

Union Jack Oil PLC

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Union Jack Oil acquires West Newton stake ahead of 2019 well programme

Union Jack Oil PLC (LON:UJO) told investors that it has now completed its deal to acquire a 16.665% interest in the West Newton project, in Yorkshire.

It comes ahead of an appraisal well drilling programme which is due to spud in the first quarter of 2019.

The onshore oil discovery is presently estimated to contain 189bn cubic feet of gas resources, which amounts to around 31.5mln barrels oil equivalent, and, it has been valued at US247mln (NPV) by the operator.

WATCH: Union Jack Oil completes on West Newton deal ahead of Q1 2019 spud

Union Jack executive chairman David Bramhill described West Newton as "a significant and compelling project" for the company.

"The drilling of the West Newton conventional appraisal well is currently planned for Q1 2019 and will follow the planned commencement of drilling of the conventional Biscathorpe-2 appraisal well on PEDL253 by year end 2018 in which Union Jack holds a meaningful 22% licence interest," Bramhill said.

"Both wells are fully permitted and success at either would deliver a material onshore gas or oil development project respectively, with either being transformational for Union Jack."

He added: "The completion of the West Newton Farm-in puts Union Jack in a stronger position to deliver growth in reserves, production and asset value while adhering to our principles of strict financial and technical disciplines."

UJO also noted that the upcoming West Newton well will additionally test a deeper oil exploration target, which is estimated to host some 79.1mln barrels of potential resources.

In a note to clients, analysts at SPAngel commented: "Given the fact that the Company enjoys a good relationship with the OGA, while not unsurprising, it is still pleasing, as the still requires an assessment of the Company's suitability for inclusion on the licence."

They reiterated a 0.64p target price on UJO shares, which held steady at 0.10p in early afternoon trading.

-- Adds analyst comment, share price --

Price: £0.00

Market Cap: £31.48 m

1 Year Share Price Graph



September 2018 March 2019 September 2019

Share Information

Code: UJO

Listing: AIM

52 week High Low
0.38 0.08

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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