilised to site at the earliest opportunity and the EWT will re-commence.

The programme will include pulling the existing completion assembly from the well, running a new tubing and pumping bottom hole assembly and the installation of a pumping wellhead. These operations will be followed by the running in of the pump and well rods and the installation of a surface pumping unit. The well will then be pumped to recover load fluid, directing all recovery through the test unit and incinerator.

The well will be monitored for inflow and, following the EWT, will be shut in and suspended.

The cost of this additional work is already covered by an earlier cash call, of which Union Jack has already paid for its share, and the estimated costs fit well within the original test well budget.

Statutory planning permissions are in place to drill two additional wells, the West Newton B-1 and B-2. The locations of these wells are considered to be optimal to test the Kirkham Abbey formation and will also test the possible presence of the Cadeby formation, a further, highly important and high value target.

Union Jack, following a recent successful placing of £5 million, is more than adequately funded for the cost of future drilling operations and any other project related works and G&A, including 3D seismic acquisition over other potential prospects within PEDL183.

Following the completion of the EWT, ongoing costs will not be subject to any promote and all costs will be at a percentage holding equivalent.

### **The PEDL183 Licence**

PEDL183 covers an area of 176,000 acres and is situated near Beverley, East Yorkshire, at the Western extent of the Southern Permian Basin. Union Jack holds a 16.665% interest in this licence, which contains the West Newton A-1 discovery and the West Newton A-2 appraisal well.

In the United Kingdom, the carbonates of the Southern Permian Basin have targeted and produced hydrocarbons both onshore and offshore in the Southern North Sea Gas Basin. These carbonates have been extensively explored and produced onshore in the Netherlands, Germany and Poland, which provide several direct analogues for PEDL183 and West Newton.

The Operator has undertaken a number of core, geochemical and other studies in respect of the West Newton A-1 and A-2 wells and re-evaluated the volumetrics of the West Newton Kirkham Abbey reservoir, utilising information from the A1 and A-2 discoveries, as well as 3D seismic data, the results of which:

- Indicated a material upgrade in liquid hydrocarbons contained in the Kirkham Abbey formation
- Base Case volumetrics of:  
Liquids : 146.4 million barrels (“mmbbl”) of stock tank oil initially in place (“STOIIP”) and gas 211.5 billion cubic feet (“bcf”) of gas initially in place (“GIIP”)
- Upside Case volumetrics of:  
Liquids: 283.0 mmbbl STOIIP and gas 265.9 bcf GIIP

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

“We are pleased to report the progress that has been made to understand better the significance of the West Newton discoveries, to plan the resumption of the A-2 EWT and design of the drilling programme for 2020 following extensive and painstaking technical work executed by both Rathlin and Union Jack’s technical teams.

“Although highlighted in an RNS previously, what had become apparent is the materiality of the size and scale of the liquid and gas volumes in place at West Newton, which we believe are unique to UK onshore and more representative of offshore North Sea discoveries.

“West Newton remains one of Union Jack’s flagship projects which will be evaluated in further detail during 2020.

“In addition to West Newton, we also look forward in 2020 to progressing work on our other advanced projects including first production from the development at Wressle, subject to a favourable decision from the Planning Inspectorate, progressing the ongoing studies and appraisal of what we consider to be a material resource at Biscathorpe, and making meaningful technical and corporate progress at two other projects namely, the producing Keddington oil field which we consider hold untapped value and at the drill-ready North Kelsey Prospect, where we also have high expectations.

“There is still work to be done, however, the board is confident it has excellent, value accretive projects, whose contribution will become apparent during 2020 for which we are fully funded and we look forward to reporting on our progress.”

### **Competent Person`s Statement**

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 46 years of international oil and gas industry experience.

### **For further information, please contact:**

**Union Jack Oil plc** +44 (0)7801 540 358  
David Bramhill

**SP Angel Corporate Finance LLP** +44 (0)20 3470 0470  
*Nominated Adviser and Broker*  
Richard Morrison  
Richard Hail  
Stephen Wong

**Blytheweigh** +44 (0)20 7138 3204  
*Financial PR*  
Tim Blythe  
Megan Ray  
Jane Lenton

**Cassiopeia Services Ltd** +44 (0)7949 690 338  
*Public Relations*  
Stefania Barbaglio