

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.

16 December 2021

Union Jack Oil plc
("Union Jack" or the "Company")
Operational and Financial Update

Union Jack Oil plc (AIM: UJO) a UK focused onshore hydrocarbon production, development and exploration company, notes that the Operator ("Egdon Resources plc") of several projects in which the Company holds material interests has today updated the market on their progress.

Union Jack is pleased to publish the highlights of this operational review and a financial update;

Wressle PEDL180/182 (Union Jack 40% interest)

- The Wressle-1 well continues to comfortably exceed initial expectations of 500 barrels of oil per day (gross) since the successful completion of the proppant squeeze and subsequent coiled tubing operations on 19 August 2021
- Works completed to upgrade the gas incineration system
- Production site upgrades ongoing
- Well flowing under a highly restricted choke of 20/64 of an inch
- Well has produced high quality oil at a constrained rate during ongoing upgrades at an average rate of 666 barrels of oil per day ("bopd") following the upgrade of the gas incineration system (266 barrels net to Union Jack) plus 368,000 cubic feet of gas (147,200 cubic feet net to Union Jack) over the past seven days, equating to a gross 727 barrels of oil equivalent per day
- Zero formation water produced to date
- Secondary separator system has been designed and manufactured and is expected to be installed before the year end to optimise gas/oil separation
- Early 2022 will see completion of testing of the full potential of the well
- Decisions will be made in Q1 2022 on the plateau production rate, to match with longer-term operational objectives and prudent reservoir management
- Downhole pressure data has been acquired and is currently being interpreted to further inform these decisions
- Focus during 2022 will move to progressing the optimal method of gas monetisation and finalising plans for the development of other hydrocarbon bearing zones to access the identified material contingent resources, with particular focus on the Penistone Flags reservoir

Note: Up to date photo images of Wressle will be uploaded to the Company's twitter feed @UnionJackOilplc from 16 December 2021.

Keddington PEDL005(R) (Union Jack 55% interest)

- An independent detailed sub-surface review of the Keddington oil field and the surrounding licence area has highlighted an opportunity to increase production via a new development side-track well for which planning is already in place
- Reservoir engineering work has been completed by ERCE confirming a target area in the south-east of the licence area which would add up to 85,000 to 120,000 barrels of recoverable oil which could be produced and monetised using the existing production equipment already in place and being utilised on site
- Well specific modelling and detailed planning will be completed in the coming period with a view to being in a position to drill the side-track well during 2022
- Additional near-field exploration opportunities have been identified at Keddington South, (gross Mean Prospective Resources of *circa* 635,000 barrels of oil (350,000 barrels net to Union Jack) and the Louth Prospect (gross Mean Prospective Resources of *circa* 600,000 barrels of oil (*circa* 330,000 barrels net to Union Jack) which could be accessed from the existing well site in due course

Biscathorpe PEDL253 (Union Jack 45% interest)

- On 1 November 2021, the planning application for a side-track drilling operation, associated testing and long-term oil production at the Biscathorpe site, was refused by Lincolnshire County Council (“LLC”), despite being recommended for approval by the Council’s planning officers
- The formal decision notice was issued on 6 December 2021 and the Operator is currently reviewing in detail the reasons for refusal with their planning and legal advisers and considering other options which is likely to lead to an appeal

North Kelsey PEDL241 (Union Jack 50% interest)

- Planning applications were submitted to LLC in early December 2021, to extend the existing planning consents by 12 months and amend the bottom hole target location for the planned North Kelsey well
- The applications have now been validated and the consultation period has begun
- Subject to receipt of planning consent the North Kelsey well could be drilled later in 2022

Financial Update

- As of 16 December 2021, cash balance of **£6,068,000**
- As of 16 December 2021, revenue and investment receivables are an additional *circa* **£600,000** (principally oil production and North Sea royalty)
- Projected revenues to 31 December 2021, expected to be in-excess of **£1,760,000** (2020 audited, **£241,467**)
- Net asset value as at 16 December 2021 is **£20,281,000**
- Debt free

Executive Chairman of Union Jack, David Bramhill, commented: “This timely operational and financial update provides tangible confirmation of the progress being made by Union Jack.

“Wressle is still in the infancy of its development and despite restricted flow and continuing site upgrades, net revenues to Union Jack have been material since mid-August 2021. We announced on 27 October 2021, that Wressle had generated US\$1,000,000 of net revenues to the Company and we look forward to announcing the next net revenue milestone early in 2022.

“When the planned site upgrades are complete, we await, with anticipation, the scale of the net revenues available from Wressle in respect of a full year of production as we believe these contributions will be transformational for Union Jack. Keddington and Fiskerton oil fields also provide additional revenue which support our projected year end 2021, net revenues.

“This operational and financial update provides information on the assets where Union Jack is in Joint Venture with Egdon Resources plc. It is prudent to mention our 16.665% investment in West Newton, of which drilling results and a series of extended well tests have confirmed the presence of substantial onshore hydrocarbon resources, within the Kirkham Abbey formation of the West Newton A-1,A-2 and B1z wells. As previously announced, a number of external studies are currently in process, encompassing a wide range of reservoir analysis in order to offer direction on how to achieve satisfactory and commercial flow rates from these wells. Preliminary reports are encouraging and we would expect to be in a position to offer a comprehensive update to the market in early 2022, on this material project that represents significant value potential in our portfolio, once the first phase of this work has been finalised.

“With the planned activity across our material projects, we believe that there will be a steady stream of RNS announcements, updates, research publications and reports published throughout 2022.

“Union Jack is in a sound position both operationally and financially and we look forward to the future with enthusiasm.”

For further information, please contact

Union Jack Oil plc

info@unionjackoil.com

David Bramhill

SP Angel Corporate Finance LLP

+44 (0)20 3470 0470

Nominated Adviser and Broker

Richard Morrison

Richard Hail

Caroline Rowe