

**3D OIL LIMITED**  
**ABN 40 105 597 279**

**HALF YEAR FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2017**

**3D Oil Limited**  
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**31 December 2017**

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**3D Oil Limited**  
**Corporate directory**  
**31 December 2017**

Directors	Noel Newell (Executive Chairman) Ian Tchacos (Non-Executive Director) Leo De Maria (Non-Executive Director)
Company secretary	Melanie Leydin
Registered office	Level 18, 41 Exhibition Street Melbourne, VIC 3000 Telephone: (03) 9650 9866
Principal place of business	Level 18, 41 Exhibition Street Melbourne, VIC 3000
Share register	Computershare Investor Services Pty Ltd 452 Johnston Street Abbotsford Victoria 3067 Telephone: (03) 9415 5000
Auditor	Grant Thornton Audit Pty Ltd Collin Square Tower 1 727 Collins Street Melbourne VIC 3008
Solicitors	Baker & McKenzie Level 19, 181 William Street Melbourne Victoria 3000
Stock exchange listing	3D Oil Limited shares are listed on the Australian Securities Exchange (ASX code: TDO)
Website	<a href="http://www.3doil.com.au">www.3doil.com.au</a>

## REVIEW OF OPERATIONS

### Key Points

- **T/49P: NOPTA approves application for variation to secondary work programme**
- **T/49P: Preparation for 3D seismic acquisition now underway**
- **T/49P: Engagement continues with a number of large international petroleum companies who have demonstrated interest in the permit**
- **VIC/P57: The Joint Venture is granted renewal of the permit for a further five years following the uncovering of a new gas prospect, Pointer.**
- **WA-527-P: New leads have been identified in this frontier permit proximal to the significant Roc and Phoenix South discoveries**

### Exploration

#### ***T/49P, Otway Basin, offshore Tasmania***

3D Oil Limited (ASX: TDO, “**TDO**”) has a 100% interest in the T/49P exploration permit, which covers 4,960 km<sup>2</sup> of the strategic offshore Otway Basin. The permit is located adjacent to the producing Thylacine and Geographe gas fields (part of the Otway Gas Project, 95% owned by Beach Energy post the Lattice Energy acquisition). Production from the Otway Basin is supplied and sold into the Australian east coast domestic gas market.

Significant exploration work has been flagged within the area, with Beach Energy reporting in September 2017 that it is progressing towards FID for drilling Geographe-3, Thylacine North-1 and Thylacine West-1 wells as part of the FY19 integrated Otway campaign (*refer to the Lattice Energy acquisition presentation released 28 September 2017*). The Thylacine field commenced production in 2008 via an offshore platform and subsea pipeline.

During the 6 months TDO made a formal request to the National Offshore Petroleum Titles Administrator (“**NOPTA**”) to vary the secondary work programme for T/49P. This was in response to discussions with a number of potential farminees suggesting that swapping the Year 5 exploration well with the Year 6 seismic acquisition was a more logical exploration programme as it could provide a choice of multiple drilling prospects.

On 16 October 2017 NOPTA notified TDO that they had accepted the request and had varied the secondary work programme.

Prior to this, TDO updated the assessment of the Prospective Resources within T/49P as a result of ongoing permit wide technical studies.

Figure 1: Two-way time at Base Seal T/49P illustrating leads and the Flanagan Prospect

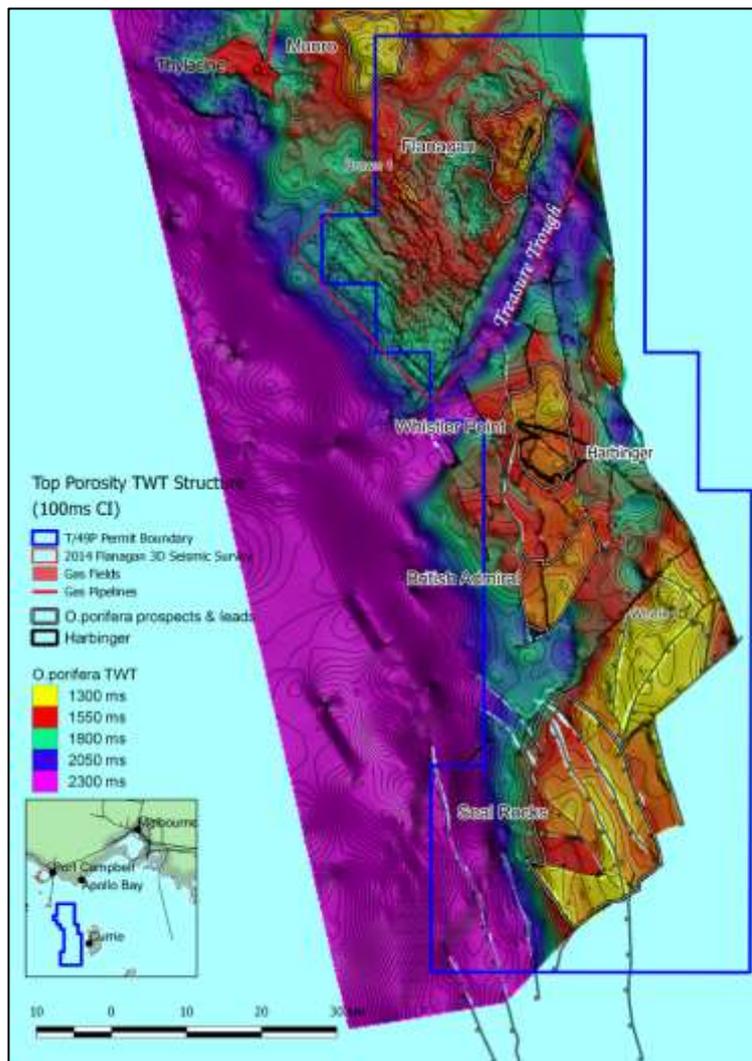


Table 1: T/49P Prospective Resource Estimate (TCF) Recoverable Gas

Location	Status	Low	Best	High
Flanagan	Prospect	0.53	1.34	2.74
Munro (T/49P Part)	Lead	0.04	0.19	0.57
Whistler Point	Lead	0.82	2.04	8.95
British Admiral	Lead	0.37	1.03	4.45
Seal Rocks	Lead	0.95	4.64	10.64
Harbinger	Lead	0.33	0.79	1.43
<b>T/49P Total</b>		<b>3.04</b>	<b>10.03</b>	<b>28.77</b>

**Table 2: T/49P Prospective Resource Estimate (MMbbl) Recoverable Condensate**

Location	Status	Low	Best	High
Flanagan	Prospect	6.39	16.05	32.84
Munro (T/49P Part)	Lead	0.49	2.31	6.82
Whistler Point	Lead	9.85	24.47	107.35
British Admiral	Lead	4.47	12.38	53.38
Seal Rocks	Lead	11.37	55.64	127.64
<b>T/49P Total</b>		<b>32.57</b>	<b>110.85</b>	<b>328.04</b>

During the last 6 months TDO also commenced preparation of the planned 3D seismic acquisition. Current planning anticipates that the acquisition may be conducted in late 2018 across the central and southern part of T/49P (100%-owned). As part of the preparation, 3D Oil has commenced the drafting of the environmental plan (EP) and established the design parameters for the acquisition.

The 3D seismic survey will target a series of significant leads across the central and southern portion of T/49P with the intention of maturing several of these to prospect status. 3D Oil intends to combine insight gleaned from the new data with that from existing seismic, to determine the location of the exploration well planned for the 2019 calendar year, subject to funding, and securing a suitable exploration partner.

One of the key leads to be targeted by the seismic program is the **Harbinger** Lead, supported by a Type III AVO anomaly, indicative of gas. Independent analysis has estimated that **Harbinger** contains 790 BCF of Prospective Resources; however, this analysis was constrained by broadly spaced, decade old 2D seismic data. The upcoming 3D seismic acquisition may allow 3D Oil to more definitively understand the size of the prospective gas resource and allow for accurate drill planning.

Another potential target for 3D seismic acquisition is the **Seal Rocks** lead, with a Best Estimate Prospective Resource of over 4 TCF. **Seal Rocks** is also constrained by widely spaced grid of 2D seismic and requires modern 3D data to assess more accurately.

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

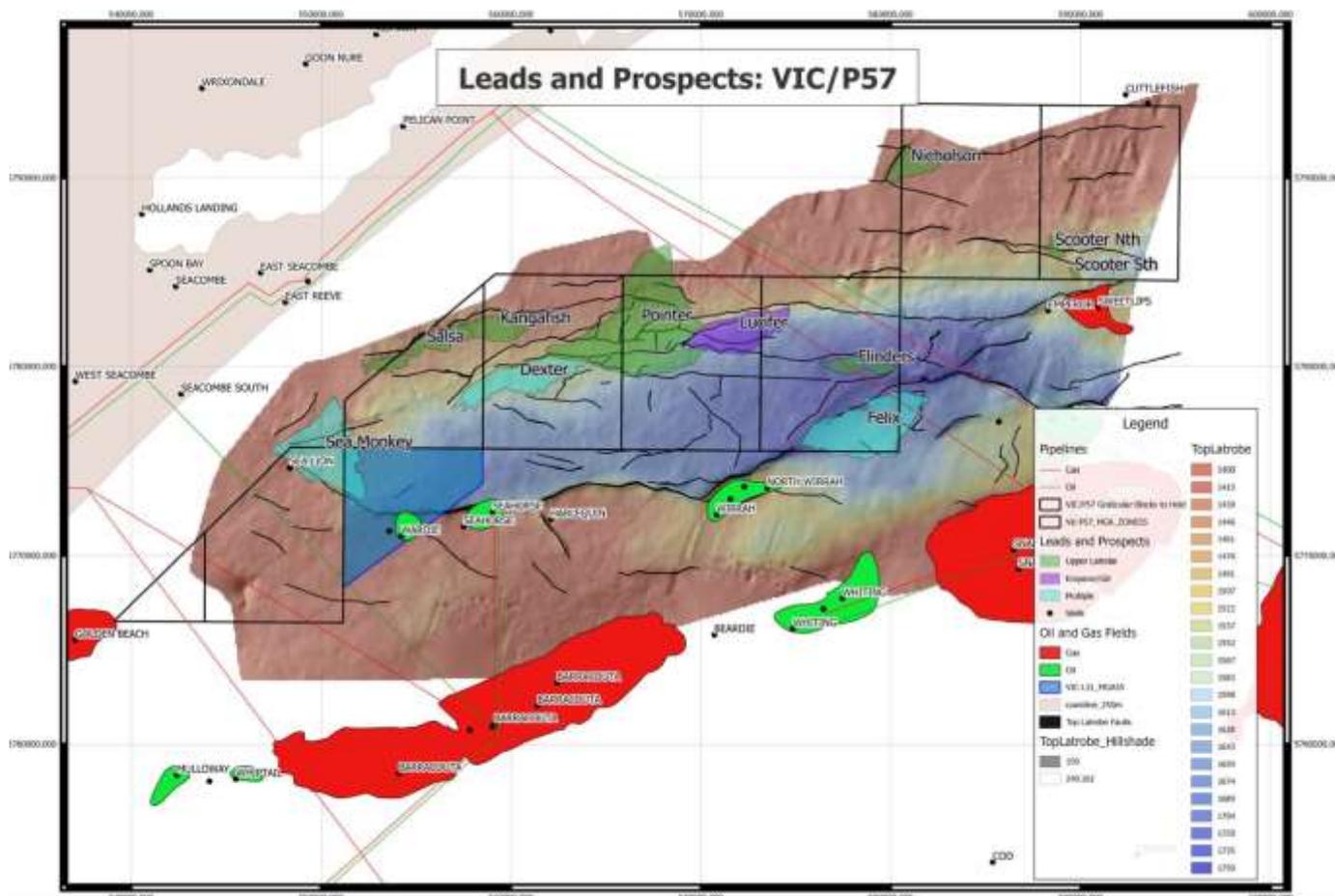
TDO has a 24.9% interest in the VIC/P57 exploration permit in the offshore Gippsland Basin with our Joint Venture (“JV”) partner Hibiscus Petroleum.

Following TDO’s comprehensive prospectivity review of VIC/P57, as technical advisor, the JV submitted an application to renew the permit for early 2018. Renewal of the permit was granted by NOPTA on 7<sup>th</sup> March 2018.

The prospectivity review has resulted in the maturation of the Felix and Pointer prospects and some Top of Latrobe oil leads. The distribution of the leads and prospects identified throughout the evaluation are shown in Figure 2.

The aim of the review was to establish the near-term exploration strategy for the permit renewal term.

Figure 2: Top Latrobe Depth



The Felix Prospect presents as the lowest risk target with volumetric estimates conducted for the entire structure resulting in a Best Estimate Prospective Resource of 24MMbbls recoverable oil (16 MMbbls within VIC/P57). The Pointer Prospect has been determined as the lowest risk gas target, volumetric calculations conducted for the entire feature resulting in a Best Estimate Prospective Resource of 250Bcf recoverable gas (235 BCF within VIC/P57).

Volumetric estimates detailing the Prospective Resources for VIC/P57 area are shown in the Table 3 and Table 4. These estimates confirm that the permit holds significant value to the JV.

Table 3: VIC/P57 Prospective Resources Estimate (MMbbls) Recoverable Oil

Location	Status	Low	Best	High
Felix	Prospect	6.84	15.94	26.94
Salsa	Lead	10.65	15.09	20.57
Nicholson	Lead	3.4	7.86	14.68
Scooter	Lead	0.54	1.24	2.27
<b>VIC/P57 Total</b>		<b>21.43</b>	<b>40.13</b>	<b>64.46</b>

**Table 4: VIC/P57 Prospective Resource Estimate (Bcf) Recoverable Gas**

Location	Status	Low	Best	High
Pointer	Prospect	140.1	235.26	364.91
Dexter	Lead	36.96	131.98	259.14
<b>VIC/P57 Total</b>		<b>177.06</b>	<b>367.24</b>	<b>624.05</b>

The work program in the primary term of the renewal period, the first 3 years, will be designed to de-risk and high grade the prospect inventory to ultimately mature prospects to drill-ready, while potentially detecting additional, previously overlooked gas targets.

**WA-527-P, Roebuck Basin, offshore Western Australia**

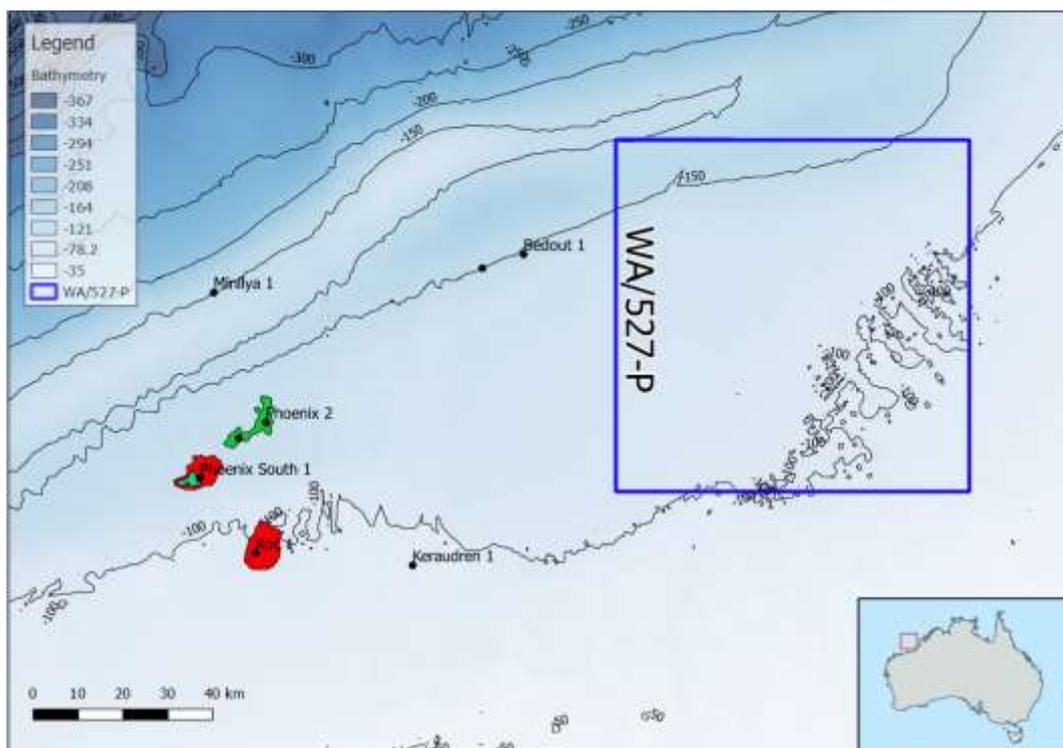
During the last 6 months 3D Oil continued to review the prospectivity of the 100% held WA-527-P permit with geophysical mapping and petroleum systems analysis. This review has so far resulted in uncovering an array of new leads previously not recognized during the gazettal period.

The analysis continues but, so far has revealed the strong possibility of a high potential petroleum play involving elements of both the Paleozoic and Mesozoic sections. A series of leads have been identified at multiple levels, so far all are considered prospective for oil. Some of these include atoll and pinnacle reef features within the Paleozoic while other include more traditional traps involving high quality reservoir sands within the Jurassic and Triassic.

WA-527-P is large, covering an area of over 6,500km<sup>2</sup> and is constrained by a sparse grid of open-file 2D seismic data. A frontier exploration province such as this provides a unique opportunity for TDO and a potential partner to add significant value to the area by acquiring modern and high quality geophysical data that will contribute critical insight to this potentially prolific hydrocarbon province.

TDO intends to open WA-527-P to the farm-out market in the coming months, at a time when the asset will be best placed to attract investors looking to take advantage of a recovering oil price.

**Figure 3: Roebuck Basin Location**



**3D Oil Limited**  
**Review of operations**  
**31 December 2017**

**TDO Petroleum Tenement Holdings**

As at 31 December 2017, 3D Oil's petroleum tenement holdings were:

<b>Tenement and Location</b>	<b>Beneficial interest at 30 June 2017</b>	<b>Beneficial interest acquired / (disposed)</b>	<b>Beneficial interest at 31 Dec 2017</b>
<b>VIC/P57</b> <b>Offshore Gippsland Basin, VIC</b>	24.9%	nil	24.9%
<b>T/49P</b> <b>Offshore Otway Basin, TAS</b>	100%	nil	100%
<b>WA-527-P</b> <b>Offshore Roebuck Basin, WA</b>	100%	nil	100%

**3D Oil Limited**  
**Directors' report**  
**31 December 2017**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of 3D Oil Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2017.

**Directors**

The following persons were directors of 3D Oil Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Noel Newell  
Mr Ian Tchacos  
Mr Leo De Maria

**Principal activities**

During the financial half-year the principal continuing activities of the consolidated entity consisted of exploration and development of upstream oil and gas assets.

**Review of operations**

The loss for the consolidated entity after providing for income tax amounted to \$585,091 (31 December 2016: \$684,542).

Refer to the detailed Review of Operations preceding this Directors' Report.

**Financial Position**

The net assets decreased by \$576,219 to \$10,599,830 at 31 December 2017 (30 June 2017: \$11,176,049). During the period the consolidated entity spent a net amount after reimbursements of \$188,860 on exploration and evaluation.

The consolidated entity's working capital position at 31 December 2017, being current assets less current liabilities, was \$794,110, a decrease of \$697,911 since 30 June 2017. The trade and other payables balance has also increased by \$13,855 to \$851,990 as at 31 December 2017 (30 June 2017: \$838,135).

Based on the above the Directors believe the Company is in a stable position to continue to pursue its current operations.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



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Noel Newell  
Executive Chairman

8 March 2018  
Melbourne

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## Auditor's Independence Declaration to the Directors of 3D Oil Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of 3D Oil Limited for the half-year ended 31 December 2017. I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



B L Taylor  
Partner – Audit & Assurance

Melbourne, 8 March 2018

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**3D Oil Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2017**

	<b>Consolidated</b>	
	<b>31 December 2017</b>	<b>31 December 2016</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>	19,048	6,270
Other income	-	68,195
<b>Expenses</b>		
Corporate expenses	(135,442)	(97,536)
Administrative expenses	(33,928)	(39,427)
Employment expenses	(295,212)	(525,565)
Occupancy expenses	(53,924)	(44,679)
Depreciation and amortisation expense	(38,320)	(42,930)
Exploration costs written off	(38,290)	-
Share based payments	(8,872)	(8,870)
Foreign exchange loss	(151)	-
<b>Loss before income tax expense</b>	(585,091)	(684,542)
Income tax expense	-	-
<b>Loss after income tax expense for the half-year attributable to the owners of 3D Oil Limited</b>	(585,091)	(684,542)
Other comprehensive income for the half-year, net of tax	-	-
<b>Total comprehensive income for the half-year attributable to the owners of 3D Oil Limited</b>	<u>(585,091)</u>	<u>(684,542)</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.25)	(0.29)
Diluted earnings per share	(0.25)	(0.29)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**3D Oil Limited**  
**Statement of financial position**  
**As at 31 December 2017**

	<b>Consolidated</b>	
	<b>31 December</b>	
<b>Note</b>	<b>2017</b>	<b>30 June 2017</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,710,619	1,304,423
Trade and other receivables	23,790	102,985
Term deposits	-	1,000,000
Other	18,826	23,467
<b>Total current assets</b>	<u>1,753,235</u>	<u>2,430,875</u>
<b>Non-current assets</b>		
Property, plant and equipment	29,122	43,988
Intangibles	121,154	144,609
Exploration and evaluation	9,658,153	9,507,583
<b>Total non-current assets</b>	<u>9,808,429</u>	<u>9,696,180</u>
<b>Total assets</b>	<u>11,561,664</u>	<u>12,127,055</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	851,990	838,135
Employee benefits	107,135	100,719
<b>Total current liabilities</b>	<u>959,125</u>	<u>938,854</u>
<b>Non-current liabilities</b>		
Employee benefits	2,709	12,152
<b>Total non-current liabilities</b>	<u>2,709</u>	<u>12,152</u>
<b>Total liabilities</b>	<u>961,834</u>	<u>951,006</u>
<b>Net assets</b>	<u>10,599,830</u>	<u>11,176,049</u>
<b>Equity</b>		
Issued capital	52,657,366	52,657,366
Reserves	38,439	44,470
Accumulated losses	(42,095,975)	(41,525,787)
<b>Total equity</b>	<u>10,599,830</u>	<u>11,176,049</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**3D Oil Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2017**

<b>Consolidated</b>	<b>Contributed equity</b> <b>\$</b>	<b>Accumulated losses</b> <b>\$</b>	<b>Reserves</b> <b>\$</b>	<b>Total equity</b> <b>\$</b>
Balance at 1 July 2016	52,657,366	(39,725,259)	66,178	12,998,285
Loss after income tax expense for the half-year	-	(684,542)	-	(684,542)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	(684,542)	-	(684,542)
Share based payments	-	-	8,870	8,870
Balance at 31 December 2016	<u>52,657,366</u>	<u>(40,409,801)</u>	<u>75,048</u>	<u>12,322,613</u>
	<b>Contributed equity</b> <b>\$</b>	<b>Accumulated losses</b> <b>\$</b>	<b>Reserves</b> <b>\$</b>	<b>Total equity</b> <b>\$</b>
<b>Consolidated</b>				
Balance at 1 July 2017	52,657,366	(41,525,787)	44,470	11,176,049
Loss after income tax expense for the half-year	-	(585,091)	-	(585,091)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	(585,091)	-	(585,091)
Share based payments	-	-	8,872	8,872
Expiry of options	-	14,903	(14,903)	-
Balance at 31 December 2017	<u>52,657,366</u>	<u>(42,095,975)</u>	<u>38,439</u>	<u>10,599,830</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**3D Oil Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2017**

	<b>Consolidated</b>	
	<b>31 December 2017</b>	<b>31 December 2016</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(423,596)	(602,716)
Interest received	18,652	6,279
Interest paid	-	(150)
	<u>                    </u>	<u>                    </u>
Net cash used in operating activities	<u>(404,944)</u>	<u>(596,587)</u>
 <b>Cash flows from investing activities</b>		
Payments for exploration and evaluation	(188,860)	(323,132)
Proceeds from release of security deposits	1,000,000	-
	<u>                    </u>	<u>                    </u>
Net cash from/(used in) investing activities	<u>811,140</u>	<u>(323,132)</u>
 <b>Cash flows from financing activities</b>		
Net cash from financing activities	<u>-</u>	<u>-</u>
 Net increase/(decrease) in cash and cash equivalents	406,196	(919,719)
Cash and cash equivalents at the beginning of the financial half-year	1,304,423	4,012,719
Effects of exchange rate changes on cash and cash equivalents	-	68,205
	<u>                    </u>	<u>                    </u>
Cash and cash equivalents at the end of the financial half-year	<u><u>1,710,619</u></u>	<u><u>3,161,205</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**3D Oil Limited**  
**Notes to the financial statements**  
**31 December 2017**

**Note 1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2017 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Note 2. Operating segments**

AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the consolidated entity that are regularly reviewed by the chief decision maker in order to allocate resources to the segment and to assess its performance. 3D Oil Limited operates in the development of oil and gas within Australia. The consolidated entity's activities are therefore classified as one operating segment.

The chief decision makers, being the Board of Directors, assess the performance of the consolidated entity as a whole and as such through one segment.

**Note 3. Non-current assets - exploration and evaluation**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2017</b>
	<b>2017</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Exploration and evaluation - at cost	<u>9,658,153</u>	<u>9,507,583</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

<b>Consolidated</b>	Exploration & Development \$	Total \$
Balance at 1 July 2017	9,507,583	9,507,583
Additions	188,860	188,860
Write off of assets	<u>(38,290)</u>	<u>(38,290)</u>
Balance at 31 December 2017	<u>9,658,153</u>	<u>9,658,153</u>

**3D Oil Limited**  
**Notes to the financial statements**  
**31 December 2017**

**Note 3. Non-current assets - exploration and evaluation (continued)**

The exploration and evaluation assets relate to VIC/P57 offshore Gippsland Basin in Victoria, T/49P offshore Otway Basin in Tasmania and WA-527-P in Western Australia. The recoverability of the carrying amounts of the exploration and evaluation expenditure is dependent on the successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest.

The Company has carried out an impairment review of the carrying amount of its exploration expenditure in relation to VIC/P57, T/49P and WA-527-P following the end of the financial half-year as at 31 December 2017.

*Farm-outs - exploration and evaluation phase*

The consolidated entity does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements, but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the farmor as a gain on disposal.

**Note 4. Equity - reserves**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2017</b>
	<b>2017</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Share-based payments reserve	38,439	44,470

*Share-based payments reserve*

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

*Movements in reserves*

Movements in each class of reserve during the current financial half-year are set out below:

<b>Consolidated</b>	Share based payments \$	Total \$
Balance at 1 July 2017	44,470	44,470
Share based payments	8,872	8,872
Expiry of options	(14,903)	(14,903)
Balance at 31 December 2017	38,439	38,439

**Note 5. Equity - dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Note 6. Contingent liabilities**

There were no contingent liabilities as at 31 December 2017.

**Note 7. Commitments**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2017</b>
	<b>2017</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<i>Operating Lease Commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	84,760	88,445
One to five years	40,537	81,075
	<u>125,297</u>	<u>169,520</u>
<i>Exploration Licenses - Commitments for Expenditure</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	83,333	535,376
One to five years	4,160,000	4,160,000
	<u>4,243,333</u>	<u>4,695,376</u>

In order to maintain current rights of tenure to exploration tenements, the consolidated entity is required to outlay rentals and to meet the minimum work requirements and associated indicative expenditure of the National Offshore Petroleum Titles Administrator ('NOPTA'). Minimum commitments may be subject to renegotiation and with approval may otherwise be avoided by sale, farm out or relinquishment. These obligations are therefore not provided for in the financial statements as payable.

During the previous financial year Beach Energy Ltd withdrew from its 30% interest in T/49P and this was assigned to 3D Oil for Nil consideration. As a result of this assignment 3D Oil's equity interest in T/49P increased from 70% to 100%. The Company is continuing with its international farm-out process to reduce exposure to risk and expenditure.

The Company has included its commitments for indicative expenditure in the above note partly relating to Exploration Permit T/49P up to year 4 as outlined in the permit documentation. Commitments from year 5 onwards are confirmed on a year-by-year basis dependent on the Company agreeing to proceed. If the Company was to proceed beyond year 4 in relation to T/49P, the current indicative expenditure commitment for Years 5-6 is currently gross \$30 million and this would be occurring in 2018-2020 years.

In relation to VIC/P57, the joint venture applied to NOPTA in September 2017 for a further 5 year tenure. The program includes minor but, high impact and carefully designed work commitments including state-of-the-art reprocessing of the 3D seismic data covering the permit. Renewal of the permit was granted by NOPTA on 7 March 2018 for a further five years.

During the previous financial year the Company was awarded a new exploration permit, WA-527-P in the Roebuck Basin of Western Australia. The Company has included its commitments for indicative expenditure in the above note relating to WA-527-P up to year 4. Commitments from year 5 onwards are confirmed on a year-by-year basis dependent on the Company agreeing to proceed. If the Company was to proceed beyond year 5 in relation to WA-527-P, the current indicative expenditure commitment for Years 5-6 is currently gross \$30.5 million and this would be occurring in 2022-2023 years.

**Note 8. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**3D Oil Limited**  
**Notes to the financial statements**  
**31 December 2017**

**Note 9. Earnings per share**

	<b>Consolidated</b>	
	<b>31 December 2017</b>	<b>31 December 2016</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of 3D Oil Limited	<u>(585,091)</u>	<u>(684,542)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>237,523,000</u>	<u>237,523,000</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>237,523,000</u>	<u>237,523,000</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.25)	(0.29)
Diluted earnings per share	(0.25)	(0.29)

The rights to options held by option holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS for the current financial half-year as they do not meet the requirements for inclusion in AASB 133 "Earnings per Share". The rights to options are non-dilutive as the consolidated entity is loss generating.

**Note 10. Share-based payments**

During the period the Company issued unlisted share options to employees under an Employee Share Option Plan ('ESOP'). The purpose of the ESOP is to provide Eligible Employees with an incentive to remain with the Company and to improve the longer-term performance of the Company and its return to shareholders.

The Company also issued unlisted share options to employees pursuant to employment agreements with executives.

Set out below are summaries of options granted under the plan:

31 December  
2017

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
23/07/2014	30/11/2017	\$0.08	400,000	-	-	(400,000)	-
			<u>400,000</u>	<u>-</u>	<u>-</u>	<u>(400,000)</u>	<u>-</u>

31 December  
2016

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
02/09/2013	30/11/2016	\$0.11	300,000	-	-	(300,000)	-
06/12/2013	29/11/2016	\$0.12	250,000	-	-	(250,000)	-
23/07/2014	30/11/2017	\$0.08	400,000	-	-	-	400,000
			<u>950,000</u>	<u>-</u>	<u>-</u>	<u>(550,000)</u>	<u>400,000</u>

**3D Oil Limited**  
**Notes to the financial statements**  
**31 December 2017**

**Note 10. Share-based payments (continued)**

Set out below are summaries of performance rights granted under the plan:

31 December  
2017

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the half-year
24/11/2015	23/11/2018	\$0.00	1,496,000	-	-	-	1,496,000
24/12/2015	23/12/2018	\$0.00	611,000	-	-	-	611,000
			<u>2,107,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,107,000</u>

31 December  
2016

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the half-year
24/11/2015	23/11/2018	\$0.00	1,496,000	-	-	-	1,496,000
24/12/2015	23/12/2018	\$0.00	611,000	-	-	-	611,000
			<u>2,107,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,107,000</u>

Set out below are the performance rights exercisable at the end of the financial half-year:

Grant date	Expiry date	31 December 2017 Number	31 December 2016 Number
24/11/2015	23/11/2018	1,496,000	1,496,000
24/12/2015	23/12/2018	611,000	611,000
		<u>2,107,000</u>	<u>2,107,000</u>

The weighted average remaining contractual life of performance rights outstanding at the end of the financial half-year was 0.92 years.

**3D Oil Limited**  
**Directors' declaration**  
**31 December 2017**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Noel Newell  
Executive Chairman

8 March 2018  
Melbourne

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## Independent Auditor's Review Report to the Members of 3D Oil Limited

### Report on the Half Year Financial Report

#### Conclusion

We have reviewed the accompanying half year financial report of 3D Oil Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of 3D Oil Limited does not give a true and fair view of the financial position of the Group as at 31 December 2017, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial reporting*.

#### Directors' Responsibility for the Half Year Financial Report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of 3D Oil Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



B L Taylor  
Partner - Audit & Assurance

Melbourne, 8 March 2018