

Union Jack Oil PLC

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Union Jack Oil exits Holmwood project, takes shares in UK Oil & Gas

Union Jack Oil PLC (LON:UJO) has exited the Holmwood project through a deal with UK Oil & Gas PLC (LON:UKOG), selling its 7.5% stake for £112,500.

It is a cash deal, although as part of the transaction, UJO has committed to investing the entirety of the proceeds into UKOG, subscribing for new shares.

UKOG is separately also purchasing Europa Oil & Gas Holdings PLC's (LON:EOG) 20% stake in Holmwood for £300,000 in cash.

It will mean that UKOG, in aggregate, has consolidated its stake in Holmwood to up to 67.5%. As a result, the company has secured control of the project, which neighbours its flagship Horse Hill discovery, now on the road to development and permanent production.

READ: Union Jack Oil raises £1.75m for West Newton opportunity
"Union Jack's strategy is to focus on what we consider to be near term drilling and production opportunities in the UK," said David Bramhill, UJO executive chairman.

"Our modest investment in Holmwood was made with a view to capitalising on the increasing activity within the Weald Basin.

"This agreement allows Union Jack to now concentrate totally on our focused areas of the East Midlands, Humber Basin and East Yorkshire."

Bramhill added: "Payment in UKOG shares allows Union Jack to not only benefit from UKOG's increased interest in Holmwood, but also exposure to UKOG's wider Weald Basin assets and other projects."

The chairman, meanwhile, highlighted the company's focus going forward, on assets in the East Midlands, Humber Basin and East Yorkshire.

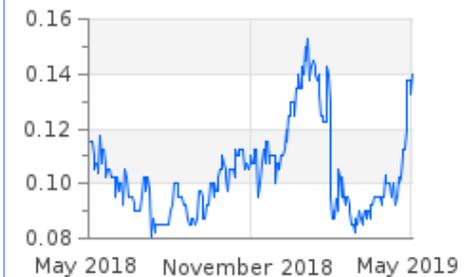
"Our focused areas hold working interests in material and potentially company-changing assets including: 16.665% in West Newton, where drilling is set to commence in the very near future; 27.5% of Wressle that contains a discovery awaiting planning permission for development; and 22% of Biscathorpe that requires seismic reprocessing to provide information following recent drilling and for a potential side-track well in due course," he noted.

"In addition, Union Jack's 20% working interests in the producing Keddington and Fiskerton Airfield oil fields provide us with oil revenues and exposure to additional workover and drill targets in our focused areas."

Price: 0.145p

Market Cap: £15.64M

1 Year Share Price Graph



Share Information

Code: UJO

Listing: AIM

52 week High Low
0.17p 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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