

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

28 July 2020

Union Jack Oil plc
("Union Jack" or the "Company")
Oil and Gas Authority Approval for PEDL253 Biscathorpe Acquisition

Further to the announcement of 24 June 2020, Union Jack Oil plc, a UK focused onshore hydrocarbon production, development and exploration company, is pleased to announce that the Oil and Gas Authority ("OGA") has approved the acquisition by the Company from Montrose Industries Limited of a further 3% interest in PEDL253, containing the Biscathorpe Prospect.

Union Jack will hold a 30% economic interest in this licence following the implementation of the Settlement Agreement which is also described in the 24 June 2020 announcement.

David Bramhill, Executive Chairman of Union Jack Oil plc commented: "We are pleased to complete this transaction, following which the Company will hold a meaningful 30% interest in what we consider to be a key, potentially high-impact project within our well balanced portfolio.

"PEDL253 remains, in the opinion of the Company's management one of the UK's largest onshore un-appraised conventional licences.

"The joint venture intends to pursue a cost-effective side-track from the existing Biscathorpe-2 well site where the resource potential of the Basal Westphalian sandstone will be tested, and also the appraisal of the oil column demonstrated to be present in the deeper Dinantian Carbonate reservoir.

I look forward to updating shareholders once all technical and operational plans are finalised by the joint venture partners during H2 2020."

Information on Biscathorpe

Biscathorpe is located within PEDL253 in the proven hydrocarbon fairway of the Humber Basin, on-trend with the Saltfleetby gasfield and Keddington oilfield (Union Jack 55%) which produces oil from a Carboniferous Westphalian aged reservoir, the principal target at Biscathorpe.

The PEDL253 Joint Venture partnership has now completed extensive and detailed studies of the Biscathorpe project, including the reprocessing and remapping of 264 square kilometres of 3-D seismic. This work has been integrated with the results of the Biscathorpe-2 well, resulting in a significantly enhanced understanding of the prospectivity in the Biscathorpe project area. The results of this extensive exercise concluded that a possible material and commercially viable hydrocarbon resource remains to be tested.

Accessible target areas have been identified where evidence for a thickened Westphalian sandstone reservoir interval is evident on the reprocessed 3-D seismic. These areas can be targeted by a side-track of the existing Biscathorpe-2 well which was suspended once drilling operations were concluded

in 2019. The planned side-track will also target the oil column logged in the underlying Dinantian Carbonate in Biscathorpe-2 and as further described below.

The Mean Prospective Resources associated with the primary Westphalian target area are estimated by the Operator, Egdon Resources plc to be 3.95 million barrels of oil (mmbbls), with an upside case of 6.69 mmbbls. Preliminary economic modelling demonstrates that the Westphalian target is economically robust in the current oil price environment with break-even full-cycle economics estimated at \$US18.07 bbl and a gross NPV10 valuation of £55.6 million.

The Westphalian objective was absent at the Biscathorpe-2 well location, however, hydrocarbon shows with background gas and sample fluorescence were observed over the entire interval from the top of the Dinantian to the Total Depth ("TD") of the well (an interval of over 157 metres) with a total of 57 metres interpreted as being oil bearing in the petrophysical analysis.

A geochemical analysis of the gas data and hydrocarbons extracted from drill cuttings was originally commissioned by Union Jack and carried out by Applied Petroleum Technology (UK) Limited ("APT"). The results of this analysis show a hydrocarbon column of 33-34 degree API gravity oil in the Dinantian Carbonate, comparable with that produced at the nearby Keddington oilfield.

An assessment of the Dinantian oil volumes has also been modelled with volumetric assumptions as being filled to spill and a proven likely live oil column following the results of the APT exercise.

Mean Stock Tank Oil Initially in Place within the Dinantian has been calculated by the Operator to be 24.3 mmbbls with an upside case of 36 mmbbls.

Although the Dinantian is not considered to be the primary target, should there be effective permeability, or the presence of fractures within this section, there is the possibility of a further commercially viable play being present within the Biscathorpe licence area that would add considerable resource upside over and above the principal Westphalian target.

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.

Evaluation of hydrocarbon volumes has been assessed in accordance with 2018 Petroleum Resources Management System (PRMS) prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG), the Society of Petroleum Evaluation Engineers (SPEE), the Society of Exploration Geophysicists (SEG), the Society of Petrophysicists and Well Log Analysts (SPWLA) and the European Association of Geoscientists & Engineers (EAGE).

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