

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

26 November 2020

Union Jack Oil plc
("Union Jack" or the "Company")
Wressle Development Update

Union Jack Oil plc (AIM: UJO), a UK focused onshore hydrocarbon production, development and exploration company are pleased to announce an update on the development of the Wressle oil field ("Wressle") and details of a loan facility provided by Union Jack to the Operator, Egdon Resources plc ("Egdon").

Wressle Development Update

Wressle is located in North Lincolnshire within Licences PEDL180 and PEDL182. The Company holds a 40% economic interest.

Wressle is at an advanced stage with site reconfiguration works completed and the installation of surface facilities currently ongoing at the site. To date, the storage tanks and inspection gantry have been installed and work is advanced in respect of the electrical and control system installation.

Delivery of all remaining equipment is expected during December, despite the challenges posed by the impact related to COVID-19 restrictions around certain suppliers.

The PEDL180 and PEDL182 Joint Venture has decided to defer workover operations and final commissioning of Wressle until January 2021, eliminating any possible operating and supply chain issues associated with the December festive shutdown.

The mobilisation of the workover rig will take place immediately in the New Year, with the workover being completed and initial oil flows anticipated later in January 2021.

Recent photographs of the Wressle development site can be found at www.unionjackoil.com.

Loan Facility and Charge Agreements with Egdon

Union Jack has agreed to provide a £1,000,000 loan facility to Egdon.

Facility and Charge agreements have been executed between the Company and Egdon, which include the key terms as set out below;

- 18 month term
- Principal sum payable at end of the term or in part or in full at any earlier time at the discretion of the borrower
- Interest will accrue daily on the outstanding loan amount at an interest rate of 11% per annum and is payable quarterly, commencing on the earlier of the first quarter end-date following initial production or 1 April 2021
- The loan is secured against an unencumbered 25% interest in PEDL180, and PEDL182, including the Wressle development project and associated infrastructure

The facility, as well as providing a commercial return on funds will also assist in the development of the Wressle oil field, a key asset for Union Jack, with anticipated production of 200 barrels of oil per day net to the Company.

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