

3D Oil Limited

ABN 40 105 597 279

Half-year Financial Report - 31 December 2013

3D Oil Limited
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31 December 2013

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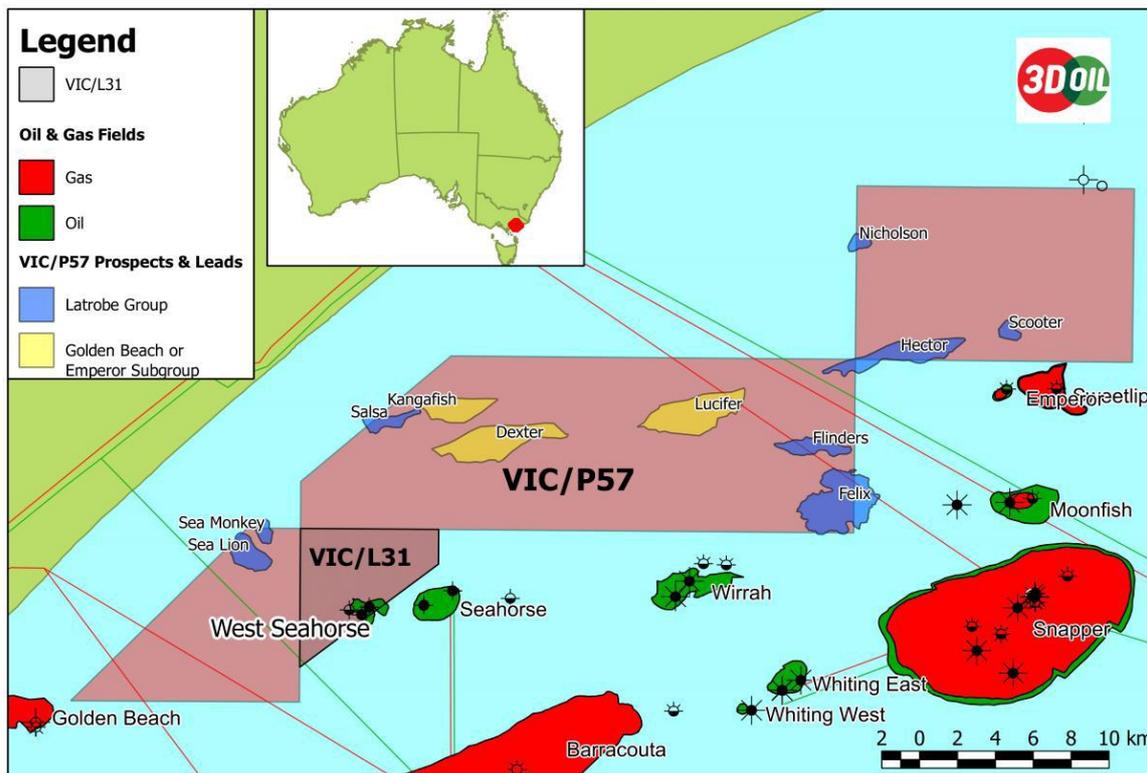
3D Oil Limited
Corporate directory
31 December 2013

Directors	Campbell Horsfall (Non-Executive Chairman) Noel Newell (Managing Director) Melanie J Leydin (Non-Executive Director) Dr Kenneth Pereira (Non-Executive Director)
Company secretary	Melanie J Leydin
Registered office	Level 5, 164 Flinders Lane Melbourne, VIC 3000 Telephone: (03) 9650 9866
Principal place of business	Level 5, 164 Flinders Lane Melbourne, VIC 3000
Share register	Computershare Investor Services Pty Ltd 452 Johnston Street Abbotsford Victoria 3067 Telephone: (03) 9415 5000
Auditor	Grant Thornton Audit Pty Ltd Chartered Accountants The Rialto, Level 30, 525 Collins Street Melbourne Victoria 3000
Solicitors	Baker & McKenzie Level 19, 181 William Street Melbourne Victoria 3000
Stock exchange listing	3D Oil Limited shares are listed on the Australian Securities Exchange (ASX code: TDO)
Website	www.3doil.com.au

VIC/P57, Gippsland Basin Offshore Victoria

Exploration permit VIC/P57 is located in the north-west of the offshore Gippsland Basin and is held by a joint venture (JV) comprised of TDO 49.9% and Carnarvon Hibiscus Pty Ltd (Hibiscus) as Operator with 50.1%. Hibiscus is a wholly owned subsidiary of Hibiscus Petroleum Berhad (KLSE: HIBISCS). VIC/P57 contains a diverse portfolio of exploration prospects and leads that reflect the prospectivity of this world-class oil province.

TDO retains responsibility for ‘subsurface’ operations within the JV and as such conducts exploration geoscience and related activities. During the period, exploration effort focussed on the Sea Lion and Felix prospects. The Sea Lion prospect has been matured to final proposal status, while work on Felix, including incorporating reprocessed 3D seismic, is at an earlier stage. The JV has not yet selected its preferred target for the Year 3 exploration well.



Location map for VIC/P57 and VIC/L31

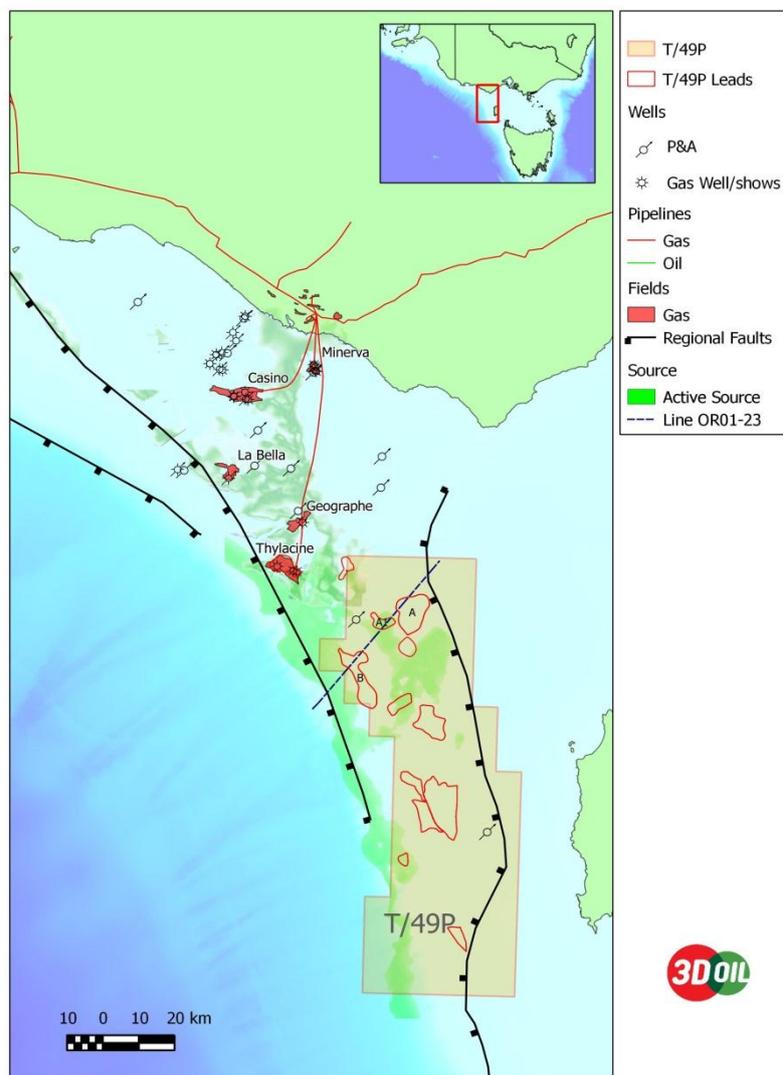
VIC/L31, Gippsland Basin Offshore Victoria

On 5 December 2013, the National Offshore Petroleum Titles Administrator (NOPTA) granted the JV a Production Licence, VIC/L31, over the West Seahorse (WSH) Oil Field within VIC/P57. VIC/L31 has been in effect excised from VIC/P57 exploration permit which continues in force with unchanged ownership and commitments. During the period, the JV achieved a number of milestones on the path to development and production at WSH. In addition to the granting of the Licence, these milestones included:

- West Seahorse Field Development Plan approved by NOPTA.
- Independent Reserves Assessment by Gaffney Cline & Associates completed for West Seahorse Oil Field.
- Environmental approval for West Seahorse project received under the EPBC Act.
- Front End Engineering and Design (FEED) for WSH largely completed by engineering firm Worley Parsons.

T/49P, Otway Basin, offshore Tasmania

Exploration permit T/49P was awarded to TDO in May 2013. The permit is located in the offshore Otway Basin of Tasmania and covers an area of 4,960 km² in water depths generally no greater than 100m. It is lightly explored and lies adjacent to the Thylacine and Geographe gas fields which are in production and have a combined gas in place (“GIP”) of over 2 TCF.



T49/P Location map

During the period, TDO undertook a review of geological and geophysical data in the permit and has identified more than 10 leads from mapping of the existing 2D seismic data. These range from medium to large structures by world standards. The combined gas in place for these leads is in the order of 20 TCF.

TDO’s highest ranked lead, Flanagan, has the potential to contain up to 6 TCF GIIP. The optimistic view of its prospectivity is based on its proximity and geological similarity to the Thylacine and Geographe fields.

The commercial attractiveness of exploring for gas in eastern Australia has been boosted by TDO notes that the timing of any T/49P discovery and production would likely coincide with spare capacity in existing facilities such as Thylacine, Minerva and Casino and the potential for tie-in options and therefore potentially stronger economics could be explored at that time.

In addition, TDO’s analysis did not include the value of associated condensate. Based on known condensate/gas ratios (CGR) in Thylacine and Geographe, 15 mmbbl of condensate could be produced from a hypothetical gas field of 1 TCF.

T/49P represents an attractive exploration opportunity and TDO held discussions with a number of potential farmin partners during the period.

3D Oil Limited
Directors' report
31 December 2013

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of 3D Oil Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the half-year ended 31 December 2013.

Directors

The following persons were directors of 3D Oil Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Campbell Horsfall
Mr Noel Newell
Ms Melanie Leydin
Ms Philippa Kelly (Resigned 25 November 2013)
Mr Kenneth Pereira

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- exploration and development of upstream oil and gas assets

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$586,284 (31 December 2012: \$1,253,994).

Refer to the detailed Review of Operations preceding this Directors' Report.

Financial Position

The net assets decreased by \$546,834 to \$21,651,384 at 31 December 2013 (30 June 2012: \$22,198,218). During the period the consolidated entity spent a net amount after reimbursements of \$158,536 on exploration, with Hibiscus meeting most of the expenditure requirements in relation to exploration licence Vic/P57 during the period. The consolidated entity's working capital position at 31 December 2013, being current assets less current liabilities, was \$1,399,481, a reduction of \$700,029 since 30 June 2013.

Based on the above the Directors believe the Company is in a stable position to continue and pursue its current operations.

Significant changes in the state of affairs

At the consolidated entity's Annual General Meeting held on 25 November 2013, the shareholders approved an Employee Share Option Plan ("the Plan"). The Plan has been developed as part of a comprehensive remuneration strategy for the employees, aligning their interests with those of the Shareholders by linking their rewards to the long term success of the Company and its financial performance.

On 6 December, pursuant to the Plan, the Company issued 250,000 unlisted share options with an exercise price of \$0.12 (12 cents) per option and expiring on 29 November 2016.

In September 2013 the Company issued 300,000 unlisted share options exercisable at \$0.1055 (10.55 cents) per option and expiring on 30 November 2016, pursuant to an employee agreement.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

3D Oil Limited
Directors' report
31 December 2013

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Noel Newell
Managing Director

14 March 2014
Melbourne

Grant Thornton Audit Pty Ltd
ACN 130 913 594

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Auditor's Independence Declaration
To The Directors of 3D Oil Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of 3D Oil Limited for the half-year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B. A. Mackenzie
Partner - Audit & Assurance

Melbourne, 14 March 2014

Grant Thornton Audit Pty Ltd ACN 130 913 594
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3D Oil Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2013

	Note	Consolidated	
		2013	2012
		\$	\$
Revenue	4	33,955	60,744
Expenses			
Corporate expenses		(144,335)	(583,237)
Administrative expenses		(49,902)	(50,542)
Employment expenses		(287,938)	(559,960)
Occupancy expenses		(46,402)	(48,461)
Depreciation and amortisation expense		(22,473)	(8,752)
Exploration costs written off		(27,554)	(35,419)
Unrealised exchange gains/loss		-	(266)
Realised exchange gains/loss		(374)	223
Share based payments		(39,450)	(28,324)
Finance costs		(1,811)	-
		<hr/>	<hr/>
Loss before income tax expense		(586,284)	(1,253,994)
Income tax expense		-	-
		<hr/>	<hr/>
Loss after income tax expense for the half-year attributable to the owners of 3D Oil Limited		(586,284)	(1,253,994)
Other comprehensive income for the half-year, net of tax		-	-
		<hr/>	<hr/>
Total comprehensive income for the half-year attributable to the owners of 3D Oil Limited		<u>(586,284)</u>	<u>(1,253,994)</u>
		Cents	Cents
Basic earnings per share		(0.25)	(0.61)
Diluted earnings per share		(0.25)	(0.61)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

3D Oil Limited
Statement of financial position
As at 31 December 2013

	Consolidated	
	31 December	30 June 2013
Note	2013	2013
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	1,187,787	2,125,708
Trade and other receivables	732,947	515,825
Other	43,827	60,424
Total current assets	<u>1,964,561</u>	<u>2,701,957</u>
Non-current assets		
Property, plant and equipment	34,771	26,565
Intangibles	1,621	14,561
Exploration and evaluation	5 20,791,167	20,632,631
Total non-current assets	<u>20,827,559</u>	<u>20,673,757</u>
Total assets	<u>22,792,120</u>	<u>23,375,714</u>
Liabilities		
Current liabilities		
Trade and other payables	513,865	533,785
Provisions	51,215	68,662
Total current liabilities	<u>565,080</u>	<u>602,447</u>
Non-current liabilities		
Provisions	575,656	575,049
Total non-current liabilities	<u>575,656</u>	<u>575,049</u>
Total liabilities	<u>1,140,736</u>	<u>1,177,496</u>
Net assets	<u>21,651,384</u>	<u>22,198,218</u>
Equity		
Issued capital	52,657,366	52,657,366
Reserves	6 101,378	66,395
Accumulated losses	<u>(31,107,360)</u>	<u>(30,525,543)</u>
Total equity	<u>21,651,384</u>	<u>22,198,218</u>

The above statement of financial position should be read in conjunction with the accompanying notes

3D Oil Limited
Statement of changes in equity
For the half-year ended 31 December 2013

Consolidated	Contributed equity \$	Accumulated losses \$	Reserves \$	Total equity \$
Balance at 1 July 2012	50,620,867	(28,533,012)	78,654	22,166,509
Loss after income tax expense for the half-year	-	(1,253,994)	-	(1,253,994)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	(1,253,994)	-	(1,253,994)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	2,043,558	-	-	2,043,558
Share-based payments (note 11)	-	-	28,324	28,324
Cancellation of options	-	40,574	(40,574)	-
Balance at 31 December 2012	<u>52,664,425</u>	<u>(29,746,432)</u>	<u>66,404</u>	<u>22,984,397</u>
Consolidated	Contributed equity \$	Accumulated losses \$	Reserves \$	Total equity \$
Balance at 1 July 2013	52,657,366	(30,525,543)	66,395	22,198,218
Loss after income tax expense for the half-year	-	(586,284)	-	(586,284)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	(586,284)	-	(586,284)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 11)	-	-	39,450	39,450
Cancellation of options	-	4,467	(4,467)	-
Balance at 31 December 2013	<u>52,657,366</u>	<u>(31,107,360)</u>	<u>101,378</u>	<u>21,651,384</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

3D Oil Limited
Statement of cash flows
For the half-year ended 31 December 2013

	Consolidated	
	2013	2012
	\$	\$
Cash flows from operating activities		
Receipts from customers	11,161	9,567
Payments to suppliers and employees	(592,377)	(1,202,430)
Interest received	24,315	43,397
Research and development tax concession	-	695,894
	<u> </u>	<u> </u>
Net cash used in operating activities	(556,901)	(453,572)
Cash flows from investing activities		
Payments for property, plant and equipment	(17,739)	-
Payments for exploration and evaluation	(1,076,971)	(414,512)
Reimbursement from Joint Venture	713,690	-
	<u> </u>	<u> </u>
Net cash used in investing activities	(381,020)	(414,512)
Cash flows from financing activities		
Proceeds from issue of shares	-	2,043,558
	<u> </u>	<u> </u>
Net cash from financing activities	-	2,043,558
Net increase/(decrease) in cash and cash equivalents	(937,921)	1,175,474
Cash and cash equivalents at the beginning of the financial half-year	2,125,708	1,684,892
	<u> </u>	<u> </u>
Cash and cash equivalents at the end of the financial half-year	<u><u>1,187,787</u></u>	<u><u>2,860,366</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

3D Oil Limited
Notes to the financial statements
31 December 2013

Note 1. General information

The financial report covers 3D Oil Limited as a consolidated entity consisting of 3D Oil Limited and the entities it controlled. The financial report is presented in Australian dollars, which is 3D Oil Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

3D Oil Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 5, 164 Flinders Lane
Melbourne Victoria 3000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 14 March 2014. The directors have the power to amend and reissue the financial report.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2013 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2013 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 10 Consolidated Financial Statements

The consolidated entity has applied AASB 10 from 1 July 2013. AASB 10 supersedes AASB 127 Consolidated and Separate Financial Statements and Interpretation 112 Consolidation – Special Purpose Entities. AASB 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Group's investees are considered to be subsidiaries and therefore change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged.

Management has reviewed its control assessments in accordance with AASB 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the period or comparative periods covered by these financial statements.

Note 2. Significant accounting policies (continued)

AASB 11 Joint Arrangements

The consolidated entity has applied AASB 11 from 1 July 2013. The standard defines which entities qualify as joint arrangements and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets are accounted for using the equity method. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities, will account for its share of the assets, liabilities, revenues and expenses separately under the appropriate classifications. Based on the Joint Operation Agreement in relation to Exploration Licence Vic/P57, management has determined that the consolidated entity is party to a Joint Operation, and has accounted for the its share of assets and liabilities accordingly.

Going Concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. At 31 December 2013 the Company has cash and cash equivalents of \$1.187 million and a net decrease of cash during the half year to 31 December 2013 of \$937,921. This cash decrease was predominately due to on-going exploration expenditure, of which approximately \$732k has yet to be recouped from joint venture partner Hibiscus Petroleum at 31 December 2013.

The Company also has exploration commitments as detailed in Note 9 of \$81.350 million over the next 5 years. On 15 August 2012, the Company announced that it had entered into a farm-in agreement with Carnarvon Hibiscus Pty Ltd ("Carnarvon") and Hibiscus Petroleum Berhad ("Hibiscus") in relation to the VIC/P57 permit. Under the agreement, Hibiscus will invest funds of \$27.0 million to acquire 50.1% of the permit. It is anticipated that the cost of the commitments will be covered by the funding of \$27.0 million with the shortfall being covered using alternative funding methods via the joint arrangement vehicle.

In addition to the commitments outlined above and in Note 9, the Company will need to secure funding by means of a capital raising, debt financing, sale of assets, farm out or a combination of these in order to manage its own working capital requirements. The Directors continue to monitor the ongoing funding requirements of the Company. The Directors are of the opinion that the financial report has been appropriately prepared on a going concern basis.

Note 3. Operating segments

AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the consolidated entity that are regularly reviewed by the chief decision maker in order to allocate resources to the segment and to assess its performance. 3D Oil Limited operates in the development of oil and gas within Australia. The consolidated entity's activities are therefore classified as one business segment.

Note 4. Revenue

	Consolidated	
	2013	2012
	\$	\$
Interest	22,794	51,177
Rent	11,161	9,567
	<u>33,955</u>	<u>60,744</u>
Revenue	<u><u>33,955</u></u>	<u><u>60,744</u></u>

3D Oil Limited
Notes to the financial statements
31 December 2013

Note 5. Non-current assets - exploration and evaluation

	Consolidated	
	31 December	
	2013	30 June 2013
	\$	\$
Exploration and evaluation - at cost	<u>20,791,167</u>	<u>20,632,631</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Exploration & Development \$	Total \$
Balance at 1 July 2013	20,632,631	20,632,631
Expenditure during the half-year	1,118,423	1,118,423
Reimbursed by Joint Venture partner	(932,333)	(932,333)
Write off of assets	<u>(27,554)</u>	<u>(27,554)</u>
Balance at 31 December 2013	<u>20,791,167</u>	<u>20,791,167</u>

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the results of future exploration and successful development or, alternatively, sale of the respective areas of interest.

Farm-outs - exploration and evaluation phase

The consolidated entity does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements, but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the farmor as a gain on disposal.

Note 6. Equity - reserves

	Consolidated	
	31 December	
	2013	30 June 2013
	\$	\$
Share-based payments reserve	<u>101,378</u>	<u>66,395</u>

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

3D Oil Limited
Notes to the financial statements
31 December 2013

Note 6. Equity - reserves (continued)

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Share based payments \$	Total \$
Balance at 1 July 2013	66,395	66,395
Share based payments	39,450	39,450
Options lapsed	(4,467)	(4,467)
	<u>101,378</u>	<u>101,378</u>
Balance at 31 December 2013	<u>101,378</u>	<u>101,378</u>

Note 7. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 8. Contingent liabilities

In the financial year end period 30 June 2012 the consolidated entity received a tax refund in relation to R&D Tax Incentive of \$695,894. The claim is currently undergoing the AusIndustry audit process. Any adjustment arising to claim the refund as a result of the audit may impact future cash flows.

There were no other contingent liabilities as at 31 December 2013 or 30 June 2013.

Note 9. Commitments

	Consolidated	
	31 December 2013	30 June 2013
	\$	\$
<i>Exploration Licenses - Commitments for Expenditure</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	15,400,000	18,400,000
One to five years	55,950,000	52,150,000
More than five years	10,000,000	20,000,000
	<u>81,350,000</u>	<u>90,550,000</u>

In order to maintain current rights of tenure to exploration tenements, the consolidated entity is required to outlay rentals and to meet the minimum expenditure requirements of the Mineral Resources Authority. Minimum expenditure commitments may be subject to renegotiation and with approval may otherwise be avoided by sale, farm out or relinquishment. These obligations are not provided in the accounts and are payable.

Operating lease commitments are not materially different to those reported at 30 June 2013.

Note 10. Events after the reporting period

No matter or circumstance has arisen since 31 December 2013 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

3D Oil Limited
Notes to the financial statements
31 December 2013

Note 11. Share-based payments

During the period the Company issued unlisted share options to employees under an Employee Share Option Plan ('ESOP'). The purpose of the ESOP is to provide Eligible Employees with an incentive to remain with the Company and to improve the longer-term performance of the Company and its return to shareholders.

The Company also issued unlisted share options to employees pursuant to employment agreements with executives.

Set out below are summaries of options granted under the plan:

31 December
2013

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the half-year
27/08/2009	30/06/2014	\$0.25	64,000	-	-	-	64,000
02/06/2010	30/11/2014	\$0.40	150,000	-	-	-	150,000
24/01/2011	31/01/2015	\$0.40	200,000	-	-	-	200,000
07/10/2011	07/10/2015	\$0.18	78,000	-	-	-	78,000
15/12/2012	30/11/2015	\$0.16	595,000	-	-	-	595,000
21/11/2013	30/11/2016	\$0.11	-	300,000	-	-	300,000
25/11/2013	29/11/2016	\$0.12	-	250,000	-	-	250,000
			<u>1,087,000</u>	<u>550,000</u>	<u>-</u>	<u>-</u>	<u>1,637,000</u>

For the options granted during the current financial period, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
21/11/2013	30/11/2016	\$0.09	\$0.11	136.00%	-%	2.90%	\$0.069
25/11/2013	29/11/2016	\$0.10	\$0.12	136.00%	-%	2.96%	\$0.075

3D Oil Limited
Directors' declaration
31 December 2013

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Noel Newell
Managing Director

14 March 2014
Melbourne

Grant Thornton Audit Pty Ltd
ACN 130 913 594

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Independent Auditor's Review Report To the Members of 3D Oil Limited

We have reviewed the accompanying half-year financial report of 3D Oil Limited (“Company”), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2013, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors’ declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year’s end or from time to time during the half-year.

Directors’ responsibility for the half-year financial report

The directors of 3D Oil Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the 3D Oil Limited consolidated entity’s financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of 3D Oil Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of 3D Oil Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Material uncertainty regarding going concern

Without qualification to the conclusion expressed above, we draw attention to Note 2 to the financial statements, which details a net decrease of cash of \$937,921 for the half-year ended 31 December 2013 and a closing cash balance of \$1,187,787. This condition, along with other matters set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B. A. Mackenzie
Partner - Audit & Assurance

Melbourne, 14 March 2014