

Production, Drilling, Development  
and Investment in the United Kingdom  
Hydrocarbon Sector



**UNION JACK OIL** plc

**HALF YEARLY REPORT  
FOR THE SIX MONTHS  
ENDED 30 JUNE 2022**



**UNION JACK OIL**



## DIRECTORS, OFFICERS AND ADVISERS

### DIRECTORS

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Executive Chairman

**Joseph O'Farrell**  
Executive

**Graham Bull**  
Non-Executive

**Raymond Godson**  
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**UNION JACK OIL**

Union Jack Oil plc is primarily 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 2022 to the shareholders of the Company (“Union Jack” or the “Company”).

## OPERATIONAL AND FINANCIAL HIGHLIGHTS

- Maiden profit of £2,034,086 for the six-month period ended 30 June 2022
- Revenue of £4,384,254 for the six-month period ended 30 June 2022
- Cash balances, receivables and liquid investments stand at approximately £10,500,000 as at 6 September 2022
- Company remains debt free
- Approvals for the Wressle Field Development Plan and licences for the production phase through to 2039 received from the North Sea Transition Authority (“NSTA”)
- Wressle currently amongst the most productive conventional producing UK onshore oilfields and poised to become second ranked only to the prolific Wytch Farm
- To date, our flagship project at Wressle has produced over 225,000 barrels of high-quality oil (gross) with zero water cut
- GaffneyCline Reserves and Resource Report, Illustrative Production Profile and Upside Potential of the Wressle Field are expected to be published during September 2022
- Planning granted at West Newton for both A and B site works and three-year permit extension
- Joint Venture partners progressing with a conceptual development plan for West Newton, predominantly as a major gas producer
- First horizontal appraisal well at West Newton planned for 2023
- Completion of Competent Person’s Report, compiled by RPS Group covering West Newton and other significant prospects within PEDL183 expected by end of Q3 2022
- In March 2022, a cash payment of £2,083,333 was made to Calmar LP in respect of the early settlement of the deferred consideration for the past purchases of an additional 25% of interest in PEDL180 and PEDL182 containing the Wressle development, bringing the Company’s economic interest to 40%
- In August 2022, the High Court approved a Capital Reduction creating additional distributable reserves to the value of £21,553,557, providing the Company with flexibility to deliver future shareholder returns in the form of dividends and/or share buybacks

## OVERVIEW

The Half Year ended 30 June 2022 financial results and maiden profit are transformational when compared to those of the corresponding period for 2021.

Due to the consistent monthly cash flow, principally from our flagship Wressle development, revenues have risen from £241,467 to £4,384,254, enabling the Company to announce a maiden profit of £2,034,086 for the period.

Our cash balances, receivables and liquid investments are approximately £10,500,000 as at 6 September 2022 and we expect this figure to continue to grow significantly during the next six months and beyond.

Looking ahead, the Company is fully funded for a number of future potential wells over our key projects at West Newton, Biscathorpe and Keddington, along with other future development programmes required at our Wressle flagship producing asset, all whilst remaining debt free.

A significant milestone in the Company's development during the reporting period was the approval by the NSTA of the Wressle Field Development Plan and the granting of licences for the production phase, which will continue through to 2039.

**“Our cash balances, receivables and liquid investments are approximately £10,500,000 and we expect this figure to grow significantly during the next six months and beyond.”**

In addition to the ongoing Wressle engineering and financial viability investigations for the future gas monetisation development and ongoing site upgrades, the second half of 2022 is seeing considerable activity from the Operators of our projects involving the planning and designing of key wells to be drilled at West Newton and Keddington and potentially at Biscathorpe during 2023.

The corporate and financial events of the Company during the first half of 2022 are documented later in this report, however, the granting of a Capital Reduction exercise by the High Court at the end of August 2022, now effective, allows the Company to be able to pay a dividend and /or activate a share-buy-back programme.

**“Wressle is currently amongst the most productive conventional oilfields in the UK, poised to become second ranked only to the prolific Wytch Farm and to date has produced over 225,000 barrels of high-quality oil with zero water cut”**

**PEDLI80 AND PEDLI82 WRESSLE OILFIELD DEVELOPMENT (40%)**

Wressle is located in Lincolnshire on the Western Margin of the Humber Basin.

The Wressle-1 well 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 these wells contain oil in various different sandstone reservoirs within the Upper Carboniferous succession.

Wressle has quickly exceeded our pre-production expectations of 500 barrels of oil per day and continues to outperform since the resumption of production during August 2021, following the successful proppant-squeeze and coiled tubing operation.

Instantaneous rates of over 1,000 bopd have been achieved and restrictions on production rates are being addressed through ongoing modifications to site facilities and progressive upgrades to the gas incineration system which have seen the installation of a larger capacity enclosed ground incineration unit. Further works are planned in the near future, designed to improve site facilities that will allow an increase in production in due course.

Production from Wressle is currently averaging 300 bopd from the Ashover Grit reservoir net to Union Jack, based on our 40% interest.

Since the commencement of production over 225,000 barrels of high-quality oil has been produced and sold with zero water cut.



Wressle's gas monetisation is another priority project that is in the planning phase. The future ability to process and sell gas from Wressle will also allow oil production to be increased. This will also be important in respect of any future development plan for the Penistone Flags reservoir where significant contingent oil resources exist.

During May 2022, the NSTA approved the Wressle Field Development Plan and the licences have now entered their production phase, which will continue through to 2039.



## PEDL 183 WEST NEWTON AND FUTURE PROGRAMME (16.665%)

PEDL 183 is located onshore UK, north of the River Humber, also encompassing the town of Beverley, East Yorkshire. The licence is within the Western Sector of the Southern Zechstein Basin.

Throughout 2021, the focus was on operations and data acquisition from the West Newton A and B discoveries and advancing a forward plan for development.

The data gathered during 2021 and post Extended Well Testing has been thoroughly analysed and the Joint Venture partners are now in the process of progressing with a conceptual development plan for West Newton. This follows completion of a significant body of work, including scoping exercises and modelling carried out both internally and externally by a number of specialist international technical consultants.

Crucially, analysis completed by CoreLab demonstrated actual fluid flow through many of the reservoir samples, supporting the view that optimised development well designs could deliver good hydrocarbon productivity by the drilling of horizontal wells.

The results of this analysis are highly encouraging and indicate the potential for good well productivity from proposed new horizontal wells that underpin strong economic returns on the West Newton project.

The Joint Venture partners intend to drill efficient horizontal wells in a manner that phases the development CAPEX cost, significantly de-risking the project's financial profile.

During the remainder of 2022 and beyond, assuming receipt of regulatory approvals, ongoing major development works at Wressle will include:

- Completion of the installation of the permanent production facilities
- Implementation of gas development to monetise and provide optimum oil production
- Advancement of the development plan and consenting process to enable production from the Penistone Flags reservoirs

Environmental monitoring throughout the Wressle operation has shown no measurable impact on surface or groundwater quality, no related seismicity and that noise has been contained within the permitted levels.

Union Jack has independently commissioned GaffneyCline, an international energy consultancy, to prepare a Reserves and Contingent Resource Report, Illustrative Production Profile and Upside Potential in respect of Wressle. The GaffneyCline report is expected to be published during September 2022.

**“Union Jack’s mission and 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”**

Immediate next steps include:

- Completion of a Competent Persons Report compiled by RPS expected by the end of Q3 2022
- First horizontal appraisal well planned for 2023 that will materially de-risk the project and will then allow a decision on a field development plan to be taken

In preparation for a decision on a potential development of the West Newton discoveries, the Operator, Rathlin Energy UK Limited submitted a revised planning application for the development of the A site, to the East Riding of Yorkshire Council (“ERYC”). This was approved by the ERYC Planning Committee by a confidence building 10 to 1 majority during March 2022.

The approved development plan includes the drilling, completion and associated production from an additional four wells from the current surface location, plus an extension of the permit period at the West Newton B site for an additional three years.

Given the exploration prospect inventory and perceived perspectivity within the Greater West Newton licence area, there is also excellent potential for additional future gas discoveries which could be tied into the West Newton infrastructure.



West Newton is also located in an area that provides access to both significant and relevant regional infrastructure and, with substantial additional exploration potential within the Greater West Newton licence area, a future development at West Newton could, in theory, deliver significant volumes of onshore low-carbon sales gas into the UK’s currently strained energy market.



## PEDL253 BISCATHORPE (45%)

PEDL253 is situated within the proven hydrocarbon fairway of the South Humber Basin and is on-trend with the Keddington oilfield, Saltfleetby gasfield and the Louth and North Somercoates Prospects.

While drilling the B-2 well during 2019, there were hydrocarbon shows indicated by elevated gas readings and sample fluorescence, observed over the entire interval from the top of the Dinantian to the Total Depth of the well, with a total of 68 metres being interpreted as oil-bearing in the petrophysical analysis.

A geochemical analysis of the gas data and hydrocarbons extracted from drill cuttings was commissioned by the Joint Venture participants and executed by APT. The results of this analysis indicate a hydrocarbon column of 33-34 API gravity oil in the Dinantian Carbonate and a proven live oil column, comparable with that produced at the nearby Keddington oilfield.

Following the results of APT exercise, a probabilistic assessment of the Dinantian oil volumes was modelled with volumetric assumptions as being “filled to spill” with resulting gross Mean Stock Tank Oil in Place (“STOIIP”) calculated to be 24.3 mmbo with an upside case of 36 mmbo.

In addition to the Dinantian, there remains the original target within the Westphalian, where evidence for a thickened sandstone reservoir exists.

The Operator has estimated, in accordance with the PRMS guidelines, that the gross Mean Prospective Resources within the Westphalian are 3.95 mmbo, with an upside case of 6.69 mmbo. Economic modelling demonstrates that the Westphalian target is economically robust, especially in the current oil price environment.

Union Jack’s technical team believes that Biscathorpe remains one of the largest unappraised onshore discoveries within the UK.

In November 2021, a planning application for a side-track drilling operation, associated testing and long-term production at the Biscathorpe site was refused by the Lincoln County Council Planning Committee even though positively recommended for approval by the Planning Officer.

An appeal was submitted to the Planning Inspectorate (“PINS”) on behalf of the Joint Venture partners during April 2022.

The appeal has been validated, an inspector appointed and the hearing is planned to take place on 11 October 2022.

### **PEDL005(R) KEDDINGTON (55%)**

The producing Keddington oilfield is located along the highly prospective East Barkwith Ridge, an east-west structure high on the southern margin of the Humber Basin.

A subsurface review conducted by the Operator has highlighted a viable target to the east of the field, with up to 180,000 barrels of incremental production.

With planning permission already in place, Keddington presents an opportunity to increase oil production via a relatively inexpensive development side-track from one of the existing wells. In addition, near-field exploration targets exist at Keddington South and Louth, with Mean Prospective resources of 635,000 and 600,000 barrels of oil in place respectively.

The Keddington 3-D seismic is currently being re-processed with a view to selecting a firm side-track location and drill target to be drilled during HI 2023.

### **PEDL24I NORTH KELSEY (50%)**

North Kelsey is a conventional oil exploration prospect, on trend with and analogous to the Wressle oilfield which lies approximately 15 kilometres to the northwest. The prospect has been mapped from 3-D seismic data and has the potential for oil in four stacked Upper Carboniferous reservoir targets.

The Operator estimates that gross Prospective Resources range from 4.66 to 8.47 mmbo.

During August 2022, the Operator submitted an appeal on behalf of the Joint Venture, against the refusal of an extension of time to the existing planning permission by Lincolnshire County Council for the drilling and testing of a conventional exploration well at the North Kelsey site.

The appeal documentation has been submitted to the PINS and the appeal will now be validated by PINS before an inspector is appointed and a timetable defined. The expectation is that the appeal will be decided under the Written Representation Procedure, a process whereby PINS will consider written evidence from the appellant, the local planning authority and any other interested parties.

## CLAYMORE PIPER COMPLEX ROYALTY UNITS (2.5%)

The Company holds a 2.5% royalty interest over the Claymore, Piper and Scapa oilfields (the “Complex”) located in the Central North Sea.

The Company benefits from an indirect contractual exposure to North Sea oil and gas production revenues without any ongoing capital investment, decommissioning or joint venture operating costs.

The Company has the right to receive income from the Complex for the rest of its operating life, estimated independently to be at least for a further 15 years, at no additional capital or operating cost.

The royalty has accrued approximately twice the monies paid for the acquisition during Q3 2021. These monies are being held in escrow by the Operator, Repsol Sinopac, until a Royalty Manager is appointed. Union Jack is in discussion with the other third-party royalty holders and it is hoped that the Company will be in a position to receive these monies during late 2022 or early 2023.

Union Jack management view this investment as an attractive, cash-generating, high-yielding instrument, that is consistent with Union Jack’s wider strategy and objective to invest in attractive oil and gas investments, including alternative financial instruments within the wider UK hydrocarbon sector that generate above average returns.



### NET ZERO CARBON POLICY

The UK is committed by law to reach Net Zero carbon emissions by 2050. Union Jack, by its own policy and strategy are not the operator of any of its projects. Therefore, the Company will only work with operators who have a firm commitment to safety, environmental and social responsibility in all aspects of their operations.

Regardless of the fact that the Company has chosen not to be an operator, we are subject to the same scrutiny as any other hydrocarbon producer.

We remain pro-active in the quest for Net Zero and to demonstrate this Union Jack commissioned GaffneyCline, an international energy consultancy to conduct Carbon Intensity studies on Biscathorpe (PEDL253) and West Newton (PEDL183) two of our several core projects. The results of these studies were highly encouraging with GaffneyCline concluding that both projects obtaining an AA rating for Carbon Intensity.

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

As the demand for energy increases as the global economy recovers, hydrocarbons will continue to play an important role in ensuring the energy security of the UK.

Union Jack's development interests are located close to areas with a high demand for energy and as a consequence management believes that locally produced hydrocarbons provide the benefit of displacing, to some extent, imported hydrocarbons.

### CORPORATE AND FINANCIAL

The significant revenues received from Wressle alone during the period of £4,384,254 have already transformed the financial position of Union Jack and significantly improved its Balance Sheet.

A maiden profit of £2,034,086 has been declared for the period, with cash balances, receivables and liquid investments of approximately £10,500,000 as at 6 September 2022, a sum that increases daily, principally as a result of Wressle's consistent production at a constrained rate from the productive Ashover Grit reservoir.

In addition, the Company remains debt free.

In March 2022, a cash payment of £2,083,333 was made to Calmar LP in respect of the early settlement of the deferred consideration for the past purchases of an additional 25% interest in PEDL180 and PEDL182 containing the Wressle development, bringing the Company's economic interest to 40%.

In August 2022, the High Court approved a Capital Reduction creating additional distributable reserves to the value of £21,553,557, providing the Company with flexibility to deliver future shareholder returns in the form of dividends and/or share buybacks.

Following this period of strong growth, which has transformed Union Jack into a cash generative and profitable producer with a robust Balance Sheet and no debt, in July 2022, we added Shore Capital to our roster of advisers as a Joint Broker alongside SP Angel, our Broker and Nominated Adviser. We are confident that this appointment will further enhance and broaden the Company's profile amongst institutional investors in particular.

I would like to take this opportunity to thank our shareholders, old and new for their continued support, as well as my colleagues, co-directors and advisers who all provide excellent advice and continue to champion our objective to grow Union Jack into a mid-tier oil and gas company and a major participant in the UK onshore hydrocarbon arena.

## OUTLOOK

I am very proud to present a transformative set of Half Year results containing our maiden profit that reflects the years of determined effort by the Board of Directors, advisers and valued technical consultants with an unwavering objective to grow Union Jack into a mid-tier company.

Our Operators also deserve great credit for their commitment in progressing our principal projects with the support of their Joint Venture partners.

Union Jack is currently in a strong financial position with a combination of consistent cash flows, principally from our flagship asset at Wressle, plus significant future upside potential from our balanced portfolio, giving Union Jack the confidence to support a forward drilling and development programme on our key projects that is being planned for the remainder of 2022.

Union Jack continues to be cash flow positive covering all G&A, OPEX and contracted or planned CAPEX costs, including any drilling activities for at least the next 12 months.

We look forward to the remainder of 2022 and reporting on a number of fronts, including our dividend and share buyback policy, the GaffneyCline Report and RPS Competent Persons Report for Wressle and West Newton respectively, both of which I am confident will confirm the future operational and financial strengths of these two flagship projects.

The future of Union Jack remains bright.

### **David Bramhill**

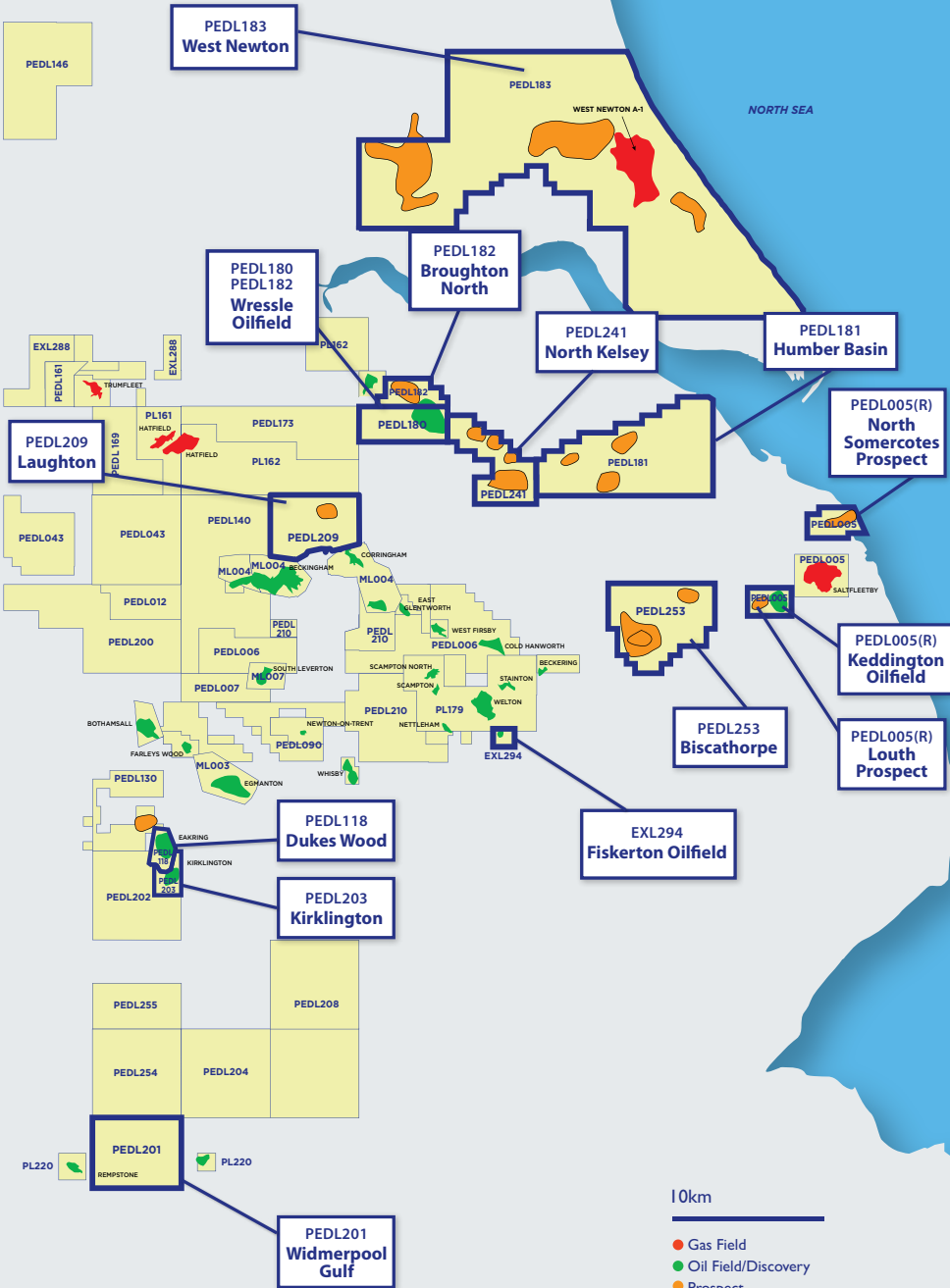
Executive Chairman

7 September 2022

# UNION JACK'S CURRENT LICENCE INTERESTS

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





# UNAUDITED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Notes	Six months ended 30 June 2022 Unaudited £	Six months ended 30 June 2021 Unaudited £	Year ended 31 December 2021 Audited £
<b>Revenue</b>		4,384,254	241,467	1,894,875
Cost of sales - operating costs		(514,824)	(183,204)	(377,153)
Cost of sales - depreciation		(1,035,801)	(119,058)	(735,160)
<b>Gross profit / (loss)</b>		2,833,629	(60,795)	782,562
Administrative expenses		(789,007)	(828,562)	(1,740,962)
Impairment		–	(251)	(156,995)
<b>Total administrative expenses</b>		(789,007)	(828,813)	(1,897,957)
<b>Operating profit / (loss)</b>		2,044,622	(889,608)	(1,115,395)
Finance income		52,222	56,162	112,611
Royalty income		42,023	–	149,771
<b>Profit / (loss) before taxation</b>		2,138,867	(833,446)	(853,013)
Taxation	3	–	–	–
Energy Profits Levy	3	(104,781)	–	–
<b>Profit / (loss) for the period / year</b>		2,034,086	(833,446)	(853,013)
<b>Attributable to:</b>				
Equity shareholders of the Company		2,034,086	(833,446)	(853,013)
<b>Profit / (loss) per share</b>				
Basic and diluted profit / (loss) per share (pence)	2	1.80	(0.84)	(0.83)



# UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Six months ended 30 June 2022 Unaudited £	Six months ended 30 June 2021 Unaudited £	Year ended 31 December 2021 Audited £
Profit / (loss) for the period / year	2,034,086	(833,446)	(853,013)
<b>Items which will not be reclassified subsequently to profit / (loss)</b>			
Other comprehensive profit / (loss)	371,230	(5,688)	54,420
<b>Total comprehensive profit / (loss) for the period / year</b>	<b>2,405,316</b>	<b>(839,134)</b>	<b>(798,593)</b>

# UNAUDITED BALANCE SHEET

AS AT 30 JUNE 2022

Notes	As at 30 June 2022 Unaudited £	As at 30 June 2021 Unaudited £	As at 31 December 2021 Audited £
<b>Assets</b>			
<b>Non-current assets</b>			
Exploration and evaluation assets	8,866,419	7,448,493	8,525,373
Property, plant and equipment	6,779,563	6,802,485	7,575,525
Investments	662,748	225,020	291,518
	16,308,730	14,475,998	16,392,416
<b>Current assets</b>			
Inventories	19,246	15,581	8,829
Loan receivables	–	1,027,490	1,028,110
Trade and other receivables	2,124,110	489,898	1,065,812
Cash and cash equivalents	6,503,962	4,672,508	5,977,541
	8,647,318	6,205,477	8,080,292
<b>Total assets</b>	<b>24,956,048</b>	<b>20,681,475</b>	<b>24,472,708</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	383,561	2,379,596	2,390,603
<b>Non-current liabilities</b>			
Provisions	1,867,061	929,710	1,876,758
<b>Total liabilities</b>	<b>2,250,622</b>	<b>3,309,306</b>	<b>4,267,361</b>
<b>Net assets</b>	<b>22,705,426</b>	<b>17,372,169</b>	<b>20,205,347</b>
<b>Capital and reserves attributable to the Company's equity shareholders</b>			
Share capital	4 7,507,076	6,825,258	7,507,076
Share premium	21,528,077	19,522,379	21,528,077
Share-based payment reserve	733,350	533,467	638,586
Accumulated deficit	(7,063,077)	(9,508,935)	(9,468,392)
<b>Total equity</b>	<b>22,705,426</b>	<b>17,372,169</b>	<b>20,205,347</b>

# UNAUDITED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Six months ended 30 June 2022 Unaudited £	Six months ended 30 June 2021 Unaudited £	Year ended 31 December 2021 Audited £
<b>Cash flow from operating activities</b>	1,006,040	(995,974)	(646,726)
<b>Cash flow from investing activities</b>			
Purchase of intangible assets	(330,375)	(1,101,543)	(2,277,224)
Purchase of property, plant and equipment	(197,599)	(461,541)	(1,022,055)
Purchase of investments	–	(93,610)	(100,000)
Loan capital returned	1,000,000	–	–
Treasury account	(1,000,000)	–	–
Interest received	48,355	56,162	67,016
<b>Net cash used in investing activities</b>	(479,619)	(1,600,532)	(3,332,263)
<b>Cash flow from financing activities</b>			
Proceeds on issue of new shares	–	–	3,000,000
Cost of issuing new shares	–	–	(312,484)
<b>Net cash generated from financing activities</b>	–	–	2,687,516
<b>Net increase / (decrease) in cash and cash equivalents</b>	526,421	(2,596,506)	(1,291,473)
Cash and cash equivalents at beginning of period / year	5,977,541	7,269,014	7,269,01
<b>Cash and cash equivalents at end of period / year</b>	6,503,962	4,672,508	5,977,541

# NOTES TO THE UNAUDITED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2022

## I ACCOUNTING POLICIES

### Basis of Preparation

These financial statements are for the six month period ended 30 June 2022.

The information for the year ended 31 December 2021 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 2022 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 2021.

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](http://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 and continue to adopt the going concern basis of accounting.

## 2 PROFIT / (LOSS) PER SHARE ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE COMPANY

Basic profit / (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 prior period and their insignificant number, 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.

## 2 PROFIT / (LOSS) PER SHARE ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE COMPANY (CONTINUED)

Basic profit / (loss) per share	Six months ended 30 June 2022 pence	Six months ended 30 June 2021 pence	Year ended 31 December 2021 pence
Profit/(loss) per share from continuing operations	1.80	(0.84)	(0.83)

The profit/(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 2022 £	Six months ended 30 June 2021 £	Year ended 31 December 2021 £
Profit / (loss) used in the calculation of total basic and diluted earnings per share	2,034,086	(833,446)	(853,013)

Number of Shares	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	112,715,896	99,079,532	102,628,722

## 3 TAXATION

There was no tax charge for the half yearly period due to brought forward losses 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 tax payments. The trading tax losses are recoverable against suitable future trading profit, with the exception of the Energy Profits Levy described below.

From 26 May 2022 an Energy Profits Levy of 25% will be applied to all relevant profit made by the Company.

# NOTES TO THE UNAUDITED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2022

## 4 SHARE CAPITAL

At 30 June 2022, there were 112,715,896 ordinary shares of a nominal value of 5 pence in issue.

At 30 June 2022, there were 831,680,400 deferred shares of 0.225 pence nominal value in issue.

At 30 June 2022, there were 30,373 warrants outstanding and exercisable.

During the period under review, nil warrants expired.

## 5 EVENTS AFTER THE BALANCE SHEET DATE

On 5 July 2022, Raymond Godson, Non -Executive Director of the Company exercised options over 150,000 ordinary shares of 5 pence each at a strike price of 22 pence each. Raymond Godson paid £33,000 in respect of his exercise of these options. Following this exercise, Raymond Godson is the beneficial owner of 392,058 ordinary shares, representing 0.35% of the enlarged total issued share capital of 112,865,896 ordinary shares.

During July 2022, Shore Capital were appointed as Joint Broker to the Company.

During August 2022, the Operator of PEDL241, containing the North Kelsey Prospect submitted an appeal on behalf of the Joint Venture partners against the refusal of an extension of time to the existing planning permission by Lincolnshire County Council for the drilling and testing of a conventional exploration well at the North Kelsey site.

During August 2022, the High Court of Justice approved a Capital Reduction and as such is now effective, creating additional reserves to the value of £21,553,557, allowing the Company with further flexibility to deliver shareholder returns in the form of dividends and/or share buybacks. In order to comply with the Companies Act 2006, ("the Act") interim accounts have been filed at Companies House. The Balance Sheet at 1 September 2022 is attached to this report as an Appendix. The Accounts have been prepared for the purpose

of sections 836 and 838 of the Companies Act 2006. The Accounts are abridged and unaudited but are otherwise prepared on a consistent basis and following the same accounting principles as the annual accounts for the year ended 31 December 2021. The interim accounts do not constitute statutory accounts within the meaning of sections 434 (3) of the Companies Act 2006. Statutory accounts for the year ending 31 December 2021 were published in Union Jack Oil plc's Annual Report and delivered to the Registrar of Companies in England and Wales. The Auditor's Report on those accounts was unqualified, 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 any statement under sections 498(2) or (3) of the Companies Act 2006.

## 6 RELATED PARTY TRANSACTIONS

Charnia Resources (UK), an unincorporated entity owned by Graham Bull, non-executive director, received from the Company the sum of £60,187 during the period under review in respect of consulting fees. £12,011 was outstanding at the end of the period.

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](http://www.unionjackoil.com).

# APPENDIX UNAUDITED BALANCE SHEET AS AT 1 SEPTEMBER 2022

	As at 1 September 2022 Unaudited £	As at 31 December 2021 Audited £
<b>Assets</b>		
Non-current assets	8,982,058	8,525,373
Exploration and evaluation assets	6,585,001	7,575,525
Property, plant and equipment	662,748	291,518
Investments		
	16,229,807	16,392,416
<b>Current assets</b>		
Inventory	19,246	8,829
Loan receivables	–	1,028,110
Trade and other receivables	2,024,501	1,065,812
Cash and cash equivalents	7,670,930	5,977,541
	9,714,677	8,080,292
<b>Total assets</b>	25,944,484	24,472,708
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	720,964	2,390,603
<b>Non-current liabilities</b>		
Provisions	1,867,061	1,876,758
<b>Total liabilities</b>	2,588,025	4,267,361
<b>Net assets</b>	23,356,459	20,205,347
<b>Capital and reserves attributable to the Company's equity shareholders</b>		
Share capital	7,514,576	7,507,076
Share premium	–	21,528,077
Share-based payment reserve	777,939	638,586
Retained earnings / (losses)	15,063,944	(9,468,392)
<b>Total equity</b>	23,356,459	20,205,347



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