



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

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ASX Limited
Company Announcements Office
Level 10
20 Bond Street
SYDNEY NSW 2000

WARDIE-1 DRILLING REPORT AND 3D OIL LIMITED UPDATE

Wardie-1, Vic/P57 Offshore Victoria

3D Oil Limited ("TDO") advises that an evaluation of the wireline data has been carried out for the Wardie-1 well. The top of the Latrobe Group was intersected at 1562 metres measured depth (1401 metres true vertical depth sub sea "TVD ss").

The presence of oil was confirmed by sampling between 1582.4 and 1593.7 m (1398.8 to 1409.9 metres TVD ss) within a series of thin sands interbedded with coal and shale at the top of the "Coarse Clastics" of the Latrobe Group.

This oil is interpreted to be stratigraphically higher than the N1 oil reservoir in the West Seahorse-1 and 3.

The upper 75 metres of the Latrobe Group is highly interbedded with very limited reservoir quality development, including within the equivalent N1 zone. No moveable oil was observed from wireline data from below the upper oil zone (1582.4 and 1593.7 m) to the total measured depth of 1766 metres.

Although the oil encountered in the upper zone may be in communication with better developed reservoir in the structure the reservoir quality, at this location is interpreted as not sufficiently developed to justify suspension of the well as a future producer and therefore the Wardie-1 will be immediately plugged and abandoned.

3D Oil Limited Update

Over the last four weeks 3D Oil Limited has drilled two wells in the offshore of the Gippsland basin (Vic/P57, 100%) and acquired 2200km of 2D seismic within the Bass basin (T41/P, 100%).

Both projects were executed ahead of schedule and under budget. As a result 3D Oil Limited remains well-funded to pursue its next stage of development and should not require additional funding until any future exploration or development decisions are made.

The drilling campaign has resulted in the confirmation of the N1 oil column encountered in West Seahorse-1 and resulted in a more modern and reliable data set from West Seahorse-3. This well has been suspended as a future oil producer.

In the immediate future 3D Oil Limited plans to fully evaluate the information gained from West Seahorse-3 and Wardie-1 to determine the field's oil reserves and to optimise the design for any West Seahorse development.

The Wardie-1 well encountered moveable oil but unfortunately in poor quality reservoir. This well may highlight a previously unrecognized play in the Gippsland Basin.

Importantly the Wardie-1 well shows that the petroleum fairway extends further into Vic/P57 than previously demonstrated. 3D Oil Limited currently has a number of high quality prospects, predominantly traditional Gippsland proven plays. These include the Sea Lion prospect (prospective resource 20.7 MMbbl mid-case), a four way dip closure, top Latrobe structure neighbouring the Wardie feature. Geological interpretation indicates reservoir quality at the Top Latrobe in Sea Lion should be excellent.

3D Oil Limited will continue to evaluate its exploration portfolio in Vic/P57 to firm up a portfolio of prospects for future drilling.

With the acquisition of new seismic in T41/P the company will also map and mature the known leads into drillable prospects.

Exploration activity in the Bass basin has increased recently and the basin is now fully permitted.

Four seismic surveys are being recorded in the basin this year and 13 exploration wells will be drilled over the next three years. This represents the first, concerted, exploration effort in the basin with the benefit of modern, high quality data and has the potential to transform the region into a significant petroleum province.

3D Oil Limited has fulfilled its current work programme commitments in both Vic/P57 and T41/P and does not have any outstanding obligations.



The West Triton jackup rig on the West Seahorse-3/ Wardie-1 location

For more information contact:

Noel Newell
3D Oil Limited
Managing Director
Phone: (03) 9650 9866
Email: nnewell@3doil.com.au

or

Ian Howarth
Farrington National
Phone: (03) 9223 2465
Mobile: 0407 822 319
Email: ian.howarth@farrington.com.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'Noel Newell', written in a cursive style.

NOEL NEWELL
Managing Director