



3D Oil Limited
Level 18, 41 Exhibition Street
Melbourne VIC 3000
Tel: +61 3 9650 9866
Fax: +61 3 9639 1960
www.3doil.com.au

3D Oil Limited

QUARTERLY ACTIVITIES REPORT FOR THE THREE MONTHS ENDED 30 JUNE 2017

Key Points

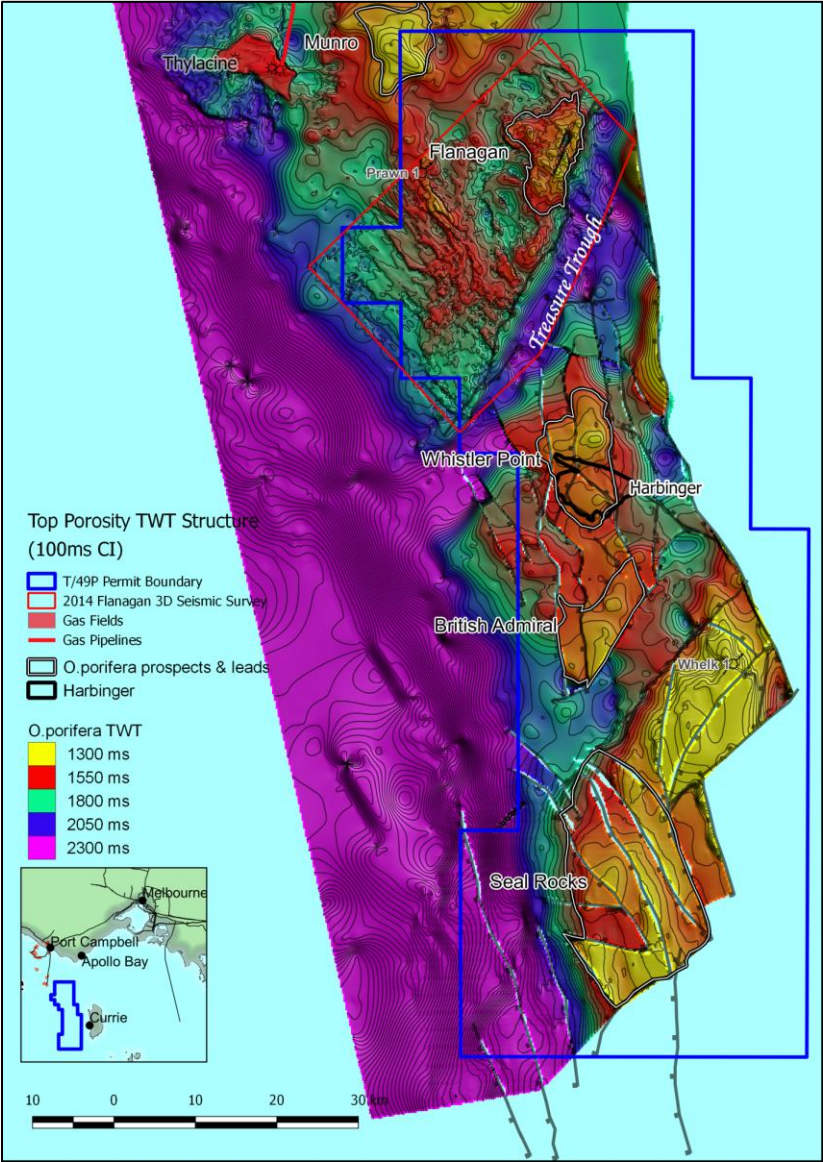
- **T/49P: Significant upgrade to Prospective Resources based on ongoing permit wide detailed mapping and technical studies**
- **T/49: Best Estimate Prospective Resources in total for T/49P are now estimated at 10 TCF of gas recoverable**
- **T/49P: Worley Parson completed a Development Concept Study which reviewed potential development options and capex**
- **T/49P: International farmout campaign continues**
- **VIC/P57: TDO continued to evaluate the newly identified gas prospect, Pointer, estimated to have a Best Estimate Prospective Resource of 235 BCF of recoverable gas**
- **VIC/P57: JV decided it will renew permit early next year following positive discussions with NOPTA**

Exploration

T/49P, Otway Basin, offshore Tasmania

3D Oil Limited (ASX : TDO) has 100% equity in T/49P, a large (4,960 km²) highly prospective permit in offshore Otway Basin, located adjacent to the producing Thylacine and Geographe gas fields.

During the quarter TDO updated the assessment of the Prospective Resources within T/49P as a result of ongoing permit wide technical studies. These studies also uncovered a new lead, Harbinger, which is located stratigraphically above the previously recognised Whistler Point Lead. The Harbinger Lead also displays a Class 3 AVO anomaly which strongly indicates the potential presence of gas.



Two-way time base seal T/49P illustrating leads and Flanagan Prospect

These studies also refined the structural model of the 3D defined Flanagan Prospect which resulted in minor adjustments to the Prospective Resources estimates.

Detailed mapping in conjunction with geological studies in the central and southern parts of T/49P resulted in significant upgrade to TDO’s estimates of Prospective Resources for leads in this region. TDO’s combined Best Estimate Prospective Resource for the leads in the central and southern area is now total 8.7 TCF recoverable.

During the quarter TDO commissioned WorleyParsons to undertake a Development Concept Study to review development options and capex following the requests of some potential farminees. The study evaluated both tie-in and stand-alone development options for a small and medium size gas field. The resulting report provides reliable capex estimates for economic modelling. This new economic modelling has demonstrated that even a small field (~500bcf) has a post-tax NPV of up to A\$350 million depending gas price assumptions. The modelling also confirmed previous modelling which indicated a TCF in T/49P has a potential value of approximately a A\$1 billion of post tax NPV.

T/49P Prospective Resource Estimate (TCF) Recoverable Gas

Location	Status	Low	Best	High
Flanagan	Prospect	0.53	1.34	2.74
Munro (T/49P Part)	Lead	0.04	0.19	0.57
Whistler Point	Lead	0.82	2.04	8.95
British Admiral	Lead	0.37	1.03	4.45
Seal Rocks	Lead	0.95	4.64	10.64
Harbinger	Lead	0.33	0.79	1.43
T/49P Total		3.04	10.03	28.77

T/49P Prospective Resource Estimate (MMbbl) Recoverable Condensate

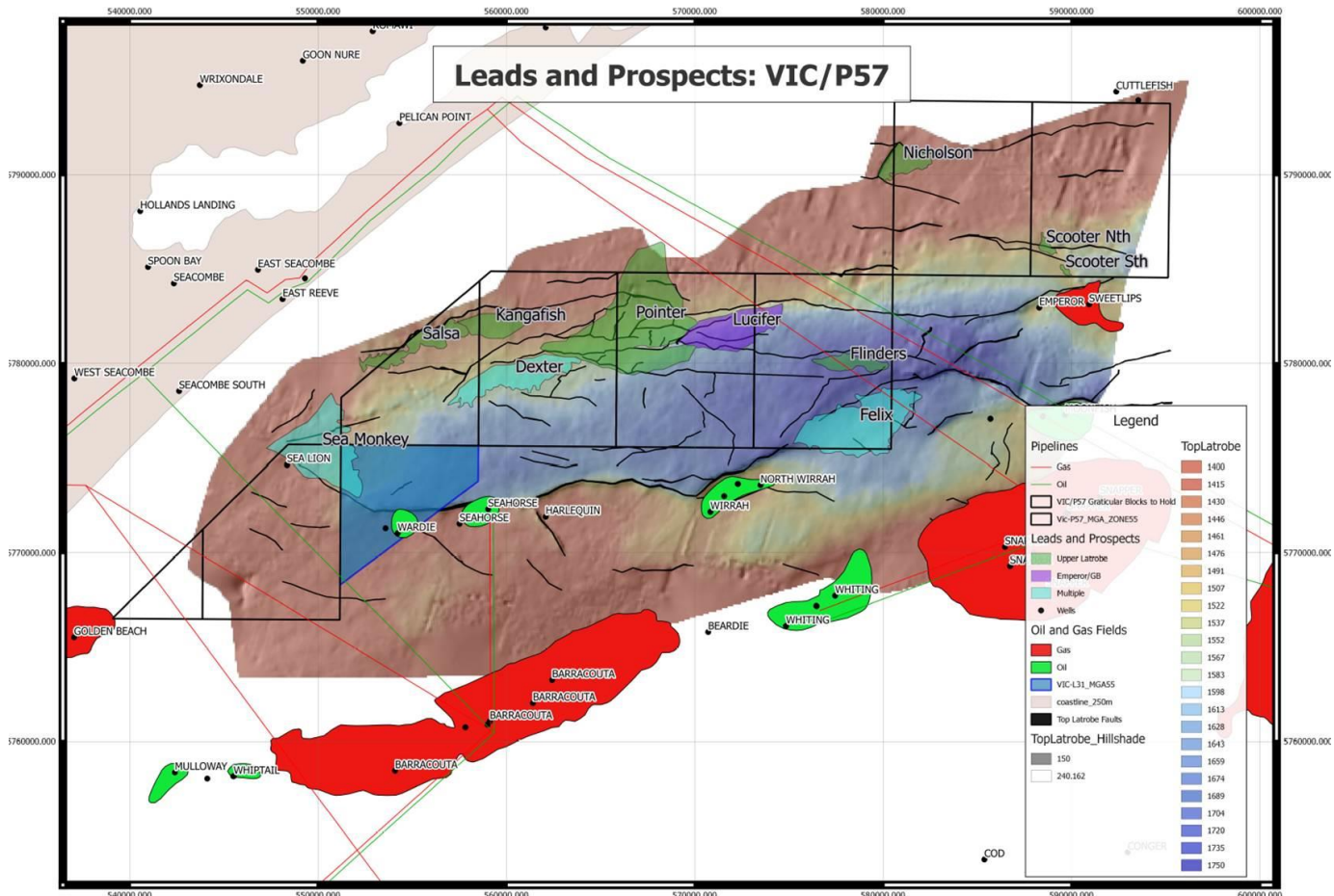
Location	Status	Low	Best	High
Flanagan	Prospect	6.39	16.05	32.84
Munro (T/49P Part)	Lead	0.49	2.31	6.82
Whistler Point	Lead	9.85	24.47	107.35
British Admiral	Lead	4.47	12.38	53.38
Seal Rocks	Lead	11.37	55.64	127.64
T/49P Total		32.57	110.85	328.04

TDO continues its farmout process. Emphasis has been on the positive results of our recent technical studies to promote the potential of the T/49P permit. The company is engaged with a number of large international petroleum companies while discussions progress under confidentiality agreements. During the quarter TDO has engaged with a number of additional companies undertaking reviews of T/49P.

VIC/P57, Gippsland Basin, offshore Victoria

TDO has a 24.9% interest in the VIC/P57 exploration permit in the offshore Gippsland Basin with our Joint Venture partner Hibiscus Petroleum.

TDO, as technical advisor for the VIC/P57 Joint Venture, has completed a comprehensive prospectivity review in order to build an inventory of leads and prospects of the permit. The aim was to establish the optimal near-term exploration strategy for the permit. This work has resulted in maturation of the Felix and Pointer prospects and a series of Top Latrobe oil leads. The distribution of the leads and prospects identified as a result of the evaluation are shown in the map below.



Top Latrobe Depth

The Felix Prospect presents as the lowest risk target with volumetric estimates conducted for the entire structure resulting in a Best Estimate Prospective Resource of 24MMbbls recoverable oil (16 MMbbls within VIC/P57). The Pointer Prospect has been determined as the lowest risk gas target, volumetric calculations conducted for the entire feature resulting in a Best Estimate of 250Bcf recoverable gas (235 BCF within VIC/P57).

Volumetric estimates detailing the Prospective Resources for VIC/P57 area are shown in the table below. These estimates confirm that the permit holds significant value to the Joint Venture.

**VIC/P57 Prospective Resource Estimate (MMbbls)
Recoverable Oil**

Location	Status	Low	Best	High
Felix	Prospect	6.84	15.94	26.94
Salsa	Lead	10.65	15.09	20.57
Nicholson	Lead	3.4	7.86	14.68
Scooter	Lead	0.54	1.24	2.27
VIC/P57 Total		21.43	40.13	64.46

VIC/P57 Prospective Resource Estimate (Bcf) Recoverable Gas

Location	Status	Low	Best	High
Pointer	Prospect	140.1	235.26	364.91
Dexter	Lead	36.96	131.98	259.14
VIC/P57 Total		177.06	367.24	624.05

The VIC/P57 joint venture has agreed to renew the permit for a further five-year period following discussions with the National Offshore Petroleum Authority (NOPA). The permit ends in January 2018 however the renewal application will need to be lodged well in advance of that date.

The work program in the primary term of the renewal period, the first 3 years, will be designed to de-risk and high grade the prospect inventory to ultimately mature drill-ready prospects.

New Ventures

TDO continually reviews new opportunities in a prudent and diligently manner. In April TDO submitted a bid for an east coast permit with significant gas potential. TDO expects to be advised of the outcome of its bid later in 2017.

TDO Petroleum Tenement Holdings

As at 30 June 2017, TDO petroleum tenement holdings were:

Tenement and Location	TDO beneficial interest at 31March17	Beneficial interest acquired / (disposed)	TDO beneficial interest at 30June17
VIC/P57 offshore Gippsland Basin, Victoria	24.9%	nil	24.9%
T/49P offshore Otway Basin, Tasmania	100%	nil	100%
WA-527-P offshore Roebuck Basin, Western Australia	100%	nil	100%

Qualified Petroleum Reserves and Resources Evaluator Statement

The Prospective Resources estimates in this release are based on, and fairly represent, information and supporting documents prepared by, or under the supervision of Mr Matthew Boyd and Dr David Briguglio, who are employed full-time by 3D Oil Limited as Senior Geoscientists. Matthew holds a BSc. in Earth Science and has more than 20 years practicing in Petroleum Geosciences. He is a member of the American Association of Petroleum Geologists (AAPG). David holds a BSc.Hons and PhD in Petroleum Geoscience and has been practicing as a Petroleum Geoscientist for 8 years. Mr Boyd and Dr Briguglio are qualified in accordance with ASX listing rule 5.41 and have consented in writing to the inclusion of the information in the form and context in which it appears.

Prospective Resources

The estimates have been prepared by the company in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System, 2011 approved by the Society of Petroleum Engineer. Prospective Resource estimates are for recoverable volumes and unless otherwise stated this report quotes Best Estimates and gross volumes. The estimates are unrisked and have not been adjusted for both an associated chance of discovery and a chance of development.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

3D OIL LIMITED

ABN

40 105 597 279

Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(104)	(488)
(b) development	-	-
(c) production	-	-
(d) staff costs	(126)	(771)
(e) administration and corporate costs	(74)	(439)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	13
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(298)	(1,685)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other:		
- cash acquired on increase in interest in T/49P	-	3
- cash on deposit ¹	(1,000)	(1,000)
2.6 Net cash from / (used in) investing activities	(1,000)	(997)

¹ Included in the amount noted above is \$1 million of cash on deposit held with a term to maturity greater than 3 months.

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,550	4,014
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(298)	(1,685)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,000)	(997)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	52	(28)
4.6	Cash and cash equivalents at end of period ¹	1,304	1,304

¹ The cash balance above excludes \$1 million of cash on deposit with a maturity date greater than 3 months.

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,093	2,339
5.2 Call deposits	117	117
5.3 Bank overdrafts	-	-
5.4 Other – Bank Guarantee	94	94
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) ¹	1,304	2,550

¹ The cash balance above excludes \$1 million of cash on deposit with a maturity date greater than 3 months.

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
121
-

Salaries, superannuation, consulting fees and Director's fees paid to directors and related entities during the June 2017 quarter.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

-

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	100
9.2 Development	-
9.3 Production	-
9.4 Staff costs	160
9.5 Administration and corporate costs	110
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	370

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: 27 July 2017

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.