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ASX Limited
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3D Oil Limited Activities Update

3D Oil Limited ("TDO") advises that it is currently evaluating the results of the recently drilled West Seahorse-3 and Wardie-1 wells. This information is being incorporated in to our mapping, oil distribution interpretation and reservoir engineering of the West Seahorse Field. Our immediate aim is to progress towards development of the West Seahorse Field

The West Seahorse-3 well encountered the N1 oil reservoir on prognosis and established that the oil column extended below the lowest known oil in West Seahorse-1 while also providing a more reliable and modern data set. Excellent reservoir quality was encountered over this zone in West Seahorse-3 which has been suspended to enable re-entry and completion as a future oil producer.

The N2.6 and P1 reservoir units, which encountered oil in West Seahorse-1, were intersected deep to prognosis in West Seahorse-3 and consequently below the oil water contacts ("OWC"). It is interpreted that a small localised fault was encountered below the N1 at this location and has resulted in the deeper section thickening in this area. Latest mapping indicates this has not had a major impact on the size of the field at these levels.

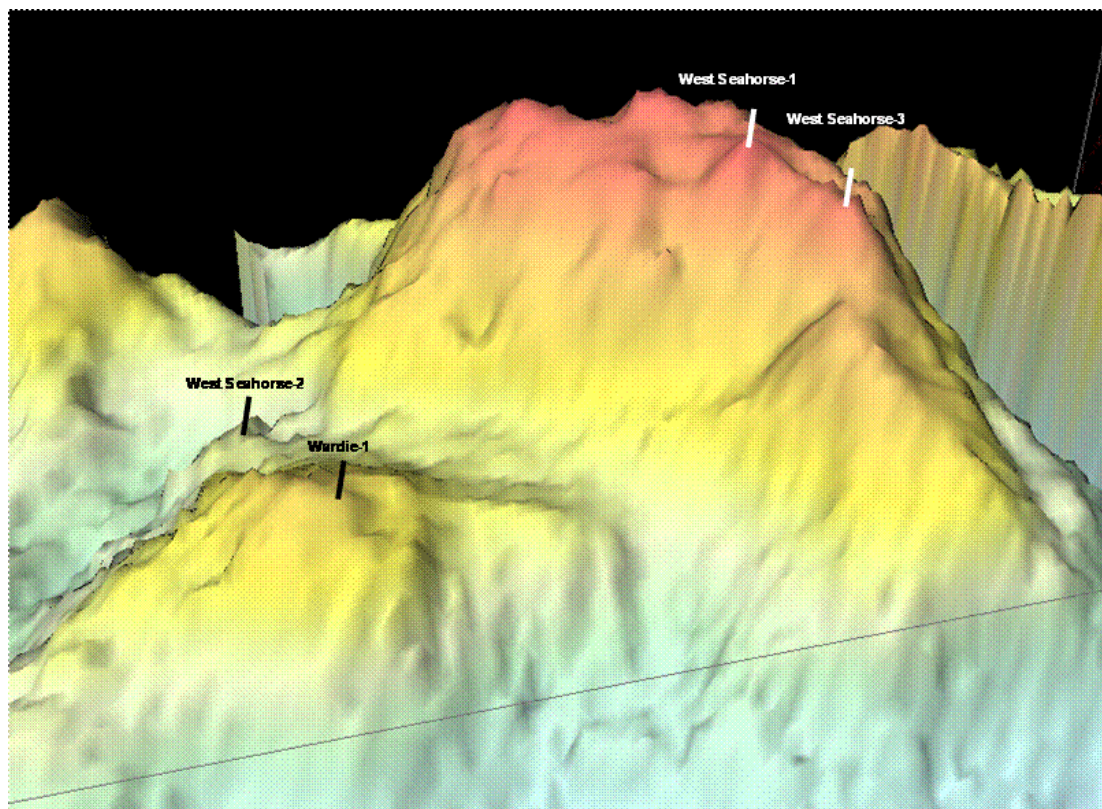
It should be noted that both the N1 and N2.6 reservoirs are produced from the neighbouring Seahorse Field from a subsea completion tied back to the Barracouta Platform.

The Wardie-1 well intersected the Latrobe Group slightly deep to prognosis as a result of strong velocity gradient variations in the shallow section of this region. The presence of oil was confirmed by sampling over an 11 metre interval within a series of thin sands interbedded with coal and shale at the top of the Latrobe Group and stratigraphically higher than the N1 oil reservoir in the West Seahorse-1 and 3 wells. The quality of the reservoir of this zone at Wardie-1 was interpreted as too poor to justify suspension of the well as a future producer.

Current interpretation of the West Seahorse wells indicates that this oil zone is present across the West Seahorse/Wardie complex in thin-bedded reservoir, however its economic significance is as yet unknown. This zone is being assessed as part of the development planning.

The Wardie-1 well confirms that the oil fairway extends further into Vic/P57 than previously demonstrated. 3D Oil Limited currently has a number of high quality prospects, predominantly traditional Gippsland proven plays. These include the Sea Lion prospect (prospective resource 20.7 MMbbl mid-case), a four way dip closure, top Latrobe structure neighbouring the Wardie feature. Geological interpretation indicates reservoir quality at the Top Latrobe in Sea Lion should be excellent. 3D Oil Limited is currently evaluating its exploration portfolio in Vic/P57 to firm up a portfolio of prospects for future drilling.

Over the coming weeks 3D Oil will continue its geological evaluation and reservoir engineering of the West Seahorse Field to determine the field's oil reserves. At this point the company will be able to optimise the development options for the field.



Post drill 3D image of the West Seahorse complex at the N1 level

3D Oil is also currently processing the 2200 kilometres of 2D seismic acquired in the Bass Basin permit T41/P. The new seismic data has been concentrated in the SW of the permit, where previous mapping has identified four leads all located in a good location to receive hydrocarbon charge. The company will also map and mature the known leads into drillable prospects over the coming months.

Exploration activity in the basin has had a recent resurgence and is now fully permitted. Four seismic surveys have been recorded in the basin this year and 13 exploration wells will be drilled over the next three years. This represents the first concerted exploration efforts in the basin with the benefit of modern, high quality data and has the potential to transform into an emerging petroleum province.

3D Oil Limited holds 100% of both Vic/P57 and T41/P and has fulfilled its current work programme commitments in both permits with no outstanding obligations.

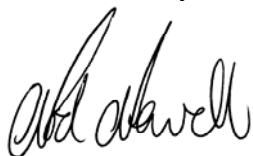
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Yours sincerely

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

NOEL NEWELL
Managing Director