



PERTH BASIN - THE NEXT HOT SPOT FOR ONSHORE OIL AND GAS PLAYS

UIL Energy Ltd
Annual General Meeting
26 November 2014



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1. INVESTMENT HIGHLIGHTS



Key Ingredients for Success



Proven track record

- ✓ Ex-Bow Energy experienced and successful management team
- ✓ Directors have significant skin in the game

Highly Prospective Assets

- ✓ Targeting onshore oil and gas plays in Western Australia
- ✓ Clear focus on **Perth Basin** – close to AWE's large gas discovery
- ✓ Close proximity to pipeline infrastructure
- ✓ High equity positions and operator of all permits

Attractive Industry Outlook

- ✓ WA gas demand largest in Australia, with a sharp decline from existing offshore producers over the next decade
- ✓ WA gas prices forecast to rise in real terms from \$8/GJ to \$12/GJ

UIL Energy Corporate Structure



Key Metrics

- ✓ ASX code: UIL
- ✓ Market capitalisation of ~\$14 million (at 25 Nov) with ~\$4m cash
- ✓ 108,023,755 shares on issue
- ✓ Directors ownership ~35%

Valuation Metrics

- ✓ Highly prospective acreage of ~500,000 net acres in Perth Basin and ~3.7 million net acres in Canning Basin
- ✓ Valuation of **~\$18/acre** for UIL's Perth Basin permits, over 50% discount to Perth Basin peers and over 80% discount to Cooper Basin companies
- ✓ Citi placing ~\$200/acre on AWE's Perth Basin acreage¹

¹ Citi Research dated 18 September 2014

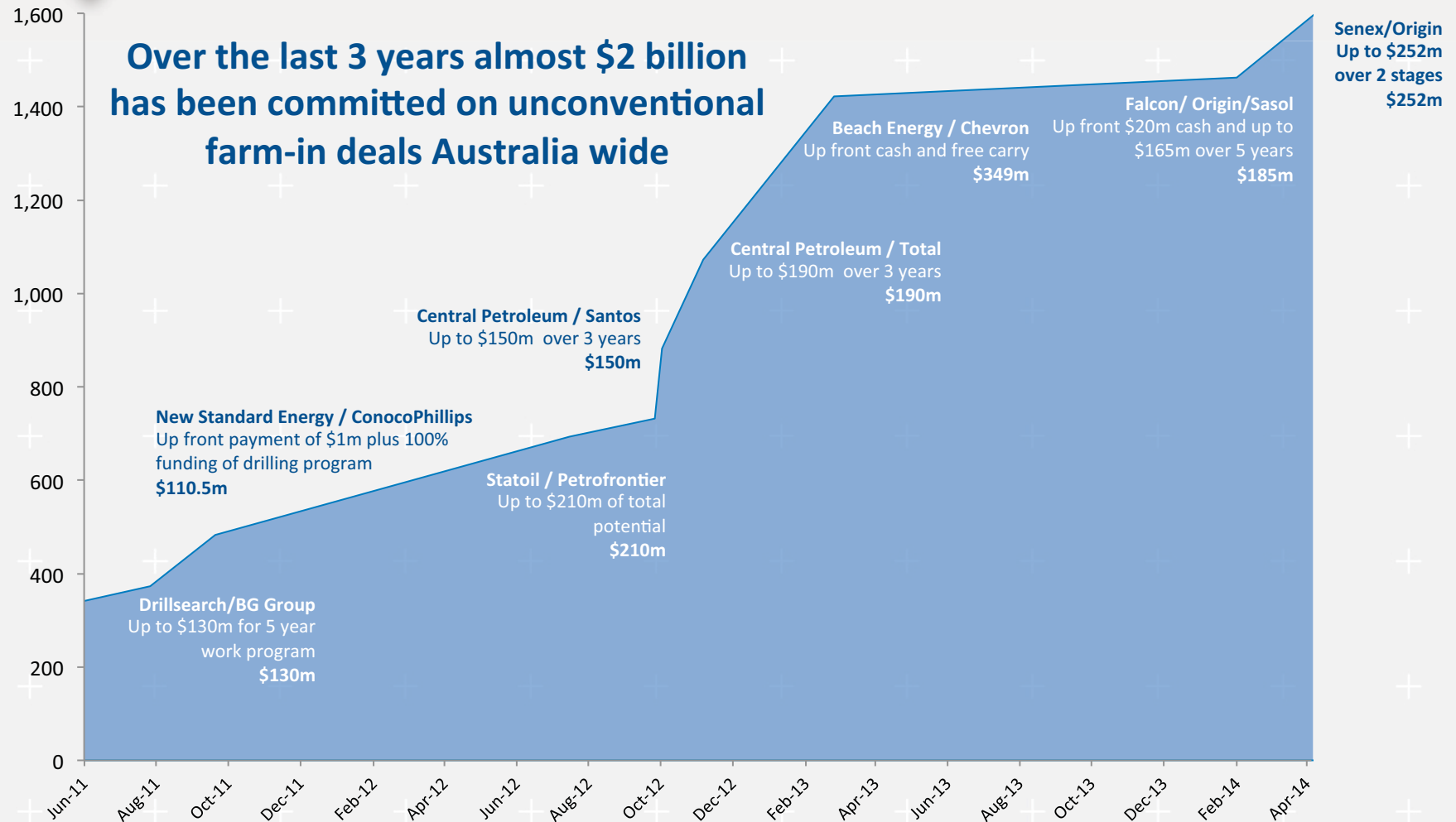
Evolution of Oil and Gas Opportunities



Perth Basin to become a centre of growing exploration, development and corporate activity
Proven petroleum basin – Access to infrastructure – Robust domestic market for gas

	Exploration Potential	Infrastructure and Market	Drilling Activity and Results	Corporate Activity	Value Uplift
U.S. Basins	✓	✓	✓	✓	✓
QLD CSG	✓	✓	✓	✓	✓
Cooper	✓	✓	✓	✓	✓
Perth	✓	✓	AWE Discovery and more to come	→	

Unconventional Activity In Australia Rapidly Increasing



Source: Company data, IRESS Market Technology

2. BOARD AND MANAGEMENT



Experienced Board – track record



- ✓ Track record for delivering significant shareholder value
- ✓ Significant investment by Directors
- ✓ Extensive experience building petroleum and resource production companies



Simon Hickey
Executive Chairman

- 20 years experience in resource projects in Australia, North America and Asia
- Previous Director of several ASX and TSX companies



John De Stefani
Managing Director

- Senior executive experience with several energy and power companies
- CEO of Bow Energy during market cap growth phase of \$50m to \$550m, Bow Energy was acquired by Arrow Energy



Keith Skipper
Independent NED

- Company executive and director with over 40 years of diverse industry experience
- Veteran in unconventional and conventional oil and gas



Stephen Bizzell
Non-Executive Director

- Former Executive Director of Arrow Energy until its acquisition in 2010 by Shell and PetroChina for \$3.5bn
- Founder and former director of Bow Energy prior to it being acquired for \$550m

Experienced Management – track record



- ✓ Track record for delivering significant shareholder value
- ✓ Economic alignment with shareholders

- ✓ Extensive experience building petroleum and resource production companies



John De Stefani – Managing Director

- Senior executive experience with several energy and power companies
- CEO of Bow Energy during market cap growth phase of \$50m to \$550m, Bow Energy was acquired by Arrow Energy
- MBA from London Business School



Vic Palanyk – Chief Operating Officer

- Senior executive with more than 35 years experience in petroleum and mining industries in Australia, Asia, North America, Europe and the Middle East
- Chief Operating Officer of Bow Energy Ltd leading up to the sale to Arrow Energy
- Held management positions with Exoma, QGC, Anglo American and Rio Tinto



Duncan Cornish – CFO/Co-Company Secretary

- Accomplished and highly regarded corporate administrator
- Significant experience in pivotal management roles in capital raisings and stock exchange listings for numerous companies on ASX, the AIM component of the LSE, and TSX
- Currently Company Secretary and CFO of other listed companies on ASX and TSX-V

3. ASSET PORTFOLIO



Perth Basin – Significant Gas Potential

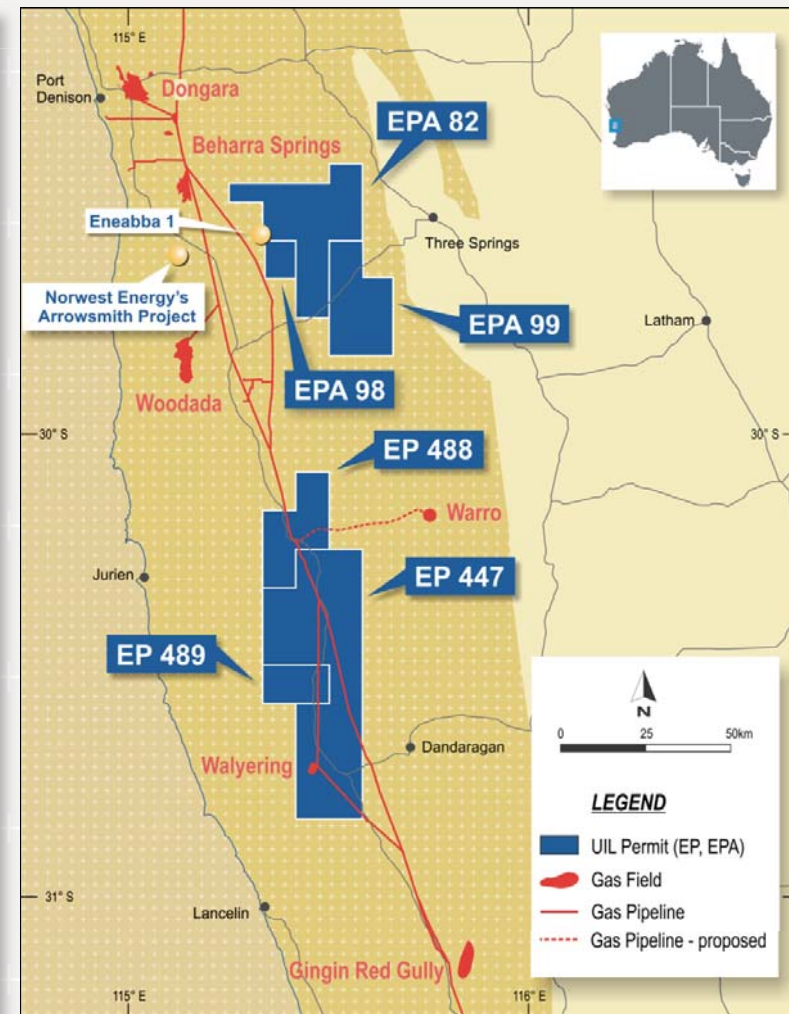


North Perth – Multiple stacked plays for conventional and tight gas

- 100% interest in 3 permit applications
- Evidence from nearby wells showing positive tight gas and oil potential
- Conventional leads identified

Central Perth – Conventional and Basin Centred Gas Play

- 50% interest in EP447
- 100% interest in two additional permits
- History of gas production, permit includes Walyering gas field and is north of Gingin & Red Gully producing gas and liquids field




Perth Basin – The Next Hot Spot


Over \$80m
of fund
committed
by other
companies

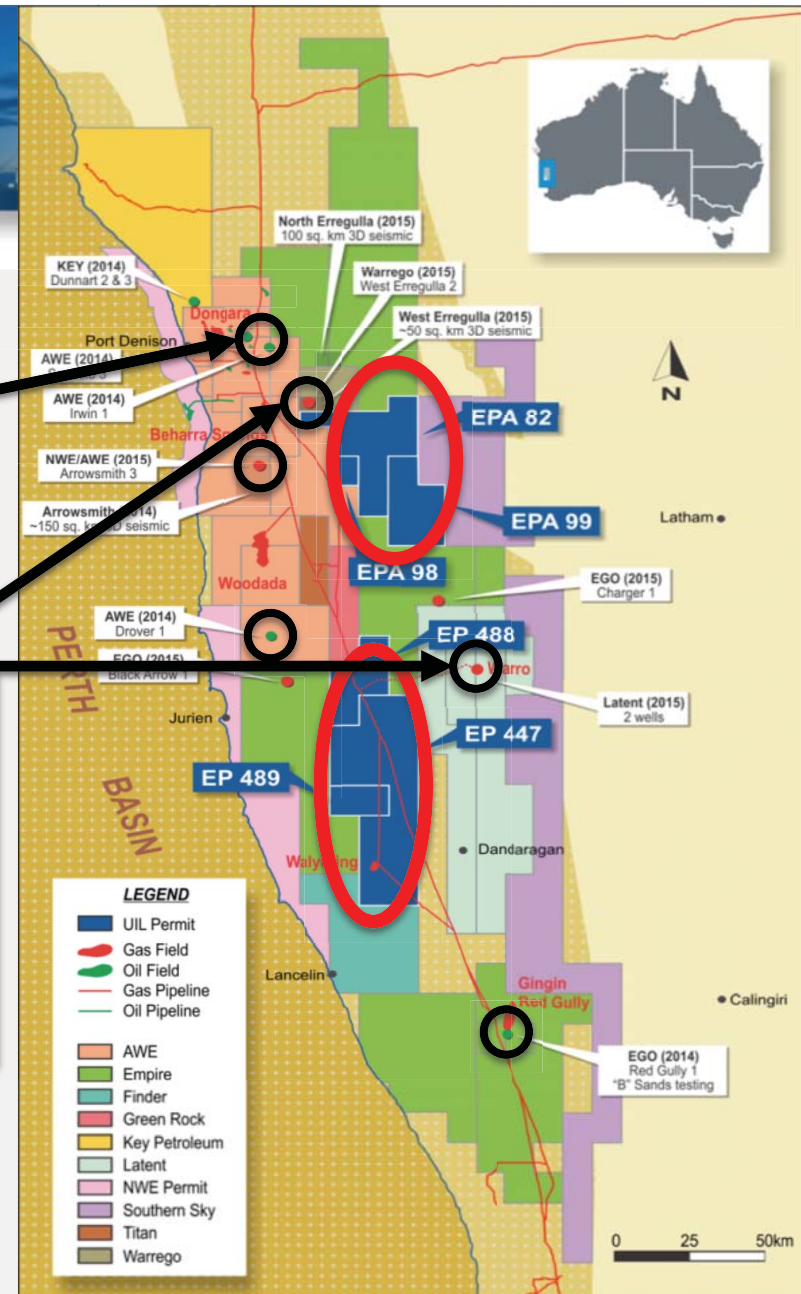
AWE's potential
largest WA gas
discovery since
1960's

2 Dutch E&P's
\$40m
investment
commencing in
Nov 14

Alcoa, largest
gas user
exploring for gas

 UIL Energy's permits

 Major drilling and testing activity



Major Gas Discovery by AWE

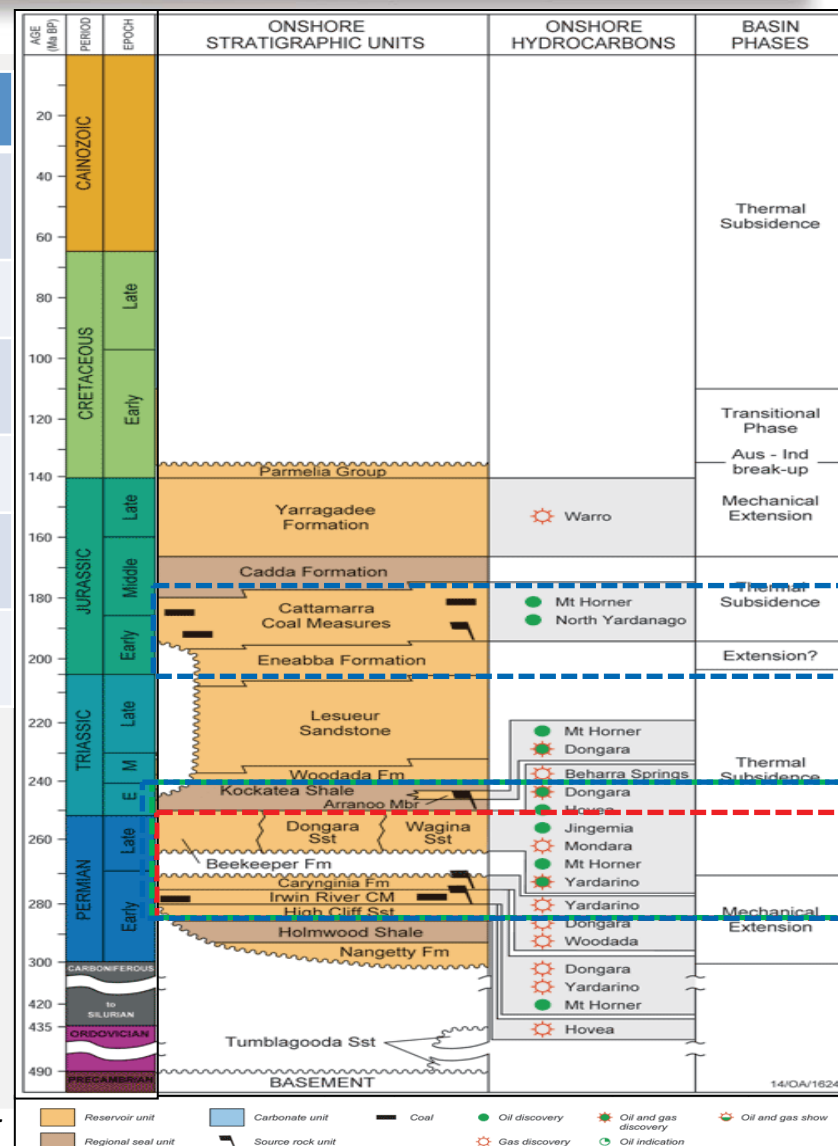


Exploration Potential

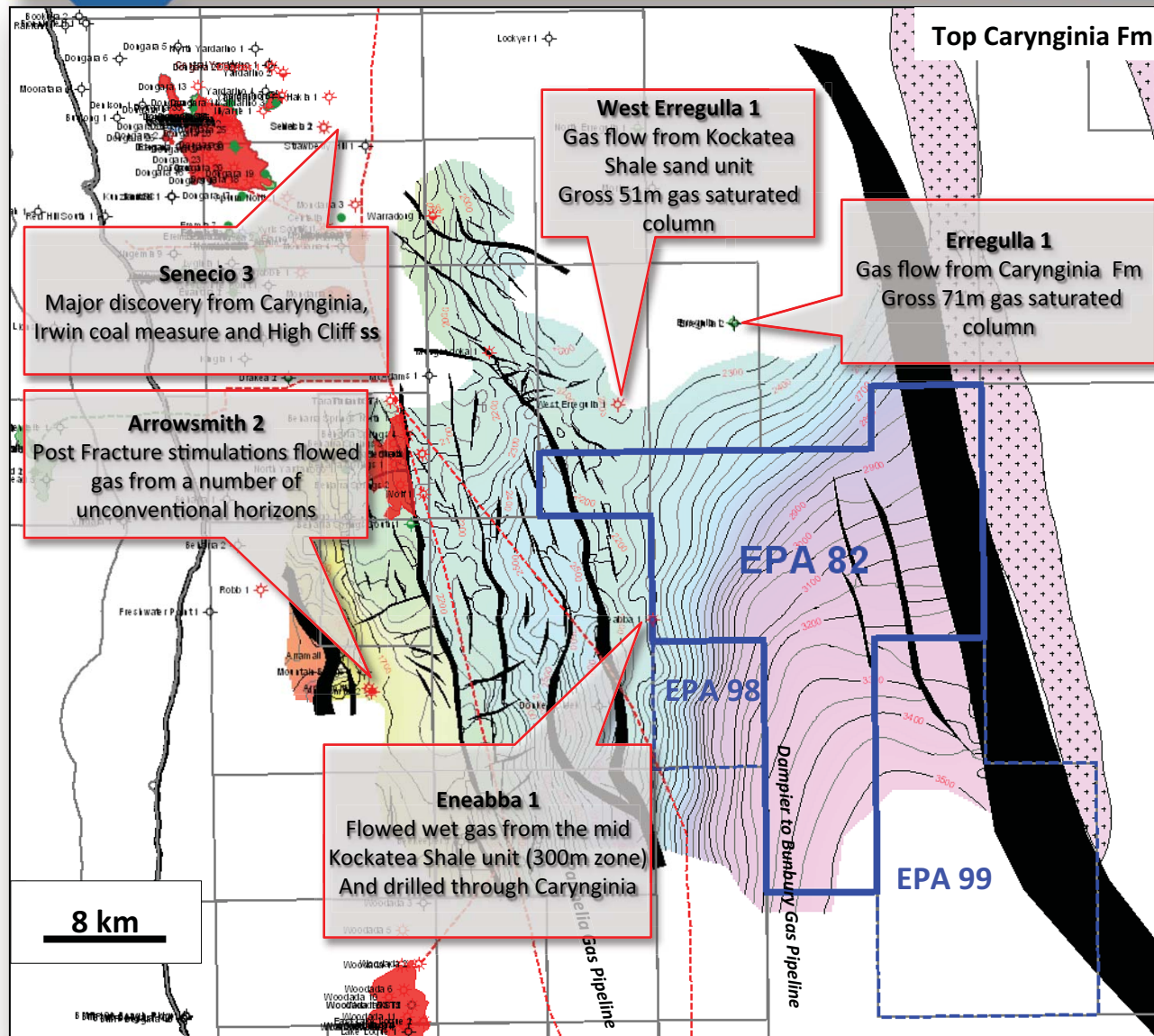
Reservoir	UIL Energy ¹	Arrowsmith	Senecio/ Waitsia
Kockatea Shale	✓	✓	
Dongara / Wagina Sst	✓		✓
Carynginia Fm ²	✓	✓	✓
Irwin River Coal Measures ²	✓	✓	✓
High Cliff Sandstone ^{2,3}	✓	✓	✓

1. UIL Energy's north Perth permits where all reservoirs likely to be encountered. Cattamarra Coal Measures also likely to be encountered for conventional targets
2. The key reservoir intervals where AWE has announced significant contingent resources Expected to be in western portion of permits
3. Depth of this reservoir to be confirmed

Source: AWE



Key Formations in Play for UIL's permits



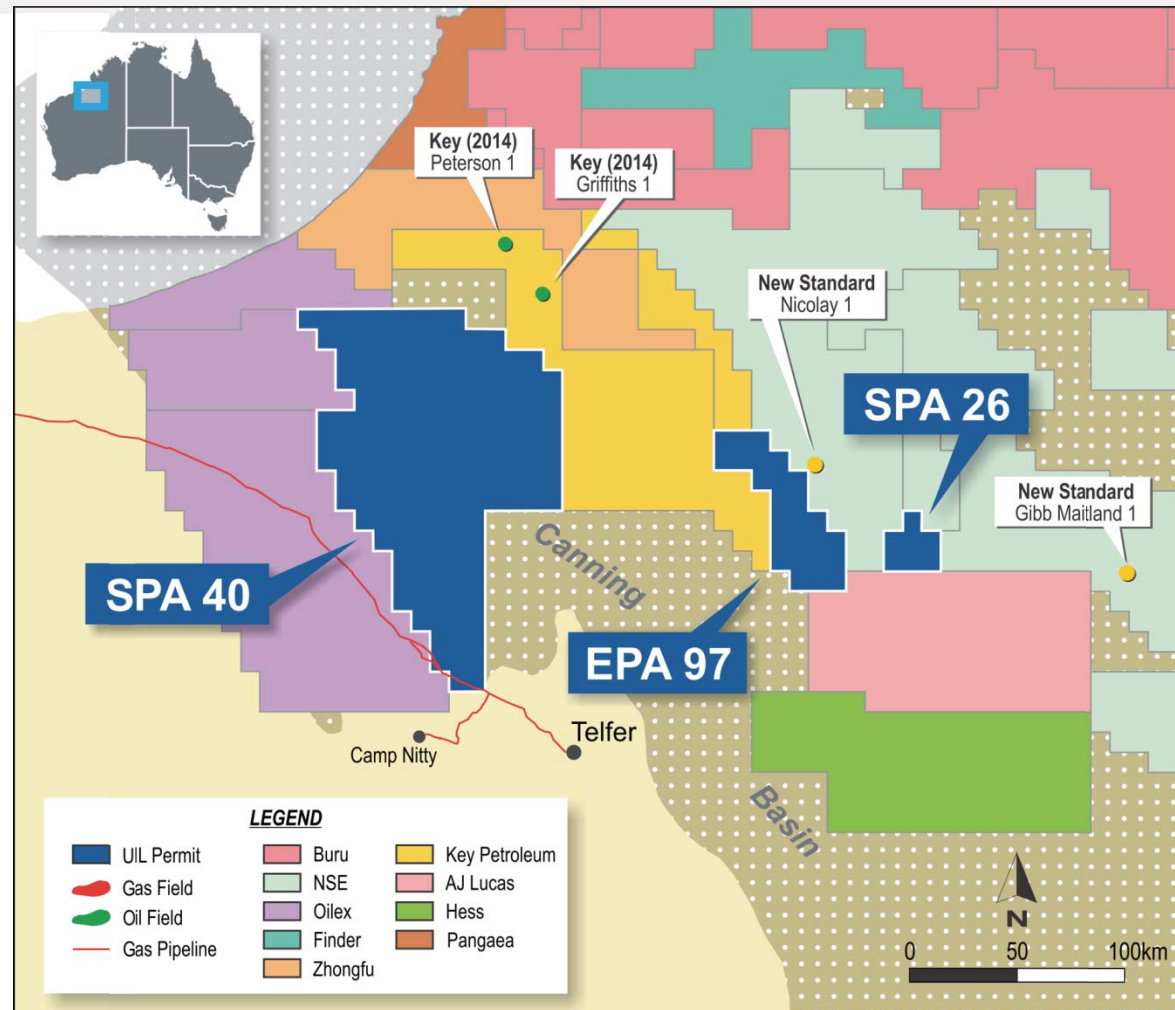
- Hydrocarbon accumulation and flows from the Kockatea Shale and Carynginia Fm are proven from off set wells
- Lateral deposition of the Kockatea Shale and Carynginia is confirmed from Arrowsmith to Eneabba 1, West Erregulla 1 and Erregulla 1 & 2
- Irwin River CM's penetrated at Erregulla 1

Canning Basin – 3.7 Million Gross Acres



Potential across large acreage position

- Goldwyer Formation confirmed excellent source rock
- Plays occur within the Goldwyer that are self-sourced and sealed by up to 1,500m of overlying Ordovician to Silurian Carribuddy Group shales
- UIL has some of the closest Canning Basin acreage to mines and existing pipeline



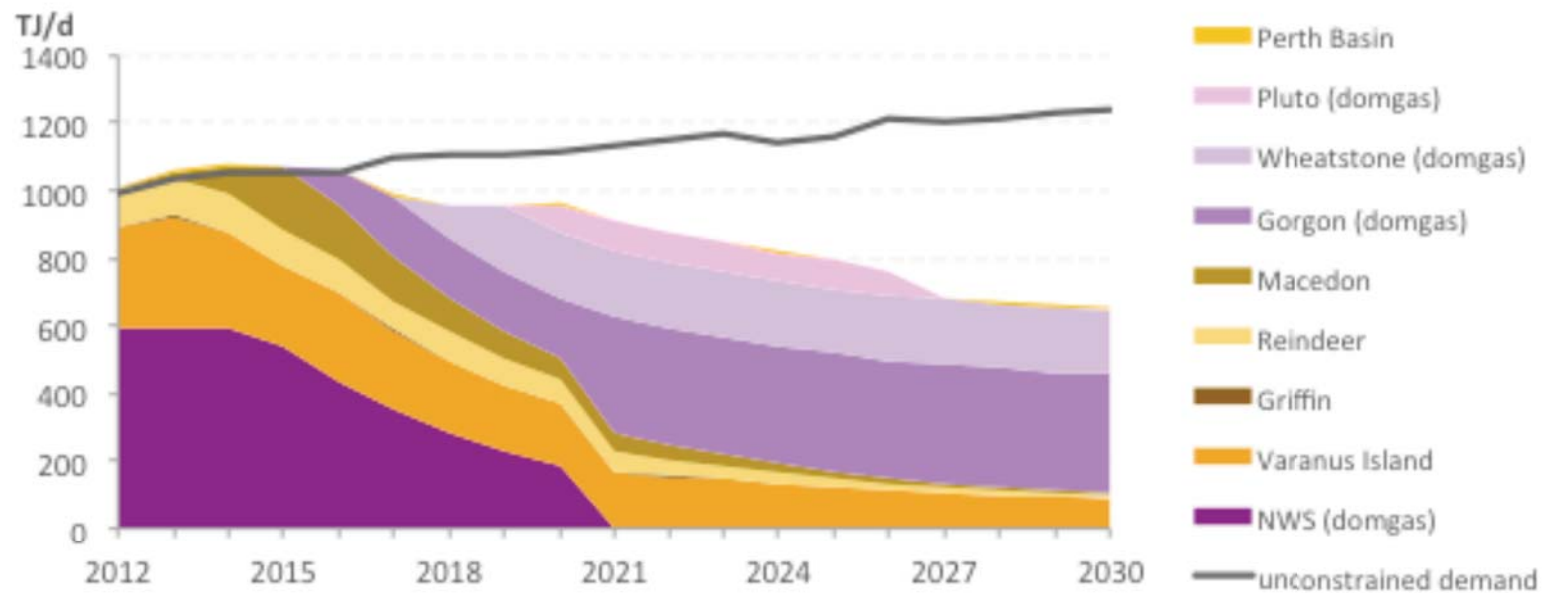
4. INDUSTRY AND MARKETS



A Declining Gas Production Profile



- ⓘ NWSJV (Woodside operator) is moving towards the point where its gas reserves are depleted
- ⓘ In the absence of successful exploration, ACIL Allen believes NWSJV domgas supply will be exhausted by the early 2020s

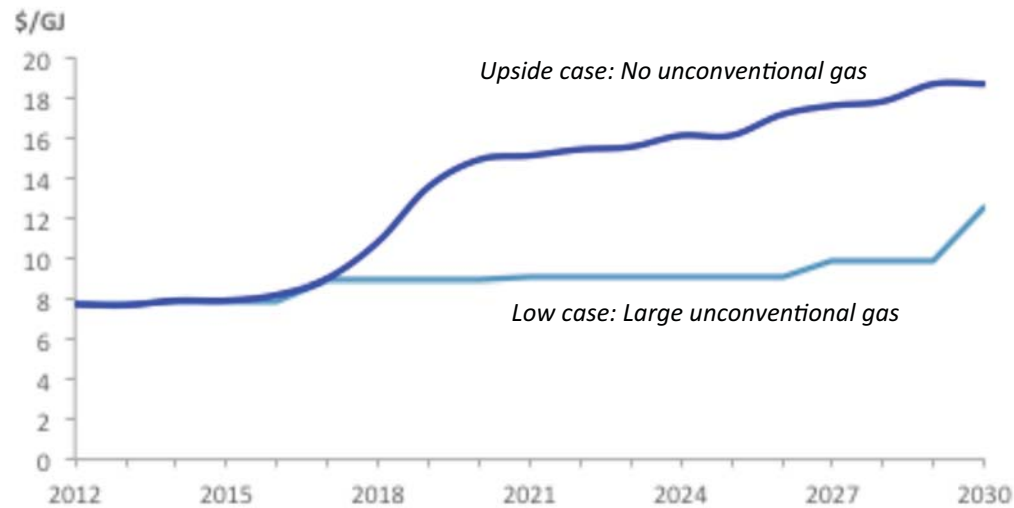


Source: ACIL Allen Consulting

Robust Gas Price Outlook



Modeled wholesale price – delivered at Perth (real terms)



Source: ACIL Allen GasMark modeling

ACIL Allen's modelling of the WA gas market indicates gas prices at around A \$8/GJ to almost \$12/GJ during the next 20 years

Impact of NWS decline

- Expected declining production from the North West Shelf domestic gas plant from around 2016 onwards

Importance of unconventional gas

- How far prices rise, and how quickly, will critically depend on how much unconventional gas becomes available to the market and the costs of such supply

5. UPCOMING CATALYSTS



Key Catalysts – Next 15 months



Operator	Project/Activity	2015												
		Q1			Q2			Q3			Q4			
		J	F	M	A	M	J	J	A	S	O	N	D	
<u>North Perth Basin</u>														
UIL	Identify conventional targets													
UIL	Potential independent resource certification													
UIL	Expected grant of tenements													
AWE	Conventional flow test of Senecio well													
AWE	Senecio appraisal well and Irwin-1 well													
Warrego	3D seismic and horizontal pilot well													
NWE/AWE	Arrowsmith 3 - 3D seismic and horizontal pilot well													
<u>Central Perth Basin</u>														
UIL	Identify conventional targets													
UIL	EP 447 Drill preparation and planning													
UIL	EP 488 and EP 489 2D Seismic acquisition													
UIL	Potential farminee on Perth well													
Empire	Gingin/Red Gully B sands production test													
AWE	Drover-1 well assessment													
Alcoa	2 stimulated wells in Warro Project													
<u>Canning Basin</u>														
UIL	EPA 97 expected grant													
UIL	Gravity magnetic surveys													
Buru	Fitroy trough wells and fracing (continuous)													

Note: The above dates and timing are indicative only and subject to availability of equipment.

6. SUMMARY



Summary



- ✓ Board and Management team with proven track record – have skin in the game and looking to repeat success
- ✓ Dominant position in the Perth Basin, a producing petroleum system, and significantly undervalued compared to peers
- ✓ Canning Basin provides significant upside with minimal expenditure
- ✓ Close to infrastructure for early commercialisation
- ✓ \$8 – 12/Mcf local gas prices and severely undersupplied market