



ASX Announcement

20 January 2015

New Conventional Leads Identified in Perth Basin

The Directors of UIL Energy Ltd (ASX:UIL) are pleased to provide an update on the Company's Perth Basin permits with identification of a substantial number of early stage conventional leads resulting from a recently completed technical study.

UIL Energy has reviewed historic 2D seismic data along with the drilling results of wells within, and adjacent to UIL Energy's central (EP 447, EP 488 and EP 489) and north Perth basin permits (EPA 82, EPA 98 and EPA 99). The review has resulted in UIL Energy upgrading its technical assessment of the exploration potential in these areas.

The review uncovered 14 exploration leads, five in UIL Energy's northern Perth basin permits (refer to Figure 1 below) and nine in its central Perth basin permits (refer to Figure 2 below). Mapping indicates the leads range in size up to 50 km² in area.

The leads are primarily Jurassic in age, comprising the Cockleshell Gully (Cattamarra Coal Measures and Eneabba) and Cadda Formations. These formations contain the Gingin, Red Gully, Warro, Walyering, Mt Horner, North Yandanogo, Erregulla and Ocean Hill gas and liquids fields and accumulations in neighboring tenements.

The 14 conventional leads are in addition to multiple unconventional tight gas leads that have previously been identified. UIL Energy will look to optimise well locations to test both conventional and unconventional targets that may occur in stacked sequences maximising the chances of success.

The leads are interpreted to potentially contain gas and gas/liquids which, if successfully drilled, can easily be commercialised in the undersupplied Western Australia gas market. UIL Energy plans to further de-risk the leads by shooting 2D and 3D seismic over them in order to establish drillable prospects.

UIL Energy is progressing approvals and commercial arrangements with contractors for its proposed seismic program over parts of its Perth Basin permits. Adjacent to UIL Energy's permits, substantial funds are also committed by other companies during the next 12 months focusing on proving up and developing the recent technical success in the basin.

Managing Director John De Stefani commented, “The review further confirms the exploration potential of UIL Energy’s extensive permit holdings in the Perth Basin and with new seismic will establish a number of drillable high potential gas and gas/liquids prospects.

“UIL Energy remains well placed with key strategic assets in the immediate proximity to infrastructure in the fundamentally strong and highly priced Western Australia gas market,” he said.

For and on behalf of the Board
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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 reach \$12/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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Figure 1: Conventional Leads Across UIL Energy's Northern Perth Basin permits

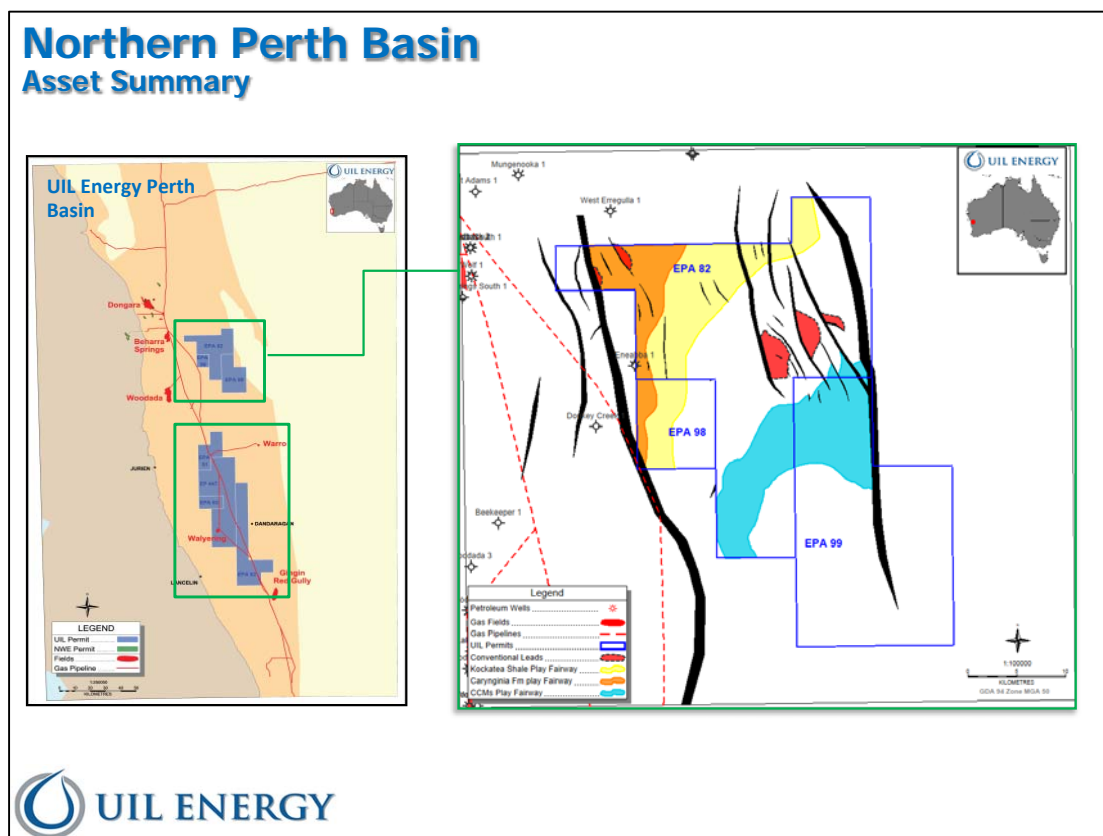


Figure 2: Conventional Leads Across UIL Energy's Central Perth Basin permits

