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ASX Release

29 May 2013

West Seahorse Oil Field Progress Update

The West Seahorse Oil Field in the offshore Gippsland Basin is being developed for production by the VIC/P57 Joint Venture. As joint venturers, 3D Oil Limited (ASX: TDO) and Carnarvon Hibiscus Pty Ltd (Hibiscus) continue to work together to progress this project.

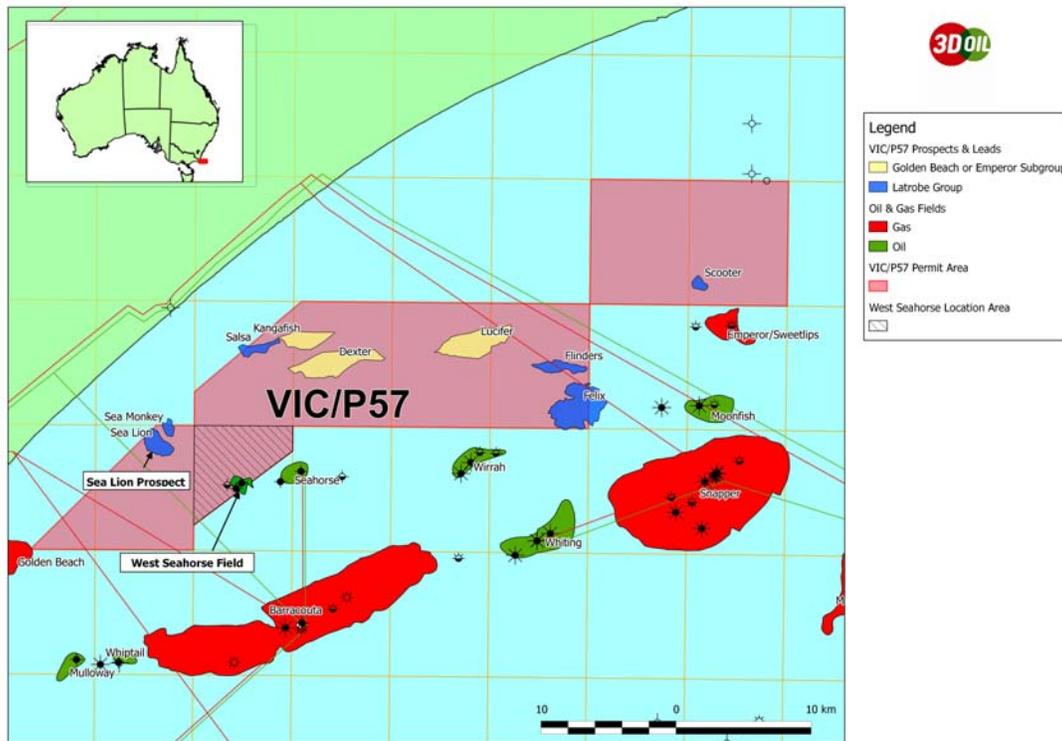
The joint venture is engaged in extensive geoscience, engineering, project management and commercial activity aimed at bringing West Seahorse in to production by early 2015. (See below for further information on the field and the development.)

There is also a substantial approval and regulatory component to the joint venture's activity and in this regard TDO is please to advise that two milestones have recently been achieved:

- The National Offshore Petroleum Titles Authority (NOPTA) has issued a Notice of Sufficient Information in relation to the Production Licence Application for West Seahorse. This Notice is the trigger for significant credits for West Seahorse under the Petroleum Resource Rent Tax regime. These credits relate to the costs of exploration and previous drilling on the field and securing them within the current fiscal year has been an important factor in the overall economics of the project. TDO anticipates that the West Seahorse Production Licence will be awarded in the third quarter of 2013.
- As foreshadowed in our 29 April 2013 release, the final Field Development Plan has now been submitted to NOPTA. The final FDP is a comprehensive document which includes updates and amendments consistent with NOPTA's response to the preliminary FDP which had been submitted in January 2013.

West Seahorse Oil Field Background

The West Seahorse field lies 14km offshore from Ninety Mile Beach in 39 metres of water, 18km SSE of the Gippsland town of Loch Sport. The area hosts existing oil and gas infrastructure, with West Seahorse located 38km east of the onshore Esso Longford Gas Plant and 11km from Esso's offshore Barracouta platform.



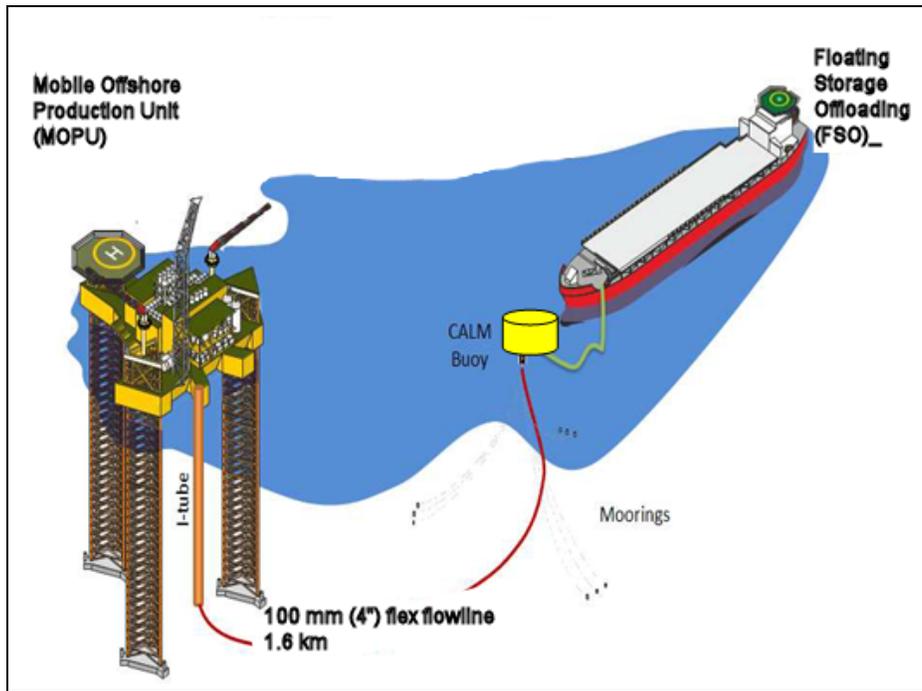
Location map showing the West Seahorse location

The West Seahorse oil reservoir is approximately 1400 metres below sea level in some of the same high-productivity sandstones that have historically contributed to the prolific oil fields of the Gippsland Basin. Initial oil production rates are expected to be as high as 12,000 barrels of oil per day.

Independent experts engaged by 3D Oil have determined a best estimate of 9.2 million barrels of recoverable oil from West Seahorse (2C Contingent Resources).

The West Seahorse Development Concept is described as follows:

- Two production wells will be drilled via a jack-up drilling rig prior to the arrival of the MOPU. The West Seahorse wells will be drilled, cased and suspended using the jack-up drilling rig and will be completed for production from the MOPU using a hydraulic snubbing unit. Two production wells will be connected directly to the MOPU through the use of surface completions.
- The Mobile Offshore Production Unit (MOPU) is a modified jack-up fixed to the seabed at West Seahorse field location for the life of the project. The MOPU will include processing facilities to remove associated gas and water, to stabilise the crude oil, and export the stabilised crude. Produced gas will be processed and utilized for fuel gas and enhanced recovery (gas lift) with the remaining gas being flared. Produced water will be treated to regulatory requirement quality and disposed overboard.
- The stabilised oil will be produced via a 1.5km 4-inch flexible flowline to a catenary anchor leg moored (CALM) buoy and flexible hose to a Floating Storage Offloading (FSO) vessel. The FSO can then either load to another vessel in tandem mooring or shuttle the crude to a refinery.



The joint venture has adopted an aggressive project schedule and has assembled a project team who have been working on engineering, planning and approvals for the West Seahorse development project, with the objective of producing oil within approximately two years.

The VIC/P57 Joint Venture is comprised of:

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| Carnarvon Hibiscus Pty Ltd (a wholly owned subsidiary of Hibiscus Petroleum Berhad) | 50.1% and Operator |
| 3D Oil Limited | 49.9% |

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