



PERTH BASIN - THE NEXT HOT SPOT FOR ONSHORE OIL AND GAS PLAYS

“UIL Energy is significantly undervalued compared to its peers and poised to benefit from surrounding drilling activity in the basin”

John De Stefani
Managing Director

UIL Energy Ltd

Noosa Mining and Exploration Conference
July 2015



Disclaimer



This Presentation (this “Presentation”) has been prepared for use by prospective investors in considering their interest in an investment (the “Transaction”) in UIL Energy Ltd (“UIL Energy” or the “Company”). By receiving this Presentation, the recipient acknowledges and agrees as follows:

- Nothing in this Presentation should be construed as either an offer to sell or issue or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in UIL Energy
- It is being delivered on a confidential basis to specified parties solely to assist them in conducting their own evaluation and investigation of the Company and does not purport to contain all of the information that may be required or relevant to a recipient’s evaluation of any Transaction. In all cases, recipients will be responsible for conducting their own investigations and analysis.
- Neither the Company or any of its affiliates or representatives makes any representation, warranty or guaranty of any kind, express or implied, as to the accuracy, completeness or reasonableness of the information contained herein or any other written or oral communication transmitted or made available to any recipient. The Company and its affiliates and representatives expressly disclaim any and all liability based on or arising from, in whole or in part, such information, errors therein or omissions therefrom.
- By receiving this Presentation, you agree to keep its contents confidential. Except as agreed in writing by the Company, this Presentation may not be reproduced or used without the express consent of the Company or for any purpose other than the evaluation of the Transaction by the person to whom this Presentation has been delivered.
- In addition, this Presentation may include certain projections and forward-looking statements provided by the Company with respect to the anticipated future performance of the Company. Such projections and forward-looking statements reflect various assumptions of management concerning the future performance of the Company, and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company. Accordingly, there can be no assurance that such projections or forward-looking statements will be realised. Actual results may vary from anticipated results and such variations may be material. No representations or warranties are made as to the accuracy or reasonableness of such assumptions or the projections or forward-looking statements based thereon.
- Only those representations and warranties that are made in a definitive written agreement relating to a Transaction, when and if executed, and subject to any limitations and restrictions as may be specified in such definitive agreement, shall have any legal effect. Each recipient should make an independent assessment of the merits of pursuing a Transaction and should consult its own professional advisors.
- In furnishing this Presentation, the Company does not undertake any obligation to provide the recipient with any additional information or to update the information contained herein. This Presentation shall not be deemed an indication of the state of affairs of the Company, nor shall it constitute an indication that there has been no change in the business or affairs of the Company since the date of this Presentation or the date as of which information is given in the Presentation.

Competent Person Statement

The technical information that relates to Prospective Resources in this quarterly report has been compiled in accordance with 2007 SPE/WPC/AAPG/SPEE Petroleum Resource Management System and has been prepared by McDaniel & Associates Consultants Ltd (**McDaniel**), an independent petroleum consultancy firm registered with the Association of Professional Engineers and Geoscientists of Alberta (**APEGA**) with over 50 years of experience in the evaluation of oil and gas properties.

Key Ingredients for Success



Proven Track Record

- ✓ Ex-Bow Energy's experienced and successful management team
- ✓ Directors have significant skin in the game (~35%)

Highly Prospective Assets

- ✓ Targeting onshore gas and liquids plays in Western Australia
- ✓ Clear focus on **Perth Basin** – close to AWE's large gas discovery
- ✓ Close proximity to pipeline infrastructure
- ✓ High equity positions and operator of all permits

Attractive Industry Outlook

- ✓ WA gas demand largest in Australia, with a sharp decline from existing offshore producers over the next decade
- ✓ WA gas prices forecast to rise from \$8/GJ-\$12/GJ

UIL Energy Significantly Undervalued



Valuation Metrics

- ✓ Market capitalisation of ~\$6.5 million
- ✓ Highly prospective acreage of ~500,000 net acres in Perth Basin
- ✓ UIL Energy is a ~80% discount to its peers in the Perth basin (UIL Energy at \$7/acre compared to peers ~\$35/acre)¹

Key Metrics

- ✓ ASX code: UIL
- ✓ ~108 million shares on issue
- ✓ ~36.3 million unlisted options
- ✓ Tightly controlled register with Directors holding ~35%
- ✓ Cash position of ~\$2.5 million at 30 June 2015 with no debt

1. Based on market values and acreage of peers as at 30 June 2015. Peers includes Empire, Eneabba, Transerve, Norwest and Key.

Positive Market Dynamics Now Evolving



During the last six months, a number of key transactions and gas market dynamics have started to emerge placing increased inherent value on UIL Energy's asset position

- ✓ Quadrant Energy (Brookfield private equity and Macquarie) now in the market and looking to expand their domestic gas supply
- ✓ Browse LNG project reservation conditions allowing Woodside to meet domestic gas obligation through domestic offset arrangements i.e. Woodside can purchase domestic gas projects to meet their obligation – will drive increased focus on Perth basin
- ✓ AWE continues to ramp up drilling in Perth Basin. A large multinational are about to follow with the first horizontal well in the Basin adjacent to UIL Energy's acreage
- ✓ **UIL Energy is primed to take advantage given its substantial Perth Basin presence**

Board and Management Expertise



Simon Hickey
Executive Chairman



Keith Skipper
Non-Executive Director



Stephen Bizzell
Non-Executive Director



John De Stefani
Chief Executive Officer



Vic Palanyk
Chief Operating Officer

-
- ✓ Significant investment by Directors (~35%)
 - ✓ Extensive experience building and selling petroleum and resource companies
 - ✓ Mix of exploration to production experience
 - ✓ Good relations with government

Perth Basin – The Next Hot Spot


**Over \$90m
of funds
committed
by other
companies
over next 12-
15 months**


Largest onshore gas
discovery in WA
since 1960's by AWE
– three further wells
planned this year

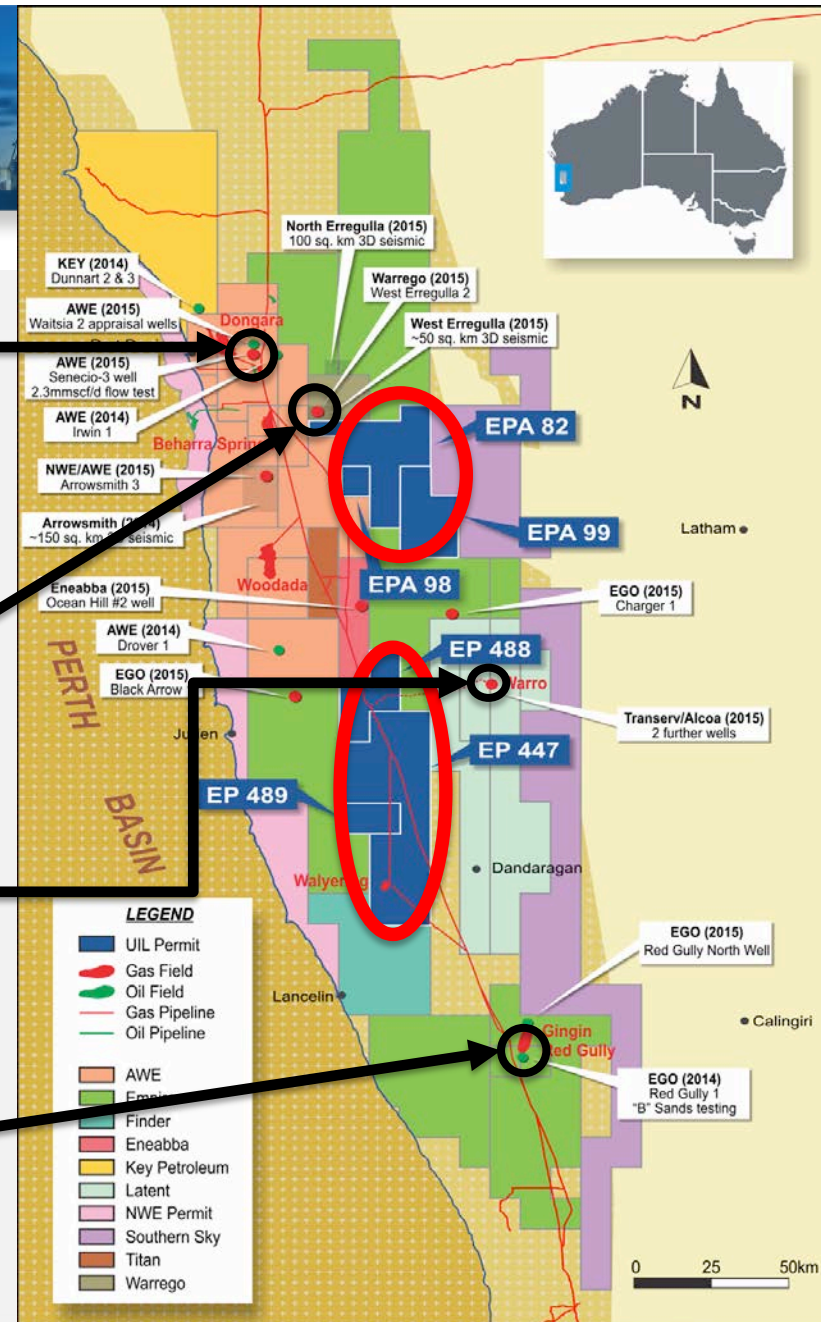
Two Dutch
companies \$40m
investment first
horizontal well in
Perth Basin late 2015

Alcoa, largest gas
user exploring for
gas with 2 wells

Empire drilling Red
Gully North Well late
2015

 UIL Energy's permits all 100%
owned and operated (excluding
EP447 which is owned 50%)

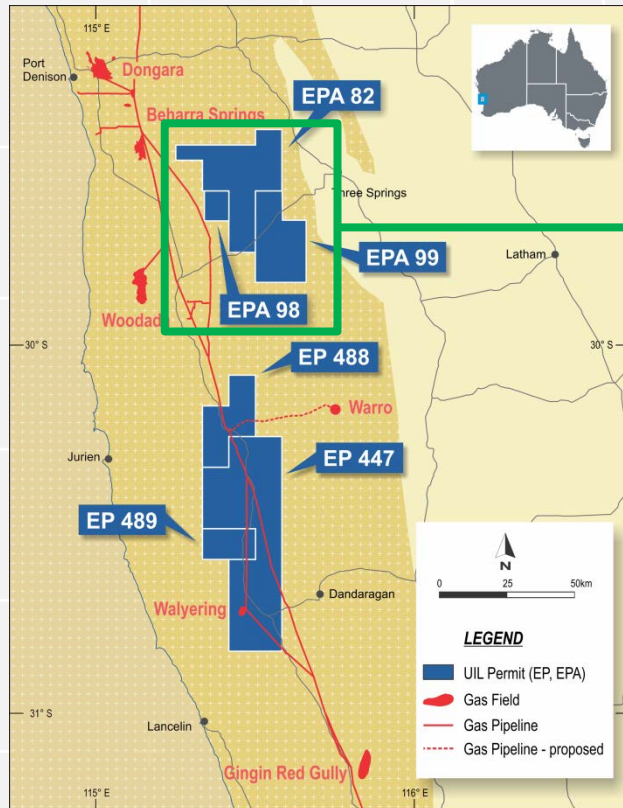
 Major drilling and testing
activity by other companies



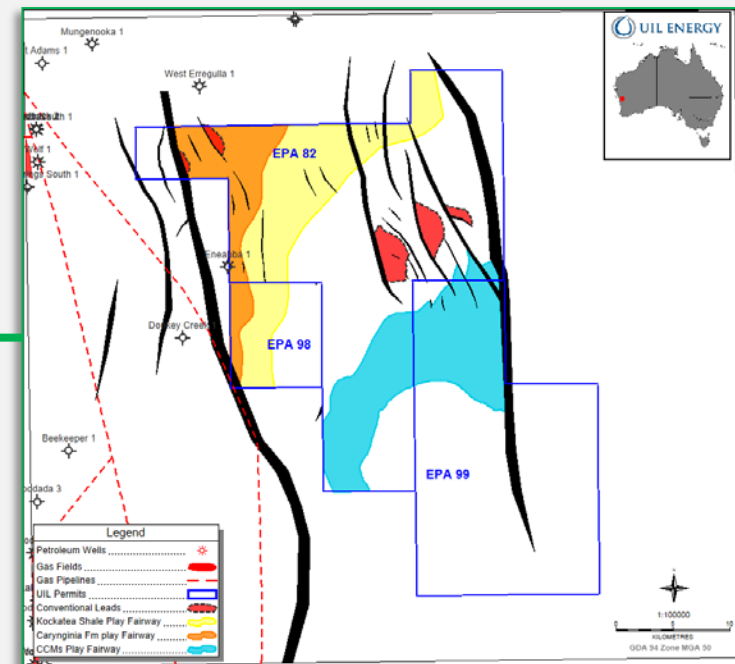
Northern Perth Prospectivity



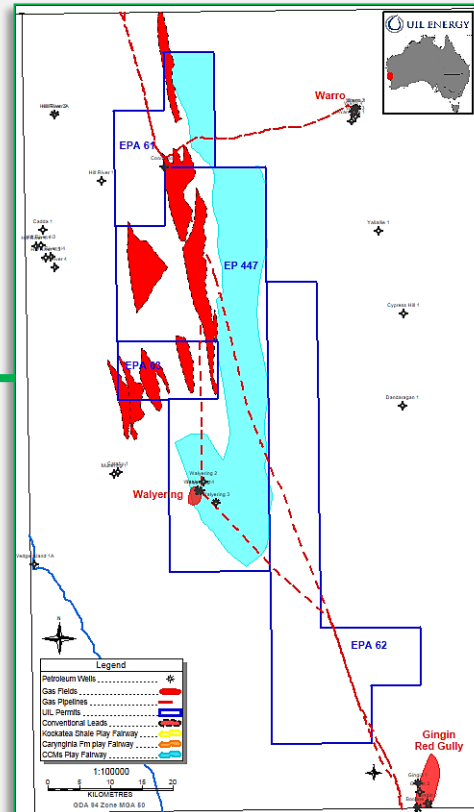
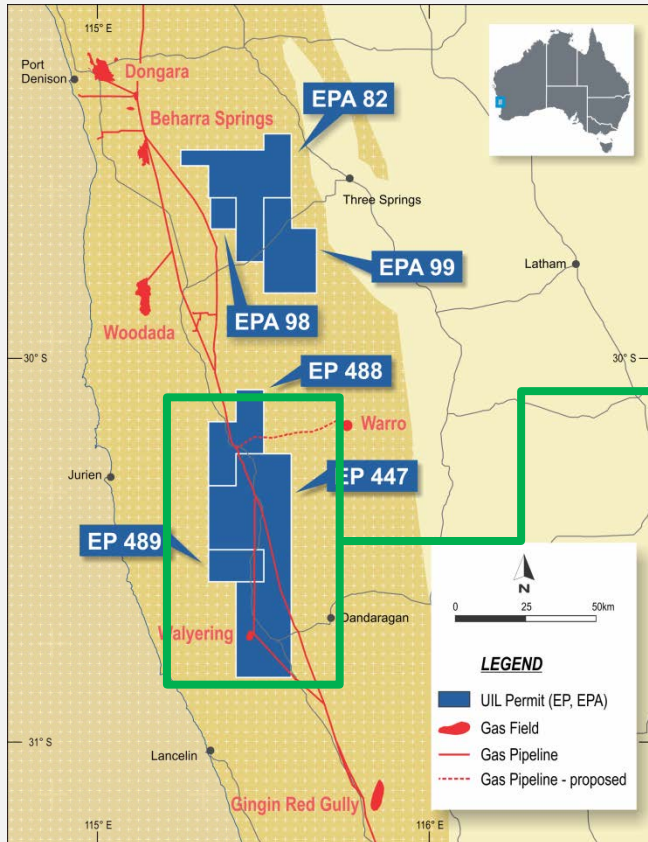
- ✓ North-western area of permits interpreted to contain similar reservoirs to those encountered by AWE's Senecio #3 discovery
- ✓ These formations have historically shown elevated or very high gas shows
- ✓ Seismic required to confirm the drilling depths and possible thickness variations of the targeted formations



Northern Assets Five Exploration Leads



Central Perth Prospectivity



Central Assets
Nine Conventional Leads

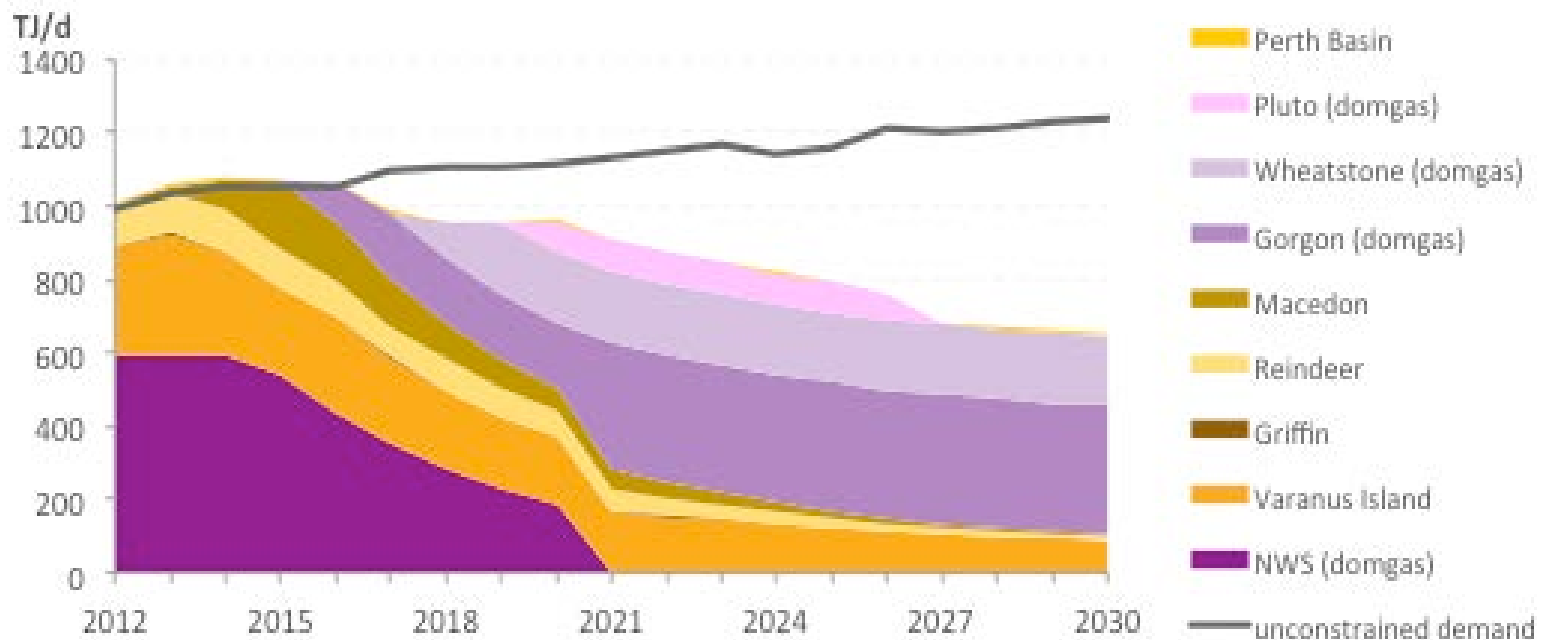
- ✓ Permits have unrisked high case prospective resources of 1.45 Tcf over a basin centered gas play in the Cattamarra Coal measures (as at 30 June 2014)¹
- ✓ Has further conventional leads covering the western flank of the permits
- ✓ Further seismic required to upgrade the leads to drillable prospects

1. Best case prospective resources of 328 Bcf

A Declining Gas Production Profile



- ✓ NWSJV (Woodside operator) is moving towards the point where its gas reserves are depleted
- ✓ In the absence of successful exploration, ACIL Allen believes NWSJV domgas supply will be exhausted by the early 2020s

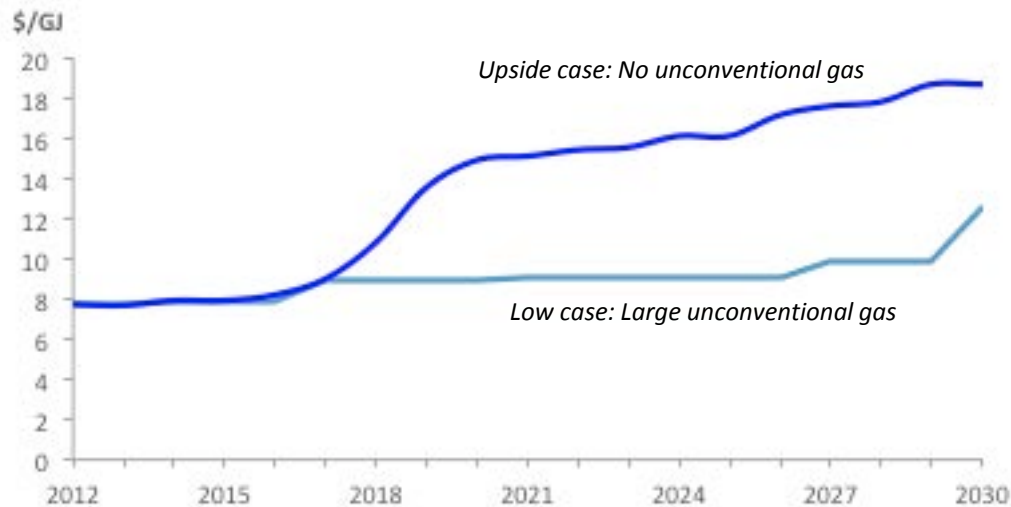


Source: ACIL Allen Consulting

Robust Gas Price Outlook



Modeled wholesale price – delivered at Perth (real terms)



Source: ACIL Allen GasMark modeling

ACIL Allen's modelling of the WA gas market indicates gas prices at around A\$8/GJ to almost \$12/GJ during the next 20 years

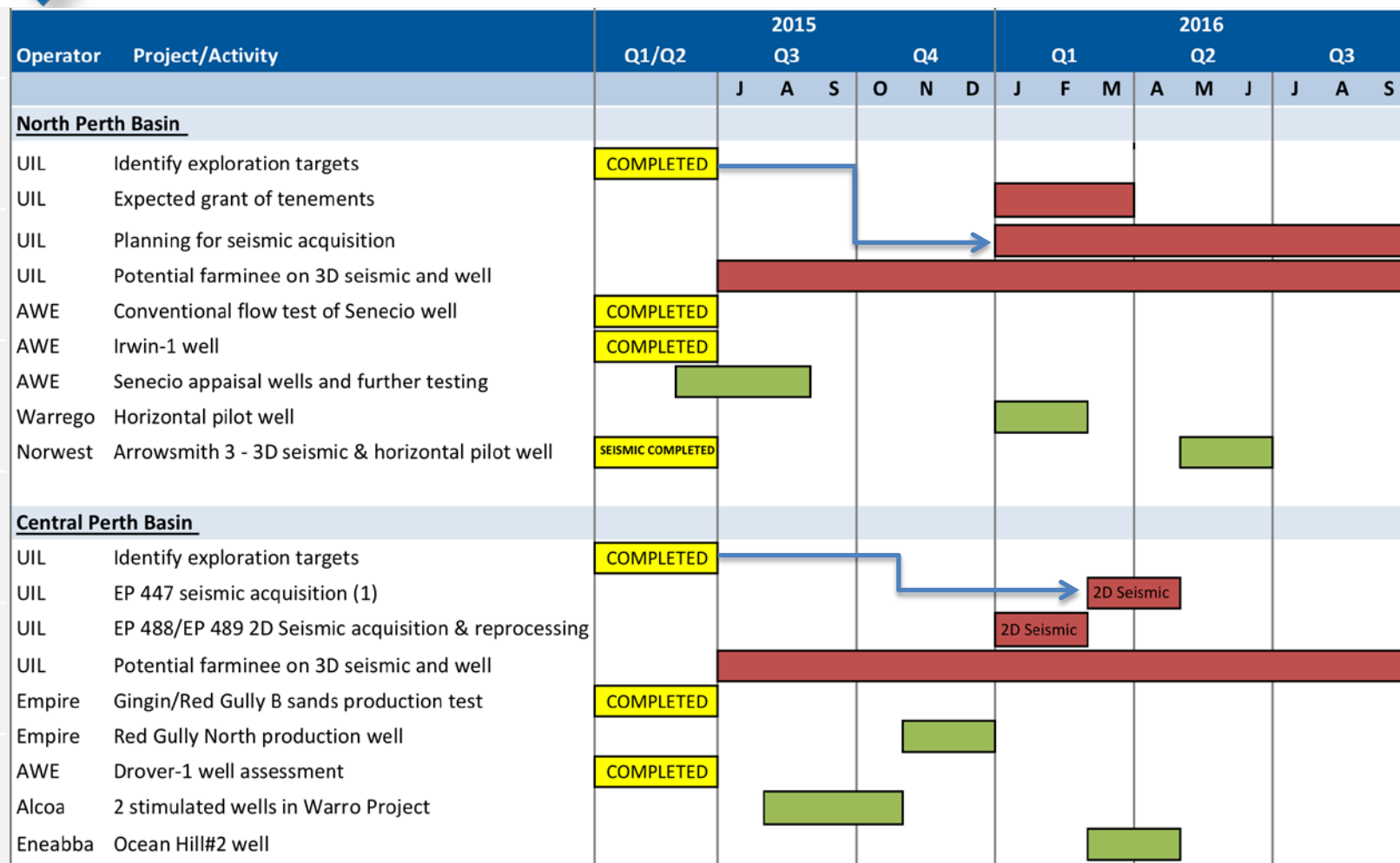
Impact of NWS decline

- Expected declining production from the North West Shelf domestic gas plant from around 2016 onwards

Importance of unconventional gas

- How far prices rise, and how quickly, will critically depend on how much unconventional gas becomes available to the market and the costs of such supply

Ramp up of Perth Basin Activity – Over eight wells to be drilled²



Other companies activities UIL Energy activity

1. Work program to be agreed with joint venture partner
2. Drilled by other companies and not UIL Energy

Summary



- ✓ Board and Management team with proven track record – have skin in the game and looking to repeat success
- ✓ Dominant position in the Perth Basin, a producing petroleum system with significant drilling committed by other companies over the next 12-15 months
- ✓ Close to infrastructure for early commercialisation
- ✓ \$8 – 12/Mcf local gas prices and severely undersupplied market