

Union Jack Oil PLC

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Union Jack Oil deals into bigger stake in Wressle field

Union Jack Oil PLC (LON:UJO) has agreed a deal to increase its interests in the Wressle oil project and the Broughton North exploration prospect.

The onshore UK oil junior has done a deal with Celtique Energie Petroleum Limited for 3.33% stakes in the PEDL180 (Wressle) and PEDL182 (Broughton North) licences, paying £600,000.

It increases UJO's stake in the projects to 15% each, up from 11.67%.

UJO will now get a bigger share of the envisioned oil production coming from the Wressle field (once the development project clears the regulatory / planning process).

Executive chairman David Bramhill says Wressle can generate meaningful cash flows for UJO and it is expected to transform the company's financial position.

"When in production, first commercial oil from Wressle-1 is expected to flow at an estimated constrained rate of 500 barrels of oil per day gross converting the company's status from a junior explorer into a fully-fledged oil producer," Bramhill said.

"At \$55 oil, management expects the net cash flow generated from Wressle attributable to Union Jack to be significant.

"The board believes that production at Wressle will generate excess cash after accounting for the company's on-going working capital obligations."

Bramhill told investors that "the future looks bright" and highlighted that the portfolio is "nicely balanced" with production, development, appraisal and exploration assets.

Grappling with Wressle planning

In February, it was announced that the oil company's behind the Wressle field would appeal against a decision by the Lincolnshire County Council which refused to grant planning permission for the field's development.

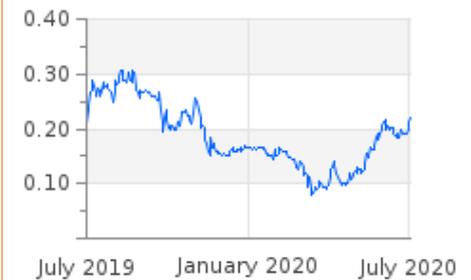
The Wressle partners said they intended to file a new application including more detailed information to address the specific concerns outlined in the negative planning decision.

Following today's deal the Wressle partners comprise: Europa Oil & Gas Plc (LON:EOG) with 30% - with 10% due to sold to Upland Resources), Egdon Resources Plc (LON:EDR) with 25%, Celtique with 30% and Union Jack Oil with 15%.

Price: 0.212

Market Cap: £32.73 m

1 Year Share Price Graph



Share Information

Code: UJO

Listing: AIM

52 week	High	Low
	0.38	0.0751

Sector: Oil & Gas

Website: unionjackoil.com

Company Synopsis:

Union Jack Oil plc is an onshore oil and gas exploration company with a focus on drilling, development and investment opportunities in the United Kingdom hydrocarbon sector listed on the London Stock Exchange AIM market (Ticker: UJO).

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