

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.

6 February 2024

Union Jack Oil plc
("Union Jack" or the "Company")
Farm-in Agreement in West Bowlegs Drilling Project, Oklahoma, USA

Union Jack Oil plc (AIM: UJO), a predominantly UK focused onshore hydrocarbon production, development and exploration company is pleased to announce, further to its announcement dated 29 January 2024, that the Company has signed a farm-in agreement with Reach Oil & Gas Company Inc ("Reach"), to acquire a 45% working interest in a well planned to be drilled during Q2 2024, to test the West Bowlegs Prospect ("West Bowlegs") and in an area of associated interest, located in Seminole County, Oklahoma, USA.

- Andrews-1 well planned to be drilled in early Q2 2024, with a geological chance of success estimated by the Operator (Reach) to be 75%
- Approximate ten-day drilling period to a depth of 5,200 feet
- Completion time is swift; approximately eight days including perforating and flow-back if successful
- Recently acquired proprietary 3D seismic covering the proven producing Hunton Limestone, one of the main hydrocarbon reservoirs in Oklahoma
- Union Jack to pay 60% of costs of the Andrews-1 well to earn a 45% economic interest
- Going forward, the cost of further planned wells will be based on the Company's 45% economic interest
- Further drill ready prospects covered by 3D seismic identified within interest area earned by Union Jack
- Strategic partnership with Reach offers the opportunity to access a wider inventory of prospects and further drill-ready targets in Oklahoma
- Seismic acquisition and planning costs of US\$347,000 are payable by Union Jack
- Cost for drilling and completion of the Andrews-1 well is estimated to be approximately US\$516,000 net to Union Jack
- Costs to be paid from existing cash resources

The target for this well is the Hunton Limestone, one of the main hydrocarbon reservoirs in Oklahoma. The Hunton Limestone is unconformably overlain by the main oil-prone source rock, the Woodford Shale and is in an excellent position for the migration of oil. Oil-filled porosity is encountered within a basal Oolite limestone formation in wells within a mile of the first drill location for the Andrews-1 well and this is believed to be the main reservoir within West Bowlegs.

West Bowlegs is associated with a remnant of the Hunton Limestone and is expected to be at original pressure with the seal for the reservoir being the Woodford Shale and lateral seal against the underlying Sylvan Shale.

Primary oil recovery is expected to be by solution gas drive with any gas recovered to surface being sold into the local network.

Reach is an accredited operator in the USA, owning and operating oil and gas production facilities in Seminole and Pottawatomie Counties in Oklahoma. All prospects are generated by Reach which owns modern seismic equipment, supplied by a UK based company Stryde Limited.

Gneiss Energy has acted as financial adviser to this transaction.

David Bramhill, Executive Chairman, commented: “As indicated in the announcement dated 29 January 2024, I am delighted to be able to announce the execution of the agreement with Reach for our initial near-term drilling operation in Seminole County, Oklahoma.

“The Andrews-1 well has a high chance of success and if proven commercial could be in production within one month or sooner from spudding. Similar low-cost development wells nearby, typically produce initially at approximately 150 barrels of oil and over 200 thousand cubic feet of gas per day and can provide rapid pay-back within six months.

“The West Bowlegs transaction meets our criteria of acquiring material interests in projects with near-term planned drilling and capable of adding significant cash-flow, while complementing our existing profitable production and development interests onshore UK.

“Our strategic partnership with Reach offers Union Jack the opportunity to access a wider portfolio of prospects and drill-ready targets.

“I look forward to reporting to shareholders on this new phase in the growth of Union Jack, further near-term project interest acquisitions and the spudding of the Andrews-1 well in early Q2 2024.”

Miles Newman, Chairman of Reach, commented: “We acquired the West Bowlegs 3D seismic survey, which is very close to our existing production operations with our state-of-the art Stryde seismic node system and have mapped several interesting prospects.

“Reach is focused on generating drilling opportunities on the US onshore that can benefit from modern 3D seismic.

“We are very pleased to expand our activities with Union Jack onshore US.”

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