



UIL Energy

Multiple Gas Prospects Strategically Positioned in the Perth Basin

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- ① Reported contingent and prospective resources are in accordance with the SPE Reserves Auditing Standards and the SPE-PRMS guidelines and are based on reports compiled by DeGolyer and MacNaughton on EP495 and by Saitta Petroleum Consultants on the Coomallo East Prospect located across EP488 and EP447.
- ① **“Contingent Resources”** are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality.
- ① **“Prospective Resources”** are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development.

East Coast / West Coast – a similar outcome?



East Coast

- LNG projects soaking up gas demand across the east coast
- LNG projects have driven international gas prices
- No gas available to large domestic gas users at historical prices – no surprise
- Large industrial gas users looking to secure alternatives for long term gas
- Opportunity for smaller gas players to support industrial gas users – and deliver a great return



West Coast

- Shortage of gas as offshore gas reserves for LNG projects in decline
- Domestic gas reservation policy will not meet demand
- Large industrial gas users looking to secure alternatives for long term gas
- Opportunity again for smaller gas players, like UIL Energy, to play a big role in the domestic gas market
- If not regulated out opportunity to attract east coast industry west.

Building Strategic Value – have the vision early!



Perth Basin

- Market short on long-term gas (20 year profile)
- Started with a large number of small players and fractured ownership – UIL has driven the consolidation play so fewer players with larger acreage positions.
- **UIL's strategy is focused on the long term end game;**
 - Strategic holding of key acreage (now to over 700,000 acres) with intent to grow **
 - Maintaining 100% ownership and operatorship
 - De-risking projects via 2D/3D for maximum return before drilling capital
- Attractiveness starting to occur eg Lone Star's bid for AWE, Mineral Resources investment in Empire, strong interest in Origin's assets
- UIL Energy well positioned to take advantage of the acreage squeeze

Inevitability of Perth Basin Upside



✓ Perth Basin fundamentals are strong:

- a proven commercially productive petroleum system
- Supply gap opening with NW Shelf reducing domestic supply (2-3 years)
- Strong demand for long term gas supply (e.g. Alcoa and new industry players)
- Infrastructure close by for easy commercialisation
- Gas demand from new WA projects starting to emerge as the resources sectors begins to see increased investment for the first time in the last 8 years

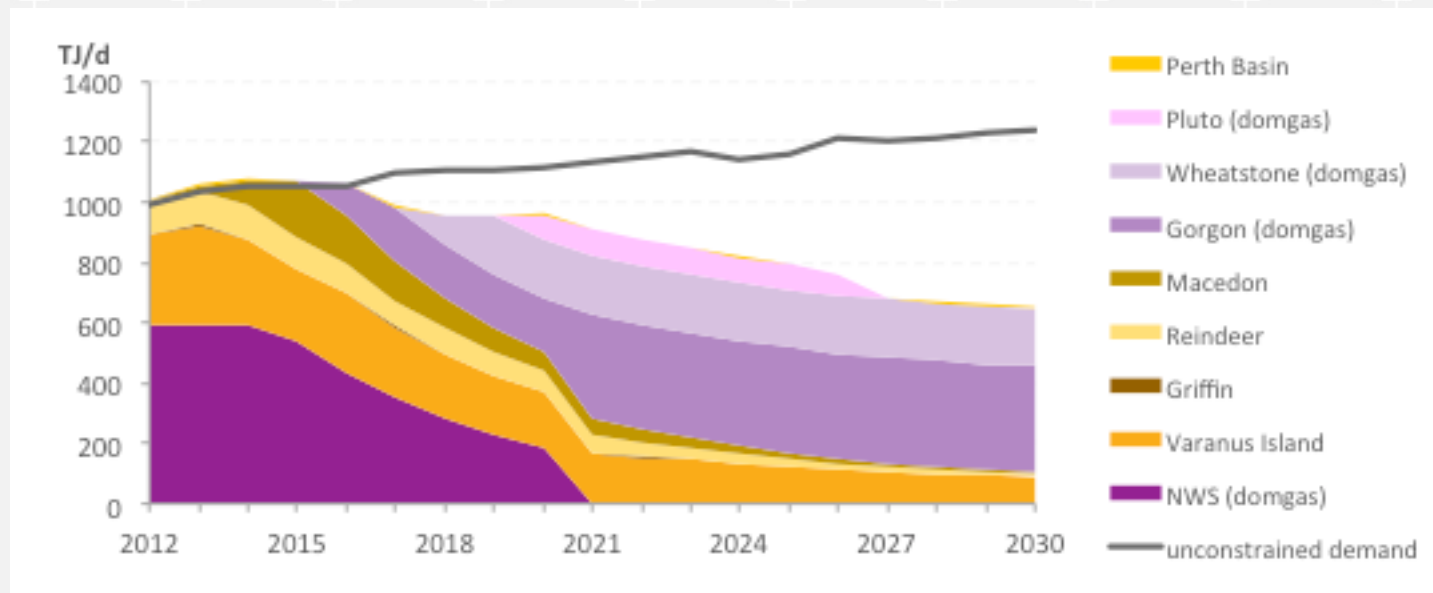
✓ UIL Energy has over 700,000 acres secured in the sought-after Perth Basin

- with potential and enough size to interest major players; and
- a strategic position that can not be replicated today.

A Declining Gas Production Profile



- ⦿ NWSJV (Woodside operator) is moving towards the point where its gas reserves are depleted, meaning that its ability to extend its current LNG and domgas contracts will be limited
- ⦿ ACIL Allen believes NWSJV domgas supply will be exhausted by the early 2020s



Source: ACIL Allen Consulting

UIL Energy - Impressive Perth Basin Holding

- ✓ UIL Energy's footprint over 700,000 acres
- ✓ One of the largest contiguous holdings in this highly prospective region
- ✓ 100% ownership of all permits providing great flexibility and strategic value

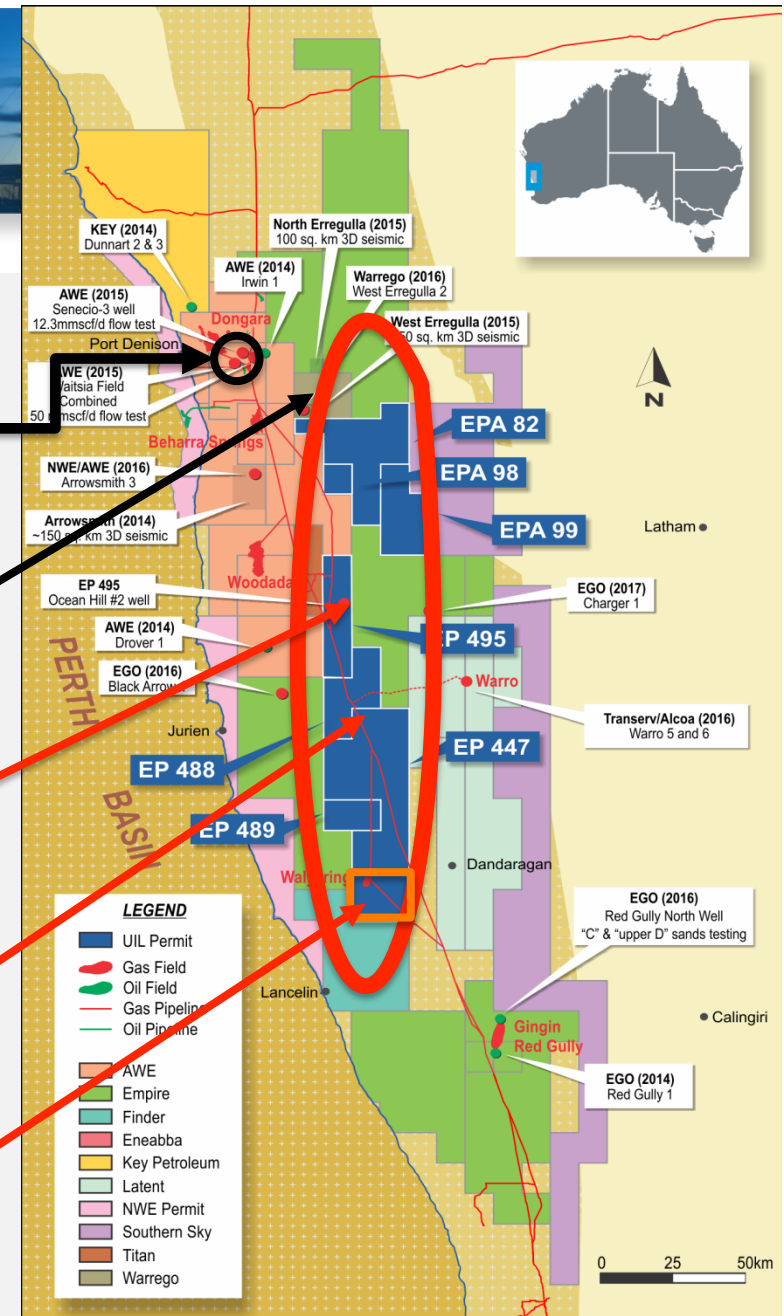
Largest onshore gas discovery in WA since 1960's by AWE.
Latest well ~50 MMscf/d combined from two zones

Warrego potential well in 2018

UIL'S Ocean Hill #2 drilling and 3D seismic approvals proceeding as scheduled

Coomallo West prospect starting to shape up as a significant potential target

Bombora farmin funding \$2.5 million for 3D seismic survey to earn 70%



UIL Energy Significant Upside



Key Metrics

- ✓ ASX code: UIL
- ✓ 195 million shares on issue
- ✓ Tight register with Directors and management ownership >25%
- ✓ A management team who have proven track record in building and monetizing energy projects for shareholders.

Strategic Valuation

- ✓ WA opportunities can certainly slip under the radar, **BUT**
 - ✓ AWE rejecting takeover offer from Lone Star private equity for circa \$620m
 - ✓ Origin's 50% owned Perth gas assets value > \$200m
- ✓ Above transactions value assets over \$0.50/gj for reserves/resources
 - ✓ Current value of UIL Energy's 2C contingent resources of 360 Bcf at Ocean Hill project is materially understated
 - ✓ Further tremendous upside given multiple projects and derisking over next time horizon (moving up the curve to \$0.50/gj)

Next Round of Activity



Upcoming third party activity:-

- ✓ Origin's Perth Basin assets – If not acquired prior, IPO expected to command strong valuation of > \$1.5bn.
- ✓ AWE's Waitsia project expansion and further development through 2017/2018
- ✓ Norwest drilling Xanadu- wishing them great success.

UIL Energy activity aimed at progressing efforts to develop **two drill-ready locations**:

- ✓ Progress Ocean Hill #2 well and 3D seismic approvals over the Ocean Hill prospect
- ✓ Lodged just this week the Well Management Plan for Ocean Hill # 2 with the DMP?
- ✓ Acquired complete reprocessed 2D package over Ocean Hill and EP 477 providing clarity for a second well at Ocean Hill and identifying an even larger potential opportunity at Coomalo West
- ✓ Walyering Farmin Area by Bombora to shoot 3D seismic and progress well approval
- ✓ Continue to progress joint venture opportunities for investment in UIL Energy's permits

Next Round of Activity



Thank You.