



## **ASX Announcement**

7 November 2016

### **Farmin Agreement Executed with Bombora**

UIL Energy Ltd (**UIL Energy or the “Company”**) (ASX:UIL) is pleased to announce it has finalised 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.

Under the FIA and JOA, Bombora can earn a 70% working interest and the right to operate in four graticular blocks (highlighted in figure 1 below), by funding and completing 100% of the cost of preparation, acquisition, processing and interpretation of the farmin 3D seismic survey. The farmin project area represents approximately a quarter of the entire EP447 permit, allowing UIL Energy to pursue petroleum targets identified in the northern portion of the permit.

Bombora will fund up to a gross cost cap of A\$2.25 million for an 80km<sup>2</sup> 3D seismic survey or up to \$2.5 million for a 100km<sup>2</sup> seismic survey. The final size of the 3D seismic survey will be determined following further analysis over the prospective area. Costs in excess of the gross cost cap will be shared pro-rata between the parties, but in any event UIL’s Energy’s maximum exposure will be capped at \$100,000.

The Walyering Gas Field, discovered and only partly produced by West Australian Petroleum Pty Ltd (WAPET) in the early 1970’s, is the focus of the farmin area. Three of four historical wells encountered gas within multiple Jurassic age sands, with the best-tested unstimulated zone flowing at 13.5 million cubic feet of gas per day. The Parmelia Gas pipeline was originally connected to the Walyering-1 well and directly crosses EP447 and the farmin project area as highlighted in Figure 1.

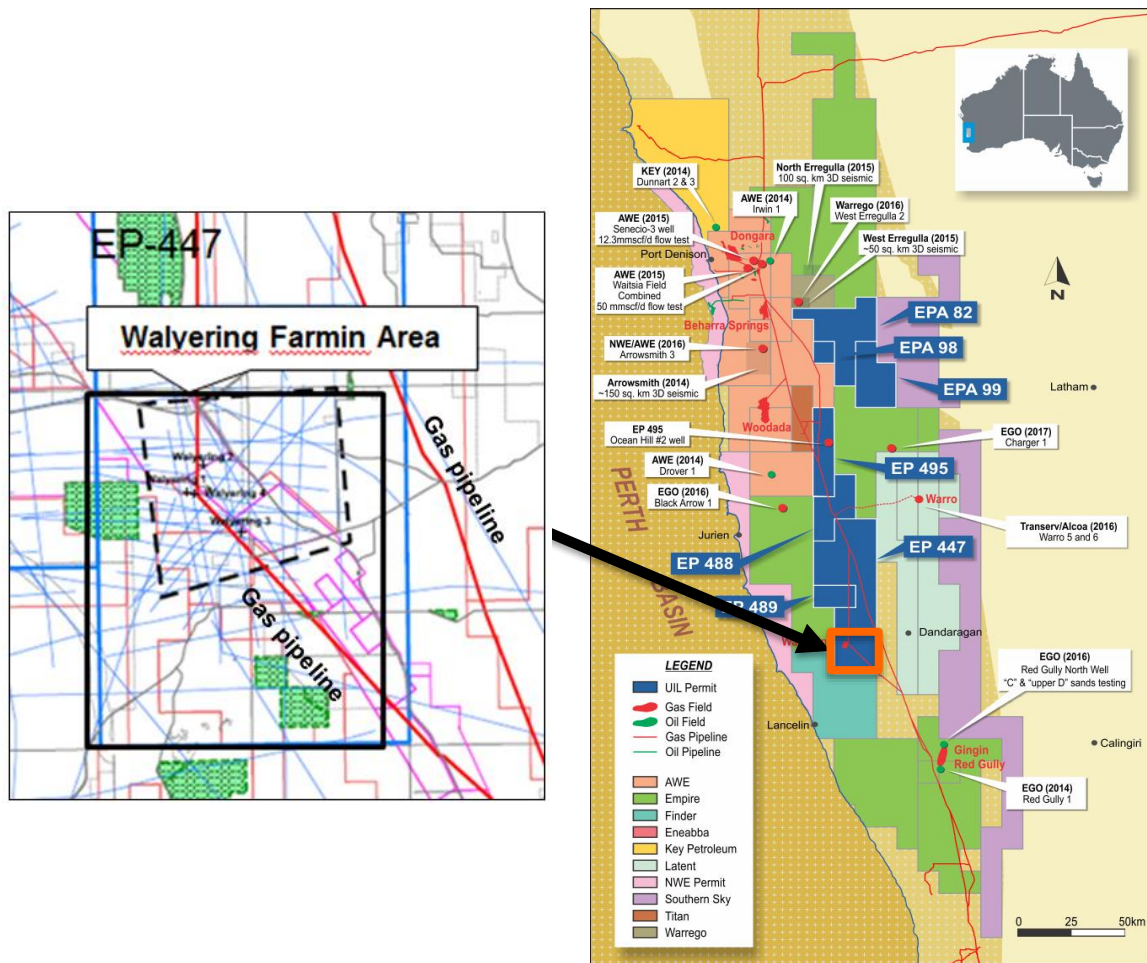
The farmin with Bombora allows UIL Energy to focus efforts on its core projects, particularly the 100% owned, newly acquired Ocean Hill prospect where there is an already defined 2C Contingent Resource of 360 BCF plus condensate. As announced earlier this month, the Company has commenced the process to obtain approvals for the Ocean Hill #2 drilling and 3D seismic program.

For and on behalf of the Board  
Drew Speedy and Duncan Cornish  
Co-Company Secretaries  
UIL Energy Ltd

#### **For further information contact:**

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**Figure 1: Walvering Farmin-Area with Bombora**



### About UIL Energy Ltd

UIL Energy Ltd (ASX:UIL) is an Australian oil and gas exploration company targeting the Perth Basin in Western Australia, one of Australia’s largest producing basins.

The Company’s strategy is to focus on large-scale opportunities across the Perth Basin, where there is a history of oil and gas production. UIL Energy has permits that have pipeline or transport infrastructure in place or in reasonable proximity.

UIL Energy’s permits in Western Australian provide it with access to the largest domestic gas sector in Australia. The gas market is supply constrained with estimated gas prices to rise above \$10/GJ in real terms over the next 16 years.

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.

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