

QUARTERLY ACTIVITIES REPORT PERIOD ENDED 30 SEPTEMBER 2018

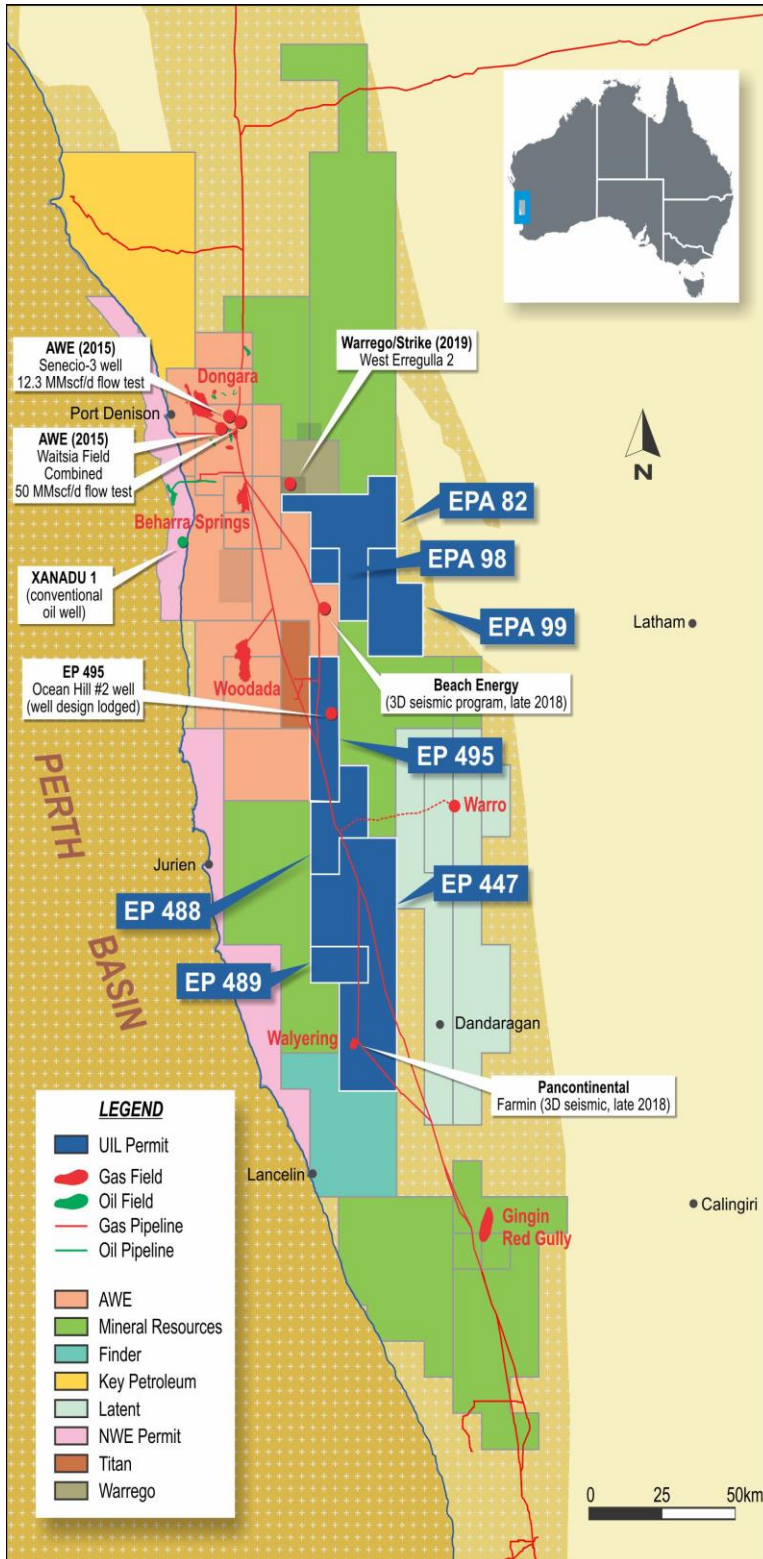


Figure 1: Perth Basin Competitor Activities as reported to the ASX

- UIL Energy's current focus is on progressing joint venture opportunities for investment in UIL Energy's permits, in particular the Ocean Hill prospect and the northern Perth applications.
- Recent developments from third parties on adjacent permits to UIL Energy's northern Perth acreage has highlighted the strategic position of UIL Energy's 100% owned applications. As further summarised within this report, these applications are on trend for potential stacked gas pools as seen at Waitsia.
- Upcoming activities on adjacent permits to the north and west respectively, including:
 - Strike Energy Ltd farming into the West Erregulla project (EP469) and their recently reported best estimate prospective resources of 884PJ; and
 - Beach Energy's 3D seismic program scheduled on EP320.
- UIL Energy has independent certified resources¹ aggregated across its Perth Basin permits totaling:
 - **360PJ** 2C contingent resources; and
 - **1,477PJ** best estimate prospective resources
- The above resource estimates exclude UIL Energy's yet to be assessed northern Perth Basin applications.
- The Independent Scientific Panel Inquiry into Hydraulic Fracture Stimulation in Western Australia handed its report to the Western Australian Government on 12 September 2018. The report is to be made public once the Western Australian Government has considered its findings and recommendations.

1. Combined resources from Ocean Hill permit and central Perth permits as summarised over page (also refer to *Competent Person Statement and Definitions* noted at end of this report).

ASX: UIL

1. Summary of Contingent and Prospective Resources

Project Area	Permit/s	Independently Certified ^a	
		2C Contingent Resources ^b	Best Estimate Prospective Resources
1. Ocean Hill	EP495	360PJ	
2. Ocean Hill South and other leads	EP495		809PJ
3. Southern Basin Centred Gas Accumulation	EP447/EP488/EP489		328PJ
4. Coomallo East prospect	EP447/EP488		277PJ
5. Walyering prospect	EP447		63PJ
Total Resources		360PJ	1,477PJ

a) Refer to *Competent Person Statement and Definitions* noted at end of this report
b) Ocean Hill has contingent resources of 24Bcf 1C, 360Bcf 2C, 796Bcf 3C

Above resources summary excludes the highly prospective northern Perth applications, EPA 82, EPA 98 and EPA 99 (refer to further details below).

Activities aimed at upgrading the significant estimated resources includes:

- Ocean Hill 3D seismic program, drilling preparation and partnering opportunities (EP495)
- Coomallo East 2D/3D seismic preparation (EP 447/488)
- Walyering project area PanContinental farmin activities (EP447)
- Granting of northern Perth applications (EPA 82/98/99)

Joint venture discussions and technical reviews of UIL Energy's portfolio have continued during the quarter by a number of interested parties.

2. Northern Perth Acreage Strategically on Trend

UIL Energy has 100% ownership of three applications in the northern Perth Basin and is actively negotiating with native title claimants to enable the grant of each permit.

Per Figure 2 below, the West Erregulla project is located adjacent to UIL Energy's northern Perth Basin application, EPA 82, one of three 100% UIL Energy owned northern Perth applications where UIL Energy is actively negotiating with the native title claimants to enable the grant of each permit. In line with Beach Energy's recent statements on the Kerr Prospect located on EP320, UIL Energy's northern applications are on trend for potential stacked gas pools as seen at Waitsia at greater depths.

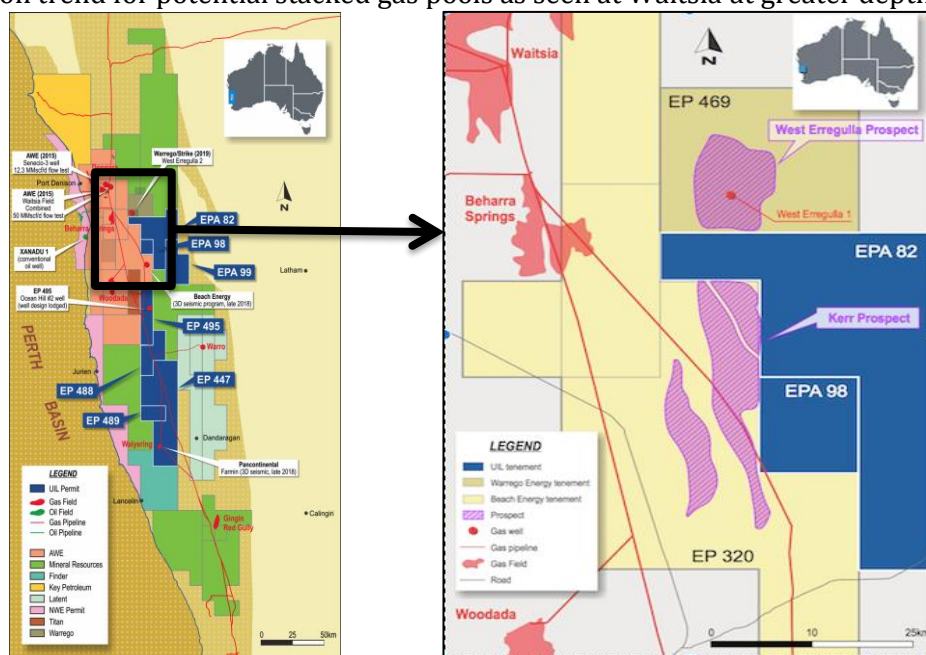


Figure 2: Northern Perth Applications EPA 82 and EPA 98 (includes extracts from Beach Energy and Strike Energy announcements)

Strike Energy announced on 28 March 2018 a farmin to EP469 (held 100% by Warrego Energy Ltd), containing the West Erregulla prospect. The announcement highlighted the significant potential in the area with an announced best estimate (P50) prospective resources of 884PJ (100%) in the same Permian age Kingia-High Cliff conventional reservoirs, which are the subject of the Waitsia discovery to the west. The drilling of the West Erregulla #2 well is scheduled to commence in the first quarter 2019.

Separately, Beach Energy is also aiming to shoot over 200km² of 3D seismic this year on EP320. As shown in Figure 2, this permit is adjacent to and on the western side of UIL Energy's 100% owned applications, EPA82 and EPA98.

As highlighted in Beach Energy's recent investor presentation shown in Figure 3, Beach Energy is looking to enhance the mapping of the conventional gas formations and the potential deep Kingia/High Cliff formations that are the productive reservoirs containing the giant Waitsia gas discovery to the west.

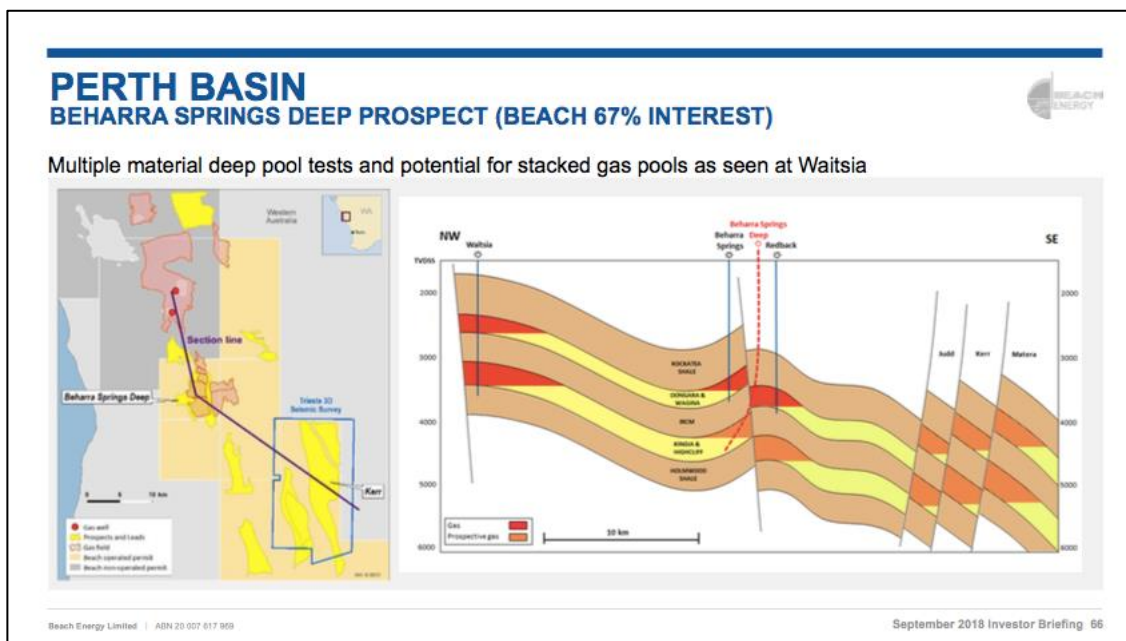


Figure 3: Extract from Beach Energy Ltd.'s 2018 Investor Briefing Presentation 27 September 2018

3. Focus on Ocean Hill Prospect – Ready to drill and progressing 3D seismic approvals

The company continues discussions with potential strategic participants to share in the funding for the Ocean Hill #2 well. In parallel, the Company is progressing the environmental plan for the acquisition of 3D seismic data covering the Ocean Hill and Ocean Hill South prospects within permit EP495. The company will progress landowner negotiations over the upcoming quarter aiming at potentially shooting the seismic program 2nd quarter 2019.

4. Coomallo East Prospect – Assessment underway for 2D/3D seismic program

Located mostly in EP 447 to the east of the Coomallo-1 well, the Coomallo prospect is an up-thrown fault closure defined by existing seismic. UIL Energy is assessing a potential 2D/3D seismic program over the Coomallo East prospect.

5. Walyering Prospect Area – 3D seismic program scheduled later this year

Pancontinental (ASX:PCL) has continued with efforts under the farmin agreement to earn a working interest and right to operate in the Walyering project area within UIL Energy's 100% owned EP447. PCL has advanced the approvals for the 3D seismic program and is aiming to shoot the program late 2018/early 2019 in conjunction with other 3D seismic programs in the basin.

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 at end of quarter was approximately \$1.16 million.

Issued Capital

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

Quoted:

228,646,266 Ordinary shares (ASX:UIL)

Unquoted:

15,804,959 Share options \$0.24 at 31-Dec-18

13,676,204 Share options \$0.05 at 31-Dec -19

2,250,000 Share options \$0.075 at 31-Dec-20

12,554,885 performance rights expire 31-Dec-19

35,000,000 CRP shares

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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 2007 SPE-Petroleum Resource Management System (PRMS) guidelines and are based on independent reports compiled by the following:

Ocean Hill EP495: Mr R. M. Shuck of DeGolyer and MacNaughton

Basin Centred Gas Accumulation: Mr B.H. Emslie of McDaniel & Associates

Coomallo East: Mr T. Saitta of Saitta Petroleum Consultants

Walyering Prospect: Mr Brian Diamond (refer PCL announcement)

All above individuals 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 parties or as announced by third 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.

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.