



# QUARTERLY ACTIVITIES REPORT

## PERIOD ENDED 30 SEPTEMBER 2016



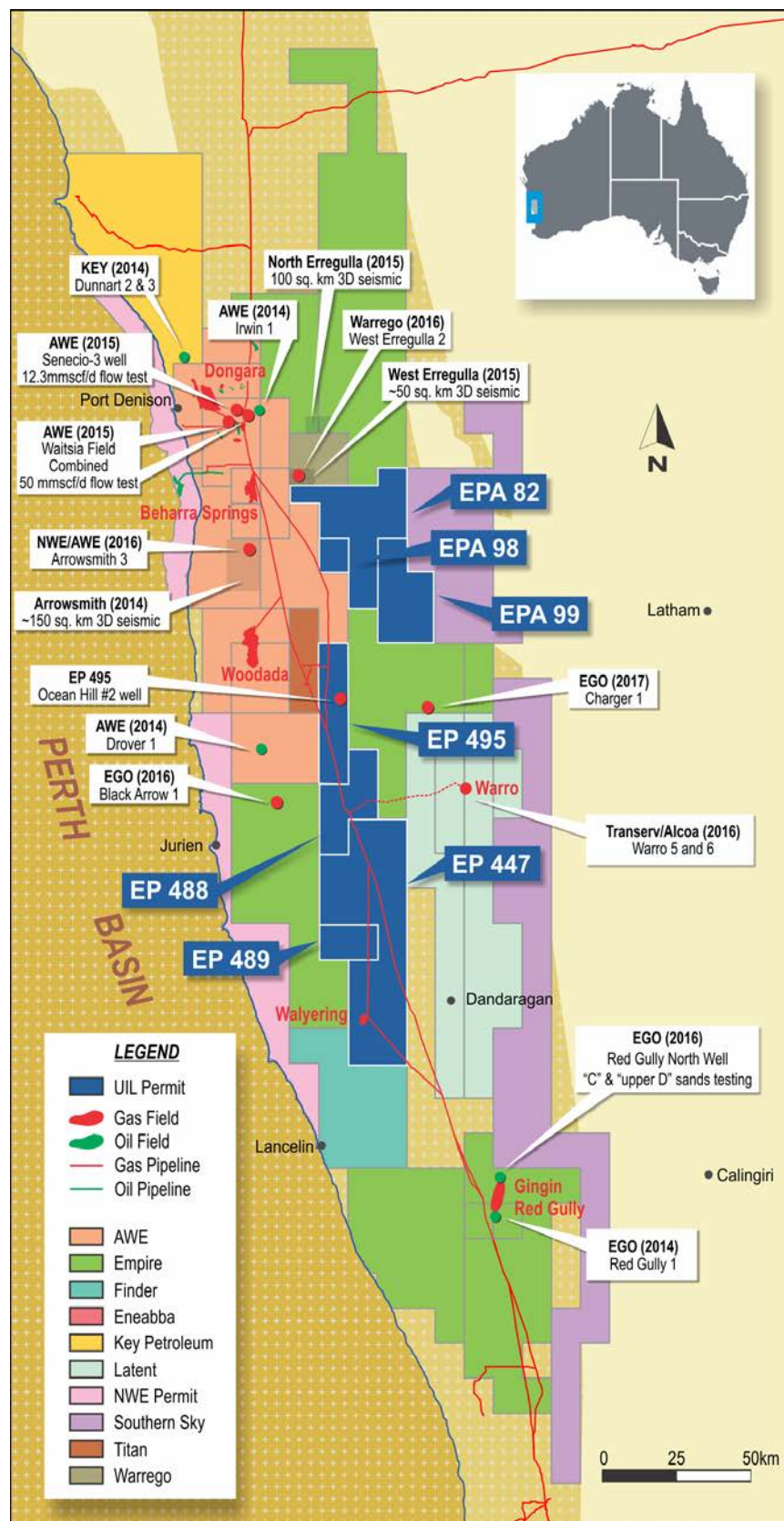
***Focused on the Perth Basin onshore  
gas and liquids plays***

**ASX: UIL**

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# 1. Perth Basin Activity

**Figure 1: Perth Basin Competitor Activities as reported to the ASX**



Activities in the Perth Basin continue to gain momentum with AWE progressing development of the Waitsia gas field combined with strong interest shown in Origin's sale of its Perth Basin assets.

UIL Energy is strategically well positioned with its 100% owned 700,000 acres across the Perth Basin and management continues to be optimistic about the attractiveness of its portfolio for investment.

Purchase of Eneabba Gas's Perth Basin assets was completed during the quarter, which enables UIL Energy to begin seeking the required approvals for the scheduled 3D seismic and future drilling on the gas productive Ocean Hill feature.

Also during September, UIL Energy and Bombora Natural Energy Pty Ltd signed a conditional agreement to enable Bombora to farmin on the Walyering project area within permit EP447. Bombora agreed to fund \$2.5 million for up to 100km<sup>2</sup> 3D seismic survey and earn a 70% working interest in four graticular blocks within EP447.

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

Post 30 September, UIL Energy successfully completed a placement raising \$750,000 at 5 cents per share with an attaching option priced at 7.5 cents. A Share Purchase Plan with the same terms is scheduled to complete early November to raise an additional \$750,000.

## UIL Energy Completes the Acquisition of Eneabba Gas's Perth Basin Assets

UIL Energy and Eneabba Gas completed the consolidation of their respective Perth Basin permits, creating a larger, more diverse Perth Basin explorer.

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.

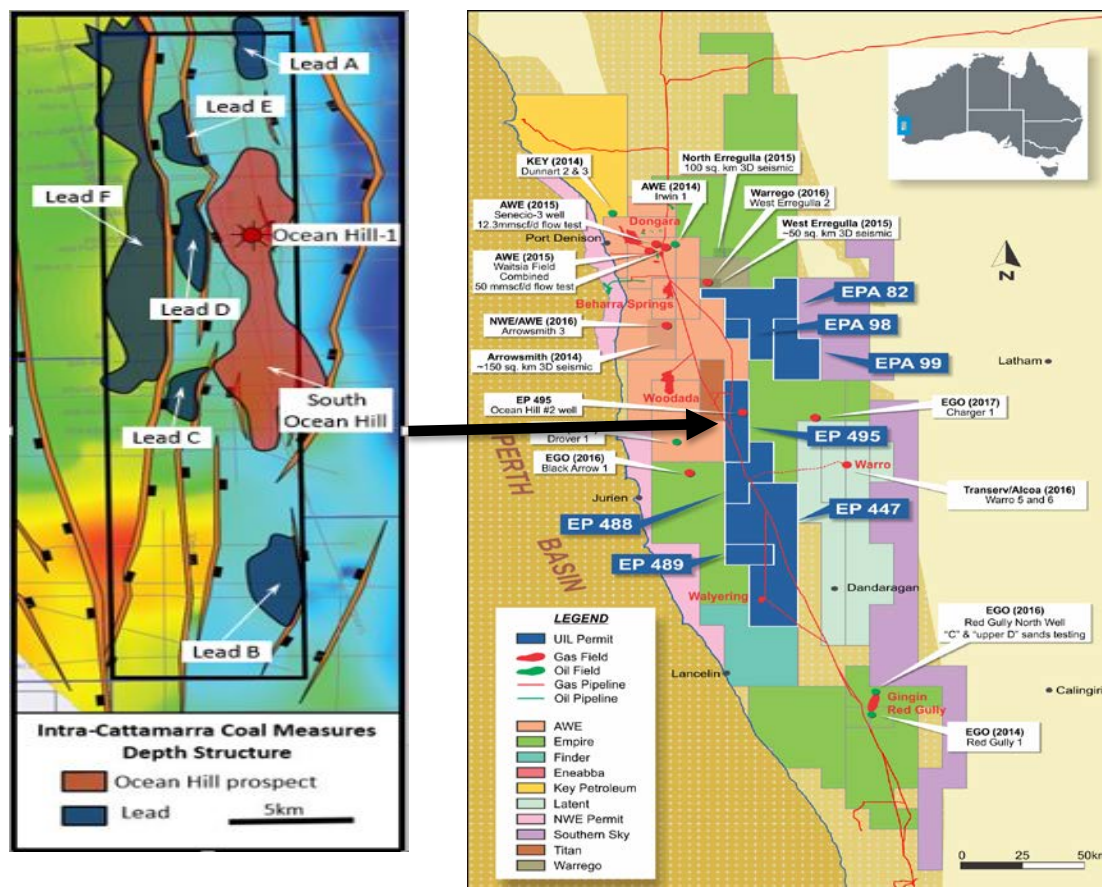
### ***Focus on Ocean Hill Prospect***

In October 2013 Houston based consulting group, DeGoyler and MacNaughton completed an independent evaluation of the Contingent and Prospective Resources in the Ocean Hill prospect (EPA90) giving it a mean 2C Contingent Resource of 360 BcF and 1.191 MMbbls of condensate and a best estimate Prospective Resource of 809 BcF\*.

*(\* ASX announcement by Eneabba Gas Limited [ASX: ENB] dated 27 November 2015 "Ocean Hill Project Update" and dated 12 March 2015 – Eneabba Investor Presentation "Expanding its Perth Basin Gas Portfolio", making reference to the ASX Announcement by Greenrock Energy Limited [ASX: GRK] dated 4 October 2013 "Independent Resource Valuation Ocean Hill Block".)*

UIL Energy has started preparation of the approval process for a 3D seismic survey and drilling on the Ocean Hill prospect.





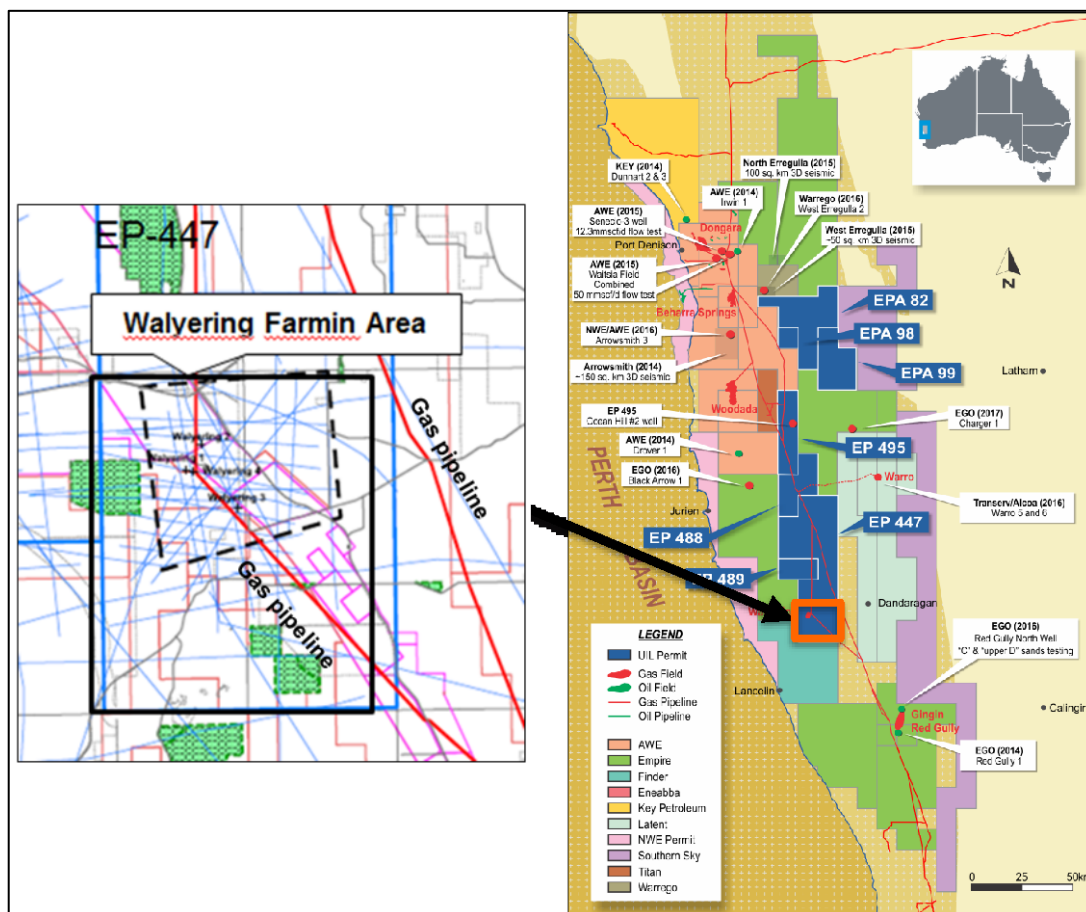
**Figure 2: Ocean Hill Prospect**

## Central Perth Permits – Bombora Farmin and 2D Seismic Planning

UIL Energy Ltd and Bombora Natural Energy Pty Ltd (Bombora) 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 will focus on the 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 initially at 13.5 MMCF/D.

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.



**Figure 3: Walyering Farmin Area with Bombora Energy**

UIL Energy is also planning to acquire 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, is continuing to consult with relevant government authorities and community groups on all operations. Timing of the seismic survey is dependent on approvals from the various State departments.

### Northern Perth Permits

UIL Energy's three 100% owned northern Perth Basin permits (EPA 82,98 and 99) are approximately 35 kilometers southeast of AWE's Waitsia gas discovery. Based on historic seismic and nearby well data, UIL Energy's permits are interpreted to contain similar reservoirs (although expected at greater depths) to those encountered in permits to the northwest. Wells intersecting these formations, adjacent to the UIL Energy's acreage, have historically exhibited elevated gas shows.

UIL Energy is progressing discussions and negotiations with the Native Title groups to enable for the permits to be granted.

## 2. Corporate and Permit Summary

### PETROLEUM PERTH BASIN PERMITS

Permit	UIL Interest	Permit Area (gross km <sup>2</sup> )	Permit Area (gross acres)
EP 447	100%	1,108	273,787
EP 488	100%	296	73,142
EP 489	100%	148	36,571
EP 495	100%	298	73,636
EPA 82	100%	559	138,129
EPA 98	100%	75	18,533
EPA 99	100%	372	91,921
<b>TOTAL</b>		<b>2,856</b>	<b>705,719</b>

### REGISTERED OFFICE AND HEAD OFFICE

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### CASH POSITION

Cash on hand as at 30 September 2016 was approximately \$1 million. Post the end of the quarter; the company raised \$750,000 through a placement with a share purchase plan underway.

### ISSUED CAPITAL

UIL Energy has the following securities on issue at 30 September 2016<sup>1</sup>:

Quoted:

Ordinary shares 132,845,949

Unquoted:

Ordinary shares 30,342,806

Convertible Redeemable Preference shares 35,000,000

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

1. Excludes the issue of new shares associated with the placement completed early October 2016