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3D Oil Limited

QUARTERLY ACTIVITIES REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2017

Key Points

- **T/49P: NOPTA approves application for variation to secondary work programme**
- **T/49P: Engagement continues with a number of large international petroleum companies who have demonstrated interest in the permit**
- **VIC/P57: The Joint Venture submits application to renew permit early next year following the uncovering of a new gas prospect, Pointer.**

Exploration

T/49P, Otway Basin, offshore Tasmania

3D Oil Limited (ASX: TDO, “**TDO**”) has a 100% interest in the T/49P exploration permit, which covers 4,960 km² of the strategic offshore Otway Basin. The permit is located adjacent to the producing Thylacine and Geographe gas fields (part of the Otway Gas Project, 95% owned by Beach Energy post the Lattice Energy acquisition). Production from the Otway Basin is supplied and sold into the Australian east coast domestic gas market.

Significant exploration work has been flagged within the area, with Beach Energy reporting in September 2017 that it is progressing towards FID for drilling Geographe-3, Thylacine North-1 and Thylacine West-1 wells as part of the FY19 integrated Otway campaign (*refer to the Lattice Energy acquisition presentation released 28 September 2017*). The Thylacine field commenced production in 2008 via an offshore platform and subsea pipeline.

During the quarter TDO made a formal request to the National Offshore Petroleum Titles Administrator (“**NOPTA**”) to vary the secondary work programme for T/49P. This was in response to discussions with a number of potential farminees suggesting that swapping the

Year 5 exploration well with the Year 6 seismic acquisition was a more logical exploration programme potentially providing a choice of drilling prospects.

On 16 October 2017 NOPTA notified TDO that they had accepted our request and had varied the secondary work programme.

During the previous quarter TDO updated the assessment of the Prospective Resources within T/49P as a result of ongoing permit wide technical studies.

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 the permit. The combined Best Estimate Prospective Resource for the leads now totals 10 TCF recoverable.

The company continues to engage with a number of large international petroleum companies while discussions progress under confidentiality agreements.

Figure 1: Two-way time base seal T/49P illustrating leads and Flanagan Prospect

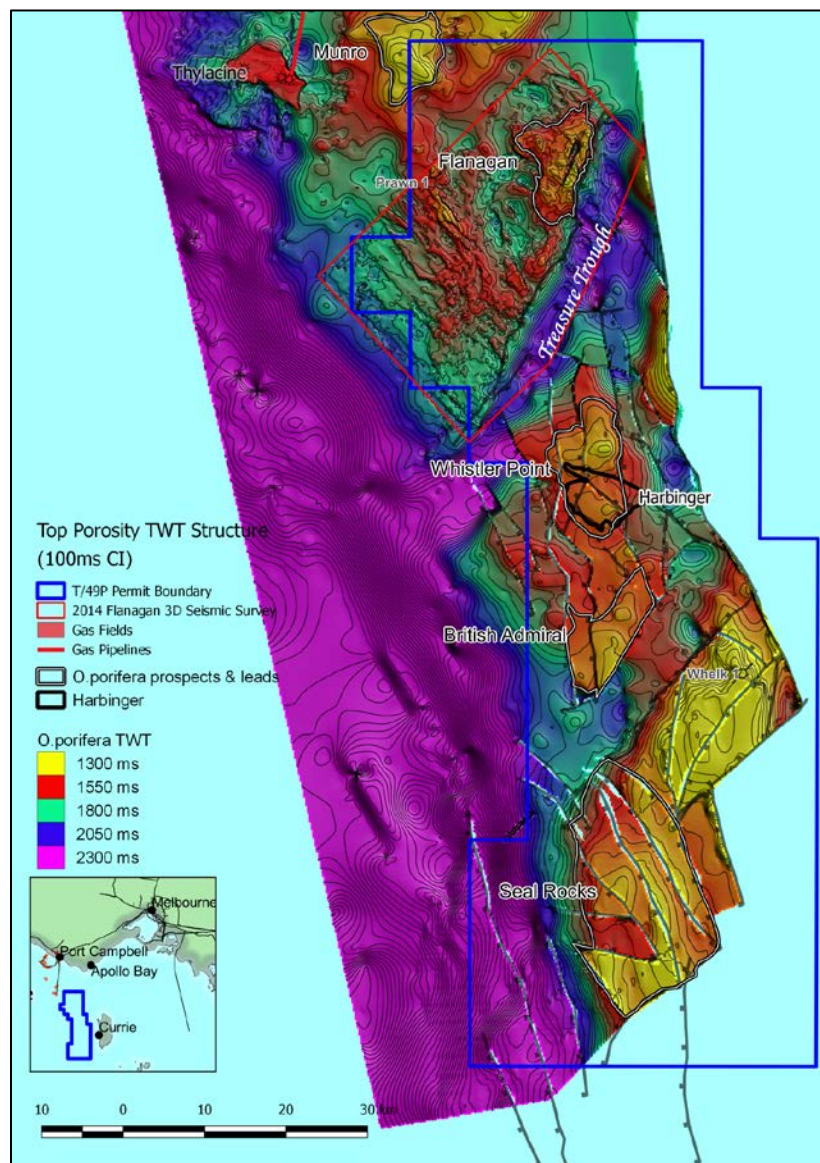


Table 1: T/49P Prospective Resource Estimate (TCF) Recoverable Gas

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

Table 2: 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

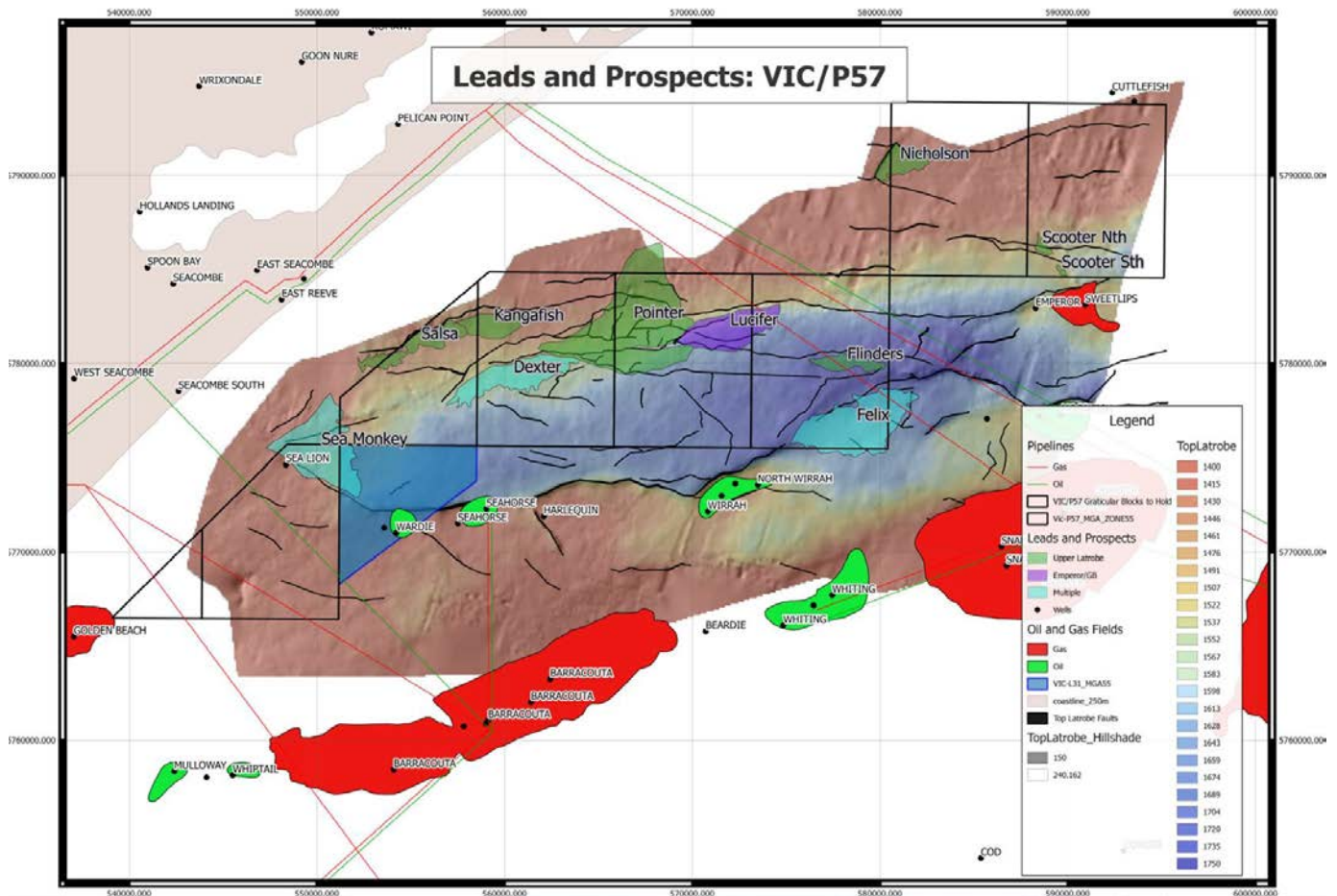
VIC/P57, Gippsland Basin, offshore Victoria

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

Following TDO’s comprehensive prospectivity review of VIC/P57, as technical advisor, the JV submitted an application to renew the permit commencing in early 2018. This work has resulted in the maturation of the Felix and Pointer prospects and a series of Top Latrobe oil leads. The distribution of the leads and prospects identified through the evaluation are shown in Figure 2.

The aim of the review was to establish the near-term exploration strategy for the permit renewal.

Figure 2: 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 Prospective Resource of 250Bcf recoverable gas (235 BCF within VIC/P57).

Volumetric estimates detailing the Prospective Resources for VIC/P57 area are shown in the Table 3 and Table 4. These estimates confirm that the permit holds significant value to the JV.

Table 3: VIC/P57 Prospective Resources 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

Table 4: 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 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.

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 Dr David Briguglio, who is employed full-time by 3D Oil Limited as Chief Geoscientist. He holds a BSc.Hons and PhD in Petroleum Geoscience and has been practicing as a Petroleum Geoscientist for 8 years. Dr Briguglio is qualified in accordance with ASX listing rule 5.41 and has 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 unrisks 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 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(83)	(83)
(b) development	-	-
(c) production	-	-
(d) staff costs	(62)	(62)
(e) administration and corporate costs	(170)	(170)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	5
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	(310)	(310)
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 (3 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 on deposits)	1,000	1,000
2.6	Net cash from / (used in) investing activities	1,000	1,000

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	1,304	1,304
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(310)	(310)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1,000	1,000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,994	1,994

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	783	1,093
5.2	Call deposits	1,117	1,117
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)	1,994	2,304

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	63
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	

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

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

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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.		

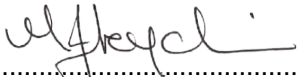
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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	108
9.2 Development	-
9.3 Production	-
9.4 Staff costs	165
9.5 Administration and corporate costs	109
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	382

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 October 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.