

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.

13 February 2024

Union Jack Oil plc
("Union Jack" or the "Company")
Acquisition of 75% Interest in Wilzetta Drilling Project, Oklahoma, United States
Wilzetta Fault Seismic Acquisition Programme

Union Jack Oil plc (AIM: UJO), a UK and USA focused onshore hydrocarbon production, development and exploration company is pleased to announce, further to the Company's announcement dated 6 February 2024, that it has signed a further two farm-in agreements with Reach Oil & Gas Company Inc ("Reach").

The first agreement is to acquire a 75% working interest in a well planned to be drilled in Q3 2024, to test the Footwall Fold Prospect in the Wilzetta Fault play ("the Prospect") and in an area of associated interest.

The second agreement is to acquire a 37.5% working interest in a 2D and 3D seismic acquisition programme to identify additional drillable prospects along the Wilzetta Fault, located in Pottawatomie and Lincoln Counties, Oklahoma, USA.

75% Farm-in and Drilling of the Footwall Fold Prospect in the Wilzetta Fault Play

- Main Wilzetta Fault zone target is underlain by a deeper structure that will also be tested with the first high-impact well with estimated recoverable oil in excess of 200,000 barrels
- Initial Wilzetta well planned to be drilled in Q3 2024 to a depth of 6,000 feet, with a geological chance of success, estimated by the Operator (Reach) to be 35%
- High-relief compressional fold with a large reverse fault, within the prolific Wilzetta Fault zone
- Prospect mapping supported by recently reprocessed 3D seismic data
- The prolific Wilzetta Fault plays are the site of numerous oilfields across central Oklahoma with nearby analogous production from:
 - North-East Shawnee field, three miles south of the Prospect, which has produced more than 5,800,000 barrels of oil to date
 - West Belmont field, adjacent to the Prospect, which has produced more than 580,000 barrels of oil to date
 - Arlington Field, ten miles north-east of the Prospect, which has produced more than 1,800,000 barrels of oil to date
- Planning and back costs of US\$277,000 are payable by Union Jack
- Cost for drilling and completion of the well are estimated to be approximately US\$1,000,000 net to Union Jack
- Going forward, the costs of further planned wells will be based on the Company's 75% working interest
- Costs will be paid from existing cash resources

37.5% Farm-in to 2D and 3D Seismic Acquisition Programme in the Wilzetta Fault Play

- Additional potential sites for structures along the Wilzetta Fault have been identified (in addition to those on the Wilzetta Fault Footwall Fold)
- Initially, 2D seismic will be acquired to confirm sites for compressional structures
- A 3D programme will then be carried out at the most promising sites to firm up additional drilling locations
- Union Jack will pay 50% of the 2D and 3D programme costing US\$280,000 net to Union Jack, to earn a 37.5% working interest in any prospects generated
- Costs will be paid from existing cash resources

David Bramhill, Executive Chairman of Union Jack, commented: “Further to the announcements made on 29 January 2024 and 6 February 2024 in respect of Union Jack’s transactions with Reach, I am pleased to be able to bring another two, highly prospective farm-in projects to the Company’s Oklahoma, USA, drilling and Mineral royalty portfolio.

“During late 2023 and early 2024, the Company assembled an initial balanced collection of value adding assets, comprising three cash yielding Mineral royalties, holding attractive upside potential, and a quality portfolio of near-term, exploration, drilling and seismic acquisition programmes that we believe have an excellent chance of success.

“We expect to see the first of our wells, being the Andrews-1 on the West Bowlegs Prospect, drilled in early Q2 2024 and we are pleased to see good progress already being made with the well location staked and site construction to commence shortly.

“Reach has also informed Union Jack that an intent to drill was submitted to the Oklahoma Corporation Commission on 8 February 2024 and that permit approval can typically be expected within 14 days.

“The Andrews-1 well will be followed by a high-impact well on the Wilzetta Fault later in 2024, where the potential rewards are significant.

“Typical wells drilled on the Wilzetta Fault can produce approximately 250 barrels of oil a day providing pay-back within three months.

“The Board is delivering on its aims of identifying and introducing potential new growth opportunities in a welcoming jurisdiction, that is highly prospective, has existing operations and infrastructure accompanied with an attractive fiscal environment, to complement the Company’s already successful and profitable production activities in the UK.

“In the UK, we have planned programmes, which include the drilling and development of the Penistone Flags formation, containing material gas reserves on our flagship Wressle development. We also anticipate the “renaissance” of the West Newton gas project, which I am confident will become the focus of significant drilling and development activity during 2024 and beyond.

“Meanwhile, I also look forward to reporting on progress on Union Jack’s expanded portfolio in the USA and the continuing success of the Company.”

Jim McKenny, President of Reach, commented: “The Wilzetta Fault is a proven oil producing area with potential for the discovery of substantial reserves in a complex structural setting.

“We are thrilled to have Union Jack as a partner in our expanding, seismic driven exploration programme.”

Wilzetta Fault Play

The Wilzetta Fault is the site of numerous producing oilfields across central Oklahoma. Strike-slip displacement (an essential component for fault systems in north-central Oklahoma) on this fault has caused areas of compressive forces that have formed the structures for oil accumulations.

Reservoirs in the immediate area are the Hunton Limestone and Wilcox Sands. These formations are highly productive in faulted and folded structural traps.

Younger Pennsylvanian sands are oil-filled in the area as stratigraphically trapped channel complexes.

Hydrocarbons are sourced from the world-class Woodford Shale source rock.

Seismic Acquisition on the Wilzetta Fault

The 2D and 3D seismic acquisition programme is designed to identify further prospects along the Wilzetta Fault. Additional areas of probable compression have been identified.

The exploration strategy developed by Reach is to confirm areas of compression using 2D seismic data and follow on with 3D seismic where appropriate.

The areas identified for surveying appear to have been neglected due to the difficult terrain for seismic acquisition. Reach's state-of-the-art equipment, supplied by UK based, Stryde Limited, allows for cost effective and efficient seismic acquisition.

Gneiss Energy acted as Financial Advisers on both transactions.

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