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ASX Release

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Drillsearch's ill-conceived offer to lapse

3D Oil Limited (**3D Oil**) welcomes the ASX announcement today that the offer from Drillsearch Energy Limited (**Drillsearch**) will lapse on 26 May 2009.

The Board of 3D Oil has consistently stated that the Drillsearch Offer was not in the interests of 3D Oil shareholders. The Drillsearch announcement today is a positive development that will enable 3D Oil to move forward free of this unwanted distraction.

3D Oil considers that Drillsearch's stated reasons for not continuing with its ill-conceived offer are disingenuous. The known facts are:

1. Drillsearch's board is in disarray – with two sets of Directors seeking to remove each other from the Board at a meeting on 10 June 2009.
2. Drillsearch has no Managing Director – its previous Managing Director resigned on 16 March 2009 and Drillsearch is yet to find a replacement.
3. Drillsearch does not have a strong balance sheet – as stated by its major shareholder, Beach Petroleum Limited (**Beach**).
4. As a result of these weaknesses, Drillsearch itself is now under a takeover offer from Beach.
5. Beach does not want Drillsearch to continue its offer for 3D Oil – the issue of new shares by Drillsearch to 3D Oil shareholders would breach a condition of the Beach Offer.
6. Drillsearch has only received 2% of acceptances from 3D Oil shareholders in the four months since it announced its offer on 16 January 2009.
7. Drillsearch has a relevant interest in only 22% of 3D Oil – well below its minimum acceptance condition of 50.1%.

3D Oil Managing Director, Noel Newell, said "On any measure, the hostile takeover from Drillsearch is a complete failure. All it has succeeded in doing is to cost money, distract management and place restrictions on 3D Oil being able to progress its well constructed and communicated strategy."

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