

UIL Energy Limited

ACN 153 352 160 (Company)

Prospectus

For 8,950,000 Offer Options on the basis of one (1) Option exercisable at \$0.075 each, expiring on the date being 18 months from the date of issue (**SPP Options**) for every one (1) Share offered to and acquired by Eligible Shareholders as part of the Share Purchase Plan (**SPP Option Offer**).

AND

For 3,900,000 Offer Options on the basis of one (1) Option exercisable at \$0.075 each, expiring on the date being 18 months from the date of issue (**Shortfall Options**) for every one (1) Share offered to and acquired by Participants as part of the SPP Shortfall (**Shortfall Option Offer**).

AND

For 15,000,000 Offer Options on the basis of one (1) Option exercisable at \$0.075 each, expiring on the date being 18 months from the date of issue (**Placement Option**) for every one (1) Share offered to and acquired by Participants as part of the Placement (**Placement Option Offer**).

AND

10,000,000 Offer Options exercisable at \$0.075 each, expiring on the date being 18 months from the date of issue to certain brokers (**Broker Option Offer**).

AND

4,000,000 Offer Options exercisable at \$0.075 each expiring on the date being 18 months from the date of issue to certain participants in the SPP Shortfall (**Shortfall Fee Option Offer**)

No funds will be raised as a result of the Option Offers.

This Prospectus has been prepared to enable the Offer Options to be issued and to be on-sold without disclosure and to ensure that the Shares that are issued on exercise of the Offer Options may be on-sold without disclosure in accordance with ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80.

Important Notice

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser. The Options offered by this Prospectus should be considered as speculative.

This is a transaction-specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth).

Not for distribution in the United States of America or to U.S. persons.

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Chairman's letter

Dear Shareholder

The Board of UIL Energy Limited (**Company**) recognises, and greatly appreciates, the importance of our loyal and supportive Shareholders, and wish to reward Shareholders by creating, subject to the consent of ASX, an additional listed security referred to as 'Offer Options'. Offer Options will have an exercise price of \$0.075 each and will expire 18 months from the date of issue.

The Board is pleased to offer the bonus Offer Options on the basis of one (1) Option for every Share offered to and acquired by Eligible Shareholders as part of the Share Purchase Plan (**SPP Options**). For the avoidance of doubt, the SPP Options will only be issued to those Participants who have participated in the Share Purchase Plan (**SPP**). The issue of these SPP Options was approved at the AGM held on 29 November 2016.

The Board believes that the issue of SPP Options provides an incentive in what continues to be a challenging time for the Australian oil and gas market and ensures that those who support the Company, receive a benefit that could have significant value in the future.

The Board has sought to place the shortfall arising from the Share Purchase Plan (**SPP Shortfall**) to unrelated parties, and will also offer bonus Offer Options on the basis of one (1) Option for every Share issued to those Participants as part of the SPP Shortfall under the Share Purchase Plan (**Shortfall Options**). The issue of these Shortfall Options was approved at the AGM held on 29 November 2016.

The Board was pleased to see the level of interest in its recent placement to raise approximately \$750,000 pursuant to the Placement. In recognition for the support shown by Participants in the Placement, the Company also offers to Participants who received Placement Shares a bonus Offer Option on the basis of one (1) Option for every Share issued to the Investor (**Placement Options**). For the avoidance of doubt, the Placement Options will only be issued to those Participants who participated in and were issued Placement Shares. The issue of these Placement Options was also approved at the AGM held on 29 November 2016.

In appreciation of the assistance of Hartleys Ltd as the corporate advisor to the Placement and the SPP, the Company is also offering the Broker Options on the same terms as the other Offer Options. The Company has also agreed, pursuant to the terms of the SPP, to pay a commission to a number of shareholders who have subscribed for an "Additional Issue" of Shares from the SPP Shortfall by issuing to them additional Options (**Shortfall Fee Options**) in addition to their entitlement to other Offer Options.

The Offer Options will be issued free, so that no funds will be raised from the Option Offers, and will each have an exercise price of \$0.075 and an expiry date 18 months from the date of issue.

Application will be made to ASX immediately upon lodgement of this Prospectus to list the Offer Options on ASX.

The Board takes this opportunity to thank all Shareholders for their ongoing support of the Company.

Yours faithfully



Simon Hickey
Chairman
UIL Energy Limited

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1. Offer Statistics

Issue Price	Nil
Exercise Price	\$0.075
Expiry Date	18 months from the date of issue
Number of SPP Options and Shortfall Options	12,850,000
Number of Placement Options	15,000,000
Number of Broker Options	10,000,000
Number of Shortfall Fee Options	4,000,000
Number of Options on issue prior to Offer ¹	25,804,959
Expected total Options on issue following the Offer ¹	67,654,959

¹ This assumes that none of the Existing Options are exercised.

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2. Key Dates

Event	Date
Announcement of Offers (completed)	29 September 2016
Issue of SPP (completed)	6 October 2016
Closing date of the SPP (completed)	21 November 2016
AGM (completed)	29 November 2016
Prospectus lodged with ASIC and ASX (together with an Appendix 3B)	5 December 2016
Offers for Offer Options open (Open Date)	5 December 2016
Offers for Offer Options close (Closing Date)	9 December 2016
Issue of Offer Options	14 December 2016
Despatch of new holding statements for Offer Options.	15 December 2016

Note: These dates are indicative only and may change without prior notice. The Directors may vary the period of the Offers (or any of them) at their discretion subject to the requirements of the Corporations Act or the Listing Rules.

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3. Important information

3.1 General

This Prospectus is dated 5 December 2016 and was lodged with the ASIC on that date. Neither the ASIC nor the ASX (nor their officers) take any responsibility as to the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No Options may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

This Prospectus contains offers of options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act.

None of the Offers are available to the general public.

The Option Offers are only available to those persons who are issued Placement Shares, or who receive Shares pursuant to the SPP or the SPP Shortfall or are identified as recipients of the Broker Options and Shortfall Fee Options.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that Participants read this Prospectus in its entirety and seek professional advice where necessary. The Offer Options which are the subject of this Prospectus should be considered speculative.

3.2 Foreign Participants

This Prospectus does not constitute an offer of the Offer Options in any place in which, or to any person to whom, it would not be lawful to make such an offer. The Company has not made any investigations as to the regulatory requirements that may prevail in countries, outside of Australia, New Zealand and Singapore, in which Participants may reside. The distribution of this Prospectus in jurisdictions outside Australia, New Zealand and Singapore may be restricted by law and any recipient of this Prospectus should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. In particular, the Offers have not been, and will not be, registered under the US Securities Act or the securities law of any state of the United States, and the Offer Options the subject of the Offers may not be offered or sold in the United States or to or for the account or benefit of any US Persons, except in a transaction exempt from the registration requirements of the US Securities Act and applicable United States state securities laws.

3.3 Singapore

This document and any other materials relating to the Offer Options have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Offer Options may not be issued, circulated or distributed, nor may these securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

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This document has been given to you on the basis that you are an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Offer Options being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to Participants who acquire Offer Options. As such, Participants are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

3.4 New Zealand

The Offer Options are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978 Financial Markets Conduct Act 2013* (New Zealand) or *Financial Markets Conduct Act 2013*. This document is not an investment statement, prospectus or product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that an investment statement, prospectus or product disclosure statement under New Zealand law is required to contain.

3.5 Transaction Specific Prospectus

This Prospectus is a transaction specific prospectus for an offer of options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.6 Risk factors

Participants in the Offers should be aware that holding securities in the Company involves a number of risks. The key risk factors of which those Participants should be aware are set out in section 7 of this Prospectus. These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of Shares and the Offer Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Participants should consider consulting their professional advisers in relation to the issue of Offer Options pursuant to this Prospectus.

3.7 Deciding to accept the Offer

Please refer to Section 4.4 for information on accepting an Offer.

Recipients of Placement Options, SPP Options and Shortfall Options are not required to do anything to accept that Offer.

3.8 Speculative investment

No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital or the payment of a return on the Offer Options. The information in this Prospectus does not constitute a securities recommendation or financial product advice. In preparing this Prospectus, the Company has not taken into account the investment objectives, financial situation or particular needs of any particular person.

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This Prospectus is an important document and you should read it in full before deciding whether to invest pursuant to the Offer. You should also have regard to other publicly available information about the Company, including ASX announcements, which can be found at the Company's website: www.uilenergy.com.au.

3.9 Glossary

Certain terms used in this Prospectus are defined in the Glossary in Section 10 of this Prospectus. Money as expressed in this Prospectus is in Australian dollars unless otherwise indicated.

3.10 Forward Looking Statements

The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward looking statements. The forward looking statements in this Prospectus are based on the Company's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Prospectus. Participants in the Offers should specifically refer to the "Risks Section" in Section 7 of this Prospectus. That section refers to some, but not all, of the matters that may cause actual results to differ from the position stated in any forward looking statement in this Prospectus.

Participants in the Offers should be aware that past Share price performance of the Company provides no guidance to its future Share price performance. Neither the Company nor any other person warrants or guarantee the future performance of the Offer Options offered under this Prospectus or the Shares issued upon exercise of the Offer Options or any return on any investment made pursuant to this Prospectus.

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4. Details of the Offers and the Prospectus

4.1 Background

As announced on 29 September 2016, the Company is undertaking a re-capitalisation process (**Re-capitalisation Process**) which involves:

- (a) the Placement, which has been completed and raised \$750,000;
- (b) the Share Purchase Plan, which has been completed, including allocation of the SPP Shortfall, and raised \$642,500.

The Re-capitalisation process involves the issue of 27,850,000 new Shares at \$0.05 each and it is also proposed that bonus Options will be issued on the basis of one bonus Option for every one new Share issued as part of the Re-capitalisation Process. These Offer Options will be a new class of Option which are exercisable at \$0.075 each, expire on the date being 18 months from the date of issue and are otherwise issued on the terms set out in section 6.1. It is intended that the Offer Options will be listed.

The Company is pleased to have offered existing Shareholders the opportunity to participate in the Re-capitalisation Process under the SPP (which offer was made pursuant to the SPP Terms and Conditions dated 6 October 2016 and is not made under this Prospectus). In addition, the Company is pleased to offer Eligible Shareholders who receive Shares under the SPP, one (1) bonus Option for every one (1) Share issued under the SPP (**SPP Option Offer**).

The Company has also offered the SPP Shortfall to unrelated parties and, in recognition of the support of those Participants in the SPP Shortfall, offers one (1) bonus Option for every one (1) Share issued to those Participants under the SPP Shortfall (**Shortfall Option Offer**).

Further, in recognition for the support shown by Participants in the Placement, the Company also offers to those Participants who have received Placement Shares one (1) bonus Option for every one (1) Placement Shares issued to those Participants (**Placement Option Offer**).

In addition, the Company has agreed to offer additional Options on the same terms as the SPP Options, Shortfall Options and Placement Options to parties who have assisted the Company in undertaking and completing the Re-capitalisation, namely Hartleys (and other broker nominees) for their support to the Company in undertaking the Placement and the SPP (**Broker Option Offer**), and also to some identified Shareholders who have subscribed for an "Additional Issue" of Shares under the terms of the SPP from the SPP Shortfall (**Shortfall Fee Option Offer**).

The issue of the SPP Options, Shortfall Options, Placement Options and Broker Options was approved at the AGM of the Company held on 29 November 2016. The issue of the Shortfall Fee Options has not been approved by shareholders and does not require shareholder approval under the Corporations Act or Listing Rules.

4.2 Purpose of the Prospectus

This Prospectus has been prepared to enable the Offer Options to be issued and to be on-sold without disclosure and to ensure that the Shares that are issued on exercise of the Offer Options may be on-sold without disclosure in accordance with ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80).

Section 708A(11) of the Corporations Act provides an exemption from the general disclosure requirement under section 707(3) of the Corporations Act where:

- (a) the relevant securities are in a class of securities of the company that are already quoted on ASX;
- (b) a prospectus is lodged with ASIC either:

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- (1) on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
- (2) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

An additional purpose of this Prospectus is, therefore, to comply with section 708A(11) of the Corporations Act so that the recipients of the Offer Options, if they choose to, can sell the Offer Options and any Shares which may be issued upon the exercise of the Offer Options.

4.3 The Offers

The following Offers are being made pursuant to this Prospectus:

SPP Option Offer

An offer of 8,950,000 Offer Options to Eligible Shareholders on the basis of one (1) Option for every one (1) Share issued pursuant to the SPP, to be issued for nil consideration.

Shortfall Option Offer

An offer of 3,900,000 Offer Options to Participants in the SPP Shortfall on the basis of one (1) Option for every one (1) Share issued as part of the Shortfall pursuant to the SPP, to be issued for nil consideration.

Placement Option Offer

An offer of 15,000,000 Offer Options to Participants in the Placement on the basis of one (1) Option for every one (1) Share issued as part of the Placement, to be issued for nil consideration.

Broker Option Offer

An offer of 10,000,000 Offer Options to Hartley's Limited, the corporate advisor for the Placement, or other brokers' nominees for nil consideration and being exercisable at \$0.075 each and expiring on the date being 18 months from the date of issue.

Shortfall Fee Option Offer

An offer of 4,000,000 Offer Options to identified Participants in the SPP Shortfall (having subscribed for an "Additional Issue" of Shares under the SPP) as payment by the Company of a commission under the terms of the SPP with respect to that placement of part of the SPP Shortfall, for nil consideration and being exercisable at \$0.075 each and expiring on the date being 18 months from the date of issue.

The Offers are non-renounceable and no subscription monies are payable in respect of the acceptance of the Offers.

4.4 Acceptance of Offers

Placement Option Offer, SPP Option Offer and Shortfall Option Offer

Participation in the Placement Option Offer, SPP Option Offer and Shortfall Offer are an entitlement under the terms of participation in the Placement, the SPP and the SPP Shortfall.

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A participant in the Placement, the SPP and the SPP Shortfall will be deemed to have accepted their relevant Offer and subscribed for their entitlement to Offer Options under this Prospectus by having already subscribed for and received Shares under the Placement, the SPP or the SPP Shortfall and if the Company does not receive notice to the contrary prior to the Closing Date.

Accordingly, a participant in the Placement, the SPP and the SPP Shortfall does not need to do anything to accept the Offer applicable to them.

Broker Option Offer and Shortfall Fee Option Offer

Hartleys and other brokers applying under the Broker Option Offer (or their nominees) must complete and return their acceptance form prior to the Closing Date with respect to their acceptance of their entitlement to Broker Options under the Broker Option Offer.

The identified Participants under the Shortfall Fee Option Offer (or their nominees) must complete and return their acceptance form prior to the Closing Date with respect to their acceptance of their entitlement to Shortfall Fee Options under the Shortfall Fee Option Offer.

General

The Opening Date and Closing Date for the Offers are indicative only and subject to change without notice. The Company may vary these dates, including to close any Offers early, extend the Closing Date or to withdraw the Offers at any time prior to issue. If any of the dates are changed, subsequent dates may also change. You are encouraged, where required, to lodge your Application Form as soon as possible after the Opening Date.

4.5 Issue

Offer Options issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Holding statements for Offer Options issued under the Offers will be mailed in accordance with the ASX Listing Rules and timetable set out in Section 2 of this Prospectus and in any event, as soon as practicable after their issue.

4.6 No exposure period

No exposure period applies to the Options offered under this Prospectus due to the relief granted by ASIC Corporations (Exposure Period) Instrument 2016/74.

4.7 Minimum subscription

There is no minimum subscription under the Offers.

4.8 ASX listing

Application for Official Quotation of the Offer Options offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus.

The Offer Options will only be listed in the event that the ASX listing conditions are met.

The fact that ASX may grant Official Quotation of the Offer Options is not to be taken in any way as an indication of the merits of the Company or the Offer Options now offered.

4.9 No underwriting

The Offers are not underwritten.

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4.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing option certificates. The Company is a participant in CHES, for those Participants who have, or wish to have, a sponsoring stockbroker. Participants who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing option certificates to Participants. Instead, Participants will be provided with a statement (similar to a bank account statement) that sets out the number of Offer Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

4.11 Notice to nominees and custodians

Nominees and custodians that hold Shares should note that the SPP Option Offer is available only to Eligible Shareholders who have received shares under the SPP. Accordingly, only nominees and custodians with registered addresses in Australia, New Zealand or Singapore who receive Shares pursuant to the SPP will be entitled to participate in the SPP Option Offer.

The Company takes no responsibility for advising on the securities laws of any jurisdiction, or the legality of providing the Offers to any person for whom nominees and custodians may hold shares in the Company beneficially or those persons acquiring a beneficial interest in Offer Options as a result of the Offers. Nominees and custodians will need to assess whether the participation (whether direct or indirect) of a beneficiary is compatible with applicable foreign laws.

4.12 Enquiries

If you are entitled to receive Offer Options under this Prospectus and have any questions in relation to the Offer, please contact your stockbroker or professional adviser. If you have questions in relation to how to accept the Offer applicable to you, please contact the Company Secretary on +61 7 3007 9600.

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5. Purpose and effect of the Offers

5.1 Purpose of the Offers

The purpose of the SPP Option Offer, Shortfall Option Offer and Placement Option Offer is to reward Participants in the Placement and SPP for their support of the Company.

The purpose of the Broker Options Offer is to reward Hartleys Limited and other brokers' nominees for their role as corporate advisor with regards to the Placement and SPP.

The purpose of the Shortfall Fee Options Offer is to pay a commission under the terms of the SPP to those Shareholders who have subscribed for an "Additional Issue" of Shares under the SPP for their increased participation in the SPP Shortfall.

The issue of the Offer Options will also provide the Company with a potential source of additional capital if the Offer Options are exercised. No funds will be raised through the issue of the Offer Options pursuant to this Prospectus, however if all the Offer Options are exercised, the Company will receive approximately \$3,138,750. Any funds raised upon the exercise of any of the Offer Options will be allocated to the Company's working and investment capital.

The Offers are also being made in order to facilitate the secondary trading of the Offer Options and resultant shares as set out in section 4.2 above.

5.2 Effect of the Offers

The principal effect of the Offers, assuming all Offer Options offered under the Prospectus are issued, will be to introduce a new class of listed securities, being 41,850,000 new Offer Options.

5.3 Effect on Balance Sheet

The Offer Options to be issued pursuant to this Prospectus will be issued for nil consideration. Accordingly, there will be no immediate effect on the Company's balance sheet, other than a decrease in cash reserves of approximately \$117,975 being the estimated costs of the Offers as set out in section 8.14. Capital will be raised if the Offer Options are exercised, being an amount of \$0.075 per Offer Option exercised. This will affect the Company's balance sheet, however the Company is not able to specify with any certainty the extent of that change given the uncertainty around whether the Offer Options will be exercised (which is dependent on the market price of Shares from time to time until the Offer Options expire).

The Company's Annual Report for the financial year ended 30 June 2016, was released to ASX on 19 September 2016. The Annual Report can be viewed at www.uilenergy.com.au and at www.asx.com.au.

The Company's latest Quarterly Cash Flow Report and Quarterly Activities Report were released to ASX on 31 October 2016. These reports can be reviewed at www.uilenergy.com.au and at www.asx.com.au.

Additional information, including copies of ASX releases and investor presentations, is also available on the Company's website.

This section sets out the historical and pro-forma financial information of the Company. The basis for the preparation and presentation of this information is also set out below.

The financial information has been prepared by management and adopted by the Board. The Board is responsible for the inclusion of all financial information in the Prospectus.

The historical and pro-forma financial information has been prepared in accordance with the measurement and recognition criteria of Australian Accounting Standards. The historical and pro-

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pro-forma financial information comprises financial information of the Company. The historical and pro-forma financial information is presented in an abbreviated form insofar as it does not include all the disclosure and notes required in an annual financial report prepared in accordance with Australian Accounting Standards and the Corporations Act.

The information in sections 5.3 to 5.6 has been provided for Participants to gain an indication of the effect of the Offers (and associated Re-capitalisation Process) which includes the issue of the Placement Shares and the issue of Shares under the SPP (including Shortfall Shares) on the Company. It does not necessarily illustrate the future financial performance of the Company because past performance is not a guide to future performance.

5.4 Historical Financial Information

The historical financial information for the Company set out below comprises:

- (a) the audited Statement of Financial Position as at 30 June 2016; and
- (b) selected notes to the reviewed Statement of Financial Position.

The historical financial information has been extracted from the audited Company's Financial Statements the period ended 30 June 2016.

5.5 Pro-forma Financial Information

The pro-forma financial information for the Company set out below under pro-forma A comprises:

- (a) the unaudited pro-forma Statement of Financial Position as at 30 June 2016 based on completion of the Offers (and the associated Re-capitalisation Process); and
- (b) selected notes to the unaudited pro-forma Statement of Financial Position.

The unaudited pro-forma Statement of Financial Position has been derived from the Statement of Financial Position as at 30 June 2016 adjusted for the following transactions as if they had occurred at 30 June 2016 (pro-forma transactions):

- (a) the issue of 165,000 Shares on 29 August 2016 as a result of the conversion of 165,000 Performance Rights issued to a consultant of the Company.
- (b) the issue of 55,000,000 Shares on 21 September 2016 as a result of the conversion of 55,000,000 Class A Convertible Redeemable Preference Shares (CRPS).
- (c) the issue of 727,960 Shares on 14 October 2016 to Directors and a Consultant of the Company in lieu of fees \$37,574 for the September 2016 quarter.
- (d) the issue of 11,900,000 Placement Shares on 6 October 2016 and the issue of a further 3,100,000 Placement Shares on 2 December 2016 at an issue price of \$0.05 per Share to raise \$750,000 before expenses;
- (e) the issue of 12,850,000 Shares being issued pursuant to the SPP, including Shortfall Shares, at an issue price of \$0.05 per Share to raise \$642,500 before expenses;
- (f) the issue of the following Offer Options:
 - (1) 8,950,000 SPP Options;
 - (2) 3,900,000 Shortfall Options;
 - (3) 15,000,000 Placement Options;

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- (4) 10,000,000 Broker Options; and
- (5) 4,000,000 Shortfall Fee Options;
- (g) the payment of the following legal and other costs associated with the Offer remain unpaid:

Expense	Cost (\$)
Placement costs	\$74,250
Legal costs of the Offer	\$12,500
ASX and ASIC costs	\$7,500
Printing, postage and share registry	\$13,000
Total capital raising fees	\$107,250
Plus GST	\$10,725
Total including GST	\$117,975

Note: This includes all costs directly associated with the Offers and associated Re-capitalisation Process (as a reduction in shareholder capital); and

The pro-forma financial information for the Company set out below under pro-forma B comprises:

- (a) the unaudited pro-forma Statement of Financial Position as at 30 June 2016 based on completion of the Offers (and the associated Re-capitalisation Process) and assuming exercise of all Offer Options offered under the Prospectus; and
- (b) selected notes to the unaudited pro-forma Statement of Financial Position.

The unaudited pro-forma Statement of Financial Position has been derived from the Statement of Financial Position as at 30 June 2016 adjusted for the following transactions as if they had occurred at 30 June 2016 (pro-forma transactions):

- (a) items 5.5(a) – 5.5(g) above have occurred; and
- (b) the exercise of the following Offer Options:
 - (1) 8,950,000 SPP Options;
 - (2) 3,900,000 Shortfall Options;
 - (3) 15,000,000 Placement Options;
 - (4) 10,000,000 Broker Options; and
 - (5) 4,000,000 Shortfall Fee Options,

which would raise \$3,138,750.

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5.6 Historical and pro-forma Consolidated Statements of Financial Position

		Historical Reviewed Balance Sheet	Pro-forma A Adjustments (includes proceeds from Placement, SPP and Shortfall Shares)	Pro-forma A Balance Sheet (includes proceeds from Placement, SPP and Shortfall Shares)	Pro-forma B Adjustment (Proforma A Balance Sheet plus proceeds from exercise of all Offer Options)	Pro-forma B Balance Sheet (Proforma A Balance Sheet plus proceeds from exercise of all Offer Options)
		30-June-16		30-June-16		30-June-16
		\$		\$		\$
ASSETS						
Current assets						
Cash and cash equivalents	8.1	1,216,148	1,274,525	2,490,673	3,138,750	5,629,423
Trade and other receivables		56,766	-	56,766	-	56,766
Other Current Assets		6,216	-	6,216	-	6,216
Total current assets		1,279,130	1,274,525	2,553,655	3,138,750	5,692,405
Non-current assets		4,142,870		4,142,870		4,142,870
TOTAL ASSETS		5,422,000	1,274,525	6,696,525	3,138,750	9,835,275
LIABILITIES						
Current liabilities						
Trade and other payables		232,897	-	232,897	-	232,897
Total current liabilities		232,897	-	232,897	-	232,897
TOTAL LIABILITIES		232,897	-	232,897	-	232,897
NET ASSETS		5,189,103	1,274,525	6,463,628	3,138,750	9,602,378
EQUITY						
Issued capital	8.2	12,827,340	1,312,099	14,139,439	3,138,750	17,278,189
Reserves		1,671,150		1,671,150		1,671,150
Accumulated losses		(9,309,387)	(37,574)	(9,346,961)		(9,346,961)
TOTAL EQUITY		5,189,103	1,274,525	6,463,628	3,138,750	9,602,378

Note 1 - Cash and Cash Equivalents

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	Pro-forma A Adjustments	Pro-forma B Adjustments
	\$	\$
Cash and cash equivalents at 30 June 2016	1,216,148	1,216,148
Proceeds from issue of Shares under the SPP	642,500	642,500
Proceeds from issue of Placement Shares	750,000	750,000
Proceeds from exercise of all Offer Options		3,138,750
Payment of Capital Raising fees	(107,250)	(107,250)
GST	(10,725)	(10,725)
Pro-forma cash and cash equivalents	2,490,673	5,629,423

Note 2 Issued Share Capital (excluding exercise of Offer Options) – Pro-forma A

	No of Shares	\$
Shares issued as at 30 June 2016	108,023,755	12,827,340
Shares issued on conversion of Performance Rights	165,000	-
Shares issued on conversion of Class A CRPS	55,000,000	-
Shares issued in Lieu of Director and Consultant Fees	727,960	37,574
Shares issued under SPP	12,850,000	642,500
Placement Shares	15,000,000	750,000
Capital Raising fees		(107,250)
GST		(10,725)
Pro-forma issued capital	191,766,715	14,139,439

Note 2 Issued Share Capital (including exercise of Offer Options) – Pro-forma B

	No of Shares	\$
Shares issued as at 30 June 2016	108,023,755	12,827,340
Shares issued on conversion of Performance Rights	165,000	-
Shares issued on conversion of Class A CRPS	55,000,000	-
Shares issued in Lieu of Director and Consultant Fees	727,960	37,574
Shares issued under SPP	12,850,000	642,500
Placement Shares	15,000,000	750,000
Shares issued on exercise of all Offer Options	41,850,000	3,138,750
Capital Raising fees		(107,250)
GST		(10,725)
Pro-forma issued capital	233,616,715	17,278,189

5.7 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all Offer Options offered under the Prospectus are issued, is set out below:

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Shares

	Number	% interest in share capital
Shares currently on issue (including Placement Shares and Shares under the SPP, including Shortfall Shares)	191,766,715	100%
Shares offered under the Offer	Nil	-
Total Shares on issue after completion of the Offers	191,766,715	100%

Options

	Number	% interest in Options
Unlisted Options		
Unlisted Options currently on issue ¹	25,804,959	38.14
Unlisted options to be issued	Nil	-
Total unlisted options on issue after completion of the Offers¹	25,804,959	38.14
Listed Options²		
Listed Options currently on issue	Nil	-
Number of SPP Options and Shortfall Options to be issued	12,850,000	18.99
Number of Placement Options to be issued	15,000,000	22.17
Number of Broker Options to be issued	10,000,000	14.78
Number of Shortfall Fee Options to be issued	4,000,000	5.91
Total listed options on issue after completion of the Offers²	41,850,000	61.86
Total Options on issue after completion of the Offers¹	67,654,959	100%

1 This assumes that none of the Existing Options are exercised.

2 This assumes that the ASX will accept the Offer Options for quotation.

The capital structure on a fully diluted basis:

- (a) as at the date of this Prospectus is 217,571,674 Shares; and
- (b) on completion of the Offers and exercise of all Options (including the Offer Options) would be 259,421,674 Shares.

5.8 Effect on control

The issue of the Offer Options themselves will have no effect on the control of the Company.

The substantial Shareholders are listed below in Section 5.9. If these Shareholders are eligible to receive Offer Options and subsequently chose to exercise the Offer Options issued to them, it may affect their overall percentage shareholding. While the final percentage interests held by Shareholders of the Company is entirely dependent on the extent to which they participate in the

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Offers and subsequently exercise the Offer Options, subject to any significant uptake by an investor resulting from the allocation of any Shortfall under the SPP, the Company expects that the potential effect of the issue of Offer Options on the control of the Company will be minimal.

5.9 Details of substantial holders

At the date of this Prospectus, the Company is of the view that there is no single entity that controls the Company.

Details of persons holding a relevant interest in more than 5% of the Company's Shares as at 2 December 2016 are as follows:

Shareholder	Relevant Interest in Shares	% issued capital	Number of SPP and Placement options	Number of Options held	Relevant Interest in Shares if all Options held were exercised
Simon Hickey	19,222,532	10.02	200,000	3,042,074	10.75
John de Stefani	15,852,326	8.27	1,000,000	5,223,401	10.17
Stephen Bizzell	11,050,441	5.76	2,000,000	7,155,400	8.79

The top 20 Shareholders of the Company as at 28 November 2016 are as follows:

Shareholder	Shares	% issued capital
SIMON HICKEY	15,500,972	8.39
ENJJ CO PTY LTD <ENJJ DISCRETIONARY A/C>	7,665,326	4.15
BLACK ROCK MINING LIMITED <ENJJ SUPERANNUATION FUND A/C>	7,309,504	3.96
MR WILLIAM DAVID COPLAND & MRS SUSAN MARY COPLAND <DAVID COPLAND SUPER FUND A/C>	7,125,000	3.86
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,000,000	2.16
ROOKHARP INVESTMENTS PTY LIMITED	3,751,066	2.03
SUPERMAX PTY LTD <SUPERMAX SUPER FUND A/C>	3,250,000	1.76
MR KOO SING KUANG & MRS LAI WAH KUANG <LAKEMBA SUPER FUND A/C>	2,988,018	1.62
BARTINON SECURITIES PTY LTD	2,843,304	1.54
MR WILLIAM TIEN LEONG WONG	2,500,000	1.35
DECK CHAIR HOLDINGS PTY LTD	2,284,220	1.24
MR LEWIS LICK WEI WU	2,284,220	1.24
RIVERVIEW CORPORATION PTY LTD	2,255,685	1.22
MAHSOR HOLDINGS PTY LTD<ROSHAM FAMILY SUPER A/C>	1,911,224	1.03
ACN 601 276 886 PTY LTD	1,909,608	1.03
SCINTILLA STRATEGIC INVESTMENTS LIMITED	1,885,714	1.02
BIZZELL NOMINEES PTY LTD<BIZZELL FAMILY>	1,750,000	0.95
BIZZELL CAPITAL PARTNERS PTY LTD	1,736,830	0.94
MR THOMAS LIK CHENG GOH	1,675,000	0.91
BIZZELL NOMINEES PTY LTD <BIZZELL SUPER FUND>	1,644,631	0.89
TOTAL	77,906,036	42.16

The Offers will have no effect on the quantity of Shares held by these substantial shareholders as only Offer Options are being issued.

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6. Rights and liabilities attaching to securities

6.1 Offer Option terms and conditions

- (a) The Offer Options shall be issued for no cash consideration;
- (b) The exercise price of each Offer Option is \$0.075 (**Exercise Price**);
- (c) The Offer Options will expire on the date being 18 months from the date of issue (**Expiry Date**) unless earlier exercised;
- (d) The Offer Options are transferrable;
- (e) The Offer Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with payment for the Exercise Price per Offer Option to the Company at any time on or after the date of issue of the Offer Options and on or before the Expiry Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods;
- (f) The number of Offer Options that may be exercised at one time must be not less than 1000, unless the Option holder holds less than 1000 options in which case all options must be exercised at one time;
- (g) Upon the valid exercise of the Offer Options and payment of the Exercise Price, the Company will issue fully paid ordinary shares ranking pari passu with the then issued ordinary shares within 10 business days of valid exercise and payment;
- (h) Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Offer Options, in accordance with the requirements of the Listing Rules.
- (i) Option holders do not participate in any dividends unless the Offer Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend;
- (j) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - (1) the number of Offer Options, the Exercise Price of the Offer Options, or both will be reorganised (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the holders of the Offer Options which are not conferred on shareholders; and
 - (2) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the Offer Options will remain unchanged;
- (k) If there is a pro rata issue (except a bonus issue), the Exercise Price of an Offer Option may be reduced according to the following formula:

$$O^n = O - \frac{E [P - (S + D)]}{N + 1}$$

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Where:

O^n = the new exercise price of the Offer Option;

O = the old exercise price of the Offer Option;

E = the number of underlying securities into which one Offer Option is exercisable;

P = the volume weighted average market price per security of the underlying securities during the 5 trading days ending on the day before the ex right date or the ex entitlements date;

S = the subscription price for a security under the pro rata issue;

D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

- (m) If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Offer Option is exercisable may be increased by the number of shares which the Option holder would have received if the Offer Option had been exercised before the record date for the bonus issue;
- (n) The terms of the Offer Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, unless all necessary waivers of the ASX Listing Rules are obtained, the terms of the Offer Options shall not be changed to reduce the Exercise Price, increase the number of Offer Options or change any period for exercise of the Offer Options;
- (o) The Company shall apply for listing of the Offer Options on the ASX; and
- (p) The Company shall apply for listing on the ASX of the resultant shares of the Company issued upon exercise of any Offer Option.

6.2 Rights attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being the underlying securities of the Offer Options to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and any other laws.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

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(b) Voting rights

Subject to any special rights or restrictions (at present there are none), at any Shareholder meeting, each Shareholder present in person or by proxy has one vote on a show of hands. On a poll, a holder of fully paid Shares has one vote for each share held and the holder of a partly paid share has a voting entitlement to the proportion which the amount paid is of the total amounts paid and payable.

(c) Dividend rights

Subject to any special rights (at present there are none), all dividends that may be declared by the Company are payable on all fully-paid Shares and partly paid Shares in proportion to the amount paid (not credited).

(d) Winding-up

If the Company is wound up, the liquidator may, with the sanction of a special resolution:

- (1) divide among the Shareholders the whole or any part of the Company's property; and
- (2) decide how the division is to be carried out between the Shareholders (or different classes of shareholders)

but may not require a Shareholder to accept any Shares or other securities in respect of which there is any liability.

The liquidator may, with the sanction of a special resolution of the Company, vest all or any of the Company's assets in a trustee on trusts determined by the liquidator for the benefit of the contributories.

(e) Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of shares

Subject to the Constitution, the Corporations Act and other relevant laws, the Shares may be transferred by market transfer in accordance with a computerised or electronic system established or recognised under the Listing Rules or the Corporations Act, and by instrument in writing.

The Directors may decline to register a transfer of Shares where:

- (1) the Listing Rules permit the Company to do so;
- (2) the Listing Rules require the Company to do so; or
- (3) the transfer is in breach of the Listing Rules or any escrow agreement relating to "restricted securities" (defined under the Listing Rules) entered into by the Company under the Listing Rules.

(g) Future increase in capital

The allotment and issue of any new Shares is under the control of the Directors of the Company. Subject to the Corporations Act, the Listing Rules and the Company's Constitution, the Directors may issue shares on such terms and conditions as they determine.

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(h) Variation of rights

The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

(i) Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(j) ASX Listing Rules

As the Company is already admitted to the Official List of the ASX, the following clauses apply despite the provisions of the Company's Constitution:

- (1) notwithstanding anything contained in the Company's Constitution, if the Listing Rules prohibit an act being done, the act shall not be done;
- (2) nothing contained in the Company's Constitution prevents an act being done that the Listing Rules require to be done;
- (3) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (4) if the Listing Rules require the Company's Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision;
- (5) if the Listing Rules require the Company's Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision; and
- (6) if any provision of the Company's constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of that inconsistency.

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7. Risk factors

7.1 Introduction

There are risks which may impact on the operating and financial performance of the Company and, therefore, on the value of the Offer Options offered under this Prospectus. Some of these risks can be mitigated by the Company's systems and internal controls, but many are outside of the control of the Company and the Board. There can be no guarantee that the Company will achieve its stated objectives or that any forward-looking statements will eventuate. An investment in the Company is considered speculative and an investor could lose most or all of any investment. There are also general risks associated with any investment in shares or options.

More specifically, the risks are that:

- (a) the holder is unable to sell the Offer Options;
- (b) the price of the Shares does not exceed the exercise price of the Offer Options during the term of the Offer Options and as such is unlikely to exercise the Offer Options;
- (c) the price at which the holder is able to sell the new Shares issued on exercise of the Offer Options is less than the exercise price paid due to changes in market circumstances;
- (d) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment; and
- (e) the Company fails to generate sufficient profit in order to pay dividends.

In the event of insolvency, the holders of Options or Shares would not normally be liable to pay money to any person. An exception could occur where a distribution, such as a dividend, has been made to Shareholders in circumstances where the Company was unable at that time to meet the solvency test set out in the *Corporations Act*. In that case, a liquidator may call for a return of such distributions.

Participants should therefore carefully consider all associated risks before applying for Offer Options under this Prospectus and should consider their personal circumstances (including financial and taxation issues) and seek advice from their stockbroker, accountant, solicitor or other professional advisers before deciding whether to invest.

A number of material risk factors which may adversely affect the Company and the value of the Offer Options offered under this Prospectus are set out in this section. This is not an exhaustive list and there may be other factors which have an adverse effect on the Company and the value of the Offer Options offered under this Prospectus and the value of Shares.

7.2 General Risks

The Offer Options that are to be issued pursuant to this Prospectus are speculative because of the nature of the business of the Company. The Company is a listed oil and gas exploration company and as such is considered highly speculative and no assurances can be made that the Company's particular interests or projects will be successful.

A summary of the major general risks are described below:

- (a) Share market price and liquidity risk

The price at which UIL Shares trade cannot be accurately predicted. The trading price of UIL Shares can be affected by general market conditions as well as factors specifically affecting the Australian resources sector. Factors that could impact the trading price that are unrelated to UIL's performance include domestic and global commodity prices and

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economic outlook, fiscal and monetary policies, currency movements, and market perceptions of the attractiveness of particular industries.

(b) Volatility of oil and gas prices

UIL's possible future revenues will be derived mainly from the sale of gas and/or liquids. Consequently, UIL's potential future earnings, profitability, and growth are likely to be closely related to the price of gas and liquids.

Historically, oil and gas prices have fluctuated in response to changes in the supply of and demand for gas and liquids, economic uncertainty, and a variety of additional factors beyond the control of UIL. Such influencing factors include economic conditions in Australia and abroad, government regulation and sanctions, the actions of the Organization of the Petroleum Exporting Countries (OPEC), political stability in the Middle East and elsewhere and the availability of alternative fuel sources.

UIL could receive a lower price for the sale of condensate than the prevailing price for oil at the time of any future production, depending on the agreed pricing terms in relation to any that are produced.

Any substantial and extended decline in the market price of oil and gas and condensate could have an adverse effect on UIL's future revenues, profitability, cash flow from operations, carrying value of future reserves, and borrowing capacity amongst other factors. If the market price of oil and gas and condensate sold by UIL were to fall below the costs of production and remain at such a level for any sustained period, UIL would experience losses and could have to curtail or suspend some or all of its proposed activities. In such circumstances, UIL would also have to assess the economic impact of any sustained lower commodity prices on the recoverability of existing reserves.

(c) Legislative change

Oil and gas companies (exploration, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government that may be amended from time to time. Changes in government regulations and policies may adversely affect the financial performance or the current and proposed operations generally of UIL.

Other than as set out in this Notice UIL is not aware of any other current or proposed material changes in relevant regulations or policy.

(d) Exchange rate

The revenues, earnings, assets and liabilities of UIL may be exposed adversely to exchange rate fluctuations. If UIL achieves commercial production, the revenue from its products may be denominated in Australian dollars or a foreign currency. As a result, fluctuations in exchange rates could result in unanticipated and material fluctuations in the financial results of UIL.

(e) Labour

UIL will require skilled workers and engineers in order to operate its activities. The inability to secure the necessary labour resources, industrial disruptions, work stoppages and accidents in the course of UIL's operations could result in losses and delays, which may adversely affect profitability.

(f) Insurance arrangements

Oil and gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fires,

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explosions, blowouts, gas releases and spills which could result in property or environmental damage and personal injury. UIL intends to ensure that insurance is maintained in accordance with industry practice and having regard to the nature of activities being conducted. No assurance however, can be given that UIL will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any potential claims.

(g) Unforeseen expenses

Whilst UIL is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses or increases to existing expenditure plans were subsequently incurred, the expenditure proposals of UIL may be adversely affected.

(h) Dilution Risk

The Company currently has on issue 191,766,715 Shares and 25,804,959 Existing Options on issue. The Company proposes to issue the following additional securities:

- (1) up to 12,850,000 SPP Options; and
- (2) up to 15,000,000 Placement Options
- (3) 10,000,000 Broker Options; and
- (4) 4,000,000 Shortfall Fee Options.

Assuming all of the above securities are issued:

- (1) the number of Shares on issue as at the date of this Prospectus, 191,766,715 will remain unchanged;
- (2) the existing Options on issue as at the date of this Prospectus will represent 38.14% of the total Options issue; and
- (3) if subsequently all Options are exercised, the interests of the existing Shareholders in the Company will reduce to 74%.

There is also a risk that the interests of Shareholders will be further diluted as a result of any future capital raisings.

(i) Litigation Risks

The Company is exposed to possible disputes and litigation risks including contractual disputes. If any such claim or dispute is proven, this may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(j) Force Majeure

The Company, now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

7.3 Risks specific to an investment in the Company

In addition to the general market and economic risks noted in section 7.2, Applicants should be aware of risks specific to an investment in the Company, which may include, but are not limited to those risks described below.

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(a) Financing, future capital needs and additional funding risk

UIL has finite financial resources and no cash flow from producing assets and therefore will require additional financing in order to meet its minimum expenditure commitments for its permits and to carry out its oil and gas exploration and development activities.

There can be no assurance that any such equity or debt funding will be available to UIL on favourable terms or at all. Failure to obtain appropriate financing on a timely basis could cause UIL to have an impaired ability to expend the capital necessary to undertake or complete drilling programs, forfeit its exploration interests in certain properties, and reduce or terminate its operations entirely. If UIL raises additional funds through the issue of equity securities, this may result in dilution to the existing shareholders and/or a change of control at UIL.

(b) Exploration and development

The future value of UIL will depend on its ability to find and develop oil and gas resources that are economically recoverable within UIL's granted exploration permits. Hydrocarbon exploration and development is inherently highly speculative and involves a significant degree of risk. There can be no assurance that UIL's planned exploration, appraisal and development activities will be successful. Even if oil and gas resources are identified, there is no guarantee that it will be economic to extract these resources or that there will be commercial opportunities available to monetise these resources. The proposed exploration and future drilling program could experience cost overruns that reduce UIL's ability to complete the planned exploration and future drilling program in the time expected.

Oil and gas exploration may involve drilling operations and exploration activities which do not generate a positive return on investment. This may arise from dry wells, but also from wells that are productive but do not produce sufficient revenues to return a profit after accounting for drilling, operating and other associated costs. The production from successful wells may also be impacted by various operating conditions, including insufficient storage or transportation capacity, or other geological and mechanical conditions. In addition, managing drilling hazards or environmental damage and pollution caused by exploration and development operations could greatly increase the associated cost and profitability of individual wells.

(c) Contractual risks

UIL is a party to various contracts. Whilst UIL will have various contractual rights in the event of non-compliance by a contracting party, no assurance can be given that all contracts to which UIL is a party will be fully performed by all contracting parties. Additionally, no assurance can be given that if a contracting party does not comply with any contractual provisions, UIL will be successful in securing compliance. Any failure in the ability for UIL to secure compliance of a contracting party could have a negative effect on UIL's ability to carry out its objectives and may have a detrimental financial impact on UIL.

(d) Hydraulic fracture stimulation

UIL is considering using horizontal drilling together with hydraulic fracture stimulation technology in its exploration and development activities. The use of these technologies may be necessary for the production of commercial quantities of oil and gas from geological formations of the type that UIL is targeting. The enactment of any new laws, regulations or requirements by any relevant government authority in respect of hydraulic fracturing could result in operational delays, increased operational costs and potential claims from a third party or governmental authority. Participants should note that hydraulic fracture stimulation has been the subject of increased media scrutiny, particularly in the United States and more recently Australia, due to its potential environmental impacts on land and underground water supply if not properly managed.

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Restrictions or prohibitions on the use of hydraulic fracture stimulation may reduce the amount of oil and gas UIL can produce and may have a material impact on UIL's business.

(e) Environmental regulations

Oil and gas exploration, development and production generates potential environmental risks and is therefore subject to environmental regulation pursuant to a variety of State, Territory and Federal laws and regulations. In particular there are regulations in place with respect to potential spills, contamination, releases and emission of substances related, or incidental to, the production of oil and gas. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards. In certain circumstances, these laws and regulations also create obligations to remediate current and former facilities and locations where operations are or were conducted. Compliance with these regulations can require significant expenditure and a breach may result in substantial financial liability on UIL. These risks will be minimised by UIL conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage.

(f) Operational

Oil and gas exploration and development activities involve numerous operational risks, including encountering unusual or unexpected geological formations, mechanical breakdowns or failures, human errors and other unexpected events which occur in the process of drilling and operating oil and gas wells.

The occurrence of any of these risks could result in substantial financial losses to UIL due to injury or loss of life, damage to or destruction of property, natural resources or equipment, environmental damage or pollution, clean-up responsibilities and regulatory investigation, amongst other factors. Damages occurring to third parties as a result of such risks may give rise to claims against UIL which may not be covered fully by insurance or at all. UIL has limited prior operating history and there can be no assurances that it will be able to commission or sustain successful operation of its projects.

(g) Native Title

The effect of the Native Title Act is that existing and new permits held by UIL may be affected by Native Title procedures. The requirement to comply with the Native Title Act has the potential to significantly delay the grant of exploration permits and other petroleum permits in Australian jurisdictions. This is because generally a proponent must negotiate with and obtain the consent to grant of any determined Native Title holders or groups with a registered claim overlapping the permit area.

All of the permits held or applied for by UIL overlap to some degree with Native Title.

UIL will need to comply with the procedures under the Native Title Act prior to the grant of the exploration permit applications (EPAs). UIL is currently working through these processes.

Such procedures may take considerable time, involve the negotiation of significant agreements, may involve a requirement to negotiate for access rights, and require the payment of compensation to those persons holding or claiming Native Title in the land which is the subject of a permit. The administration and determination of Native Title issues may have a material adverse impact on the position of UIL and its business.

If UIL applies for additional rights such as a production lease, it will also need to comply with the procedures under the Native Title Act at this time, which will include negotiations with Native Title Parties.

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(h) Cultural Heritage and Aboriginal sites of significance

Legislation in Australia and overseas typically allows for the protection of the cultural heritage of both indigenous peoples and later settlers. Permits and project areas may contain sites of significance, which would need to be avoided when carrying out field programs and project development. A failure to comply with this legislation may amount to a criminal offence carrying penalties of imprisonment and monetary fines.

One way to address Aboriginal cultural heritage is to enter into an agreement with the relevant Native Title Party (commonly called a Heritage Protection Agreement (HPA) or a Petroleum Access & Heritage Agreement (PAHA)). There is a HPA in place for EP 447, EP 488 EP 489 and EP 495, which contain provisions for the protection of Aboriginal heritage and the carrying out of heritage clearance surveys.

UIL is negotiating agreements for the EPAs containing clauses regarding the protection of Aboriginal heritage and the carrying out of heritage clearance surveys with the respective Native Title Parties as part of its compliance with the native title procedures for the grant of the permit.

Any refusal or delay in obtaining the necessary approvals or clearance from the Native Titles Parties may result in a departure from UIL's proposed work program and may have a material impact on UIL's business.

Despite the measures put in place by UIL, there remains a risk that sites of cultural significance may exist that may contain an economic hydrocarbon resource, which would not be able to be accessed by UIL.

(i) Permit application

UIL has three EPAs currently outstanding with the Western Australian government authorities. All the application areas were offered to UIL, as the successful bidder, via a competitive tender process. To progress the grant of any permit, UIL is required to negotiate Native Title Agreements with the registered Native Title claimants of the area in which the permit is situated.

EPA 82, EPA 98 and EPA 99 in the Perth Basin area, have been offered to UIL. The formal process to identify the appropriate registered parties to negotiate with is complete. Informal discussions have commenced to negotiate an agreement and sign off on the State Deed.

There is no guarantee that UIL's EPAs will be granted, or if granted, will be over the desired portion or on terms that are favourable to UIL. If the EPAs are not granted, UIL will not be authorised to explore for oil and gas in the areas comprised in those EPAs, which may have a materially adverse effect on the future profitability of UIL.

(j) Reserves and resources

Accumulations of hydrocarbons will be classified according to the system designed by the Society of Petroleum Engineers, through the Petroleum Resources Management System (SPE-PRMS) and in accordance with the Listing Rules.

The SPE-PRMS system classifies accumulations of hydrocarbons with respect to a matrix of uncertainty and chance of commerciality. Whilst there are a multitude of pathways through this matrix from Prospective Resources to Contingent Resources and then to reserves, the process is defined by the three stages of exploration, appraisal and development.

McDaniel & Associates Consultants Ltd has independently assessed a Prospective Resource of Low 69 - Medium 328 - High 1,450 billion cubic feet (Bcf) of gas on a portion of UIL's permits EP 447, EP 488, EP 489, these resources represent estimates only and UIL

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does not have any independently determined oil and gas or condensate reserves in its granted exploration permits.

Prospective Resources are defined as those quantities of oil and gas which are estimated on 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 however, are undiscovered and as such carry significant exploration risk. An exploration program will be undertaken by UIL to discover these notional resources and reclassify them to Contingent Resources, which are defined as those quantities of oil and gas estimated on a given date to be potentially recoverable from known accumulations but are not currently proven to be economic.

Contingent Resources are defined as quantities of petroleum estimated, as at a given date, to be potentially recoverable from known accumulations, but applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies

If an exploration program is successful in discovering sufficient quantities of Contingent Resources, an appraisal programme will be undertaken to prove them commercially viable and thereby re-classify them as reserves, which are defined as those quantities of oil and gas anticipated to be economically recoverable from discovered resources.

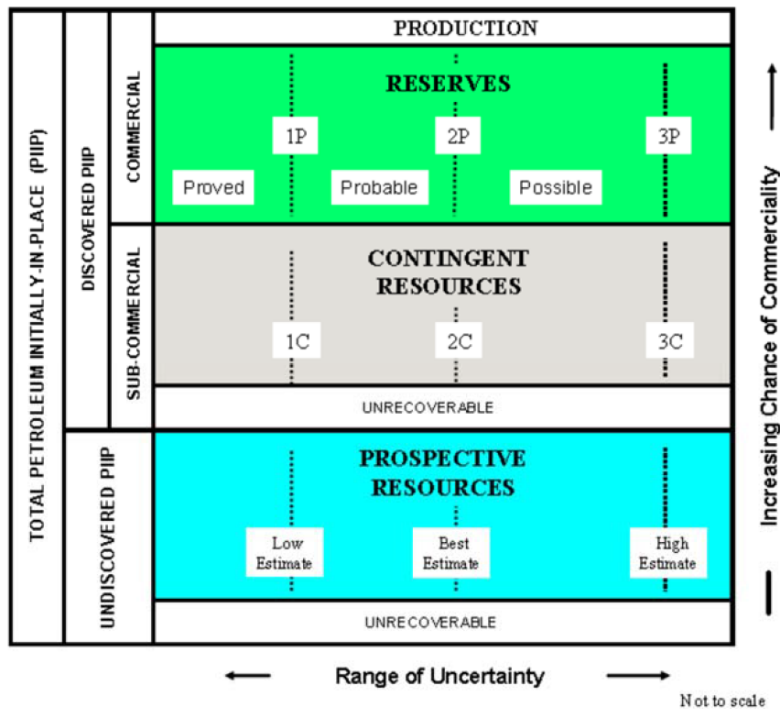
There is a different process for the conversion of resources to reserves between conventional (high permeability) reservoirs and unconventional (low permeability) reservoirs. For conventional reservoirs this is done via relatively short term flow tests in the appraisal wells. For the unconventional reservoirs which often contain much larger accumulations covering large areas, a number of longer term production pilots may be required to demonstrate commerciality and quantification of reserves.

In general, estimates of economically recoverable oil and gas reserves and resources are based upon a number of variable factors and assumptions, such as comparisons with production from other producing areas, the assumed effects of regulation by governmental agencies, assumptions regarding future oil and gas prices and future operating costs, all of which may vary considerably from actual results. Actual production with respect to reserves may vary from such estimates and such variances could be material.

Reserve and resource estimates are estimates only and no assurance can be given that any particular level of recovery from hydrocarbon reserves will in fact be realised or that an identified hydrocarbon resource will ever qualify as commercially viable which can be legally and economically exploited.

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Figure 1: Reserve and resource definitions



(k) Water

The exploration for and production of oil and gas requires a reliable water source. UIL will need to secure water licenses for the taking and using of water. There is a risk that the water allocation for a particular area will be exhausted. Where this is the case, UIL will need to consider alternative options for obtaining water such as entering into an arrangement to lease a water entitlement from an existing water license holder. In addition to the amounts of water normally required in drilling activities, the use of hydraulic fracturing stimulation would require further volumes of water.

(l) Operational authorisations

UIL's gas and oil exploration and development activities and operations are focused on Western Australia and are subject to significant government oversight, regulation and control. In Australia, these operational regulations may vary between the States and Commonwealth of Australia governing bodies. Various levels of government (both State and those of the Commonwealth of Australia) have imposed rules and regulations that UIL must comply with and from which UIL must obtain and maintain certain licenses, authorisations and permits in respect of its exploration and development activities (collectively, Authorisations). The Authorisations, which are required by UIL to carry out exploration and development, may not be granted or may be withdrawn or made subject to limitations.

Authorisations relate to, among other things, the protection of the environment, Aboriginal cultural heritage, native title rights, the protection of workers and the public. Changes in government, government policies and legislation could have a material adverse effect on UIL's business, financial condition, results of operations and prospects.

Although the Authorisations may be renewed following expiry or granting, there can be no assurance that such Authorisations will be renewed or granted on the same terms. There are also risks that there could be delays in obtaining such Authorisations. If UIL does not meet its work and/or expenditure obligations under its Authorisations, this may lead to

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dilution of its interest in, or the loss of such interest. UIL cannot provide assurances that it will be able to obtain all necessary licenses, Authorisations and permits.

(m) Availability of drilling and Hydraulic Fracture Stimulation equipment

UIL's oil and gas exploration and development activities are dependent on the availability of drilling rigs and related equipment in the area of its exploration permits. UIL continues to monitor rig availability for its planned drilling however it has not, at this time, secured the use of a drilling rig or hydraulic fracture stimulation equipment for its operations.

(n) Seasonality and weather

Operations on a number of UIL's exploration permits are affected by seasonal weather conditions. The Perth basin is optimally accessed during the summer months. The operations can occur during the less optimal seasons however the risk of reduced access, significant weather downtime and substantial cost overruns is increased during these times.

(o) Commercialisation and infrastructure access

UIL's potential future earnings, profitability, and growth are likely to be dependent upon UIL being able to successfully implement some or all of its commercialisation plans. The ability for UIL to do so is further dependent upon a number of factors, including matters which may be beyond the control of UIL. UIL may not be successful in securing identified customers or market opportunities.

UIL's ability to sell and market its natural gas production will be negatively impacted should it be unable to secure adequate transportation and processing. Access will depend on the proximity and capacity of pipelines and processing facilities. Furthermore, UIL may be required to develop its own pipeline infrastructure or secure access to third party pipeline infrastructure in order to deliver oil and gas to key markets or customers, or to directly deliver gas to key markets or customers. The development of its own pipeline infrastructure will be subject to UIL obtaining relevant approvals including pipeline licences.

(p) Competition

Oil and gas exploration is highly competitive in Australia. UIL competes with numerous other oil and gas companies in the search for oil and gas reserves and resources. Competitors include oil and gas companies that have substantially greater financial resources, staff and facilities than those of UIL. UIL is protected from competition on permits in which it holds exclusive exploration rights, however UIL may face competition for drilling equipment and skilled labour. UIL may also face competition from competitors on permits in which it currently holds exploration rights, in the event that, as a condition of any permit held, it is required to partially relinquish certain parts of the permit. If UIL elects to re-apply for these exploration rights, there is no guarantee that UIL will be successful in its application against other competing offers.

(q) Reliance on key personnel

UIL's future value will depend in part on the performance of its senior management and other key personnel. UIL's progress in pursuing its exploration and evaluation programs within the time frames and within the costs structure as currently envisaged could be adversely influenced by the loss of existing key personnel. Whilst UIL has taken steps to secure appropriately qualified senior management, the competition for qualified personnel in the oil and gas industry is notable and there can be no assurance that UIL will be able to retain or hire all personnel necessary for the development and operation of its business. The impact of a loss of key staff would be dependent upon the quality and timing of the employee's replacement.

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Although UIL's key personnel have a considerable amount of experience and have previously been successful in their pursuits of acquiring, exploring and developing oil and gas projects, there is no guarantee or assurance that they will be successful in implementing UIL's objectives.

(r) Stakeholder management

Onshore oil and gas exploration is currently subject to increased public scrutiny in various States in Australia. Community engagement, or the lack thereof, may have an impact on exploration and development and commercialisation opportunities for future discovered resources. UIL is placing significant focus on establishment of strong relations with the relevant Native Title Parties and Land Councils to mitigate risks in this area.

(s) Petroleum Resources Rent Tax

In 2012 the Australian Federal Government enacted legislation for the extension of the Petroleum Resources Rent Tax (PRRT) to onshore and offshore oil and gas projects, including Shale Gas projects.

The legislation applies a 40% tax on certain profits from oil and gas and liquids sales.

The operation of the PRRT could have a materially adverse effect on UIL to the extent that it will apply to oil and gas produced and sold by UIL from onshore production.

(t) Land access

UIL requires land access in order to perform exploration and development activities. Access to land for exploration purposes can be affected by land ownership, including private (freehold) land, pastoral lease and native title land or claims under the Native Title Act. UIL will need to enter into compensation arrangements with private landowners or occupiers for the impact on private land by the proposed exploration activities. UIL's operations may be adversely impacted or delayed in the event of a dispute with a land owner.

(u) Limited operating history

UIL is a relatively new exploration company with limited operating history. UIL was incorporated in 2011 and has yet to generate a profit from its activities. Accordingly UIL has limited operating history in the oil and gas industry in Australia and has limited historical financial information and record of performance. UIL's business plan requires significant expenditure, particularly capital expenditure, during its oil and gas exploration phase. Any future revenue and profitability from UIL's business will be dependent upon the successful exploration and development of UIL's permits, and there can be no assurance that UIL will achieve profitability in future.

(v) Overlapping tenure

UIL's granted permits and applications are overlapped by various mineral exploration permits, mining leases and geothermal exploration permits. Where overlapping exploration permits and mining leases exist in Western Australia there is no specific legislative requirement for UIL to negotiate an arrangement with the competing holders. Overlapping tenure is commonly managed in Western Australia and does not present an insurmountable obstacle to exploration.

(w) Exploration work program commitments

The terms of UIL's granted permits include minimum work program expenditure requirements and the estimated expenditure associated with that work program. The actual expenditure undertaken may be insufficient to meet those requirements. There is a risk that where the terms of the permits are not complied with, the Minister may exercise his

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discretion to cancel the permit or not renew the permit. UIL intends to mitigate this risk by re-evaluating its exploration program and budget and if necessary, seeking further funding, or considering other options including, where appropriate and allowed by the terms of their issue, surrendering parts of its permits or applying to the Minister for a variation and suspension of, and exemption from compliance with, the conditions of the permit, in order to manage its minimum work program and expenditure obligations.

(x) Exploration maps and diagrams

UIL has commissioned and produced diagrams and maps in this Notice to help identify and describe the permits. Maps and diagrams should only be considered an indication of the current intention of UIL in relation to targets and potential areas for exploration and drilling, which may change.

7.4 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Offer Options offered under this Prospectus. To that extent the Offer Options offered in this Prospectus are subject to significant risk and uncertainty with respect to return or preservation of capital, the price (if any) at which the Offer Options may trade and the payment of dividends in any future time.

Therefore, the securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities. An investment in the Company should be considered highly speculative. Participants should consider consulting their professional advisers in relation to the issue of Offer Options pursuant to this Prospectus.

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8. Additional information

8.1 Continuous disclosure obligations

The Company is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the Corporations Act. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the ASX Listing Rules.

This Prospectus is issued under section 713 of the Corporations Act. This section enables disclosing entities to issue a prospectus in relation to securities in a class of securities which has been quoted by ASX at all times during the three months before the date of the Prospectus or options to acquire such securities. Apart from formal matters this Prospectus need only contain information relating to the terms and conditions of the Offer, the effect of the Offer on the Company and the rights and liabilities attaching to the Options and Shares to be issued on exercise of the Options. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Participants should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Copies of the documents lodged by the Company with ASIC may be obtained from, or inspected at an office of ASIC.

The Company will provide a copy of any of the following documents, free of charge, to any person who asks for a copy of the document before the Closing Date in relation to this Prospectus:

- (a) annual financial report for the period ending 30 June 2016; and
- (b) any other financial statements lodged in relation to the Company with ASIC and any continuous disclosure notices given by the Company to ASX, in the period starting immediately after lodgement of the annual financial report for the Company for the period ended 30 June 2016 and ending on the date of lodgement of this Prospectus with ASIC.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
2-Dec-16	Change of Director's Interest Notice
2-Dec-16	Appendix 3B – Issue of Placement Shares and SPP Shortfall
29-Nov-16	AGM Results
29-Nov-16	AGM Presentation
25-Nov-16	Appendix 3B – Issue of SPP Shares
25-Nov-16	\$1.39 Capital Raising Completed to advance Perth Basin Exploration
21-Nov-16	Change of Director's Interest Notice
08-Nov-16	Appendix 3B – Release of Securities from ASX Restriction (IPO)
08-Nov-16	Change of Director's Interest Notice
07-Nov-16	Revised Share Purchase Plan Closing Date
07-Nov-16	Farmin Agreement Executed with Bombora
02-Nov-16	Ocean Hill-2 drilling and 3D seismic approvals underway
31-Oct-16	Quarterly Activities and Cashflow Report
31-Oct-16	Notice of Annual General Meeting/Proxy Form
17-Oct-16	Release of Securities from Escrow

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Date	Description of Announcement
14-Oct-16	ASX Listing Rule 7.1A Disclosure
14-Oct-16	Change of Director's Interest Notice x 4
14-Oct-16	Section 708A Notice and Appendix 3B
6 Oct 2016	SPP Booklet
6 Oct 2016	App 3B and Cleansing Notice (Placement)
29 Sep 2016	UIL to raise up to \$1.5m
27 Sep 2016	Trading Halt
26 Sep 2016	Change in substantial shareholding
23 Sep 2016	Letter to new shareholders
23 Sep 2016	Director Appointment (Initial Directors Interest)
21 Sep 2016	In-Specie Distribution (app 3b and Cleansing Notice)
21 Sep 2016	Bombora Farm-in

8.2 Information excluded from continuous disclosure notices

As at the date of this Prospectus, there is no information that has not been disclosed under the continuous disclosure requirements of the ASX Listing Rules, in accordance with the ASX Listing Rules, and which is information that Participants and their professional advisers would reasonably require for the purpose of making an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company and the rights and liabilities attaching to the Offer Options and which information would be reasonable for Participants and their professional advisers to expect to find in this Prospectus.

8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.075	23 September 2016
Lowest	\$0.044	1 December 2016
Last	\$0.044	1 December 2016

The Company has no current listed Options on issue.

8.4 Constitution

The Constitution is in a form common to public companies in Australia and was lodged with the ASX on 4 November 2014.

The Company will provide a copy of the Constitution to any Shareholder upon request, free of charge.

8.5 Corporate Governance

The Company reports on its compliance with the recommendations made by the Corporate Governance Principles and Recommendations in its annual report. Where the Company's corporate governance practices do not correlate with the practices recommended by the ASX Corporate Governance Council, the Company is working towards compliance however it does not consider that all practices are appropriate for the Company due to the size and scale of the Company operations.

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8.6 Interests of Directors

The nature and extent of the interest (if any) that any of the Directors of the Company holds, or held at any time during the last two years in:

- (a) the formation or promotion of the Company;
- (b) property acquired or to be acquired by the company in connection with:
 - (1) its formation or promotion;
 - (2) the Offer; or
- (c) the Offer,

is set out below or elsewhere in this Prospectus.

Other than as set out below or elsewhere in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit to any director or proposed director:

- (a) to induce them to become, or to qualify as, a Director of the Company; or
- (b) for services provided by a director in connection with:
 - (1) the formation or promotion of the Company; or
 - (2) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, as well as at completion of the Offer, is set out in Attachment 1.

Remuneration

The Chairman and Managing Director are both Executives of the Company with the remaining Directors being non-executive Directors. The total maximum remuneration of non-executive Directors is set ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total annual remuneration for the previous 2 financial years and the current financial year to date paid or payable to those Directors who are currently Directors as at the date of this Prospectus.

Director	Financial Year ending 30 June 2015	Financial Year ending 30 June 2016	To date in this Financial Year
Simon Hickey	\$74,974	\$106,538	\$37,000

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Director	Financial Year ending 30 June 2015	Financial Year ending 30 June 2016	To date in this Financial Year
John de Stefani	\$175,734	\$266,991	\$102,200
Keith Skipper	\$24,000	\$36,000	\$15,000
Stephen Bizzell	\$32,113	\$36,000	\$15,000
Garry Marsden	-	-	\$6,440

Note: The above disclosure relates only to current Directors and does not include directors who resigned during the periods shown.

The Directors currently receive the following remuneration per annum from the Company:

Director	Position	Current Remuneration
Simon Hickey	Executive Chairman	\$84,000
John de Stefani	Managing Director	\$245,280
Keith Skipper	Non-Executive Director	\$36,000
Stephen Bizzell	Non-Executive Director	\$36,000
Garry Marsden	Non-Executive Director	\$36,000

8.7 Related party transactions

From time to time the Company may be party to transactions with related parties including:

- (a) employment and service arrangements; and
- (b) payment of Directors fees.

The Company believes that it has made appropriate disclosure of past related party transactions and other than any further disclosure specifically set out below or made elsewhere in this Prospectus does not intend to make any further disclosure of such transactions which transactions will have either proceeded on an "arms length" basis, reasonable remuneration basis or been approved by shareholders in general meeting.

The Company discloses the following transactions with related parties which have either proceeded on an "arms length" or reasonable remuneration basis or have been approved by Shareholders in general meeting. The transactions are:

- (a) Executive Director agreements with each of Simon Hickey and John de Stefani which currently provide for payment of fees to Simon Hickey \$36,000 and John de Stefani \$245,280 per annum;
- (b) issue of Shares and Options to Directors pursuant to offers made available to the public or existing shareholders, including pursuant to the SPP and the Placement.

The Board considers that the remuneration and benefits in (a) above are reasonable remuneration pursuant to section 211 of the Corporations Act, in (b) above were on 'arms length' commercial terms pursuant to section 210 of the Corporations Act or in the case of (b) above have been or will be approved by Shareholders in general meeting.

8.8 Interests of experts and advisers

This section applies to persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, promoters of the Company and any financial services licensee named in the Prospectus as involved in the Offers (collectively **Prescribed Persons**).

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Other than as set out below or elsewhere in this Prospectus, no Prescribed Person has, or has had in the last two years, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Offers; or
- (c) the Offers under this Prospectus.

Other than that as set out below or elsewhere in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit to any Prescribed Person for services provided by a Prescribed Person in connection with the:

- (a) formation or promotion of the Company; or
- (b) Offers under this Prospectus.

HopgoodGanim Lawyers are acting as solicitors to the Offers and have performed work in relation to the Prospectus. In doing so, HopgoodGanim Lawyers have placed reasonable reliance upon information provided to them by the Company. HopgoodGanim Lawyers does not make any statement in this Prospectus. In respect of this work (and associated matters), the Company estimates that it will pay approximately \$12,500 (excluding disbursements and GST) to HopgoodGanim Lawyers. HopgoodGanim Lawyers may be engaged from time to time by the Company on a variety of matters. Further amounts may be paid to HopgoodGanim Lawyers in accordance with its normal time based charges.

Hartleys will receive payment of a fee of \$74,250 with respect to their services towards the Placement, SPP and SPP Shortfall (which payment may be allocated by Hartleys to other broker nominees).

8.9 **Litigation**

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.10 **Subsequent events**

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- (a) the operations of the Company,
- (b) the results of those operations; or
- (c) the state of affairs of the Company.

8.11 **Foreign Resident Tax Withholding**

The Company warrants and declares that on the date of making this offer and on the date five days prior to issue of any Offer Option and exercise of any Offer Options that it is a resident of Australia for Australian tax purposes and has lodged income tax returns in Australia and the value of Australian real property owned by the Company accounts for 50% or less of the Company total value. As a result, the Company and each applicant agree that the Withholding Component will not be retained by the applicant in respect of the application for Offer Options or on exercise of the Offer Options. For the purposes of this paragraph, the 'Withholding Component' means an amount equal to 10% of the application monies paid pursuant to the Offer.

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8.12 Privacy

By submitting an Application Form you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your application may not be able to be processed.

The Company maintains the register of members of the Company through Link Market Services an external service provider. The Company requires Link Market Services to comply with the National Privacy Principles with performing these services. The Company's register is required under the Corporations Act to contain certain personal information about you such as your name and address and number of shares and options held. In addition, the Company collects personal information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, sending annual and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- (a) when you agree to the disclosure;
- (b) when used for the purposes for which it was collected;
- (c) when disclosure is required or authorised by law;
- (d) to other members in the UIL group of companies;
- (e) to your broker;
- (f) to external service suppliers who supply services in connection with the administration of the Company's register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and Link Market Services, except in limited circumstances. If you wish to access, update or correct your personal information held by Link Market Services or by the Company please contact our respective offices.

If you have any questions concerning how the Company handles your personal information please contact the Company.

8.13 Consents

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

HopgoodGanim Lawyers has given and has not withdrawn its written consent to be named as the solicitors to the Company in this Prospectus.

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Link Market Services has given and has not withdrawn its written consent to being named as the share registry to the Company in this Prospectus.

8.14 Expenses of the offer

The total expenses of the Offers are estimated to be approximately \$117,975 (including GST) and are expected to be applied towards the items set out in the table below:

Expense	Cost (\$)
Placement costs	74,250
Legal costs of the Offer	12,500
ASX and ASIC costs	7,500
Printing, postage and share registry	13,000
Total capital raising fees	107,250
Plus GST	10,725
Total including GST	117,975

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9. Directors' Authorisation

This Prospectus is issued by UIL Energy Limited ACN 153 352 160. Each Director has consented to the lodgement of the Prospectus with ASIC.

Signed on the date of this Prospectus on behalf of UIL Energy Limited by:



John de Stefani
Managing Director

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10. Glossary

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means a person who submits an Application Form.

Application Form means an application form in a form accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited and the Australian Securities Exchange as the context requires.

ASX Listing Rules means the listing rules of the ASX.

Board means the board of Directors unless the context indicates otherwise.

Broker Option means an option to acquire a Share on the terms and conditions set out in section 6.1 of this Prospectus.

Broker Option Offer means the non-renounceable issue of the Broker Options the subject of this Prospectus.

Business Day means a day, other than a Saturday, Sunday or public holiday, on which banks are open for general banking business in Sydney.

Closing Date means the closing date for each Offer as set out in section 2, subject to variation by the Company without notice.

Company means UIL Energy Limited ACN 153 352 160.

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

AGM or **Meeting** means the annual general meeting of Shareholder held on 29 November 2016.

Eligible Shareholder means a Shareholder that participated in, and was issued Shares pursuant to, the Share Purchase Plan.

Existing Options means unlisted Options in the Company which are on issue as at the date of this Prospectus.

Hartleys means Hartleys Limited ACN 104 159 057, the holder of an Australian financial services licence.

Offer Options means each of the SPP Options, the Shortfall Options, the Placement Options, the Broker Options and the Shortfall Fee Options.

Offers means the SPP Option Offer, the Shortfall Option Offer, the Placement Option Offer, the Broker Option Offer and the Shortfall Fee Option Offer and Offer means any of them.

Official Quotation means official quotation on ASX.

Opening Date means the opening date for each Offer as set out in section 2, subject to variation by the Company without notice.

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Option means an option to acquire a Share.

Option Offers means the SPP Option Offer, the Shortfall Option Offer, the Placement Option Offer, the Broker Option Offer and the Shortfall Fee Option Offer and **Option Offer** means any of them.

Participants mean persons who are issued Placement Shares, SPP Shares or Shortfall Shares or are entitled to receive the Broker Options and Shortfall Fee Options.

Placement Option means an option to acquire a Share on the terms and conditions set out in section 6.1 of this Prospectus.

Placement Option Offer means the non-renounceable issue of the Placement Options the subject of this Prospectus.

Placement Shares means 15,000,000 Shares issued at \$0.05 each pursuant to the Placement.

Prospectus means this prospectus dated 5 December 2016 as modified or varied by any supplementary prospectus made by the Company and lodged with the ASIC from time to time and any electronic copy of this prospectus and supplementary prospectus.

Re-capitalisation Process means the issue of the Placement Shares and the issue of Shares under the SPP.

Securities has the same meaning as in section 92 of the Corporations Act.

Share means a fully paid ordinary share in the capital of the Company.

Share Purchase Plan or **SPP** means the share purchase plan undertaken by the Company pursuant to the SPP Terms and Conditions dated 6 October 2016 and includes offers of Shares made pursuant to such plan.

Share Registry or **Link Market Services** means Link Market Services Limited.

Shareholder means a holder of a Share.

Shortfall Fee Option means an option to acquire a Share on the terms and conditions set out in section 6.1 of this Prospectus.

Shortfall Fee Option Offer means the non-renounceable issue of the Shortfall Options the subject of this Prospectus

Shortfall Option means an option to acquire a Share on the terms and conditions set out in section 6.1 of this Prospectus.

Shortfall Option Offer means the non-renounceable issue of the Shortfall Options the subject of this Prospectus.

Shortfall Shares means Shares issued under the SPP Shortfall.

SPP Option means an option to acquire a Share on the terms and conditions set out in section 6.1 of this Prospectus.

SPP Option Offer means the non-renounceable issue of the SPP Options the subject of this Prospectus.

SPP Shortfall means any Shares offered pursuant to the Share Purchase Plan which were not issued to eligible Shareholders in accordance with the Share Purchase Plan.

Prospectus

US Securities Act means the US Securities Act of 1933 as amended from time to time.

Prospectus

Corporate directory

Directors	Administration and Registered Office
Mr Simon Hickey Mr John de Stefani Mr Keith Skipper Mr Stephen Bizzell Mr Garry Marsden	Level 9 1 Eagle Street Brisbane QLD 4000 Phone: +61 (0) 7 3007 9600 Facsimile: +61 (0) 7 3212 9201 Email: info@uilenergy.com Website: http://www.uilenergy.com.au
Share Registry	Lawyers
Link Market Services Limited Level 15, ANZ Building 324 Queen Street Brisbane QLD 4000 Phone: 1300 554 474 Website: http://www.linkmarket services.com/au	HopgoodGanim Lawyers Level 8, Waterfront Place 1 Eagle Street Brisbane Qld 4000 Phone: +61 3024 0000 Facsimile: +61 07 3024 0000 Website: www.hopgoodganim.com.au

Prospectus

Attachment 1 Directors' direct and indirect holdings

Shares and Options

Director (including associated entities)	Current Shareholding (Direct and Indirect)	% of Total Share Capital	Current Options	% of Total Option	Option holding upon issue of SPP Options, Placement Options, Broker Options and Shortfall Fee Options	% of Total Options following issue of SPP Options, Placement Options, Broker Options and Shortfall Fee Options
Simon Hickey	19,222,532	10.02	2,842,074	11.01	3,042,074	4.5
John de Stefani	15,852,326	8.27	4,223,401	16.37	5,223,401	7.72
Keith Skipper	87,183	0.05	500,000	1.94	500,000	0.74
Stephen Bizzell	11,050,441	5.76	5,155,400	19.98	7,155,400	10.58
Garry Marsden	491,368	0.26	-	-	400,000	0.59
Other holders	145,062,865	75.65	13,084,084	50.70	51,334,084	75.88
Total	191,766,715	100	25,804,959	100	67,654,959	100