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# 3D Oil Limited

## QUARTERLY ACTIVITIES REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2011

### Overview

- In T/41P interpretation of the Dalrymple 3D seismic survey is continuing, as well as additional geoscience work focusing on source, migration and reservoir .
- In VIC/P57 the reprocessed 3D seismic data was finally received and interpretation of it has commenced with focus on Sea Lion and Felix prospects.
- In early November 2011, 3D Oil entered in to a non-binding term sheet with Canadian oil and gas company Oracle Energy Corporation, for the potential to farm-out a 50% interest in VIC/P57 for expenditure of up to \$30 million.
- The company submitted bids in the November Australian offshore bid round

### ***T/41P, Bass Basin, offshore Tasmania***

After receiving the newly-processed Dalrymple 3D seismic survey late in the previous quarter, 3D Oil has commenced interpretation of this data, and integration of it with ongoing geological studies.

Mapping of all significant faults and key seismic horizons is nearing completion, while velocity analysis, depth conversion and investigation of the data set of amplitude anomalies is continuing. Similarly, an update to the geological evaluation of the petroleum system in this region of the basin (to provide a better understanding of the potential for adequate hydrocarbon charge, reservoir quality, and seals) is also continuing.



*Location of 3D Oil exploration permits*

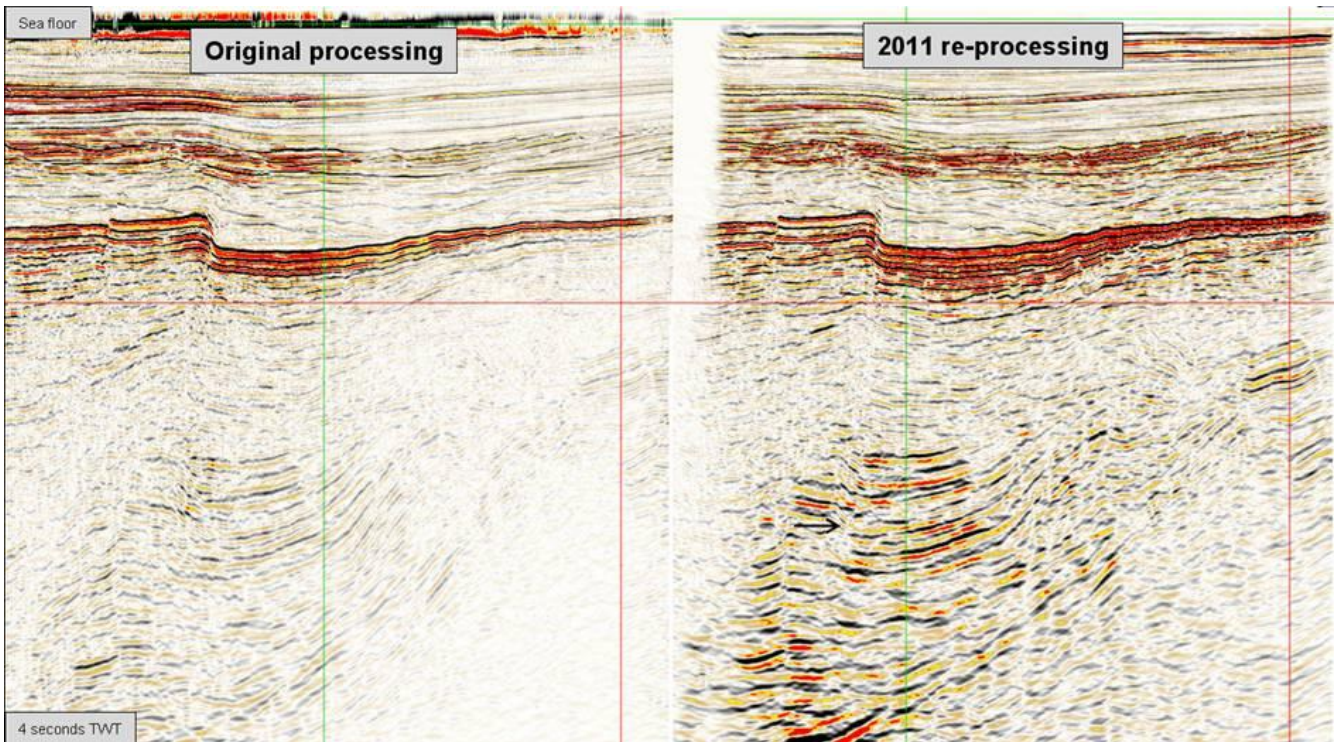
### ***VIC/P57, Gippsland Basin, offshore Victoria***

During the December quarter the company finally received the long-awaited reprocessed 3D seismic data over much of VIC/P57 and selected adjacent areas and interpretation of this data set has commenced.

The clearer imaging of the subsurface, especially in the lower Latrobe Group, is enabling an improved re-interpretation, which is already resulting in a far more confident delineation of the deeper structural configuration across the permit. In conjunction with ongoing geological studies, this work is feeding in to a more rigorous assessment of all prospects and leads, with much of the initial focus being on the Sea Lion and Felix prospects, which remain the prime candidates for exploratory drilling.

In early November 2011, 3D Oil announced it has entered into a non-binding term sheet with Canadian oil and gas company, Oracle Energy Corporation (“OEC”) for OEC to farm-in to the VIC/P57 permit. OEC can potentially earn 50% in the permit by drilling two wells with a total carried expenditure of up to \$30 million, or drilling one well for up to \$15 million and contributing the remaining capital to other activities in the permit, such as developing the West Seahorse field.

3D Oil has agreed not to execute a transaction with another party before 17 February 2012, while OEC conducts its due diligence. OEC will have the choice to become operator of the permit and, if doing so, will be required to prepare a Field Development Plan for West Seahorse and take responsibility for debt financing of the development.



*Comparison of original and reprocess 3d data quality*

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

3D OIL LIMITED

ABN

40 105 597 279

Quarter ended ("current quarter")

31 December 2011

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (6 months) \$A
1.1 Receipts from product sales and related debtors	5,059	11,243
1.2 Payments for		
(a) exploration and evaluation (net of refunds)	(183,973)	(421,318)
(b) development	-	-
(c) production	-	-
(d) administration	(358,686)	(723,022)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	33,833	77,110
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 GST Refund	-	-
1.8 Refund of exploration deposit	-	-
<b>Net Operating Cash Flows</b>	<b>(503,767)</b>	<b>(1,055,987)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects/farmins	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(37,567)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>(37,567)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(503,767)</b>	<b>(1,093,554)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(503,767)	(1,093,554)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Capital raising costs	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(503,767)	(1,093,554)
1.20	Cash at beginning of quarter/year to date	3,268,208	3,857,995
1.21	Exchange rate adjustments to item 1.20	(5,182)	(5,182)
1.22	<b>Cash at end of quarter</b>	<b>2,759,259</b>	<b>2,759,259</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A
1.23	Aggregate amount of payments to the parties included in item 1.2	94,560
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director's fees, salaries and fees paid to suppliers during the December 2011 quarter.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	330
4.2 Development	-
4.3 Production	-
4.4 Administration	350
<b>Total</b>	<b>680</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	348,636	189,978
5.2 Deposits at call	2,363,796	3,031,403
5.3 Bank overdraft	-	-
5.4 Other – Bank Guarantee	46,827	46,827
<b>Total: Cash at end of quarter (item 1.22)</b>	<b>2,759,259</b>	<b>3,268,208</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2 Interests in mining tenements acquired or increased	-	-	-	-

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 <b>+Ordinary securities</b>	206,560,000	206,560,000	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs (c) Released from ASX restriction	- - -	- - -	- - -	- - -
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7 <b>Options</b> <i>(description and conversion factor)</i>	400,000 189,000 615,000 200,000 697,177	- - - - -	<i>Exercise price</i> \$0.75 \$0.25 \$0.40 \$0.40 \$0.18	<i>Expiry date</i> 31 March 2013 30 June 2014 30 November 2014 31 January 2015 17 October 2015
7.8 Issued during quarter	697,177	-	<i>Exercise price</i> \$0.18	<i>Expiry date</i> 17 October 2015
7.9 Exercised during quarter	-	-	-	-
7.10 Expired/lapsed during quarter	-	-	<i>Exercise price</i>	<i>Expiry date</i> -
317.1 <b>Debentures</b> <i>(totals only)</i>	-	-	-	-
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	-	-	-	-

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 31 January 2012

Company Secretary

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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