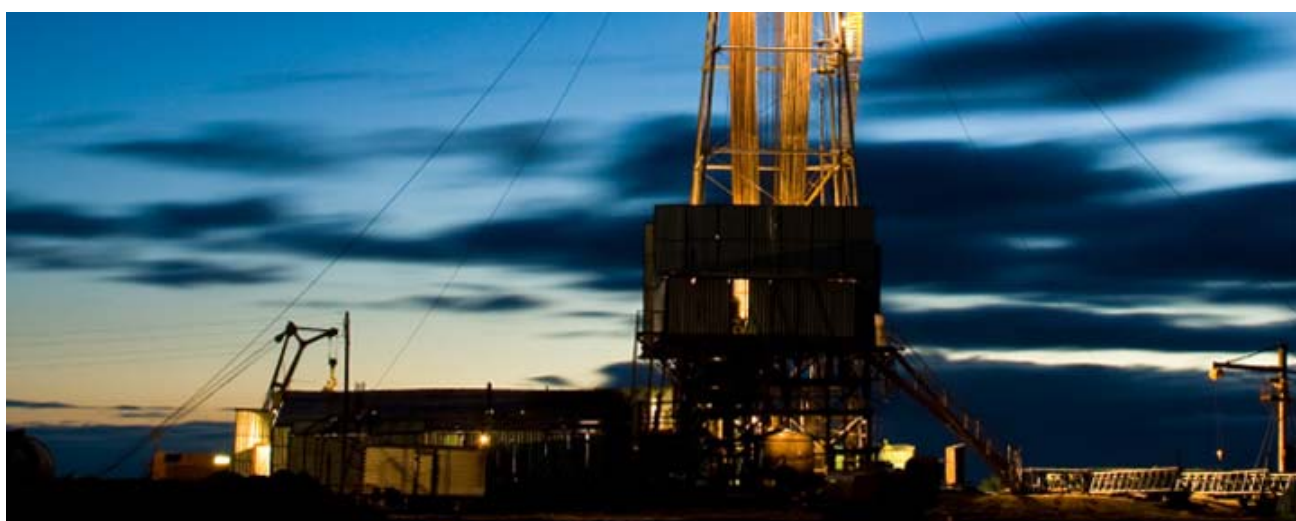




QUARTERLY ACTIVITIES REPORT

PERIOD ENDED 31 MARCH 2017



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

ASX: UIL

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1. Perth Basin Activity

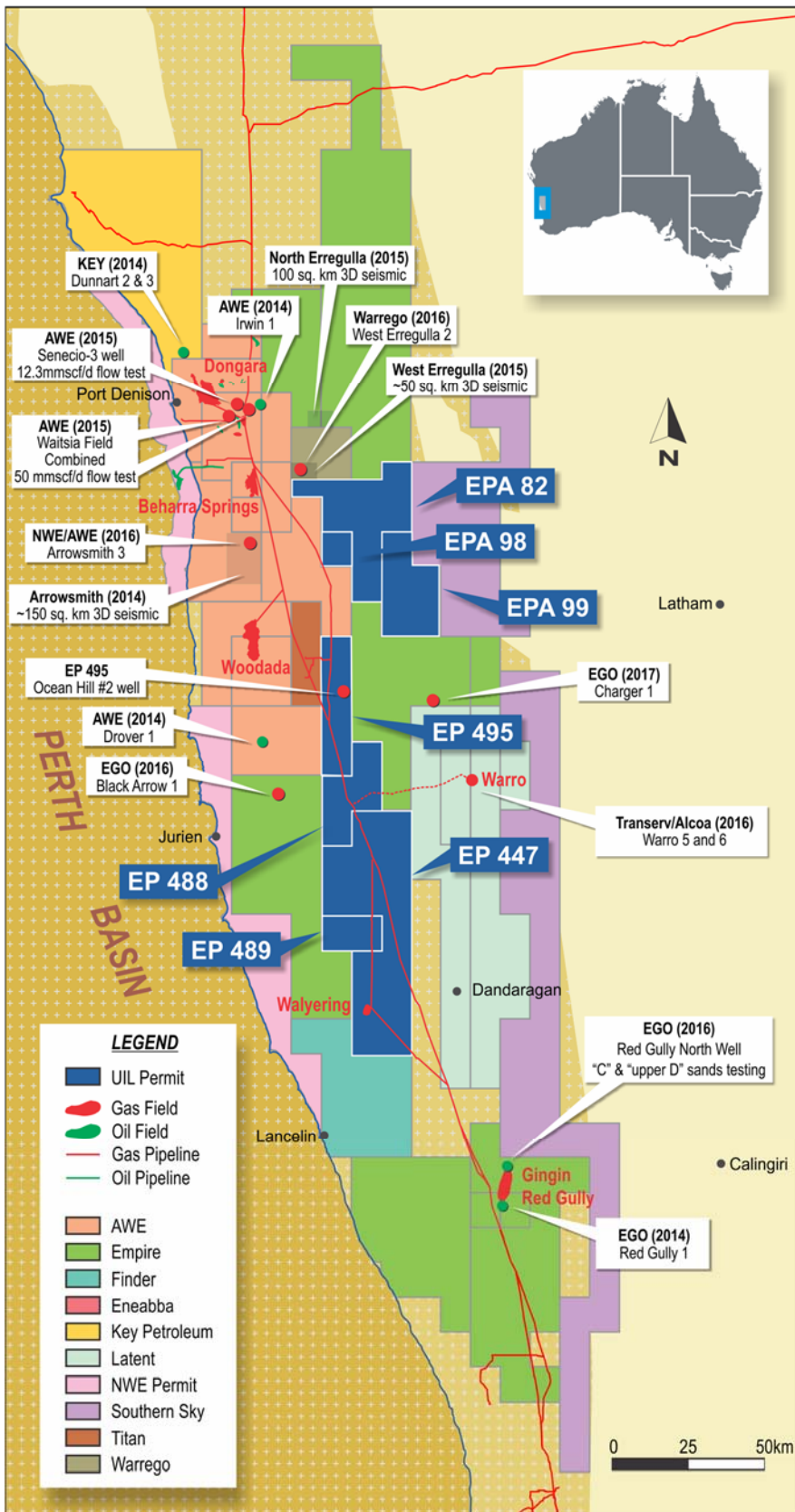


Figure 1: Perth Basin Competitor Activities as reported to the ASX

Key Highlights

UIL Energy is strategically well positioned with its 100% owned 700,000 acres across the Perth Basin.

UIL Energy continues to advance its Perth Basin permits where it is focused on having two highly prospective locations ready to drill in 2017.

UIL Energy has submitted its Environmental Plan for the Ocean Hill 3D seismic survey and this will shortly be followed by the approvals for drilling of the Ocean Hill #2 well.

A detailed Ocean Hill Prospect farm out package is being finalised for a number of interested parties with an open presentation scheduled at the upcoming PESA Deal Day in Perth.

Bombora has submitted the Environmental Plan for the planned 3D seismic survey over the Walyering Project Area.

UIL Energy continues to pursue other opportunities across the Perth Basin and other petroleum Australian projects.

Focus on Ocean Hill Prospect

The Ocean Hill prospect, combined with UIL Energy's current Perth Basin portfolio, provides one of the most highly prospective acreage positions in the Perth Basin. The earlier Ocean Hill #1 discovery well, initially identified a gas resource that has the potential to become significantly larger with further drilling.

In line with UIL Energy progressing the approval process for a 3D seismic survey and drilling on the Ocean Hill prospect, a detailed farm out package is being finalised for a number of interested parties with an open presentation scheduled at the upcoming PESA Deal Day on 14 May 2017.

Management and Aztech Well Construction Pty Ltd (Aztech) have progressed the Ocean Hill #2 well design and are on schedule to have the first round of approval documents submitted to the DMP over the next quarter. The company has been performing due diligence on suitable rigs for the drilling of the Ocean Hill # 2 well alongside the well design process.

UIL Energy is planning the acquisition of 3D seismic data covering up to 250km² of Ocean Hill permit EP495. The Company has now submitted its Environmental Plan to the Department of Mines and Petroleum for approval.

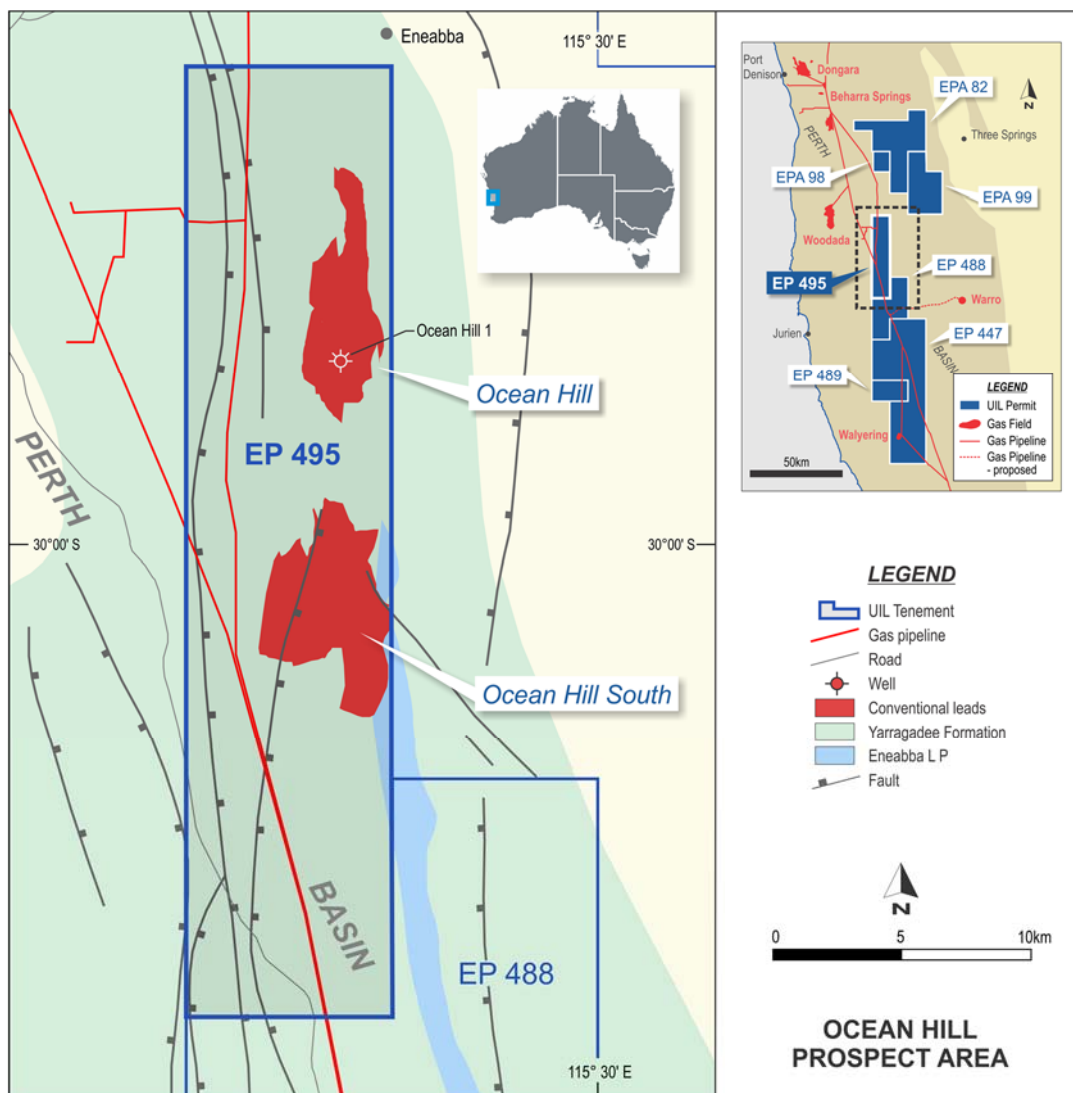


Figure 2: Ocean Hill Prospect

Coomallo East Prospect

Located mostly in EP 447 to the east of the Coomallo-1 well, the Coomallo prospect is an up-thrown fault closure and as mapped at the Top Eneabba horizon has an areal closure of 3716 hectares and vertical closure of 540m. Best estimate 2C Contingent Resource of 166 BCF with associated condensate of 5 MMBBLS. UIL Energy is assessing new available seismic data and potential 3D seismic program.

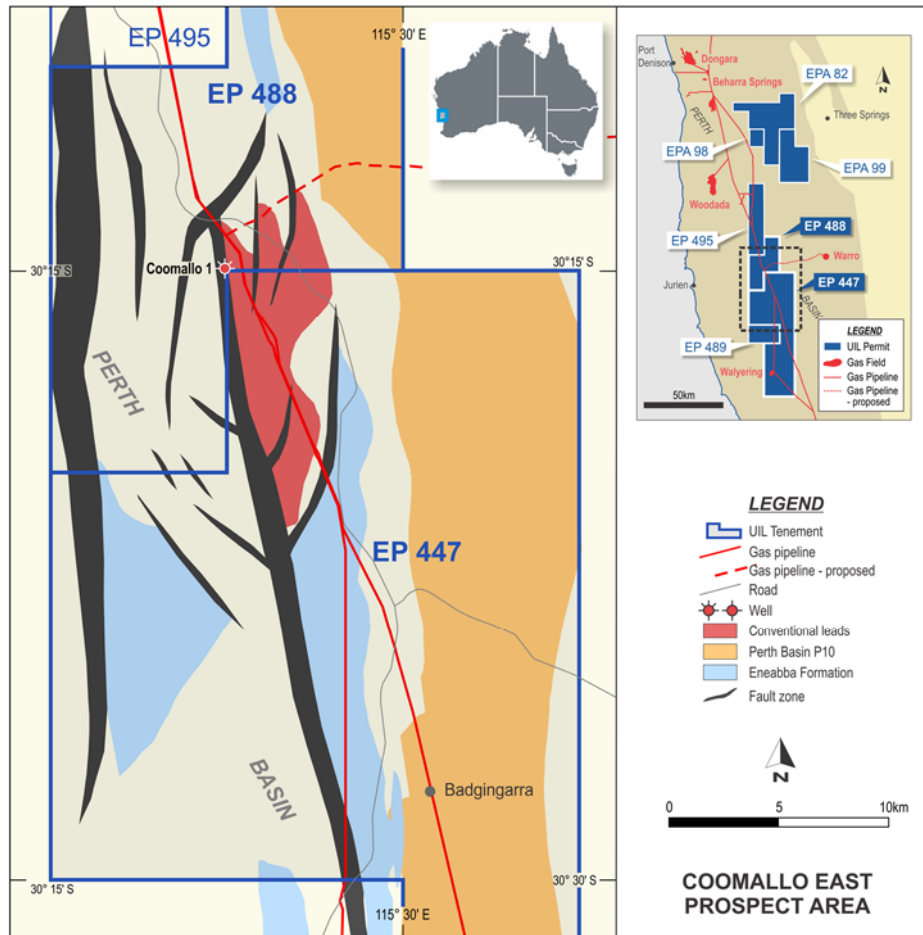


Figure 3: Coomallo East Prospect

Walyering Prospect Area

The Farmin Agreement (FIA) and Joint Operating Agreement (JOA) with Bombora Natural Energy Pty Ltd (Bombora) for Bombora to earn a working interest and right to operate in the Walyering project area within UIL Energy's 100% owned EP447 was finalised in November 2016.

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 has progressed the required ecological survey by during November 2016 with the ecological report finalised during the quarter. The environmental plan to conduct the 3D seismic survey has been submitted to the DMP during the quarter.

2. Corporate and Permit Summary

Petroleum Perth Basin Permits

Permit	UIL Interest	Permit Area (gross km ²)	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
TOTAL		2,856	705,719

Competent Person Statement and Definitions

Reported contingent and prospective resources are in accordance with the SPE Reserves Auditing Standards and the SPE-PRMS guidelines and are based on reports compiled by DeGolyer and MacNaughton on EP495 and by Saitta Petroleum Consultants on the Coomallo East Prospect located across EP488 and EP447.

“Contingent Resources” are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality.

“Prospective Resources” are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development.

Cash Position

Cash on hand as at 31 March 2017 was approximately \$1.5 million.

Issued Capital

UIL Energy has the following securities on issue at the date of this report:

Quoted:

191,217,956 Ordinary shares (ASX:UIL)
41,850,000 Options exercisable at 7.5cents on or before 14 June 2018 (ASX: UILO)

Unquoted:

Convertible Redeemable Preference shares
35,000,000
Share options 6,000,000 \$0.30 at 30-Jun-17
Share options 15,804,959 \$0.24 at 31-Dec-18
Share options 2,000,000 \$0.25 at 31-Dec-18

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