

## QUARTERLY ACTIVITIES REPORT PERIOD ENDED 30 JUNE 2017

UIL Energy continues to focus on upgrading its strategically placed 700,000 acres across the Perth Basin.

UIL Energy executed a licensing agreement with Searcher Seismic that provides enhanced technical data that significantly upgrades a number of UIL Energy's conventional targets across its Perth Basin portfolio.

The additional technical information obtained from Searcher Seismic is currently being integrated into the Ocean Hill #2 well design progressed by Aztech Well Construction Pty Ltd and the document is in its final stages for submittal to the DMP.

A detailed Ocean Hill Prospect farm out package is now finalised for a number of interested parties in the project.

Activity aimed at progressing efforts to develop two drill-ready locations:

- Progress Ocean Hill #2 well and 3D seismic approvals over the Ocean Hill prospect
- Walyering Farmin Area by Bombora to shoot 3D seismic and progress well approval
- Progress joint venture opportunities for investment in UIL Energy's permits
- Pursue other opportunities across the Perth Basin and other petroleum Australian projects.

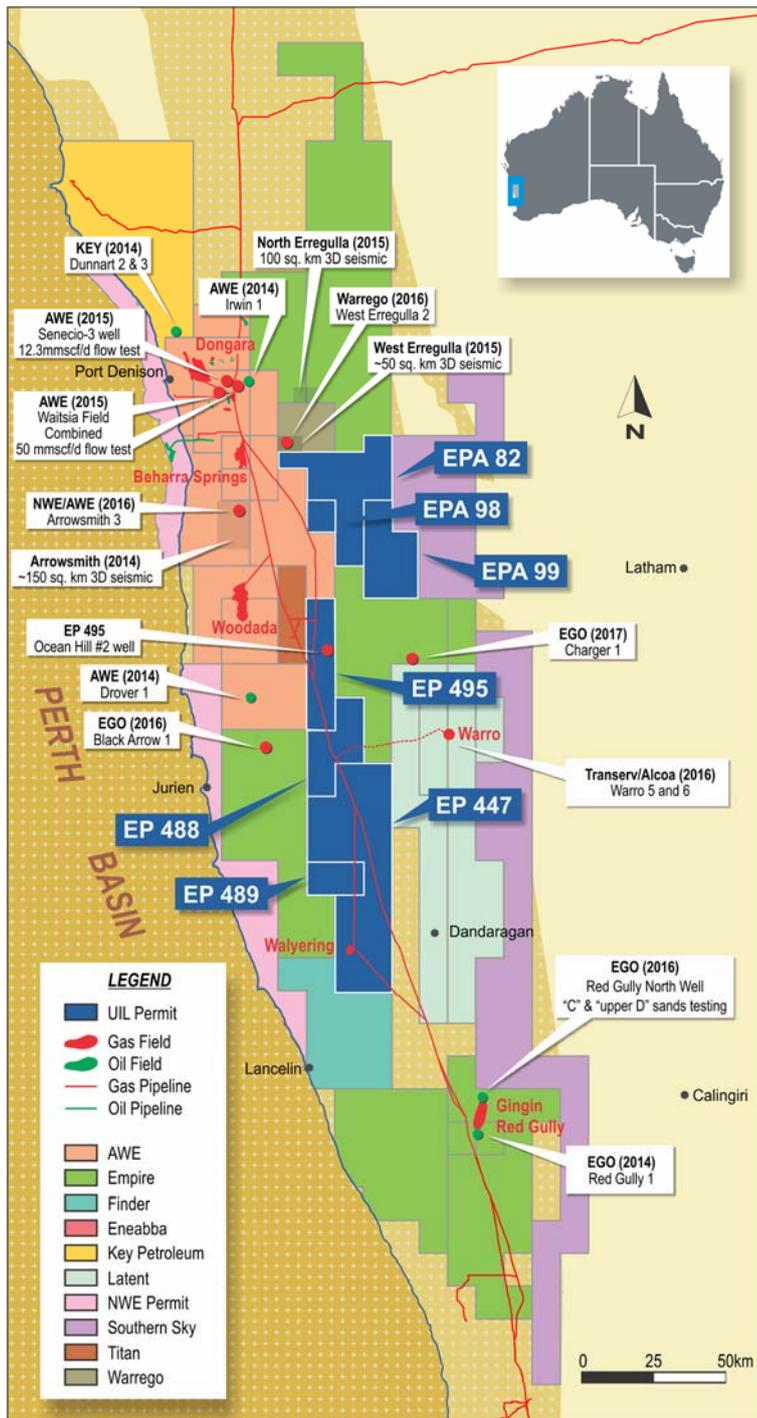


Figure 1: Perth Basin Competitor Activities as reported to the ASX

ASX: UIL

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## Perth Basin Conventional Targets Upgraded

UIL Energy executed a licensing agreement with Searcher Seismic Pty Ltd (Searcher Seismic) that provides enhanced technical data that significantly upgrades a number of UIL Energy's conventional targets across its Perth Basin portfolio. This new technical data, which consists of over 700km of reprocessed 2D Seismic data, will enable UIL Energy to fast track its focus and activities on these prospects with a particular emphasis on the Ocean Hill Project.

Searcher Seismic is a private company and has completed a Perth Basin seismic reprocessing effort that has included additional seismic lines obtained from various sources and, in particular, covers UIL Energy's Ocean Hill and Coomallo East prospects. The license provides for approximately 700km of Perth Basin seismic data that covers approximately 350km over the Coomallo East prospect and approximately 350km over the Ocean Hill and Ocean Hill South prospects.

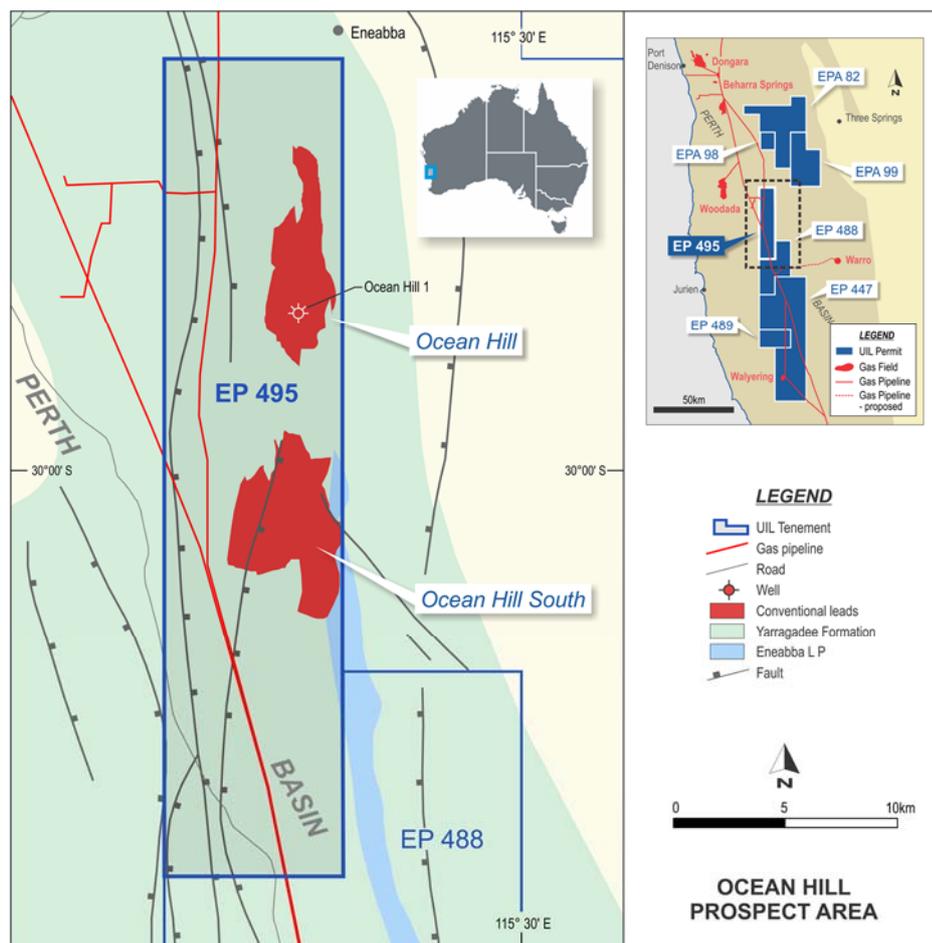


Figure 2: Ocean Hill Prospect

## Focus on Ocean Hill Prospect

In addition to the reprocessing data, the above mentioned license agreement also provides access to detailed petrophysical, well design and planning for the proposed Ocean Hill #2 well. This includes an updated farmout package with volumetrics that has now been made available to a number of potential partners performing due diligence on the Ocean Hill project.

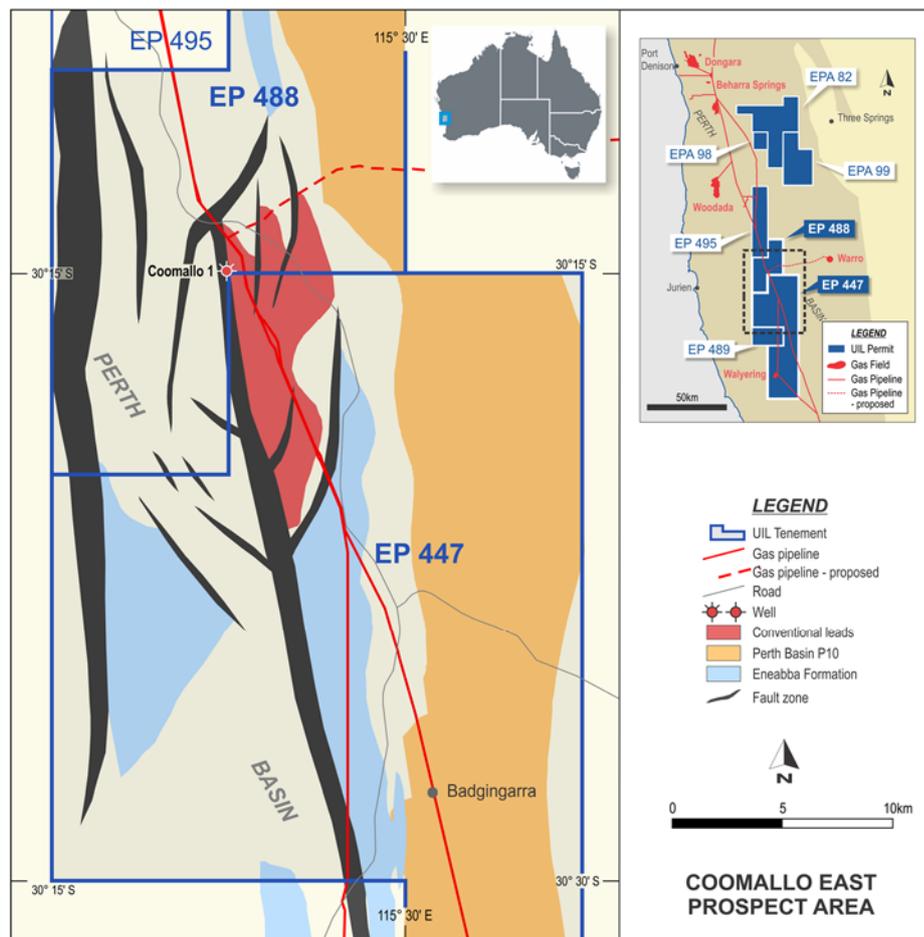
The additional technical information obtained from Searcher Seismic is currently being integrated into the Ocean Hill #2 well design progressed by Aztech Well Construction Pty Ltd and the document is in its

final stages for submittal to the DMP. The company has been performing due diligence on suitable rigs for the drilling of the Ocean Hill # 2 well alongside the well design process.

A detailed farm out package is now completed for a number of interested parties in the project. The Company still awaits government review on the environmental plan for the acquisition of 3D seismic data covering up to 250km<sup>2</sup> of Ocean Hill permit EP495.

### Coomallo East Prospect

Located mostly in EP 447 to the east of the Coomallo-1 well, the Coomallo prospect is an up-thrown fault closure and as mapped at the Top Eneabba horizon has an areal closure of 3716 hectares and vertical closure of 540m. Best estimate 2C Contingent Resource of 166 BCF with associated condensate of 5 MMBBLS. UIL Energy is having the new available seismic data reprocessed over the coming quarter.



**Figure 3: Coomallo East Prospect**

### Walyering Prospect Area

The Farmin Agreement (FIA) and Joint Operating Agreement (JOA) has been executed with Bombora Natural Energy Pty Ltd (Bombora) for Bombora to earn a working interest and right to operate in the Walyering project area within UIL Energy’s 100% owned EP447.

Bombora will focus on the evaluation of the previously discovered Walyering Gas Field, where 3 of 4 historical wells encountered gas within multiple Jurassic age sands, with the best-tested unstimulated zone flowing initially at 13.5 MMCF/D. The environmental plan to conduct the 3D seismic survey is currently under review by the DMP.

During June 2017, Pancontinental (ASX:PCL) acquired Bombora and subsequently raised \$2m to initially fund Bombora's projects.

## Corporate and Permit Summary

### Petroleum Perth Basin Permits

Permit	UIL Interest	Permit Area (gross km <sup>2</sup> )	Permit Area (gross acres)
EP 447	100%	1,108	273,787
EP 488	100%	296	73,142
EP 489	100%	148	36,571
EP 495	100%	298	73,636
EPA 82	100%	559	138,129
EPA 98	100%	75	18,533
EPA 99	100%	372	91,921
<b>TOTAL</b>		<b>2,856</b>	<b>705,719</b>

### Cash Position

Cash on hand as at 30 June 2017 was approximately \$1.2 million.

### Issued Capital

UIL Energy has the following securities on issue at the date of this report:

Quoted:

191,217,956 Ordinary shares (ASX:UIL)  
41,850,000 Options exercisable at 7.5cents on or before 14 June 2018 (ASX: UILO)

Unquoted:

3,147,483 ordinary shares escrowed to 8-Sept-18  
35,000,000 CRP shares  
Share options 15,804,959 \$0.24 at 31-Dec-18  
Share options 2,000,000 \$0.25 at 31-Dec-18  
6,104,218 performance rights

### Competent Person Statement and Definitions

Reported contingent and prospective resources are in accordance with the SPE Reserves Auditing Standards and the SPE-PRMS guidelines and are based on reports compiled by DeGolyer and MacNaughton on EP495 and by Saitta Petroleum Consultants on the Coomallo East Prospect located across EP488 and EP447.

“**Contingent Resources**” are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality.

### Registered and Head Office

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