

1 March 2021

Union Jack Oil plc
("Union Jack" or the "Company")

Completion of a Further Acquisition of a 15% Interest in PEDL253 Biscathorpe
Submission of Planning Application for Side-track Drilling, Testing and Production

Union Jack Oil plc (AIM: UJO), a UK focused onshore hydrocarbon production, development and exploration company is pleased to announce that it has completed the acquisition of a further 15% economic interest in PEDL253 containing the Biscathorpe project ("Biscathorpe") on the terms originally announced on 18 January 2021 and that Union Jack now holds a 45% interest in PEDL253.

On the proposed conventional B-2Z side-track appraisal well, the Company also highlights that a Planning Application has been made for the side-track drilling operation, associated testing and, in a success case, the long-term production of hydrocarbons at the Biscathorpe-2 wellsite, with drilling planned for H2 2021, subject to planning approval.

Highlights

- PEDL253 is located within the proven hydrocarbon fairway of the Humber Basin, on-trend with the Keddington oilfield (Union Jack 55% interest) which produces oil from a Carboniferous Westphalian aged reservoir
- Union Jack now holds a 45% interest in PEDL253 containing the Biscathorpe project
- Oil bearing Dinantian Carbonate reservoir of 68 metres has been confirmed by independent petrophysical analysis and geochemical analyses of cuttings samples carried out by APT confirms the presence of 33-34 API gravity oil
- Dinantian carbonate oil play has Gross Mean Stock Tank Oil Initially in Place ("STOIIP") of 24.3 million barrels of oil ("mmbo") with an upside of case of 36 mmbo
- Evidence from reprocessed 3-D seismic for a thickened Basal Westphalian Sandstone reservoir interval is apparent with Gross Mean Prospective Resources associated with the Westphalian target total 3.95 mmbo with an upside case of 6.69 mmbo and, where economic modelling of the Westphalian target alone, yields break-even full cycle economics estimated at US\$18.07 per barrel and a gross NPV(10) valuation of £55.6 million
- Detailed technical evaluation by the PEDL253 Joint Venture has identified an accessible drilling target on the Biscathorpe Prospect and plans are advanced for drilling the proposed conventional B-2Z side-track appraisal well during H2 2021, subject to planning and other consents, that will allow both the Dinantian Carbonate and Basal Westphalian Sandstone targets to be tested
- Planning application submitted during February 2021 for side-track drilling, testing and long-term production of conventional B-2Z side-track appraisal well

Commenting, David Bramhill, Executive Chairman of Union Jack, said:

"We are pleased to have taken this opportunity to have increased our interest to 45% in PEDL253. "Union Jack's technical team believe that Biscathorpe represents a material and commercially viable hydrocarbon resource that remains un-tested.

“The collective extensive technical information analysed over the past months, combined with APT’s conclusions on the likely presence of good quality oil, have materially upgraded the resource potential and economic value of the Biscathorpe project in our view, further supporting our opinion that PEDL253 remains one of the UK’s largest onshore un-appraised conventional hydrocarbon licences.

“We look forward to updating the market on drilling plans for the conventional B-2Z side-track appraisal well currently planned for H2 2021, subject to planning and other consents, that will allow both the Dinantian Carbonate and Basal Westphalian Sandstone targets to be tested.

“Any potential Biscathorpe oil development will be important to the UK as any indigenous production delivers a lower carbon footprint when compared to imported alternatives and it will also provide additional economic benefits to both regional and local communities.”

Biscathorpe

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

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 within 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 Basal Westphalian sandstone reservoir interval is evident on the reprocessed 3-D seismic. These areas will 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.

At the existing Biscathorpe-2 well, hydrocarbon shows with background gas and sample fluorescence were observed over the entire interval from the top of the Dinantian Carbonate to the Total Depth of the well (an interval of over 157 metres) with a total of 68 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 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. The Gross Mean STOIP associated with the Dinantian Carbonate target area are estimated by the Operator to 24.3 mmbo with an upside of case of 36 mmbo.

Although the Westphalian Sandstone objective was absent at the Biscathorpe-2 well location, data evaluated at the base of the analysed section were suggestive of possible extra hydrocarbon pay at the lower end of the Dinantian interval. The Gross Mean Prospective Resources associated with the Westphalian Sandstone target area are estimated by the Operator to be 3.95 mmbo, with an upside case of 6.69 mmbo. Preliminary economic modelling demonstrates that the Westphalian target alone

is economically robust in the current oil price environment with break-even full-cycle economics estimated at US\$18.07 per barrel and a gross NPV(10) valuation of £55.6 million.

The Operator has submitted, on behalf of the Joint Venture partners, a Planning Application to Lincoln County Council (“LCC”) for planning permission for the side-track drilling operation, associated testing and in a success case the long-term production of hydrocarbons at the Biscathorpe-2 wellsite and that will allow both the Dinantian Carbonate and Basal Westphalian Sandstone targets to be tested.

As the proposed development was screened by LCC as being EIA development, the application was accompanied by an Environmental Statement. The planning application will now be validated before LCC commences consultation on the proposals.

Interests held in PEDL253

Egdon Resources U.K. Limited (“ Operator ”)	35.8%
Union Jack Oil plc	45.0%
Montrose Industries Limited	19.2%

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 by the Operator on behalf of the PEDL253 Joint Venture 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.

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