

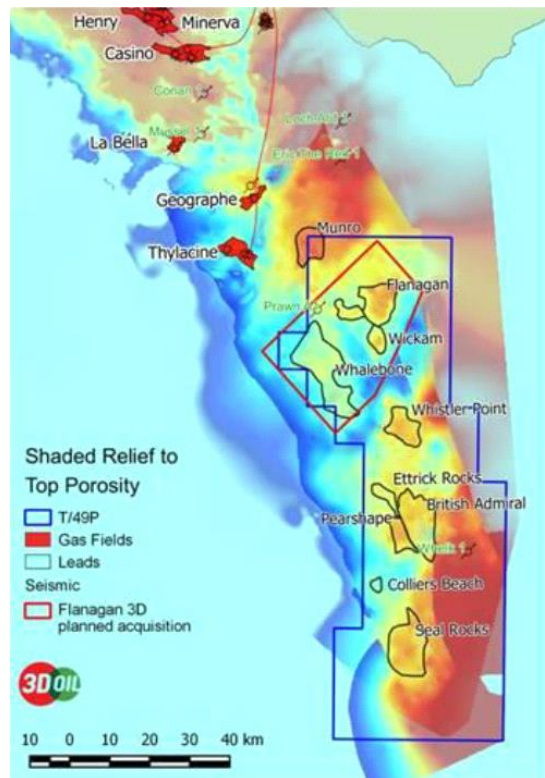
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## 3D OIL PREPARES FOR FORMATIVE 2015

Code	TDO
Shares	237.5 m.
Options	1.6 @ 12.6 cts
Price	\$ 0.067
Market cap	\$ 16 m.
Cash (est)	\$ 16
EV	-\$ 0.1

**Recommendation:** *3D Oil is well funded for exploration along the Treasure Trough, south of the Otway Basin. The company will need further farm-in support to test large gas targets. Funded drilling of a small, sub-commercial target at Sea Lion could provide some interest in the June quarter '15. The stock is a speculative buy, trading at a discount to current cash asset backing.*

### Exploration Prospects T/49P



3D Oil (TDO) has manoeuvred itself into an excellent position to find and supply gas to Australia's Eastern States.

The company retains a 24.9% interest in near-shore Gippsland Basin permit VIC-P-57 where the Sea Lion well will be drilled in Q2 2015 to test an 11 mmbbl prospect that could be developed with a subsea completion, bringing oil to the shore, about 9 kilometres away. TDO has a carry for US\$7.5 million over a well that should cost no more than US\$40 million in total, leaving TDO to potentially fund an additional \$3 million.

StockAnalysis assesses a discovery value of A\$10 per barrel, resulting in a value of 11 cps for TDO should the project succeed.

Of greater interest is its 70% interest with farminee Beach Petroleum in T-49-P where the Flanagan 3D seismic survey has studied a number of leads in the northern part of the block, located adjacent to the producing Thylacine and Geographe gas fields which are estimated to hold about 900 Bcf of gas.

The company identifies the Whalebone and Flanagan leads which have a combined best estimate Prospective Resource of 7.8 Tcf of gas in place.

(Continued on page 2)

Indices and Prices	
All Ordinaries	5,260.00
Energy Index	11,254.90
Brent AU\$/bbl	81.24
AUS\$/US\$	0.8446
As at Close December 2 <sup>nd</sup> , 2014	

All Ordinaries



S&P ASX 200 Energy Index



Brent Crude Oil \$A/barrel



A\$/US\$



This part of the Treasure Trough is analogous to the Shipwreck Trough to its north, where 3D AVO anomalism on seismic has proved to be an excellent tool for detecting gas.

StockAnalysis assumes a target for 900 Bcf of gas in T-49-P with an insitu value of 70 cents per Gj but actual value may prove to be double this depending on the landed price receivable.

Assuming that TDO farms down from its current 70% interest to retain a free-carried 42% interest at drilling, success at a 900 Bcf level could be valued at \$1.30 per share to TDO, but further upside exists to multi Tcf of gas.

#### Risked Exploration Value

Prospect	Equity %		Target				Success	POS	Cost	Risked
	Now	Ret	Gas	Oil	Value		Value	%	\$m	Value
		*	Bcf	mmbbl	Gas	Oil	\$/shr			\$/shr
<b>Sea Lion</b>	24.9%	24.9%	0	11	0.00	10	0.11	40%	3	0.03
<b>Felix</b>	24.9%	12.5%	200	3	0.65	15	0.09	15%	2	0.00
<b>T/49P</b>	70%	42.0%	900	7	0.70	16	1.30	14%	4	0.17

*\*Post farm-down: Source: Strachan Corporate*

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