



UIL ENERGY LTD

**FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
31 DECEMBER 2014**

TABLE OF CONTENTS

CORPORATE INFORMATION	1
DIRECTORS' REPORT	2
DECLARATION OF INDEPENDENCE	6
INTERESTS IN PETROLEUM TENEMENTS	7
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	8
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	9
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	10
CONSOLIDATED STATEMENT OF CASH FLOWS	11
NOTES TO FINANCIAL STATEMENTS	12
DECLARATION BY DIRECTORS	17
INDEPENDENT AUDITOR'S REPORT	18

Corporate Information

DIRECTORS

Simon Hickey - Executive Chairman
John de Stefani - Managing Director
Keith Skipper - Non-Executive Director
Stephen Bizzell - Non-Executive Director

COMPANY SECRETARIES

Drew Speedy - CFO and Co-Company Secretary
Duncan Cornish - Co-Company Secretary

PRINCIPAL PLACE OF BUSINESS & REGISTERED OFFICE

Level 9, 1 Eagle St
Brisbane QLD 4000
Phone: +61 7 3007 9600
Fax: +61 7 3007 9699
Email: info@uilenergy.com

COUNTRY OF INCORPORATION

Australia

AUSTRALIAN BUSINESS NUMBER

92 153 352 160

INTERNET ADDRESS

www.uilenergy.com.au

SOLICITORS

HopgoodGanim Lawyers
Level 8, Waterfront Place
1 Eagle Street
Brisbane QLD 4000
Phone: +61 7 3024 000

AUDITORS

BDO Audit Pty Ltd
Level 10, 12 Creek Street
Brisbane QLD 4000
Phone: +61 7 3237 5999

Directors' Report

The Directors of UIL Energy Ltd present their report together with the financial statements of the consolidated entity consisting of UIL Energy Ltd ('the Company') and its controlled entities ('the Group') at the end of, or during, the half year ended 31 December 2014 and the Independent Review Report thereon.

DIRECTORS

The following persons were directors of UIL Energy Ltd for the whole of the half year and up to the date of this report, unless otherwise stated:

Simon Hickey	Executive Chairman (appointed 21 September 2011)
John de Stefani	Chief Executive Officer and Director (appointed as a Director, 11 Jan 2012)
Keith Skipper	Non Executive Director (appointed 4 November 2011)
Stephen Bizzell	Non Executive Director (appointed 1 August 2014)

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the financial period were oil and gas exploration. There were no significant changes in the nature of the consolidated entity's principal activities during the financial period.

REVIEW OF OPERATIONS

Exploration Review

UIL Energy Ltd (UIL Energy) is primarily focused on oil and gas exploration and production (E&P) in Western Australia (WA) with a combination of both conventional and unconventional petroleum targets.

During the period UIL Energy continued to assess the conventional and unconventional oil and gas potential of its Perth and Canning Basin tenements. As a result of this technical assessment the Company identified a substantial number of early stage conventional leads within its Perth Basin permits.

UIL Energy reviewed historic 2D seismic data along with the drilling results of wells within, and adjacent to the Company's central (EP 447, EP 488 and EP 489) and north Perth basin permits (EPA 82, EPA 98 and EPA 99). The review 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 Member) and Cadda Formations. These formations contain the Gingin, Red Gully, Warro, Walyering, Mt Horner, North Yardanogo, Erregulla and Ocean Hill gas and liquids fields and accumulations in neighbouring 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.

During the period Australian Worldwide Exploration Limited (AWE) announced the largest onshore gas discovery in Western Australia since the 1960's with the Senecio/Waitsia field north-west of UIL Energy's permits. Based on historical seismic and nearby well data UIL Energy's northern Perth permits are interpreted to contain similar reservoirs to those encountered by AWE.

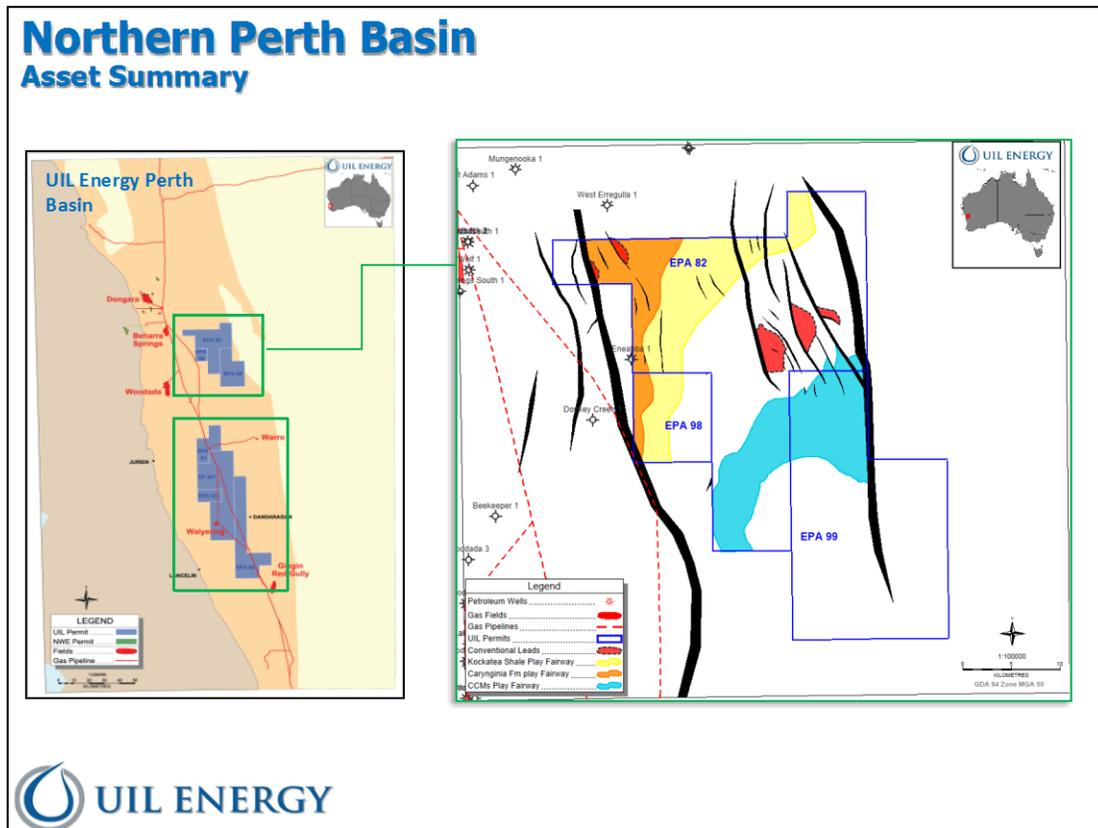


Figure 1: Conventional Leads Across UIL Energy's Northern Perth Basin permits

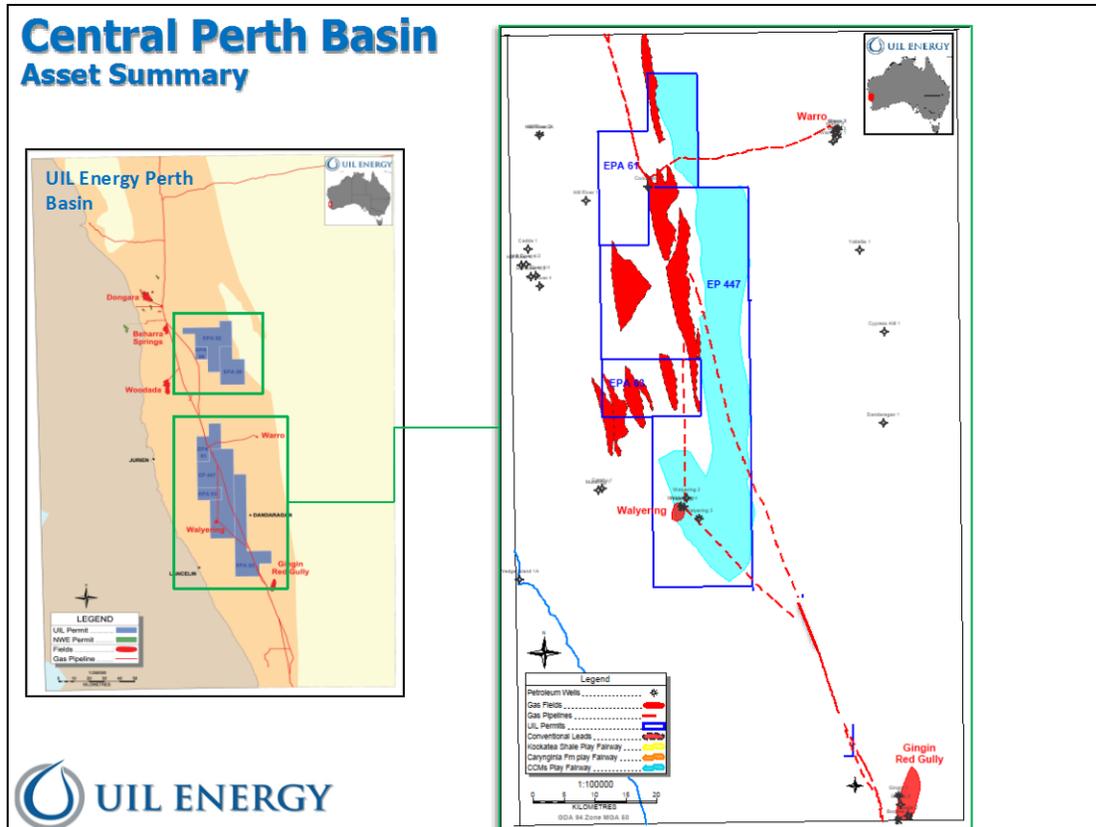


Figure 2: Conventional Leads Across UIL Energy's Central Perth Basin permits

Corporate Review

During the period the Company successfully listed on the ASX (ASX code: UIL) raising \$4.2m.

The following share capital transactions took place during the period:

- The issue of 21,016,000 fully paid ordinary shares at an issue price of \$0.20 in relation to the IPO of UIL Energy Ltd. As outlined in the Prospectus 10,508,000 New Options exercisable at \$0.20 on or before 31 December 2015 were also issued to investors who participated in the IPO. Upon the valid exercise of a New Option, in addition to being issued a Share, the holder will be issued one "Piggy-Back Option", exercisable at \$0.24 on or before 31 December 2018.
- The issue of 4,773,000 share options to brokers associated with the IPO. The share options have an exercise price of \$0.24 an expiry date of 31 December 2018 and vest 3 months from grant.
- The issue of 2,680,000 fully paid ordinary shares to sophisticated investors at an issue price of \$0.125 raising \$335,000.
- The issue of 3,466,552 fully paid ordinary shares at an issue price of \$0.125 to Directors and employees of the Company in settlement of accrued salary and fees.
- The issue of 3,816,000 fully paid ordinary shares at an issue price of \$0.125 as a result of the conversion of 477,000 convertible notes.
- The issue of 4,993,643 fully paid ordinary shares at an issue price of \$0.14 as a result of the conversion of 699,110 convertible notes.
- The issue of 400,000 share options to consultants of the Company, the share options have an exercise price of \$0.24 an expiry date of 31 December 2014 and vest immediately.

- The issue of 500,000 shares options to a Director of UIL Energy following shareholder approval at the 2014 AGM. The share options have an exercise price of \$0.30 an expiry date of 30 June 2017 and vest 3 months from grant date.
- The issue of 1,000,000 performance rights to Directors and an Employee of UIL Energy following shareholder approval at the 2013 AGM. The performance rights have an expiry date of 18 August 2021 and vest 2 years from grant subject to Company and employee performance conditions.

OPERATING RESULTS

The net result of operations after applicable income tax expense for the consolidated entity for the half year ended 31 December 2014 was a loss of \$1,314,448 (31 December 2013: loss of \$1,513,879).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Company that occurred during the financial period under review not otherwise disclosed in this report or the financial statements of the Company for the financial period.

AFTER BALANCE DATE EVENTS

There have been no other events since 31 December 2014 that impact upon the financial report as at 31 December 2014.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration under section 307C of the Corporations Act 2001 is set out on page 6 of this financial report and forms part of this Directors' Report.

This report is signed in accordance with a resolution of the Board of Directors.



John de Stefani
Managing Director

Brisbane
5 March 2015

DECLARATION OF INDEPENDENCE BY DAMIAN WRIGHT TO THE DIRECTORS OF UIL ENERGY LIMITED

As lead auditor for the review of UIL Energy Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of UIL Energy Limited.



Damian Wright
Director

BDO Audit Pty Ltd

Brisbane, 5 March 2015

Interests in Petroleum Tenements

UIL Energy Ltd held the following interests in mining and exploration tenements as at 5 March 2015.

Western Australia Tenements

Tenure Type, Name and Number	Basin	Operator	% Interest of UIL	Notes
EP 447	Perth	UIL Energy Ltd	50%	
EP 488 (previously EPA 61)	Perth	UIL Energy Ltd	100%	Petroleum Exploration Permit successful 28/05/2014
EP 489 (previously EPA 63)	Perth	UIL Energy Ltd	100%	Petroleum Exploration Permit successful 28/05/2014
STP-EPA-082	Perth	UIL Energy Ltd	100%	Petroleum Exploration Permit application successful 14/03/2013 (b)
STP-EPA-098	Perth	UIL Energy Ltd	100%	Petroleum Exploration Permit Application successful 10/10/2013 (b)
STP-EPA-099	Perth	UIL Energy Ltd	100%	Petroleum Exploration Permit Application successful 10/10/2013 (b)
STP-EPA-097	Canning	UIL Energy Ltd	100%	Petroleum Exploration Permit Application successful 10/10/2013 (b)
SPA 18 AO (previously 26)	Canning	UIL Energy Ltd	100%	SPA granted 04/09/14 (effective 01/11/2014) (a)
SPA 19 AO (previously 40)	Canning	UIL Energy Ltd	100%	SPA granted 04/09/14 (effective 01/11/2014) (a)

- (a) The Petroleum Special Prospecting Authority (SPA) areas are subject to referral to the future act provisions of the Commonwealth Native Title Act and these requirements must be complied with before the SPA can be granted. The purpose of a Special Prospecting Authority (SPA) with acreage option is to grant access to the applicant to conduct a geophysical and geochemical surveys (or other operational activities other than the drilling of a well) to identify areas which have the potential for further exploration. The applicant may then exercise the acreage option by making an application for an Exploration Permit (EP) in respect of the block or those blocks identified as prospective.
- (b) The application areas are subject to Native Title Claim(s) and accordingly the provisions of the Commonwealth Native Title Act must be complied with before the applications can be granted.

Consolidated Statement of Comprehensive Income For the half year ended 31 December 2014

	Note	Half year ended 31 December 2014 \$	Half year ended 31 December 2013 \$
Revenue	2	18,316	10,483
Employee benefits expense		(60,944)	(725,110)
Administration costs		(523,141)	(480,341)
Consultants fees		(443,996)	(305,013)
Depreciation expense		(5,064)	(13,898)
Fair value of financial liabilities		(299,619)	-
Loss before income tax expense	3	(1,314,448)	(1,513,879)
Income tax expense		-	-
Net loss for the year		(1,314,448)	(1,513,879)
Other comprehensive loss		-	-
Total comprehensive loss for the year		(1,314,448)	(1,513,879)
Loss per share attributable to owners of UIL Energy Ltd			
		Cents	Cents
Basic loss per share (cents per share)		(1.5)	(3.1)
Diluted loss per share (cents per share)		(1.5)	(3.1)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position As at 31 December 2014

	Note	31 December 2014 \$	30 June 2014 \$
Current Assets			
Cash and cash equivalents		3,429,572	20,694
Trade and other receivables		13,216	162,881
Other current assets		27,344	10,471
Total Current Assets		3,470,132	194,046
Non-Current Assets			
Property, plant & equipment		13,370	18,434
Other non-current assets		56,162	56,162
Exploration and evaluation assets	4	3,944,377	3,674,982
Total Non-Current Assets		4,013,909	3,749,578
TOTAL ASSETS		7,484,041	3,943,624
Current Liabilities			
Trade and other payables		492,921	921,860
Financial liabilities	5	-	1,176,110
Total Current Liabilities		492,921	2,097,970
TOTAL LIABILITIES		492,921	2,097,970
NET ASSETS		6,991,120	1,845,654
Equity			
Issued capital	6	12,806,219	6,761,248
Reserves		1,633,857	1,218,914
Retained profits		(7,448,956)	(6,134,508)
TOTAL EQUITY		6,991,120	1,845,654

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity For the half year ended 31 December 2014

	Issued Capital	Retained Profits	Option Reserve	Total
	\$	\$	\$	\$
At 1 July 2013	3,879,028	(3,128,719)	1,002,185	1,752,494
Total comprehensive income for the financial year				
Loss for the year	-	(1,513,879)	-	(1,513,879)
	-	(1,513,879)	-	(1,513,879)
Transactions with owners in their capacity as owners				
Issue of share capital	386,900	-	-	386,900
Issue of options	-	-	210,037	210,037
	386,900	-	210,037	596,937
At 31 December 2013	4,265,928	(4,642,598)	1,212,222	835,552
At 1 July 2014	6,761,248	(6,134,508)	1,218,914	1,845,654
Total comprehensive income for the financial year				
Loss for the year	-	(1,314,448)	-	(1,314,448)
	-	(1,314,448)	-	(1,314,448)
Transactions with owners in their capacity as owners				
Issue of share capital	6,480,997	-	-	6,480,997
Costs associated with issue of share capital	(436,026)	-	-	(436,026)
Issue of options and performance rights	-	-	414,943	414,943
	6,044,971	-	414,943	6,459,914
At 31 December 2014	12,806,219	(7,448,956)	1,633,857	6,991,120

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows For the half year ended 31 December 2014

Note	Half year ended 31 December 2014	Half year ended 31 December 2013
	\$	\$
Cash Flows from Operating Activities		
Receipts from operations (including refunds of GST)	26,327	48,883
Payments to suppliers and employees (including GST)	(648,550)	(1,336,174)
Interest received	11,619	10,826
Net cash used in operating activities	(610,604)	(1,276,465)
Cash Flows from Investing Activities		
Payments for exploration and evaluation	(262,063)	(444,520)
Net cash used in investing activities	(262,063)	(444,520)
Cash Flows from Financing Activities		
Proceeds from issue of shares	4,538,200	386,900
Capital raising expenses	(337,823)	-
Proceeds from issue of convertible notes	160,014	701,110
Repayment of a short-term loan	(78,846)	-
Net cash provided by financing activities	4,281,545	1,088,010
Net increase/(decrease) in cash held	3,408,878	(632,975)
Cash at the beginning of the financial year	20,694	767,163
Cash at the end of the financial year	3,429,572	134,188

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of UIL Energy Ltd for the half year ended 31 December 2014 were authorised for issue in accordance with a resolution of the Directors on 4 March 2015 and covers the consolidated entity consisting of UIL Energy Ltd and its subsidiaries as required by the Corporations Act 2001.

UIL Energy Ltd is a company limited by shares, incorporated and domiciled in Australia.

Basis of preparation

The half year financial statements do not include all notes of the type normally included within the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements.

The half year financial statements should be read in conjunction with the annual report of UIL Energy Ltd as at 30 June 2014.

It is also recommended that the half year financial statements be considered together with any public announcements made by the Group during the half year ended 31 December 2014 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001* and Australian Securities Exchange Listing Rules.

The half year consolidated financial statements are general-purpose condensed financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*.

The financial statements have been prepared on a historical costs basis and are presented in Australian dollars (\$).

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Going Concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. The ability of the consolidated entity to maintain continuity of normal business activities, to pay its debts as and when they fall due and to recover the carrying value of the capitalised exploration and evaluation expenditure, is dependent on the ability of the consolidated entity to successfully raise additional capital and the successful exploration and subsequent exploitation of areas of interest through sale, farm-out or development.

Notes to the Financial Statements for the half year ended 31 December 2014

	For the half year ended 31 Dec 2014	For the half year ended 31 Dec 2013
	\$	\$

NOTE 2 REVENUE

Revenue

- interest from other persons	18,316	10,483
Total revenue	18,316	10,483

NOTE 3 LOSS FOR THE PERIOD

Loss before tax includes the following:

Superannuation contributions	(30,546)	(34,921)
Minimum lease rentals	(53,713)	(51,523)
Share-based payment expense	(345,491)	(210,037)
Depreciation of property, plant and equipment	(5,064)	(13,898)

	For the half year ended 31 Dec 2014	For the year ended 30 Jun 2014
	\$	\$

NOTE 4 EXPLORATION AND EVALUATION EXPENDITURE

Non-Current

Exploration and evaluation expenditure capitalised:

- exploration and evaluation	3,944,377	3,674,982
------------------------------	-----------	-----------

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation of oil and/or gas, or alternatively, sale of the respective areas of interest.

Movements in carrying amounts

Balance at the beginning of the year	3,674,982	3,847,314
Additions	269,395	608,342
Exploration impairment	-	(780,674)
Carrying amount at the end of the period	3,944,377	3,674,982

	As at 31 Dec 2014	As at 30 Jun 2014
	\$	\$

NOTE 5 FINANCIAL LIABILITIES

Current

Convertible Notes ^{(a)(b)}	-	1,176,110
	-	1,176,110

(a) During July and August 2014 477,000 convertible notes issued during previous financial periods matured and converted at \$0.125 into 3,816,000 new ordinary fully paid shares.

(b) During August 2014 624,205 convertible notes issued in previous financial periods matured upon the signing of a pathfinder prospectus and converted at \$0.14 into 4,993,643 new ordinary fully paid shares. These convertible notes were fair valued at the time of conversion and an expense of \$299,619 was realised.

Notes to the Financial Statements for the half year ended 31 December 2014

	As at 31 Dec 2014	As at 30 Jun 2014
	\$	\$
NOTE 6 ISSUED CAPITAL		
108,023,755 Fully paid ordinary shares (30 June 2014: 72,051,560)	13,496,368	7,015,370
Costs associated with issue of share capital ⁽ⁱ⁾	(690,149)	(254,122)
	12,806,219	6,761,248

(i) Costs associated with the issue of share capital include the issue of options over shares in the Company.

	For the half year ended 31 Dec 2014		For the year ended 30 Jun 2014	
	Number of shares	\$	Number of shares	\$
(a) Movements in ordinary fully paid shares on issue				
Balance at the beginning of the period	72,051,560	6,761,248	48,091,000	3,879,028
Issue of shares during the period:				
Equity Raising ⁽³⁾⁽⁸⁾	23,696,000	4,538,200	250,000	12,500
Exercise of unlisted options	-	-	3,000,000	150,000
In lieu of salary and fees ⁽¹⁾⁽⁴⁾⁽⁷⁾	3,466,552	467,069	748,000	224,400
Conversion of convertible notes ⁽²⁾⁽⁵⁾⁽⁶⁾	8,809,643	1,475,729	19,962,560	2,495,320
Transaction costs on shares issued	-	(436,027)	-	-
Balance at the end of the period	108,023,755	12,806,219	72,051,560	6,761,248

During the half year ended 31 December 2014

- (1) On 1 July 2014, 391,552 new ordinary shares paid up to \$0.125 (total consideration \$48,944) were issued to an employee in lieu of accrued salary and wages.
- (2) On 26 July 2014, 800,000 new ordinary shares paid up to \$0.125 (total consideration \$100,000) were issued upon the conversion of 100,000 convertible notes.
- (3) On 29 July 2014, 2,680,000 new ordinary shares paid up to \$0.125 (total consideration \$335,000) were issued pursuant to a share placement to a sophisticated investor.
- (4) On 31 July 2014, 2,625,000 new ordinary shares paid up to \$0.125 (total consideration \$328,125) were issued to employee's and consultants in lieu of accrued salary and wages.
- (5) On 1 August 2014, 3,016,000 new ordinary shares paid up to \$0.125 (total consideration \$377,000) were issued upon the conversion of 377,000 convertible notes.
- (6) On 18 August 2014, 4,993,643 new ordinary shares paid up to \$0.20 (total consideration \$998,729) were issued upon the conversion of 699,110 convertible notes.
- (7) On 18 August 2014, 450,000 new ordinary shares paid up to \$0.20 (total consideration \$90,000) were issued following shareholder approval to the Managing Director in lieu of accrued salary and wages.
- (8) On 6 November 2014, 21,016,000 new ordinary shares paid up to \$0.20 (total consideration \$4,203,200) were issued pursuant to a prospectus for the Initial Public Offering of UIL Energy Ltd.

(b) Options

As at the reporting date there were 36,312,959 unissued ordinary shares of UIL Energy Ltd under option as follows:

Grant / Amend Date	Vesting Date	Expiry Date	Exercise Price	Number of Options
1/10/2013	1/10/2013	30/06/2017	\$0.30	3,000,000
1/10/2013	1/10/2013	30/06/2017	\$0.30	2,000,000
1/10/2013	1/10/2013	30/06/2017	\$0.30	500,000
11/03/2013	11/03/2013	31/12/2016	\$0.24	2,000,000
20/06/2013	1/07/2013	31/12/2018	\$0.25	2,000,000
31/07/2014	31/07/2014	31/12/2018	\$0.24	400,000
18/08/2014	4/02/2015	31/12/2018	\$0.24	10,631,959
6/11/2014	6/11/2014	31/12/2018	\$0.24	4,773,000
6/11/2014	4/02/2015	31/12/2015	\$0.20	10,508,000
26/11/2014	24/02/2015	30/06/2017	\$0.30	500,000
Total				36,312,959

(c) Performance Rights

As at the reporting date there were 1,000,000 performance rights granted to employees and consultants as follows:

Grant / Amend Date	Vesting Date	Expiry Date	Exercise Price	Number of Rights
18/08/2014 ⁽ⁱ⁾	18/08/2016	30/06/2017	\$0.00	1,000,000
Total				1,000,000

(i) These rights are subject to Company performance conditions including Total Shareholder Return and employment retention conditions.

NOTE 7 DIVIDENDS AND FRANKING CREDITS

There were no dividends paid or recommended during the financial period (2013: nil).

There were no franking credits available to the shareholders of the Company.

NOTE 8 CONTINGENT LIABILITIES & ASSETS

The directors are not aware of any significant contingent liabilities or contingent assets at the date of this report.

NOTE 9 SEGMENT INFORMATION

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Company is managed primarily on a geographic basis - that is the location of the respective areas of interest (tenements) in Australia. Operating segments are determined on the basis of financial information reported to the Board. The Company does not have any products/services from which it derives revenue. Accordingly, management currently identifies the Company as having only one operating segment, being exploration. All significant operating decisions are based upon analysis of the Company as one segment. The financial results from the segment are equivalent to the financial statements of the Company as a whole.

NOTE 10 EVENTS AFTER BALANCE DATE

There have been no other events since 31 December 2014 that impact upon the financial report as at 31 December 2014.

Declaration by Directors

The directors of the company declare that:

1. The financial statements and notes, are in accordance with the *Corporations Act 2001*, including:
 - (a) comply with Accounting Standard AASB 134 "*Interim Financial Reporting*" and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the directors.



John de Stefani
Managing Director

Brisbane
5 March 2015

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of UIL Energy Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of UIL Energy Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of UIL Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

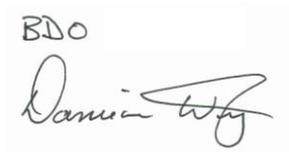
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of UIL Energy Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of UIL Energy Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

BDO Audit Pty Ltd



Damian Wright
Director

Brisbane, 5 February 2015