



# QUARTERLY ACTIVITIES REPORT

## PERIOD ENDED 31 DECEMBER 2015



*Focused on the Perth Basin  
The drilling hot spot for onshore gas plays*

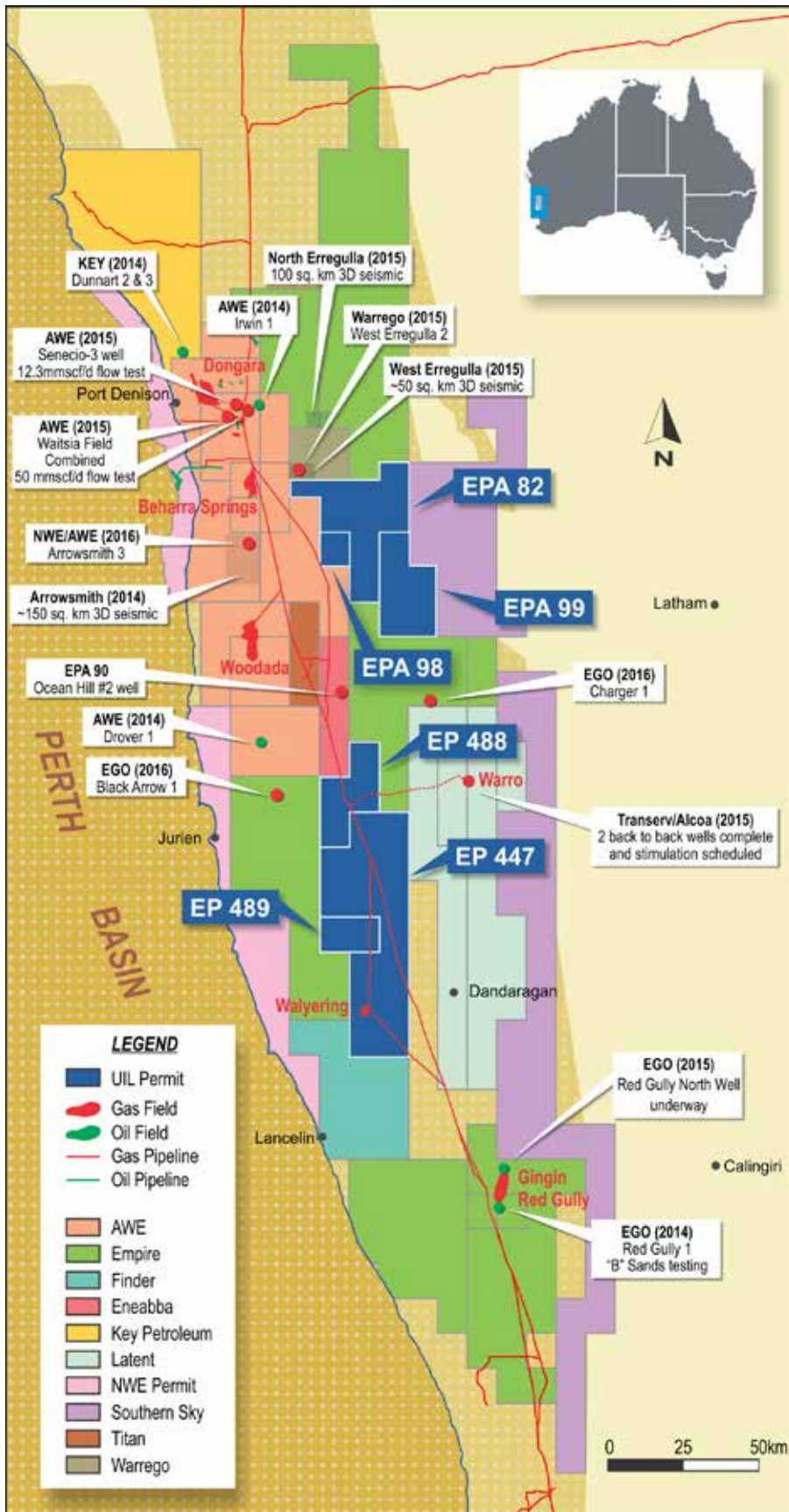
ASX: UIL

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# 1. Perth Basin Activity

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



The Company's focus is the Perth Basin targeting gas and liquids plays in two separate project areas.

UIL Energy maintains a high equity position in all permits providing maximum flexibility in the development of potential farm out and funding arrangements.

UIL Energy is progressing the various approvals and commercial arrangements with contractors for a proposed 264km of 2D seismic over parts of its Central Perth Basin permits. Seismic is aimed at upgrading the exploration leads identified in these permits.

Adjacent to UIL Energy's permits, substantial funds are also being committed, by other companies, over the next six to twelve months focusing on proving and developing further technical and commercial successes in the basin.

Drilling and testing by other companies includes the following:

- Transerv (funded by Alcoa) long-term production testing of recently drilled and stimulated Warro-5 and Warro-6
- Empire Oil and Gas production testing of the Red Gully North appraisal well; and
- AWE commencing development of the newly discovered Waitsia gas field.

## UIL Energy Activities

UIL Energy is planning up to 264km of 2D seismic across its three central Perth Basin permits (EP447, EP488 and EP489) to upgrade the nine exploration leads already identified in these permits. UIL Energy, as Operator of all three permits, has submitted the preliminary environmental documentation, for the 2D seismic survey, to government authorities as well as carried out a field ecological survey to support further environmental approvals. Timing of seismic survey is dependent on approvals obtained over the upcoming quarter.

As shown in Figure 2 below, the leads are interpreted to contain potentially gas and gas/liquids, and are primarily Jurassic in age, comprising the Cattamarra Coal Measures and the Triassic Kockatea Shale formations.

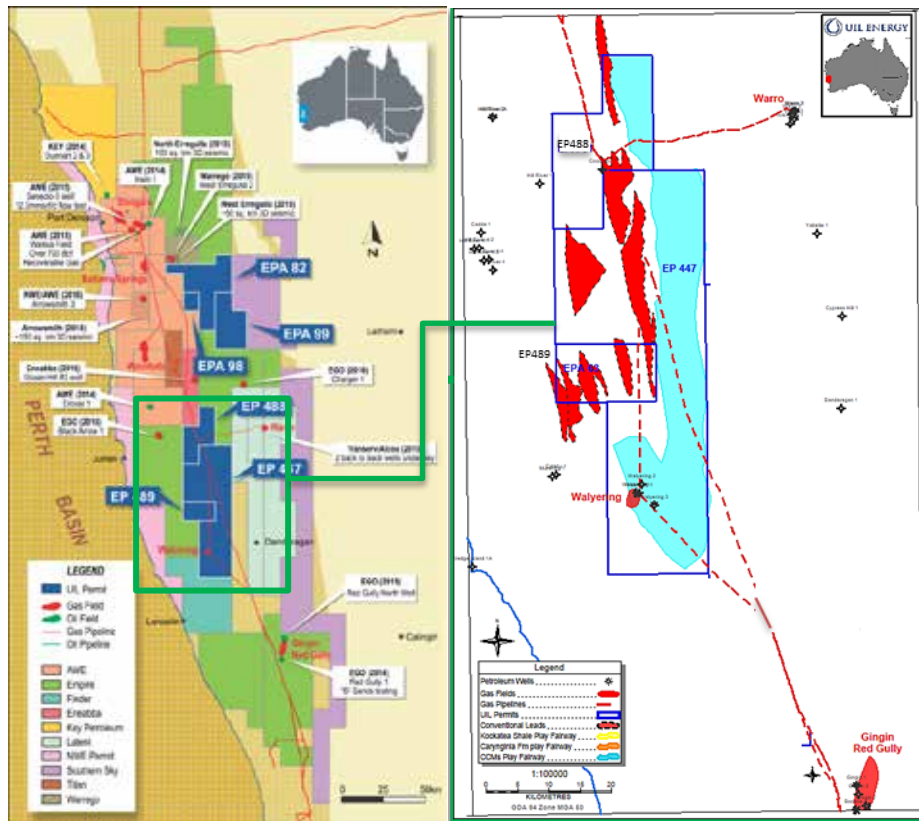


Figure 2: Leads Across UIL Energy's Central Perth Basin permits

As shown in Figure 3 below, UIL Energy's three 100% owned northern Perth Basin permits are approximately 35 kilometers southeast of AWE's Waitisia gas discovery. Based on historic seismic and nearby well data, UIL Energy permits are interpreted to contain similar reservoirs (although expected at greater depths) to those encountered by AWE. Wells intersecting these formations, adjacent to the UIL acreage, have historically exhibited elevated gas shows.

UIL Energy will require further technical information including shooting 2D/3D seismic in its northern Perth Basin permits, to confirm the drilling depths and possible thickness variations of the targeted formations.

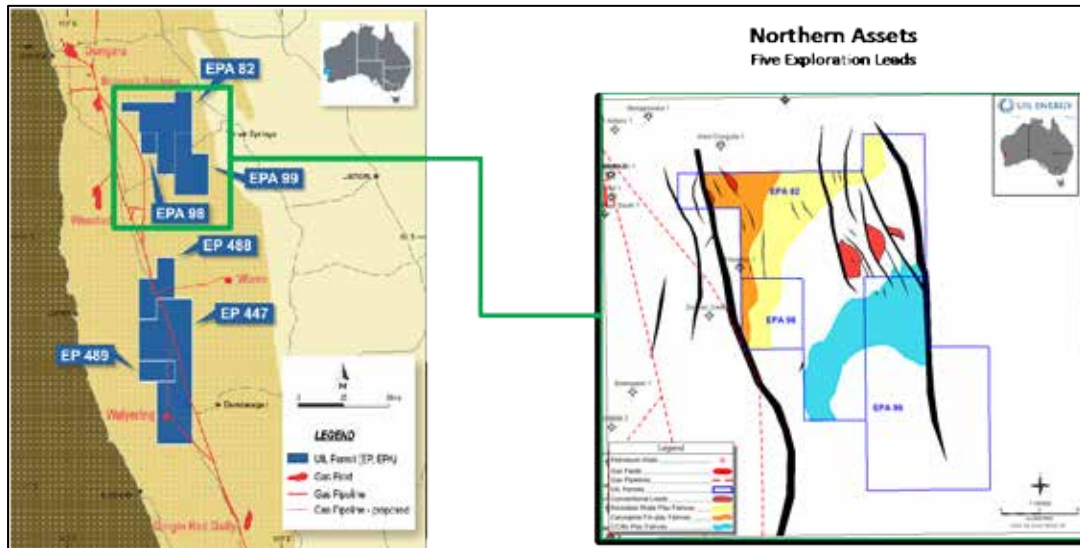


Figure 3: Leads Across UIL Energy's Northern Perth Basin permits

### Activities By Other Companies

AWE announced the approval of the first stage development of the Waitsia gas field following the recent flow tests from Waitsia-1 and Senecio-3 gas wells. First stage production is expected mid-2016.

Transerve has completed drilling and stimulation of the Warro-5 and Warro-6 wells located northeast of UIL Energy's central Perth Basin permits. Long-term gas flow testing is scheduled during the upcoming quarter.

Empire Oil and Gas completed the drilling of the Red Gully North-1 appraisal well with a discovery delivering 53 metres gas pay. Further analysis is underway along with a production flow test.

## 2. Corporate and Permit Summary

### PETROLEUM PERTH BASIN PERMITS

Permit	UIL Interest	Permit Area (gross km <sup>2</sup> )	Permit Area (gross acres)
EP 447	50%	1,108	273,787
EP 488	100%	296	73,142
EP 489	100%	148	36,571
EPA 82	100%	559	138,129
EPA 98	100%	75	18,533
EPA 99	100%	372	91,921
<b>TOTAL</b>		<b>2,558</b>	<b>632,083</b>

### REGISTERED OFFICE AND HEAD OFFICE

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### CASH POSITION

Cash on hand as at 31 December 2015 was \$1.94 million.

### ISSUED CAPITAL

UIL Energy has the following securities on issue at 31 December 2015:

#### Quoted:

Ordinary shares 80,828,432

#### Unquoted:

Ordinary shares 27,195,323

Share options 15,804,959 \$0.24 at 31-Dec-18

Share options 6,000,000 \$0.30 at 30-Jun-17

Share options 2,000,000 \$0.24 at 31-Dec-16

Share options 2,000,000 \$0.25 at 31-Dec-18

Performance Rights 1,000,000