



3D Oil Limited

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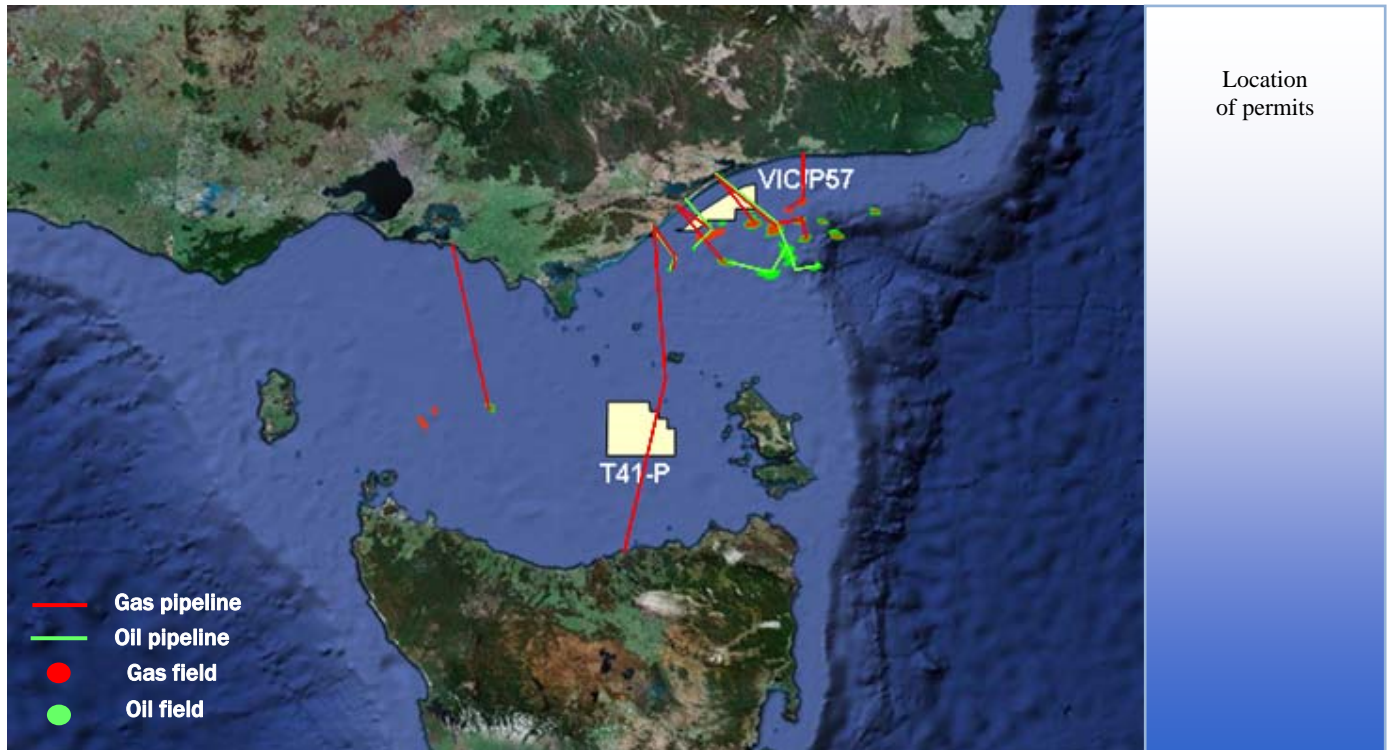
QUARTERLY ACTIVITIES REPORT FOR THE THREE MONTHS ENDED 31 MARCH 2010

Overview

During the March quarter 3D Oil Limited focused on continuing the acceleration of the development of the West Seahorse Field with the commencement of Front End Engineering and Design (FEED) using WorleyParsons with the intention of reaching a Final Investment Decision (FID) during 2010. The company is continuing the farmout process, including both discussions with some ongoing interested parties and progressing discussions with new interests. 3D Oil will continue to take the time necessary to ensure that we strategically align with the right partner, and do so on appropriate terms to both grow the company and provide a positive result for existing shareholders.

Operational Review

3D Oil Limited is the operator and 100% equity holder of two permits in Bass Strait, VIC/P57 in the Gippsland Basin, Victoria and T/41P in the Bass Basin, Tasmania.



VIC/P57, Gippsland Basin offshore Victoria

During the March quarter the company commenced FEED for the West Seahorse oil field development. The decision to undertake the FEED underpins the company's intention to make a Final Investment Decision in the second half of 2010.

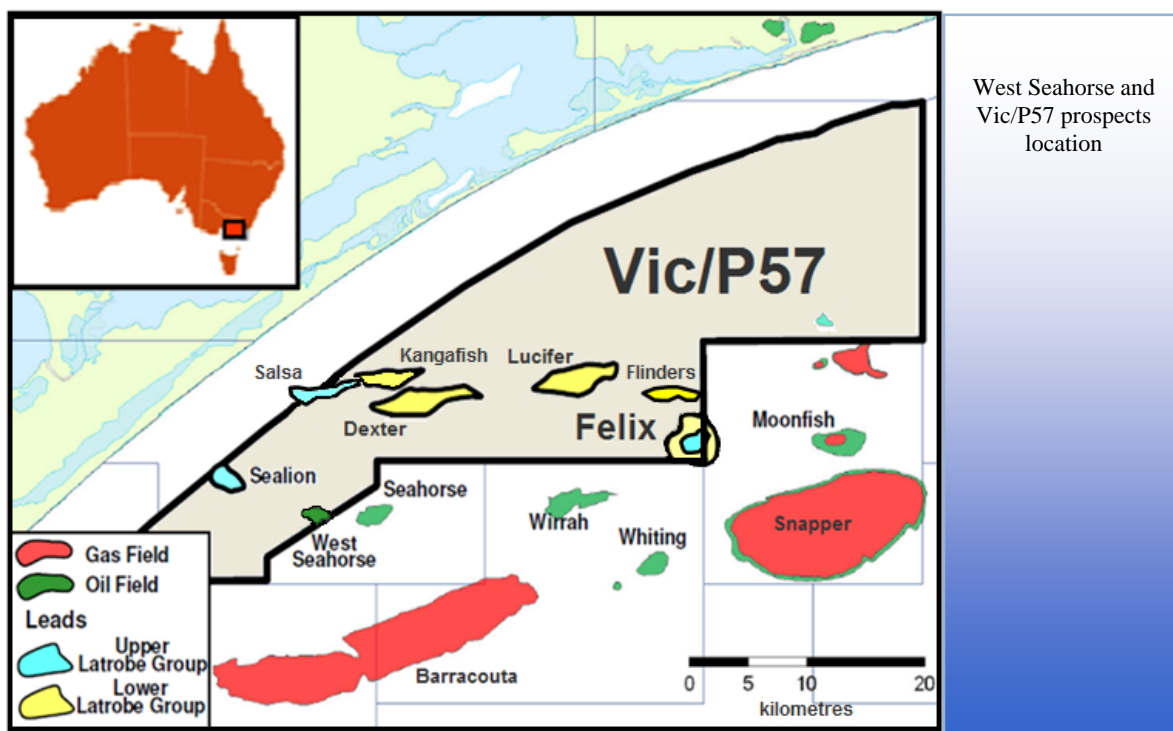
The commencement of the FEED follows an exhaustive review of the most economic development options for the field. This has resulted in the re-assessment of the option of a sub-sea well tied to shore with a production pipeline. Once onshore, the production will either be sent to a new crude oil stabilisation plant or linked to existing third-party facilities.

3D Oil believes this development option offers the lowest capital and operating costs while also maximising the ultimate recovery from the field. It also provides the most favourable NPV estimates at both current and lower oil prices and ultimately provides robust project economics.

The FEED process will proceed in three stages. These are:

- Concept Finalisation being undertaken by WorleyParsons in Houston to review the pipeline-to-shore options, including an innovative flexible steel pipeline that can be installed by a work boat and does not require the mobilisation of a pipe-lay barge. This will result in significant cost savings.
- Full FEED of the finalised concept and further develop the engineering definition. This will include performing key reviews such as HAZOP, constructability, risk reviews, etc.
- Extended FEED which will further develop the project so that a bankable feasibility study is generated. This is required to ensure bank finance can be obtained.

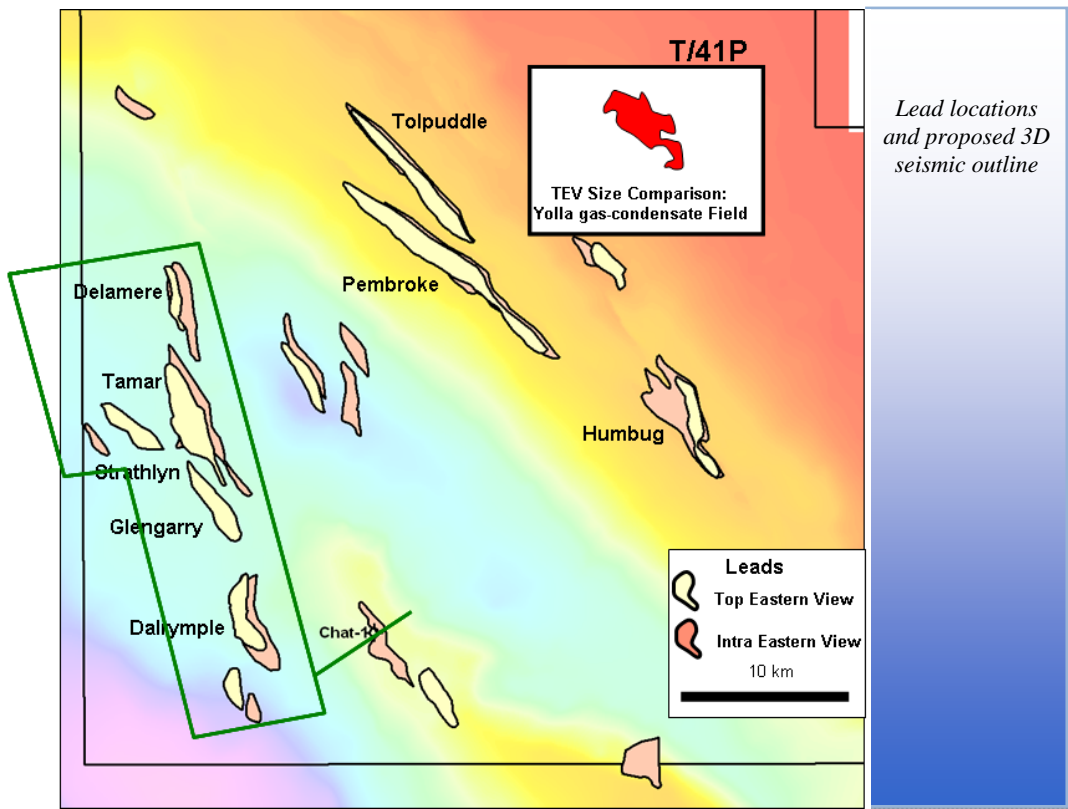
The company also commenced a full review of the neighbouring Sea Lion prospect, seven kilometres to the north-west. The prospect has the potential to add significant value to the West Seahorse development as a tie-in. Sea Lion has a recoverable Prospective Resource of 20 MMBbl (Best Estimate).



T/41P, Bass Basin offshore Tasmania

In early to mid-January 2010 3D Oil finalised and submitted environmental and other regulatory documentation for its 250 sq km Dalrymple 3D seismic survey in the south-east of the permit. Acquisition was expected to take about ten days and was planned to occur prior to mid-April, before the whale migration and unstable weather seasons commenced.

However, just prior to formalising contracts, notice was given that the tendered seismic vessel would not be available in the required timeframe. Attempts to secure alternative vessels at short notice were unsuccessful. A 12-month suspension and extension to the work program conditions and permit term for Year 5 have been granted by the Joint Authority, so the seismic acquisition has been postponed until the next acquisition season for this region (late 2010/early 2011).



Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

3D OIL LIMITED

ABN

40 105 597 279

Quarter ended ("current quarter")

31 MARCH 2010

Consolidated statement of cash flows

	Current quarter \$A	Year to date (9 months) \$A
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	2,059	11,325
1.2 Payments for		
(a) exploration and evaluation (net of refunds)	(330,316)	(1,189,517)
(b) development	-	-
(c) production	-	-
(d) administration	(249,646)	(1,178,450)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	131,302	263,672
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 GST Refund	-	236,763
1.8 Refund of exploration deposits	2,083,374	2,119,432
Net Operating Cash Flows	1,636,773	263,225
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects/farmins	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
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)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	1,636,773	263,225

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	1,636,773	263,225
	Cash flows related to financing activities		
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	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	1,636,773	263,225
1.20	Cash at beginning of quarter/year to date	7,084,600	8,469,223
1.21	Exchange rate adjustments to item 1.20	32,848	21,773
1.22	Cash at end of quarter	8,754,221	8,754,221

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	85,692
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 related entities during the March 2010 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	300
4.2 Development	-
Total	300

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	801	173
5.2 Deposits at call	7,953	6,912
5.3 Bank overdraft	-	-
5.4 Other – Bank Guarantee	-	-
Total: cash at end of quarter (item 1.22)	8,754	7,400

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	-	-	-	-
6.2	-	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

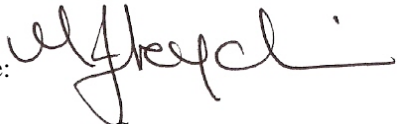
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	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 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7 Options <i>(description and conversion factor)</i>	6,100,000 6,330,000 400,000 189,000	- - - -	<i>Exercise price</i> \$0.50 \$0.60 \$0.75 \$0.25	<i>Expiry date</i> 31 January 2011 31 January 2011 31 March 2013 30 June 2014
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired/lapsed during quarter	-	-	-	-
317.1 Debentures 1 <i>(totals only)</i>	-	-	-	-
7.12 Unsecured notes <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: 30 April 2010
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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