

UIL Energy Limited ACN 153 352 160

Notice of Extraordinary General Meeting and Explanatory Memorandum

Date of Meeting: 6 May 2016

Time of Meeting: 10:00am (Brisbane time)

Place of Meeting: HopgoodGanim Lawyers
Level 7, Waterfront Place
1 Eagle Street
Brisbane Qld 4000

Notice of Extraordinary General Meeting

Notice is given that an Extraordinary General Meeting of shareholders of UIL Energy Ltd ACN 153 352 160 (**Company**) will be held at the offices of HopgoodGanim Lawyers, on 6 May 2016 at 10:00am (Brisbane time).

Terms used in this Notice of Meeting are defined in section 6 of the accompanying Explanatory Memorandum.

The Explanatory Memorandum and the Proxy Form accompanying this Notice of Meeting are incorporated in and comprise part of this Notice of Meeting.

Agenda

The agenda for the meeting is as follows:

1. Opening of meeting.
2. Resolution 1: Issue of Equity Securities under Listing Rule 7.1
3. Resolution 2: Attachment of additional rights to preference shares (CRPS)
4. Other business.
5. Close of meeting.

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Ordinary business

1. Resolution 1: Issue of Equity Securities under Listing Rule 7.1

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

“That, in accordance with Listing Rule 7.1, and for all other purposes, and subject to the passing of Resolution 2, the Company be authorised to issue 55,000,000 Class A CRPS and 35,000,000 Class B CRPS to Eneabba Gas Limited and the conversion of some or all of these CRPS to Shares by the shareholders of Eneabba Gas Limited on the terms and conditions contained in this Notice of Meeting and attached Explanatory Memorandum.”

Voting Exclusion Statement

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on this Resolution by:

- (a) Any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of securities, if the resolution is passed to be excluded from voting; and
- (b) Any associate of that person.

However, the Company need not disregard a vote if:

- (a) It is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions in the proxy form; or
- (b) It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Special business

2. Resolution 2: Attachment of additional rights to preference shares (CRPS)

To consider and, if thought fit, pass the following Special Resolution with or without amendment:

“That, for the purposes of section 254A(2) of the Corporations Act and for any and all relevant purposes, and subject to the passing of Resolution 1, the Company be authorised to issue preference shares in the Company, as the CRPS, on the terms and conditions as summarised in the Explanatory Memorandum.”

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3. General business

To consider any other business as may be lawfully put forward in accordance with the Constitution.

By order of the board

A handwritten signature in black ink, appearing to be 'Drew Speedy', written over a circular stamp or seal.

Drew Speedy

Company Secretary

5 April 2016

Explanatory Memorandum

1. Introduction

The following information is provided to Shareholders of the Company in connection with the business to be considered at an Extraordinary General Meeting of Shareholders to be held at HopgoodGanim Lawyers on 6 May 2016 commencing at 10:00am (Brisbane time).

The Notice of Meeting, which is also enclosed, sets out details of proposals concerning the two Resolutions to be put to Shareholders.

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Unless otherwise defined, terms used in this Explanatory Memorandum are defined in section 6.

2. Background to the Resolutions

2.1 Introduction

The Company has entered into the Agreement for Sale of Shares with Eneabba Gas Limited (**ENB**) dated 25 February 2016 to acquire from ENB all of the share capital in Oceanhill Pty Ltd ACN 602 409 656 (**Oceanhill**) and GCC Methane Pty Ltd ACN 118 251 497 (**GCC**) (**Share Sale Agreement**).

Oceanhill owns the Ocean Hill prospect (EPA90) and GCC owns 50% of EP447 (with the Company being the existing owner of the balance 50% of EP447).

In consideration for the acquisition of Oceanhill and GCC, the Company will issue 55,000,000 Class A CRPS and 35,000,000 Class B CRPS (**Consideration Shares**) to ENB on the condition that these CRPS are distributed pro rata to all shareholders of ENB.

The Share Sale Agreement is subject to the conditions precedent set out in section 2.2. These conditions must be satisfied on or before 30 June 2016 (or such later date as agreed between the parties) with completion to be on or before 5 business days after the conditions are satisfied or waived.

After issue to ENB, the Consideration Shares will be distributed in specie by ENB to each of the shareholders of ENB on a pro rata basis within 10 business days following completion of the Share Sale Agreement (**Distribution**). Upon registration of the Class A CRPS in the names of the ENB shareholders, the Class A CRPS will automatically convert into ordinary shares in the Company. More details in relation to the Distribution are set out in section 2.4. No Consideration Shares will be retained by ENB.

The Class B CRPS will not convert into ordinary shares in the Company until a specified performance milestone with regards to drilling results has been satisfied by the Company. More details in relation to the conversion of the Class B CRPS are set out in section 2.3.

Under the terms of the Share Sale Agreement the Company has also agreed to appoint Garry Marsden, a director of ENB, to the Board of the Company and appoint Barnaby Egerton-Warburton, the Managing Director of ENB as the Manager of Business Development of the Company.

The Company has also agreed under the Share Sale Agreement that upon commencement of production pursuant to production licences over any part of the area of the Ocean Hill Block or EP447, the Company will offer to ENB a first right of refusal, on terms capable of acceptance, to purchase on commercial terms (in the absolute discretion of the Company), the gas that is produced from the Ocean Hill Block or EP447. If the first right of refusal is not accepted by

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ENB within 20 business days, then this gas production can be offered to a third party on the same terms.

2.2 Conditions Precedent

The Share Sale Agreement is conditional upon:

- (a) Oceanhill becoming the sole registered and beneficial owner of an exploration permit over the area covered by EPA0090 (the **Ocean Hill Block**);
- (b) ENB obtaining shareholder approval pursuant to, without limitation, Section 256B and Section 256C of the Corporations Act to undertake a capital reduction and distribution in specie of all of the Consideration Shares to each shareholder of ENB (i.e. the Distribution);
- (c) lodgement by ENB of a prospectus in accordance with the Corporations Act and ASIC policy to facilitate the Distribution;
- (d) UIL Energy obtaining shareholder approval for the resolutions contained in this Notice;
- (e) the issue of the exploration permit in respect of EPA0090 and completion occurring of a Permit Sale Agreement between Black Rock, Oceanhill and the Seller dated on or about 21 October 2014;
- (f) the issue and provision by ASIC and ASX of all consents, waivers or approvals, and the performance by ASIC and ASX of all other acts necessary, or which UIL considers desirable to implement the transactions contemplated by this Agreement, including the approval of the terms of the Consideration Shares to the extent required pursuant to the ASX Listing Rules; and
- (g) Oceanhill receiving a deed poll from Black Rock, pursuant to which Black Rock agrees to assign to Oceanhill:
 - (1) the Amangu Native Title Agreement; and
 - (2) the Yued Native Title Agreement.

These conditions must be satisfied by 30 June 2016 (or such later date as agreed between the parties).

2.3 Details of Consideration Shares

The Consideration Shares comprise 55,000,000 Class A CRPS and 35,000,000 Class B CRPS.

The terms of the Class A CRPS are set out in Annexure A to this Explanatory Memorandum.

The Class A CRPS will automatically convert into ordinary shares in the Company on the business day after the Distribution has been completed and the ENB shareholders have been recorded on the register for the Company as being the holders of the Class A CRPS. This should occur within 10 business days after completion of the Share Sale Agreement.

The terms of the Class B CRPS are set out in Annexure B to this Explanatory Memorandum.

The Class B CRPS will automatically convert into ordinary shares in the Company on the business day after the Ocean Hill #2 well is determined to be a “success” as specified in Annexure A to the Class B CRPS terms. In summary, “success” is based upon achieving a flow of natural gas for the Ocean Hill #2 well at commercial rates and it being determined by a

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qualified expert that there are sufficient long- term gas flow rates to support development of a gas operation.

If the Distribution does not occur as contemplated by the Share Sale Agreement, then the Company can redeem both the Class A CRPS and Class B CRPS for a nominal amount (being the Face Value of \$0.000001 per CRPS). The Company can also redeem the Class B CRPS at the Face Value if the performance milestone for conversion of those CPRS is not satisfied by 31 December 2019.

2.4 Distribution to ENB shareholders

Whilst the Consideration Shares will be issued to ENB, it is a condition of the Share Sale Agreement that ENB:

- (a) obtain the approval by ENB shareholders of a capital reduction and distribution in specie of all of the A Class CRPS and the B Class CRPS pro-rata to the ENB shareholders (**ENB Approval**); and
- (b) issue a prospectus in conjunction with the holding of the shareholders meeting for the purposes of sub-paragraph (a) in respect of the in specie distribution of the A Class CRPS and the B Class CRPS in accordance with the Corporations Act and ASIC policy (**ENB Prospectus**);

Subject to the ENB Approval being obtained and completion occurring, the in specie distribution of the Class A CRPS and Class B CRPS must occur within 10 business days after completion of the Share Sale Agreement.

If the shareholders of ENB do not approve the Distribution, then the Company can terminate the Share Sale Agreement and the CRPS will not be issued.

If the CRPS are issued to ENB on completion of the Share Sale Agreement and the Distribution of the CRPS to ENB shareholders does not occur as contemplated by the Share Sale Agreement, then the Company can redeem the CRPS for a face value of \$0.000001 per CRPS.

The Company anticipates that the EGM for ENB will be held on or about 9 May 2016.

The Share Sale Agreement also requires ENB to use reasonable endeavours to procure that identified ENB shareholders, being related parties and the top 10 shareholders of ENB, provide voluntary restriction deeds preventing them from dealing with their interest in the Company until the earlier of six month from the date of issue of the new Shares or 1 month prior to the scheduled spud date of any well drilled by the Company. In addition, certain related parties of ENB will also be required to provide a restriction agreement to ASX under Listing Rule 9 of the Listing Rules for a period of 12 months from the date of issue of the new Shares.

2.5 Impact of the issue of the Consideration Shares on the Company

The Company currently has on issue 108,023,755 Ordinary Shares.

Upon the issue of Consideration Shares after conversion of the 55,000,000 Class A CRPS (**Class A Conversion Shares**) the Company will have 163,023,755 Shares on issue (assuming that no options or other rights are exercised and no other shares are issued) and the 55,000,000 Class A Conversion Shares will represent 33.73% of the issued capital.

Upon the future issue of the Consideration Shares after conversion of the 35,000,000 Class B CRPS (**Class B Conversion Shares**) the Company will have 198,023,755 Shares on issue (assuming that no options or other rights are exercised and no other shares are issued) and

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the 35,000,000 Class B Conversion Shares would represent 17.67% of the issued capital at that time.

The Class A Conversion Shares and Class B Conversion Shares, taken together, will represent 45.45% of the current issued share capital of the Company (assuming that no options or other rights are exercised and no other shares are issued). On a fully diluted basis, allowing for an additional 26,804,959 options and performance rights on issue, the Consideration Shares (upon conversion) would represent 40.03% of the issued capital of the Company (assuming that no other shares are issued).

2.6 Details regarding Oceanhill and GCC

The Company has entered into the Share Sale Agreement so that it can create a larger and more diverse Perth Basin explorer by acquiring additional gas exploration permits in that region.

Pursuant to the Share Sale Agreement, the Company will purchase two ENB subsidiaries, Oceanhill and GCC, that respectively own the Ocean Hill prospect (EPA90) and 50% of EP447. The acquisition of GCC will give the Company a 100% interest in EP447.

ENB is an ASX-listed company (ASX: ENB) and details with respect to EPA90 and EP447 can be obtained from material released to the ASX by ENB.

EPA 90 is in the process of being acquired by Eneabba from Black Rock (ASX: BKT). Completion of this acquisition by ENB remains subject to satisfaction of conditions under its agreement with Black Rock. Details with regards to this acquisition were announced to the ASX by both ENB and Black Rock on 22 October 2014 and updates were announced to the ASX by both companies on 27 November 2015.

The completion of the acquisition of EPA 90 from Black Rock and Oceanhill becoming the sole registered and beneficial owner of that permit is one of the conditions precedent to completion of the Share Sale Agreement.

As detailed in previous announcements issued by ENB and Black Rock (when formerly Greenrock Energy Limited), the Ocean Hill #1 well was drilled in 1991 by SAGASCO and tested a substantial structure within the Ocean Hill permit. The well was drilled to a total depth of 3,840 metres within the Jurassic Cattamarra Coal Measures ("CCM") and encountered over 800 metres of gas shows within the Cadda Formation and the CCM. Well log calculations indicated over 100m of net pay. A drill stem test performed flowed at a rate of 700 Mcf/day*.

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*.

Combined with the Ocean Hill prospect, the Company believes that its current Perth Basin portfolio provides one of the most highly prospective acreage positions in the Perth Basin.

(* 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".)

2.7 Inter-conditionality

Resolutions 1 and 2 are conditional upon the passing of one another, so that each will not have effect unless and until the other is passed.

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2.8 Board recommendation

Resolutions 1 and 2 must both be passed in order to facilitate completion of the Share Sale Agreement and the issue of the Consideration Shares. Accordingly, the Board recommends that shareholders vote in favour of both resolutions.

3. Resolution 1: Issue of Equity Securities under Listing Rule 7.1

3.1 Introduction

Resolution 1 seeks Shareholder authorisation to issue 55,000,000 Class A CRPS and 35,000,000 Class B CRPS to ENB.

3.2 CRPS Terms

The terms of the Class A CRPS are set out in Annexure A to this Explanatory Memorandum.

The terms of the Class B CRPS are set out in Annexure B to this Explanatory Memorandum.

3.3 ASX Listing Rule 7.1 - Issues exceeding 15% of capital

Listing Rule 7.1 prohibits a listed company, except in certain cases, from issuing in any 12 month period new Equity Securities equivalent in number to more than 15% of the total number of ordinary securities on issue at the beginning of the twelve month period (**15% Capacity**) without either the prior approval of a majority of disinterested shareholders, or the issue otherwise falls within one of the prescribed exceptions to Listing Rule 7.1 (**15% Rule**).

Equity Securities issued with shareholder approval under ASX Listing Rule 7.1 do not count towards the 15% Capacity.

Convertible redeemable preference shares are Equity Securities under the Listing Rules.

Further under Exception 4 in Listing Rule 7.2, an issue of Equity Securities on the conversion of Convertible Securities does not count towards the 15% Capacity provided that the Company complied with the Listing Rules when it issued the Convertible Securities (or issued the Convertible Securities before it was listed).

Therefore the Company is seeking Shareholder approval in accordance with Listing Rule 7.1 to issue the 55,000,000 Class A CRPS and 35,000,000 Class B CRPS, so that the issue of those CRPS and any Equity Securities issued upon conversion of those CRPS do not count towards the Company's 15% Capacity.

For the purposes of ASX Listing Rule 7.3, the Company advises:

(a) 7.3.1: Maximum number of Securities to be issued

90,000,000 CRPS, comprising 55,000,000 Class A CRPS and 35,000,000 Class B CRPS, each with a face value of \$0.000001 and converting into 1 ordinary share each.

The maximum number of Shares that may be issued upon conversion of the CRPS is 90,000,000.

Refer to section 2.5 above for details with regards to the effect that the issue of the CRPS will have on the share capital of the Company.

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(b) **7.3.2: Date by which the Company will issue the Securities**

It is anticipated that the Company will issue the CRPS upon completion of the Share Sale Agreement within a short time period following shareholder approval at the Meeting. In any event, the Company will issue the CRPS by no later than 3 months after the date of the Meeting (subject to completion of the Share Sale Agreement taking place).

Each Class A CRPS and the Class B CRPS will convert into a single ordinary share in the Company on the basis that:

- (1) the Class A CRPS will convert into ordinary shares in UIL on the business day after they are distributed to the ENB shareholders via the Distribution (see section 2.3 and Annexure A for further details); and
- (2) the Class B CRPS will convert into ordinary shares in UIL upon the specified performance milestone for the Class B CRPS being satisfied (see section 2.3 and Annexure B for further details).

(c) **7.3.3: Issue price of Equity Securities**

The CRPS will be issued for nil cash consideration as consideration for the acquisition of shares in Oceanhill and GCC pursuant to the Share Sale Agreement.

(d) **7.3.4: Allottees of Equity Securities**

The CRPS will be issued by the Company to ENB.

As set out in section 2.4, the CRPS are required under the Share Sale Agreement to be distributed to the shareholders of ENB in accordance with the Distribution within 10 business days after completion of the Share Sale Agreement. After the Distribution, the CRPS will be held by the shareholders of ENB and ENB will not retain any CRPS.

(e) **7.3.5: Terms of the Equity Securities**

The CRPS have the terms as set out in Annexure A and Annexure B to this Notice.

Any Shares issued upon the conversion of the CRPS shall rank pari passu with all other existing Shares on issue in the Company.

(f) **7.3.6: Use of funds raised**

No funds will be raised from the issue of the CRPS.

The CRPS are issued as consideration for the acquisition of the shares in Oceanhill and GCC under the Share Sale Agreement.

(g) **7.6.7: Dates of allotment**

The CRPS will be allotted on completion of the Share Sale Agreement.

(h) **7.6.8: Voting Exclusion Statement**

A voting exclusion statement is included in the Notice of Meeting for Resolution 1.

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Special Business

4. Resolution 2 - Attachment of additional rights to preference shares

1.1 Background

1.2 Approval being sought

Section 254A(2) specifies that a company can only issue preference shares if the rights attached to them are set out in the company's constitution or have otherwise been approved by special resolution of the company.

The Board is seeking shareholder sanction, by Special Resolution, to attach certain rights to the Company's unissued preference shares, so that preference shares issued by the Board in the future will be issued on the terms and with the rights provided for in the terms of the CRPS set out in further detail above in section 2.1 of the Explanatory Memorandum) (**Preference Share Terms**). Accordingly, Resolution 2 seeks approval to attach the rights contemplated by the Preference Share Terms to the CRPS which are not already provided for in clause 2.4 of, or otherwise in, the Constitution.

The rights to be attached to the unissued preference shares, that is, the rights which are in addition to the rights broadly provided in clause 2.4 of, or otherwise applying to the preference shares of the Company under the Constitution are summarised below.

4.1 Rights to be attached to the UIL Energy Preference Shares

The following rights (in general terms) are to be **attached** to the preference shares of the Company (which are those rights contemplated by the Preference Share Terms which are not already provided for in the Constitution):

(a) Dividend

- (1) Class A CRPS: The non-cumulative dividend payable on each CPS at the Dividend Rate (being 5% per annum based on the Face Value of each CPS).
- (2) Class B CRPS: The Class B CRPS are not entitled to a payment of dividends.

(b) Return of Capital on winding up

- (1) Class A CRPS: Until Conversion, if there is a return of capital on a winding up of the Company, Class A CRPS Holders will be entitled to receive out of the assets of the Company available for distribution to holders of CRPS, in respect of each CRPS held, a cash payment equal to the Face Value and any accrued and unpaid Dividend before any return of capital is made to holders of Shares or any other class of shares ranking behind the CRPS.
- (2) Class B CRPS: Until Conversion, if there is a return of capital on a winding up of the Company, Class B CRPS Holders will be entitled to receive out of the assets of the Company available for distribution to holders of CRPS, in respect of each CRPS held, a cash payment equal to the Face Value before any return of capital is made to holders of Shares or any other class of shares ranking behind the CRPS.

(c) Redemption

- (1) Class A CRPS: The Company can redeem the Class A CRPS within 20 Business Days after a failure of the Class A CRPS to be registered in the names of the ENB shareholders by the date being 10 business days after the

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issue of the Class A CRPS (i.e. if the Distribution does not occur as contemplated by the Share Sale Agreement).

- (2) Class B CRPS: The Company can redeem the Class B CRPS within 20 business days after either:

(A) a failure of the Class B CRPS to be registered in the names of the ENB shareholders by the date being 10 business days after the issue of the Class B CRPS (i.e. if the Distribution does not occur as contemplated by the Share Sale Agreement); or

(B) if the Ocean Hill #2 well is not drilled by 31 December 2019 or is drilled but determined not to be a "Success" by 31 December 2019.

- (d) Transferability

Both the Class A CRPS or the Class B CRPS are non-transferrable except for the purposes of the Distribution.

- (e) General rights of the CRPS

The following general rights will apply with regards to both the Class A CRPS and the Class B CRPS:

- (1) CRPS do not confer on their holders any right to participate in profits or property except as set out in these Terms or in the Constitution.
- (2) If, upon a return of capital, there are insufficient funds to pay in full the amounts referred to above and the amounts payable in respect of any other shares in the Company ranking as to such distribution equally with the CRPS on a winding up of the Company, the CRPS Holders and the holders of any such other shares will share in any distribution of assets of the Company in proportion to the amounts to which they respectively are entitled.
- (3) Until Conversion, the CRPS do not confer on the CRPS Holders any further right to participate in the surplus assets of the Company on a winding up then those set out in these Terms.
- (4) Until all CRPS have been converted, the Company must not, without approval of the CRPS Holders, issue shares ranking in priority to the CRPS or permit the variation of any rights of any existing shares to shares ranking equally or in priority to the CRPS, but the Directors are at all times authorised to issue further CRPS ranking equally with any existing CRPS.
- (5) If a takeover bid is made for ordinary shares, acceptance of which is recommended by the Directors, or the Directors recommend a member's scheme of arrangement, the Directors will use reasonable endeavours to procure that equivalent takeover offers are made to the CRPS Holder or that they participate in the scheme of arrangement.
- (6) Until conversion, the CRPS confer no rights to subscribe for new securities in the Company or to participate in any bonus issues.

4.2 Consequences of Resolutions being passed

If Shareholder approval of Resolution 2 is obtained, the Company will lodge with ASIC a copy of Resolution 2 in accordance with section. The effect of doing so will be that if and when the Company subsequently issues the CRPS, as contemplated by and in accordance with the

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Share Sale Agreement, the issue of those new preference shares of the Company will not constitute a variation of the rights of any other shareholders of the Company under section 246C(5) or 246C(6) of the Corporations Act on the basis that the rights attaching to the new shares (the Class A CRPS and Class B CRPS) will have been provided for in a notice, document or resolution that is lodged with ASIC.

5. Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the Shares at 7.00pm (Sydney Time) on 4 May 2016. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

6. Interpretation

The following terms used in the Notice of Meeting and the Explanatory Memorandum are defined as follows:

15% Capacity has the meaning given to that term in section 3.3.

AGM means annual general meeting.

Amangu Native Title Agreement means the Ocean Hill Project Exploration agreement between Black Rock and Barry Dodd, Clarrie Cameron, Thomas Cameron, Anita Farrell, Rodney Little, RM (name withheld for cultural reasons), Ross Oakley, Robert Ronan, Frederick Taylor Senior, Ronald Tolputt and Malcolm Whitby for and on behalf of the Amangu Native Title Claim Group in the native title determination application WC2004/002, WAD6002/2004.

ASIC means the Australian Securities & Investments Commission.

Associated Entity has the meaning given to that term in the Corporations Act.

ASX means the ASX Limited.

Black Rock means Black Rock Mining Limited (formerly Green Rock Energy Limited) ACN 094 551 336.

Board means the board of Directors of the Company from time to time.

Business Day means a day on which all banks are open for business generally in Brisbane.

Chair means the person chairing the Meeting.

Company means UIL Energy Ltd ACN 153 352 160.

Consideration Shares means 55,000,000 Class A CRPS and 35,000,000 Class B CRPS.

Constitution means the constitution of the Company from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

CRPS means convertible redeemable preference shares.

Directors mean the directors of the Company from time to time.

Distribution has the meaning given in section 2.1.

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Equity Securities has the meaning given to that term in the Listing Rules.

Explanatory Memorandum means the explanatory statement accompanying this Notice.

Face Value means \$0.000001.

Listing Rules means the official listing rules of the ASX as amended from time to time.

Meeting means the Extraordinary General Meeting to be held on 6 May 2016 as convened by the accompanying Notice of Meeting.

Notice of Meeting or **Notice** means the notice of meeting giving notice to shareholders of the Meeting, accompanying this Explanatory Memorandum.

Ordinary Resolution means a resolution passed by more than 50% of the votes at a general meeting of shareholders.

Related Party has the meaning in section 228 of the Corporations Act.

Resolutions means the resolutions set out in the Notice of Meeting.

Securities has the meaning in section 92(1) of the Corporations Act.

Share Sale Agreement has the meaning in clause 2.1.

Shares means fully paid ordinary shares in the Company from time to time.

Shareholder means a shareholder of the Company.

Special Resolution means a resolution:

- (a) of which notice has been given as set out in paragraph 249L(1)(c) of the Corporations Act; and
- (b) that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.

Subsidiaries has the meaning given to that term in the Corporations Act.

Yued Native Title Agreement means the Ocean Hill Project Exploration Agreement dated 29 May 2014 between Black Rock and Charlie Shaw, Dennis Jetta, May McGuire and Malcolm Ryder for and on behalf of themselves and the Yued Native Title Claim Group in native title determination application WAD 6192/1998, WC 1997/071 and South West Aboriginal Land and Sea Council (ICN 3832) for themselves and on behalf of the Yued Native Title Claim Group.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Drew Speedy (Company Secretary):

Office: Level 9, 1 Eagle St, Brisbane Qld 4000

Phone: +61 7 3007 9600

Annexure

Annexure A Class A Convertible Preference Share Terms

1. Glossary

1.1 Constitution

Unless the context otherwise requires words and expressions used in the Terms have the meanings ascribed to them respectively in the Constitution;

1.2 Corresponding meaning

If a word or phrase is defined, its other grammatical forms have a corresponding meaning; and

1.3 Definitions

The following expressions have the following meanings:

ASTC	ASX Settlement and Transfer Corporation Pty Ltd (ABN 49 008 504 532) or any successor;
Automatic Conversion	has the meaning given to that term in clause 3.1
Automatic Conversion Date	The Business Day after the CPS are registered in the name of the Distribution Recipient as a result of the Distribution
Board	The board of directors of the Company.
CHESS	the Clearing House Electronic Subregister System operated by ASTC
Company	UIL Energy Limited
Condition Failure Event	If the Automatic Conversion Date has not happened in respect of all CPS by the date being 10 business days after the issue of the CPS
Constitution	The constitution of the Company as amended from time to time.
Conversion	in relation to a CPS, the taking effect of the rights specified in clauses 3.1, 5 and 6.4 in relation to that CPS and Convert and Converted have corresponding meanings.
Conversion Date	the Automatic Conversion Date or the New Conversion Date, as applicable.
Corporations Act	the <i>Corporations Act 2001</i> (Cth);
CPS	The convertible preference shares known as “ <i>Class A CPS</i> ” issued on the terms set out in these Terms or, where the context requires, each preference share.
CPS Holder	Each person registered in the Register from time to time as a holder of CPS.
Directors	The board of directors of the Company.
Distribution	The distribution in specie of the CPS to holders of ordinary shares in the Original CPS Holder, pursuant to the Distribution Resolution
Distribution Recipient	A recipient of CPS distributed as part of the Distribution
Distribution Resolution	A resolution passed at a meeting of ordinary shareholders of the Original CPS Holder authorising the Distribution pursuant to the <i>Corporations Act</i> .

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Dividend	The non-cumulative dividend payable on each CPS at the Dividend Rate
Dividend Rate	5% per annum based on the Face Value of each CPS.
Face Value	\$0.000001 per CPS
New Conversion Date	has the meaning given to that term in clause 6.4
Original CPS Holder	Eneabba Gas Limited
Redeem	in relation to a CPS, redeem, buy-back (other than an on-market buy-back within the meaning of the Corporations Act) or reduce capital, or any combination of such activities, in connection with that CPS in accordance with clause 7, and Redeemed , Redeemable and Redemption have the corresponding meanings;
Redemption Date	10 Business Days after the Company issues a Redemption Notice
Redemption Notice	A notice given by the Company to a CPS Holder in a form determined by the Company, of its intention to Redeem the CPS in accordance with clause 7.
Redemption Period	The period commencing on the Condition Failure Event happening and ending 20 Business Days thereafter.
Register	The register of CPS maintained by the Company and includes any sub-register of that register.
Shares	a fully paid ordinary share in the capital of the Company
Terms	The terms and conditions for the issue of CPS in the Company as these terms and conditions are amended, supplemented or replaced from time to time and as set out herein.

2. CPS

2.1 CPS

The CPS are fully paid redeemable convertible preference shares in the capital of the Company (**CPS**). They are issued, and may be Redeemed or Converted according to these Terms.

2.2 Face Value

Each CPS will be issued fully paid at the Face Value.

3. Automatic Conversion

3.1 Automatic Conversion

Subject to clause 6.4, each CPS will be Converted on the Automatic Conversion Date in accordance with clause 5 (**Automatic Conversion**) unless the CPS has been previously Redeemed.

3.2 No other Conversion

The Company does not have the right to Convert the CPS other than in the circumstances listed in clause 3.1.

Annexure

4. No Holder conversion right

4.1 No conversion right

Save as provided for in these Conditions, no CPS Holder has a right to Convert CPS.

5. Conversion

5.1 Conversion number

In the event of a Conversion all CPS will convert into Shares on the basis of one Share for each CPS.

5.2 Rights on Conversion

A CPS, upon Conversion, confers all of the rights attaching to one Share but these rights do not take effect until 5.00pm (Brisbane time) on the Conversion Date. At that time:

- (a) all other rights conferred or restrictions imposed on that CPS under these Terms will no longer have effect; and
- (b) the Share resulting from the Conversion will rank equally with all other Shares.

5.3 Effect of Conversion

Conversion does not constitute a redemption, buy-back, cancellation or termination of CPS or an issue, allotment or creation of a new Share.

5.4 Statement

Upon Conversion the Company shall provide the CPS Holder with a certificate or statement of holding for the Shares the subject of a Conversion.

5.5 Dividend

Despite anything else in these Terms, upon Conversion of the relevant CPS, any entitlement to a Dividend (accrued or otherwise) with respect to CPS, will cease to accrue and be deemed to be written off.

6. Quotation of Shares

6.1 Rank equally

Each Share arising from Conversion will rank pari passu with all other fully paid Shares, except that such Shares arising from Conversion will not be entitled to any dividend or any other distribution or entitlement that has been declared or determined but not paid as at the Conversion Date.

6.2 Cleaning Notice

On the Automatic Conversion Date, subject to clause 6.3, the Company must provide to ASX a notice complying with sections 708A(5)(e) and 708A(6) of the Corporations Act (**Cleansing Notice**)

6.3 Cleansing Prospectus

Annexure

If on the Automatic Conversion Date the Company would be unable to provide to ASX a Cleansing Notice in respect of a Conversion because it is unable to comply with the requirements of sections 708A(5)(e) and 708A(6) of the Corporations Act (including where trading in the Shares on ASX was suspended for more than a total of five days in the preceding 12 month period) or for any other reason is unable to provide to ASX a Cleansing Notice for the purposes of clause 6.2, the Company must within 10 Business Days after the Automatic Conversion Date lodge with ASIC a prospectus complying with section 708A(11) of the Corporations Act (**Cleansing Prospectus**).

6.4 Adjustment of Conversion Date

If the Company is under an obligation to lodge a Cleansing Prospectus, and the Automatic Conversion Date would occur prior to actual lodgement of the Cleansing Prospectus then the Conversion of the CPS will not occur until the date on which the Company has complied with its obligations under clause 6.3 (for the purposes of this clause 6.4, the **New Conversion Date**) and each CPS will be Converted on the New Conversion Date in accordance with clause 5 unless the CPS has been previously Redeemed.

6.5 Uncertified

Shares arising from Conversion will be issued in uncertificated form through CHES.

6.6 Statements

Statements of holdings for Shares arising from Conversion will be dispatched by the Company by mail free of charge as soon as practicable but in any event within 10 Business Days after the relevant Conversion Date.

7. Redemption

7.1 Redemption mechanics to apply to Redemption

The Company may Redeem CPS during the Redemption Period by:

- (a) giving a Redemption Notice to CPS Holders; and
- (b) paying to the CPS Holders on the Redemption Date:
 - (1) the Face Value of each CPS the subject of the Redemption Notice; and
 - (2) the Dividend due on the relevant CPS on the Redemption Date,(together the **Redemption Amount**).

7.2 Redemption restrictions

The Company may not Redeem any CPS unless, at the same time, it redeems all CPS.

7.3 Obligation on Company to Redeem

Upon giving a Redemption Notice, the Company will be obliged to redeem the relevant number of CPS by making the payments referred to in clause 7.1(b) on the Redemption Date.

7.4 Effect of Redemption on CPS Holders

On the Redemption Date, subject to Redemption occurring, the only right CPS Holders will have in respect of CPS the subject of the Redemption will be to obtain the Redemption Amount payable in accordance with these Terms and upon payment of the Redemption

Annexure

Amount, all other rights conferred, or restrictions imposed by the relevant CPS will no longer have effect.

7.5 **Redemption by buy-back of CPS**

If the Redemption involves a buy-back of CPS:

- (a) the Redemption Notice constitutes a buy-back offer for the Redemption Amount payable on the relevant Redemption Date; and
- (b) the CPS Holders must accept the buy-back offer for their CPS and will be deemed to have accepted that buy-back offer for CPS held by that CPS Holder to which the Redemption Notice relates on the date the Redemption Notice is given and will be deemed to have sold those CPS to the Company free of all encumbrances on the Redemption Date.

7.6 **Cancellation of CPS**

CPS the subject of Redemption will be cancelled and may not be re-issued.

7.7 **Payment of Dividend**

For the purposes of payment of a Dividend under clause 7.1(b)(2), the Company will be entitled to aggregate the Dividend determined for each CPS Holder for all CPS held by a CPS Holder and the aggregated amount will be rounded up to the nearest cent.

8. **General CPS Terms**

8.1 **Register**

The Company shall maintain the Register.

8.2 **General Rights**

- (a) CPS rank equally amongst themselves in all respects.
- (b) Until Conversion, the CPS shall have an entitlement to the payment of Dividends equal to the Dividend Rate payable on Redemption before payment of a dividend to holders of Shares or any other class of shares ranking behind the CPS.
- (c) Until Conversion, if there is a return of capital on a winding up of the Company, CPS Holders will be entitled to receive out of the assets of the Company available for distribution to holders of CPS, in respect of each CPS held, a cash payment equal to the Face Value and any accrued and unpaid Dividend before any return of capital is made to holders of Shares or any other class of shares ranking behind the CPS.
- (d) CPS do not confer on their holders any right to participate in profits or property except as set out in these Terms or in the Constitution.
- (e) If, upon a return of capital, there are insufficient funds to pay in full the amounts referred to above and the amounts payable in respect of any other shares in the Company ranking as to such distribution equally with the CPS on a winding up of the Company, the CPS Holders and the holders of any such other shares will share in any distribution of assets of the Company in proportion to the amounts to which they respectively are entitled.

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- (f) Until Conversion, the CPS do not confer on the CPS Holders any further right to participate in the surplus assets of the Company on a winding up then those set out in these Terms.
- (g) Until all CPS have been converted, the Company must not, without approval of the CPS Holders, issue shares ranking in priority to the CPS or permit the variation of any rights of any existing shares to shares ranking equally or in priority to the CPS, but the Directors are at all times authorised to issue further CPS ranking equally with any existing CPS.
- (h) If a takeover bid is made for ordinary shares, acceptance of which is recommended by the Directors, or the Directors recommend a member's scheme of arrangement, the Directors will use reasonable endeavours to procure that equivalent takeover offers are made to the CPS Holder or that they participate in the scheme of arrangement.
- (i) Until conversion, the CPS confer no rights to subscribe for new securities in the Company or to participate in any bonus issues.
- (j) A CPS does not entitle a CPS Holder to vote at any general meeting of the Company except in the following circumstances:
 - (1) on a proposal:
 - (A) to reduce the share capital of the Company;
 - (B) (that affects rights attached to the CPS;
 - (C) to wind up the Company; or
 - (D) for the disposal of the whole of the property, business and undertaking of the Company;
 - (2) on a resolution to approve the terms of a buy back agreement;
 - (3) on a resolution during a period in which a Dividend or part of a Dividend on the CPS is in arrears; or
 - (4) on a resolution during the winding up of the Company.
- (k) A Holder will have the same rights as the holders of Shares with respect to receiving notices at general meetings and financial reports and attending the Company's general meetings.
- (l) Subject to complying with all applicable laws, the Company may, without the authority, assent or approval of the CPS Holders , amend or add to these terms of issue if such amendment or addition is, in the opinion of the Company:
 - (1) of a formal, minor or technical nature;
 - (2) made to correct a manifest error; or
 - (3) not likely (taken as a whole and in conjunction with all other modifications, if any, to be made contemporaneously with that modification) to be materially prejudicial to the interests of the CPS Holders.
- (m) Each CPS shall be non-transferable except the CPS Holder may transfer the CPS to the Distribution Recipients.

Annexure

Annexure B Class B Convertible Preference Share Terms

1. Glossary

1.1 Constitution

Unless the context otherwise requires words and expressions used in the Terms have the meanings ascribed to them respectively in the Constitution;

1.2 Corresponding meaning

If a word or phrase is defined, its other grammatical forms have a corresponding meaning; and

1.3 Definitions

The following expressions have the following meanings:

ASTC	ASX Settlement and Transfer Corporation Pty Ltd (ABN 49 008 504 532) or any successor;
Automatic Conversion	has the meaning given to that term in clause 3.1
Automatic Conversion Date	The Business Day after the the Well is determined to be a Success
Board	The board of directors of the Company.
CHESS	the Clearing House Electronic Subregister System operated by ASTC
Company	UIL Energy Limited
Condition Failure Event	<p>(a) If the CPS are not registered in the name of the Distribution Recipient as a result of the Distribution by the date being 10 business days after the issue of the CPS; or</p> <p>(b) If the Well is not drilled by 31 December 2019 or is drilled but determined not to be a Success by 31 December 2019.</p>
Constitution	The constitution of the Company as amended from time to time.
Conversion	in relation to a CPS, the taking effect of the rights specified in clauses 3.1, 5 and 6.4 in relation to that CPS and Convert and Converted have corresponding meanings.
Conversion Date	the Automatic Conversion Date or the New Conversion Date, as applicable.
Corporations Act	the <i>Corporations Act 2001</i> (Cth);
CPS	The convertible preference shares known as “ <i>Class B CPS</i> ” issued on the terms set out in these Terms or, where the context requires, each preference share.
CPS Holder	Each person registered in the Register from time to time as a holder of CPS.
Directors	The board of directors of the Company.
Distribution	The distribution in specie of the CPS to holders of ordinary shares

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	in the Original CPS Holder, pursuant to the Distribution Resolution
Distribution Recipient	A recipient of CPS distributed as part of the Distribution
Distribution Resolution	A resolution passed at a meeting of ordinary shareholders of the Original CPS Holder authorising the Distribution pursuant to the <i>Corporations Act</i> .
Face Value	\$0.000001 per CPS
New Conversion Date	has the meaning given to that term in clause 6.4
Original CPS Holder	Eneabba Gas Limited
Redeem	in relation to a CPS, redeem, buy-back (other than an on-market buy-back within the meaning of the Corporations Act) or reduce capital, or any combination of such activities, in connection with that CPS in accordance with clause 7, and Redeemed , Redeemable and Redemption have the corresponding meanings;
Redemption Date	10 Business Days after the Company issues a Redemption Notice
Redemption Notice	A notice given by the Company to a CPS Holder in a form determined by the Company, of its intention to Redeem the CPS in accordance with clause 7.
Redemption Period	The period commencing on the Condition Failure Event happening and ending 20 Business Days thereafter.
Register	The register of CPS maintained by the Company and includes any sub-register of that register.
Shares	A fully paid ordinary share in the capital of the Company
Success	The Company determining that the Well is a success within the parameters described in Annexure A
Terms	The terms and conditions for the issue of CPS in the Company as these terms and conditions are amended, supplemented or replaced from time to time and as set out herein.
Well	The Ocean Hill No 2 Well

2. CPS

2.1 CPS

The CPS are fully paid redeemable convertible preference shares in the capital of the Company (**CPS**). They are issued, and may be Redeemed or Converted according to these Terms.

2.2 Face Value

Each CPS will be issued fully paid at the Face Value.

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3. Automatic Conversion

3.1 Automatic Conversion

Subject to clause 6.4, each CPS will be Converted on the Automatic Conversion Date in accordance with clause 5 (**Automatic Conversion**) unless the CPS has been previously Redeemed.

3.2 No other Conversion

The Company does not have the right to Convert the CPS other than in the circumstances listed in clause 3.1.

4. No Holder conversion right

4.1 No Conversion right

Save as provided for in these Conditions, no CPS Holder has a right to Convert CPS.

5. Conversion

5.1 Conversion

In the event of a Conversion all CPS will convert into Shares on the basis of one Share for each CPS.

5.2 Rights on Conversion

A CPS, upon Conversion, confers all of the rights attaching to one Share but these rights do not take effect until 5.00pm (Brisbane time) on the Conversion Date. At that time:

- (a) all other rights conferred or restrictions imposed on that CPS under these Terms will no longer have effect; and
- (b) the Share resulting from the Conversion will rank equally with all other Shares.

5.3 Effect of Conversion

Conversion does not constitute a redemption, buy-back, cancellation or termination of CPS or an issue, allotment or creation of a new Share.

5.4 Statement

Upon Conversion the Company shall provide the CPS Holder with a certificate or statement of holding for the Shares the subject of a Conversion.

5.5 Drilling of Well

The Company must use reasonable endeavours to cause the drilling of the Well before 31 December 2019.

6. Quotation of Shares

6.1 Rank equally

Each Share arising from Conversion will rank pari passu with all other fully paid Shares, except that such Shares arising from Conversion will not be entitled to any dividend or any other

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distribution or entitlement that has been declared or determined but not paid as at the Conversion Date.

6.2 Cleansing Notice

On the Automatic Conversion Date, subject to clause 6.3, the Company provide to ASX a notice complying with sections 708A(5)(e) and 708A(6) of the Corporations Act (**Cleansing Notice**).

6.3 Cleansing Prospectus

If on the Automatic Conversion Date the Company would be unable to provide to ASX a Cleansing Notice in respect of a Conversion because it is unable to comply with the requirements of sections 708A(5)(e) and 708A(6) of the Corporations Act (including where trading in the Shares on ASX was suspended for more than a total of five days in the preceding 12 month period) or for any other reason is unable to provide to ASX a Cleansing Notice (for the purposes of clause 6.2, the Company must within 20 Business Days after the Automatic Conversion Date lodge with ASIC a prospectus complying with section 708A(11) of the Corporations Act (**Cleansing Prospectus**)).

6.4 Adjustment of Conversion Date

If the Company is under an obligation to lodge a Cleansing Prospectus, and the Automatic Conversion Date would occur prior to actual lodgement of the Cleansing Prospectus then the Conversion of the CPS will not occur until the date on which the Company has complied with its obligations under clause 6.3 (for the purposes of this clause 6.4, the **New Conversion Date**) and each CPS will be Converted on the New Conversion Date in accordance with clause 5 unless the CPS has been previously Redeemed.

6.5 Uncertified

Shares arising from Conversion will be issued in uncertificated form through CHES.

6.6 Statements

Statements of holdings for Shares arising from Conversion will be dispatched by the Company by mail free of charge as soon as practicable but in any event within 10 Business Days after the relevant Conversion Date.

7. Redemption

7.1 Redemption mechanics to apply to Redemption

The Company may Redeem CPS during the Redemption Period by:

- (a) giving a Redemption Notice to CPS Holders; and
- (b) paying to the CPS Holders on the Redemption Date the Face Value of each CPS the subject of the Redemption Notice (**Redemption Amount**).

7.2 Redemption restrictions

The Company may not Redeem any CPS unless, at the same time, it redeems all CPS.

7.3 Obligation on Company to Redeem

Upon giving a Redemption Notice, the Company will be obliged to redeem the relevant number of CPS by making the payments referred to in clause 7.1(b) on the Redemption Date.

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7.4 Effect of Redemption on CPS Holders

On the Redemption Date, subject to Redemption occurring, the only right CPS Holders will have in respect of CPS the subject of the Redemption will be to obtain the Redemption Amount payable in accordance with these Terms and upon payment of the Redemption Amount, all other rights conferred, or restrictions imposed by the relevant CPS will no longer have effect.

7.5 Redemption by buy-back of CPS

If the Redemption involves a buy-back of CPS:

- (a) the Redemption Notice constitutes a buy-back offer for the Redemption Amount payable on the relevant Redemption Date; and
- (b) the CPS Holders must accept the buy-back offer for their CPS and will be deemed to have accepted that buy-back offer for CPS held by that CPS Holder to which the Redemption Notice relates on the date the Redemption Notice is given and will be deemed to have sold those CPS to the Company free of all encumbrances on the Redemption Date.

7.6 Cancellation of CPS

CPS the subject of Redemption will be cancelled and may not be re-issued.

8. General CPS Terms

8.1 Register

The Company shall maintain the Register.

8.2 General Rights

- (a) CPS rank equally amongst themselves in all respects.
- (b) The CPS shall have no entitlement to payment of dividends.
- (c) Until Conversion, if there is a return of capital on a winding up of the Company, CPS Holders will be entitled to receive out of the assets of the Company available for distribution to holders of CPS, in respect of each CPS held, a cash payment equal to the Face Value before any return of capital is made to holders of Shares or any other class of shares ranking behind the CPS.
- (d) CPS do not confer on their holders any right to participate in profits or property except as set out in these Terms or in the Constitution.
- (e) If, upon a return of capital, there are insufficient funds to pay in full the amounts referred to above and the amounts payable in respect of any other shares in the Company ranking as to such distribution equally with the CPS on a winding up of the Company, the CPS Holders and the holders of any such other shares will share in any distribution of assets of the Company in proportion to the amounts to which they respectively are entitled.
- (f) Until Conversion, the CPS do not confer on the CPS Holders any further right to participate in the surplus assets of the Company on a winding up then those set out in these Terms.

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- (g) Until all CPS have been converted, the Company must not, without approval of the CPS Holders, issue shares ranking in priority to the CPS or permit the variation of any rights of any existing shares to shares ranking equally or in priority to the CPS, but the Directors are at all times authorised to issue further CPS ranking equally with any existing CPS.
- (h) If a takeover bid is made for ordinary shares, acceptance of which is recommended by the Directors, or the Directors recommend a member's scheme of arrangement, the Directors will use reasonable endeavours to procure that equivalent takeover offers are made to the CPS Holder or that they participate in the scheme of arrangement.
- (i) Until conversion, the CPS confer no rights to subscribe for new securities in the Company or to participate in any bonus issues.
- (j) A CPS does not entitle a CPS Holder to vote at any general meeting of the Company except in the following circumstances:
 - (1) on a proposal:
 - (A) to reduce the share capital of the Company;
 - (B) (that affects rights attached to the CPS;
 - (C) to wind up the Company; or
 - (D) for the disposal of the whole of the property, business and undertaking of the Company;
 - (2) on a resolution to approve the terms of a buy back agreement; or
 - (3) on a resolution during the winding up of the Company.
- (k) In accordance with the Constitution, a Holder will have the same rights as the holders of Shares with respect to receiving notices at general meetings and financial reports and attending the Company's general meetings.
- (l) Subject to complying with all applicable laws, the Company may, without the authority, assent or approval of the CPS Holders, amend or add to these terms of issue if such amendment or addition is, in the opinion of the Company:
 - (1) of a formal, minor or technical nature;
 - (2) made to correct a manifest error; or
 - (3) not likely (taken as a whole and in conjunction with all other modifications, if any, to be made contemporaneously with that modification) to be materially prejudicial to the interests of the CPS Holders.
- (m) Each CPS shall be non-transferable except the CPS Holder may transfer the CPS to the Distribution Recipients.

Annexure

Annexure A (to the Class B Convertible Preference Share Terms)

Class B CRPS success parameters

The Well (Ocean Hill #2) would be considered a "Success" if:

- (a) During or immediately after the drilling of the Well, the Well encounters gas sands that warrant a production test and, on a production test, the Well produces gas and/or gas liquids at:
 - (1) equal to or greater than 5 million standard cubic feet per day (without drawdown); or
 - (2) less than 5 million standard cubic feet per day (without drawdown) but a qualified expert provides a written opinion to UIL to the effect that the results of the production test of the Well justifies the undertaking of further drilling of the Ocean Hill structure (ie. an Ocean Hill #3 appraisal/step out well);

and

- (b) a qualified expert provides a written opinion to UIL to the effect that the results of the production test confirm sufficient long term gas flow rates to support a financial investment decision to commence a commercial development of a gas production operation.

LODGE YOUR VOTE



EMAIL

Scan and email to: info@uilenergy.com



BY MAIL

UIL Energy Limited
GPO Box 3284
Brisbane QLD 4000
Australia



BY FAX

+61 7 3212 9201



ALL ENQUIRIES TO

Telephone: +61 7 3007 9600



X999999999999

PROXY FORM

I/We being a member(s) of UIL Energy Ltd and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting *(mark box)*

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **10:00am (Brisbane time) on Friday, 6 May 2016 at HopgoodGanim Lawyers, Level 7, Waterfront Place, 1 Eagle Street, Brisbane Qld 4000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement may be made.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.

Resolutions

For Against Abstain*

- 1 Issue of Equity Securities under Listing Rule 7.1

☐ ☐ ☐

- 2 Attachment of additional rights to preference shares (CRPS)

☐ ☐ ☐

STEP 2



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

STEP 3



HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a securityholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (Brisbane time) on Wednesday, 4 May 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged:



EMAIL

Scan and email to: info@uilenergy.com



BY MAIL

UIL Energy Limited
GPO Box 3284
Brisbane QLD 4000
Australia



BY FAX

+61 7 3212 9201

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**