

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is Disclosed in accordance with the Company's obligations under Article 17 of MAR.

19 July 2021

Union Jack Oil plc
("Union Jack" or the "Company")
Carbon Intensity Study on the Biscathorpe Hydrocarbon Project Rated AA by GaffneyCline
Planning Update

Union Jack Oil plc (AIM:UJO), a UK focused onshore hydrocarbon production, development and exploration company, is pleased to publish the positive conclusions of a Carbon Intensity Study on the Biscathorpe hydrocarbon project, located within the proven hydrocarbon fairway of the South Humber Basin containing PEDL253, onshore UK.

The study was undertaken on behalf of the PEDL253 Joint Venture by Gaffney, Cline & Associates Limited ("GaffneyCline"), an international energy consultancy.

Union Jack holds a 45% interest in PEDL253.

The GaffneyCline study highlighted the following:

- The Biscathorpe project, as currently envisaged has an AA rating for Carbon Intensity for its potential long-term production of oil using GaffneyCline's own rating system
- Carbon Intensities at Biscathorpe are estimated to be significantly lower than the current UK average when compared to other onshore analogues
- Once in production, based on the study GaffneyCline estimates that the Biscathorpe project will have a Carbon Intensity of just 3.06 grams of CO₂ per megajoule of energy created (gCO₂eq./MJ)
- The study also highlighted that this number could be further reduced to just 1.49 gCO₂eq./MJ by applying gas-to-grid technologies

Union Jack's focus is to minimise emissions and the carbon footprint generated by its hydrocarbon developments in the most efficient way possible, whilst continuing to contribute positively to the growing demand for energy and hydrocarbon products in the supply chain.

The demand for energy is increasing and, as the global economy recovers, hydrocarbons will continue to play an ongoing part in ensuring the energy security of the UK. Union Jack's development projects are located close to areas with a high demand for energy. As a consequence, the Company believes that locally produced hydrocarbons may provide the benefit of displacing, to some extent, imported hydrocarbons.

The Carbon Intensity study on the Biscathorpe hydrocarbon project was estimated by GaffneyCline, using the Oil Production Greenhouse Gas Emissions Estimator developed at Stanford University and an assessment of the Global carbon intensity of crude oil production which GaffneyCline contributed to. Study parameters were selected from GaffneyCline's Global field database as well as specific Biscathorpe

factors, including a notional development plan and recovery mechanism. The result of this study was benchmarked against other field analogues using the Global field database. In addition, the outcomes of the study were analysed and insights provided on the major contributing factors to the overall carbon intensity of the Biscathorpe project.

Carbon Intensity Rating for the Biscathorpe Development Concept

Carbon Intensity Range			
		Current	Potential
AA	≤5	3.06	1.49
A	5 - 7		
B	7 - 11		
C	11 - 20		
D	20 - 30		
E	30 - 50		
F	50 - 70		
G	Over 70		

Source: GaffneyCline, July 2021

Analysis of the results of this GaffneyCline study concludes that the planned Biscathorpe hydrocarbon project has carbon intensities significantly lower than the current UK average and compared to other onshore analogues. As recommended by the study, the development of Biscathorpe will seek to further reduce the projects Carbon Intensity through the utilisation of the best available techniques, including Gas-to-Grid technologies and stringent engineering specifications to minimise any venting, flaring or fugitive emissions.

Egdon Resources U.K. Limited (“Egdon”) has advised the Joint Venture that additional documentation was submitted to Lincolnshire County Council in early July in response to a Regulation 25 notice arising from the initial consultation on the planning application for the Biscathorpe project.

This information will now be subject to a period of consultation before the planning application is considered by the Planning Committee, currently anticipated to be in September/October 2021.

David Bramhill, Executive Chairman of Union Jack commented: “This study is an excellent overview of the green credentials for any potential future development decision at Biscathorpe. The AA rating achieved indicates the efforts made by the Operator, Egdon, to ensure that projects under its stewardship comply with best practice. Union Jack and Montrose Industries Ltd support Egdon’s strategy to negate the effects and threat of climate change. Union Jack’s growth strategy is aligned with our Carbon Management Practice for all of our development projects in the future in order to achieve significantly lower carbon intensities than the industry average.

“The Board of Union Jack believes that in these environmentally aware times, investors will only wish to commit to investments in companies and projects that support a transition to a low-carbon economy. As part of our ongoing strategy in respect of the environment going forward, we commit to be totally transparent in respect of our projects and on how our Carbon Management Practice is implemented.

“Biscathorpe represents a material and financially robust opportunity to secure an indigenous oil resource which would generate local and regional economic benefits displaying environmental advantages through its lower carbon footprint when compared to imported hydrocarbons.”

GaffneyCline

GaffneyCline is an international energy consultancy, which has been operating worldwide since 1962. GaffneyCline focuses solely on the petroleum and energy industry, and specializes in the provision of policy, strategy, technical and commercial assistance to governments, financial institutions, and national and international oil, gas and energy companies worldwide. The provision of Energy Transition advice and Carbon Intensity Assessment have recently been added as a core component of GaffneyCline’s international business (www.gaffneycline.com).

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