

ENEABBA GAS LIMITED
ACN 107 385 884

SHORT FORM PROSPECTUS

For an offer to transfer 55,000,000 UIL Class A Convertible Preference Shares and 35,000,000 UIL Class B Convertible Preference Shares to Shareholders of Eneabba Gas Limited pursuant to a Capital Reduction by way of In Specie Distribution contained in the Capital Reduction Resolution in the Notice of Meeting dated 7 April 2016.

IMPORTANT NOTICE

This Prospectus is important and requires your immediate attention. You should read this Prospectus in its entirety and consult your professional adviser in respect of the contents of this Prospectus.

This Prospectus is a short form prospectus prepared in accordance with Section 712 of the Corporations Act. This Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type, but refers to parts of other documents lodged with ASIC, the contents of which are therefore taken to be included in this Prospectus.

The Directors consider an investment in the UIL Consideration Shares that will be distributed and transferred under this Prospectus and the Capital Reduction Resolution, to be speculative.

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1. CORPORATE DIRECTORY

Directors

Garry Marsden
Chairman

Barnaby Egerton-Warburton
Managing Director

Thomas Goh
Non-Executive Director

Morgan Barron
Non-Executive Director

Company Secretary

Brett Tucker

Registered Office

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16 Ord Street
West Perth, WA 6005

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General Enquiries and Contact Details

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Website: www.eneabbagas.com.au
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Share Registry*

Security Transfer Registrars
770 Canning Highway
Applecross, WA 6153

Telephone: +61 (8) 9315 2333
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Solicitors

GTP Legal
68 Aberdeen Street
Northbridge WA 6003

Telephone: +61 (8) 6555 1866

Auditor*

HLB Mann Judd
130 Stirling Street
Perth WA 6000

Telephone: +61 8 9227 7500

*These parties have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

2. IMPORTANT NOTES

2.1 General

This Prospectus is dated 7 April 2016 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus, or the merits of the investment to which this Prospectus relates.

No UIL Consideration Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus, being the expiry date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company in connection with this Prospectus.

This Prospectus, including the Notice of Meeting, which is incorporated by reference into this Prospectus, is important and should be read in its entirety. If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser immediately. The UIL Consideration Shares the subject of this Prospectus should be considered speculative.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to Shareholders and professional advisers whom Shareholders may consult.

2.2 Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act. This means this Prospectus alone does not contain all the information that is generally required to satisfy the disclosure requirements of the Corporations Act. Rather, it incorporates all other necessary information by reference to information contained in the Notice of Meeting dated 7 April 2016. This Prospectus is issued pursuant to Section 710 of the Corporations Act. In referring to the Notice of Meeting, the Company:

- (a) identifies the Notice of Meeting as being relevant to the offer of UIL Consideration Shares under this Prospectus and contains information that will provide Shareholders and their professional advisers to assist them in making an informed assessment of:
 - (i) the rights and liabilities attaching to the UIL Conversion Shares and the UIL Shares to be issued on conversion of the UIL Consideration Shares; and
 - (ii) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company;
- (b) refers Shareholders and their professional advisers to this Prospectus which summarises the information in the Notice of Meeting deemed to be incorporated in this Prospectus;

- (c) informs Shareholders and their professional advisers that they are able to obtain, free of charge, a copy of the Notice of Meeting by contacting the Company at its registered office during normal business hours during the Offer Period; and
- (d) advises that the information in the Notice of Meeting will be primarily of interest to Shareholders and their professional advisers or analysts.

2.3 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.eneabbagas.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

2.4 Forward looking statements

This Prospectus may contain forward-looking statements which are identified by words such as 'may', 'should', 'will', 'expect', 'anticipate', 'believes', 'estimate', 'intend', 'scheduled' or 'continue' or other similar words. Such statements and information are subject to risks and uncertainties and a number of assumptions, which may cause the actual results or events to differ materially from the expectations described in the forward looking statements or information.

Whilst the Company considers the expectations reflected in any forward looking statements or information in this Prospectus are reasonable, no assurance can be given that such expectations will prove to be correct. The risk factors outlined Schedule 3 of the Notice of Meeting, as well as other matters not yet known to the Company or not currently considered material to UIL, may cause actual events to be materially different from those expressed, implied or projected in any forward looking statements or information. Any forward looking statement or information contained in this Prospectus is qualified by this cautionary statement.

3. THE OFFER

3.1 Terms and Conditions of the Offer

The terms and conditions of the Offer are set out in the Notice of Meeting accompanying this Prospectus.

The Capital Reduction Resolution of the Notice of Meeting is as follows:

“That, for the purposes of section 256B and section 256C(1) of the Corporations Act, and for all other purposes, approval is given for the Company to reduce the share capital of the Company by the Company making a pro rata in specie distribution of the UIL Consideration Shares to Eligible Shareholders, on the terms and conditions set out in the Explanatory Memorandum”.

Pursuant to the Capital Reduction Resolution, the Company is inviting Shareholders to vote on a reduction of capital by way of an In Specie Distribution of 55,000,000 UIL Class A Convertible Preference Shares and 35,000,000 UIL Class B Convertible Preference Shares (together the “UIL Consideration Shares”) to Shareholders on a pro rata basis. This represents approximately 1 UIL Class A Convertible Preference Share for every 8.59 Shares and approximately 1 UIL Class B Convertible Preference Share for every 5.47 Shares held by Shareholders on the Record Date (rounded down to the nearest whole UIL Consideration Share).

The In Specie Distribution will only proceed if the Capital Reduction Resolution is passed by Shareholders.

Based on ASIC Regulatory Guide 188, the invitation to vote contained in the Capital Reduction Resolution of the Notice of Meeting is considered by ASIC to constitute an offer of securities under Chapter 6D of the Corporations Act. Accordingly, the Company has prepared this Prospectus.

Distribution of UIL Consideration Shares to any Shareholder with a registered address outside Australia under the Capital Reduction Resolution will be subject to legal and regulatory requirements in the relevant jurisdictions of those Shareholders. If the requirements of any such jurisdiction restricts or prohibits the distribution of UIL Consideration Shares as proposed or would impose on the Company an undue obligation or burden, the UIL Consideration Shares to which the relevant overseas Shareholder is entitled will be sold by the Company on their behalf as soon as practicable after the distribution and the Company will then account to the Shareholder for the net proceeds of the sale after deducting the costs and expenses of the sale.

3.2 Effect of the Offer on the Company

The Offer will result:

- (a) in the Company ceasing to own the 55,000,000 UIL Class A Convertible Preference Shares and 35,000,000 UIL Class B Convertible Preference Shares issued to it under the Sale Agreement; and
- (b) the Company’s share capital and total and net assets being reduced by the fair value of those shares, as determined by the Directors. The Directors will notify Shareholders of the actual reduction in due course.

3.3 Action required by Shareholders

No action is required by Shareholders under this Prospectus.

Should Shareholder approval be obtained for the In Specie Distribution, the UIL Consideration Shares will be transferred to Shareholders in accordance with the terms set out in the Notice of Meeting.

A prospectus is normally required to include an application form for shares. ASIC has granted relief from the requirement in ASIC Class Order CO 07/10 so that the application form is not required to be included in this Prospectus. If the Capital Reduction Resolution is passed, the Company will sign the share transfer forms for the transfer of the UIL Consideration Shares to Shareholders on behalf of Shareholders. Shareholders will receive a holding statement for the UIL Consideration Shares to which they are entitled.

If you have any queries regarding this Prospectus, please contact the Company Secretary on (08) 9482 0555.

4. INFORMATION DEEMED TO BE INCORPORATED IN THIS PROSPECTUS

4.1 Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act. This means that this Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type, however it incorporates by reference information contained in a document that has been lodged with ASIC.

The Notice of Meeting contains all the information that Shareholders require in relation to the Distribution and the Notice of Meeting in its entirety is deemed to be incorporated in this Prospectus.

The material provisions of the Notice of Meeting are summarised below in Section 4.2 of this Prospectus and will primarily be of interest to Shareholders and their professional advisers.

A copy of the Notice of Meeting has been sent to Shareholders with this Prospectus. However, Shareholders and their professional advisers may also obtain, free of charge, a copy of the Notice of Meeting by contacting the Company at its registered office during normal business hours.

4.2 Summary of material provisions of the Notice of Meeting

The material provisions of the Notice of Meeting are summarised below. The Sections and Schedules referred to below are a reference to Sections and Schedules (respectively) in the Explanatory Memorandum to the Notice of Meeting:

(a) **Section 1.1 – Background to the Distribution**

This Section provides an overview of the Distribution including information on the sale of the Sale Companies to UIL.

(b) **Section 1.2 – Summary of the Sale Agreement**

This Section provides a summary of the Sale Agreement. UIL has agreed to acquire the entire issued capital of Ocean Hill Pty Ltd and GCC Methane Pty Ltd which respectively, hold an agreement to acquire 100% of the 'Ocean Hill' exploration permit (STP EPA 0090) and a 50% interest in Exploration Permit 447. The consideration for the acquisition is the issue of 55,000,000 UIL Class A Convertible Preference Shares and 35,000,000 UIL Class B Convertible Preference Shares to the Company. The Company is required, subject to Shareholder approval, to make an in specie distribution of the UIL Consideration Shares to Shareholders within 10 business days of completion. Completion under the Sale Agreement is subject to conditions being met.

(c) **Section 1.3 – S**

This Section outlines that the Company is seeking Shareholder approval to make an equal reduction of capital by distributing the UIL Consideration Shares in-specie directly to Shareholders following completion of the Sale Agreement, pursuant to Resolution 1 of the Notice of Meeting.

(d) **Section 1.4 – The Projects**

This Section gives a description of the Projects held by the Sale Companies which UIL will acquire pursuant to the Sale Agreement.

(e) **Section 1.5 – Advantages and disadvantages of the Distribution**

This Section outlines the principal advantages and disadvantages to Shareholders of the Distribution.

(f) **Section 1.6 – Future of the Company following successful completion of the Distribution**

This Section clarifies the Company's anticipated future plans (assuming the Distribution is completed). The Company intends to focus on realising value from its Centauri-1 Power Station and land asset as well as identifying other opportunities within the energy and other sectors to generate value for shareholders.

(g) **Section 1.7 – Future of the Company if the Distribution does not proceed**

This Section clarifies the Company's anticipated future plans (assuming the Distribution is not completed). The Company will retain the Projects and seek to enter into a partnering and farm-in arrangement in respect of the Ocean Hill Project and continue development of EP 447 in conjunction with its 50% partner, UIL.

(h) **Section 1.8 – Directors' Recommendation**

This Section includes a recommendation from the Directors that Shareholders vote in favour of the Capital Reduction Resolution and sets out the reasons for this recommendation.

(i) **Section 2.1 – Background and overview of the Distribution**

This Section provides a brief overview of the Distribution including the expected number of UIL Consideration Shares to be received by Shareholders for every Share held.

Based on the current issued capital of the Company of 260,979,312 Shares, and assuming the Company issues a further 40,000,000 Shares to Black Rock Mining Ltd as consideration for the purchase of the Ocean Hill project pursuant to Resolution 2 in the Notice of Meeting, the Company will have 300,979,312 Shares on issue and each Shareholder will receive approximately 1 UIL Class A Convertible Preference Share for every 5.47 Shares and approximately 1 UIL Class B Convertible Preference Share for every 8.59 Shares held on the Record Date (rounded down to the nearest whole UIL Consideration Share).

(j) **Section 2.2 – Timetable**

This Section sets out the indicative timetable for the Distribution.

(k) **Section 2.3 – UIL Consideration Shares not listed**

This Section advises that the UIL Consideration Shares will not be listed on the ASX or any other securities exchange.

(l) **Section 2.4 – Requirements under section 256B and section 256C of the Corporations Act**

This Section includes a statement that the Directors believe that the capital reduction is fair and reasonable to Shareholders and that the capital reduction will not prejudice the Company's ability to pay its creditors.

(m) **Section 2.5 and Schedule 1 – Effect of the proposed equal reduction of capital on the Company and Pro Forma Balance Sheet**

This Section states that the net assets of the Company will be reduced by the value of the UIL Consideration Shares held by the Company (a valuation of which is provided in Section 1.5 of the Notice of Meeting). The estimated value may vary slightly according to the final calculation of the pro rata distribution of UIL Consideration Shares to the Company's Shareholders which is dependent on the number of Shares on issue as at the Record Date. In addition, the value of the UIL Consideration Shares, and therefore the reduction in the share capital and net assets of the Company, is calculated based upon the quoted price per UIL Share on the ASX which is likely to change between the date of the Notice of Meeting and the date of the Distribution. The Company will advise Shareholders of the value of the reduction of capital per Share as at the date of the Distribution. A pro forma statement of financial position of the Company as at 31 December 2015 is set out in Part 1 of Schedule 1 to the Notice of Meeting showing the financial position of the Company following completion of the Acquisition and Distribution.

(n) **Section 2.6 – Effect of the proposed equal reduction of capital on Shareholders**

This Section outlines the effect of the proposed capital reduction on Shareholders which is that Shareholders registered on the Record Date will receive a pro rata distribution in specie of UIL Consideration Shares.

(o) **Section 2.7 – Effect of the proposed equal reduction of capital on Optionholders**

This Section outlines the effect of the proposed capital reduction on Option holders which is that in accordance with the terms and conditions of the Options, the number of Options on issue following the Demerger will remain the same, but the exercise price of each Option will be reduced by the same amount as the amount of capital returned in relation to each Share. This Section also includes a statement that In order to receive UIL Shares pursuant to the Distribution, Option holders must exercise their Options and be registered on the Company's share register on the Record Date.

(p) **Sections 2.8 & 2.9 – Capital Structures of the Company and UIL**

These Sections provide Shareholders with the capital structures of the Company and UIL as at the date of the Notice of Meeting and a pro forma capital structure of the Company and UIL upon completion of the Distribution.

(q) **Section 2.10 – Overseas Shareholders**

This Section sets out the rights and restrictions of overseas Shareholders in relation to the In Specie Distribution;

(r) **Section 2.11 – Directors' interests**

This Section details the number of securities in the Company which the Directors have an interest in prior to the Capital Reduction and the number of UIL Consideration Shares they are likely to receive if the Capital Reduction Resolution is passed.

(s) **Section 2.12 – Directors' remuneration**

This Section sets out a table showing the remuneration provided to the Directors during the half year to 31 December 2015 as well last for the financial years ended 30 June 2015 and 30 June 2014.

(t) **Section 2.13 and Schedule 4 – Information on UIL Energy Ltd**

This Section contains information on UIL (including UIL's current projects and future strategy) and the UIL board of directors. Other than as stated in this Prospectus, the Company is not aware of any other material matter or circumstance that would impact on the contents of the Notice of Meeting or the activities and prospects of UIL and be relevant to assist Shareholders or their professional advisers.

(u) **Section 2.14 and Schedule 2 – Rights attaching to the UIL Consideration Shares**

This Section and Schedule contains a summary of the more significant rights and liabilities attaching to the UIL Consideration Shares and UIL Shares.

(v) **Section 2.15 and Schedule 3 – Risk factors**

This Section notes that there are a number of specific and general risks that may have a material effect on the financial position and performance of UIL and the value of its securities that Shareholders should be aware of. These risk factors are outlined in Schedule 3.

The list of risk factors ought not to be taken as exhaustive of the risks faced by UIL or by investors in UIL. Those factors, and others not specifically referred to, may in the future materially affect the financial performance of UIL and the value of the UIL Convertible Preference Shares offered under this Prospectus and the UIL Shares to be issued on conversion of the UIL Consideration Shares. The UIL Consideration Shares offered pursuant to this Prospectus and the UIL Shares to be issued on conversion of the UIL Consideration Shares carry no guarantee with respect to the payment of dividends, return of capital or their market value.

(w) **Section 2.16 – Tax Consequences**

This Section outlines the potential Australian tax consequences relating to the Distribution to Shareholders.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the tax consequences for Shareholders.

(x) **Schedule 1 – Financial Information**

This Schedule includes a pro-forma statement of financial position of the Company as at 31 December 2015 following completion of the Acquisition and Distribution and a statement of financial position of UIL as at 31 December 2015 assuming completion of the Acquisition and Distribution.

5. ADDITIONAL INFORMATION

5.1 Interests of UIL Directors

Other than as set out below or elsewhere in this Prospectus, the Notice of Meeting:

- (a) no UIL Director, proposed UIL Director or any related entity of a UIL Director or proposed Director holds, or during the last two years before lodgement of this Prospectus with the ASIC, held, an interest in:
 - (i) the formation or promotion of UIL;
 - (ii) property acquired or proposed to be acquired by UIL in connection with its formation or promotion or the Offer; or
 - (iii) the Offer; and
- (b) no amounts, whether in cash or Shares or otherwise, have been paid or agreed to be paid to any UIL Director, proposed Director or any related entity of a UIL Director or proposed UIL Director, either to induce him to become, or to qualify, as a UIL Director or otherwise for services rendered in connection with the formation or promotion of UIL or the Offer.

5.2 Remuneration of UIL Directors

In accordance with the constitution of UIL, the Board of UIL has resolved that each non-executive director is entitled to receive fees of \$36,000 per annum (inclusive of any superannuation) and the executive Chairman receive fees of \$96,000 per annum (inclusive of any superannuation).

Mr John de Stefani currently receives a salary of \$224,000 per annum, plus statutory superannuation for his role as Managing Director.

The table below sets out the remuneration provided to the UIL Directors and their associated companies during the half year to 31 December 2015 (unaudited) as well as for the financial years ended 30 June 2015 and 30 June 2014 (audited):

Directors	Year	Salary & Fees \$	Bonus and other Payments \$	Superannuation \$	Share Based Payments \$	Total \$
Mr Simon Hickey	Dec 15	48,000	-	-	5,298	53,298
	June 15	65,875	-	-	12,986	78,861
	June 14	109,700	-	-	37,548	147,248
Mr John de Stefani	Dec 15	112,612	-	10,698	9,492	132,802
	June 15	145,600	-	13,832	23,266	182,698
	June 14	260,132	-	-	56,322	316,454
Mr Keith Skipper	Dec 15	18,000	-	-	-	18,000
	June 15	24,000	-	-	-	24,000
	June 14	30,000	-	-	9,387	39,387
Mr Stephen Bizzell ⁽¹⁾	Dec 15	18,000	-	-	-	18,000
	June 15	24,000	-	-	8,113	32,113
	June 14	-	-	-	-	-

(1) Mr Bizzell was appointed a Director of UIL on 1 August 2014

It is proposed that, on completion under the Sale Agreement:

- (a) Mr Garry Marsden will be appointed a non-executive Director of UIL; and
- (b) Mr Barnaby Egerton-Warburton will be appointed as Head of Business Development of UIL.

Mr Marsden will receive fees of \$36,000 per annum (inclusive of any superannuation) for his role as a non-executive Director and Mr Egerton-Warburton will receive a salary of \$160,000 per annum (inclusive of any superannuation) for his role as Head of Business Development.

5.3 UIL Directors' interests

Set out in the table below are details of UIL Directors' relevant interests in the securities of UIL at the date of this Notice:

Director	UIL Shares held	UIL Options held	Performance Rights ⁽⁴⁾
Mr Simon Hickey	18,790,044	2,000,000 ⁽¹⁾ 842,074 ⁽²⁾	240,000
Mr John de Stefani	13,231,466	3,000,000 ⁽¹⁾ 1,223,401 ⁽²⁾	430,000
Mr Keith Skipper	Nil	500,000 ⁽¹⁾	Nil
Mr Stephen Bizzell	8,733,258	500,000 ⁽¹⁾ 2,655,400 ⁽²⁾ 2,000,000 ⁽³⁾	Nil
Total	40,754,768	12,720,875	670,000

(1) UIL Options each exercisable at \$0.30 on or before 30 June 2017

(2) UIL Options each exercisable at \$0.24 on or before 31 December 2018

(3) UIL Options each exercisable at \$0.24 on or before 31 December 2016

(4) The performance rights do not have an exercise price and proportionately vest upon the achievement of market based and retention based criteria at the vesting date of 18 August 2016. The performance rights have an expiry date of 18 August 2021.

None of the UIL Directors have an interest in any securities in the Company at the date of this Notice.

Bizzell Capital Partners, an entity associated with Mr Stephen Bizzell, received fees of \$108,449 and 1,000,000 UIL Options each exercisable at \$0.24 on or before 31 December 2018 (noted in the table above) for providing corporate advisory services to UIL pursuant to a corporate advisory agreement during its IPO process including: strategy development and timetable management, structuring advice, co-ordination of the marketing strategy and capital raising activities.

5.4 Interests of Advisors

Other than as set out below or elsewhere in the Prospectus or the Notice of Meeting:

- (a) No promoter or person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds, or during the last two

years before lodgement of this Prospectus with the ASIC, held, an interest in:

- (i) the formation or promotion of UIL;
 - (ii) property acquired or proposed to be acquired by UIL in connection with its formation or promotion or the Offer; or
 - (iii) the Offer.
- (b) No amounts, whether in cash or Shares or otherwise, have been paid or agreed to be paid to any such person for services rendered in connection with the formation or promotion of UIL or the Offer.
- (c) GTP Legal has acted as lawyers to the Company in relation to the Offer and is entitled to be paid approximately \$7,500 (exclusive of GST) in respect of these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, GTP Legal has received fees from the Company for legal services of \$38,666 (exclusive of GST and disbursements).

5.5 Substantial Shareholders

At the date of this Prospectus, the substantial UIL Shareholders (being the UIL Shareholders with a voting power in 5% or more of the UIL Shares on issue) are as set out below:

Name of UIL Shareholder	Number of UIL Shares in which the UIL Shareholder has a relevant interest	Percentage interest
Simon Hickey	18,790,044	17.38%
John de Stefani	13,231,466	12.24%
Stephen Bizzell	8,733,258	8.08%

On completion of the Distribution and conversion of the UIL Class A Convertible Preference Share into UIL Shares, the substantial UIL Shareholders will be as set out below (assuming no Shareholders become substantial holders as a result of the Distribution):

Name of UIL Shareholder	Number of UIL Shares in which the UIL Shareholder has a relevant interest	Percentage interest
Simon Hickey	18,790,044	11.53%
John de Stefani	13,231,466	8.11%
Stephen Bizzell	8,733,258	5.36%

5.6 Litigation

To the knowledge of the Directors, as at the date of this Prospectus, UIL is not involved in any legal proceedings, and the Directors are not aware of any legal proceedings pending or threatened against UIL.

5.7 Dividend policy

The Company does not expect UIL to declare any dividends in the near future as its focus will primarily be on exploring and developing its Perth Basin gas projects.

Any future determination as to the payment of dividends by UIL will be at the discretion of the UIL Directors and will depend on matters such as the availability of distributable earnings, the operating results and financial condition of UIL, future capital requirements and general business and other factors considered relevant by the UIL Directors. No assurances can be given by the Directors in relation to the payment of dividends by UIL or that franking credits may attach to any dividends.

5.8 Forecast financial information

Given the nature of the UIL business there are significant uncertainties associated with forecasting future revenues and expenses of UIL. In light of uncertainty as to timing and outcome of UIL's growth strategies and the general nature of the industry in which UIL will operate, as well as uncertain macro market and economic conditions in UIL's markets, UIL's performance in any future period cannot be reliably estimated. On this basis and after considering Regulatory Guide 170, the Directors believe that reliable financial forecasts for UIL cannot be prepared and accordingly have not included financial forecasts in this Prospectus.

5.9 Exposure period

The Corporations Act prohibits the Company from transferring the UIL Consideration Shares in the seven day period after the date of lodgement of this Prospectus. This period may be extended by ASIC by up to a further seven days. This period is an exposure period to enable this Prospectus to be examined by market participants prior to the transfer of the UIL Consideration Shares. Given the General Meeting will be held on 9 May 2016 and the In Specie Distribution will occur sometime after that date, the exposure period will be expired by the time the In Specie Distribution occurs.

6. CONSENTS

- (a) Other than as set out below, each of the parties referred to in this Section:
- (i) does not make, or purport to make, any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by any of those parties;
 - (ii) makes no representations regarding, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of the party; and
 - (iii) did not authorise or cause the issue of all or any part of this Prospectus or the making of the Offer.
- (b) GTP Legal has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as lawyers to the Company in relation to the Offer in the form and context in which it is named and to the incorporation by reference into this

Prospectus of the Notice of Meeting in the form and context in which it is incorporated, and to all references to that Notice of Meeting in this Prospectus in the form and context in which they appear.

- (c) UIL and the Directors of UIL have not given their consent to the statements made in this Prospectus and no statement in this Prospectus is based upon any statement by them. UIL and its Directors bear no responsibility for any part of the content of this Prospectus or any statement made with respect to or in connection with UIL.

7. DIRECTORS' CONSENT

Each Director of the Company has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

8. SIGNATURE

This Prospectus is signed for and on behalf of the Company by:



Barnaby Egerton-Warburton
Director
ENEABBA GAS LIMITED

Dated: 7 April 2016

9. **DEFINITIONS**

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules means the official Listing Rules of the ASX.

Board means the board of Directors unless the context indicates otherwise.

Capital Reduction means the equal reduction of capital of the Company proposed to be satisfied by the In Specie Distribution and transfer to Eligible Shareholders (in proportion to their holdings of Shares) of UIL Class A Convertible Preference Shares and UIL Class B Convertible Preference Shares held by the Company.

Capital Reduction Resolution means Resolution 1 of the Notice of Meeting to be put to Shareholders at the General Meeting to approve the Capital Reduction.

Company means Eneabba Gas Limited (ACN 107 385 884).

Constitution means the Company's Constitution as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001(Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a holder of Shares in the Company as at the Record Date.

General Meeting or **Meeting** means the meeting convened by the Notice of Meeting.

In Specie Distribution means, as part of the transaction pursuant to the Sale Agreement, the Capital Reduction by way of in specie distribution of UIL Class A Convertible Preference Shares and UIL Class B Convertible Preference Shares to Shareholders for which approval is being sought pursuant to the Capital Reduction Resolution of the Notice of Meeting.

Notice of Meeting means the Notice of General Meeting of the Company dated 7 April 2016 in which the Capital Reduction Resolution is to be considered.

Offer means the offer of the UIL Consideration Shares pursuant to the Notice of Meeting.

Option means an option to acquire a Share.

Projects means the Ocean Hill Block Application (STP EPA 0090, formerly designated Bid Area L12-7) and exploration permit 447, being on-shore gas exploration projects located in the Perth Basin.

Prospectus means this short form prospectus prepared in accordance with Section 712 of the Corporations Act and dated 7 April 2016.

Record Date means date for determining Eligible Shareholders in respect of the Offer as specified in the timetable set out in Section 2.2 of the Notice of Meeting (unless extended).

Sale Agreement means the conditional sale and purchase agreement between the Company and UIL pursuant to which the Company has agreed to sell and UIL has agreed to purchase the Company's fully owned subsidiaries, Ocean Hill Pty Ltd and GCC Methane Pty Ltd, which together hold the Projects.

Section means a section of this Prospectus or the Notice of Meeting as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

UIL means UIL Energy Ltd (ACN 153 352 160).

UIL Director means a current director of UIL.

UIL Class A Convertible Preference Share means a class A convertible preference share in the capital of UIL.

UIL Class B Convertible Preference Share means a class B convertible preference share in the capital of UIL.

UIL Consideration Shares has the meaning given in Section 3.1 of this Prospectus.

UIL Option means an option to acquire an UIL Share.

UIL Share means a fully paid ordinary share in the capital of UIL.

WST means Western Standard Time, Perth, Western Australia.