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## 3D Oil Limited

### QUARTERLY ACTIVITIES REPORT FOR THE THREE MONTHS ENDED 31 MARCH 2015

#### Key Points

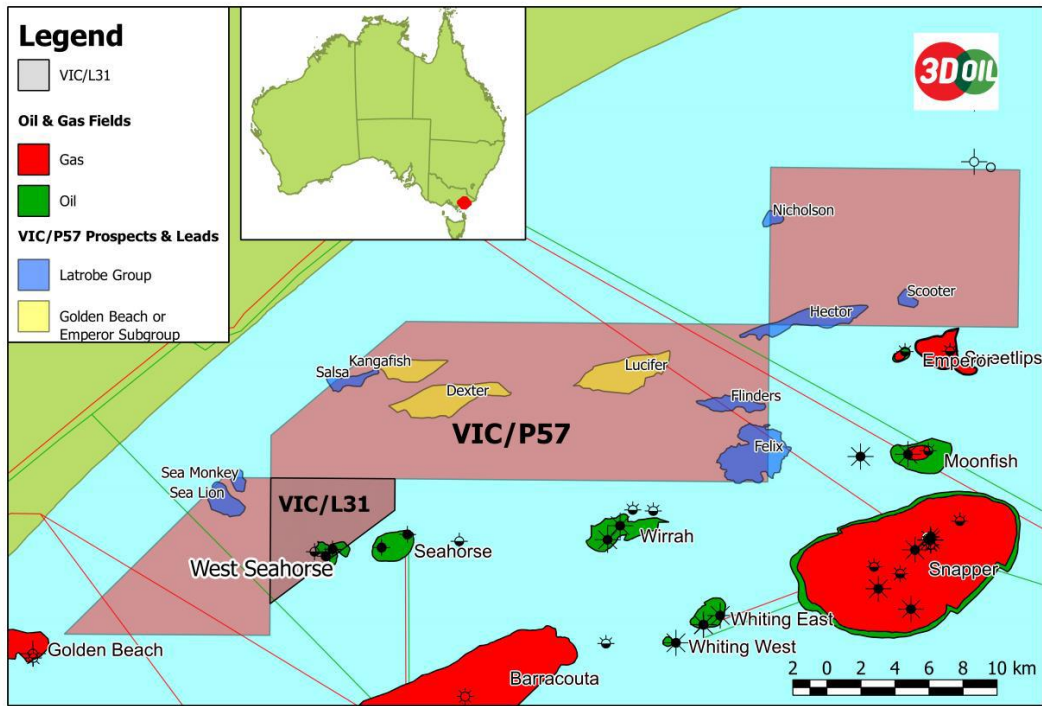
- The West Telesto drilling rig has been mobilised to Victoria and is scheduled to commence the Sea Lion-1 well mid 2015 in VIC/57.
- The completion the Flanagan 3D seismic data in T/49P and the processing of data is 60% completed ahead of prospect mapping which is expected during the third quarter of 2015.

#### Exploration

##### *VIC/P57 and VIC/L31, Gippsland Basin, offshore Victoria*

3D Oil Limited (ASX: 'TDO') has a 24.9% interest in the Vic/P57 exploration permit which contains a number of prospects and leads identified on 3D seismic.

In VIC/P57 TDO is focussing on the upcoming Sea Lion-1 well where the company's share of well costs are being carried up to the extent of US\$7.5 million. Together with joint venture operator Hibiscus Petroleum, TDO is finalising the operational and regulatory preparation for Sea Lion-1. The well is scheduled to be drilled mid-2015, once the West Telesto jack-up rig is released from its current drilling programme for Origin Energy at the Yolla gas field offshore Tasmania.

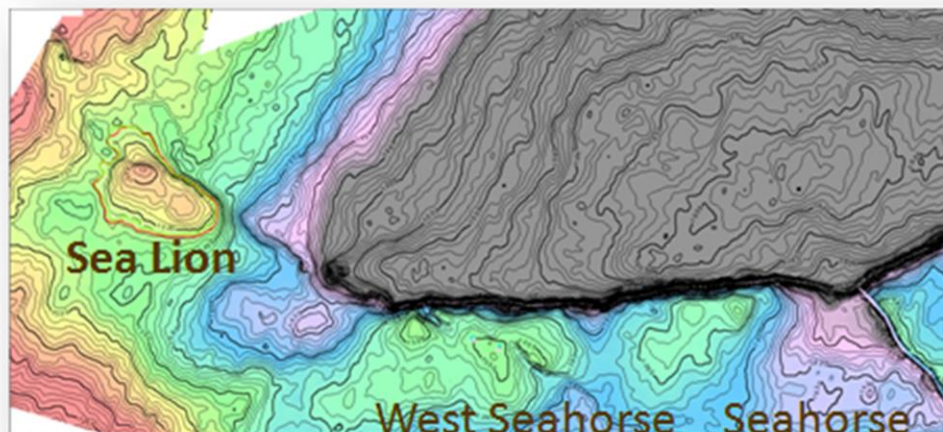


*Location map for VIC/P57 and VIC/L31*

Sea Lion is considered highly prospective as it is on a proven oil-producing trend, and represents one of the last undrilled 4-way dip closures at the prolific 'Top Latrobe' level in the Gippsland Basin. The combination of prominent mapped depth structure and the likely presence of thick high quality reservoir sands overlain by the regional seal provides the ingredients of a high quality target.

An independent report has assessed the Sea Lion most likely (P50) Prospective Resource at 11.0MMbbl of oil (combined probabilistic estimate for the three main target levels).

The drilling of the Sea Lion-1 well will meet the VIC/P57 Year 3 permit commitment.



*Structural map of Sea Lion*

TDO Managing Director Noel Newell commented:

*“The Sea Lion-1 well is an excellent oil exploration near field target. Despite the current low oil prices an oil discovery of this potential magnitude, with productive Gippsland reservoirs located in shallow water would be a valuable asset. Such a discovery could be transformative for TDO and, in the case of Sea Lion, there is also potential for any discovery to be efficiently co-developed with the adjacent West Seahorse field.”*



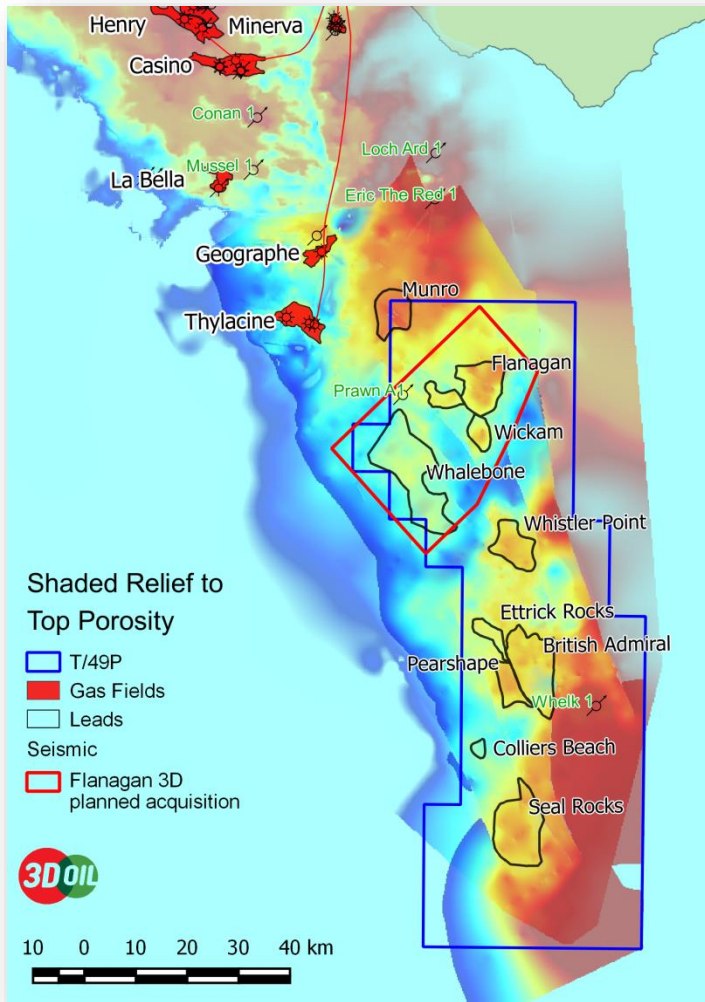
*West Telesto drilling rig on transport ship*

### ***T/49P, Otway Basin, offshore Tasmania***

In December 2014, 3D Oil Limited TDO concluded the acquisition of the 974 sq km Flanagan 3D seismic survey.

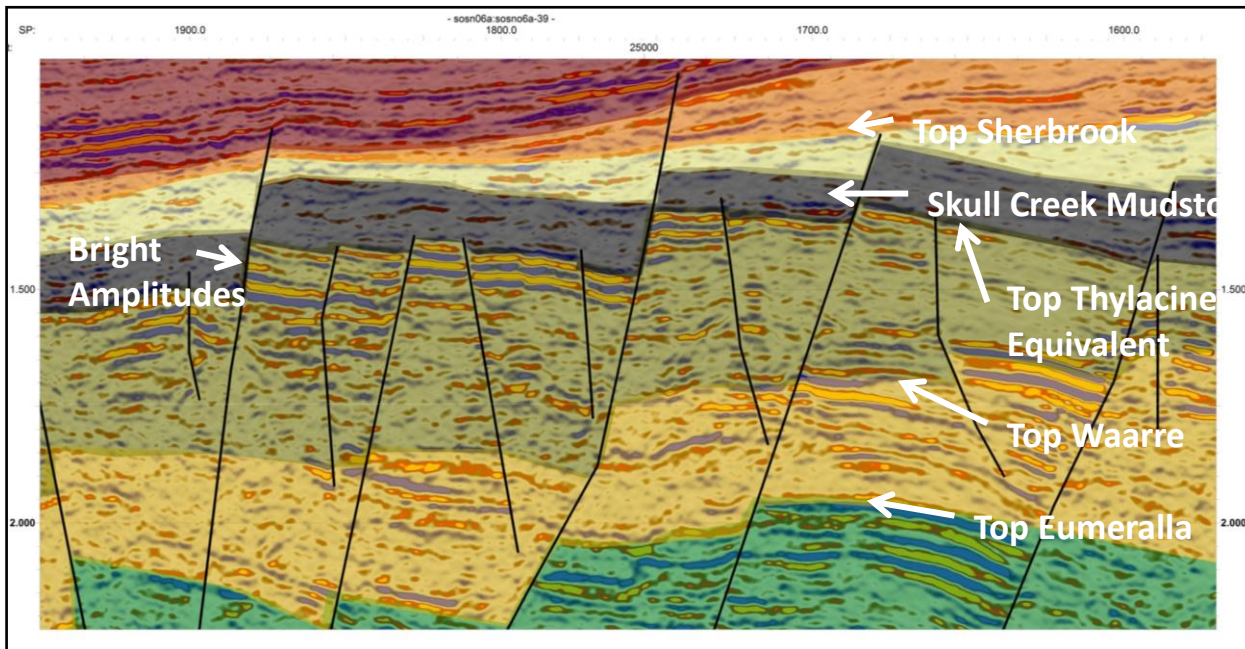
The seismic data, recorded by the seismic vessel Polarcus Asima, is being processed by DownUnder GeoSolutions (in Perth). Data processing of the 3D seismic, which is a sophisticated process, is currently approximately 60% complete. The final products are expected to be available in mid 2015. Early indications are that the data is of very good quality.

Interpretation and assessment of the geology and prospectivity of the area is continuing in parallel with detailed mapping of the pre-existing 2D seismic data set. Particular focus has been applied to reviewing paleo depositional environments since the beginning of the year



*Location of leads and the Flanagan Survey, T/49P Offshore Tasmania*

and has now incorporated the basement architecture leading to a more comprehensive interpretation of the palaeogeographical setting. These new concepts have resulted in a refinement of the initial interpretation of the 2D data over T/49P with the addition of several newly interpreted horizons. This work provides confidence that supports the presence of good seal rocks over the key prospects within the 3D survey area.



2D seismic line and interpretation over Seal Rocks Lead

TDO intends to leverage the results of the Flanagan survey to attract the best possible farm in terms for future exploration in this highly prospective gas exploration area. The recent deals with Beach have allowed TDO to retain a large pre-drilling interest and operatorship in T/49P, while reducing cash exposure to the Flanagan survey. Farmout activities are expected to commence during the third quarter of 2015. The continued strengthening of Eastern Australian gas markets is also expected to contribute to the appetite for the farmout.

## TDO Petroleum Tenement Holdings

As at 31 March 2015, TDO petroleum tenement holdings were:

Tenement and Location	TDO beneficial interest at 31Dec14	Beneficial interest acquired / (disposed)	TDO beneficial interest at 31Mar15
VIC/P57 offshore Gippsland Basin, Victoria	24.9%	nil	24.9%
T/49P offshore Otway Basin, Tasmania	70%	nil	70%

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

3D OIL LIMITED

ABN

40 105 597 279

Quarter ended ("current quarter")

31 March 2015

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (9 months) \$A
1.1 Receipts from product sales and related debtors	346,806	357,972
1.2 Payments for		
(a) exploration and evaluation (net of refunds)	(5,653,454)	(9,417,475)
(b) development	-	-
(c) production	-	-
(d) administration	(482,605)	(1,796,355)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	33,408	66,383
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 R&D Tax Rebate	-	-
1.8 Refund of expenditure from Joint Venture	-	-
<b>Net Operating Cash Flows</b>	<b>(5,755,845)</b>	<b>(10,789,475)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects/farmins	-	-
(b) equity investments	-	-
(c) other fixed assets	(20,576)	(20,576)
1.9 Proceeds from sale of:		
(a) prospects/farmin	-	18,439,329
(b) equity investments	-	-
(c) other fixed assets	-	1,489,695
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(20,576)</b>	<b>19,908,448</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(5,776,421)</b>	<b>9,118,973</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(5,776,421)	9,118,973
	<b>Cash flows related to financing activities</b>		
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	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(5,776,421)	9,118,973
1.20	Cash at beginning of quarter/year to date	16,588,577	827,853
1.21	Exchange rate adjustments to item 1.20	301,840	1,167,170
1.22	<b>Cash at end of quarter</b>	<b>11,113,996</b>	<b>11,113,996</b>

**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	158,059
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 and salaries paid to directors during the March 2015 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

-

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	500
4.2 Development	-
4.3 Production	-
4.4 Administration	500
<b>Total</b>	<b>1,000</b>

### 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	10,953	16,427
5.2 Deposits at call	114	114
5.3 Bank overdraft	-	-
5.4 Other – Bank Guarantee	47	47
<b>Total: Cash at end of quarter (item 1.22)</b>	<b>11,114</b>	<b>16,588</b>

### 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	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-
6.3	Interests in mining tenements acquired or increased	-	-	-

+ 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 <b>Preference +securities</b> <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 <b>+Ordinary securities</b>	237,523,000	237,523,000	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs (c) Released from ASX restriction	- - -	- - -	- - -	- - -
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7 <b>Options</b> <i>(description and conversion factor)</i>	78,000 595,000 300,000 250,000 400,000	- - - - -	<i>Exercise price</i> \$0.18 \$0.16 \$0.11 \$0.12 \$0.08	<i>Expiry date</i> 07 October 2015 30 November 2015 30 November 2016 29 November 2016 30 November 2017
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired/lapsed during quarter	200,000	-	\$0.40	31 January 2015
317.1 <b>Debentures</b> <i>(totals only)</i>	-	-	-	-
7.12 <b>Unsecured notes</b> <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: 17 April 2015

Director and 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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