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3D Oil Limited

QUARTERLY ACTIVITIES REPORT FOR THE THREE MONTHS ENDED 30 JUNE 2018

Highlights for the quarter:

- **WA-527-P: Dorado-1 success greatly upgrades the prospectivity of the Bedout Sub-basin and the WA-527-P exploration permit. The well was drilled within an analogous depositional setting to WA/527-P and demonstrates high quality reservoir, competent seal and a prolific, working petroleum system.**
- **VIC/P57: Joint Venture has received brand new state-of-the-art seismic reprocessing, with initial analysis indicating strong improvements to the seismic quality. This will undoubtedly improve risk analysis of the current prospects and allow the Joint Venture to identify any previously overlooked gas prospects.**
- **T/49P: Planning continues for 3D seismic acquisition scheduled for late 2018. TDO is currently conducting community stakeholder engagement as part of its Environmental Plan for the activity.**
- **TDO is in discussions with potential farminees on all three permits.**

3D Oil Limited (“**3D Oil**”, ASX: TDO) is pleased to provide an update to its activities for the quarter ending 30 June 2018.

Exploration

WA/527-P, Bedout Sub-basin, offshore Western Australia

WA/527-P (3D Oil 100%) is a large permit covering approximately 6,500 km² in the Bedout Sub-basin of the Roebuck Basin. The permit is under-explored with a sparse grid of open-file 2D seismic data of varying vintage and no wells. WA/527-P offers a rare opportunity for exploration within a new frontier, adjacent to some of Australia's most exciting recent oil and gas discoveries including Roc, Phoenix South and most recently Dorado (JV between Quadrant Energy, Carnarvon Petroleum).

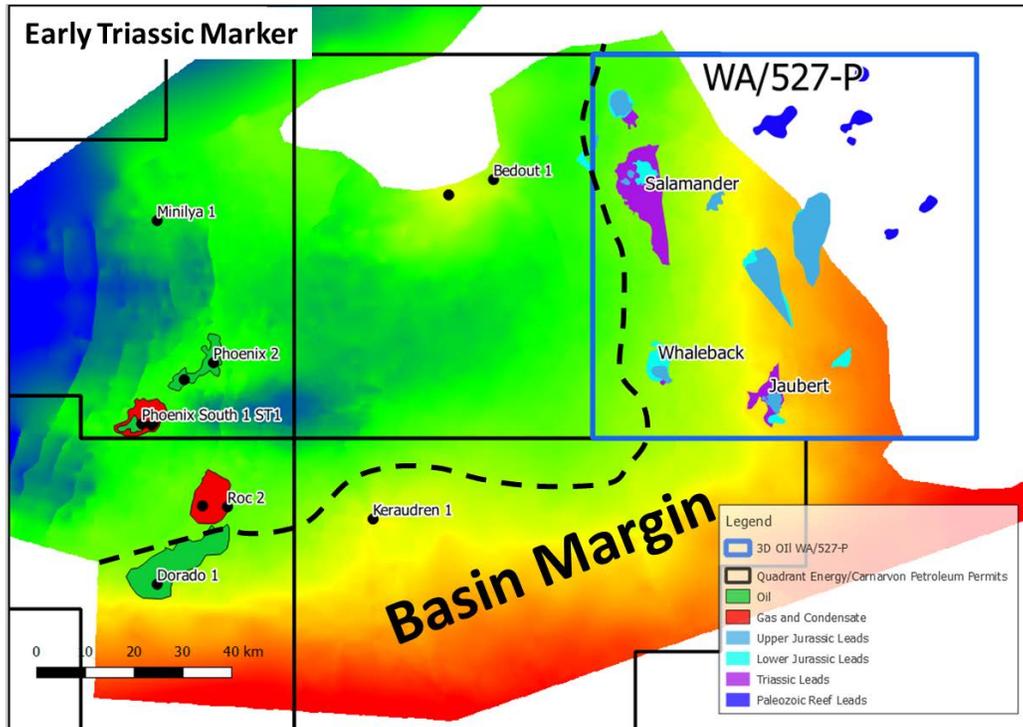
Recently the Quadrant Energy led Joint Venture announced the exciting success of the Dorado-1 exploration well, which at the time of this announcement had encountered more than 80 meters of net oil pay within the Triassic age Caley Sandstone Member (informal nomenclature introduced by the JV) and 10.5 meters net gas and condensate pay within the deeper Baxter Member. The well has a planned total depth of 4,550m which will allow it to further evaluate the Baxter Member and deeper Crespin and Milne Members (CVN ASX Release, 24 JUL 2018).

TDO considers the discovery to be a major positive for the industry in Australia. Quadrant Energy's Fred Wehr said "It's just staggering what we've got here," he said. "I can't talk (size) but this is enormously material. I'll tell you that the low case is solidly commercial, the mid-case is awesome and the upside is staggering.

"We are talking about something that is really a game changer, certainly for Quadrant, definitely for Carnarvon, but potentially for the industry as well " (The West Australian, 21 JUL 2018).

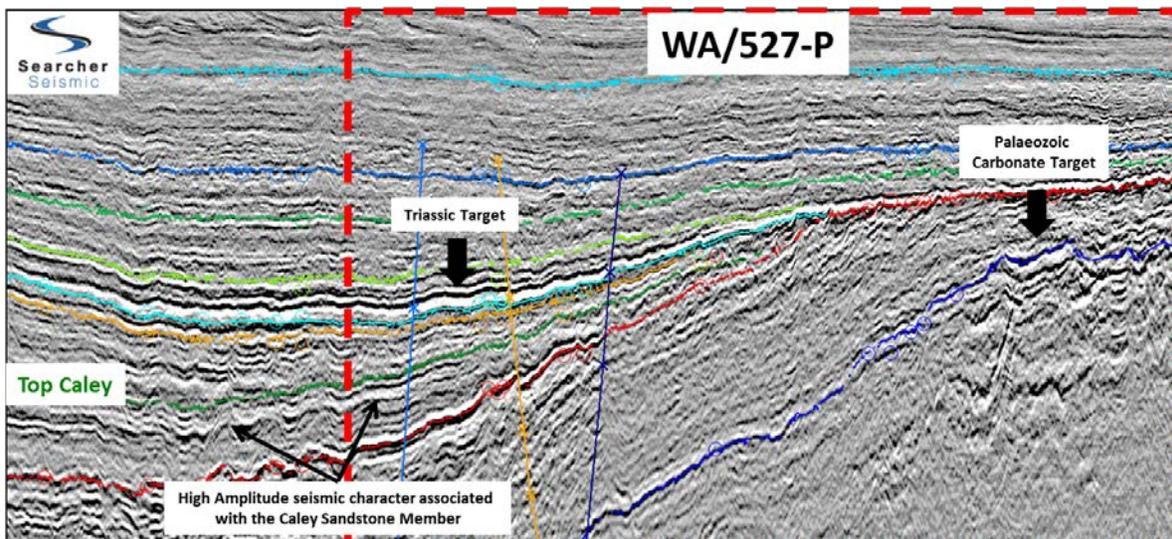
This exciting discovery confirms TDO's technical position that the margins of the Bedout Sub-basin offer world class prospectivity. TDO previously stated to the market that it would closely follow the Dorado campaign as it considered the Dorado target to be within an analogous geological setting to leads within WA/527-P (TDO ASX Release, 26 FEB 2018). This was due to the position of both WA/527-P and the Dorado feature along the margin of basin, where they might share a similar stratigraphic stacking order.

Figure 1: WA/527-P Location, recent oil & gas discoveries and the Basin Margin.



The Dorado-1 well confirmed the presence of high quality reservoir sands with 100-1000 millidarcy within the Caley reservoir (CVN ASX Release, 18 JUL 2018). This supports TDO's long held view that reservoir quality towards the margin of the basin would be high, but also proves the presence of a competent sealing unit above the Caley Member. It is still uncertain as to how far this configuration extends along the basin margin, however, TDO's licensed subset of the Bilby 2D Multi-Client Survey indicates that high amplitude reflectors characteristic of the Caley Sandstone Member exist within WA-527-P (Figure 2).

Figure 2: Example from the Bilby 2D MC Survey, showing bright amplitudes interpreted to be associated with the Caley Sandstone Member within WA/527-P.



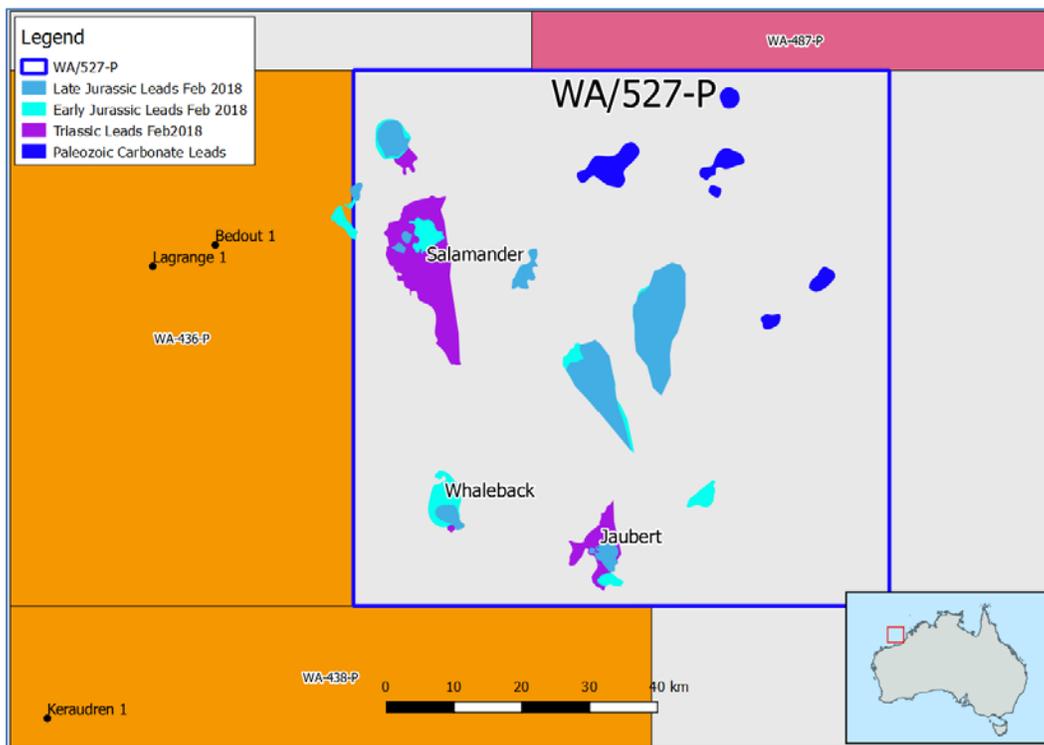
Earlier in 2018 TDO released a summary of WA/527-P prospectivity (TDO ASX Release, 26 FEB 2018). TDO’s proposed play concept involves up to fifteen targets, across different play levels, including; a series of apparent carbonate build-ups present within the eastern side of the acreage (Figure 2 and Figure 3). More modern broadband seismic data is required to provide an accurate image of this feature.

TDO has also identified a series of targets within both the Triassic and Jurassic sections. Many of these features have been identified on the Bilby 2D seismic data. As such, these are new features, not identified by previous operators of the permit. Of particular note is the identification of a Jurassic Lead named Whaleback, with a Best Estimate Prospective Resource of 86 MMbbls.

The Triassic Salamander and Jaubert leads have benefited from the new Bilby 2D survey which indicates that Salamander may extend further to the south than previously thought, and Jaubert may have some independent dip closure within the Jurassic. The Dorado-1 drilling results have significantly upgraded the prospectivity of these features by demonstrating the presence of high quality Triassic reservoir sands with a competent sealing unit along the margins of the Bedout Sub-basin.

Volumetric estimates detailing the Prospective Resources for WA/527-P area are shown in the table below (*ASX ann. 26/2/18*). These estimates, while conservative indicate that the permit contains significant potential value to 3D Oil. It should be noted that the estimations are conducted based on TDO’s current dataset and has not been able to take into account various other proprietary geophysical data that the company does not have access to.

Figure 3: WA/527-P Leads.



**Table 1: WA/527-P Prospective Resource Estimate (MMbbls)
Recoverable Oil (ASX ann. 26/2/18)**

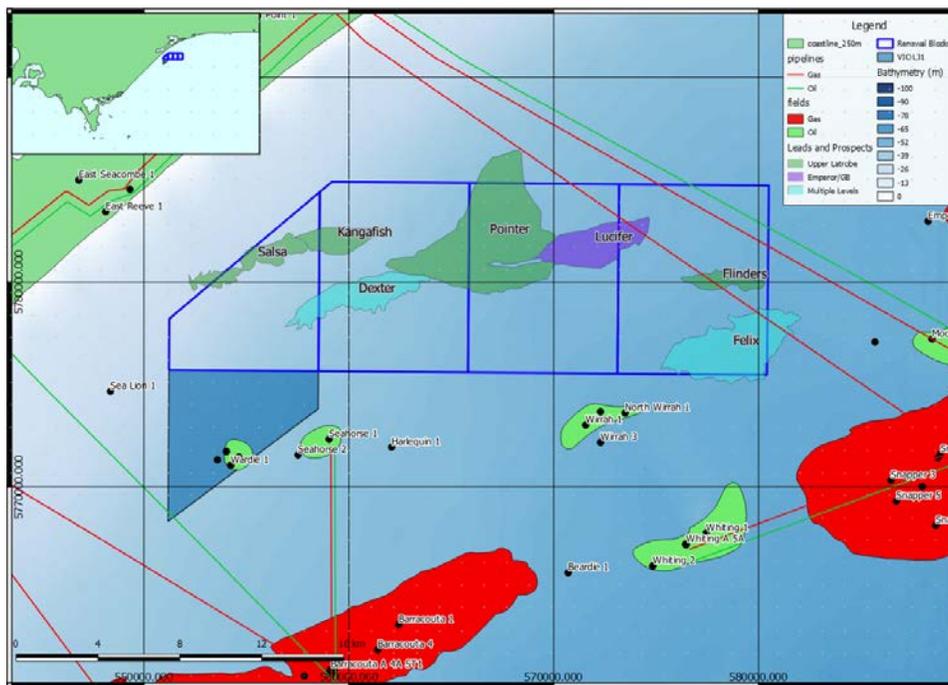
Prospect	Status	Low	Best	High
Salamander	Lead	57	191	713
Jaubert	Lead	17	72	205
Whaleback	Lead	16	87	219
WA/527-P Arithmetic Total		90	349	1,138

WA/527-P is available to the farm-out market. The permit offers a unique opportunity for a partner to become involved with exploration adjacent to recent oil and gas discoveries and with a low-cost minimum work programme. The success of Dorado-1 has served to reduce exploration risk in this rapidly developing frontier.

VIC/P57, Gippsland Basin, offshore Victoria

TDO has a 24.9% interest in the VIC/P57 exploration permit in the offshore Gippsland Basin with Joint Venture (“JV”) partner and operator Hibiscus Petroleum. TDO acts as technical adviser to the JV.

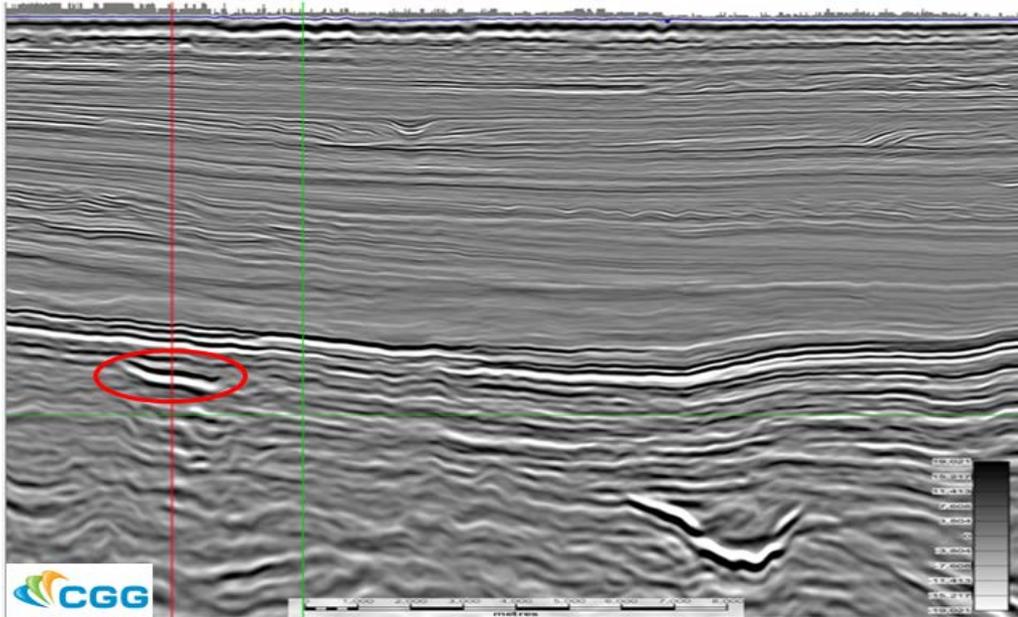
Figure 4: Prospects and Leads, VIC/P57



During the quarter the JV received 564km² of modern reprocessing from the CGG Gippsland Regeneration Reprocessing Project. This satisfies the key commitment from the guaranteed work program, which included 230km² of reprocessing. The new data have been loaded into the interpretation platform and from preliminary analysis, is extremely encouraging for the prospectivity of the permit.

On Figure 5, the Pointer Amplitude Anomaly (defined by the red circle) is clearly visible with finer detail apparent. This uplift in data quality will facilitate high quality mapping of the Pointer Prospect and allow the JV to accurately estimate the amount of gas present. TDO expects that the angle stacks required for full AVO assessment will be available for analysis shortly. A clear AVO anomaly will solidify Pointer as a strong candidate to contribute much needed gas to the East Australian market.

Figure 5: Pointer Prospect Amplitude Anomaly



Spectacular improvements in the data can be observed from the more deeply buried sections in the permit, as can be seen on Figure 6. This is important as TDO considers the deeper section as having strong potential for additional gas prospectivity. The section is barely visible on the vintage dataset available (left), but clearly imaged on the new CGG dataset (right), with superior representation of potential oil & gas targets. This improvement in data quality is expected to greatly improve mapping confidence and could delineate a series of new gas targets in the VIC/P57 acreage.

Figure 4: Deep stratigraphy details visible on the new dataset (right) versus previous vintage (left)

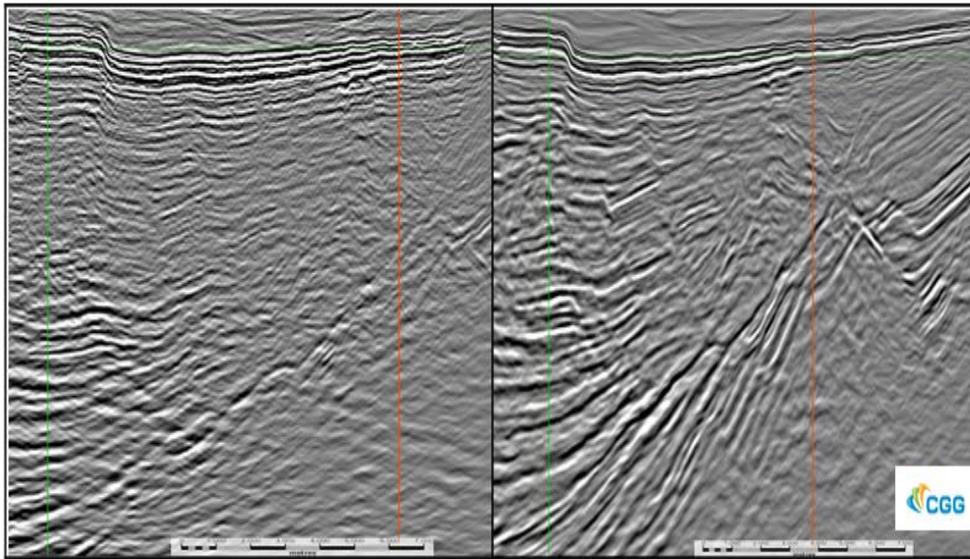


Table 2: VIC/P57 Prospective Resources Estimate (MMbbls) Recoverable Oil
(ASX ann. 27/7/17)

Location	Status	Low	Best	High
Felix	Prospect	6.8	15.9	26.9
Salsa	Lead	10.7	15.1	20.6
VIC/P57 Total		17.5	31.0	47.5

Table 3: VIC/P57 Prospective Resource Estimate (BCF) Recoverable Gas
(ASX ann. 27/7/17)

Location	Status	Low	Best	High
Pointer	Prospect	140.1	235.3	364.9
Dexter	Lead	37.0	132.0	259.1
VIC/P57 Total		177.1	367.2	624.0

T/49P, Otway Basin, offshore Tasmania

TDO continues to plan for 3D seismic acquisition scheduled for late 2018. The survey is intended to cover the central and southern part of T/49P (100%-owned). TDO is in the process of drafting of the Environmental Plan for the survey.

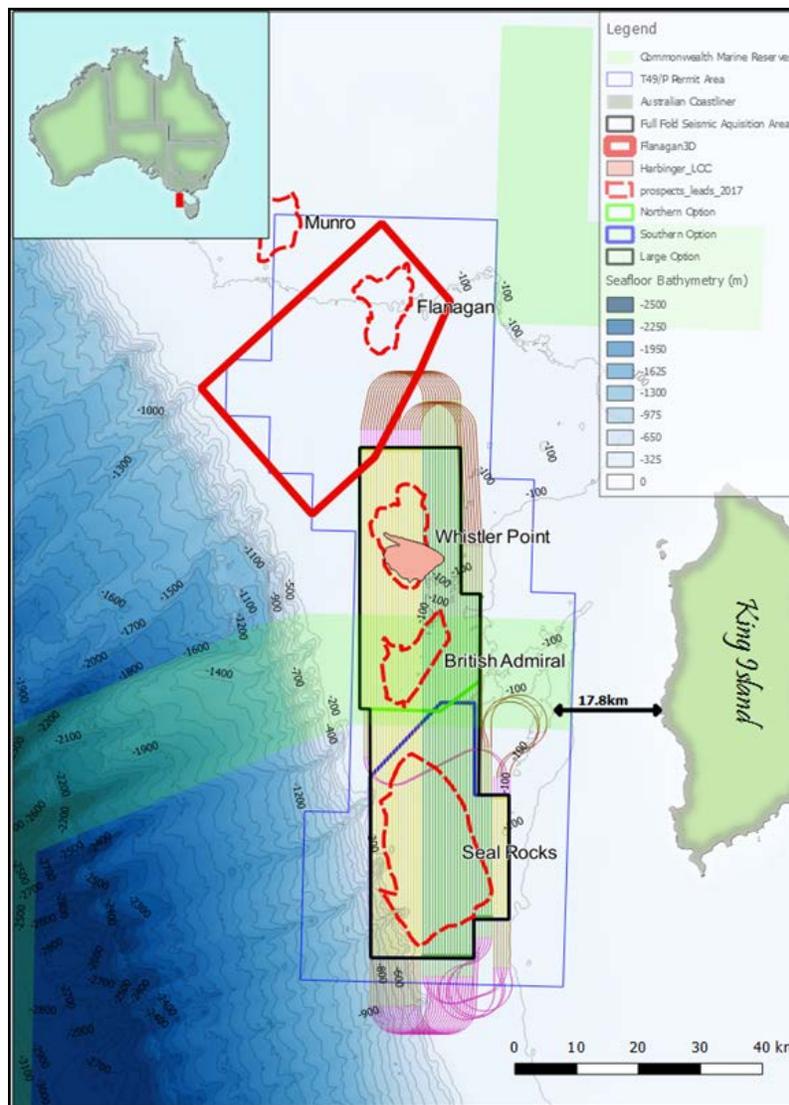
The Company is in the midst of engaging with community stakeholders as per government regulatory requirements. TDO is strongly committed to an open and thorough consultation process and as such, this process has been on-going since March 2018 and will continue until regulatory requirements are fully satisfied.

The previous 3D seismic survey confirmed the Flanagan Prospect in the northern portion of T/49P with Prospective Resource of 1.34 TCF (Best Estimate). The forthcoming 3D seismic

survey, named Dorrigo, 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.

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

Figure 1: Location Map of the Dorrigo 3D Marine Seismic Survey shown with Leads and Prospects



3D Oil holds a 100% interest in the T/49P exploration permit, which covers 4,960 km² of the strategic offshore Otway Basin. The permit is located adjacent to the producing Thylacine and Geographe gas fields (100% owned by Beach Energy Limited (ASX: BPT)). The company continues to engage with a number of large international petroleum companies interested in contributing significant investment to the project, while discussions progress under confidentiality agreements.

Table 4: T/49P Prospective Resource Estimate (TCF) Recoverable Gas
(ASX ann. 27/7/17)

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
T/49P Total		3.04	10.03	28.77

Petroleum Tenement Holdings

As at 30 June 2018, 3D Oil's petroleum tenement holdings were:

Tenement and Location	Beneficial interest at 31 Mar 2018	Beneficial interest acquired / (disposed)	Beneficial interest at 30 Jun 2018
VIC/P57 Offshore Gippsland Basin, VIC	24.9%	nil	24.9%
T/49P Offshore Otway Basin, TAS	100%	nil	100%
WA-527-P Offshore Roebuck Basin, WA	100%	nil	100%

Qualified Petroleum Reserves and Resources Evaluator Statement

The Prospective Resources estimates in this release are based on, and fairly represent, information and supporting documents prepared by, or under the supervision of Dr David Briguglio, who is employed full-time by 3D Oil Limited as Exploration Manager. He holds a BSc.Hons and PhD in Petroleum Geoscience and has been practicing as a Petroleum Geoscientist for 8 years. Dr Briguglio is qualified in accordance with ASX listing rule 5.41 and has consented in writing to the inclusion of the information in the form and context in which it appears.

Prospective Resources

The estimates have been prepared by the company in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System, 2011 approved by the Society of Petroleum Engineer. Prospective Resource estimates are for recoverable volumes and unless otherwise stated this report quotes Best Estimates and gross volumes. The estimates are un-risked and have not been adjusted for both an associated chance of discovery and a chance of development.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

3D OIL LIMITED

ABN

40 105 597 279

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(128)	(359)
(b) development	-	-
(c) production	-	-
(d) staff costs	(151)	(458)
(e) administration and corporate costs	(94)	(508)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	29
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(368)	(1,296)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other: (cash on deposits)	-	1,000
2.6	Net cash from / (used in) investing activities	-	1,000

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,376	1,304
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(368)	(1,296)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	1,000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,008	1,008

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	796	1,164
5.2 Call deposits	118	118
5.3 Bank overdrafts	-	-
5.4 Other – Bank Guarantee	94	94
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,008	1,376

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	124
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Salaries, superannuation and Director's fees paid to directors and related entities during the June 2018 quarter.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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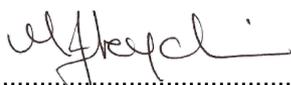
9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	141
9.2 Development	-
9.3 Production	-
9.4 Staff costs	163
9.5 Administration and corporate costs	137
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	441

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


.....
(Company secretary)

Date: 26 July 2018

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.