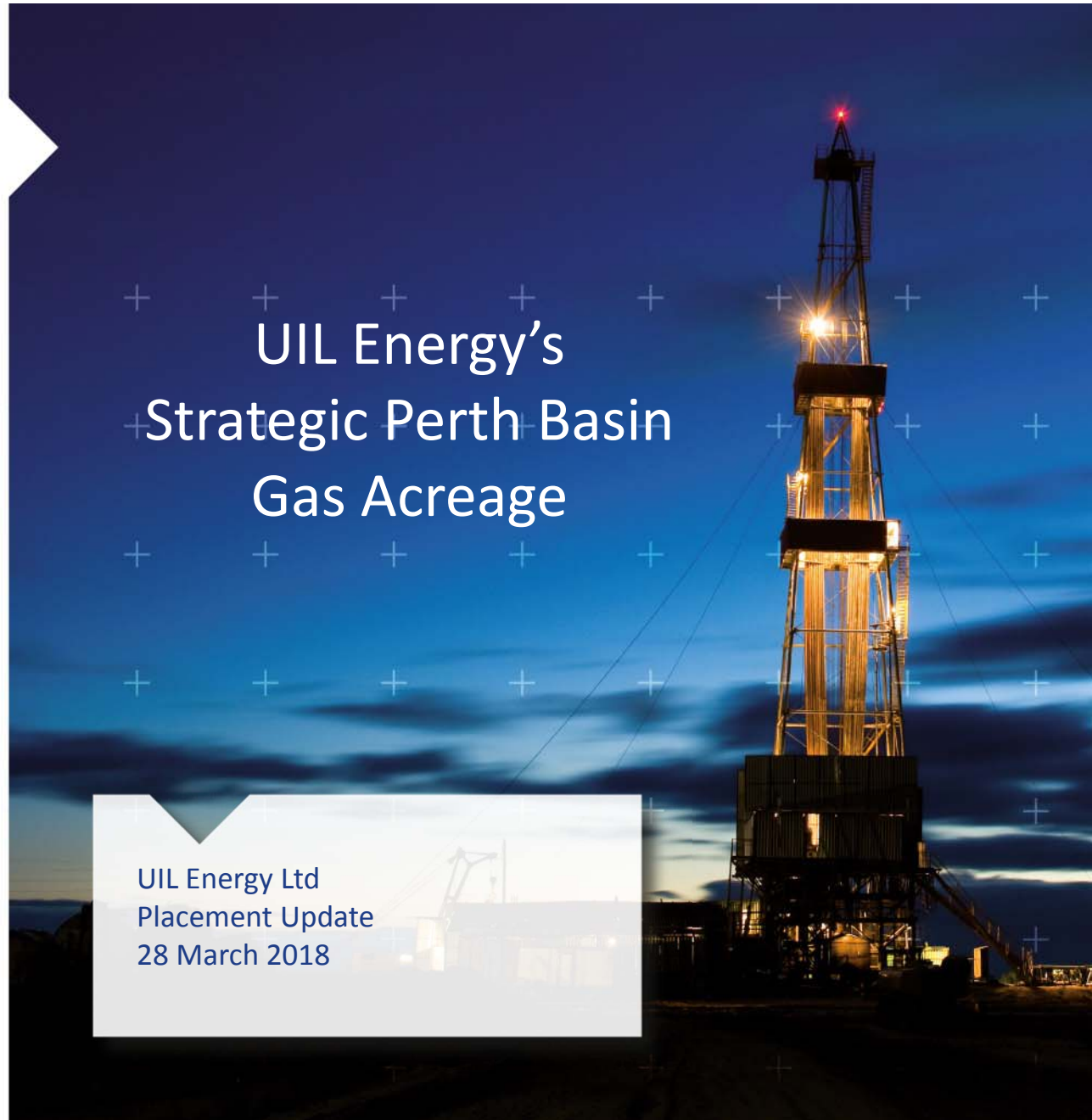




# UIL Energy's Strategic Perth Basin Gas Acreage

UIL Energy Ltd  
Placement Update  
28 March 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

# UIL Energy Strategic Highlights



## **West Coast portfolio :**

- UIL Energy has significant footprint in the Perth Basin
- 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 partnering opportunities for the Ocean Hill #2 well
- Placement completed raising funds to progress evaluation of current interests

## **East Coast opportunities make sense:**

The combination of UIL Energy's Directors previous track record in QLD 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**

# 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

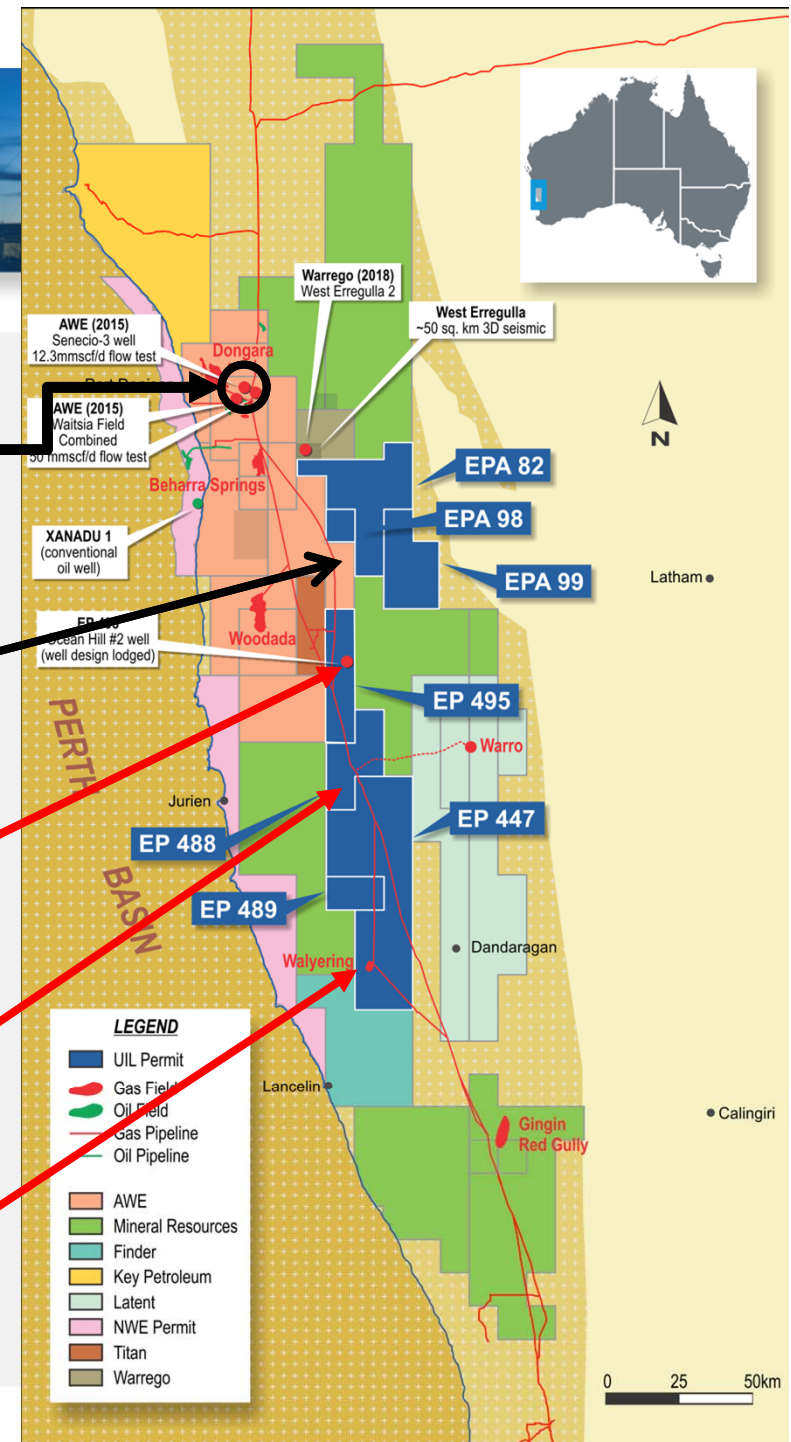
AWE's Waitsia-4 flowing at 90 million standard cubic feet per day in one of the highest-ever flow rates in the country

Lattice aiming to shoot ~200km<sup>2</sup> of 3D seismic adjacent to EPA98

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

Walyering prospect farmout with 3D seismic scheduled



# AWE takeover valuation setting the benchmark



## **AWE takeover valuation highlights UIL Energy's upside potential:**

- Mitsui setting a valuation benchmark for 2P gas reserves for the Western Australian domestic gas market
- Current bid by Mitsui placing **AWE's 2P gas reserves at approximately \$1.45/GJ** (based on 410PJ net 2P gas reserves to AWE)<sup>1</sup>
- Value stacks up well against historical Australian valuations e.g. QLD CSG valuations during 2008-2011 averaged \$1.60/GJ for 2P gas reserves<sup>2</sup>

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<sup>3</sup>
- Coomallo East prospect with best estimate prospective resources of ~277 PJ<sup>3</sup>
- Walyering prospect with prospective resources under review
- Further upside in northern Perth Basin permits currently under application

**UIL Energy's current market valuation has the combined 2C and prospective resources of ~637PJ valued at ~\$0.01/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

3. Refer following slides for disclosure of contingent & prospective resources for these prospects



# Ocean Hill Prospect - the next gas well ready to go

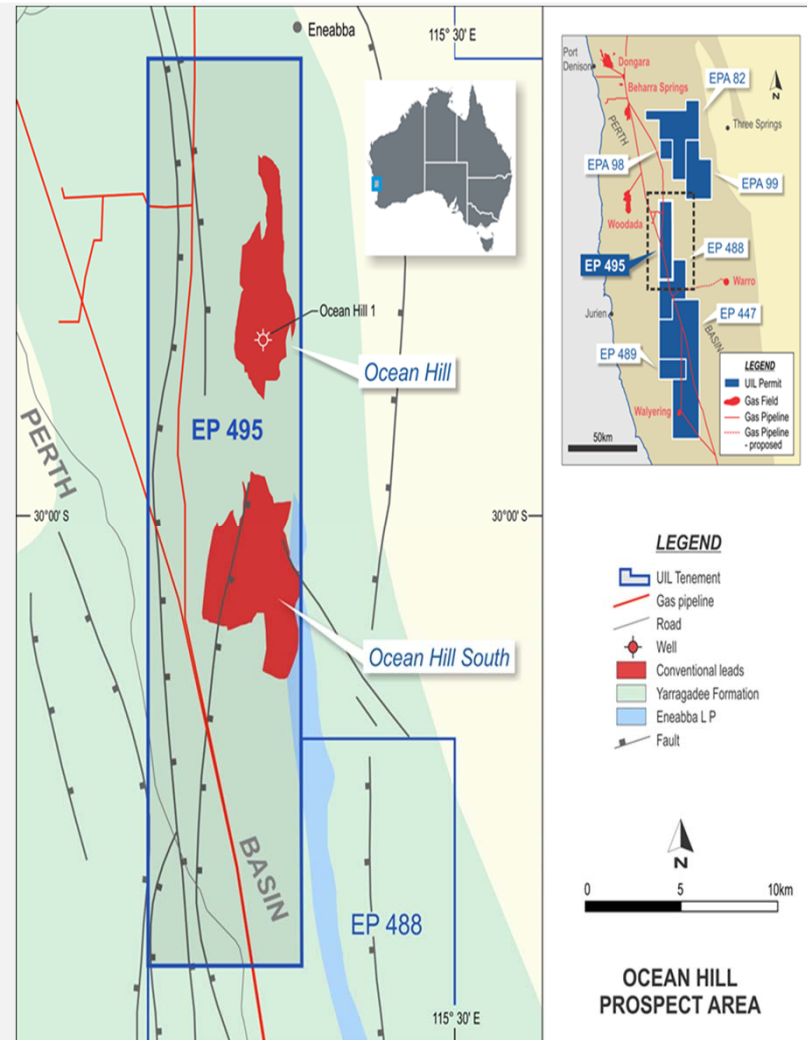


- ✓ Ocean Hill discovery has proven gas productive zones in the Jurassic which could behave like a conventional commercial discovery
- ✓ Ocean Hill #1 encountered over 800 metres of net pay and tested up to 700,000 scf/d
- ✓ Independent 2C contingent resource of 360 BCF\*
- ✓ UIL Energy submitted Ocean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

## ***Ocean Hill Contingent Resources\****

1C	2C	3C
24 BCF	360 BCF	796 BCF

\* Refer to Competent Person Statement and Definitions in front of presentation.

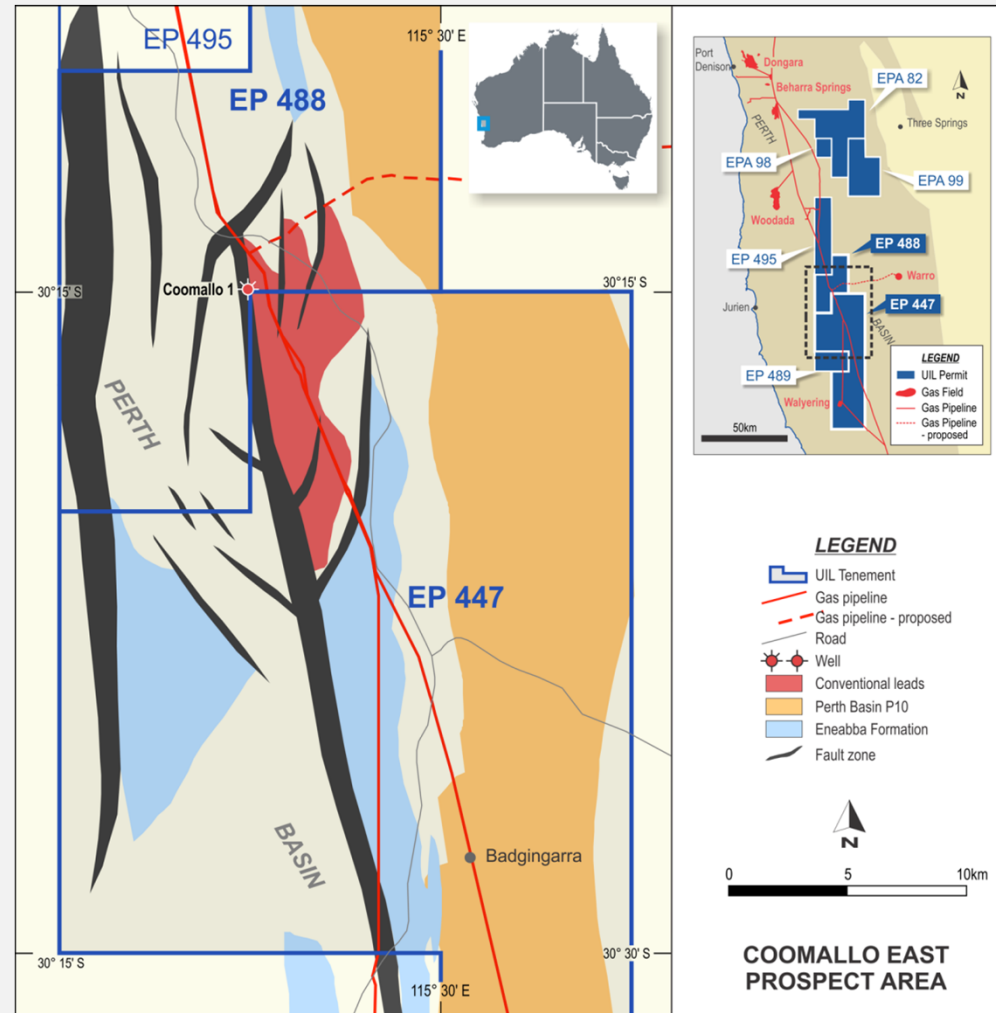


# Coomallo East Prospect



- ✓ 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<sup>1</sup> of 277 BCF with associated condensate of 5 MMBLS<sup>2</sup>
- ✓ Assessing new available seismic data and potential 3D seismic program

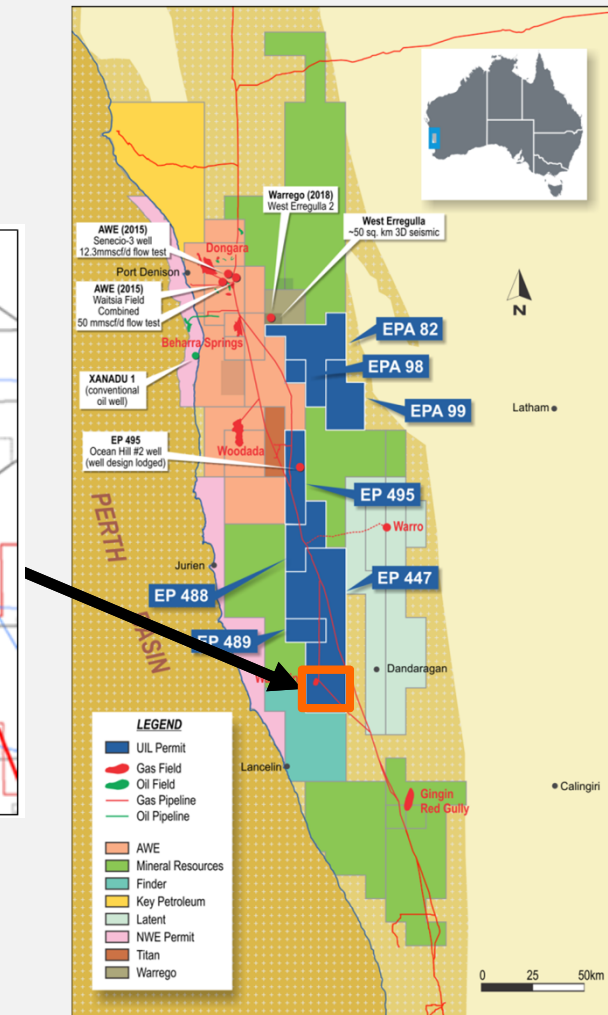
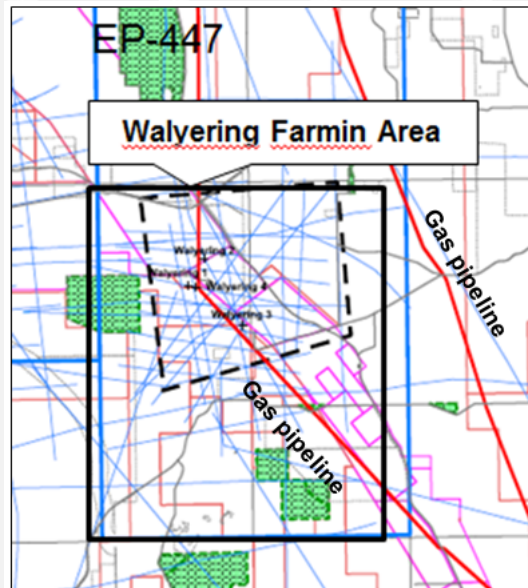
1. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons
2. Assumes a 20 metre sand with a 50% net to gross, 12% porosity and a 60% recovery factor



# Walying Farmin for 3D seismic program



- ✓ Pancontinental Oil and Gas NL (**ASX:PCL**) farmin area to 4 southern blocks within EP447
- ✓ PCL to fund \$2.5 million for ~ 80km<sup>2</sup> 3D seismic survey and earn a 70% working interest in four graticular blocks
- ✓ Focus on previously discovered Walying Gas Field, where 3 of 4 historical wells encountered gas within multiple Jurassic age sands.
- ✓ The best-tested unstimulated zone flowing initially at 13.5 MMCF/D

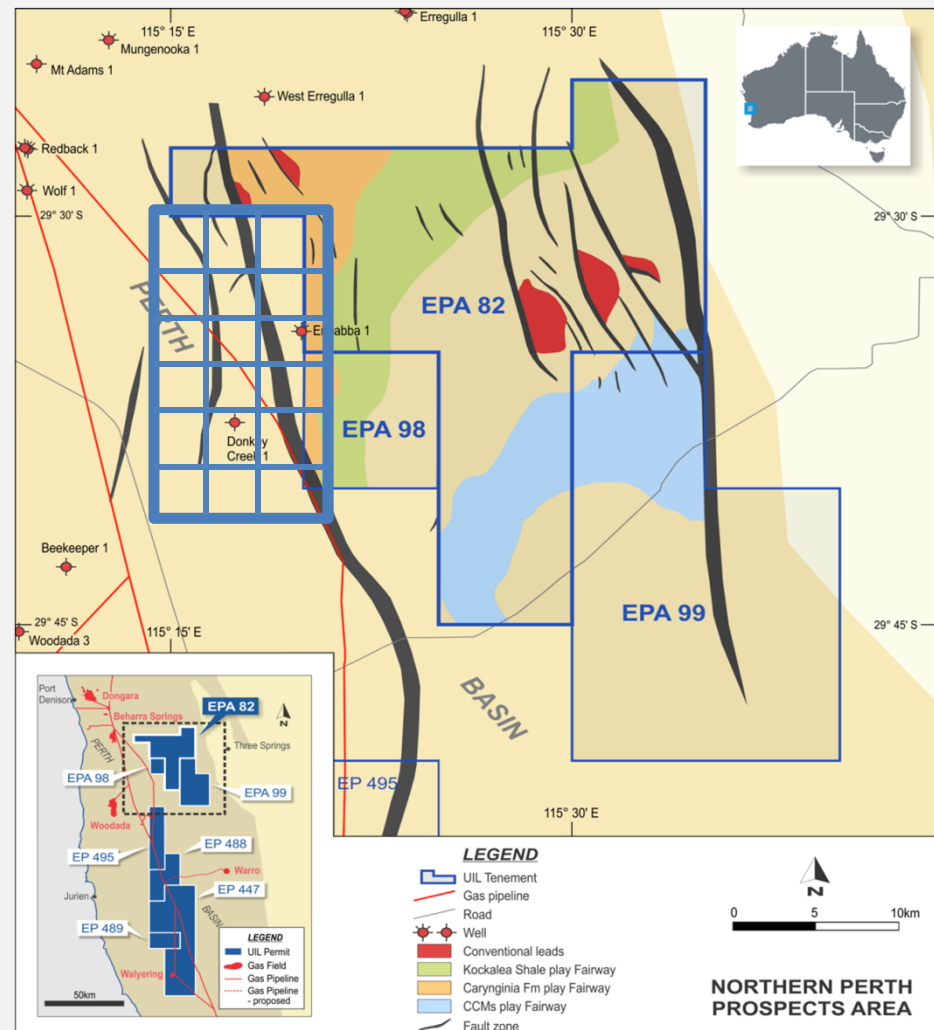




# Northern Perth Prospects – Lattice on our doorstep



- ✓ Western flank of the permits is considered prospective for further Waitsia style targets, with depths of these reservoir's to be confirmed
- ✓ Lattice Energy (owned by by Beach Energy Ltd) is aiming to shoot over 200km<sup>2</sup> of 3D seismic this year on EP320 (blue grid), a permit adjacent to UIL Energy's permits
- ✓ Lattice is looking to enhance the mapping of the conventional gas formations and the potential deep Kingia/High Cliff formations that are the productive reservoirs containing the giant Waitsia gas discovery



# UIL Energy placement and use of funds



Bizzell Capital Partners Pty Ltd and Morgans Corporate Ltd Joint Lead Managers (JLMs) for capital raising

## **Capital Raising:**

- ✓ Firm commitments to raise A\$1.1 million by way of placement of ~31.4 million ordinary shares (including \$101,500 director participation)
- ✓ Price of \$0.035 per share plus;
- ✓ 1 free attaching unlisted option (exercisable at \$0.05 each on or before 31 December 2019) for each 3 new shares subscribed for

## **Use of funds (15 months):**

- ✓ Ocean Hill drilling preparation and partnering opportunities (EP495)
- ✓ Coomallo East 3D seismic preparation (EP 488/489)
- ✓ Walyering project area farmin activities (EP447)
- ✓ Granting of applications (EPA 82/98/99)
- ✓ Queensland petroleum tenders

# Strategic Catalysts



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 and initiate approvals for 3D seismic
- ✓ Walyering Prospect
  - UIL Energy fully carried on 3D seismic program scheduled later this year to confirm project volumetrics
- ✓ 2 drill ready targets in the Perth basin – Ocean Hill #2 and Walyering targeting over 500PJ of gas resource