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19 August 2024

**Union Jack Oil plc**  
**("Union Jack" or the "Company")**  
**USA Projects and Corporate Update**  
**Andrews 2-17 Discovery**  
**Farm-In to Taylor and Moccasin Q4 2024 Drill Programme**

Union Jack Oil plc (AIM: UJO and OTCQB: UJOGF), a UK and USA focused onshore hydrocarbon production, development, exploration and investment company is pleased to announce a positive update in respect of the Company's strategic expansion into the USA and its rapidly growing oil and gas production and revenue generating activities.

The Company is also pleased to confirm that, following completion and testing, the Andrews 2-17 well has been declared a commercial discovery.

This update provides information on:

- Production and development from the Andrews field, comprising the Andrews 1-17 and recently drilled and completed Andrews 2-17 wells
- The acquisition of a 45% interest in the Taylor and Moccasin wells to be drilled in the Q4 2024 drilling campaign
- General progress regarding Union Jack's other USA activities

**Andrews 1-17 (Union Jack 45%)**

- Andrews 1-17 well has been declared a commercial discovery
- Since being placed on restricted and periodic test production during late May 2024, the Andrews 1-17 well has produced 6,460 barrels of high-quality, ultra-light oil with a gravity of approximately 46 degrees API and 382,000 cubic feet of gas
- Andrews 1-17 well is still under test production using a pump jack whilst the optimum flow rate is being determined
- Works to connect a gas pipeline to the Andrews 1-17 well have recently been completed and gas has been sold to the market
- Water produced from the Andrews 1-17 well will be transported via a recently laid pipeline to the Coker injector well to rebuild reservoir pressure in the Rogers and S&M production wells (Rogers Secondary Recovery project - Union Jack 45%), providing considerable savings on OPEX costs at Andrews-1 and allowing eventual production optimisation
- Drilling and completion costs have already been paid for from the Company's cash resources

The primary target for the Andrews 1-17 well, the Hunton Limestone ("Hunton"), one of the main hydrocarbon reservoirs in Oklahoma, was penetrated at approximately 4,200 feet, showing high porosity, elevated gas readings with good reservoir quality being interpreted on the wireline logs.

The Hunton is unconformably overlain by the main oil-prone source rock, the Woodford Shale and is in an excellent position for the migration of oil.

**Andrews 2-17 Well (Union Jack 45%)**

- Andrews 2-17 declared a commercial discovery
- Well perforated in the Hunton and completed early August 2024
- Andrews 2-17 is now on test production and free flowing high-quality, ultra-light 46 degrees API gravity oil, significantly with no water
- The well produces naturally due to a gas expansion drive
- Since being placed on restricted and periodic test production from 7 August 2024, the Andrews 2-17 well has produced 544 barrels of oil and 1,895,000 cubic feet of gas
- First oil and gas already being sold to market
- Andrews 2-17 and 1-17 have been connected to a local gas pipeline and product is being sold to Enerfin, a privately held natural gas and oil company with several thousand miles of pipeline infrastructure in Oklahoma, Texas and Louisiana

- Under test conditions production rates of 184 barrels of oil and 320,000 cubic feet of gas per day have been recorded
- Due to high wellhead pressure of 1,250 psi, oil and gas production is currently constrained and the choke reduced to 14/64" (approximately 25% of choke size)
- Work is ongoing to reach optimum production on both Andrews wells to obtain the perfect balance of choke size versus line pressure and oil rate
- Production rates remain variable whilst a stable flow rate is established
- Drilling and completion costs have already been paid for from the Company's existing cash resources

The main objective for the Andrews 2-17 well, the Hunton Limestone, was penetrated at 4,180 feet, showing elevated gas readings, good oil and gas shows, stain and fluorescence from top to bottom of the Hunton interval.

#### **45% Farm-In and Drilling of the Taylor Well, Seminole County, Oklahoma**

Union Jack has agreed to acquire from Reach Oil & Gas Inc ("Reach") a 45% working interest in the Taylor well, planned to be drilled back-to-back with the Moccasin well (described below) during Q4 2024.

Taylor is an untested 3D seismic supported Hunton Remnant prospect with secondary targets in the Misener and Wilcox sands.

- Analogue case indicates robust economics on success
- Wilcox structures to the north and east of Taylor were prolific in the 1920s, producing in the thousands of barrels of oil per day
- Acreage includes Taylor Hunton Prospect, two Wilcox structures and Misener field with possible infill location
- Operator estimated 40% geological chance of success
- Planning and back costs of US\$309,000 paid to Reach
- Costs for drilling and completion of the well are estimated to be approximately US\$516,000 net
- Going forward, the costs of further wells will be based on an unpromoted 45% working interest
- Costs will be paid from existing cash resources

Historically, there have been several regional high-profile producing fields such as North East Tibby (1,600,000 bbls oil), Gray (6,000,000 bbls oil) and West Burnett (1,200,000 bbls oil).

#### **45% Farm-In and Drilling of the Moccasin Well, Pottawatomie County, Oklahoma**

Union Jack has agreed to acquire from Reach a 45% working interest in the Moccasin well which is planned to be drilled back-to-back with the Taylor well described above.

Moccasin is an untested 3D seismic supported Hunton and Wilcox structure with secondary targets in Pennsylvanian Channel Sands and Base Pennsylvanian Unconformity Sand.

- Analogue case indicates robust economics on success
- Operator assesses a high chance of finding movable hydrocarbons in the Base Pennsylvanian and an approximate 50% chance of success in other target zones
- Structure lies close to the Woodford Shale, the main source for light oil across the region
- Planning and back-costs of US\$256,000 paid to Reach
- Cost for drilling and completion of the well are estimated to be US\$600,000 net
- Going forward, the costs of further wells will be based on an unpromoted 45% working interest
- Costs will be paid from existing cash resources

The Moccasin structure is a compressive feature associated with the regional Wilzetta fault. This strike slip fault was active through the Ordovician to early Carboniferous periods and is responsible for several large oil accumulations. In the area of the planned Moccasin well, a deviation in the fault has caused compressive forces forming numerous dome and fault structures which have led to proven prolific oilfields such as the adjacent North-East Shawnee and North-West Redhill fields that have produced more than 6,000,000 barrels of oil.

#### **Wilzetta Diana-1 Footwall Fold Drilling Project, Seminole County, Oklahoma (Union Jack 75%)**

Union Jack has an agreement with Reach to drill the Diana-1 well, to test a Footwall Fold Prospect within the Wilzetta Fault play, following the drilling of the Taylor and Moccasin wells.

- Main Wilzetta Fault zone target is underlain by a deeper structure that will also be tested with a high-impact well with estimated recoverable oil in excess of 200,000 bbls
- High relief compressional fold with a large reverse fault
- 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 analogue production from:
  - North East Shawnee field, three miles south of the Diana-1 well location, which has produced more than 5,800,000 barrels of oil to date
  - West Belmont field, which has produced more than 580,000 barrels of oil to date

- Arlington field, ten miles north-east of Diana-1, which has produced more than 1,800,000 barrels of oil to date

#### **Rogers Secondary Recovery Project, Seminole County, Oklahoma (Union Jack 45%)**

The Rogers enhanced oil recovery project is located approximately two kilometres from the Andrews 1-17 discovery well and includes plans to significantly increase delivery from Rogers and S&M, two legacy production wells.

Base case secondary recovery volumes calculated by the Operator suggest that up to a further 124,000 barrels of oil can be recovered. The Company believes the project economics are highly attractive indicating future gross revenues at prevailing oil prices of approximately US\$7.5 million, and an IRR approaching 80%.

Water production sourced from nearby wells will be injected into the Coker injector well to rebuild reservoir pressure and increase hydrocarbon production.

The directors believe the Rogers project offers an excellent strategic and locational fit within the Company's portfolio and will help provide operational synergies and increase production and revenues.

#### **East Shawnee 3D Seismic Acquisition Programme, Seminole County, Oklahoma (Union Jack 37.5%)**

The East Shawnee 3D seismic acquisition programme is designed to identify further prospects along the Wilzetta Fault, also known as the Seminole Uplift.

Reach is currently completing permitting with the landowners, clearing lines for a vibration source during September and will commence seismic acquisition in early October 2024.

The objective of this 3D seismic acquisition programme is to generate prospects to be drilled during the 2025 drilling campaign.

#### **USA Corporate Update**

Since the commencement of activities in the USA from a standing start in early 2024, Union Jack has made significant progress in building a cash generating hydrocarbon venture and establishing a new corporate "North American brand" complementing the Company's already successful oil production and development business in the UK.

The directors are delighted with the rapid progress made in the year-to-date and we are already generating and banking oil and gas revenues from the Andrews field where payback is expected on the Company's initial investment within six months.

The directors believe the balanced portfolio assembled in a short period of time represents excellent progress by any standard.

The Mineral Royalty investments where Union Jack holds proxy interests in 165 wells are delivering a consistent, safe and attractive income stream. Return on investment to date equates to approximately 20%+ and will be reported on comprehensively in the Company's Half Yearly Report which will be published during September 2024.

During April 2024, Union Jack was admitted to trading on the OTCQB Venture Market in the USA and trades under the ticker UJOF.

The Company believes that dual trading of its ordinary shares on the OTCQB and the AIM Market of the London Stock Exchange will, in time, provide enhanced investor benefits, including uncomplicated trading access for investors based in the USA and increased liquidity due to a broader geographic pool of investors.

Also in early April 2024, Harbor Access (web: harbor-access.com), a proactive North American based Investor Relations Group, was appointed to represent Union Jack and assist with increasing visibility and facilitating a better understanding of the Company in the USA financial markets.

Lighthouse Equity Research, part of Sidoti & Company LLP has been engaged to provide equity research coverage of Union Jack in the USA. Initial analysis of Union Jack is expected to be published in early September 2024.

During the remainder of 2024, the Company intends to appoint a USA based stockbroker to reinforce its recent initiatives in establishing an investor base in the USA.

**David Bramhill, Executive Chairman of Union Jack, commented:** "Obviously I am delighted at the initial success and significant progress being made in the USA alongside our partners, Reach.

"It is difficult to believe that our entry into North America at the start of the year would yield such material returns in such a short period of time.

"The hydrocarbon opportunities in Oklahoma are considerable and we look forward to drilling the Taylor and Moccasin wells during Q4 2024, followed by the Diana-1 well, all of which hold considerable upside on success.

"I look forward to reporting on further USA progress in the Half Yearly Report and also on our valuable UK assets which include the cash generating Wressle project, West Newton, Biscathorpe, Keddington and North Kelsey.

"We remain committed to all of our current UK projects and are cautiously optimistic that fiscal and regulatory clarification from the new government will allow the owners and entrepreneurs in our industry to move forward and continue to provide reliable domestic production, supporting jobs and delivering tax revenues for many years to come."

**Miles Newman, Chairman of Reach commented:** "We are very pleased that the Andrews 2-17 well has come in as expected from our 3D seismic. We purchased a Stryde node seismic system to efficiently and inexpensively acquire our own seismic and are delighted to prove up the interpretations.

"The second well in the Andrews field encountered the productive Hunton reservoir 30 feet up-dip from the Andrews 1-17 well. The gas sales line has now been commissioned, on time and under budget. The well is free flowing good quantities of oil and gas and is water free.

"The Andrews field is being developed and we are very excited to turn our attention now to the Q4 2024 drilling campaign, targeting the Taylor and Moccasin Prospects."

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