



21 September 2016

Letter to New UIL Energy Shareholders

On behalf of the Board of UIL Energy Ltd, it is our pleasure to welcome you as a Shareholder of UIL Energy Ltd.

The transaction to consolidate Eneabba Gas's Perth Basin assets within UIL Energy has created a unique opportunity for tremendous growth creation, with a combined Perth Basin acreage holding of approximately 700,000 acres, which represents one of the largest contiguous holdings in this highly prospective region. The significant size of this holding is enhanced by UIL Energy owning 100% of all permits, providing great flexibility and strategic value.

UIL Energy's focus is on targeting the onshore Perth Basin, which has a history of commercial petroleum production from conventional plays. This offers the opportunity to prove-up substantial resources and provide the potential for early commercialisation. The majority of the Company's permits have been strategically secured close to existing infrastructure, allowing for easier delivery of product to market.

UIL Energy's permits provide access to the largest domestic gas sector in Australia and geographic proximity to growing Asian demand for energy. The Western Australian market is currently supply-constrained with prices estimated to rise in real terms to \$10/gj or higher by 2020 and beyond.

There has been increased interest in the Perth Basin over the past 12 months stemming from AWE's Waitsia discovery and complemented by Mineral Resources controlling stake in Empire Oil and Gas. These and other developments have supported UIL Energy's strategy and its strategic Perth Basin position.

UIL Energy has an experienced Board and management team with an expertise in oil and gas exploration, development and production as well as a strong track record of value creation for shareholders. We welcome Garry Marsden as an additional Director following his role as chairman of Eneabba Gas and along with Barnaby Egerton-Warburton joining the executive team; UIL Energy is well positioned to deliver exciting results.

Again we look forward to welcoming you as a shareholder of UIL Energy.

Sincerely,

Handwritten signature of Simon Hickey in black ink.

Simon Hickey
Chairman

Handwritten signature of John De Stefani in black ink.

John De Stefani
Managing Director

Handwritten signature of Garry Marsden in black ink.

Garry Marsden
Non-Executive
Director

Handwritten signature of Barnaby Egerton-Warburton in black ink.

Barnaby Egerton-Warburton
Business Development Executive