

Notice of Annual General Meeting and Explanatory Memorandum

UIL Energy Ltd	ACN 153 352 160
Date of Meeting:	18 November 2015
Time of Meeting:	11.00 am (Brisbane time)
Place of Meeting:	HopgoodGanim Level 7, Waterfront Place 1 Eagle Street, Brisbane, QLD, 4000

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of shareholders of **UIL Energy Ltd ACN 153 352 160 (Company)** will be held at the offices of HopgoodGanim, Level 7, Waterfront Place 1 Eagle Street, Brisbane, QLD, 4000, on 18 November 2015 at 11:00 am (Brisbane time).

Terms used in this Notice of Meeting are defined in Section 7 of the accompanying Explanatory Memorandum.

Agenda

ORDINARY BUSINESS

Financial Statements

To receive and consider the financial statements of the Company and its controlled entities for the period ended 30 June 2015 and the related Directors' Report, Directors' Declaration and Auditor's report.

1. Resolution 1 - Adoption of the Remuneration Report

To consider and, if thought fit, pass the following Resolution, as an advisory Resolution, without amendment:

"That for the purposes of Section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report for the year ended 30 June 2015 (as set out in the Directors' Report) is adopted."

The Company's Annual Report 2015, which contains the Remuneration Report, is available on the Company's website <http://www.uilenergy.com.au>

The vote on this Resolution 1 is advisory only and does not bind the Directors or the Company.

Voting restriction pursuant to Section 250R(4) of the Corporations Act

A vote on this Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report; and
- (b) a Closely Related Party of such a member.

However, the above persons may cast a vote on Resolution 1 if:

- (a) the person does so as a proxy; and
- (b) the vote is not cast on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member; and
- (c) either:
 - (1) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
 - (2) the voter is the Chairman of the Meeting and the appointment of the Chairman as proxy:
 - (A) does not specify the way the proxy is to vote on the Resolution; and
 - (B) expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the

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remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

Voting Intentions of the Chairman

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying proxy form.

2. Resolution 2 - Re-election of Mr Keith Skipper as a Director

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

"That Mr Keith Skipper, who retires by rotation in accordance with Rule 20.2 of the Company's Constitution and, being eligible, offers himself for re-election be re-elected as a Director of the Company."

3. Resolution 3 – Approval of Director's Fee Plan and Issue of Plan Shares in Lieu of Director Fees

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

*"That in accordance with Listing Rule 10.14 and for the purposes of Listing Rule 7.2 exception 9 and all other purposes, the Directors' Fee Plan (for the issue of shares to Directors in lieu of fees for services) detailed in the Explanatory Memorandum be approved and the Company be authorised to issue up to 5,185,185 fully paid ordinary shares (**Plan Shares**) in aggregate to John de Stefani, Simon Hickey, Keith Skipper and Stephen Bizzell and any person appointed as a director of the Company in the ensuing 12 months, (or their nominees) (**Participating Directors**) under the Directors' Fee Plan as detailed in the Explanatory Memorandum."*

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 3 by:

- (a) the Participating Directors,; and
- (b) any associate of the Participating Directors.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 3 is a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 3 must not be cast by:

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(a) any member of the Key Management Personnel for the Company (or, if the Company is a consolidated entity, for the entity); or

(b) a Closely Related Party of such Key Management Personnel,

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

However, the Company need not disregard a vote on this Resolution 3 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 3, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

SPECIAL BUSINESS

4. Resolution 4 – Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A

To consider and, if thought fit, pass the following Resolution, as a Special Resolution, without amendment:

*“That, pursuant to and in accordance with Listing Rule 7.1A, and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, over a 12 month period from the date of the Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions described in the Explanatory Memorandum (**Placement Securities**).”*

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 4 by:

- (a) a person who may participate in the issue of the Placement Securities and a person who might obtain a benefit if this Resolution 4 is passed, except a benefit solely in their capacity as a holder of Shares if the Resolution is passed; and
- (b) an associate of that person (or those persons).

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

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Important Note

The proposed allottees of any Placement Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Placement Securities), shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

GENERAL BUSINESS

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By order of the board



15 October 2015
Drew Speedy
Company Secretary

Explanatory Statement

1. Introduction

This Explanatory Memorandum is provided to shareholders of **UIL Energy Ltd ACN 153 352 160 (Company)** to explain the resolutions to be put to Shareholders at the Annual General Meeting to be held at the offices of HopgoodGanim, Level 7, Waterfront Place, 1 Eagle Street, Brisbane, QLD, 4000 on Wednesday 18 November 2015 commencing at 11:00am (Brisbane time).

The Directors recommend shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Terms used in this Explanatory Memorandum are defined in Section 7.

2. Financial Statements

The Corporations Act requires that the Company's Annual Financial Report for the period ending 30 June 2015 (including the Directors' Report, Financial Statements and the Audit Report) be laid before the Annual General Meeting for discussion. Although not requiring a vote of members, an opportunity will be provided for members to ask questions on the Annual Financial Report.

The Company's Annual Report 2015, which contains the Remuneration Report, is available on the Company's website <http://www.uilenergy.com.au>

3. Resolution 1 - Adoption of Remuneration Report

3.1 Remuneration Report

In accordance with Section 250R of the Corporations Act, the Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding advisory Resolution.

The Remuneration Report is set out in the Directors' Report section of the Annual Financial Report for the period ending 30 June 2015 and is available on the Company's website <http://www.uilenergy.com.au>. The Report:

- (a) explains the Board's policy for determining the nature and amount of remuneration of executive directors and senior executives of the Company;
- (b) explains the relationship between the Board's remuneration policy and the Company's performance;
- (c) sets out remuneration details for each Director and the most highly remunerated senior executive of the Company; and
- (d) details and explains any performance conditions applicable to the remuneration of executive directors and senior executives of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

3.2 Recommendation

The Directors unanimously recommend that Shareholders vote in favour of adopting the Remuneration Report. A vote on this resolution is advisory only and does not bind the Directors or the Company.

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3.3 Voting restrictions on Key Management Personnel and their Closely Related Parties and their proxies

As set out in the notes to Resolution 1, a voting exclusion statement applies with respect to the voting on this Resolution by certain persons connected to the Company.

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including this Resolution 1, subject to compliance with the Corporations Act.

4. Resolution 2 - Re-election of Mr Keith Skipper as a Director

Mr Keith Skipper retires by rotation in accordance with Rule 20.2 of the Company's Constitution and, being eligible, offers himself for re-election as a Director.

Under Rule 20.2 of the Company's Constitution, one-third of Directors are required to retire at each annual general meeting (excluding directors seeking election at the meeting for the first time, or the Managing Director).

Mr Skipper retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election as a Director.

Keith Skipper's qualifications and experience

Mr Skipper is a Company executive and director with over 40 years of diverse experiences in the global petroleum industry in technical and executive leadership with major and independent oil and gas companies. Mr Skipper is currently a Non-executive Director of Samson Oil and Gas Ltd and a Director of other unlisted companies in Australia and Canada. Mr Skipper has a Bachelor of Science (Honours) and Masters of Science (Geology).

Mr Skipper is considered an Independent Director as per the ASX Guidelines and is Chairman of the Company's Audit and Risk Management Committee.

The Directors (with Mr Skipper abstaining) recommend that you vote in favour of this Ordinary Resolution.

5. Resolution 3 – Approval of Director's Fee Plan and Issue of Plan Shares in Lieu of Director Fees

5.1 Introduction

The Directors have resolved to refer to Shareholders for approval the Director's Fee Plan (**Plan**) and the proposed issue of up to a maximum of 5,185,185 fully paid ordinary Shares in aggregate to John de Stefani, Simon Hickey, Keith Skipper and Stephen Bizzell, the current executive and non-executive directors of the Company, and to any person appointed as a director of the Company in the ensuing 12 months, or to their respective nominees (**Participating Director**), pursuant to the Plan. The Shares will be issued in lieu of remuneration for the provision of services by the Directors. The terms of the Shares to be issued to the Participating Directors (**Plan Shares**) are set out in more detail below.

The Directors believe that the benefit of the Plan to Shareholders will be the conservation of cash for the Company to maintain a satisfactory level of working capital, as well as aligning the interest of directors with those of the Company and the Shareholders.

Approval for the Plan and the issue of the Plan Shares pursuant to the Plan is sought in accordance with Listing Rule 10.14 and for the purposes of Exception 9 of Listing Rule 7.2. As approval is being sought under Listing Rule 10.14, approval will not be required under Listing Rule 10.11.

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5.2 Background to the Proposal

The Directors wish to implement an employee share scheme in the form of the Plan which will allow for the issue of Shares to Directors in lieu of cash remuneration. All Directors have agreed to propose the plan as a precautionary measure to issue up to 50% of the remuneration of the managing director and up to 100% of the remuneration for the remaining Participating Directors payable in Shares (pending this approval) if required, for the ensuing 12 months.

Approval is sought for the Plan and the issue of Plan Shares to the Participating Directors in lieu of all or part of their Director's fees and remuneration pursuant to the Plan for the 12 months following the Meeting. As such the Plan Shares will be granted for nil cash consideration and no funds will be raised from their issue.

5.3 Listing Rule 10.14

Because each of the Participating Directors is a related party of the Company for the purposes of Listing Rule 10.11, the proposed issue of Plan Shares to Participating Directors under the Plan must be approved under Listing Rule 10.14.

If approval is given under Listing Rule 10.14 approval is not required under Listing Rule 7.1. Accordingly, if approved, the issue of the Plan Shares pursuant to Listing Rule 10.14 will not be counted towards the Company's 15% for the purpose of Listing Rule 7.1. As a result, the Directors of the Company will be able to consider additional funding initiatives consistent with the provisions of ASX Listing Rule 7.1 without diminishing its issue capacity under Listing Rule 7.1.

5.4 Information on the Director's Fee Plan and Issue of Plan Shares

The terms of the Plan under which Directors may be issued Plan Shares in lieu of fees and remuneration, including the formula for calculating the issue price, are set out in Schedule 1.

As the Plan is intended to operate for 12 months after the Meeting, and because the trading price for the Shares on the ASX may fluctuate, approval is sought for a maximum of 5,185,185 Plan Shares. This number has been determined on the basis of:

- (a) in the case of the current Participating Directors other than the managing director, the maximum aggregate amount of fees payable to Directors over a one year period of \$168,000;
- (b) in the case of the Participating Director who is a managing director, a maximum annual amount of \$112,000; and
- (c) an issue price of \$0.054, being the closing share price on 5th October 2015.

Accordingly, if the Plan Shares are issued at \$0.054 and 50% of the managing director's remuneration and all of the other Participating Directors remuneration is nominated to be issued as Plan Shares, the maximum number of 5,185,185 Plan Shares would be issued (representing 4.8% of the current issued share capital of the Company). However, if only 25% of the managing director's remuneration and only 50% of the other Participating Director's remuneration is nominated to be issued as Plan Shares, the number of Plan Shares issued would be 2,592,593 Plan Shares (representing 2.4% of the current issued share capital of the Company).

Subject to this cap of 5,185,185 Placement Shares, the number of Placement Shares which will be issued in the 12 months from the date of the Meeting will be determined by the relevant issue price of the Shares at the time of issue and the level of remuneration which each Participating Directors specifies is to be paid by way of the issue of Plan Shares. If the maximum number of 5,185,185 Plan Shares is reached before the expiration of 12 months from the Meeting, no further Plan Shares will be issued.

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Accordingly, if the average issue price of Plan Shares issued during the 12 months after the Meeting is higher than \$0.054, for example, at \$0.065 and 50% of the managing director's remuneration and 100% of the remaining Participating Directors remuneration is nominated to be issued as Plan Shares, the number of Plan Shares issued during the next 12 months would be reduced (to 4,307,692 Plan Shares at an issue price of \$0.065 representing 4% of the current issued share capital of the Company). If the average share price is lower than \$0.054, then the number of Plan Shares issued in exchange for the amount of remuneration nominated will increase but the total number of Plan Shares issued under the Plan between the Participating Directors will not exceed 5,185,185 Plan Shares.

5.5 Directors' Interests

All Participating Directors have a material interest in the outcome of Resolution 3, as it is proposed to issue shares to them (or their nominee).

If each of the Participating Directors participated in the Plan for 100% of their directors remuneration (or 50% in the case of the Participating Director who is the managing director), , then the effect on the holding of each Participating Director would be as follows:

Participating Director	Current share holding	% of total share capital	Maximum shares issued (on the basis of an issue price of \$0.054) (3)	Share holding after maximum shares issued (3)	% of total share capital after maximum shares issued (3)	Other securities
John de Stefani	12,472,477	11.55%	2,074,074 (1)	14,546,551 (1)	12.85% (1)	5,048,401 options 430,000 performance rights
Simon Hickey	18,640,044	17.26%	1,777,778 (2)	20,417,822 (2)	18.04% (2)	2,842,074 options 240,000 performance rights
Keith Skipper	Nil	Nil	666,667 (2)	666,667 (2)	0.59% (2)	500,000 options
Stephen Bizzell	8,733,258	8.08%	666,667 (2)	9,399,925 (2)	8.3% (2)	5,667,900 options

Notes:

- (1) On the basis of Plan Shares issued in lieu of 50% of remuneration as the managing director;
- (2) On the basis of Plan Shares issued in lieu of 100% of remuneration as a director;
- (3) Based upon the current share capital at the date of this Notice of Meeting of 108,023,755 and assumes that no current options on issue are exercised and no other securities are issued.

5.6 Information required under ASX Listing Rule 10.15

In accordance with Listing Rule 10.15 and for the benefit of Shareholders in considering this Resolution, the Company advises as follows:

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- (a) Plan Shares will only be issued to Participating Directors or to their nominees;
- (b) The maximum number of Plan Shares to be issued during the 12 months after the Meeting is 5,185,185. The number of Plan Shares issued under the Plan will be determined by the application of the relevant issue price to the level of remuneration nominated by the Participating Directors to be paid by the issue of Plan Shares, but will not exceed 5,185,185 during the 12 months following the Meeting.
- (c) The issue price of each Plan Share will be determined on the basis of the Volume Weighted Average Market Price of Shares for the last 30 Trading Days of the quarter for which an Election Notice has been given by a Participating Director and any fractional entitlement to be issued Plan Shares will be rounded up to the nearest whole number;
- (d) No persons have previously received any securities under the Plan and no securities are intended to be issued until this Resolution 3 is passed by shareholders;
- (e) The Participating Directors are John de Stefani, Simon Hickey, Keith Skipper and Stephen Bizzell and any person appointed as a Director of the Company during the 12 months after the Meeting;
- (f) No loans are being given in respect of the issue of any Plan Shares; and
- (g) The Plan Shares are intended to be issued as and when elections are made by Participating Directors under the Plan, the intention being that Plan Shares would be issued to the Participating Directors in 4 tranches on the ending of each quarter (December 2015, March 2016, June 2016 and September 2016) and in any event no later than twelve (12) months following the date of the Meeting.

Save as set out in this Explanatory Statement, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by Resolution 3.

Directors' Recommendation

Each of John de Stefani, Simon Hickey, Keith Skipper and Stephen Bizzell has a material personal interest in Resolution 3 and do not make any recommendations.

6. Resolution 4 – Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A

6.1 Introduction

Pursuant to Resolution 4, the Company is seeking Shareholder approval to issue an additional 10% of its issued capital over a 12 month period pursuant to Listing Rule 7.1A. If passed, this Resolution will allow the Company to allot and issue up to the number of new Equity Securities calculated in accordance with Listing Rule 7.1A.2 (**Placement Securities**) each at an issue price of at least 75% of the volume weighted average price (**VWAP**) for the Company's Equity Securities in that class (calculated over the last 15 days on which trades in the Equity Securities are recorded immediately before the date on which the price at which the Placement Securities are to be issued is agreed, or if the Placement Securities are not issued within five trading days of that date, the date on which the Placement Securities are issued) (**Issue Price**).

This approval is sought pursuant to Listing Rule 7.1A. Under Listing Rule 7.1A, small and mid cap listed entities that meet the eligibility threshold and have obtained the approval of their ordinary shareholders by special resolution at the annual general meeting, are permitted to issue an additional 10% of issued capital over a 12 month period from the date of the annual general meeting (**Additional 10% Placement**). The Additional 10% Placement under Listing Rule 7.1A is in addition to the ability of the Company to issue 15% of its issued capital without shareholder approval over a 12 month period pursuant to Listing Rule 7.1. The Company may

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issue the Placement Securities to raise funds for the Company and as non-cash consideration (further details of which are set out below).

Funds raised from the issue of Placement Securities, if undertaken, would be applied towards the continued exploration and further technical studies on the Company's current assets and general working capital.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

6.2 Listing Rule 7.1A

(a) General

(1) Eligibility

An entity is eligible to undertake an Additional 10% Placement if at the time of its annual general meeting it has a market capitalisation of \$300 million or less and it is not included in the S&P/ASX300 Index.

For illustrative purposes only, on 5 October 2015, the Company's market capitalisation was \$5.83 million based on the closing trading price on that date. The calculation of market capitalisation will be based on the closing price of the shares, on the last trading day on which trades in the shares were recorded before the date of the Annual General Meeting, multiplied by the number of Shares on issue (excluding restricted securities and securities quoted on a deferred settlement basis).

The Company is also not anticipated to be included in the S&P/ASX300 Index as at the time of the Annual General Meeting, however, it should be noted that the S&P/ASX300 Index is rebalanced twice a year in March and September. The Company is therefore an Eligible Entity and able to undertake an Additional 10% Placement under Listing Rule 7.1A.

In the event that the Company for any reason ceases to be an Eligible Entity after the Company has already obtained Shareholder approval pursuant to this Resolution 4, the approval obtained will not lapse and the Company will still be entitled to issue the Placement Securities.

(2) Special Resolution

Listing Rule 7.1A requires this Resolution 4 to be passed as a Special Resolution, which means that it must be passed by at least 75% of the votes cast by members entitled to vote on the Resolution. Pursuant to Listing Rule 7.1A, no Placement Securities will be issued until and unless this Special Resolution is passed at the Meeting.

(3) Shareholder approval

The ability to issue the Placement Securities is conditional upon the Company obtaining Shareholder approval by way of a Special Resolution at the Meeting.

(4) Formula for calculating Additional 10% Placement

Listing Rule 7.1A.2 provides that Eligible Entities that have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

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Where:

A is the number of ordinary securities on issue 12 months before the date of issue or agreement:

- (1) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
- (2) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- (3) plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rules 7.1 or 7.4 (but note that this does not include an issue of fully paid ordinary securities under the entity's 15% placement capacity without shareholder approval); and
- (4) less the number of fully paid ordinary securities cancelled in the 12 months.

Note that "A" has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

(b) Listing Rules 7.1 and 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% capacity under Listing Rule 7.1.

At the date of this Notice of Meeting, the Company has on issue 108,023,755 Shares. Provided that the number of Shares on issue remains the same, the Company would have the capacity to issue the following Equity Securities on the date of the Meeting:

- (A) 16,203,563 Equity Securities under Listing Rule 7.1; and
- (B) subject to Shareholder approval being obtained under Resolution 4, 10,802,375 Placement Securities under Listing Rule 7.1A.

The actual number of Placement Securities that the Company will have the capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Placement Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as described above).

(c) Information to be given to ASX – Listing Rule 7.1A.4

If Resolution 4 is passed and the Company issues any Placement Securities under Listing Rule 7.1A, the Company will give to ASX:

- (1) a list of allottees of the Placement Securities and the number of Placement Securities allotted to each (this list will not be released to the market); and
- (2) the following information required by rule 3.10.5A, will be released to the market on the date of issue:

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- details of the dilution to the existing holders of Shares caused by the issue;
- where the Shares are issued for cash consideration, a statement of the reasons why the Company issued the Shares as a placement under rule 7.1A and not as (or in addition to) a pro rata issue or other type of issue in which existing Shareholders would have been eligible to participate;
- details of any underwriting arrangements, including any fees payable to the underwriter; and
- any other fees or costs incurred in connection with the issue.

6.3 Specific information required by Listing Rule 7.3A

(a) Minimum price of securities issued under Listing Rule 7.1A - Listing Rule 7.3A.1

Pursuant to and in accordance with Listing Rule 7.1A.3, the Placement Securities issued pursuant to approval under Listing Rule 7.1A must have an issue price of not less than 75% of the VWAP for the Equity Securities over the 15 trading days immediately before:

- (1) the date on which the price at which the Placement Securities are to be issued is agreed; or
- (2) if the Placement Securities are not issued within five trading days of the date in paragraph (1) above, the date on which the Placement Securities are issued.

The Company will disclose to the ASX the issue price on the date of issue of the Placement Securities.

(b) Risk of economic and voting dilution - Listing Rule 7.3A.2

As provided by Listing Rule 7.3A.2, if Resolution 4 is passed and the Company issues the Placement Securities, there is a risk of economic and voting dilution to the existing Shareholders. The Company currently has on issue 108,023,755 Shares. Should the number of Shares on issue remain the same, the Company could issue 10,802,375 Placement Securities on the date of the meeting (however, it is important to note that the exact number of Placement Securities which may be issued will be calculated in accordance with the formula contained in Listing Rule 7.1A.2, details of which are set out above). Any issue of Placement Securities will have a dilutive effect on existing Shareholders.

There is a specific risk that:

- (1) the Market Price for the Company's Equity Securities may be significantly lower on the date of the issue of any Placement Securities than it is on the date of the Meeting; and
- (2) the Placement Securities may be issued at a price that is at a discount to the Market Price for the Company's Equity Securities on the issue date, which may have an effect on the amount of funds raised by the issue or the value of the Placement Securities.

As required by Listing Rule 7.3A.2, Table 1 below shows the potential economic and voting dilution effect, in circumstances where the issued share capital has doubled and the Market Price of the shares has halved. Table 1 also shows additional scenarios in

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which the issued share capital has increased (by both 50% and 100%) and the Market Price of the shares has:

- (1) decreased by 50%; and
- (2) increased by 100%.

Table 1

Issued Share Capital	Share	50% decrease in Market Price \$0.027		Current Market Price \$0.054		100% increase in Market Price \$0.108	
		10% Voting Dilution	Capital Raised	10% Voting Dilution	Capital Raised	10% Voting Dilution	Capital Raised
Present Issued Share Capital = 108,023,755 Shares		10,802,376	\$291,664	10,802,376	\$583,328	10,802,376	\$1,166,657
50% Increase in Share Capital = 162,035,632 Shares		16,203,563	\$437,496	16,203,563	\$874,992	16,203,563	\$1,749,985
100% Increase in Share Capital = 216,047,510 Shares		21,604,751	\$583,328	21,604,751	\$1,166,657	21,604,751	\$2,333,313

Assumptions and explanations

- The table assumes that there are 108,023,755 Shares on issue.
- Assumes a Market Price of \$0.054 based on the closing price of the shares on the ASX on 5 October 2015.
- The above table only shows the dilutionary effect based on the issue of the Placement Securities (assuming only Shares are issued), and not any Shares issued under the 15% capacity under Listing Rule 7.1.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue.
- The Company issues the maximum number of Placement Securities.
- The issue price of the Placement Securities used in the table is the same as the Market Price and does not take into account the discount to the Market Price (if any).

(c) Final date for issue – Listing Rule 7.3A.3

As required by Listing Rule 7.3A.3, the Company will only issue and allot the Placement Securities during the 12 months after the date of this Meeting which the Company anticipates will end on 18 November 2016. The approval under Resolution 4 for the issue of the Placement Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities of the Company) or Listing Rule 11.2 (the disposal of the main undertaking of the Company) before the anniversary of the Annual General Meeting.

(d) Purpose – Listing Rule 7.3A.4

As noted above, the purpose for which the Placement Securities may be issued include to raise funds for the Company and as non-cash consideration (further details of which are set out below). Funds raised from the issue of Placement Securities, if undertaken,

Explanatory Statement

would be applied towards the continued exploration and further technical studies on the Company's current assets and general working capital.

(e) **Shares issued for non-cash consideration - Listing Rule 7.3A.4**

The Company may issue Placement Securities for non-cash consideration, such as the acquisition of new assets or investments. If the Company issues Placement Securities for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the Placement Securities complies with Listing Rule 7.1A.3.

(f) **Company's allocation policy - Listing Rule 7.3A.5**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue of the Placement Securities. The identity of the allottees of Placement Securities will be determined on a case-by-case basis having regard to a number of factors including but not limited to the following:

- (1) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which existing shareholders can participate;
- (2) the effect of the issue of the Placement Securities on the control of the Company;
- (3) the financial situation and solvency of the Company; and
- (4) advice from corporate, financial and broking advisers (if applicable).

The allottees of the Placement Securities have not been determined as at the date of this Notice but may include existing substantial Shareholders and new Shareholders who are not related parties or associates of a related party of the Company.

Furthermore, if the Company is successful in acquiring new assets or investments for which Placement Securities are issued as consideration, it is likely that the allottees of some of the Placement Securities will be the vendors of the new assets or investments.

(g) **Company has previously obtained shareholder approval under listing rule 7.1A**

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the previous annual general meeting held on 26 November 2014 but has not issued any Equity Securities under this authority.

As the Company has previously obtained Shareholder approval under Listing Rule 7.1A, the following information is provided to Shareholders, in accordance with Listing Rule 7.3A.6, regarding the Equity Securities (quoted and unquoted) issued in the previous 12 months preceding the date of the AGM (that is, since 18 November 2014):

Listing Rule 7.3A.6(a): Total equity securities issued in previous 12 months

Number of equity securities on issue on at commencement of 12 month period	108,023,755 Ordinary Shares 35,812,959 Share Options 1,000,000 Performance Rights 144,836,714 Equity Securities (Total)
Equity securities issued in prior 12 month period	500,000 Share Options
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	0.35%

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Listing Rule 7.3A.6(b): Details of equity securities issued in previous 12 months

Date of Issue:	26 November 2014
Number issued:	500,000
Type of equity security:	Unquoted Share Options
Summary of terms:	Exercise Price of \$0.30 and an expiry date of 30 June 2017.
Names of persons who received securities or basis on which those persons was determined	Mr Stephen Bizzell following shareholder approval at the 2014 AGM.
Price at which equity securities were issued:	Exercise Price of \$0.30
Consideration received:	Nil consideration received until exercised.
Use of Cash:	Not Applicable
Non-cash consideration paid:	Not Applicable

(h) **Voting Exclusion Statement**

A voting exclusion statement is included in this Notice. At the date of the Notice, the proposed allottees of any 10% Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the 10% Securities), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

7. Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm (Brisbane time) on 16 November 2015. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

8. Interpretation

Annual General Meeting or Meeting means the Annual General Meeting of the Company to be held on 18 November 2015.

ASIC means the Australian Securities and Investments Commission.

ASX means the ASX Limited ACN 008 624 691.

Board means the board of directors of the Company.

Closely Related Party (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependent of the member or the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or

Explanatory Statement

- (e) a company the member controls; or
- (f) a person prescribed by the regulations for the purposes of this paragraph.

Company means UIL Energy Ltd ACN 153 352 160

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company.

Equity Securities has the meaning given to that term in the Listing Rules.

Listing Rules means the listing rules of the ASX.

Key Management Personnel has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity.

Market Price has the meaning given to that term in the Listing Rules.

Notice of Meeting or **Notice** means this notice of meeting.

Options means an option to subscribe for a Share in the Company.

Ordinary Resolution means a resolution passed by more than 50% of the votes cast by members entitled to vote on the Resolution.

Placement Securities means the Equity Securities that may be issued if Resolution 4 is passed, representing up to 10% of the issued capital of the Company (at the time of issue) and calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, over a 12 month period from the date of the Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3, and otherwise on the terms and conditions described in the Explanatory Memorandum.

Resolution means a resolution to be proposed at the Meeting.

Shares means ordinary fully paid shares in the issued capital of the Company

Special Resolution means a resolution:

- (a) of which notice has been given as set out in paragraph 249L(1)(c) of the Corporations Act; and
- (b) passed by at least 75% of the votes cast by members entitled to vote on the Resolution.

VWAP means the volume weighted average market price of the Shares.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Drew Speedy (Company Secretary): drew.speedy@uilenergy.com phone +61 7 3007 9600

Explanatory Statement

Schedule 1 - Summary of terms of Director's Fee Plan

- (a) All executive and non-executive Directors of the Company will be entitled during the term of the Plan to elect to be paid some or all of their remuneration for services by way of an issue of Shares.
- (b) An Election Notice may be given by a Participating Director within 10 Business Days after each quarter and will specify:
 - (1) the amount of any Outstanding Remuneration that a Participating Director wishes to be paid by way of Plan Shares; and
 - (2) whether the Participating Director wishes to have the Plan Shares issued in his or her own name or in the name of a nominee.
- (c) The obligation of the Company to issue any Plan Shares is subject to obtainment of any approvals which may be required under:
 - (1) the Listing Rules; and
 - (2) the Corporations Act 2001 (Cth).
- (d) The issue price of each Directors Share will be determined on the basis of the volume-weighted average price of Shares for the last 30 Trading Days of the quarter for which the Election Notice is given by a Participating Director and any fractional entitlement to be issued Plan Shares will be rounded up to the nearest whole number.
- (e) The Company will:
 - (1) issue the Plan Shares in lieu of any Outstanding Remuneration as specified in the Election Notice within three Business Days of receipt of an Election Notice;
 - (2) forthwith deliver a statement of holding in respect of the Plan Shares; and
 - (3) cause the Plan Shares to be listed on ASX as soon as reasonably practicable.
- (f) Unless otherwise approved by shareholders of the Company, the maximum number of Plan Shares which may be issued by the Company in each 12 months during the term of the Plan will be 5,185,185 Plan Shares.

LODGE YOUR VOTE



EMAIL

Scan and email to: info@uilenergy.com



BY MAIL

UIL Energy Limited
GPO Box 3284
Brisbane QLD 4000
Australia



BY FAX

+61 7 3212 9201



ALL ENQUIRIES TO

Telephone: +61 7 3007 9600



X99999999999

PROXY FORM

I/We being a member(s) of UIL Energy Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY



the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am on Wednesday, 18 November 2015 at the offices of HopgoodGanim, Level 7, Waterfront Place, 1 Eagle Street, Brisbane, QLD, 4000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1 and 3: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1 and 3, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement may be made.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

1 Adoption of the Remuneration Report

2 Re-election of Mr Keith Skipper as a Director

3 Approval of Director's Fee Plan and Issue of Plan Shares in Lieu of Director Fees

4 Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am on Monday, 16 November 2015**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged:



EMAIL

Scan and email to: info@uilenergy.com



BY MAIL

UIL Energy Limited
GPO Box 3284
Brisbane QLD 4000
Australia



BY FAX

+61 7 3212 9201

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**