



QUARTERLY ACTIVITIES REPORT

PERIOD ENDED 31 MARCH 2016



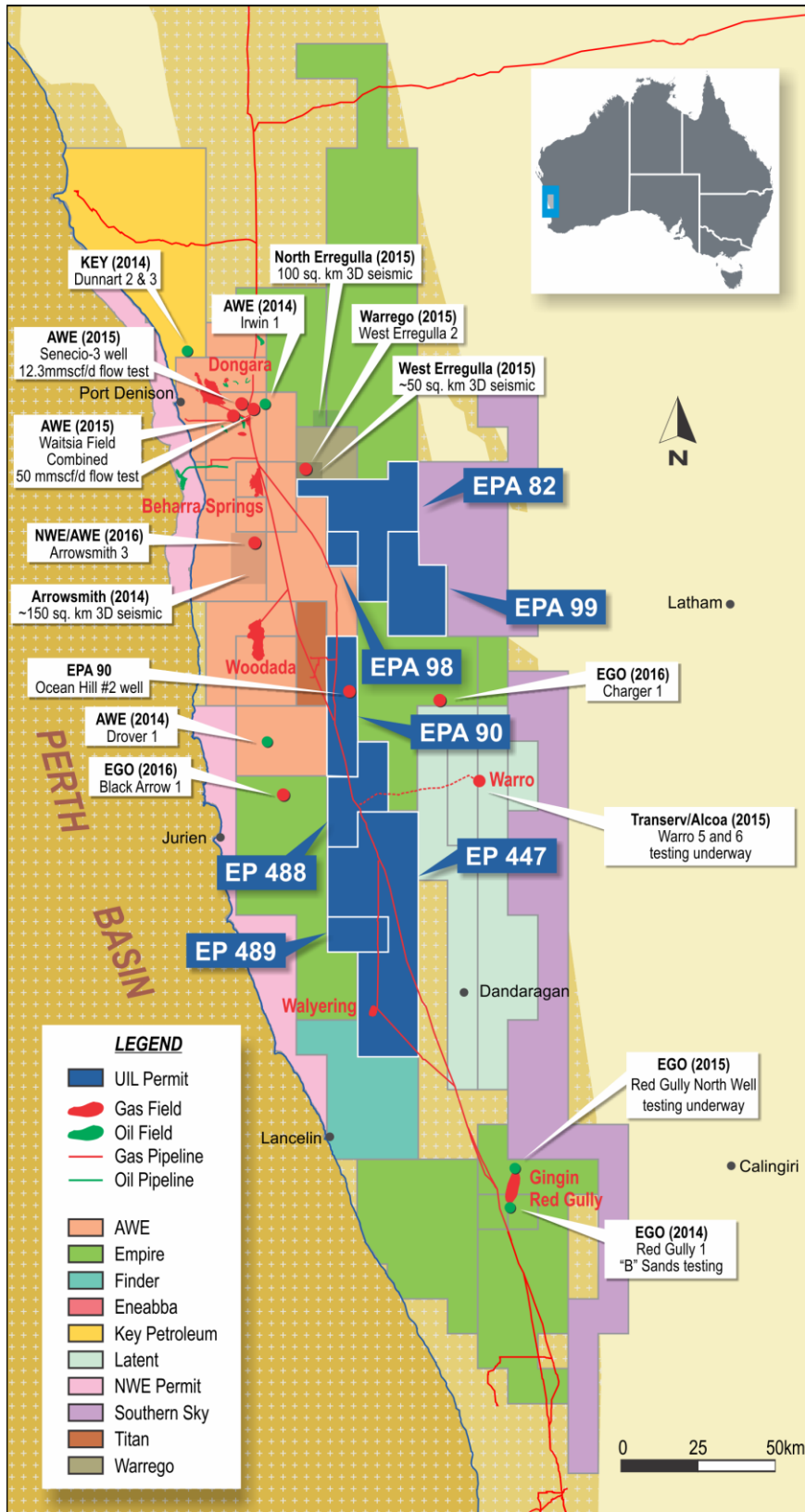
***Focused on the Perth Basin onshore
gas and liquids plays***

ASX: UIL

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1. Perth Basin Activity

**Figure 1: Perth Basin Competitor Activities as reported to the ASX
(includes Eneabba Gas's permit EPA90)**



The Company's focus is the Perth Basin targeting gas and liquids plays in two separate project areas.

During February, UIL Energy and Eneabba Gas agreed binding terms to consolidate their respective Perth Basin permits, creating a larger, more diverse Perth Basin explorer. UIL Energy will acquire Eneabba Gas's Perth Basin permits in exchange for shares in UIL Energy.

Completion of the Eneabba Gas transaction is expected to occur late-May 2016.

The Eneabba Gas transaction is another step in UIL Energy's growth strategy and greatly strengthens the platform to act on further expansion opportunities, which are continually being assessed by UIL.

UIL Energy is progressing the various approvals and commercial arrangements with contractors for a proposed 264km of 2D seismic over parts of its Central Perth Basin permits. Seismic is aimed at upgrading the exploration leads identified in these permits.

Adjacent to UIL Energy's permits, substantial funds are also being committed, by other companies, focusing on proving and developing further technical and commercial successes in the basin. Most progressed is AWE's Waitsia gas field project, which is commencing development over the coming year.

UIL Energy To Acquire Eneabba Gas's Perth Basin Assets

During February 2016, UIL Energy and Eneabba Gas agreed binding terms to consolidate their respective Perth Basin permits, creating a larger, more diverse Perth Basin explorer. UIL Energy will acquire Eneabba Gas's Perth Basin permits in exchange for shares in UIL Energy.

The addition of two Perth Basin permit interests including the Ocean Hill prospect, provides further strategic growth opportunity for UIL Energy in this active basin and expands UIL Energy's footprint in the Perth Basin to over 700,000 acres – one of the largest holdings in this exploration and producing region.

Subject to completion, Eneabba shareholders are to receive pro-rata via an issue of convertible securities:

- 55 million shares in UIL Energy (equivalent to receiving 1 share in UIL Energy for approximately every 5.5 Eneabba Gas shares held); and
- A further 35 million shares in UIL Energy in the event of successful results from drilling Ocean Hill#2 well (equivalent to receiving 1 additional share in UIL Energy for approximately every 8.6 Eneabba Gas shares held)

Experienced oil and gas executives, Garry Marsden, to join the UIL Energy board and Barnaby Egerton-Warburton to join the UIL Energy executive team in the role of Business Development Manager.

Completion of the transaction is subject to certain terms and conditions that include:

- Oceanhill becoming the sole registered and beneficial owner of EPA90 permit and the issue of the exploration permit in respect of EPA90;
- Eneabba Gas shareholders approving the SSA at the 9 May 2016 meeting; and
- UIL Energy shareholders approving the SSA at the 6 May 2016 meeting.

Certain Eneabba shareholders, such as related parties and top 10 shareholders, will have voluntary restriction deeds in place preventing them from dealing with their interest in UIL Energy for a period of up to 6 months.

Central Perth Permits - 2D Seismic Planning

UIL Energy is planning up to 264km of 2D seismic across its three central Perth Basin permits (EP447, EP488 and EP489) to upgrade the nine exploration leads already identified in these permits. UIL Energy, as Operator of all three permits, has submitted the preliminary environmental documentation, for the 2D seismic survey, to government authorities as well as carried out a field ecological survey to support further environmental approvals. Timing of seismic survey is dependent on approvals from the various State departments.

As shown in Figure 2 below, the leads are interpreted to contain potentially gas and gas/liquids, and are primarily Jurassic in age, comprising the Cattamarra Coal Measures and the Triassic Kockatea Shale formations.

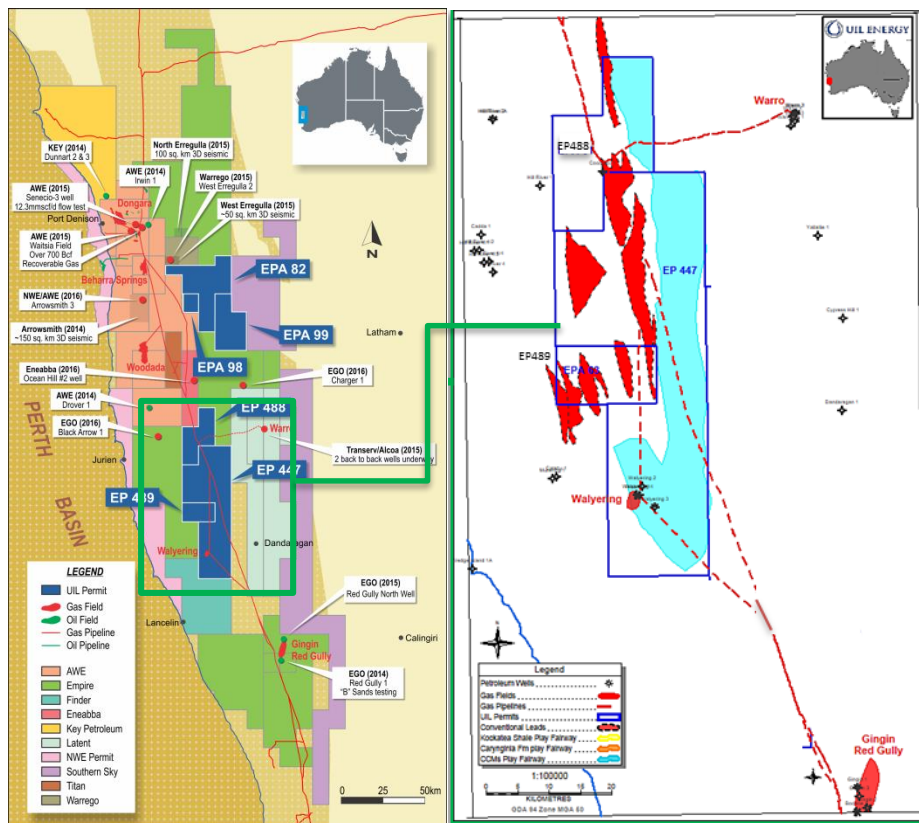


Figure 2: Leads Across UIL Energy's Central Perth Basin permits

Northern Perth Permits

As shown in Figure 3 below, UIL Energy's three 100% owned northern Perth Basin permits are approximately 35 kilometers southeast of AWE's Waitsia gas discovery. Based on historic seismic and nearby well data, UIL Energy permits are interpreted to contain similar reservoirs (although expected at greater depths) to those encountered by AWE. Wells intersecting these formations, adjacent to the UIL acreage, have historically exhibited elevated gas shows.

UIL Energy will require further technical information including shooting 2D/3D seismic in its northern Perth Basin permits, to confirm the drilling depths and possible thickness variations of the targeted formations.

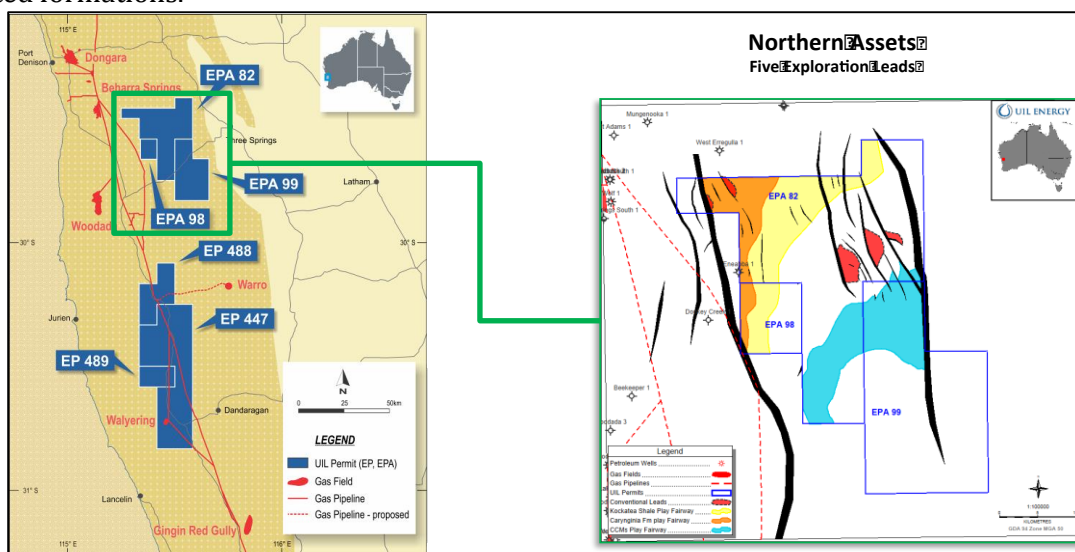


Figure 3: Leads Across UIL Energy's Northern Perth Basin permits

2. Corporate and Permit Summary

PETROLEUM PERTH BASIN PERMITS*

Permit	UIL Interest	Permit Area (gross km ²)	Permit Area (gross acres)
EP 447	50%	1,108	273,787
EP 488	100%	296	73,142
EP 489	100%	148	36,571
EPA 82	100%	559	138,129
EPA 98	100%	75	18,533
EPA 99	100%	372	91,921
TOTAL		2,558	632,083

* Excludes the Eneabba acquisition which is due for completion end of May

REGISTERED OFFICE AND HEAD OFFICE

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CASH POSITION

Cash on hand as at 31 March 2016 was approximately \$1.57 million.

ISSUED CAPITAL

UIL Energy has the following securities on issue at 31 March 2016:

Quoted:
 Ordinary shares 80,828,432

Unquoted:
 Ordinary shares 27,195,323
 Share options 15,804,959 \$0.24 at 31-Dec-18
 Share options 6,000,000 \$0.30 at 30-Jun-17
 Share options 2,000,000 \$0.24 at 31-Dec-16
 Share options 2,000,000 \$0.25 at 31-Dec-18
 Performance Rights 1,000,000 vesting 18-Aug-16