



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

“UIL Energy is significantly undervalued compared to its peers and poised to benefit from surrounding drilling activity in the basin”

John De Stefani
Managing Director

UIL Energy Ltd
APPEA Conference
May 2015



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Competent Person Statement

The technical information that relates to Prospective Resources in this quarterly report has been compiled in accordance with 2007 SPE/WPC/AAPG/SPEE Petroleum Resource Management System and has been prepared by McDaniel & Associates Consultants Ltd (**McDaniel**), an independent petroleum consultancy firm registered with the Association of Professional Engineers and Geoscientists of Alberta (**APEGA**) with over 50 years of experience in the evaluation of oil and gas properties.

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1. INVESTMENT HIGHLIGHTS



Key Ingredients for Success



Proven Track Record

- ✓ Ex-Bow Energy's experienced and successful management team
- ✓ Directors have significant skin in the game (~35%)

Highly Prospective Assets

- ✓ Targeting onshore gas and liquids 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 from \$8/GJ-\$12/GJ

UIL Energy Significantly Undervalued



Valuation Metrics

- ✓ Market capitalisation of ~\$6.5 million
- ✓ Highly prospective acreage of ~500,000 net acres in Perth Basin
- ✓ UIL Energy is a ~80% discount to its peers in the Perth basin (UIL Energy at \$7/acre compared to peers ~\$35/acre)¹

Key Metrics

- ✓ ASX code: UIL
- ✓ ~108 million shares on issue
- ✓ ~36.3 million unlisted options priced from \$0.20-\$0.30/share
- ✓ Tightly controlled register with Directors holding ~35%
- ✓ Cash position of \$2.8 million at 31 March 2015 with no debt

1. Based on market values and acreage of peers as at 30 April 2015. Peers includes Empire, Eneabba, Transerve, Norwest and Key.

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 prior to takeover 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 – 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

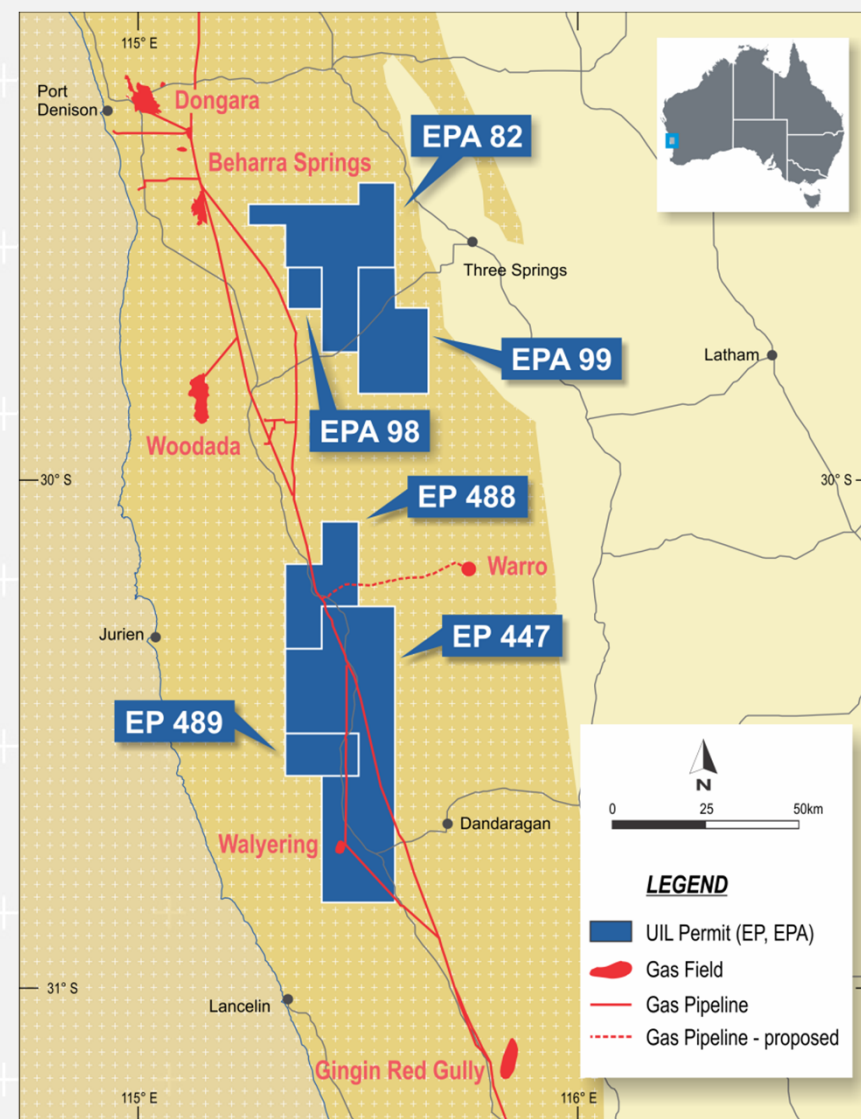


North Perth – Multiple stacked plays for gas and liquids

- 100% interest in 3 permit applications
- Evidence from nearby wells showing positive gas and liquids potential
- Exploration leads identified

Central Perth – Conventional and Basin Centred Gas Play

- 100% interest in EP488 and EP489 and 50% interest in EP447
- History of gas production
- Exploration leads identified



Perth Basin – The Next Hot Spot



**Over \$90m
of funds
committed
by other
companies
over next 12-
15 months**

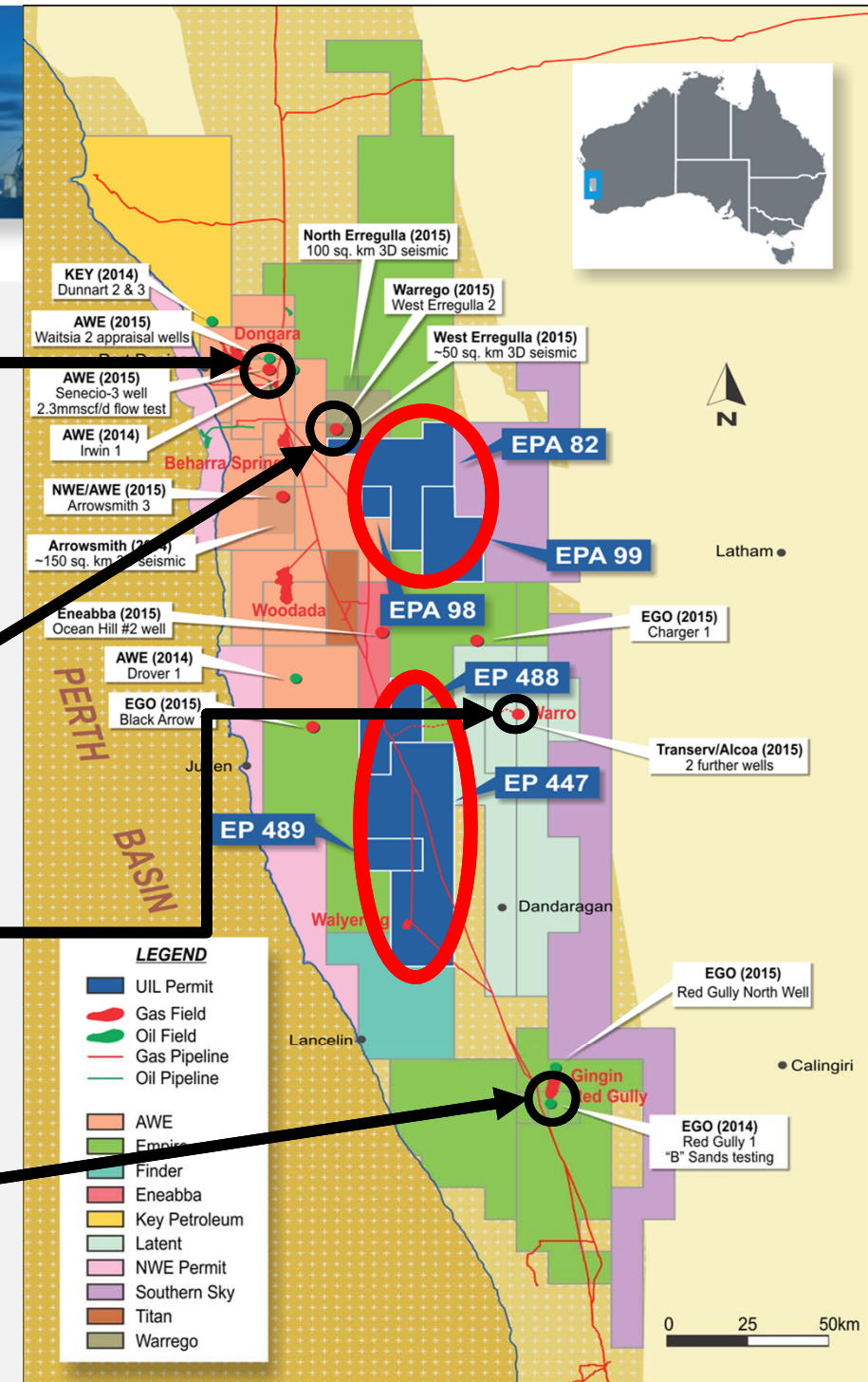
Largest onshore gas
discovery in WA
since 1960's by AWE
– three further wells
planned this year

Two Dutch
companies \$40m
investment first
horizontal well in
Perth Basin late 2015

Alcoa, largest gas
user exploring for
gas with 2 wells

Empire drilling Red
Gully North Well late
2015

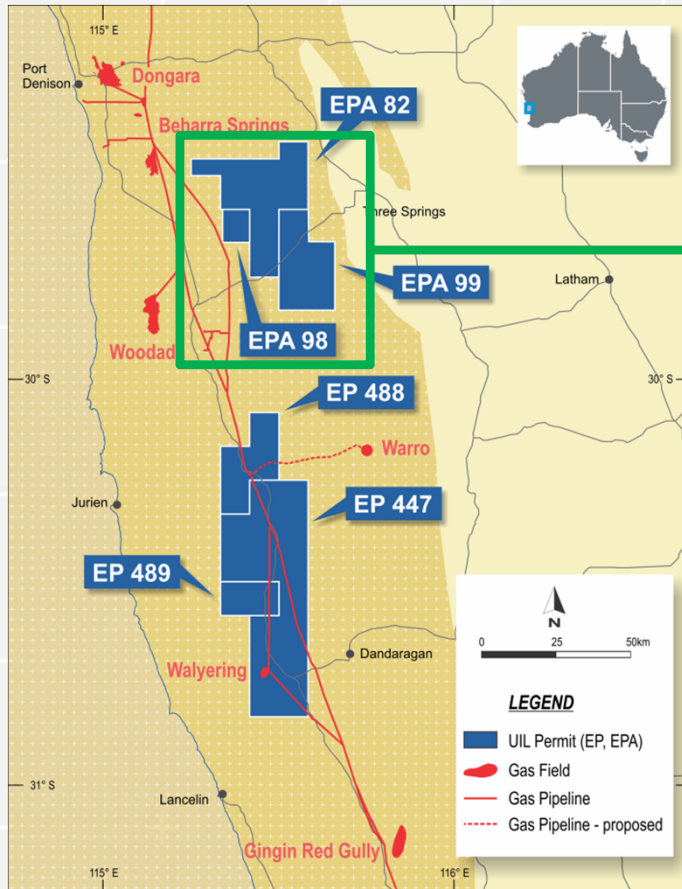
-  UIL Energy's permits
-  Major drilling and testing activity by other companies



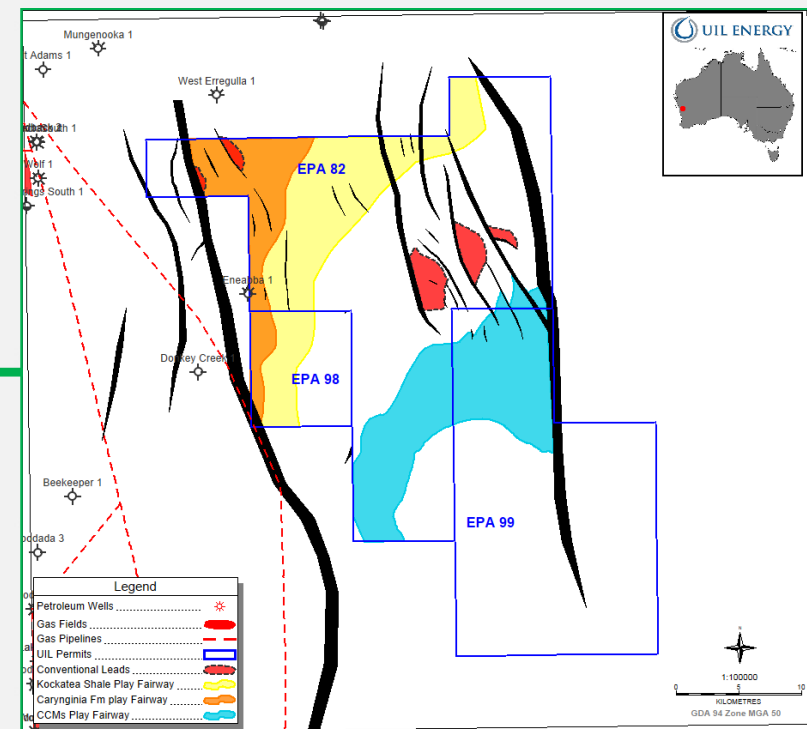
Northern Perth Prospectivity



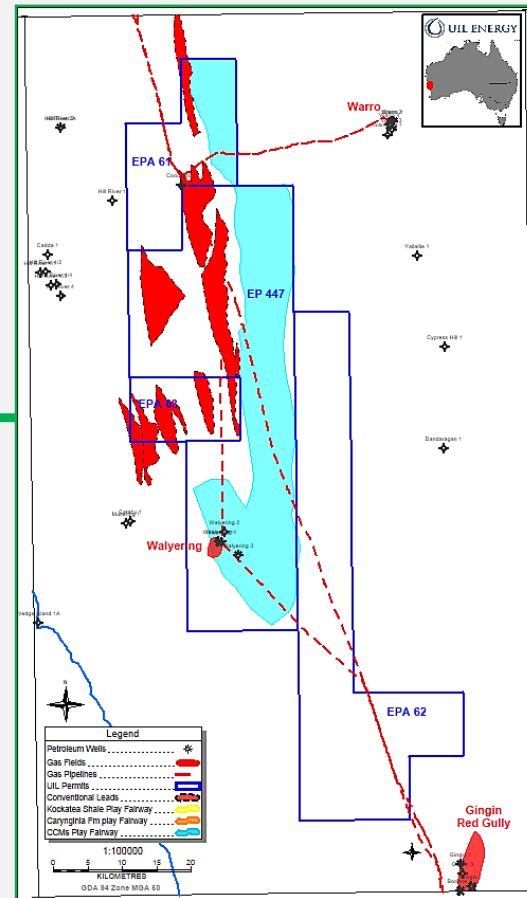
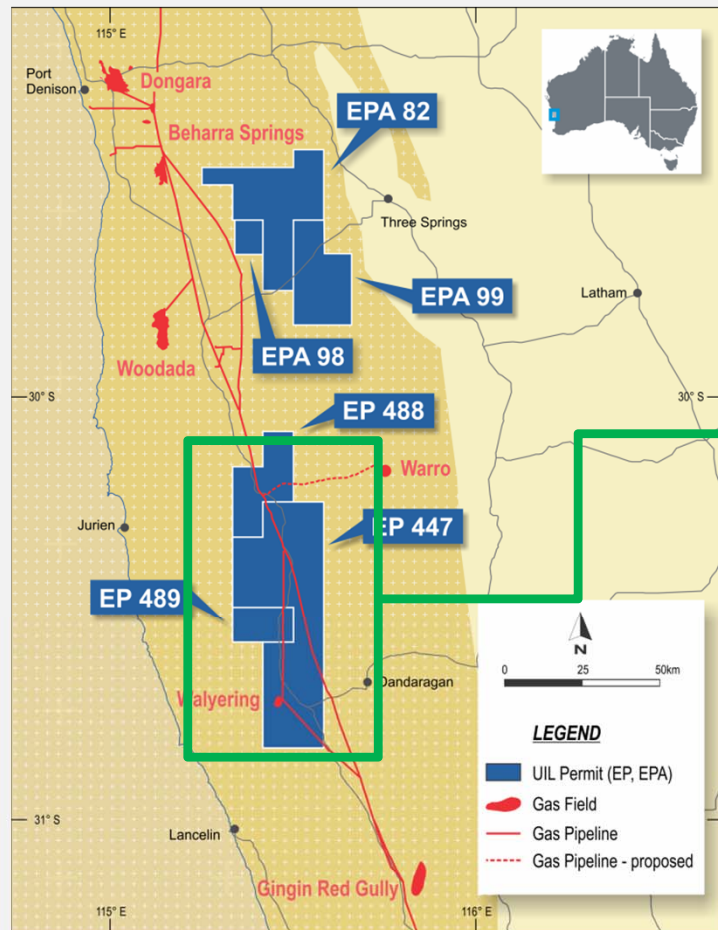
- ✓ North-western area of permits interpreted to contain similar reservoirs to those encountered by AWE's Senecio #3 discovery
- ✓ These formations have historically shown elevated or very high gas shows
- ✓ Seismic required to confirm the drilling depths and possible thickness variations of the targeted formations



Northern Assets Five Exploration Leads



Central Perth Prospectivity

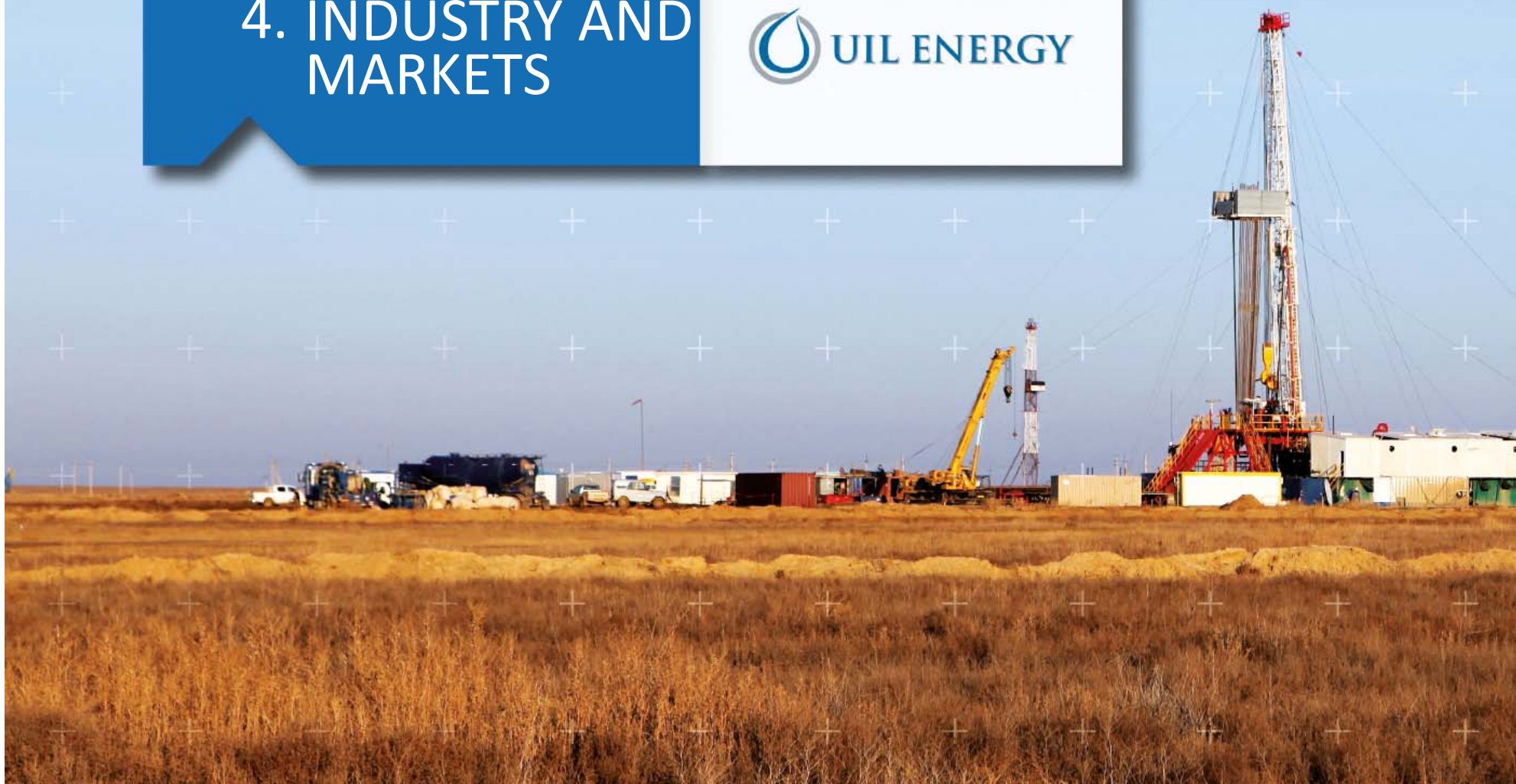


Central Assets
Nine Conventional Leads

- ✓ Permits have unrisked high case prospective resources of 1.45 Tcf over a basin centered gas play in the Cattamarra Coal measures (as at 30 June 2014)¹
- ✓ Has further conventional leads covering the western flank of the permits
- ✓ Further seismic required to upgrade the leads to drillable prospects

1. Best case prospective resources of 328 Bcf

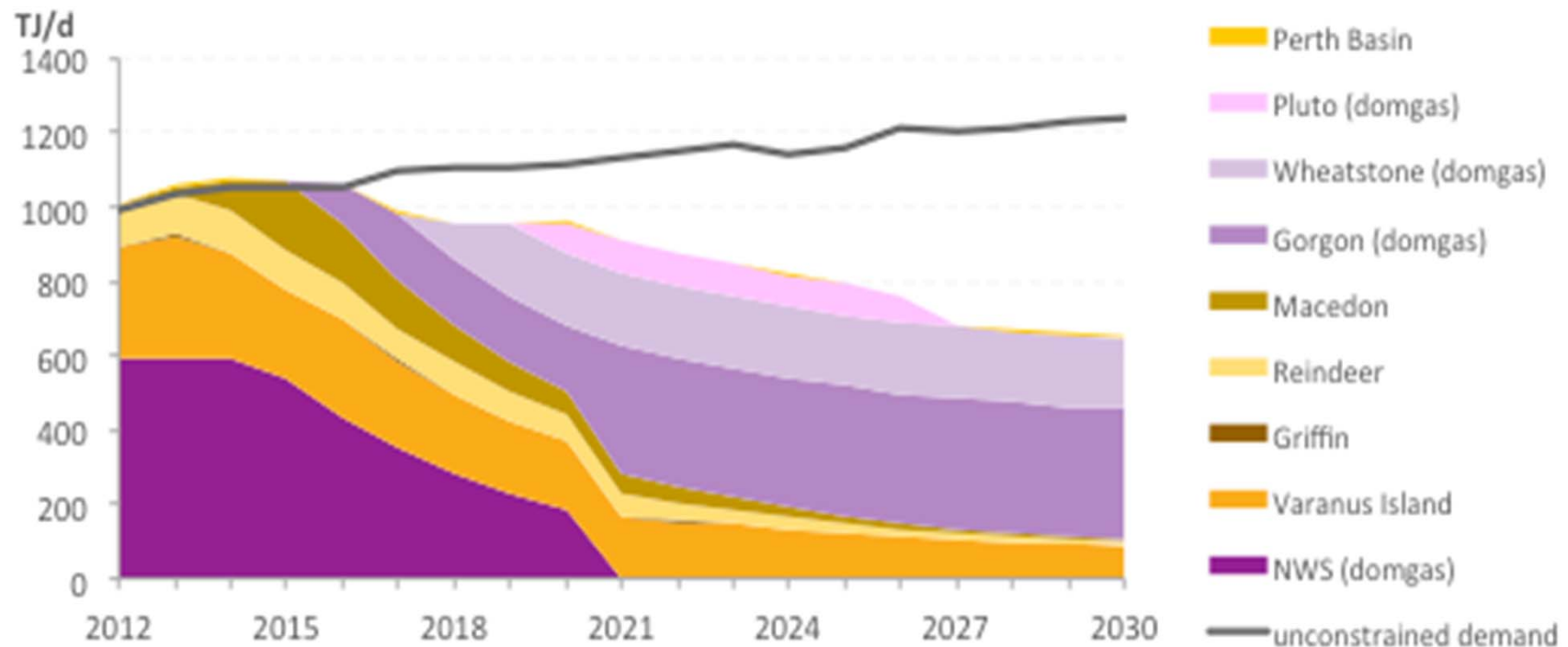
4. INDUSTRY AND MARKETS



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

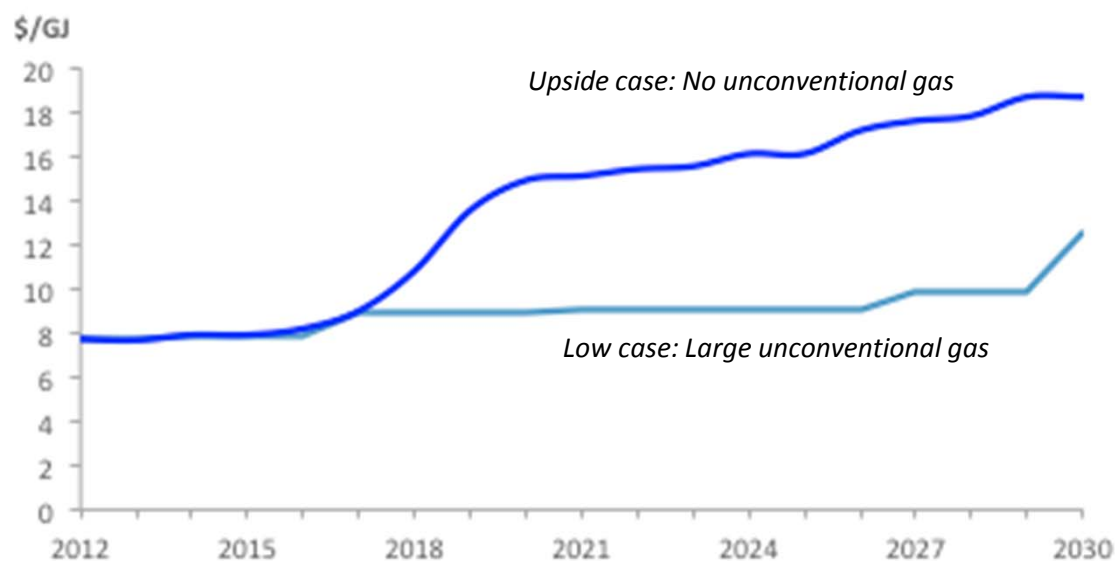


Source: ACIL Allen Consulting

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

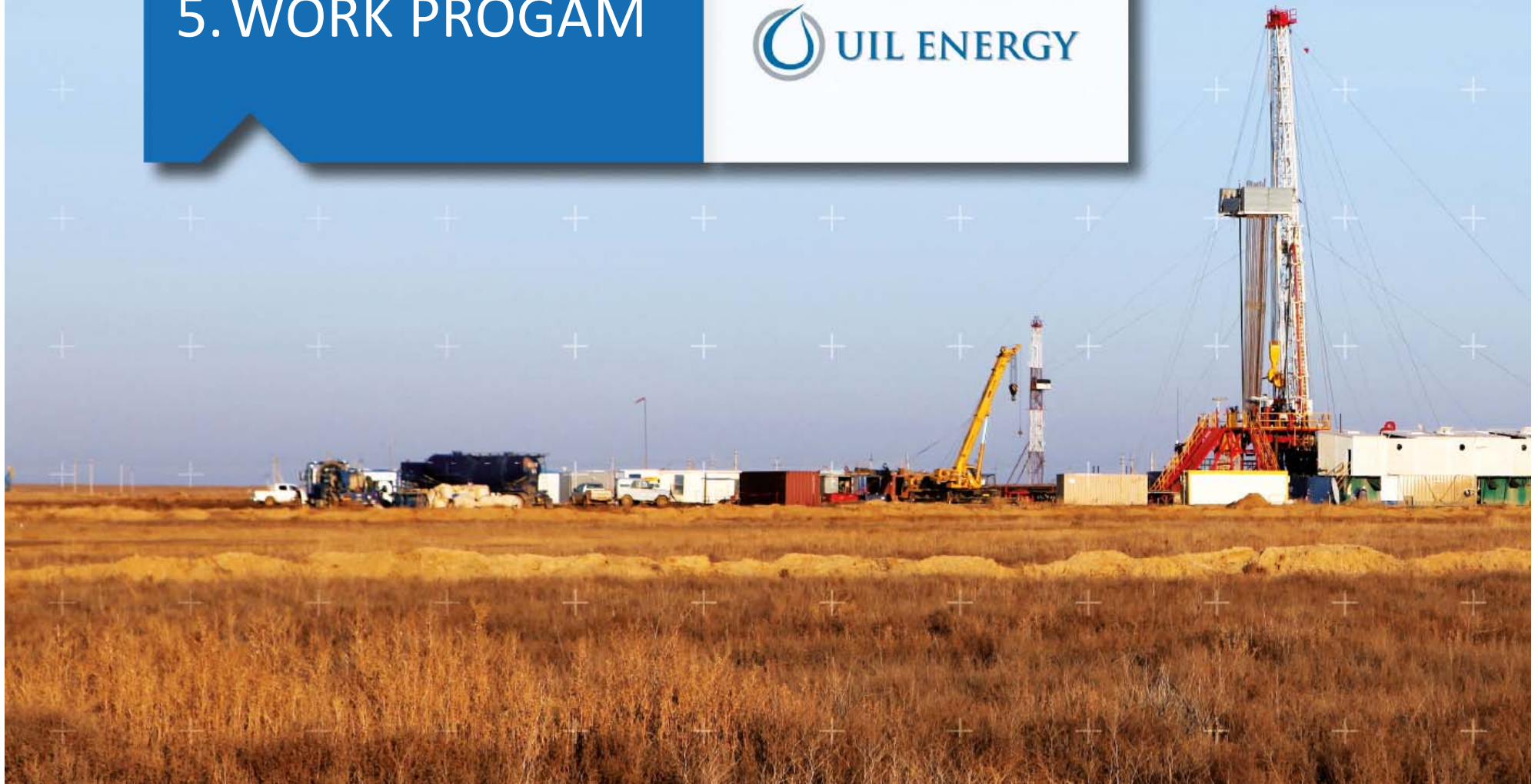
Impact of NWS decline

- 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. WORK PROGRAM



Ramp up of Perth Basin Activity – Over eight wells to be drilled²

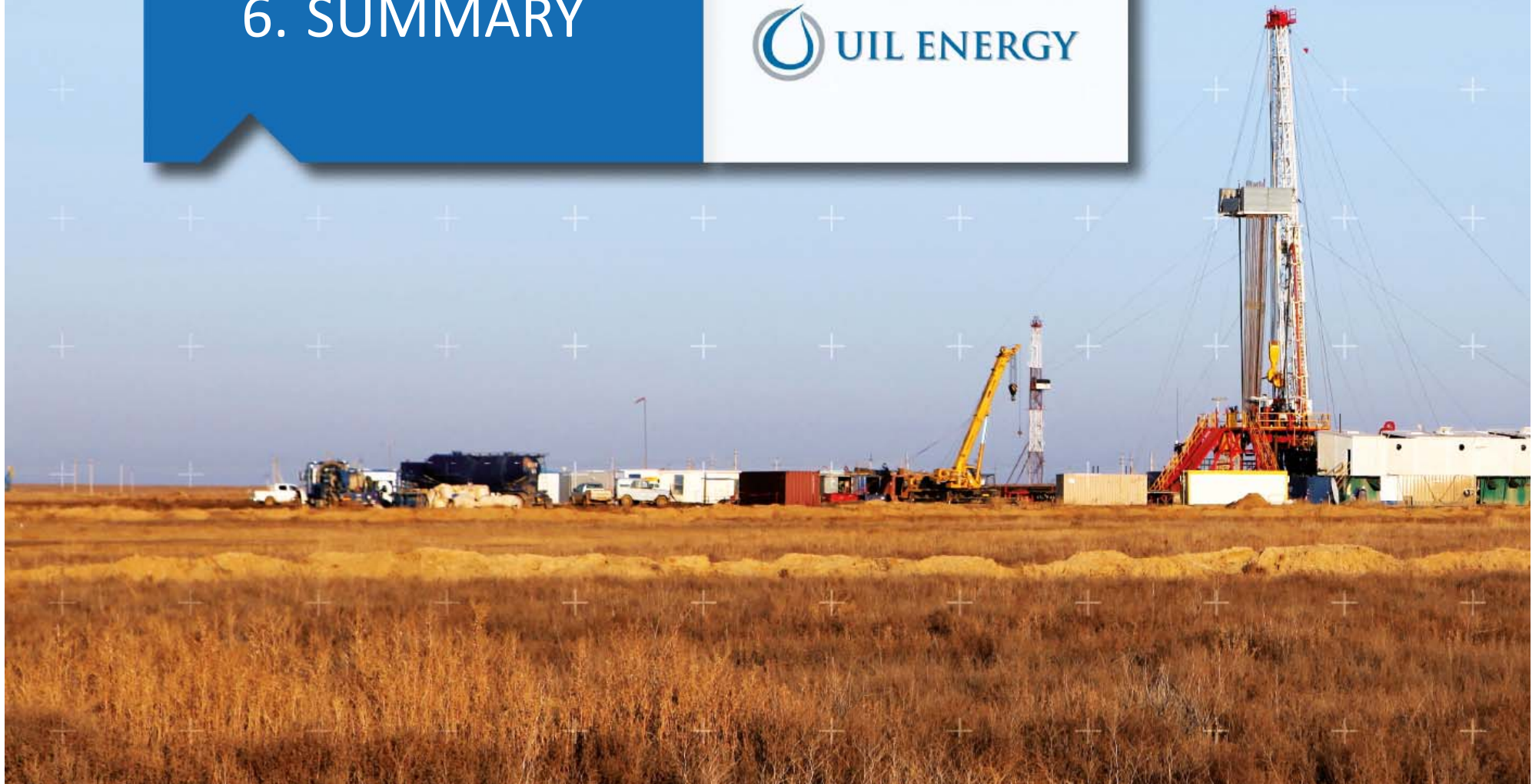


Operator	Project/Activity	Q1/Q2	2015						2016								
			Q3			Q4			Q1			Q2			Q3		
			J	A	S	O	N	D	J	F	M	A	M	J	J	A	S
North Perth Basin																	
UIL	Identify exploration targets	COMPLETED															
UIL	Expected grant of tenements																
UIL	Planning for seismic acquisition																
UIL	Potential farminee on 3D seismic and well																
AWE	Conventional flow test of Senecio well	COMPLETED															
AWE	Irwin-1 well	COMPLETED															
AWE	Senecio appaisal wells and further testing																
Warrego	Horizontal pilot well																
Norwest	Arrowsmith 3 - 3D seismic & horizontal pilot well	SEISMIC COMPLETED															
Central Perth Basin																	
UIL	Identify exploration targets	COMPLETED															
UIL	EP 447 seismic acquisition (1)																
UIL	EP 488/EP 489 2D Seismic acquisition & reprocessing																
UIL	Potential farminee on 3D seismic and well																
Empire	Gingin/Red Gully B sands production test	COMPLETED															
Empire	Red Gully North production well																
AWE	Drover-1 well assessment	COMPLETED															
Alcoa	2 stimulated wells in Warro Project																
Eneabba	Ocean Hill#2 well																

Other companies activities UIL Energy activity

1. Work program to be agreed with joint venture partner
2. Drilled by other companies and not UIL Energy

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 with significant drilling committed by other companies over the next 12-15 months
- ✓ Close to infrastructure for early commercialisation
- ✓ \$8 – 12/Mcf local gas prices and severely undersupplied market