



31 October 2018

To the Shareholders

2018 ANNUAL GENERAL MEETING - NOTICE OF MEETING - IMPORTANT INFORMATION

Dear Shareholders,

UIL Energy Limited (**UIL**) is pleased to announce that the 2018 Annual General Meeting is scheduled to be held at the offices of HopgoodGanim Lawyers, Level 7, 1 Eagle Street, Brisbane, Queensland, on 30 November 2018 at 12:00pm (Brisbane time) (**AGM**).

Accordingly, we now **attach** for your consideration the Notice of Meeting (including explanatory memorandum) in relation to the AGM.

As Shareholders will also be aware from the announcement made by UIL on 22 October 2018 and Bidder's Statement provided to UIL on 24 October 2018 (**Bidder's Statement**), UIL is currently the subject of a takeover offer from Strike Energy Limited (via its wholly owned subsidiary, Strike West Holdings Pty Ltd) (**Strike Energy**)(**Takeover Offer**). As noted in the Bidder's Statement, the Board of Directors of UIL unanimously recommend that Shareholders accept the Takeover Offer, in the absence of a superior proposal and subject to satisfaction of the capital raising condition and the independent expert concluding that the Takeover Offer is reasonable. UIL is presently preparing its Target Statement in response to the Bidder's Statement and expects to distribute this to Shareholders on or about 9 November 2018.

You should refer to the Bidder's Statement (and future Target's Statement) for details regarding this Takeover Offer, including the conditions which must be satisfied for the Takeover Offer to be successfully completed with respect to the ordinary shares on issue in UIL (**Ordinary Share Offer Conditions**), and to assess whether or not you wish to accept the Takeover Offer.

The purpose of this letter is to provide you with some additional information in relation to the conduct of the AGM in the context of the conduct of the Takeover Offer, as the date of the AGM will coincide with the scheduled closing date of the Takeover Offer (also being 30 November 2018, unless extended).

Effect on Resolutions by Takeover Offers

Resolutions 1, 2 and 10 are not impacted by the Takeover Offer. These are to be voted on at the AGM by those entitled to vote at the AGM.

However, included in the Notice of Meeting are two groups of resolutions (**Director Resolutions**) seeking your approval to:

- issue performance rights to the two current executive directors, Mr John de Stefani and Mr Simon Hickey (Resolutions 3 and 4); and
- re-approve UIL's Director's Fee Plan, which enables directors of UIL to elect to receive shares instead of cash in payment of their remuneration and to approve the issue of shares under that Director's Fee Plan to four of the five current directors of UIL (excluding the managing director, Mr de Stefani)(Resolutions 5, 6, 7, 8 and 9).

Full details of these resolutions, including details of the number of performance rights and shares to be issued, are set out in the Notice of Meeting.

As these resolutions relate to the current affairs of UIL, the Board wishes to advise Shareholders that these Director Resolutions are being presented by the Board for the approval of shareholders but will only be enacted by UIL in the event that the Takeover Offer is NOT successfully completed by Strike Energy. If

the Takeover Bid is successful, then it is the intention of the Board that these Director Resolutions will not be put into operation.

Accordingly, it is the intention of UIL that:

- if the Takeover Offer is declared to be free of the Ordinary Share Offer Conditions before the commencement of the AGM, then the Director Resolutions will be withdrawn by UIL either ahead of or during the course of the AGM; or
- if the Takeover Offer is not declared to be free of the Ordinary Share Offer Conditions before the commencement of the AGM and the Takeover Offer remains open as at the commencement of the AGM, then voting on the Director Resolutions will proceed but implementation of the Director Resolutions (if approved) will await the outcome of the Takeover Offer.

Furthermore, in the event that the outcome of the Takeover Offer is not determined until after the AGM and any of the Director Resolutions are approved at the AGM, then:

- those Director Resolutions which have been approved will not be implemented by UIL if the Takeover Offer is declared to be free of the Ordinary Share Offer Conditions after the AGM and effective control of UIL has passed to Strike;
- otherwise those Director Resolutions which have been approved will be implemented by UIL, subject to the ASX Listing Rules.

Your ability to vote at the AGM

Shareholders of UIL as at 7pm (Sydney time) on Wednesday, 28 November 2018 (**Record Date**) are eligible to vote at the AGM.

If you do not accept the Takeover Offer prior to the AGM, then you will remain entitled to exercise your vote at the AGM irrespective of the status of the Takeover Offer.

If you do accept the Takeover Offer before the Record Date, the transfer of your Shares is unlikely to occur before that date and so you will remain a Shareholder of UIL for the purpose of voting at the AGM. In such event, whether or not your vote will be counted at the AGM will depend upon the status of the Ordinary Share Offer Conditions under the Takeover Offer.

Under the operation of clause 6 of the Bidders Statement, upon accepting the Takeover Offer you will grant to Strike Energy a power of attorney to attend and vote (in person, by corporate representative or by proxy) on your behalf at the AGM, but subject to the prior fulfilment or waiver of the Ordinary Share Offer Conditions.

Accordingly, whether your vote will be accepted at the AGM (or replaced by a vote from Strike Energy) will depend upon whether or not the Ordinary Share Offer Conditions have been being fulfilled or waived by Strike Energy prior to the AGM.

Currently, it is expected that Strike Energy will make an announcement regarding the status of the Ordinary Share Offer Conditions on Thursday, 22 November 2018, which is one week before the AGM (and the current closing date of the Takeover Offer). However, if the Ordinary Share Offer Conditions have not been fulfilled or waived as at 22 November 2018, Strike Energy have the ability to extend the offer period to a date later than the AGM (determined at their discretion), in which case the fulfilment or waiver of the Ordinary Share Offer Conditions may not occur until a later date, potentially even after the AGM.

What should you do regarding voting for the AGM ?

UIL recommends that you proceed to vote on all of the resolutions contained in the Notice of Meeting, including the Director Resolutions, on the basis that all resolutions (including the Director Resolutions) will be voted on at the AGM and that you will be entitled to vote at the AGM.

This is because the status of the Ordinary Share Offer Conditions may not be known until either a short time prior to the AGM or potentially even after the AGM, and it is important for the continuing administration of UIL (without a merger with Strike Energy) that the resolutions, including the Director Resolutions, be

approved so that UIL can continue to conduct “business as usual” as it moves forward in the event that the Takeover Offer is not, ultimately, successful.

If you wish to cast your vote at the AGM via a proxy, please note that the proxy form must be returned in accordance with the instructions on the proxy form before 12 noon Wednesday, 28 November 2018 (being 48 hours before the scheduled AGM).

Whilst an announcement regarding the status of the Ordinary Share Offer Conditions is scheduled to be made on 22 November 2018, the period of the Takeover Offer can still potentially be extended and an announcement regarding the fulfilment or waiver of the Ordinary Share Offer Conditions is not guaranteed to be given prior to 28 November 2018. Accordingly, you should make arrangements to submit a proxy form to UIL prior to that deadline so that your vote can be counted if you remain entitled to vote at the AGM.

If the Ordinary Share Offer Conditions are fulfilled or waived prior to the AGM, then the Director Resolutions will be withdrawn (or will not be implemented, if approved) and Strike Energy will be able to vote on your behalf at the AGM on the remaining resolutions (in substitution for your vote, which will not be counted, if you have already lodged a proxy form with UIL).

UIL will also be monitoring the status of the Takeover Offer leading up to the date of the AGM and will issue an announcement to update Shareholders in relation to the conduct of the AGM if it considers this necessary. You should monitor the announcements made on the ASX platform by UIL and Strike Energy to receive any updates in relation to the AGM and to check on the status of the Takeover Offer, including any announcement from Strike Energy that the Ordinary Share Offer Conditions have been fulfilled or waived.

We thank you for your continued support of the Company.

Yours Faithfully

Drew Speedy
Company Secretary

Notice of Annual General Meeting and Explanatory Memorandum

UIL Energy Ltd ACN 153 352 160

Date of Meeting: Friday 30 November 2018

Time of Meeting: 12.00 pm (Brisbane time)

Place of Meeting: HopgoodGanim
Level 7, 1 Eagle Street, Brisbane, Queensland

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of shareholders of **UIL Energy Ltd ACN 153 352 160 (Company)** will be held at the offices of HopgoodGanim, Level 7, 1 Eagle Street, Brisbane, Queensland, on 30 November 2018 at 12:00pm (Brisbane time).

The Explanatory Memorandum to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice of Meeting. Terms used in this Notice of Meeting are defined in Section 9 of the accompanying Explanatory Memorandum.

Agenda

ORDINARY BUSINESS

Financial Statements

To receive and consider the financial statements of the Company and its controlled entities for the period ended 30 June 2018 and the related Directors' Report, Directors' Declaration, the Remuneration Report and Auditor's Report.

1. Resolution 1 - Adoption of the Remuneration Report

To consider and, if thought fit, pass the following Resolution, as an advisory Resolution, without amendment:

"That for the purposes of Section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report for the year ended 30 June 2018 (as set out in the Directors' Report) is adopted."

The Company's Annual Report 2018, which contains the Remuneration Report, is available on the Company's website <http://www.uilenergy.com.au>

The vote on this Resolution 1 is advisory only and does not bind the Directors or the Company.

Voting restriction pursuant to Section 250R(4) of the Corporations Act

A vote on this Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel (**KMP**) details of whose remuneration are included in the Remuneration Report; and
- (b) a Closely Related Party of such a member.

However, the above persons may cast a vote on Resolution 1 if:

- (a) the person does so as a proxy; and
- (b) the vote is not cast on behalf of a member of the KMP details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member; and
- (c) either:
 - (1) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
 - (2) the voter is the Chairman of the Meeting and the appointment of the Chairman as proxy:

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- (A) does not specify the way the proxy is to vote on the Resolution; and
- (B) expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company or, if the Company is part of a consolidated entity, for the entity.

Voting Intentions of the Chairman

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying proxy form.

2. Resolution 2 - Re-election of Mr Keith Skipper as a Director

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

“That Mr Keith Skipper, who retires by rotation in accordance with Rule 20.2 of the Company’s Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”

3. Resolution 3 – Issue of Performance Rights to Simon Hickey

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

“That in accordance with Listing Rule 10.11 and for all other purposes, the Company be authorised to issue 838,184 Performance Rights to Mr Simon Hickey, being an Executive Director of the Company, or his nominee and otherwise on the terms set out in the Explanatory Memorandum”.

Voting Exclusion Statement

For the purposes of Listing Rule 10.11, the Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) Simon Hickey or his nominee; and
- (b) Any associate of Mr Hickey or his nominee.

However, the Company need not disregard a vote if:

- (c) It is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions in the proxy form; or
- (d) It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 3 is connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 3 must not be cast by:

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(a) any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or

(b) a Closely Related Party of such KMP,

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

However, the Company need not disregard a vote on this Resolution 3 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 3, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying proxy form.

4. Resolution 4 – Issue of Performance Rights to John de Stefani

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

“That in accordance with Listing Rule 10.11 and for all other purposes, the Company be authorised to issue 4,568,661 Performance Rights to Mr John de Stefani, being the Managing Director of the Company, or his nominee and otherwise on the terms set out in the Explanatory Memorandum”.

Voting Exclusion Statement

For the purposes of Listing Rule 10.11, the Company will disregard any votes cast in favour of this Resolution by or on behalf of:

(a) John De Stefani or his nominee; and

(b) Any associate of Mr de Stefani or his nominee.

However, the Company need not disregard a vote if:

(c) It is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions in the proxy form; or

(d) It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 4 is connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 4 must not be cast by:

(a) any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or

(b) a Closely Related Party of such KMP,

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who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

However, the Company need not disregard a vote on this Resolution 4 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 4, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying proxy form.

5. Resolution 5 – Approval of Directors Fee Plan

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

“That in accordance with Listing Rule 10.14 and for the purposes of Listing Rule 7.2 exception 9 and all other purposes, the Directors’ Fee Plan (for the issue of shares to Directors in lieu of fees for services) detailed in the Explanatory Memorandum be approved”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution 5 by or on behalf of:

- (a) any Director who is entitled to participate in the Director's Fee Plan; and
- (b) any associate of that person or persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 5 is a resolution connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 5 must not be cast by:

- (a) any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or
- (b) a Closely Related Party of such KMP,

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

However, the Company need not disregard a vote on this Resolution 5 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the

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Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 5, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying proxy form.

6. Resolution 6 – Issue of Director Shares in Lieu of Director fees to Simon Hickey under the Directors’ Fee Plan

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

*“That in accordance with Listing Rule 10.14 and for the purposes of Listing Rule 7.2 exception 14 and all other purposes, and subject to the approval of Resolution 5, the Company be authorised to issue up to 763,636 fully paid ordinary shares (**Director Shares**) to Simon Hickey under the Directors’ Fee Plan (for the issue of shares to Directors in lieu of fees for services) detailed in the Explanatory Memorandum.”*

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution 6 by or on behalf of:

- (a) any Director who is entitled to participate in the Director’s Fee Plan; and
- (b) any associate of that person or persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 6 is a resolution connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 6 must not be cast by:

- (a) any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or
- (b) a Closely Related Party of such KMP,

who is appointed as a Shareholder’s proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

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However, the Company need not disregard a vote on this Resolution 6 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 6, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying proxy form.

7. Resolution 7 – Issue of Director Shares in Lieu of Director fees to Keith Skipper under the Directors’ Fee Plan

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

*“That in accordance with Listing Rule 10.14 and for the purposes of Listing Rule 7.2 exception 14 and all other purposes, and subject to the approval of Resolution 5, the Company be authorised to issue up to 349,091 fully paid ordinary shares (**Director Shares**) to Keith Skipper under the Directors’ Fee Plan (for the issue of shares to Directors in lieu of fees for services) detailed in the Explanatory Memorandum.”*

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution 7 by or on behalf of:

- (a) any Director who is entitled to participate in the Director’s Fee Plan; and
- (b) any associate of that person or persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 7 is a resolution connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 7 must not be cast by:

- (a) any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or
- (b) a Closely Related Party of such KMP,

who is appointed as a Shareholder’s proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

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However, the Company need not disregard a vote on this Resolution 7 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 7, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying proxy form.

8. Resolution 8 – Issue of Director Shares in Lieu of Director fees to Stephen Bizzell under the Directors’ Fee Plan

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

*“That in accordance with Listing Rule 10.14 and for the purposes of Listing Rule 7.2 exception 14 and all other purposes, and subject to the approval of Resolution 5, the Company be authorised to issue up to 349,091 fully paid ordinary shares (**Director Shares**) to Stephen Bizzell under the Directors’ Fee Plan (for the issue of shares to Directors in lieu of fees for services) detailed in the Explanatory Memorandum.”*

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution 8 by or on behalf of:

- (a) any Director who is entitled to participate in the Director’s Fee Plan; and
- (b) any associate of that person or persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 8 is a resolution connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 8 must not be cast by:

- (a) any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or
- (b) a Closely Related Party of such KMP,

who is appointed as a Shareholder’s proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

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However, the Company need not disregard a vote on this Resolution 8 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 8, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying proxy form.

9. Resolution 9 – Issue of Director Shares in Lieu of Director fees to Garry Marsden under the Director’s Fee Plan

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

*“That in accordance with Listing Rule 10.14 and for the purposes of Listing Rule 7.2 exception 14 and all other purposes, and subject to the approval of Resolution 5, the Company be authorised to issue up to 349,091 fully paid ordinary shares (**Director Shares**) to Garry Marsden under the Directors’ Fee Plan (for the issue of shares to Directors in lieu of fees for services) detailed in the Explanatory Memorandum.”*

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution 9 by or on behalf of:

- (a) any Director who is entitled to participate in the Director’s Fee Plan; and
- (b) any associate of that person or persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 9 is a resolution connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 9 must not be cast by:

- (a) any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or
- (b) a Closely Related Party of such KMP,

who is appointed as a Shareholder’s proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

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However, the Company need not disregard a vote on this Resolution 9 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 9, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying proxy form.

SPECIAL BUSINESS

10. Resolution 10 – Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A

To consider and, if thought fit, pass the following Resolution, as a Special Resolution, without amendment:

“That, pursuant to and in accordance with Listing Rule 7.1A, and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, over a 12 month period from the date of the Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions described in the Explanatory Memorandum (Placement Securities).”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution 10 by or on behalf of:

- (a) a person who is expected to participate in the issue of the Placement Securities or who will obtain a material benefit as a result of the proposed issue, except a benefit solely by reason of being a holder of Shares if the Resolution is passed; and
- (b) an associate of that person (or those persons).

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Important Note

The proposed allottees of any Placement Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Placement Securities), shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

Notice of Annual General Meeting

GENERAL BUSINESS

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By order of the board

A handwritten signature in black ink, appearing to be 'Drew Speedy', written over a circular stamp or seal.

22 October 2018
Drew Speedy
Company Secretary

Explanatory Memorandum

1. Introduction

This Explanatory Memorandum is provided to shareholders of **UIL Energy Ltd ACN 153 352 160 (Company)** to explain the resolutions to be put to Shareholders at the Annual General Meeting to be held at the offices of HopgoodGanim, Level 7, 1 Eagle Street, Brisbane, Queensland on Thursday 30 November 2018 commencing at 12:00pm (Brisbane time).

The Directors recommend shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Terms used in this Explanatory Memorandum are defined in Section 9.

2. Financial Statements

The Corporations Act requires that the Company's Annual Financial Report for the period ending 30 June 2018 (including the Directors' Report, Directors' Declaration, the Remuneration Report and the Auditor's Report) be laid before the Annual General Meeting for discussion. Although not requiring a vote of members, an opportunity will be provided for members to ask questions on the Annual Financial Report.

The Company's Annual Report 2018, which contains the Remuneration Report, is available on the Company's website <http://www.uilenergy.com.au>

3. Resolution 1 - Adoption of Remuneration Report

3.1 Remuneration Report

In accordance with Section 250R of the Corporations Act, the Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding advisory Resolution.

The Remuneration Report is set out in the Directors' Report section of the Annual Financial Report for the period ending 30 June 2018 and is available on the Company's website <http://www.uilenergy.com.au>. The Report:

- (a) explains the Board's policy for determining the nature and amount of remuneration of executive directors and senior executives of the Company;
- (b) explains the relationship between the Board's remuneration policy and the Company's performance;
- (c) sets out remuneration details for each Director and the most highly remunerated senior executive of the Company; and
- (d) details and explains any performance conditions applicable to the remuneration of executive directors and senior executives of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

3.2 Recommendation

The Directors unanimously recommend that Shareholders vote in favour of adopting the Remuneration Report. A vote on this resolution is advisory only and does not bind the Directors or the Company.

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3.3 Voting restrictions on Key Management Personnel and their Closely Related Parties and their proxies

As set out in the voting exclusion statement to Resolution 1, there are restrictions on members of the Key Management Personnel and their Closely Related Parties (in any capacity) and their proxies voting on Resolution 1.

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including this Resolution 1, subject to compliance with the Corporations Act.

4. Resolution 2 - Re-election of Mr Keith Skipper as a Director

Mr Keith Skipper retires by rotation in accordance with ASX Listing Rule 14.4 and Rule 20.2 of the Company's Constitution and, being eligible, offers himself for re-election as a Director.

In accordance with ASX Listing Rule 14.4 and under Rule 20.2 of the Company's Constitution, one-third of Directors or if their number is not a multiple of three then the number nearest to but not more than one-third of the Directors for the time being, are required to retire at each annual general meeting (excluding directors seeking election at the meeting for the first time, or the Managing Director) and are eligible for re-election.

Mr Skipper retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election as a Director.

Keith Skipper's qualifications and experience

Mr Skipper is a Company executive and director with over 40 years of diverse experiences in the global petroleum industry in technical and executive leadership with major and independent oil and gas companies. He has also served on the boards of a number of public companies listed on the Toronto Stock Exchange (TSE), New York Stock Exchange (NYSE), and the Australian Securities Exchange (ASX). Mr Skipper is currently a Director of unlisted companies in Australia and Canada. Mr Skipper has Bachelor of Science (Honours) and Masters of Science (Geology) degrees.

Mr Skipper is considered an Independent Director as per the ASX Guidelines and is Chairman of the Company's Audit and Risk Management Committee.

The Directors (with Mr Skipper abstaining) recommend that you vote in favour of this Ordinary Resolution 2.

5. Resolutions 3 and 4 - Approval for Issue of Performance Rights to Executive Directors

5.1 Background

The company is seeking approval for the issue of Performance Rights to Messrs Hickey and de Stefani in accordance with Listing Rule 10.11.

As approval is being sought under Listing Rule 10.11, approval will not be required under Listing Rule 7.1.

5.2 Terms

The Company proposes to issue to the following Performance Rights:

- (a) 838,184 Performance Rights to Mr Simon Hickey vesting (subject to satisfaction of conditions) on 30 November 2019 and expiring 31 December 2019; and

Explanatory Memorandum

- (b) 4,568,661 Performance Rights to Mr John de Stefani vesting (subject to satisfaction of conditions) on 30 November 2019 and expiring 31 December 2019.

Other than the terms set out above, the Performance Rights to be issued to Mr Hickey and Mr de Stefani are to be on the terms summarised in Schedule 1 and otherwise on the same terms as contained under the previously approved Performance Rights Plan (although the Performance Rights are not issued pursuant to that Performance Rights Plan).

5.3 Listing Rule 7.1 - Issues exceeding 15% of capital

Listing Rule 7.1 prohibits a listed company, except in certain cases, from issuing in any 12 month period new Equity Securities equivalent in number to more than 15% of the total number of ordinary securities on issue at the beginning of the twelve month period (**15% Capacity**) without the prior approval of a majority of disinterested shareholders, or the issue otherwise comes within one of the exceptions to Listing Rule 7.1 (**15% Rule**). However, under Listing Rule 7.2 (Exception 14), if approval is being sought under Listing Rule 10.11, approval will not be required under Listing Rule 7.1. Therefore the issue of the Performance Rights to the Directors under Resolutions 3 and 4, if passed, will not count towards the Company's 15% Capacity under Listing Rule 7.1.

5.4 Listing Rule 10.11

Listing Rule 10.11 requires that an entity must obtain the approval of Shareholders to issue Securities to a Related Party and in doing so must provide the information specified in Listing Rule 10.13, unless an exception applies.

5.5 Shareholder Approval Requirement

Resolutions 3 and 4, if passed, will confer financial benefits and involve the issue of Performance Rights to Mr Simon Hickey and Mr John de Stefani, being Related Parties of the Company.

Therefore the Company seeks to obtain Shareholder approval in accordance with the requirements of Listing Rule 10.11.

As approval is being sought under Listing Rule 10.11, in accordance with Listing Rule 7.2 (Exception 14) approval will not be required under Listing Rule 7.1. Therefore the issue of the Performance Rights to Mr Hickey and Mr de Stefani under Resolutions 3 and 4 will not count towards the Company's 15% Capacity under Listing Rule 7.1.

5.6 Information for Shareholders - Listing Rule 10.13

For the purposes of Listing Rule 10.13 and for all other purposes the following information is provided to Shareholders:

(a) **10.13.1 and 10.13.4: Name and relationship of the Related Party**

The Related Parties are Mr Simon Hickey and Mr John De Stefani who are Directors of the Company.

(b) **10.13.2: Maximum Number of Securities to be issued (if known) or the formula for calculating the number of Securities to be issued**

The maximum number of Equity Securities to be issued are as follows:

- (1) 838,184 Performance Rights to Mr Simon Hickey; and
- (2) 4,568,661 Performance Rights to Mr John de Stefani.

(c) **10.13.3: Date by which the Securities will be issued**

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The Company will issue the Performance Rights as soon as possible but in any event within one month following this Meeting.

(d) **10.13.4: Issue price and terms of the Securities**

(1) The Performance Rights:

- will be issued for nil consideration;
- the issue price of each Performance Right is nil;
- the exercise price of each Performance Right is nil; and
- subject to meeting the vesting conditions, vest on 30 November 2019.

The remainder of the terms of the Performance Rights to be issued to Mr Simon Hickey and Mr John De Stefani will be on the same terms as set out in the previously approved Performance Rights Plan. Whilst the Performance Rights will carry the same terms as specified in the Performance Rights Plan, the Performance Rights are not being issued under the Performance Rights Plan. Any Shares issued as a result of the exercise of the conversion of the Performance Rights will rank pari passu with all of the other fully paid ordinary shares on issue in the Company.

(e) **10.13.6A: Intended use of funds raised**

No funds are being raised by the issue of the Performance Rights to Mr Simon Hickey and Mr John De Stefani.

(f) **10.13.6: Voting exclusion statement**

The relevant voting exclusion statement is set out in Resolutions 3 and 4 in the Notice of Meeting.

6. Resolutions 5, 6, 7, 8 and 9 – Approval of Director’s Fee Plan and Issue of Director Shares in Lieu of Director Fees

6.1 Introduction

At the 2015 Annual General Meeting, the Board presented the Director’s Fee Plan (**Fee Plan**) for approval pursuant to Listing Rule 10.11 and Listing Rule 7.9 exception 9 to enable Shares to be issued to the executive and non-executive directors of the Company (or to their respective nominees) in lieu of cash remuneration for the provision of services by the Directors. This will potentially reduce the amount of cash payments required to be made to the directors of the Company on account of remuneration by enabling them to request that all or part their remuneration be paid by the issue of shares instead of cash payments.

The Fee Plan was approved by Shareholders at the 2015 Annual General Meeting, together with the issue of Shares under that Fee Plan, and Shareholders have subsequently approved the issue of further Shares to the Directors under the Fee Plan at each of the 2016 and 2017 Annual General Meetings.

The Directors continue to believe that Shareholders will benefit from the issue of Shares in substitution for cash payments of remuneration as the cash saving will preserve cash which the Company can use to enable it to maintain a satisfactory level of working capital. The issue of shares to the relevant directors will also continue to align the interests of Directors with those of the Company and the Shareholders.

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As three years have elapsed since the Fee Plan was first approved by Shareholders, the Board presents the Fee Plan again for approval for the purposes of Listing Rule 7.2 exception 9.

For this Meeting, the Directors have resolved to refer to Shareholders for approval the proposed issue of up to a maximum of 1,810,909 fully paid ordinary Shares in aggregate to Simon Hickey, Keith Skipper, Stephen Bizzell and Garry Marsden, being current executive and non-executive directors of the Company, and to any person appointed as a director of the Company in the ensuing 12 months, or to their respective nominees (**Participating Director**), pursuant to the Fee Plan. All Directors have again agreed, pending this approval, to the issue of Shares for up to 100% of the remuneration for the Participating Directors, if required, for the ensuing 12 months. As such the Shares will be issued for nil cash consideration and no funds will be raised from their issue (although cash savings will be obtained by reducing the cash payments required to meet remuneration expenses).

It is noted that the managing director, John de Stefani, has not been included as a Participating Director under the Fee Plan for the relevant 12 month period. Accordingly, he will not be able to elect to receive any part of his remuneration as an issue of Shares instead of cash payments.

A summary of the terms of the Fee Plan is contained in Schedule 2. The terms of the Shares to be issued to the Participating Directors (**Director Shares**) are set out in more detail below.

Because each of the Participating Directors is a related party of the Company for the purposes of ASX Listing Rule 10.11, approval for the Fee Plan and the issue of the Director Shares pursuant to the Fee Plan is sought in accordance with Listing Rule 10.14, as well as for the purposes of ASX Listing Rule 7.2 exception 9.

6.2 Listing Rule 7.1

Subject to certain exemptions (none of which are relevant here) Listing Rule 7.1 restricts a listed company from issuing or agreeing to issue equity securities (including shares or options) in any 12 month period which amounts to more than 15% of the Company's ordinary securities on issue without shareholder approval.

As a result, any issue of securities by the Company to eligible employees under the Rights Plan would reduce the Company's 15% capacity to issue Shares under Listing Rule 7.1.

Exception 9 of Listing Rule 7.2 however, allows a company to issue securities without specific shareholder approval and without reducing the 15% capacity under Listing Rule 7.1 where shareholders of a company have approved the issue of securities under the Rights Plan as an exception to Listing Rule 7.1 within three (3) years prior to the issue of the securities. Resolution 5 is being put to the Shareholders for this purpose and will allow the Company to utilise Exception 9 to Listing Rule 7.2 for three (3) years from the date of the Resolution being passed.

6.3 Listing Rule 10.14

Because each of the Participating Directors is a related party of the Company for the purposes of Listing Rule 10.11, the proposed issue of Director Shares to Participating Directors under the Fee Plan must be approved under Listing Rule 10.14.

If approval is given under Listing Rule 10.14 approval is not required under Listing Rule 7.1. Accordingly, if approved, the issue of the Director Shares pursuant to Listing Rule 10.14 will not be counted towards the Company's 15% for the purpose of Listing Rule 7.1. As a result, the Directors of the Company will be able to consider additional funding initiatives consistent with the provisions of ASX Listing Rule 7.1 without diminishing its issue capacity under Listing Rule 7.1.

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6.4 Information on the Issue of Director Shares

The terms of the Fee Plan under which Directors may be issued Director Shares in lieu of fees and remuneration, including the formula for calculating the issue price, are set out in Schedule 2.

As the Fee Plan is intended to operate for 12 months after the Meeting, and because the trading price for the Shares on the ASX may fluctuate, approval is sought for a maximum of 1,810,909 Director Shares. This number has been determined on the basis of:

- (a) in the case of the current Participating Directors, the maximum aggregate amount of fees payable to Directors over a one year period of \$99,600; and
- (b) an issue price of \$0.055, being the closing share price on 18 October 2018.

Accordingly, if the Director Shares are issued at \$0.055 and all of the other Participating Directors remuneration is nominated to be issued as Director Shares, the maximum number of 1,810,909 Director Shares would be issued (representing 0.79% of the current issued share capital of the Company). However, if only 50% of the other Participating Director's remuneration is nominated to be issued as Director Shares, the number of Director Shares issued would be 905,455 Director Shares (representing 0.4% of the current issued share capital of the Company).

Subject to this cap of 1,810,909 Director Shares, the number of Director Shares which will be issued in the 12 months from the date of the Meeting will be determined by the relevant issue price of the Shares at the time of issue and the level of remuneration which each Participating Director specifies is to be paid by way of the issue of Director Shares. If the maximum number of 1,810,909 Director Shares is reached before the expiration of 12 months from the Meeting, no further Director Shares will be issued.

Accordingly, if the average issue price of Director Shares issued during the 12 months after the Meeting is higher than \$0.055, for example, at \$0.07 with 100% of the remaining Participating Directors remuneration nominated to be issued as Director Shares, the number of Director Shares issued during the next 12 months would be reduced to 1,422,857 Director Shares at an issue price of \$0.07 representing 0.62% of the current issued share capital of the Company). If the average share price is lower than \$0.055, then the number of Director Shares issued in exchange for the amount of remuneration nominated will increase but the total number of Director Shares issued under the Fee Plan between the Participating Directors will not exceed 1,810,909 Director Shares.

6.5 Directors' Interests

All Participating Directors have a material interest in the outcome of Resolutions 5, 6, 7, 8 and 9, as it is proposed to issue shares to them (or their nominee).

If each of the Participating Directors participated in the Fee Plan for 100% of their directors remuneration, then the effect on the holding of each Participating Director would be as follows:

Participating Director	Current share holding	% of total share capital	Maximum shares issued (on the basis of an issue price of \$0.055) (2)	Shareholding after maximum shares issued (2)	% of total share capital after maximum shares issued (2)	Other securities
Simon Hickey	21,278,206	9.31%	763,636 (2)	22,041,842 (2)	9.56% (1)	975,408 options 1,000,000 performance

Explanatory Memorandum

						rights
Keith Skipper	698,990	0.31%	349,091 (2)	1,048,081 (2)	0.45% (1)	750,000 options
Stephen Bizzell	13,262,248	5.80%	349,091 (2)	13,611,339 (2)	5.91% (1)	5,127,234 options
Garry Marsden	1,103,175	0.48%	349,091 (2)	1,452,266 (2)	0.63% (1)	750,000 options and 58,143 Class B Preference Shares

Notes:

- (1) On the basis of Director Shares issued in lieu of 100% of remuneration as a director;
- (2) Based upon the current share capital at the date of this Notice of Meeting of 228,646,266 and assumes that no current options on issue are exercised and no other securities are issued, including any shares and options under any other resolution in this Notice.

Schedule 3 sets out the interests of all Directors if all Resolutions under this Notice are approved.

6.6 Information required under ASX Listing Rules 7.2 (exception 9)

In accordance with Listing Rule 7.2 exception 9, the Company advises as follows:

- (a) A summary of the terms of the Fee Plan are set out in Schedule 2
- (b) The number of shares issued under the Fee Plan since it was approved by shareholders at the 2015 Annual General Meeting is set out in section 6.7(f) below.

6.7 Information required under ASX Listing Rule 10.15

In accordance with Listing Rule 10.15 and for the benefit of Shareholders in considering Resolutions 5, 6, 7, 8 and 9, the Company advises as follows:

- (a) Director Shares will only be issued to Participating Directors (as identified in subparagraph (g) below) or to their nominees;
- (b) Details of any Shares issued under the Fee Plan will be published in the Annual Report in respect of the period in which shares under the plan are issued;
- (c) The maximum number of Director Shares to be issued during the 12 months after the Meeting is 1,810,909. The number of Director Shares issued under the Fee Plan will be determined by the application of the relevant issue price to the level of remuneration nominated by the Participating Directors to be paid by the issue of Director Shares, but will not exceed 1,810,909 during the 12 months following the Meeting.
- (d) The issue price of each Director Share will be determined on the basis of the Volume Weighted Average Market Price of Shares for the last 30 Trading Days of the quarter for which an Election Notice has been given by a Participating Director and any fractional entitlement to be issued Director Shares will be rounded up to the nearest whole number;
- (e) No funds are being raised by the grant of the Directors Shares;

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- (f) The details of the securities issued under the Fee Plan approved by shareholders at the 2015 Annual General Meeting are as follows:

Acquisition date of each security	14-Oct-16	17-Jan-17	13-Apr-17	12-Oct-17	27-Feb-18	13-Jun-18
Acquisition price of each security	\$0.0516	\$0.05	\$0.0416	\$0.0284	\$0.0376	\$0.0367
Recipient	Number of Securities					
Mr Simon Hickey	232,488	210,000	252,042	422,358	59,898	61,376
Mr John de Stefani	278,725	283,016	424,592	-	-	-
Mr Keith Skipper	87,183	90,000	108,018	316,769	47,919	49,101
Mr Stephen Bizzell	87,183	90,000	108,018	316,769	47,919	49,101
Mr Garry Marsden	-	90,000	108,018	316,769	47,919	49,101
TOTAL	685,579	763,016	1,000,688	1,372,665	203,655	208,679

The accumulated total of Shares issued under the Fee Plan since approved at the 2015 Annual General Meeting is 4,234,282.

- (g) The Participating Directors are Simon Hickey, Keith Skipper, Stephen Bizzell and Garry Marsden and any person appointed as a Director of the Company during the 12 months after the Meeting (noting that the managing director, John de Stefani, who has been a Participating Director previously will not be a Participating Director for the purposes of the forthcoming 12 month period);
- (h) No loans are being given in respect of the issue of any Director Shares;
- (i) A voting exclusion statement accompanies the Notice of Meeting in respect of Resolutions 5, 6, 7, 8 and 9 ; and
- (j) The Director Shares are intended to be issued as and when elections are made by Participating Directors under the Fee Plan, the intention being that Director Shares would be issued to the Participating Directors in 4 tranches on the ending of each quarter (December 2018, March 2019, June 2019 and September 2019) and in any event no later than twelve (12) months following the date of the Meeting.

Save as set out in this Explanatory Memorandum, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by Resolutions 5, 6, 7, 8 and 9.

6.8 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company without shareholder approval unless the benefit falls within one of various exceptions to the general prohibition. The process for and requirements that need to be met for the convening of the shareholder's meeting are set out in Chapter 2E of the Corporations Act.

A "related party" for the purposes of the Corporations Act is defined widely and includes a director of a public company, and entities controlled by him or her.

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A “financial benefit” for the purposes of the Corporations Act has a very wide meaning. It includes the public company issuing securities to a related party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate.

The proposed Resolutions 5, 6, 7, 8 and 9, if passed, will confer a financial benefit on the Participating Directors. Each Director of the Company is considered a related party of the Company.

Under section 211 of the Corporations Act the Company is not required to obtain the approval of Shareholders if the financial benefit is remuneration which it would be reasonable to give in the circumstances of the Company and the related party. As the Director Shares are to be issued in lieu of remuneration payable to the Participating Directors the Board is of the view that the “remuneration” exception in section 211 of the Corporations Act is available to the Company.

6.9 Directors’ Recommendation

Each of Simon Hickey, Keith Skipper, Stephen Bizzell and Garry Marsden has a material personal interest in Resolutions 5, 6, 7, 8 and 9 and do not make any recommendations.

7. Resolution 10 – Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A

7.1 Introduction

Pursuant to Resolution 10, the Company is seeking Shareholder approval to issue an additional 10% of its issued capital over a 12 month period pursuant to Listing Rule 7.1A. If passed, this Resolution will allow the Company to allot and issue up to the number of new Equity Securities calculated in accordance with Listing Rule 7.1A.2 (**Placement Securities**) each at an issue price of at least 75% of the volume weighted average price (**VWAP**) for the Company’s Equity Securities in that class (calculated over the last 15 days on which trades in the Equity Securities are recorded immediately before the date on which the price at which the Placement Securities are to be issued is agreed, or if the Placement Securities are not issued within five trading days of that date, the date on which the Placement Securities are issued) (**Issue Price**).

This approval is sought pursuant to Listing Rule 7.1A. Under Listing Rule 7.1A, small and mid cap listed entities that meet the eligibility threshold and have obtained the approval of their ordinary shareholders by special resolution at the annual general meeting, are permitted to issue an additional 10% of issued capital over a 12 month period from the date of the annual general meeting (**Additional 10% Placement**). The Additional 10% Placement under Listing Rule 7.1A is in addition to the ability of the Company to issue 15% of its issued capital without shareholder approval over a 12 month period pursuant to Listing Rule 7.1. The Company may issue the Placement Securities to raise funds for the Company and as non-cash consideration (further details of which are set out below).

Funds raised from the issue of Placement Securities, if undertaken, would be applied towards the continued exploration and further technical studies on the Company’s current assets and general working capital.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 10.

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7.2 Listing Rule 7.1A

(a) General

(1) Eligibility

An entity is eligible to undertake an Additional 10% Placement if at the time of its annual general meeting it has a market capitalisation of \$300 million or less and it is not included in the S&P/ASX300 Index.

For illustrative purposes only, on 18 October 2018, the Company's market capitalisation was \$12.6 million based on the closing trading price on that date. The calculation of market capitalisation will be based on the closing price of the shares, on the last trading day on which trades in the shares were recorded before the date of the Annual General Meeting, multiplied by the number of Shares on issue (excluding restricted securities and securities quoted on a deferred settlement basis).

The Company is also not anticipated to be included in the S&P/ASX300 Index as at the time of the Annual General Meeting, however, it should be noted that the S&P/ASX300 Index is rebalanced twice a year in March and September. The Company is therefore an Eligible Entity and able to undertake an Additional 10% Placement under Listing Rule 7.1A.

In the event that the Company for any reason ceases to be an Eligible Entity after the Company has already obtained Shareholder approval pursuant to this Resolution 10, the approval obtained will not lapse and the Company will still be entitled to issue the Placement Securities.

(2) Special Resolution

Listing Rule 7.1A requires this Resolution 10 to be passed as a Special Resolution, which means that it must be passed by at least 75% of the votes cast by members entitled to vote on the Resolution. Pursuant to Listing Rule 7.1A, no Placement Securities will be issued until and unless this Special Resolution is passed at the Meeting.

(3) Shareholder approval

The ability to issue the Placement Securities is conditional upon the Company obtaining Shareholder approval by way of a Special Resolution at the Meeting.

(4) Formula for calculating Additional 10% Placement

Listing Rule 7.1A.2 provides that Eligible Entities that have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

(A x D) - E

Where:

A is the number of ordinary securities on issue 12 months before the date of issue or agreement:

(1) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;

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- (2) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- (3) plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rules 7.1 or 7.4 (but note that this does not include an issue of fully paid ordinary securities under the entity's 15% placement capacity without shareholder approval); and
- (4) less the number of fully paid ordinary securities cancelled in the 12 months.

Note that "A" has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

(b) **Listing Rules 7.1 and 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% capacity under Listing Rule 7.1.

At the date of this Notice of Meeting, the Company has on issue 228,646,266 Shares. Provided that the number of Shares on issue remains the same, the Company would have the capacity to issue the following Equity Securities on the date of the Meeting:

- (A) 34,296,940 Equity Securities under Listing Rule 7.1; and
- (B) subject to Shareholder approval being obtained under this Resolution 10, 22,864,627 Placement Securities under Listing Rule 7.1A.

The actual number of Placement Securities that the Company will have the capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Placement Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as described above).

(c) **Information to be given to ASX – Listing Rule 7.1A.4**

If Resolution 10 is passed and the Company issues any Placement Securities under Listing Rule 7.1A, the Company will give to ASX:

- (1) a list of allottees of the Placement Securities and the number of Placement Securities allotted to each (this list will not be released to the market); and
- (2) the following information required by rule 3.10.5A, will be released to the market on the date of issue:
 - details of the dilution to the existing holders of Shares caused by the issue;
 - where the Shares are issued for cash consideration, a statement of the reasons why the Company issued the Shares as a placement under rule 7.1A and not as (or in addition to) a pro rata issue or other type of issue in which existing Shareholders would have been eligible to participate;

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- details of any underwriting arrangements, including any fees payable to the underwriter; and
- any other fees or costs incurred in connection with the issue.

7.3 Specific information required by Listing Rule 7.3A

(a) Minimum price of securities issued under Listing Rule 7.1A - Listing Rule 7.3A.1

Pursuant to and in accordance with Listing Rule 7.1A.3, the Placement Securities issued pursuant to approval under Listing Rule 7.1A must have an issue price of not less than 75% of the VWAP for the Equity Securities over the 15 trading days immediately before:

- (1) the date on which the price at which the Placement Securities are to be issued is agreed; or
- (2) if the Placement Securities are not issued within five trading days of the date in paragraph (1) above, the date on which the Placement Securities are issued.

The Company will disclose to the ASX the issue price on the date of issue of the Placement Securities.

(b) Risk of economic and voting dilution - Listing Rule 7.3A.2

As provided by Listing Rule 7.3A.2, if Resolution 10 is passed and the Company issues the Placement Securities, there is a risk of economic and voting dilution to the existing Shareholders. The Company currently has on issue 228,646,266 Shares. Should the number of Shares on issue remain the same, the Company could issue 22,864,627 Placement Securities on the date of the meeting (however, it is important to note that the exact number of Placement Securities which may be issued will be calculated in accordance with the formula contained in Listing Rule 7.1A.2, details of which are set out above). Any issue of Placement Securities will have a dilutive effect on existing Shareholders.

There is a specific risk that:

- (1) the Market Price for the Company's Equity Securities may be significantly lower on the date of the issue of any Placement Securities than it is on the date of the Meeting; and
- (2) the Placement Securities may be issued at a price that is at a discount to the Market Price for the Company's Equity Securities on the issue date, which may have an effect on the amount of funds raised by the issue or the value of the Placement Securities.

As required by Listing Rule 7.3A.2, Table 1 below shows the potential economic and voting dilution effect, in circumstances where the issued share capital has doubled and the Market Price of the shares has halved. Table 1 also shows additional scenarios in which the issued share capital has increased (by both 50% and 100%) and the Market Price of the shares has:

- (1) decreased by 50%; and
- (2) increased by 100%.

Table 1

Explanatory Memorandum

Issued Share Capital	Share	50% decrease in Market Price \$0.0275		Current Market Price \$0.055		100% increase in Market Price \$0.11	
		10% Voting Dilution	Capital Raised	10% Voting Dilution	Capital Raised	10% Voting Dilution	Capital Raised
Present Issued Share Capital = 228,646,266 Shares		22,864,627	\$628,777	22,864,627	\$1,257,554	22,864,627	\$2,515,109
50% Increase in Share Capital = 342,969,399 Shares		34,296,940	\$943,166	34,296,940	\$1,886,332	34,296,940	\$3,772,663
100% Increase in Share Capital = 457,292,532 Shares		45,729,253	\$1,257,554	45,729,253	\$2,515,109	45,729,253	\$5,030,218

Assumptions and explanations

- The table assumes that there are 228,646,266 Shares on issue.
- Assumes a Market Price of \$0.055 based on the closing price of the shares on the ASX on 18 October 2018.
- The above table only shows the dilutionary effect based on the issue of the Placement Securities (assuming only Shares are issued), and not any Shares issued under the 15% capacity under Listing Rule 7.1.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue.
- The Company issues the maximum number of Placement Securities.
- The issue price of the Placement Securities used in the table is the same as the Market Price and does not take into account the discount to the Market Price (if any).

(c) Final date for issue – Listing Rule 7.3A.3

As required by Listing Rule 7.3A.3, the Company will only issue and allot the Placement Securities during the 12 months after the date of this Meeting which the Company anticipates will end on 30 November 2019. The approval under Resolution 10 for the issue of the Placement Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities of the Company) or Listing Rule 11.2 (the disposal of the main undertaking of the Company) before the anniversary of the Annual General Meeting.

(d) Purpose – Listing Rule 7.3A.4

As noted above, the purpose for which the Placement Securities may be issued include to raise funds for the Company and as non-cash consideration (further details of which are set out below). Funds raised from the issue of Placement Securities, if undertaken, would be applied towards the continued exploration and further technical studies on the Company's current assets and general working capital.

(e) Shares issued for non-cash consideration - Listing Rule 7.3A.4

The Company may issue Placement Securities for non-cash consideration, such as the acquisition of new assets or investments. If the Company issues Placement Securities for non-cash consideration, the Company will release to the market a valuation of the

Explanatory Memorandum

non-cash consideration that demonstrates that the issue price of the Placement Securities complies with Listing Rule 7.1A.3.

(f) **Company's allocation policy - Listing Rule 7.3A.5**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue of the Placement Securities. The identity of the allottees of Placement Securities will be determined on a case-by-case basis having regard to a number of factors including but not limited to the following:

- (1) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which existing shareholders can participate;
- (2) the effect of the issue of the Placement Securities on the control of the Company;
- (3) the financial situation and solvency of the Company; and
- (4) advice from corporate, financial and broking advisers (if applicable).

The allottees of the Placement Securities have not been determined as at the date of this Notice but may include existing substantial Shareholders and new Shareholders who are not related parties or associates of a related party of the Company.

Furthermore, if the Company is successful in acquiring new assets or investments for which Placement Securities are issued as consideration, it is likely that the allottees of some of the Placement Securities will be the vendors of the new assets or investments.

(g) **Company has previously obtained shareholder approval under listing rule 7.1A**

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the annual general meeting held on 29 November 2017. The details of equity issued under Listing Rule 7.1A approval in the previous 12 months:

As the Company has previously obtained Shareholder approval under Listing Rule 7.1A, the following information is provided to Shareholders, in accordance with Listing Rule 7.3A.6, regarding the Equity Securities (quoted and unquoted) issued in the previous 12 months preceding the date of the AGM (that is, since 29 November 2017):

Listing Rule 7.3A.6(a): Total equity securities issued in previous 12 months

Number of equity securities on issue on at commencement of 12 month period	196,687,582 Ordinary Shares 57,654,959 Share Options 6,104,218 Performance Rights 35,000,000 Class B CRPS 295,446,759 Equity Securities (Total)
Equity securities issued in prior 12 month period	31,958,684 Shares 15,926,204 Share Options 6,450,667 Performance Rights 54,335,555 Equity Securities (Total)
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	18.39%

Listing Rule 7.3A.6(b): Details of equity securities issued in previous 12 months

Date of Issue:	15 November 2017
Number issued:	737,266

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Type of equity security:	Ordinary fully paid shares
Summary of terms:	Issue of shares to consultants in lieu of fees.
Names of persons who received securities or basis on which those persons was determined	Issue of Shares to consultants S Scott and Powered Oil and Gas Pty Ltd for the provision of consulting services.
Price at which equity securities were issued:	\$0.03
Consideration received:	Non-cash consideration - value of sacrificed Consultant fees.
Use of Cash:	Not Applicable
Non-cash consideration paid:	On the basis of the share price of \$0.055 on 18 October 2018, these shares have a current value of \$40,550.

Date of Issue:	15 November 2017
Number issued:	212,212
Type of equity security:	Ordinary fully paid shares
Summary of terms:	Issue of shares to a consultant in lieu of fees.
Names of persons who received securities or basis on which those persons was determined	Issue of Shares to consultant D Speedy for the provision of consulting services.
Price at which equity securities were issued:	\$0.0264
Consideration received:	Non-cash consideration - value of sacrificed Consultant fees.
Use of Cash:	Not Applicable
Non-cash consideration paid:	On the basis of the share price of \$0.055 on 18 October 2018, these shares have a current value of \$11,672.

Date of Issue:	30 November 2017
Number issued:	6,450,667
Type of equity security:	Performance Rights
Summary of terms:	Issue of Performance Rights to Executive Directors following shareholder approval at 2017 AGM. Each Performance Right carries the right to one UIL Energy Ltd Share and provide an incentive for participants to remain engaged with UIL Energy Ltd in the long term as Executives, as well as aligning the objectives of Executives with that of shareholders.
Names of persons who received securities or basis on which those persons was determined	UIL Energy Executives.
Price at which equity securities were issued:	Not Applicable
Consideration received:	Not Applicable
Use of Cash:	Not Applicable
Non-cash consideration paid:	On the basis of the share price of \$0.055 on 18 October 2018, these shares have a current value of \$354,787.

Date of Issue:	30 November 2017
Number issued:	2,250,000

Explanatory Memorandum

Type of equity security:	Share Options
Summary of terms:	Issue of Share Options to Non-Executive Directors for following shareholder approval at 2017 AGM. Each Share Option has an exercise price of \$0.075 and carries the right to one UIL Energy Ltd Share once exercised.
Names of persons who received securities or basis on which those persons was determined	UIL Energy Non – Executive Directors.
Price at which equity securities were issued:	Nil however the options have an exercise price of \$0.075 if exercised.
Consideration received:	Consideration will only be received when and if the options are exercised.
Use of Cash:	Not Applicable
Non-cash consideration paid:	The current market price of the options (as at the date of this notice) is \$0.01.

Date of Issue:	27 February 2018
Number issued:	203,655
Type of equity security:	Ordinary fully paid shares
Summary of terms:	Issue of Shares to Participating Directors of Director's Fee Plan approved at Annual General Meeting dated 29 November 2017
Names of persons who received securities or basis on which those persons was determined	Mr Simon Hickey, Mr Stephen Bizzell, Mr Keith Skipper and Mr Garry Marsden (Participating Directors as approved at Annual General Meeting held 29 November 2017.
Price at which equity securities were issued:	\$0.03756 (calculated using 30 trading day VWAP)
Consideration received:	Non-cash consideration - value of sacrificed director fees for 3 months from 1 Oct 2017 to 31 Dec 2017 pursuant to the Director's Fee Plan.
Use of Cash:	Not Applicable
Non-cash consideration paid:	On the basis of the share price of \$0.055 on 18 October 2018, these shares have a current value of \$11,201.

Date of Issue:	27 February 2018
Number issued:	117,778
Type of equity security:	Ordinary fully paid shares
Summary of terms:	Issue of shares to a consultant in lieu of fees.
Names of persons who received securities or basis on which those persons was determined	Issue of Shares to consultant Palanyk Resources Consultants Pty Ltd for the provision of consulting services.
Price at which equity securities were issued:	\$0.045
Consideration received:	Non-cash consideration - value of sacrificed Consultant fees.
Use of Cash:	Not Applicable
Non-cash consideration paid:	On the basis of the share price of \$0.055 on 18 October 2018, these shares have a current value of \$6,478.

Date of Issue:	6 April 2018
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Explanatory Memorandum

Number issued:	28,528,572 Ordinary shares 11,521,036 Share Options
Type of equity security:	Ordinary fully paid shares Share Options
Summary of terms:	Placement to sophisticated and professional investors at \$0.035 per share. With an attaching share option of one option for every three ordinary share. The issue of share options to Brokers as payment for corporate advisory services as part of the Capital Raising.
Names of persons who received securities or basis on which those persons was determined	Sophisticated and professional investors.
Price at which equity securities were issued:	\$0.035 The options have an exercise price of \$0.05 if exercised. The current market price of the options (as at the date of this notice) is \$0.0127.
Consideration received:	\$998,500.
Use of Cash:	Ocean Hill drilling preparation, Coomallo East 3D seismic preparation, Walyering project area farmin activities, granting of application areas, QLD petroleum tenders and working capital.
Cash spent	\$370,000. The balance funds are to continue to be applied towards Ocean Hill drilling preparation, Coomallo East 3D seismic preparation, Walyering project area farmin activities, granting of application areas, QLD petroleum tenders and working capital.
Non-cash consideration paid:	Not Applicable

Date of Issue:	13 June 2018
Number issued:	2,900,000 Ordinary shares 2,155,168 Share Options
Type of equity security:	Ordinary fully paid shares Share Options
Summary of terms:	Placement to sophisticated and professional investors at \$0.035 per share. With an attaching share option of one option for every three ordinary share. The issue of share options to Brokers as payment for corporate advisory services as part of the Capital Raising.
Names of persons who received securities or basis on which those persons was determined	Directors of UIL Energy Ltd who participated in the Placement.
Price at which equity securities were issued:	\$0.035 The options have an exercise price of \$0.05 if exercised.
Consideration received:	\$101,500.
Use of Cash:	Ocean Hill drilling preparation, Coomallo East 3D seismic preparation, Walyering project area farmin activities, granting of application areas, QLD petroleum tenders and working capital.
Cash spent	\$Nil
Non-cash consideration paid:	The current market price of the options

Explanatory Memorandum

	(as at the date of this notice) is \$0.0127.
Date of Issue:	13 June 2018
Number issued:	208,679
Type of equity security:	Ordinary fully paid shares
Summary of terms:	Issue of Shares to Participating Directors of Director's Fee Plan approved at Annual General Meeting dated 29 November 2017
Names of persons who received securities or basis on which those persons was determined	Mr Simon Hickey, Mr Stephen Bizzell, Mr Keith Skipper and Mr Garry Marsden (Participating Directors as approved at Annual General Meeting held 29 November 2017.
Price at which equity securities were issued:	\$0.03666 (calculated using 30 trading day VWAP)
Consideration received:	Non-cash consideration - value of sacrificed director fees for 3 months from 1 Jan 2018 to 31 Mar 2018 pursuant to the Director's Fee Plan.
Use of Cash:	Not Applicable
Non-cash consideration paid:	On the basis of the share price of \$0.055 on 18 October 2018, these shares have a current value of \$11,477.

(h) Voting Exclusion Statement

A voting exclusion statement is included in this Notice. At the date of the Notice, the proposed allottees of any 10% Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the 10% Securities), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

8. Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm (Sydney time) on 27 November 2018. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

9. Interpretation

Annual General Meeting or **Meeting** means the Annual General Meeting of the Company to be held on 30 November 2018.

ASIC means the Australian Securities and Investments Commission.

ASX means the ASX Limited ACN 008 624 691.

Board means the board of directors of the Company.

Closely Related Party (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

Explanatory Memorandum

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependent of the member or the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- (e) a company the member controls; or
- (f) a person prescribed by the regulations for the purposes of this paragraph.

Company means UIL Energy Ltd ACN 153 352 160

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

Directors means the directors of the Company.

Equity Securities has the meaning given to that term in the Listing Rules.

Listing Rules means the listing rules of the ASX.

Key Management Personnel (KMP) has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity.

Market Price has the meaning given to that term in the Listing Rules.

Notice of Meeting or **Notice** means this notice of meeting.

Ordinary Resolution means a resolution passed by more than 50% of the votes cast by members entitled to vote on the Resolution.

Performance Rights Plan means the Performance Rights Plan approved by shareholders at the Annual General Meeting of the Company held on 29 November 2017.

Resolution means a resolution to be proposed at the Meeting.

Shares means ordinary fully paid shares in the issued capital of the Company

Special Resolution means a resolution:

- (a) of which notice has been given as set out in paragraph 249L(1)(c) of the Corporations Act; and
- (b) passed by at least 75% of the votes cast by members entitled to vote on the Resolution.

VWAP means the volume weighted average market price of the Shares.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Drew Speedy (Company Secretary): drew.speedy@uilenergy.com phone +61 7 3007 9600.

Explanatory Memorandum

Schedule 1 – Summary of Performance Rights Terms

1. No consideration is payable for the grant of the Performance Rights.
2. The Performance Rights will vest on 30 November 2019 (**Test Date**).
3. The Performance Rights which vest are convertible into shares on a one to one basis.
4. The Performance Rights will expire on 31 December 2019.
5. The number of Performance Rights which will vest will be determined by the Board based upon the following factors:
 - (a) continued service to the company until the Test Date (25% weighting);
 - (b) implement funding arrangements, by way of capital raising / farm out or any other alternative method to deliver work commitments (25% weighting); and
 - (c) acquisition of additional tenements either by way of application or farm-in (25% weighting); and
 - (d) the volume weighted average share price of UIL Energy shares being at or greater than \$0.065 on the 10 consecutive business days prior to the test date (25% weighting),together with an assessment by the Board at the Test Date of the standard of performance of each such activity by each Performance Right holder.
6. Following the Test Date, the Board will notify each Performance Right holder of the number of Performance Rights which have vested and are capable of exercise into shares.
7. The Performance Rights are otherwise issued on the same terms as contained in the Performance Rights Plan approved at the 2017 Annual General Meeting, including the following terms:
 - a. a Performance Right does not confer on the Eligible Person the right to participate in a new issue of Shares by the Company, including by way of bonus issue, rights issue or otherwise;
 - b. if there are certain variations of the share capital of the Company including a capitalisation or rights issue, sub-division, consolidation or reduction in share capital, a demerger (in whatever form) or other distribution in specie, the Board may make such adjustments as it considers appropriate under the Performance Rights Plan, in accordance with the provisions of the Listing Rules..

Explanatory Memorandum

Schedule 2 - Summary of terms of Director's Fee Plan

- (a) All executive and non-executive Directors of the Company will be entitled during the term of the Plan to elect to be paid some or all of their remuneration for services by way of an issue of Shares.
- (b) An Election Notice may be given by a Participating Director within 10 Business Days after each quarter and will specify:
 - (1) the amount of any Outstanding Remuneration that a Participating Director wishes to be paid by way of Director Shares; and
 - (2) whether the Participating Director wishes to have the Director Shares issued in his or her own name or in the name of a nominee.
- (c) The obligation of the Company to issue any Director Shares is subject to obtainment of any approvals which may be required under:
 - (1) the Listing Rules; and
 - (2) the Corporations Act 2001 (Cth).
- (d) The issue price of each Directors Share will be determined on the basis of the volume-weighted average price of Shares for the last 30 Trading Days of the quarter for which the Election Notice is given by a Participating Director and any fractional entitlement to be issued Director Shares will be rounded up to the nearest whole number.
- (e) The Company will:
 - (1) issue the Director Shares in lieu of any Outstanding Remuneration as specified in the Election Notice within three Business Days of receipt of an Election Notice;
 - (2) forthwith deliver a statement of holding in respect of the Director Shares; and
 - (3) cause the Director Shares to be listed on ASX as soon as reasonably practicable.
- (f) Unless otherwise approved by shareholders of the Company, the maximum number of Director Shares which may be issued by the Company in each 12 months during the term of the Plan will be 1,810,909 Director Shares.

Explanatory Memorandum

Schedule 3 - Summary of Directors Interests

Director	Current Shareholding at 18 October 2018								Issue of Performance Rights (Resolutions 3 and 4)	Issue of Plan Shares (Resolutions 6, 7, 8 and 9) ^(a)
	Shares	%	Options	%	Rights	%	Class B CRPS	%	Rights	Shares
Simon Hickey	21,278,206	9.31%	975,408	3.07%	1,000,000	3.15%			838,184	763,636
John de Stefani	21,346,274	9.34%	1,523,401	4.80%	5,450,667	17.18%			4,568,661	
Stephen Bizzell	13,262,248	5.80%	5,127,234	16.16%	0	0.00%				349,091
Keith Skipper	698,990	0.31%	750,000	0.00%	0	0.00%				349,091
Garry Marsden	1,103,175	0.48%	750,000	2.36%	0	0.00%	58,143	0.17%		349,091
Other Shareholders	170,957,373	74.77%	22,605,120	71.24%	5,797,618	18.27%	34,941,857	99.83%		
Total	228,646,266	100%	31,731,163	100%	12,248,285	100%	35,000,000	100	5,406,845	1,810,909

(a) Assumes Directors elect to take the full amount of shares in lieu of fees over the 12 months following AGM approval.

The table below indicates the Director holdings on the assumption that all of Resolutions 3 to 9 are approved and Directors elect to take the full amount of shares in substitution for payment of cash fees over the 12 months following AGM approval.

	Shares	%	Options	%	Class B CRPS	%	Performance Rights	%
Simon Hickey	22,041,842	9.56	975,408	3.07	-	-	1,838,184 ⁽¹⁾	10.23
John de Stefani	21,346,274	9.26	1,523,401	4.80	-	-	10,019,328 ⁽¹⁾	55.78
Stephen Bizzell	13,611,339	5.91	5,127,234	16.16	-	-	-	-
Keith Skipper	1,048,081	0.45	750,000	2.36	-	-	-	-
Garry Marsden	1,452,266	0.63	750,000	2.36	58,143	0.17	-	-
Other Shareholders	170,957,373	74.18	22,605,120	71.24	34,941,857	99.83	6,104,218	33.98
Total	230,457,175	100	31,731,163	100	35,000,000	100	17,961,730	100

(1) Mr Hickey holds 1,000,000 performance rights issued at the 2017 AGM that will either vest or lapse on the test date being 30 November 2018 subject to meeting certain performance criteria.

(2) Mr de Stefani holds 5,450,667 performance rights issued at the 2017 AGM that will either vest or lapse on the test date being 30 November 2018 subject to meeting certain performance criteria.

LODGE YOUR VOTE **EMAIL**
Scan and email to: info@uilenergy.com **BY MAIL**
UIL Energy Limited
GPO Box 3284
Brisbane QLD 4001
Australia **BY FAX**
+61 7 3212 9201 **BY HAND**
UIL Energy Limited
Level 9, 1 Eagle St, Brisbane QLD 4000 **ALL ENQUIRIES TO**
Telephone: +61 7 3007 9600**LODGE MENT OF A PROXY FORM**

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **12:00pm (Brisbane time) on Wednesday, 28 November 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM**YOUR NAME AND ADDRESS**

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

NAME SURNAME
 ADDRESS LINE 1
 ADDRESS LINE 2
 ADDRESS LINE 3
 ADDRESS LINE 4
 ADDRESS LINE 5
 ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a member(s) of UIL Energy Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **12:00pm (Brisbane time) on Friday, 30 November 2018 at HopgoodGanim, Level 7, 1 Eagle Street, Brisbane, QLD, 4000** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1,5,6,7,8 and 9: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of all Resolutions 1,5,6,7,8 and 9, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention for any resolution, in which case an ASX announcement will be made.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of the remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Issue of Director Shares in Lieu of Director fees to Garry Marsden under the Director's Fee Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Keith Skipper as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Approval to issue an additional 10% of the issued capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Issue of Performance Rights to Simon Hickey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Issue of Performance Rights to John de Stefani	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Approval of Directors Fee Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Issue of Director Shares in Lieu of Director fees to Simon Hickey under the Directors' Fee Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Issue of Director Shares in Lieu of Director fees to Keith Skipper under the Directors' Fee Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Issue of Director Shares in Lieu of Director fees to Stephen Bizzell under the Directors' Fee Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 2

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

STEP 3

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

UIL PRX1802D

