

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.

24 October 2022

Union Jack Oil plc
("Union Jack" or the "Company")
Maiden Special Dividend Declared and Share Buy-back Programme
Capital Allocation and Distribution Policy Update

Union Jack Oil plc (AIM: UJO), a UK focused onshore hydrocarbon production, development and exploration company, is pleased to declare a Maiden Special Dividend, announce a Share Buyback Programme and confirm details of the Company's Capital Allocation and Distribution Policy.

The financial performance of Union Jack during 2022 has been dynamic and following a thorough review of the capital requirements of the Company's business operations, organic growth options and other considerations, the Board has decided it is timely to make a cash distribution by means of declaring a Maiden Special Dividend to shareholders and to implement a share buyback programme. This has been made possible following the grant of a Capital Reduction by the High Court of Justice as announced on 30 August 2022, the share buyback authority approved by shareholders at the Annual General Meeting ("AGM") of the Company in June 2022, and after applying the criteria associated with the Company's Capital Allocation and Distribution Policy.

Maiden Special Dividend Declared

The Board declares a gross Maiden Special Dividend of 0.8 pence per Ordinary Share (total payment £902,927) with a London Stock Exchange Ex-Dividend date of Thursday 17 November 2022, a Record Date of Friday 18 November 2022 and Payment Date of Friday 16 December 2022.

Share Buy-back Programme

The Company will now implement a share buyback programme, funded from the Company's existing cash resources, and within the limitations of the authority granted by shareholders at the recent AGM. This will involve the purchase of Ordinary Shares in the open market, the timing of which will be dependent on market conditions, share price, trading volumes and subject to the Company's Capital Allocation and Distribution Policy criteria.

All share purchases by the Company will be announced by RNS as soon as practicable following the dealing.

The Company intends to place the repurchased Ordinary Shares into Treasury. Ordinary Shares held in Treasury are not entitled to voting rights and dividend payments, or included in the Earnings Per Share calculation.

Executive Chairman of Union Jack, David Bramhill commented: "Union Jack's financial position has been transformed during 2022 and it now has a robust balance sheet, a fully funded and active work programme for the next 18 months on its principal projects and has no borrowings. Our Capital Allocation and Distribution Policy and current excess cash position allows us to declare a Maiden

Special Dividend and to implement a share buyback programme going forward, while importantly not impeding the Company's organic growth potential.

"These distributions are an important means of returning value to shareholders and signal the significant progress that Union Jack has achieved during the past year."

Capital Allocation and Distribution Policy

The Board applies a consistent and disciplined approach to the Company's Capital Allocation and Distribution Policy that takes into consideration the following criteria:

- Maintaining a strong Balance Sheet which is debt free throughout the oil price cycle;
- Managing the Company's overall funding requirements after consideration of maintaining and developing operations at Union Jack's principal projects in order to confirm that the Company has excess cash that can then be distributed;
- Continuing to invest in the Company's growth projects which include Wressle, West Newton, Keddington and Biscathorpe, all of which the Board believes will deliver significant future returns for shareholders;
- Managing future distributions in line with commodity price movements and the Company's excess cash position;
- Expect that a share buyback would result in an increase in earnings per share, acknowledge that the buyback share price does not reflect the intrinsic value of the business while also considering the benefits to share trading liquidity; and
- Consistent with Union Jack's progression into a meaningful producing company, only then make appropriate decisions on any distributions, however not at the cost of impeding the Company's growth potential.

Future dividends and share buybacks will be reviewed and determined in line with the Company's Capital Allocation and Distribution Policy criteria to ensure the resulting distribution is in the interests of shareholders.

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