



QUARTERLY ACTIVITIES REPORT PERIOD ENDED 30 SEPTEMBER 2017

- UIL Energy continues to focus on upgrading its strategically placed 700,000 acres across the Perth Basin and continues to be optimistic about the attractiveness of the Perth Basin.
- The success at AWE Limited's Waitsia project and the sale of Origin Energy's Perth Basin assets to Beach Energy Ltd is expected to translate positively for UIL Energy's acreage position, validating the value and attractiveness of the Perth Basin.
- UIL Energy's focus is on progressing joint venture opportunities for investment in UIL Energy's permits, particularly on the Ocean Hill project.
- Timing on the drilling of Ocean Hill-2 may be influenced by the length of the moratorium on fracking and independent scientific review recently initiated by the new Western Australian Government.
- The Company is also assessing the Empire Oil and Gas (ASX: EGO) Perth Basin acreage following EGO entering voluntary administration on 28 September 2017.
- In conjunction with focusing on the Perth Basin acreage, management is pursuing opportunities across the east coast gas markets.

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

ASX: UIL

Focus on Ocean Hill Prospect

The additional technical information obtained from Searcher Seismic under the licensing agreement has been integrated into the Ocean Hill #2 well design progressed by Aztech Well Construction Pty Ltd. During the quarter, the final well design document has now been submitted to the Department of Mines, Industry Regulation and Safety (DMIRS). The Ocean Hill prospect has independent certified 2C Contingent Resource of 360 BCF.

A detailed farm out package that includes detailed petrophysical, well design and planning for the proposed Ocean Hill #2 well is now completed and submitted to a number of parties who are interested in the project. The Company still awaits government review on the environmental plan for the acquisition of 3D seismic data covering up to 250km² of Ocean Hill permit EP495.

Timing on the drilling of Ocean Hill-2 may be influenced by the length of the moratorium on fracking and independent scientific review recently initiated by the new Western Australian Government. The company is optimistic that the conclusions of this review will be similar to those of the many recent Australian domestic and international studies already conducted including the one in Western Australia approximately two years ago that hydraulic fracture stimulation operations can be conducted in an environmentally safe and responsible manner if appropriately regulated.

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. Prospective Resources of 277 BCF with associated condensate of 5 MMBBLs has been assessed over this lead. UIL Energy is having the new available seismic data reprocessed from Searcher Seismic over the coming quarter.

Walyering Prospect Area

Pancontinental (ASX:PCL) has continued with efforts under the farm in agreement to earn a working interest and right to operate in the Walyering project area within UIL Energy's 100% owned EP447.

The focus is 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 has been lodged and under review by the DMIRS.

Review of Empire Oil and Gas Perth Basin Acreage

Following Empire Oil and Gas (ASX:EGO) entering into voluntary administration on 28 September 2017, management has undertaken a review of EGO's Perth Basin acreage and will approach the administrators and major creditors in assessing any potential opportunity for the company.

East Coast Gas Market Opportunities

Management has identified a number of east-coast gas opportunities that it will pursue. An update on these opportunities will be provided once developed further.

Corporate and Permit Summary

Petroleum Perth Basin Permits

Permit	UIL Interest	Permit Area (gross km ²)	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
TOTAL		2,856	705,719

Cash Position

Cash on hand as at 30 September 2017 was approximately \$0.94 million.

Issued Capital

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

Quoted:

195,738,104 Ordinary shares (ASX:UIL)
41,850,000 Options exercisable at 7.5cents on or before 14 June 2018 (ASX: UILO)

Unquoted:

35,000,000 CRP shares
Share options 15,804,959 \$0.24 at 31-Dec-18
6,104,218 performance rights

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Competent Person Statement and Definitions

Reported contingent and prospective resources are in accordance with the Society of Petroleum Engineers (SPE) Reserves Auditing Standards and the SPE-Petroleum Resource Management System (PRMS) guidelines and are based on independent reports compiled by Mr R. M. Shuck of DeGolyer and MacNaughton with regards to EP495 and by Mr T. Saitta of Saitta Petroleum Consultants with regards to the Coomallo East Prospect located across EP488 and EP447. Both Mr Shuck and Mr Saitta qualifications and experience meet the requirements to act as a qualified petroleum reserves and resource evaluator as defined under the ASX Listing Rule 5.42. The resource information has been issued with the prior written consent of both parties.

“**Contingent Resources**” are those quantities of discovered sub-commercial 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.

“**Prospective Resources**” are estimated volumes associated with undiscovered accumulations. These represent quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from oil and gas deposits identified on the basis of indirect evidence but which have not yet been drilled.