

3 August 2020

Union Jack Oil plc
("Union Jack" or the "Company")
Wressle Development Update
Oil and Gas Authority Approval for Further PEDL180 PEDL182 Wressle Acquisition

Union Jack Oil plc (AIM: UJO), a UK focused onshore hydrocarbon production, development and exploration company is pleased to announce a positive update on progress on the Wressle oilfield development and the approval by the Oil and Gas Authority ("OGA") of Union Jack's acquisition of a further 12.5% of PEDL180 and PEDL182 from Humber Oil & Gas Limited (refer to RNS dated 8 June 2020).

Highlights:

- Joint Venture ("JV") remains on track for first oil at Wressle during H2 2020
- OGA approval of Union Jack's acquisition of a further 12.5% of PEDL180 and PEDL182 containing the Wressle discovery and will hold a meaningful 40% interest on completion
- Development site civil engineering contractor mobilised
- Key planning conditions now discharged
- Reconfiguration of the discovery site for production operations has commenced
- Groundwater boreholes installed and two rounds of sampling and analysis undertaken for baseline monitoring
- Wressle is economically robust with an estimated project break-even price oil price of USD\$17.62 per barrel
- Expected increase in production of 200 barrels of oil per day net to Union Jack on production start-up

Wressle Development Update

The Operator, Egdon Resources U.K. Limited, has advised the JV that the Wressle civil engineering contractor has mobilised to site and the development works to reconfigure the existing Wressle site for production operations have now commenced. These works include the installation of: a new High Density Polyethylene ("HDPE") impermeable membrane; specialist drain system; an approved surface water interceptor; the construction of a purpose-built bund area for storage tanks; a tanker loading plinth; and an internal roadway system.

The JV remains on track for first oil during H2 2020 as previously advised.

The plan for the Wressle oilfield development comprises the following key stages:

- 1) Discharging the planning conditions, finalising detailed designs, tendering and procurement of materials, equipment and services and finalising all Health and Safety Executive ("HSE") documentation and procedures

- key planning conditions have been discharged, progress with detailed design tendering and procurement is proceeding as per the plan and all HSE documentation and procedures are progressing as per expectation
- 2) Installation of groundwater monitoring boreholes and establishing baseline groundwater quality through monitoring and analysis
 - four groundwater monitoring boreholes have been installed and two rounds of sampling and analysis undertaken to date
 - 3) Reconfiguration of the site for production operations
 - site works have commenced
 - 4) Installation and commissioning of surface facilities
 - 5) Sub-surface operations, and tie-in
 - 6) Commencement of production

OGA Approval Granted for Further 12.5% Acquisition of PEDL180 and PEDL182

Further to the announcement made on 8 June 2020, the OGA has granted approval for the acquisition by the Company of a 12.5% interest in PEDL180 and PEDL182 from Humber Oil & Gas Limited.

On completion, Union Jack will hold a meaningful 40% interest in the Wressle development project. The acquisition has an immediate positive impact on Union Jack by increasing its reserves and resources at Wressle by 45.5% to 1.24 million barrels of oil equivalent. Once Wressle is commissioned and in production, it is expected to result in an initial constrained production rate of 500 barrels of oil per day gross, or 200 barrels of oil per day net to the Company.

Commenting, David Bramhill, Executive Chairman of Union Jack, said: “Tangible progress is being made at Wressle. The guidance given for first oil remains on-track for H2 2020.

“The expected transformative economic effect on the Company once commercial production is established will be welcomed and will be a major catalyst in achieving our goal of propelling Union Jack to mid-tier status.

“In addition to Wressle, we have three other material projects within our portfolio, in particular West Newton where preparations are underway for the drilling of the B-1 appraisal well and the resumption of the Extended Well Test at the successful West Newton A-2 well, plus the future appraisal of the Biscathorpe discovery that has the potential to be another important project, and also at Keddington where there remains, in the management’s opinion, considerable potential to increase production.

I look forward to reporting over the coming months on what is expected to be an extremely active period in the development of our Company.”

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