



## **ASX Announcement**

**21 September 2016**

### **Bombora to Farmin to Walyering Project Area**

#### **Highlights**

- **UIL Energy Ltd and Bombora Natural Energy Pty Ltd have signed a conditional agreement to enable Bombora to farmin on the Walyering project area within UIL Energy's Perth Basin permit EP447**
- **Bombora to fund \$2.5 million for a maximum 100km<sup>2</sup> 3D seismic survey and earn a 70% working interest in four graticular blocks within EP447 (Walyering project area)**
- **Bombora to focus on evaluation of the previously discovered Walyering Gas Field, where 3 of 4 historical wells encountered gas within multiple Jurassic age sands, with the best-tested unstimulated zone flowing at 13.5 MMCF/D**

The Directors of UIL Energy Ltd (UIL Energy) (ASX:UIL) are pleased to announce they have entered into a Letter of Intent (LOI) with Bombora Natural Energy Pty Ltd (Bombora) for Bombora to earn a working interest and right to operate in the Walyering project area within UIL Energy's 100% owned EP447 by a farmin arrangement.

Under the LOI, Bombora can earn a 70% working interest and the right to operate in four graticular blocks (highlighted in figure 1 below), by funding and completing 100% of the cost of preparation, acquisition, processing and interpretation of the farmin 3D seismic survey. The farmin project area represents approximately a quarter of the entire EP447 permit, allowing UIL Energy to pursue conventional targets identified in the northern portion of the permit.

Bombora will fund up to a gross cost cap of A\$2.25 million for an 80km<sup>2</sup> survey and up to \$2.5 million for an 100km<sup>2</sup> survey. The final size of the 3D seismic survey will be determined following further analysis over the prospective area. Costs in excess of the gross cost cap will be shared pro rata between the parties, but in any event UIL Energy's maximum exposure will be \$100,000.

The Walyering Gas Field, discovered and only partly produced by West Australian Petroleum Pty Ltd (WAPET) in the early 1970's, is the focus of the farmin area. Three of four historical wells encountered gas within multiple Jurassic age sands, with the best-tested unstimulated zone flowing at 13.5 MMCF/D. The Parmelia Gas pipeline was originally connected to the Walyering-1 well and directly crosses the gas discovery area.

Bombora has reassessed the original wells and vintage 2D seismic, recognising significant left-behind gas and condensate potential and plans to define this better via a new 3D seismic survey.

Subject to necessary permitting and planning approvals, acquisition of the 3D seismic data is scheduled for the second quarter of 2017. Bombora has just completed a seed capital raising to progress these approvals and its other projects.

Completion of the transaction is subject to certain terms and conditions that include Bombora being satisfied with the results of its due diligence and completing such due diligence within 30 days from execution of the LOI. Bombora and UIL Energy are proceeding as planned to execute definitive documents including a Farmin Agreement (FIA) and a Joint Operating Agreement (JOA) for the Walyering Farmin Area.

UIL Energy's Managing Director John De Stefani commented:

*"UIL Energy is pleased to have Bombora onboard to further explore and develop the Perth Basin. The farmin with Bombora allows UIL Energy to focus efforts on its core projects, particularly the 100% owned, newly acquired Ocean Hill prospect where there is an already defined 2C Contingent Resource of 360 BCF plus condensate.*

*Following the expected 3D seismic on both the Ocean Hill and Walyering project areas, UIL Energy will have potentially two highly prospective drillable locations within the next 12 months".*

Commenting on the transaction with UIL Energy, Bombora Executive Chairman John Begg said:

*"We are pleased that one of Bombora's foundation projects will be in collaboration with a like-minded company in UIL Energy and is in my "old stomping ground", the Perth Basin. Our farmin is focused on the southern portion of EP447 covering the historical Walyering Gas Field which fits our business model and offers a potential fast track to gas production. It's a win-win structure that allows each party to pursue its priorities. In particular by spreading the application of resources and investment capital with the goal of proving up, multiple, independent, and lower risk gassy drill targets".*

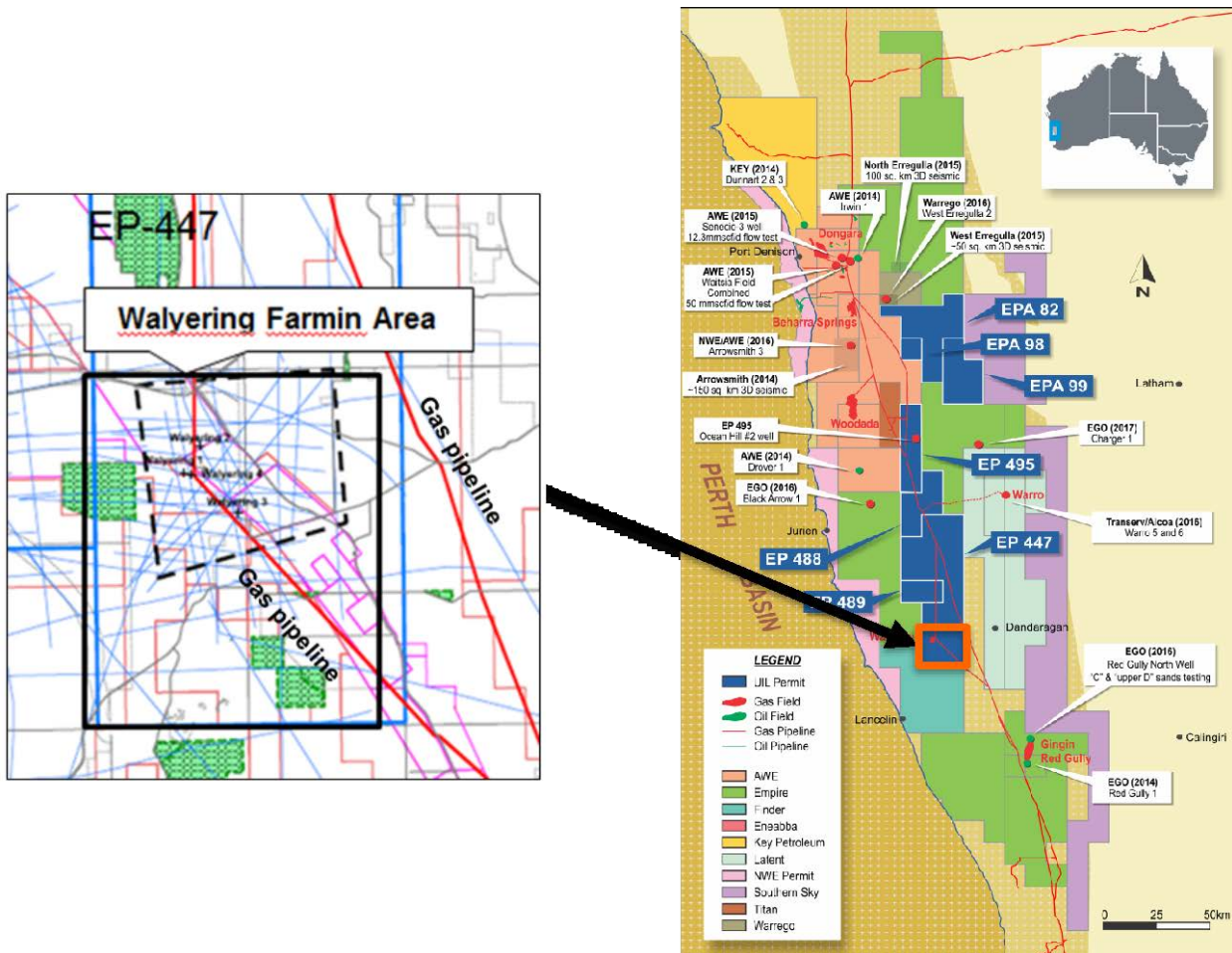
For and on behalf of the Board  
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**Figure 1 – Schematic Location of the Walyering Project Area**



### About UIL Energy Ltd

UIL Energy Ltd (ASX:UIL) is an Australian oil and gas exploration company targeting conventional and unconventional plays with a focus on the Perth Basin, one of Australia's largest producing basins.

The Company's strategy is to focus on large-scale opportunities across known petroleum basins with a history of gas production in Western Australia. UIL Energy has targeted areas that have pipeline or transport infrastructure in place or in reasonable proximity.

UIL Energy's permits in Western Australian provide it with access to the largest domestic gas sector in Australia. The gas market is supply constrained with estimated gas prices to rise above \$10/GJ in real terms over the next 16 years.

UIL Energy has an experienced Board and management team with an expertise in oil and gas exploration, development and production as well as a strong track record of value creation for shareholders.

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### ***About Bombora Natural Energy Pty Ltd***

Bombora Natural Energy Pty Ltd ("Bombora") is an unlisted public company founded by John Begg and based in Perth, Western Australia.

Bombora is supported by Hartley's Limited and will be seeking to list on the ASX in the near term. Mr Begg, a petroleum geologist, has a history with successful oil and gas developments in the Perth Basin. Mr Begg is initially directing Bombora's activities at acquiring and then proving commercial via the drill bit, existing yet under exploited gas discoveries.

Key criteria are that the projects have conventional gas reservoirs and are located onshore or in shallow waters in basins with ready access to infrastructure and gas markets.

In addition to the entry into the Perth basin, Bombora is advanced in building a portfolio similarly gassy projects in the Sacramento Basin, California.