



**3D Oil Limited**

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# 3D Oil Limited

## QUARTERLY ACTIVITIES REPORT FOR THE THREE MONTHS ENDED 30 JUNE 2010

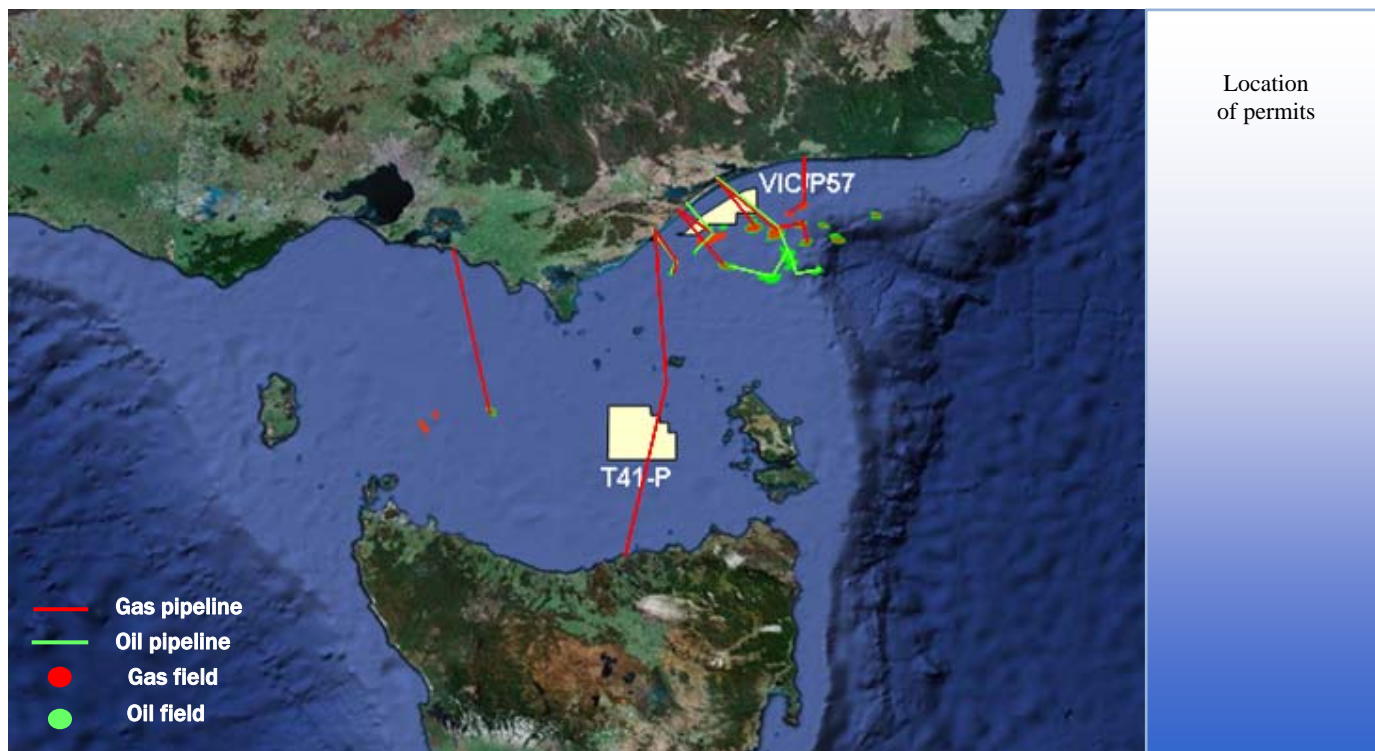
### Overview

During the June quarter 3D Oil Limited continued to progress activities on its VIC/P57 permit. Front End Engineering and Design (FEED) for the development of the West Seahorse Field is progressing. The company has engaged WorleyParsons for this work which is expected to be completed by the 4<sup>th</sup> quarter 2010. 3D Oil Limited continues the formal process to seek a partner for its VIC/P57 permit and is continuing to progress discussions with a number of overseas companies interested in both the development of the West Seahorse Oilfield and the highly prospective exploration potential of VIC/P57.

As previously stated, the company will continue to take the time necessary to ensure a strategic alignment with the right partner, and to do so on appropriate terms that reflect the underlying value of the asset and allows the company to grow and provide a positive result for existing shareholders.

## Operational Review

3D Oil Limited is the operator and 100% equity holder of two permits in Bass Strait, VIC/P57 in the Gippsland Basin, Victoria and T/41P in the Bass Basin, Tasmania.

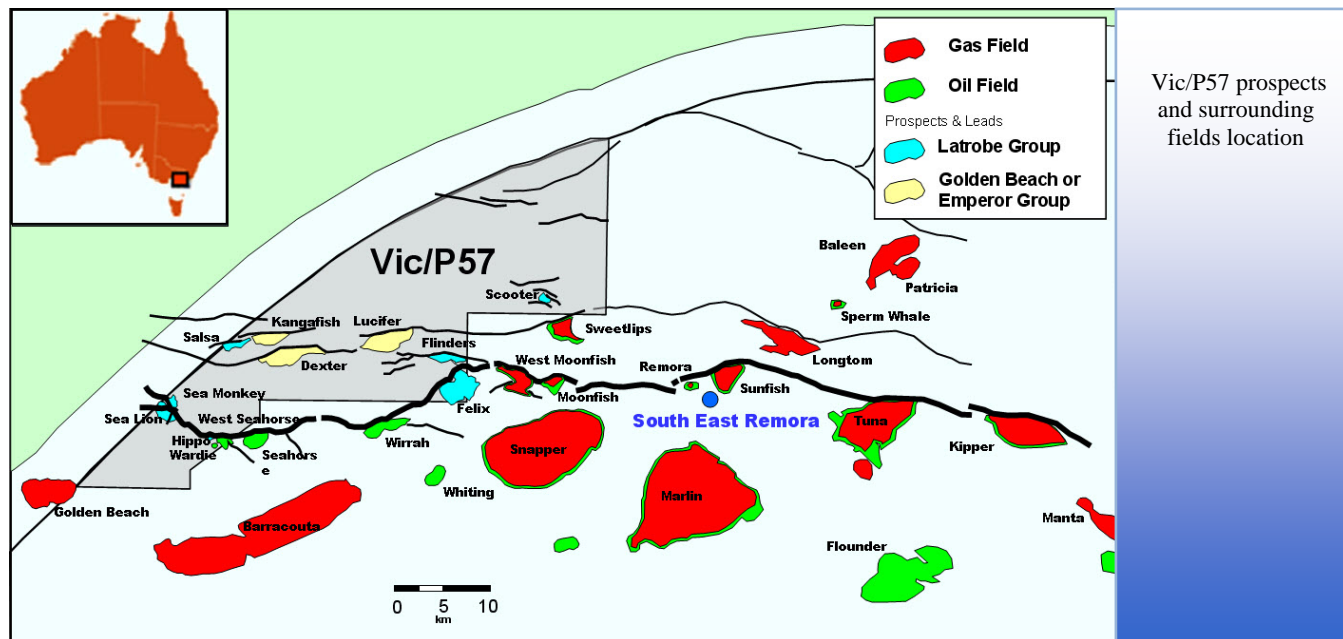


### ***VIC/P57, Gippsland Basin offshore Victoria***

During the June quarter the company continued the FEED, in conjunction with WorleyParsons, for the West Seahorse oil development. The engineering studies are currently assessing a number of flexible and conventional pipeline options. This assessment will determine the best option with consideration of the lowest capital cost, lowest technical risk and simplest regulatory approval. Quotations for flexible steel pipeline and installation options, including the shore crossing, have been obtained. The company has met with Federal (NOPSA) and Victorian (DPI) authorities to clarify the approval requirements for the project and pipelines.

Following a comprehensive review of the Sea Lion and Felix Prospects, and further reconnaissance of the other prospects and leads in the permit, the company has tendered for state-of-the-art reprocessing of 750 sq km of the Northern Fields 3D seismic. Commencing in early August, this reprocessing will improve the imaging of prospective deeper levels, enabling much better definition of additional drilling targets, including those beneath currently identified prospects. The benefits of such reprocessing along the Gippsland Basin northern margin have most recently been demonstrated by the success of the South East Remora-1 well earlier this year.

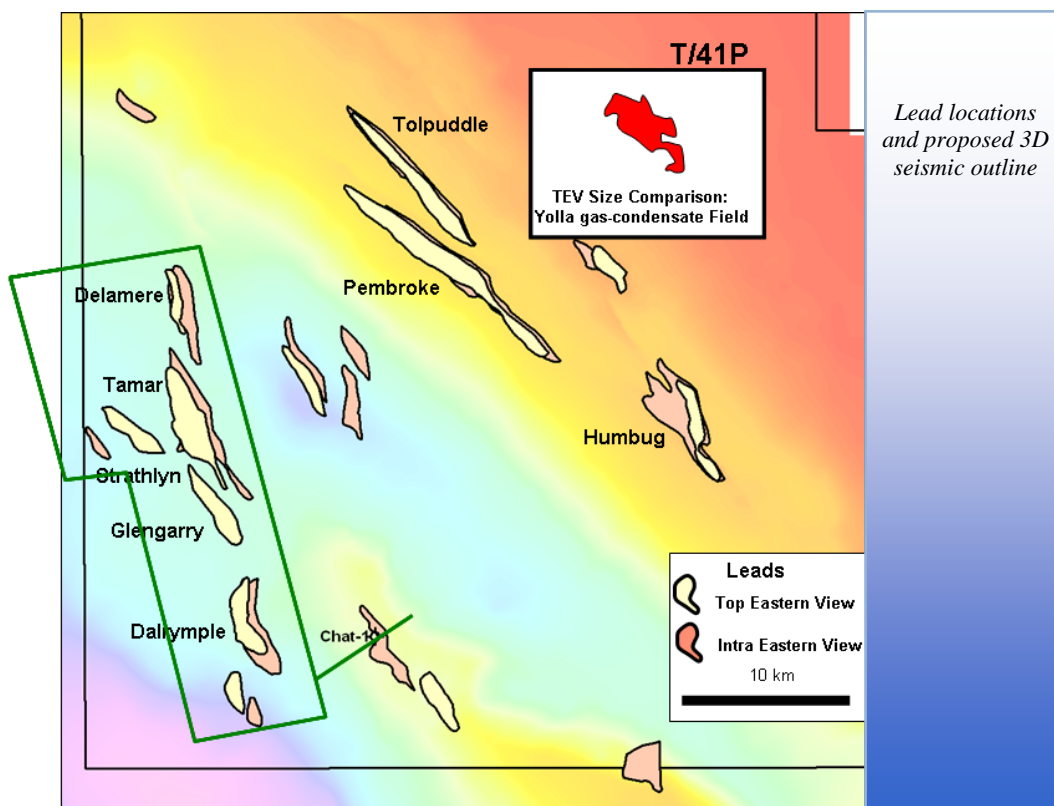
With a recoverable Prospective Resource of 20 MMBbl (Best Estimate) in just the upper Latrobe Group section, the Sea Lion Prospect already has the potential to add significant value to the West Seahorse development as a tie-in. The newly-defined deeper potential provides scope to increase this very substantially.



Vic/P57 prospects and surrounding fields location

### T/41P, Bass Basin offshore Tasmania

The 250 sq km 3D Dalrymple seismic survey which had to be re-scheduled from last summer (due to the withdrawal of the seismic vessel) has recently been re-tendered. The expected acquisition period is late December to early 2011, to coincide with the preferred weather window and avoidance of marine mammal migration periods.



Lead locations and proposed 3D seismic outline

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

3D OIL LIMITED

ABN

40 105 597 279

Quarter ended ("current quarter")

30 JUNE 2010

### Consolidated statement of cash flows

	Current quarter \$A	Year to date (12 months) \$A
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	2,111	13,436
1.2 Payments for		
(a) exploration and evaluation (net of refunds)	(182,305)	(1,371,821)
(b) development	-	-
(c) production	-	-
(d) administration	(239,279)	(1,417,729)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	34,338	298,010
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 GST Refund	-	236,763
1.8 Refund of exploration deposits	-	2,119,431
<b>Net Operating Cash Flows</b>	<b>(385,135)</b>	<b>(121,910)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects/farmins	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(385,135)</b>	<b>(121,910)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(385,135)	(121,910)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Capital raising costs	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	<b>(385,135)</b>	<b>(121,910)</b>
1.20	Cash at beginning of quarter/year to date	8,754,221	8,469,223
1.21	Exchange rate adjustments to item 1.20	9,572	31,345
1.22	<b>Cash at end of quarter</b>	<b>8,378,658</b>	<b>8,378,658</b>

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A
1.23	Aggregate amount of payments to the parties included in item 1.2	85,692
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director's fees, salaries and fees paid to related entities during the June 2010 quarter.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
4.3 Production	-
4.4 Administration	240
<b>Total</b>	<b>440</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	526	801
5.2 Deposits at call	7,853	7,953
5.3 Bank overdraft	-	-
5.4 Other – Bank Guarantee	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>8,379</b>	<b>8,754</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2 Interests in mining tenements acquired or increased	-	-	-	-

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 <b>+Ordinary securities</b>	206,560,000	206,560,000	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs (c) Released from ASX restriction	- - -	- - -	- - -	- - -
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7 <b>Options</b> <i>(description and conversion factor)</i>	6,100,000 6,330,000 400,000 189,000 615,000	- - - - -	<i>Exercise price</i> \$0.50 \$0.60 \$0.75 \$0.25 \$0.40	<i>Expiry date</i> 31 January 2011 31 January 2011 31 March 2013 30 June 2014 30 November 2014
7.8 Issued during quarter	615,000	-	\$0.40	30 November 2014
7.9 Exercised during quarter	-	-	-	-
7.10 Expired/lapsed during quarter	-	-	-	-
317.1 <b>Debentures</b> <i>(totals only)</i>	-	-	-	-
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	-	-	-	-

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 30 July 2010  
Company secretary

Print name: MELANIE LEYDIN

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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