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13 January 2009

ASX Limited
Company Announcements Office
Level 10
20 Bond Street
SYDNEY NSW 2000

Dear Sirs,

3D Oil Response to Drillsearch Interest

3D Oil Limited notes the announcement yesterday by Drillsearch Energy Limited that Drillsearch last week entered into an agreement with certain 3D Oil shareholders representing 19.9% of 3D Oil shares. The agreement provides that if Drillsearch elects to make an off-market takeover bid for 3D Oil of at least 4 Drillsearch shares for each 3D Oil share, then those shareholders will accept into that offer if certain conditions are satisfied.

Drillsearch did not approach 3D Oil in relation to a possible takeover prior to making its announcement. Nor has Drillsearch conducted any form of due diligence endorsed by 3D Oil in relation to 3D Oil. At this time Drillsearch holds no shares in 3D Oil.

Shareholders should not assume that 3D Oil will engage in discussions with Drillsearch or provide Drillsearch with access to 3D Oil's confidential information. There is no requirement for any offer to be made by Drillsearch. The potential right of Drillsearch to become a shareholder in 3D Oil under the agreement expires on 29 January 2009 if no takeover announcement by Drillsearch has been made by then. Even if an offer is made by Drillsearch, the success of any such offer would be dependent on satisfaction of a range of conditions.

3D Oil managing director Noel Newell said, "With a market capitalisation in the order of \$20 million, the 3D Oil directors are not surprised at the recognition that 3D Oil shares are undervalued at the current price level."

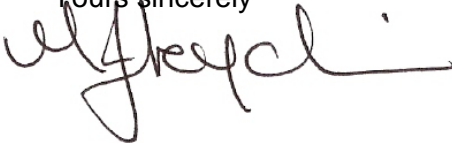
"The West Seahorse Field has substantial reserves and contingent resources. 3D Oil has suspended West-Seahorse 3 as a future producer and is pursuing a suitable development option for the field" Mr Newell said.

"3D Oil also has a large portfolio of quality leads and prospects providing further significant growth potential."

In addition to any potential value inherent in 3D Oil's tax credits, the company is also in a strong financial position with cash resources in the order of \$12 million, representing approximately 6 cents per share.

3D Oil reiterates that there is no Drillsearch offer which is capable of acceptance by shareholders, and there is no need for shareholders to take any action.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Melanie Leydin', written in a cursive style.

MELANIE LEYDIN
Company Secretary

For more information contact:

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