



**3D Oil Ltd**  
Level 5, 164 Flinders Lane  
Melbourne VIC 3000

Tel: +61 3 9650 9866  
Fax: +61 3 9639 1960

**October 2007**

## Quarterly Update

### Highlights

- A new prospect, Wardie, adjacent the West Seahorse field, has been revealed by recent technical work. The Wardie prospect will now be drilled in preference to Sea Lion due to the lower perceived risk.
- A review of possible locations and issues related to the placement of onshore pipelines and oil processing facilities

### **Vic/P57**

A technical evaluation of Vic/P57 has resulted in the emergence of a new prospect, Wardie, not recognised by earlier analysis. Wardie lies 1 kilometre southwest of the West Seahorse field. The technical work over the permit, including detailed mapping, depth conversion and reservoir analysis, is continuing.

3D Oil Ltd interprets the Wardie prospect as having a lower associated risk than the Sea Lion prospect, primarily due to its proximity to the West Seahorse field. Further, in the event of a discovery at the Wardie prospect the field could be developed utilising the West Seahorse facilities. For this reason the company is considering drilling the Wardie prospect in preference to the Sea Lion prospect. This well would qualify as the exploration well in 3D's third year work programme for Vic/P57. The company's evaluation of Sea Lion has not changed and it is likely the prospect will be drilled at a later stage.

The company intends to shortly provide a volumetric update of the Wardie prospect and the West Seahorse field.



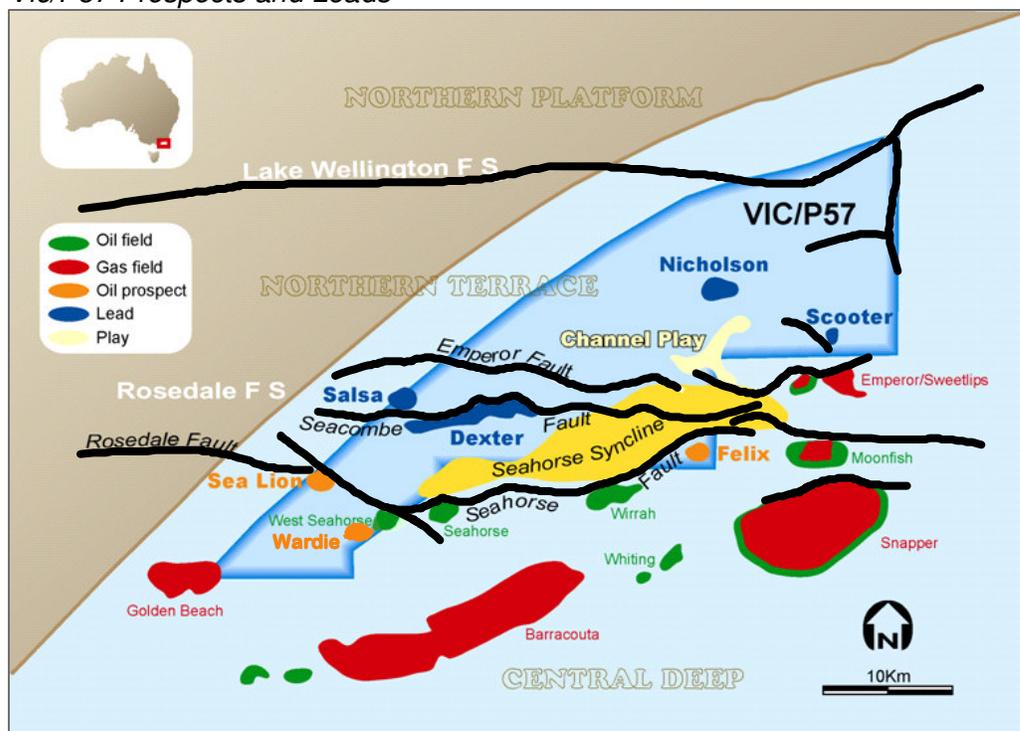
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The company is currently undertaking well planning, in conjunction with Australian Drilling Associates and considering its drilling options. One option includes drilling both West Seahorse-3 and Wardie-1, as deviated wells, from the one location.

3D Oil was recently granted a further six month suspension by the Joint Authority in relation to the Year 3 work programme on the grounds of *force majeure* in delays in the arrival of the contracted drilling unit the West Triton originally arriving in 2006.

#### *Vic/P57 Prospects and Leads*



A high level study of the development options for the West Seahorse development has recently been completed for 3D Oil by CNC Project Management. The study includes an evaluation of possible stand-alone infrastructure such as pipeline easements and processing plant locations against nominated project criteria such as approval triggers and available support infrastructure, in an effort to fast

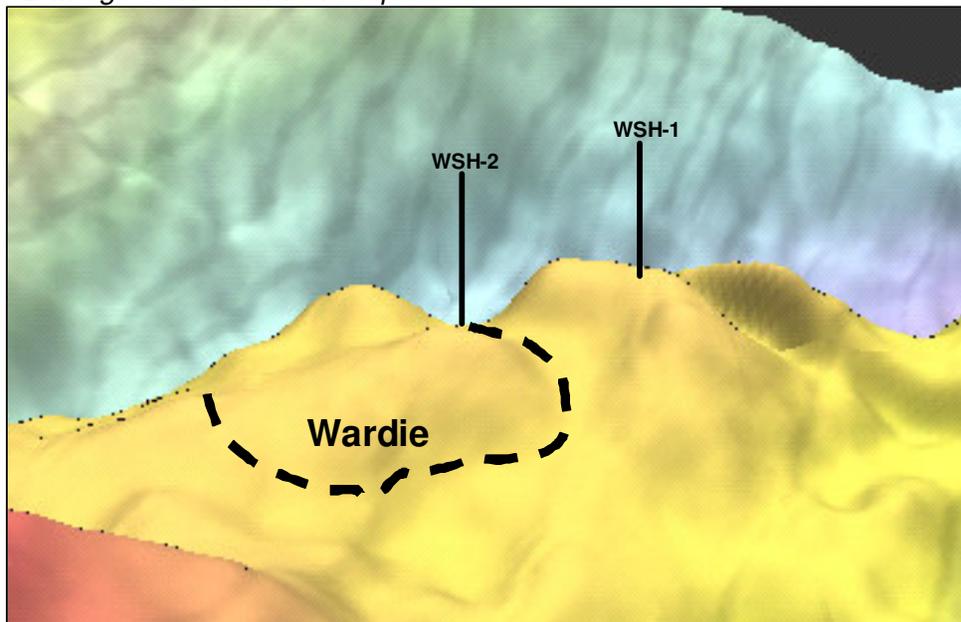


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track the development. The report addresses the time and approval requirements associated with each of the infrastructure options and will ultimately aid in our decision process related to development options.

*3D image of the Wardie Prospect*



## T41-P, Bass Basin

The seismic consortium, of which 3D Oil is a member, is currently negotiating a contract with CGG-Veritas to secure the seismic vessel Pacific Titan. The vessel is expected to start acquiring seismic data in the first quarter of 2008. Interpretation of our existing data set continues.



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**T41-P Location and Bass Basin Structural Elements**

