



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

12 May 2008

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

WARDIE-1 DRILLING REPORT

Wardie-1, Vic/P57 Offshore Victoria

3D Oil Limited ("TDO") advises that the Wardie-1 exploration well spudded at 19.30 hours on Saturday 10 May. As of 06.00 am this morning the well was at a total depth of 136 metres in 36 inch hole. Over the course of the next week the anticipated operations will be to run and cement 30 inch conductor and drill 17.5 inch hole prior to setting 13 3/8 inch casing.

The surface location of the well is immediately adjacent to the recently completed and suspended West Seahorse-3 well and therefore did not require the West Triton rig to move location. The well will be directionally drilled, as was West Seahorse-3, to the Latrobe Group targets. The crest at this level is approximately one kilometre to the southwest from West Seahorse-3.

3D Oil Limited is the operator and 100% owner of the Vic/P57 permit.

West Seahorse Update

The suspended West Seahorse-3 well confirmed the presence of the N1 oil accumulation and the excellent reservoir quality of the zone. While the N2.6 and P1 reservoirs were intersected deeper than prognosed, and consequently water wet, these zones contained oil accumulations in the nearby West Seahorse-1 well. The suspension of the West Seahorse-3 well provides the potential to complete the well as a future producer from the N1 reservoir or drill a sidetrack into a more favourable location for the deeper reservoirs.

The company has commenced a review of the results of the West Seahorse-3 well. Initial findings indicate a minor velocity gradient variation which impacted our pre-drill depth prognosis.

The West Seahorse-1 discovery well was drilled in 1981, by Hubday Oil Australia Limited. It followed the discovery of oil in the neighbouring Seahorse field by Esso in 1978. The well intersected three separate oil accumulations with a potential fourth sand untested. The uppermost zone, within the top of Latrobe Group, flowed 1800 barrels of oil per day (bopd). The current interpretation of the West Seahorse field shows it to be substantially larger than interpreted by previous operators.

Furthermore the West Seahorse-2 well appears to be located on the edge of the field, suggesting that larger hydrocarbon intersections might be encountered higher on the structure. The neighbouring Seahorse field has produced oil since 1990/1991 through a subsea completion connected to the Barracouta platform. A recent work-over of the Seahorse-1 well (2005) resulted in the well's return to production at 4000 bopd following a period of declining oil production. VIC/P57 is flanked to the south by several oil and gas fields including the giant Barracouta and Snapper gas fields as well as the smaller Golden Beach, Mulloway/Whiptail, Seahorse, Wirrah, Whiting, Emperor and Sweetlips Fields.

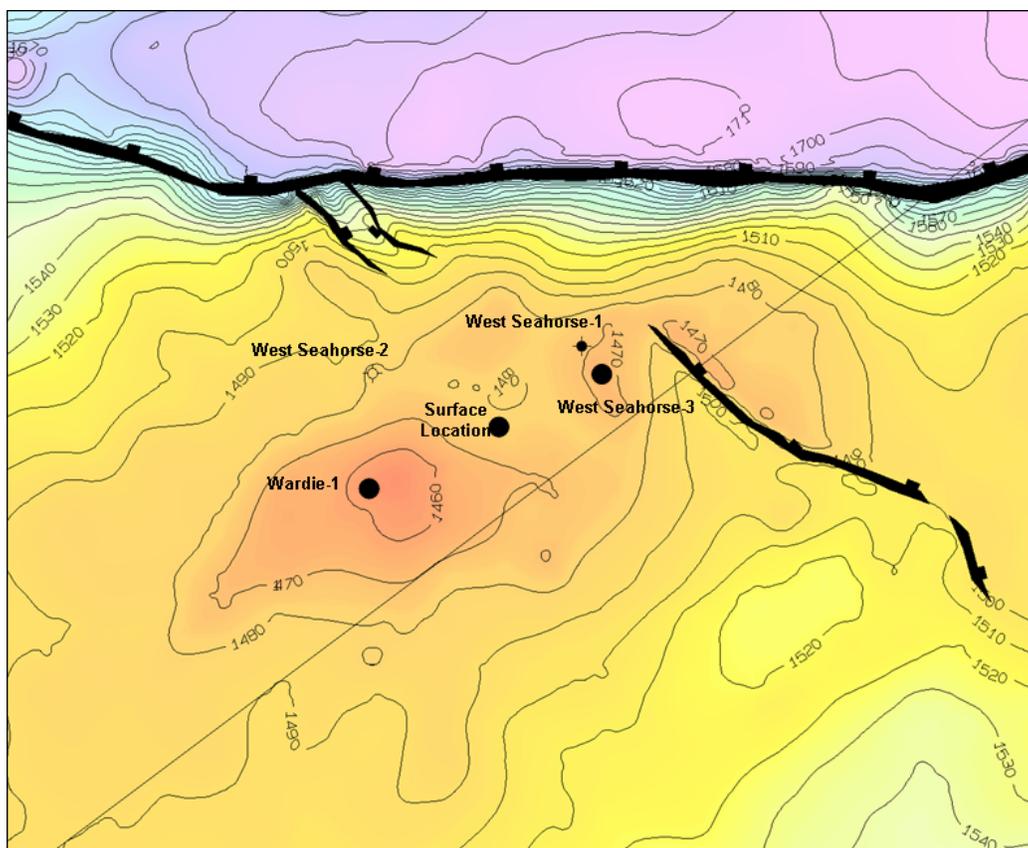
Wardie background

3D Oil Limited's Wardie oil prospect in Bass Strait was revealed by detailed mapping and depth conversion analysis in the September quarter last year. Studies have shown that the field could be of a similar size to the West Seahorse oil field and in an upside case the fields may be connected. If commercial volumes of oil are present in Wardie-1 it is feasible the field could be jointly developed with the potential West Seahorse development.

This prompted 3D Oil Limited to accelerate the drilling of the Wardie prospect ahead of the previously planned Sea Lion feature, located 7 km to the west north west of West Seahorse.

The Wardie prospect's potential hydrocarbon volumes are categorized as undiscovered resources unlike those in the West Seahorse complex which is a combination of proven reserves and contingent resources.

Well locations and intra Latrobe Group structure



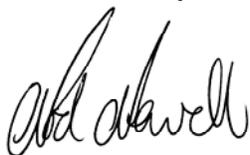
For more information contact:

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