

Union Jack Oil PLC

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Union Jack Oil raises £1.75m as it looks forward to West Newton opportunity

Union Jack Oil PLC (AIM:UJO) has conditionally raised £1.75m through a share sale with the funds earmarked for anticipated follow-up activities after a successful outcome in an upcoming well at the West Newton project.

The company has a stake in the West Newton-2 appraisal well which is expected to spud in April. The project is estimated to have 189bn cubic feet of gas resources, which is around 31.5m barrels of oil equivalent.

The company said in a statement that there is "compelling immediate and future economic value" in the development of the gas resource alone and added that the project also offers upside potential in an oil exploration target which underlies the gas.

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It noted that the lower Cadeby Reef oil exploration target has been estimated to have some 79.1m barrels of prospective resources.

"We remain funded for the drilling of the West Newton-2 appraisal well," said David Bramhill, Union Jack executive chairman.

"Following the drilling of that well, the fundraising will then allow us to carry out any long-term gas production testing that is necessary, plus progress further technical and initial conceptual commercial studies on a Field Development Plan on this material gas discovery.

"A completed field development plan will allow the 31.5m barrels of oil equivalent best estimate contingent resources (gross) identified in West Newton to be converted into reserves, a necessary step prior to then bringing this important onshore gas field into production and generating first gas revenues."

"The fundraising will also provide sufficient working capital to bring Wressle to the first production, subject to it receiving all necessary planning approvals.

He added: "This Fundraising will place the company in a strong position to deliver growth in reserves, production and asset value".

The share placing sees the sale of 2.3bn new Union Jack shares, each priced at 0.075p.

Shareholder approval is required to conclude the funding, and, a general meeting has been called for 8 April in Bristol.

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Price: 0.1875p

Market Cap: £20.22M

1 Year Share Price Graph



June 2018 December 2018 June 2019

Share Information

Code: UJO

Listing: AIM

52 week High Low
0.22p 0.08p

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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