

UNION JACK OIL plc

Half Yearly Report for the six months ended 30 June 2021



UNION JACK OIL

PRODUCTION, DRILLING, DEVELOPMENT
AND INVESTMENT IN THE UNITED KINGDOM
HYDROCARBON SECTOR

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UNION JACK OIL

Union Jack Oil plc is an onshore oil and gas company with a focus on production, drilling, development and investment in the United Kingdom hydrocarbon sector. The issued share capital is traded on the AIM Market of the London Stock Exchange (Ticker: UJO).

Our strategy is the appraisal and exploitation of the assets currently owned. Simultaneous with this process, the Company's management expects to continue to use its expertise to acquire further licence interests over areas where there is a short lead time between the acquisition of the interest and either exploration drilling or initial production from any oil or gas fields that may be discovered.

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Chairman's Statement

I am pleased to present this Half Yearly Report for the six months ended 30 June 2021 to the shareholders of Union Jack Oil plc ("Union Jack" or the "Company").

OVERVIEW

The past six months, and the subsequent period to this Half Yearly Report, has seen some highly encouraging and positive developments that augur well for the execution of our strategy in delivering material growth, cash flow in the medium term and building a sustainable, UK onshore focused, mid-tier conventional hydrocarbon producer.

We are pleased to report that marked progress has been made during the period being reported upon and beyond, the highlights being:

- Wressle oil production, following successful proppant squeeze of the Ashover Grit reservoir, significantly exceeding initial expectations of the 500 barrels of oil per day well deliverability projections
- From 19 August 2021 to 9 September 2021, Wressle has contributed approximately US\$300,000 net to Union Jack from test production during this short period
- Assuming sustained deliverability, at current production rates Wressle is set to become the second ranked onshore oilfield in the UK next to Wytch Farm
- Considerable upside remaining at Wressle from the Wingfield Flags and Penistone Flags reservoirs, both of which have already demonstrated their ability to flow oil to surface during testing of the original discovery well, and in addition, the Broughton North prospect
- Leading energy consultancy to be commissioned by Union Jack to prepare an updated Competent Persons Report on the Wressle development
- Data gathering at West Newton B-1z ongoing following gas and sample liquid hydrocarbons recovered to surface
- Testing now underway at West Newton-A2 well, where a 65 metre hydrocarbon column was previously discovered
- Acquisition of a further 15% of Biscathorpe, bringing Union Jack's interest to a material 45%
- Biscathorpe side-track planned to be drilled during 2022, from the existing B-2 well bore, targeting the Dinantian Carbonate discovery and Basal Westphalian sequences
- AA rating for Carbon Intensity at Biscathorpe for potential upstream oil production following Gaffney Cline study
- Union Jack management's view is that Biscathorpe remains one of the UK's largest onshore un-appraised conventional hydrocarbon targets
- Acquired a 2.5% interest in the Claymore Piper Royalty Complex, representing an attractive low-risk entry strategy to the North Sea that generates positive cash flows and delivers superior investment returns

“Free flow rates of oil through a restricted choke are in excess of our projected 500 barrels of oil per day with zero water cut and well deliverability during the ongoing clean-up phase demonstrating that there is still a long way to go before reaching its peak production potential from the Ashover Grit reservoir”

- Negotiations are at an advanced stage with two North American financial entities to acquire a further combined 25% interest in the Claymore Piper Royalty, further details of which will be announced once finalised
- Debt free and revenues now contributing from four assets in the Union Jack portfolio

The results to date from Wressle, following the successful proppant squeeze operation, have significantly exceeded our expectations. Free flow rates of oil through a restricted choke are in excess of the 500 barrels of oil per day predicted. The rates we are seeing during the ongoing clean-up phase, with zero water cut, provide encouraging reassurance ahead of reaching the peak production potential from the Ashover Grit reservoir.

Since the re-commencement of well testing at Wressle on 19 August 2021 to 9 September 2021, good quality oil has been produced and sold, netting Union Jack approximately US\$300,000 of revenue during this short period.

Assuming this impressive cash flow from Wressle is sustained, the projected net revenue from Wressle alone, will be financially transformational for the Company.

The producing Keddington and Fiskerton oilfields, also contribute income, supplementing our revenue generation.

In March 2021, the Company acquired a 2.5% interest in the Claymore Piper Royalty Complex, encompassing a number of North Sea producing assets from Cambridge Petroleum Royalties Limited, for a total consideration of US\$130,000. The acquisition represented an attractive low-risk entry strategy to the North Sea as it generates positive cash flows and delivers superior investment returns without the accompanying capital and operating costs associated with direct participation in the underlying oilfield developments and infrastructure.

Negotiations are at an advanced stage with two North American financial entities to acquire a further combined 25% interest in this asset in the near future, further details of which will be announced once finalised.

This royalty asset is expected to deliver a protracted cash flow for a minimum of ten years and an independently commissioned financial model has indicated that the life of these royalty units could extend until 2040 and beyond. All outstanding cash sums due to royalty holders of the Claymore Piper Royalty Units are currently held in escrow by the operator of the Claymore Piper Complex pending their distribution by a royalty manager to be appointed.

Chairman's Statement

“Wressle oil production, following successful proppant squeeze of the lower Ashover Grit reservoir, significantly exceeding initial expectations of the 500 barrels of oil per day well deliverability projections”

PEDL 180/PEDL 182 WRESSLE DEVELOPMENT (40%)

Located in Lincolnshire on the western margin of the Humber Basin, PEDL 180 and PEDL 182 contain the substantial Wressle conventional oil discovery which is currently free flowing good quality oil under well test conditions and comfortably exceeding the original projections of 500 barrels of oil per day.

The Wressle-1 well is continuing to clean up and has not yet reached its peak potential.

Assuming that the deliverability is sustained, the Wressle oilfield would be ranked as the second largest onshore oil producer in the UK next to the prolific Wytch Farm oilfield.

The Wressle-1 discovery was defined on proprietary 3-D seismic data. The structure is on-trend with the producing Crosby Warren oilfield and the Broughton B-1 oil discovery, both to the immediate northwest, and the Brigg-1 discovery to the southeast. All of these wells contain oil in various sandstone reservoirs within the Upper Carboniferous succession.

Union Jack's management believe that Wressle is still in its infancy in terms of development potential and that considerable upside remains within PEDLs 180 and 182, within the Wingfield Flags and Penistone Flags reservoirs, both of which have already demonstrated their ability to flow during initial testing of the original discovery well.

The Broughton North prospect also provides further upside potential.

The operator has updated the economic model for the Wressle oilfield. Their work has demonstrated that the project is economically robust in the current and improving oil price environment with a full-cycle cash break-even oil price estimated at US\$17.62 per barrel and an attractive cash lifting cost below US\$10 per barrel.



The Company is in the process of commissioning a leading energy consultancy to provide an updated Competent Persons Report on the Wressle development.

Union Jack thank the operator and their contractors who have contributed to this landmark achievement in obtaining deliverability for the Wressle Joint Venture

I look forward to reporting further details once a stabilised flow rate from the Ashover Grit reservoir is established.

PEDL183 WEST NEWTON A-1, A-2 AND BIZ DISCOVERIES (16.665%)

Union Jack, during late 2018, completed a farm-in to licence PEDL183, covering an area of 176,000 acres, to acquire a 16.665% working interest.

PEDL183, is located onshore UK, north of the river Humber, also encompassing the town of Beverley, East Yorkshire. The licence area is within the Western sector of the Southern Zechstein Basin. The conventional West Newton A-1 (“WNA-1”) and A-2 (“WNA-2”) discoveries are on-trend with the prolific offshore Hewett gas complex.

In the UK, carbonates of the Permian Basin have been targeted and produced offshore and onshore in the Southern North Sea Gas Basin. These carbonates have been extensively explored and produced onshore in the Netherlands, Germany and Poland, which provide several analogues for West Newton and the overall licence area.

The WNA-2 well was drilled as an appraisal of the WNA-1 discovery and reached a total depth of 2,061 metres. A full suite of logs were run and 28 metres of core was successfully cut and recovered to surface

Evaluation of the WNA-2 open hole data identified an estimated gross hydrocarbon column of approximately 65 metres in the Kirkham Abbey formation. Initial petrophysical indicates a gross oil column of 45 metres, underlying a gross gas column of 20 metres. The WNA-2 well exhibits encouraging porosities on logs and in core. Natural fracturing is also confirmed by an imaging log run across the entire Kirkham Abbey interval.

A revised Extended Well Test is currently underway to evaluate the significant oil column in the Kirkham Abbey formation which is known to contain a material in-place hydrocarbon volume.

The previously completed zone at WNA-2 has been shut in for circa two years with minimal fluid head on the perforated interval.



Drilling at WNB-1z well demonstrated a significant hydrocarbon column of 62 metres and, as previously demonstrated at WNA-2, it also confirmed the presence of material volumes of hydrocarbons in place.

Data gathering at the WNB-1z appraisal well is ongoing where 44 metres of the Kirkham Abbey formation were perforated and good quality gas recovered and incinerated at surface, consistent with the gas flowed from both the A site wells.

Gas analysis indicates approximately 90% methane, 4.5% ethane and zero H₂S (Hydrogen Sulphide).

Chairman's Statement

“The WNA-2 well exhibits encouraging porosities on logs and in core. Natural fracturing is also confirmed by an imaging log run across the entire Kirkham Abbey interval.”

Sample liquid hydrocarbons were recovered to surface and the Kirkham Abbey formation confirmed to be naturally fractured by imaging log, core, SEM photomicrographs and most significantly fluid injection rates of 5.7 barrels per minute (8,208 barrels per day). In addition, similarities between “fingerprints” of liquids recovered from WNA-1 and WNA-2 wells have been observed.



Indications are that the formation is sensitive to fluid/water, specifically in the matrix. During drilling and completion operations the Kirkham Abbey is suspected to have been subject to well bore damage, preventing optimum hydrocarbon flow.

Following remedial interventions, the WNB-1z well is expected to be suspended as a potential producer.

The Humber region is the UK's largest energy hub, contributing circa £18 billion towards the economy along with 27% of the UK's oil refinery capacity. West Newton borders a thriving cluster of world-scale chemical and energy operations at Saltend and numerous other locations within the Humber estuary. The cluster currently relies upon significant oil and gas imports from overseas. These imports come at higher cost to the UK and with an increased carbon footprint.

Union Jack's focus is to minimise the carbon footprint generated by its hydrocarbon developments in the most efficient way possible, whilst continuing to contribute positively to the growing demand for energy and hydrocarbon products in the supply chain.

PEDL253 BISCATHORPE (45%)

PEDL253 is situated within the proven hydrocarbon fairway of the South Humber Basin and is on-trend with the Saltfleetby gasfield, Keddington oilfield (55%) and the North Somercotes Prospect.

In February 2019, the Biscathorpe-2 well was drilled and logging operations were conducted. Preliminary analysis indicated that the primary objective, the Basal Westphalian Sandstone, was not encountered as the well was drilled high to prognosis and did not thicken as expected in the pre-drill model.

However, the initial result of the Biscathorpe-2 well has subsequently turned full circle and the perseverance of the respective JV technical teams and their research has demonstrated that PEDL253 can now be considered a viable hydrocarbon play and that Biscathorpe remains one of the largest untested conventional onshore prospects within the UK.

The JV commissioned independent consultants Applied Petroleum Technology (UK) Limited (“APT”) to perform a detailed geochemical analysis of drill cutting samples taken from 20 intervals in the Biscathorpe-2 well.

The objective of the APT analysis was to provide geochemical evidence for the presence of live hydrocarbons, together with an estimate of the likely oil quality.

The APT report confirmed the occurrence of hydrocarbons in both the Westphalian and Dinantian cutting samples analysed, validated by the presence of a full suite of gases ranging from methane through to pentane.

The key result from the report was the likely presence of a 68 metre, live oil column with

API Gravity of 33° to 34° in the top of the Dinantian interval. Additionally, data evaluated at the base of the analysed section were suggestive of possible extra hydrocarbon pay at the base of the Dinantian interval.

The information derived from the revised petrophysical analysis has upgraded the Biscathorpe-2 well result, indicating proximity to an effective petroleum system, and validates Union Jack’s and its JV partners’ belief in the additional potential that exists within the PEDL253 licence area.

The licence area has seen extensive re-processing and re-mapping of 264 square kilometres of 3D seismic. This exercise was successful in enabling the Joint Venture to identify possible side-track targets from the existing Biscathorpe-2 well which was suspended when site operations were conducted during 2019. The planned side-track well will target both the Basal Westphalian sandstone reservoir and the oil column logged in the underlying Dinantian Carbonate.

The gross Mean Prospective Resources associated with the Basal Westphalian objective are estimated by the Operator to be 3.95 million barrels of oil (“mmbo”), with an upside case of 6.69 mmbo.

Screening indicates break-even full cycle economics to be US\$18.07 per barrel with an NPV(10) valuation of £55.60 million.

During June 2020, Union Jack purchased a further 15% working interest in the licence bringing the Company’s interest to a material 45%.

The management of Union Jack believe that Biscathorpe remains the largest unappraised discovery/prospect in the UK.

Chairman's Statement

PEDL005(R) KEDDINGTON (55%)

Other project interests within the Company's portfolio include the producing Keddington oilfield, PEDL005(R) (55%), which we believe has significant upside, including two other potential drill targets that can be easily accessed from the existing production site.

Keddington currently produces from Carboniferous Westphalian sandstone reservoirs and is located along the highly prospective East Barkwith Ridge, an east west structural high on the southern margin of the Humber Basin.

A detailed, in-depth subsurface review of the Keddington oilfield and the surrounding licence area was conducted by Union Jack and the operator, resulting in a fully audited and consistent data set that supports updated resource estimates.

These geological and geophysical studies indicate that potentially significant resources remain unswept at Keddington, highlighting an excellent opportunity to potentially increase production volumes by the drilling of a relatively inexpensive development well from the existing production site. The gross remaining Mean Contingent Resource is 567,000 barrels of oil (311,000 net).

The Keddington site lease has been extended until 2029. Current planning consent expires in 2058 with the approval in place for the drilling of a further two wells.

In addition to the unswept resources at Keddington, a near field exploration opportunity exists at Keddington South, which has a gross Mean Prospective Resource of 759,380 barrels of oil (417,659 barrels net).

Drilling plans to target incremental oil production are in progress.

PEDL241 NORTH KELSEY (50%)

North Kelsey is a conventional oil prospect along trend and analogous to the Wressle oil development, which lies approximately 15 kilometres to the northwest.

The prospect has been mapped from 3-D seismic data and holds potential for oil in four stacked Carboniferous reservoir targets. The Operator estimates that the gross Prospective Resources range from 4.66 million barrels up to 8.47 million barrels of oil, with an aggregated Mean Resource volume of 6.47 million barrels of oil.

Planning consent has been extended by the Lincolnshire County Council and the requisite permits for drilling have also been received from the Environment Agency.

Union Jack and its partner have aligned their equity interest on a 50:50 basis in this potentially high-impact project and are seeking to conclude a farm-out with a view to drilling a well during 2022, depending on renewal of planning.

CLAYMORE PIPER COMPLEX ROYALTY UNITS (2.5% following completion of acquisitions)

During March 2021, the Company announced the purchase from Cambridge Petroleum Royalties Limited of a 2.5% cash generating royalty interest that is part of the royalty unit over 20% of the revenues from oil and gas production from the Claymore, Piper and Scapa oilfields located in the Central North Sea.

The Company indicated at that time that this investment was expected to lead to further material transactions in the royalty units during the course of 2021. Negotiations are at advanced stage with two North American financial institutions and we are set to close in the near future on agreements to acquire a combined 25% interest, bringing Union Jack's combined interest in the royalty to 27.5%.

The investments provide Union Jack with the benefits of an additional attractive cash flow stream and high yields from North Sea oil and gas production without the accompanying capital and operating costs associated with direct participation in the underlying oilfield developments and infrastructure.

The Claymore Piper Complex has produced in excess of 1.8 billion barrels of oil and 262 billion cubic feet of gas to date, of which approximately 6 million barrels of oil and 2 billion cubic feet of gas was produced in 2020, according to government records.

Independent estimates of the remaining production life of the Claymore Piper Complex indicate that revenues could be returned until 2040. All outstanding cash sums due to royalty holders of the Claymore Piper Royalty Units are currently held in escrow by the operator of the Claymore Piper Complex pending their distribution by a royalty manager to be appointed.



Chairman's Statement

COVID-19 STATEMENT

Following the outbreak of the Coronavirus (Covid-19) the priority of the Company has been on the health and safety of its directors, associates and technical team.

The Board is also in frequent contact with its JV partners to assess any potential impact on operations in which the Company has invested.

The Operating companies and Union Jack continue to follow the most up-to-date government advice and engage with the regulatory bodies and stakeholders.

To date, the activities of the Company have continued in line with plans and with minimal impact from Covid-19.

Accordingly, the Board does not currently plan to make changes going forward. However, we will, with our JV partners continue to monitor the situation closely and will make adjustments if appropriate.

CORPORATE AND FINANCIAL

The financial results are very much in line with those seen and reported upon during the previous six month period.

However, of note is the fact that revenues have increased from £62,993 in the corresponding period to £241,467 during the period ended 30 June 2021, reflecting contributions from Wressle pre-proppant squeeze.

As reported earlier within this report, from 19 August 2021 to 9 September 2021, Wressle has contributed approximately US\$300,000 revenue net to the Company from test production which augurs well for the future cash flow from this development.

Union Jack remains debt free and is generating cash from four portfolio assets. As at 30 June 2021, the cash balance was £4,672,508.

During March 2021, the Board made the decision to consolidate the ordinary shares of the Company on a 200 for 1 basis and there are now 99,079,532 ordinary shares in issue.

SUMMARY

The period covered in this Half Yearly Report has seen important progress at our three key project interests, namely, Wressle, West Newton and Biscathorpe; plus the addition of an attractive royalty revenue stream. Developments at our three material projects, where we have meaningful economic interests, all generated a steady stream of encouraging news flow, which we expect will be continued based on our current activities for the rest of 2021 and beyond.

Our very much “hands on” approach is replicated in the support we receive from our very capable technical team, resulting in the creation of additional value to our balanced portfolio of appraisal, development and production assets.

The quality of our asset portfolio is becoming apparent. The revenue potential from Wressle, the royalty stream and our wider appraisal testing and planned drilling activities, all augur well for the execution of our strategy in delivering material growth in the medium term and achieving our goal of building a sustainable, cash generating and profitable, UK onshore focused, mid-tier conventional hydrocarbon producer.

I would like to take this opportunity to thank our supportive shareholders, my fellow directors, and our enthusiastic team of advisers, all of whom work closely with the Company and assist in helping us achieve our corporate goals.

The Board remains both confident and optimistic and the future of Union Jack remains bright.



David Bramhill

Executive Chairman

13 September 2021

Union Jack's Current Licence Interests

1	PEDL183	West Newton	16.665%
2	PEDL180 PEDL182	Wressle Discovery Broughton North	40%
3	PEDL253	Biscathorpe	45%
4	PEDL005(R)	Keddington Oilfield Louth North Somercotes	55%
	PEDL339		Louth Extension
5	EXL294	Fiskerton Airfield Oilfield	20%
6	PEDL241	North Kelsey	50%
7	PEDL118	Dukes Wood	16.67%
	PEDL203	Kirklington	
8	PEDL201	Widmerpool Gulf	26.25%
9	PEDL181	Humber Basin	12.5%
10	PEDL209	Laughton	10%
11		Claymore Piper Royalty Units	2.5%



UNAUDITED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Notes	Six months ended 30 June 2021 Unaudited £	Six months ended 30 June 2020 Unaudited £	Year ended 31 December 2020 Audited £
Revenue		241,467	62,933	158,004
Cost of sales - operating costs		(183,204)	(171,112)	(286,892)
Cost of sales - depreciation		(119,058)	(23,206)	(57,715)
Gross loss		(60,795)	(131,385)	(186,603)
Administrative expenses		(828,562)	(761,297)	(1,590,576)
Impairment		(251)	–	(106,714)
Total administrative expenses		(828,813)	(761,297)	(1,697,290)
Operating loss		(889,608)	(892,682)	(1,883,893)
Finance income		56,162	7,382	18,378
Loss before taxation		(833,446)	(885,300)	(1,865,515)
Taxation	3	–	–	–
Loss for the period / year		(833,446)	(885,300)	(1,865,515)
Attributable to:				
Equity shareholders of the Company		(833,446)	(885,300)	(1,865,515)
Loss per share				
Basic and diluted loss per share (pence)	2	(0.84)	(1.15)	(2.23)

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Six months ended 30 June 2021 Unaudited £	Six months ended 30 June 2020 Unaudited £	Year ended 31 December 2020 Audited £
Loss for the period /year	(833,446)	(885,300)	(1,865,515)
Items which will not be reclassified subsequently to profit or loss account			
Other comprehensive loss	(5,688)	(49,851)	(83,190)
Total comprehensive loss for the period /year	(839,134)	(935,151)	(1,948,705)

UNAUDITED BALANCE SHEET

AS AT 30 JUNE 2021

Notes	As at 30 June 2021 Unaudited £	As at 30 June 2020 Unaudited £	As at 31 December 2020 Audited £
Assets			
Non-current assets			
Exploration and evaluation assets	7,448,493	7,195,760	6,134,717
Property, plant and equipment	6,802,485	929,996	6,452,287
Investments	225,020	170,437	137,098
Loan receivables	–	–	1,001,632
	14,475,998	8,296,193	13,725,734
Current assets			
Inventory	15,581	–	–
Loan receivables	1,027,490	–	8,993
Trade and other receivables	489,898	656,539	337,063
Cash and cash equivalents	4,672,508	4,621,774	7,269,014
	6,205,477	5,278,313	7,615,070
Total assets	20,681,475	13,574,506	21,340,804
Liabilities			
Current liabilities			
Trade and other payables	2,379,596	273,965	2,447,727
Non-current liabilities			
Provisions	929,710	730,815	803,772
Total liabilities	3,309,306	1,004,780	3,251,499
Net assets	17,372,169	12,569,726	18,089,305
Capital and reserves attributable to the Company's equity shareholders			
Share capital	4 6,825,258	5,731,508	6,825,258
Share premium	19,522,379	14,205,000	19,522,379
Share-based payment reserve	533,467	289,466	411,467
Accumulated deficit	(9,508,935)	(7,656,248)	(8,669,799)
Total equity	17,372,169	12,569,726	18,089,305

UNAUDITED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Six months ended 30 June 2021 Unaudited £	Six months ended 30 June 2020 Unaudited £	Year ended 31 December 2020 Audited £
Cash flow from operating activities	(995,974)	(681,137)	(1,412,801)
Cash flow from investing activities			
Purchase of intangible assets	(1,101,543)	(971,306)	(2,874,060)
Purchase of property, plant and equipment	(461,541)	(259,487)	(389,330)
Loan advanced	–	–	(1,000,000)
Purchase of investments	(93,610)	(100,000)	(100,000)
Interest received	56,162	7,382	7,754
Net cash used in investing activities	(1,600,532)	(1,323,411)	(4,355,636)
Cash flow from financing activities			
Proceeds on issue of new shares	–	–	7,000,000
Cost of issuing new shares	–	–	(588,871)
Net cash generated from financing activities	–	–	6,411,129
Net (decrease) / increase in cash and cash equivalents	(2,596,506)	(2,004,548)	642,692
Cash and cash equivalents at beginning of period / year	7,269,014	6,626,322	6,626,322
Cash and cash equivalents at end of period / year	4,672,508	4,621,774	7,269,014

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2021

I ACCOUNTING POLICIES

Basis of Preparation

These financial statements are for the six month period ended 30 June 2021.

The information for the year ended 31 December 2020 does not constitute statutory financial statements as defined in section 434 of the Companies Act 2006.

A copy of the statutory financial statements for that period has been delivered to the Registrar of Companies. The Auditor's Report was not qualified, did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying the report and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The interim financial statements for the six months ended 30 June 2021 are unaudited.

The interim financial information in this report has been prepared in accordance with International Financial Reporting Standards ("IFRS") applied in accordance with the provisions of the Companies Act 2006.

The financial statements have been prepared under the historical cost convention. The principal accounting policies have been consistently applied to all periods presented.

Significant Accounting Policies

The accounting policies and methods of computation followed in the interim financial statements are consistent with those as published in the Company's Annual Report and Financial Statements for the year ended 31 December 2020.

The Annual Report and Financial Statements are available from the Company Secretary at the Company's registered office, 6 Charlotte Street, Bath BA1 2NE or on the Company's website www.unionjackoil.com.

Going Concern

The directors have, at the time of approving the interim financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting.

2 LOSS PER SHARE ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE COMPANY

Basic loss per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Given the Company's reported loss for the period, warrants are not taken into account when determining the weighted average of ordinary shares in issue during the period and therefore the basic and diluted earnings per share are the same.

Basic loss per share	Six months ended 30 June 2021 pence	Six months ended 30 June 2020 pence	Year ended 31 December 2020 pence
Loss per share from continuing operations	(0.84)	(1.15)	(2.23)

The loss and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	Six months ended 30 June 2021 £	Six months ended 30 June 2020 £	Year ended 31 December 2020 £
Loss used in the calculation of total basic and diluted earnings per share	(833,446)	(885,300)	(1,865,515)

Number of Shares	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	99,079,532	77,204,532	83,539,914

NOTES TO THE UNAUDITED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2021

3 TAXATION

There was no tax charge for the half yearly period due to the loss incurred. A deferred tax asset in respect of trading losses and share-based payments has not been recognised due to the uncertainty of timing of future profits. The trading tax losses are recoverable against suitable future trading profits.

4 SHARE CAPITAL

At 30 June 2021, there were 99,079,532 ordinary shares of a nominal value of 5 pence in issue.

At 30 June 2021, there were 831,680,400 deferred shares of 0.225 pence nominal value in issue.

At 30 June 2021, there were 6,074,510 warrants outstanding and exercisable.

During the period under review, nil warrants expired.

5 EVENTS AFTER THE BALANCE SHEET DATE

During August 2021, the proppant squeeze exercise at Wressle was completed successfully and good quality oil is currently free flowing at a rate in excess of the original 500 bopd expectation.

6 RELATED PARTY TRANSACTIONS

Charnia Resources (UK), an unincorporated entity owned by Graham Bull, non-executive director, received from the Company the sum of £60,000 during the period under review in respect of consulting fees.

Jayne Bramhill, spouse of David Bramhill, received from the Company the sum of £6,000 during the period under review in respect of IT maintenance and administration costs.

7 COPIES OF THE HALF YEARLY REPORT

A copy of the Half Yearly Report is now available on the Company's website www.unionjackoil.com.




UNION JACK OIL



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