



Union Jack Oil PLC

November 05 2018

Union Jack completes acquisition of stake in West Newton gas project in Yorkshire

Union Jack Oil PLC (LON:UJO) has formally completed the acquisition of a 16.667% stake in the West Newton gas discovery, in Yorkshire.

The AIM-quoted company agreed the terms of a deal earlier this month with Rathlin Energy, a subsidiary of Canadian firm Connaught Oil & Gas, and the two have now officially signed the farm-in agreement.

READ: Union Jack agrees to buy stake in West Newton gas project

"We are pleased to be able to confirm the Farm-in to PEDL183 containing the material West Newton gas discovery that represents a significant project technically and is compelling financially for Union Jack has now been signed," said chief executive David Bramhill.

"The drilling of the material West Newton conventional appraisal well, where success is expected to deliver a significant onshore gas development project, will be transformational for Union Jack."

"In addition to our ongoing commitment to develop the Wressle oil discovery, and plans to commence drilling of the material conventional Biscathorpe-2 oil appraisal well later this quarter, the Farm-in and drilling of West Newton in Q1 2019 puts Union Jack in an even stronger position to deliver growth in reserves, production and asset value while adhering to our principles of strict financial and technical discipline."

West Newton discovery in detail

West Newton, located on the western sector of the southern Zechstein basin in east Yorkshire, is a conventional operation which UJO highlighted will not involve fracking either now or in the future.

It is on trend with the prolific Hewett gas field complex which had 419bn cubic feet of original in place gas.

A 2014 discovery well opened up an estimated 189bn cubic feet of contingent gas resources (31.5mln barrels oil equivalent) at West Newton.

It will now be followed up by an appraisal well in early 2019 which is estimated to have a 60% geological and commercial probability of success.

Should the appraisal be successful and lead to field development, Union Jack's take would be around 5.3mln barrels of oil.

West Newton's operator has estimated a net present value of US\$247mln for the project.

Cadeby exploration potentially

Price: 0.155p

Market Cap: 1

1 Year Share Price Graph



Share Information

Code: UJO

Listing: AIM

52 week High Low
0.155p 0.076p

Sector: Energy

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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Additionally, the project operator has also identified a significant oil exploration target, in a feature called the 'Cadeby Reef formation' which is positioned beneath the gas discovery.

It is proposed that the appraisal well will also drill deeper to test the prospect as a secondary target. The exploration prospect is estimated as some 79.1mln barrels oil equivalent and it has an estimated 26% chance of success.

More broadly, there are a number of other 'additional attractive prospects and leads' identified within the licence area which could in the future add to the significant prospective resources.

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