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Press Release

3 November 2011

3D Oil signs Term Sheet for two well \$30m farmout of VIC/P57

3D Oil Limited ("3D Oil", ASX: TDO) is pleased to announce that it has entered into a non-binding term sheet with Canadian oil and gas company, Oracle Energy Corp. ("OEC") for OEC to farm into 3D Oil's VIC/P57 permit.

Under the terms of the non binding Term Sheet, OEC can potentially earn 50% in the permit by drilling 2 wells with a total carried expenditure of up to \$30m.

Commenting on signing of the Term Sheet, 3D Oil's Managing Director, Noel Newell, said "We are very pleased to have signed this term sheet with Oracle. We are delighted to have attracted the interest of a corporation that shares our enthusiasm and optimism regarding the potential of the Gippsland Basin and in particular VIC/P57."

"Oracle has a very experienced management team with extensive development experience both in North America and globally hence providing an excellent strategic partner to pursue development and exploration opportunities within the permit. It is also perfect timing with the likely arrival of a jack up drilling rig in the region expected in November 2012."

"A further discovery in VIC/P57 and the commitment to develop West Seahorse would be transformational to the company."

Key commercial terms of the Term Sheet

- OEC can potentially earn 50% of the offshore Gippsland permit VIC/P57 by spending up to A\$30 million ("Earn-in Capital") to drill two exploration wells in the permit up to \$15 million per well. Each well will earn 25% equity for OEC in VIC/P57.
- The two exploratory wells will most likely be on the Felix and Sea Lion prospects.
- After achieving the initial earn-in, OEC may redirect remaining earn-in capital on other aspects to earn its 50% interest.

- 3D Oil has agreed not to execute a transaction with another party until 17 February 2012.
- Following execution of all the Definitive Documents an aggregate payment of A\$1,000,000 will have been made by Oracle to 3D Oil which will be applied as a credit towards the Earn-in Capital. \$500,000 of this is payable by the time Definitive Documents are signed, and \$500,000 is payable on the effective date of the transaction.
- OEC will pay the cost of various reports to assess and value the main prospects in VIC/P57, including Sea Lion and Felix, together with an update to the recently completed Gaffney Cline and Associates (GCA) report on the West Seahorse Field.
- OEC has a right to be appointed operator of the permit.
- OEC is required to prepare an optimum Field Development Plan for the West Seahorse field and also take responsibility of the debt financing of the development.
- OEC will exit the Permit if it has not funded the Earn-In Capital within 24 months from signing the Term Sheet, subject to the reasonable availability of drills rigs.

Key conditions of the Term Sheet

(i) *Conditions prior to signing definitive documentation*

Under the Term Sheet, OEC will complete due diligence on the Permit before entering into definitive documentation. The transaction is conditional upon the parties signing definitive documentation by 17 February 2012.

(ii) *Conditions following signing of definitive documentation*

The closing of the transaction will be conditional upon:

- OEC signing an engagement letter with an Investment Bank to raise, on a best efforts basis, at least A\$15 million of financing; and
- Approval by the TSX Venture Exchange for the transaction.

If OEC is unable to raise at least A\$15 million by 30 June 2012, 3D Oil may terminate the Definitive Agreement and OEC will have no further rights to the Permit.

Timing

An indicative timetable in relation to this potential transaction has been set out below:

Event	Date
OEC conducts due diligence	November – December 2011
Deadline to sign Definitive Documentation failing which Exclusivity Period ends,	17 February 2012
Indicative Effective Date	19 April 2012
Deadline for OEC to raise at least \$15 million	30 June 2012

Information about the Permit

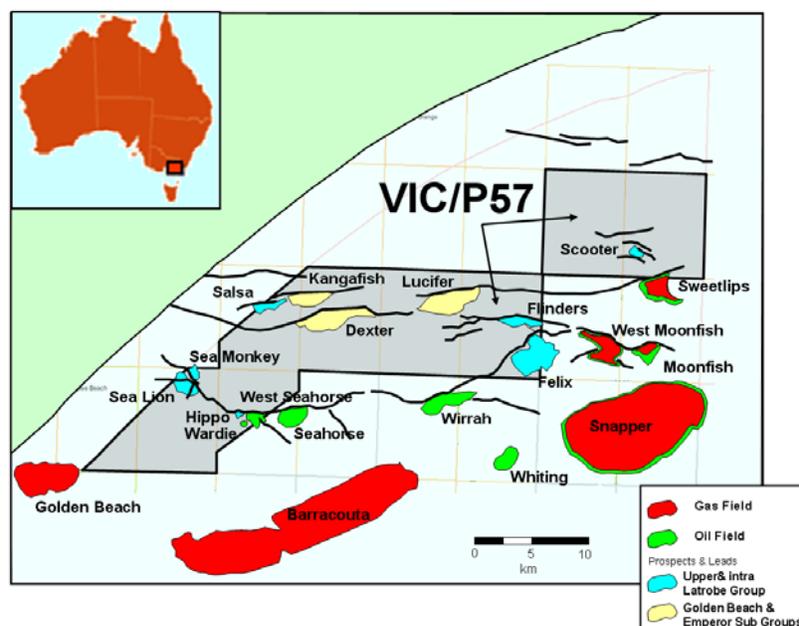
3D Oil, as 100% owner of the VIC/P57 petroleum exploration permit, was recently granted renewal of the permit for a five-year term, which commenced on 10 August, 2011. All of the identified leads and prospects in VIC/P57 were retained following the compulsory relinquishment of half of the graticular blocks in the original permit. The renewed acreage comprises approximately 483 square kilometres (around two thirds of the original area).

The permit contains the West Seahorse Field in which GCA have estimated that the 2C Contingent Resource is 9.2 MMbbl.

VIC/P57 also overlies the prolific Rosedale Fault System which has numerous associated prospects and leads within the permit including the Sea Lion and Felix Prospects. Sea Lion is adjacent and a lookalike to the West Seahorse structure and the potential to add significant value to the development. Sea Lion has a prospective resource volume of 20.7 MMbbl of recoverable oil and upside potential of in excess of 32 MMbbl.

The Felix Prospect is also located within an established oil production fairway between the Moonfish oil field and the Wirrah discovery while it is structurally similar to the former. This prospect has the potential to contain over 100 MMbbl.

Most of VIC/P57 is covered by modern 3D seismic which is currently undergoing state of the art reprocessing primarily to improve imaging in the deeper prospective levels.



For further information, please contact:

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About 3D Oil Limited

3D Oil Limited was incorporated in July 2003 and acquired a 100% interest in the Gippsland Basin Permit VIC/P57 in Bass Strait, through the gazettal process in April 2004. The Permit covered, at that time, a 750 square kilometre area and had been tested by only four wells, one of which was the West Seahorse oil discovery, and only one of these wells has been drilled within the last 25 years.

In June 2005 the Company acquired a 100% interest in the Bass Basin Permit T41-P in Bass Strait. The Permit covers approximately 2805 square kilometres and was lightly explored, that is, with only a regional grid of 2D seismic and the one exploration well. 3D Oil has since acquired both regional 2D and prospect targeted 3D seismic data.

The Company listed on the ASX in 2007.

About Oracle Energy Corporation

Oracle Energy Corp. (TSX.V: OEC) (Frankfurt: O2E) explores and develops oil and gas properties and currently has interests in Romania and seeks to acquire additional international projects in the future. See www.oracleenergy.com