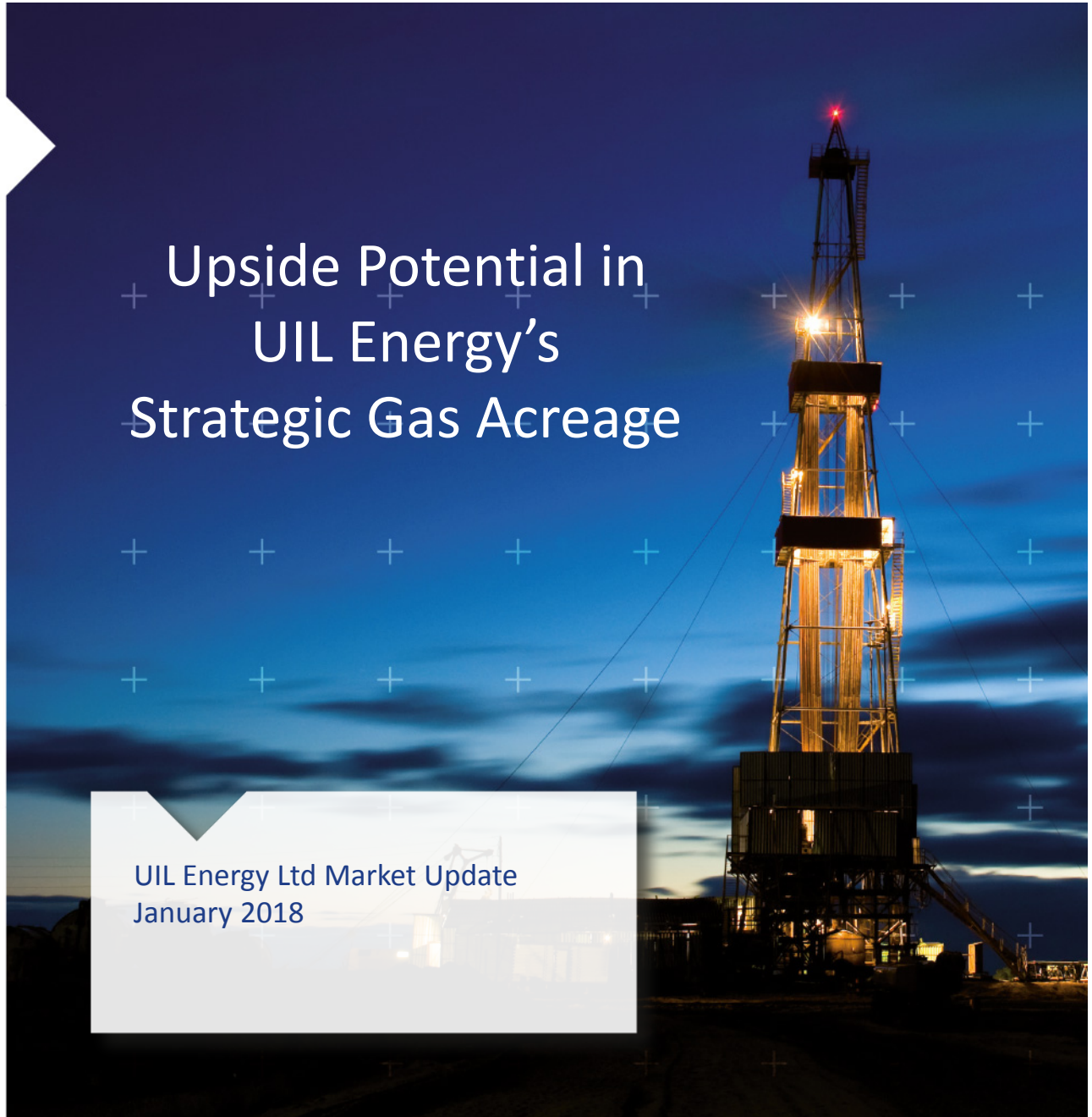




Upside Potential in UIL Energy's Strategic Gas Acreage

UIL Energy Ltd Market Update
January 2018



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Competent Person Statement and Definitions

Reported contingent and prospective resources are in accordance with the Society of Petroleum Engineers (SPE) Reserves Auditing Standards and the SPE-Petroleum Resource Management System (PRMS) guidelines and are based on independent reports compiled by Mr R. M. Shuck of DeGolyer and MacNaughton with regards to EP495 and by Mr T. Saitta of Saitta Petroleum Consultants with regards to the Coomallo East Prospect located across EP488 and EP447. Both Mr Shuck and Mr Saitta qualifications and experience meet the requirements to act as a qualified petroleum reserves and resource evaluator as defined under the ASX Listing Rule 5.42. The resource information has been issued with the prior written consent of both parties.

“**Contingent Resources**” are those quantities of discovered sub-commercial 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.

“**Prospective Resources**” are estimated volumes associated with undiscovered accumulations. These represent quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from oil and gas deposits identified on the basis of indirect evidence but which have not yet been drilled

Australia's Big Energy Challenge



East Coast

- LNG projects soaking up gas supply across the east coast
- LNG projects reflect international gas prices
- No gas available to large domestic gas users at historical prices – no surprise
- QLD government proactive solutions via releasing new areas – looking for supplier diversity
- Opportunity for smaller gas players, like UIL Energy, to support domestic gas users



West Coast

- Shortage of gas with offshore gas reserves for LNG projects declining
- Domestic gas reservation policy does not cap gas prices – market prices still expected by offshore gas suppliers
- Perth Basin the real solution – Waitsia only the start of what's required
- Opportunity again for smaller gas players, like UIL Energy, to play a big role in the domestic gas market

AWE takeover valuation setting the benchmark



AWE takeover valuation highlights UIL Energy's upside potential:

- Min Res setting a valuation benchmark for 2P gas reserves for the Western Australian domestic gas market
- Current recommended offer by Min Res placing **AWE's 2P gas reserves at approximately \$1.30/GJ** (based on 410PJ net 2P gas reserves to AWE¹)
- Value stacks up well against historical Australian valuations e.g. QLD CSG valuations during 2008-2011 averaged \$1.60/GJ for 2P gas reserves²

UIL Energy has multiple projects across the Perth Basin that have the potential to deliver significant 2P gas reserves

- Ocean Hill prospect is the most advanced with 2C contingent resources of 360 PJ
- Coomallo East prospect with prospective resources of 277 PJ
- Further upside in northern Perth Basin permits currently under application and in Walyering prospect via farm out to Pancontinental Oil and Gas NL

UIL Energy's current market valuation has the combined 2C and prospective resources of 637 PJ valued at ~\$0.015/GJ – highlighting significant upside potential as UIL Energy looks to upgrade these prospects

1. Sourced from AWE's announcement dated 19 December 2017

2. Sourced from Merrill Lynch presentation dated 2011

West Coast and East Coast Strategic Activities



West Coast - Activities aimed at upgrading UIL Energy's prospects across the Perth Basin Portfolio

- ✓ Ocean Hill Prospect
 - Drilling Ocean Hill#2 well successfully and achieving positive gas flow tests would provide a significant upgrade to UIL Energy's resources
 - Company actively seeking strategic partnerships to share in funding for Ocean Hill #2
- ✓ Coomallo East Prospect
 - Update new available seismic data to be reprocessed over the prospect to tighten the prospective area

East Coast - The combination of UIL Energy's experience in coal seam gas and the drive from the QLD government pushing for new suppliers to enter the market, opens the door for the company to compete for these opportunities

- ✓ UIL Energy bidding for QLD government CSG block releases

UIL Energy - Impressive Perth Basin Holding

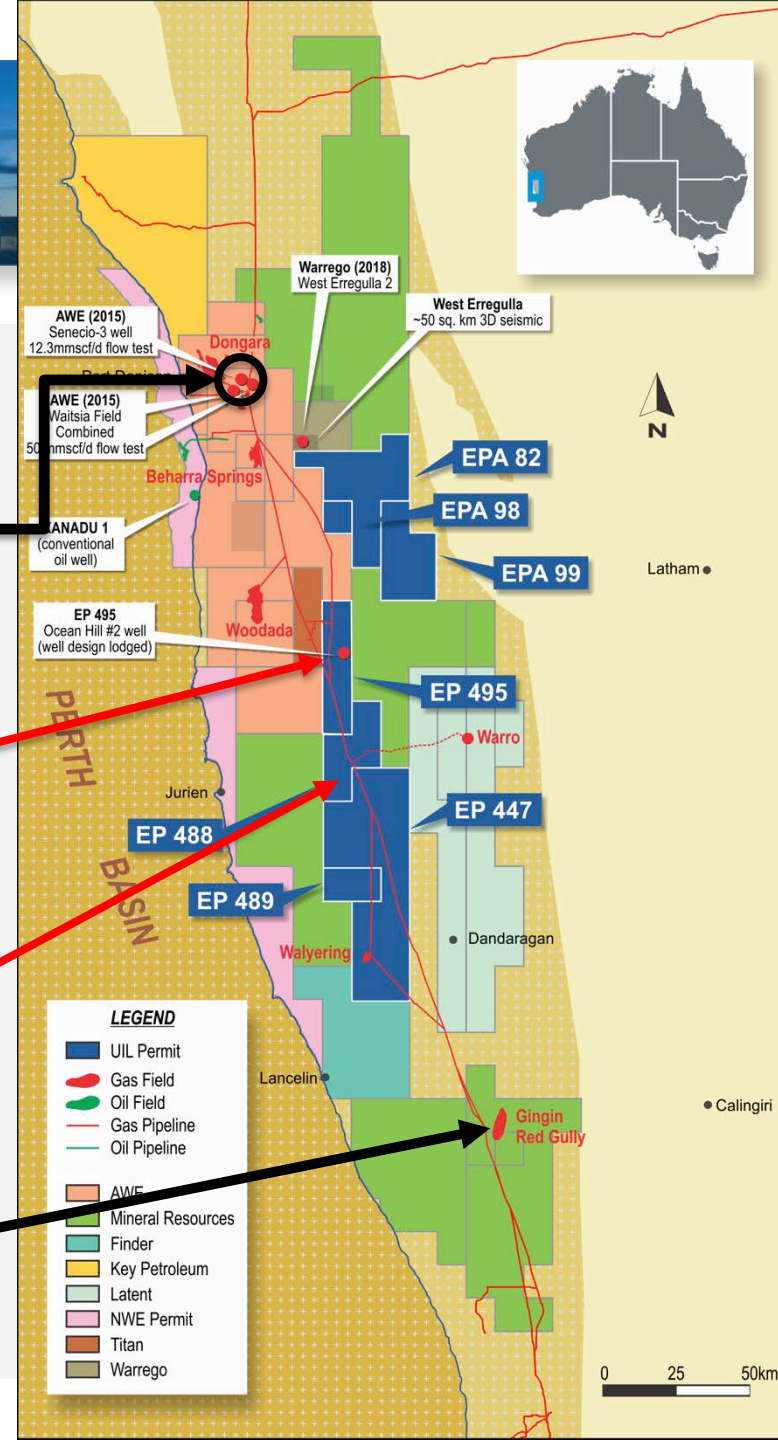
- ✓ UIL Energy's footprint over 700,000 acres
- ✓ One of the largest contiguous holdings in this highly prospective region
- ✓ 100% ownership of all permits providing great flexibility and strategic value

AWE's Waitsia-4 flowing at 90 million standard cubic feet per day in one of the highest-ever flow rates in the country

UIL Energy's Ocean Hill #2 well plan submitted – next well lined up for drilling in the Basin

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

Mineral Resources now planning to restart Red Gully plant operations

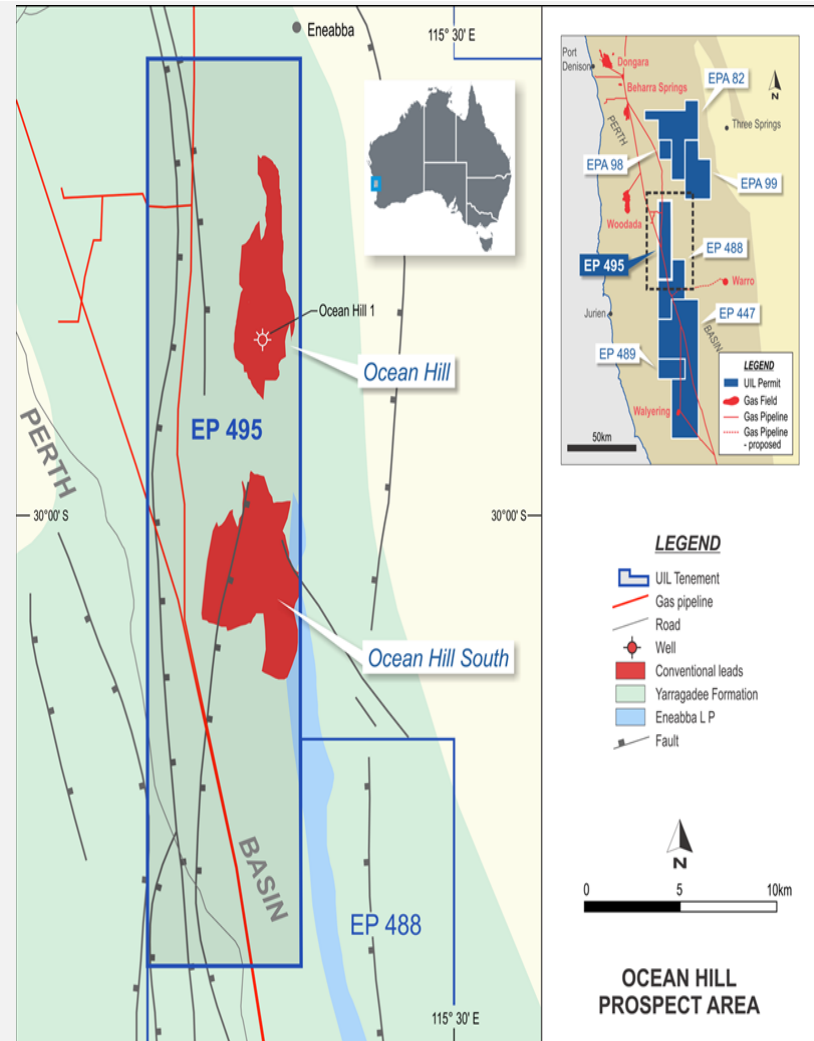


Ocean Hill Prospect - the next gas well ready to go



- ✓ Ocean Hill discovery has proven gas productive zones in the Jurassic and could behave like a conventional commercial discovery
- ✓ Ocean Hill #1 encountered over 800 metres of net pay and tested up to 700,000 scf/d
- ✓ Independent 2C contingent resource of 360 BCF*
- ✓ UIL Energy submitted Ocean Hill #2 well approvals

* ASX announcement by Eneabba dated 27 November 2015 making reference to the ASX Announcement by Greenrock Energy Limited [ASX: GRK] dated 4 October 2013 "Independent Resource Valuation Ocean Hill Block".

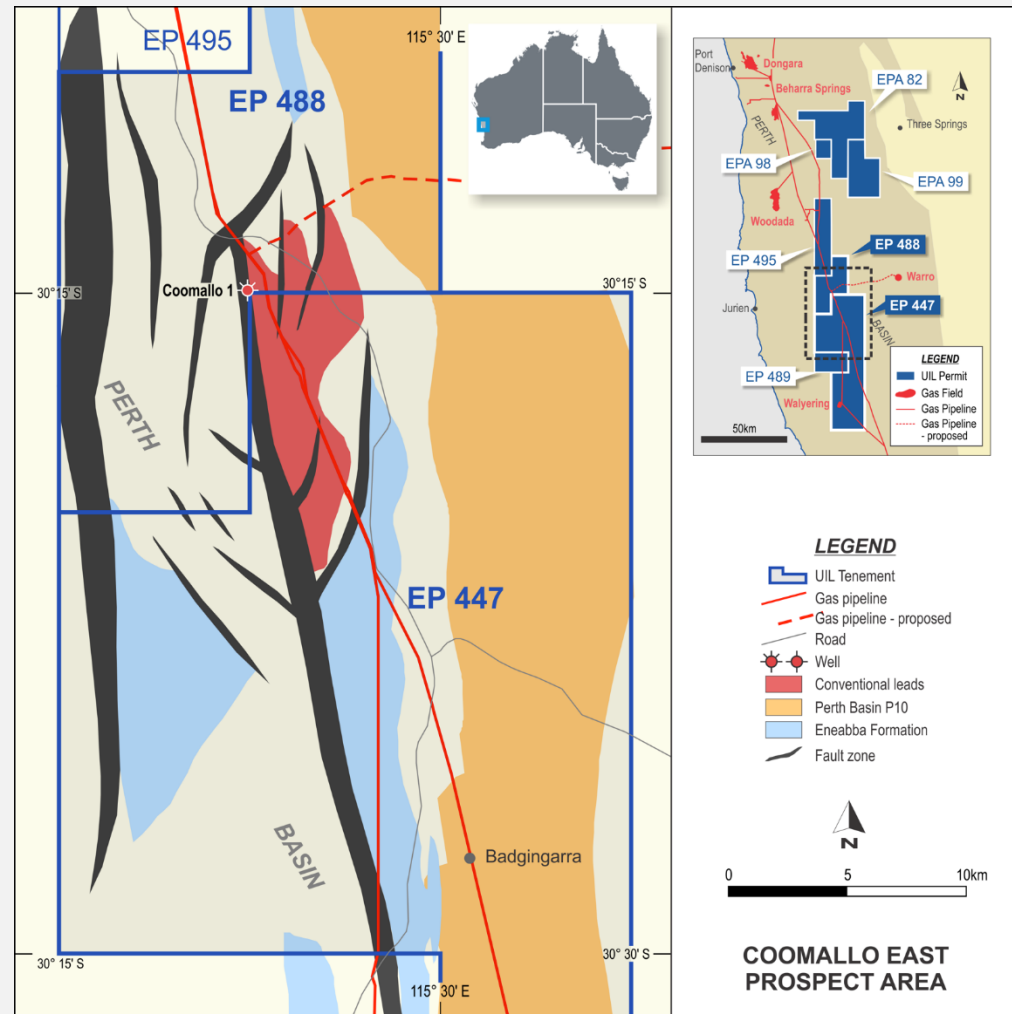


Coomallo East Prospect



- ✓ Located mostly in EP 447 to the east of the Coomallo-1 well
- ✓ Prospect is an up-thrown fault closure and as mapped at the Top Eneabba horizon has an areal closure of 3,716 hectares and vertical closure of 540m
- ✓ Best estimate Prospective Resources of 277 BCF with associated condensate of 5 MMBLS*
- ✓ Assessing new available seismic data and potential 3D seismic program

* Assumes a 20 metre sand with a 50% net to gross, 12% porosity and a 60% recovery factor



UIL Energy strategically well positioned



West Coast portfolio :

- Rationalisation of Perth Basin underway crystallising solid valuation for AWE and a benchmark for 2P gas reserves for the basin
- UIL Energy well positioned to take advantage of market dynamics with multiple attractive Perth Basin prospects
- UIL Energy activity focused on sourcing funding for the Ocean Hill #2 well

East Coast opportunities make sense:

The combination of UIL Energy's experience in coal seam gas and the drive from the QLD government pushing for new suppliers to enter the market, opens the door for the company to compete for these opportunities

Australia's energy challenge providing UIL Energy with significant opportunities