



**3D Oil Limited**  
Level 5, 164 Flinders Lane  
Melbourne VIC 3000  
Tel: +61 3 9650 9866  
Fax: +61 3 9639 1960  
www.3doil.com.au

## ASX Release

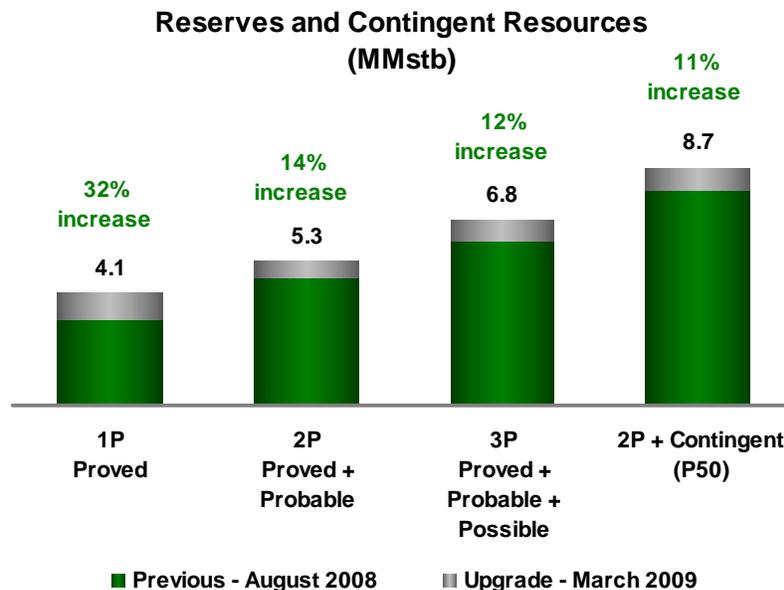
12 March 2009

# Major Reserves Upgrade 3D Oil Increases 1P Reserves by 32%

The Directors of 3D Oil Ltd (**ASX:TDO**) are pleased to announce a major upgrade to its reserves and contingent resources.

Since completing drilling at its 100% owned West Seahorse field in the Gippsland Basin last year, 3D Oil has undertaken a comprehensive evaluation of the field's sub surface to provide a further rigorous reserves assessment. The revised evaluation provides an update and an increase to the reserves provided in August 2008 and flows from a continuous process which has occurred since that time.

A comparison to previously disclosed reserves is set out below.



Commenting on the upgrade, 3D Oil's managing director, Noel Newell said, "It is very pleasing to announce a material upgrade to our reserves and contingent resources. A combined 2P reserves and best estimate contingent resource (P50) of 8.7 million barrels of recoverable oil is now interpreted to exist at West Seahorse. A particularly positive aspect of today's reserves upgrade is the 32% increase in 1P reserves and a 14% increase in 2P reserves. The substantial upgrade highlights the inherent value in West Seahorse and bodes well for 3D Oil. 3D Oil is actively reviewing options to develop West Seahorse, including seeking an appropriate joint venture partner".

The sub surface evaluation was undertaken using independent expert consultants and utilising the new drilling data. This information has been incorporated with the existing 3D seismic data to generate a new volumetric evaluation of the hydrocarbons in West Seahorse. The work carried out included detailed reservoir analysis; detailed mapping of all hydrocarbon bearing horizons; high density depth conversion; reservoir fluid analysis; reservoir simulation and production forecasting and reserve assessment.

West Seahorse contains three separate oil zones: the N1 (Top Latrobe), the N2.6 and the P1 (both intra Latrobe) formations. Reservoir analysis has confirmed the excellent quality of the reservoir units. All consist of thick, stacked fluvial channel sandstones and are expected to provide the high flow rates, supplemented by strong water drive, typical of the Gippsland Basin Latrobe Group reservoirs.

Both the N1 and N2.6 zones currently produce commercial volumes of oil in the neighbouring Seahorse field, operated by the joint venture of Esso Australia Resources and BHP Billiton Gippsland Basin.

3D Oil's updated reserves and contingent resources statement is set out below.

### Reserves and Contingent Resources, West Seahorse Field in Vic/P57

Reserves	1P Proved	2P Probable	3P Possible
N1 and N2.6	4.1	5.3	6.8

Contingent Resources	Low Estimate (P90) MMstb	Best Estimate (P50) MMstb	High Estimate (P10) MMstb
P1 and NE Fault Block	2.8	3.4	4.0

Total Reserves plus Contingent Resource	6.9	8.7	10.8
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### Disclosure regarding Certifications

The reserve assessment of the West Seahorse field has been completed in conjunction with independent consultants and follows guidelines set forth by the Society of Petroleum Engineers (**SPE**), the World Petroleum Council (**WPC**) and the American Association of Petroleum Geologists (**AAPG**). These guidelines require that Proved Reserves are those quantities of petroleum which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable from a given date.

The reserves estimates used in this announcement were compiled by Dr Rodney Halyburton BSc(Hons), MSc and PhD who is a member of the SPE and Society of Professional Well Log Analysts and Dr Andrew Wadsley BSc(Hons), MSc and PhD who is a member of the SPE and the Society for Industrial and Applied Mathematics. The reserves estimates are consistent with the definitions of Proved, Probable and Possible hydrocarbon reserves defined in the Australian Stock Exchange (**ASX**) Listing Rules. Dr Halyburton and Dr Wadsley are qualified persons as defined under ASX Listing Rule 5.11 and have consented to the use of the reserves figures in the form and context in which they appear in this announcement.

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### For further information, please contact:

Noel Newell  
 Managing Director  
 3D Oil Limited  
 T (03) 9650 9866

Ian Howarth  
 Senior account director  
 Farrington National  
 T (03) 9223 2465/ M 0407 822 319