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3D Oil Limited

ASX Release

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WA-527-P Update, Bedout Sub basin

Highlights

- **3D Oil completes a WA-527-P review and has identified possible Dorado-1 look-alike structures in its open-file seismic data base**

- **The Company has commenced reprocessing of the open-file data in order to determine the continuity of the identified feature**

- **A proprietary hydrocarbon migration model for the basin has been developed by 3D Oil, which predicts a strong potential for the migration of oil into the western side of WA-527-P**

3D Oil Limited (ASX: 3D OIL, "3D Oil" or the "Company") is pleased to provide a progress update on its 100%-owned exploration permit WA-527-P, located in the Bedout Sub-basin, approximately 80km north-east of the significant recent Dorado-1 oil discovery (Carnarvon Petroleum 20%, Quadrant Energy 80%).

WA/527-P is a large permit covering approximately 6,500 km² in the Bedout Sub-basin. 3D Oil has identified at least fifteen leads across the permit. The leads are considered to be prospective for oil and is the focus of our ongoing farm-out campaign with a number of major strategic parties having expressed interest in the permit following the Dorado-1 discovery.

In July 2018 the Quadrant Energy-led Joint Venture announced the exciting success of the Dorado-1 exploration well, which is currently estimated to contain a total of 186 MMbbls of oil and condensate (2C contingent resource) within early Triassic sands (refer to the Carnarvon release dated 20 August 2018). The find represents one of Australia's largest oil discoveries in 30 years and has established the Bedout Sub-basin as one of the most important emerging petroleum frontiers in Australia. Recently Carnarvon Petroleum updated the market on surrounding follow up prospectivity unlocked by the Dorado results. This includes leads with analogous trapping styles such as Roc South with an estimated

56 MMbbls P50 Prospective Resource, and Pavo with 82 MMbbls P50 Prospective Resource (refer to the Carnarvon release dated 15 October 2018).

3D Oil has recently conducted a review of the open-file 2D seismic data available in the WA-527-P exploration permit. The data is sparse and of varying vintage and quality, however, it has been possible to identify a potential erosional channel system within the western side of the acreage, similar to that which was encountered in the Dorado oil discovery (Figure 1).

Figure 1: Example of an erosional channel system identified on open-file 2D seismic data and a comparison with the Dorado discovery
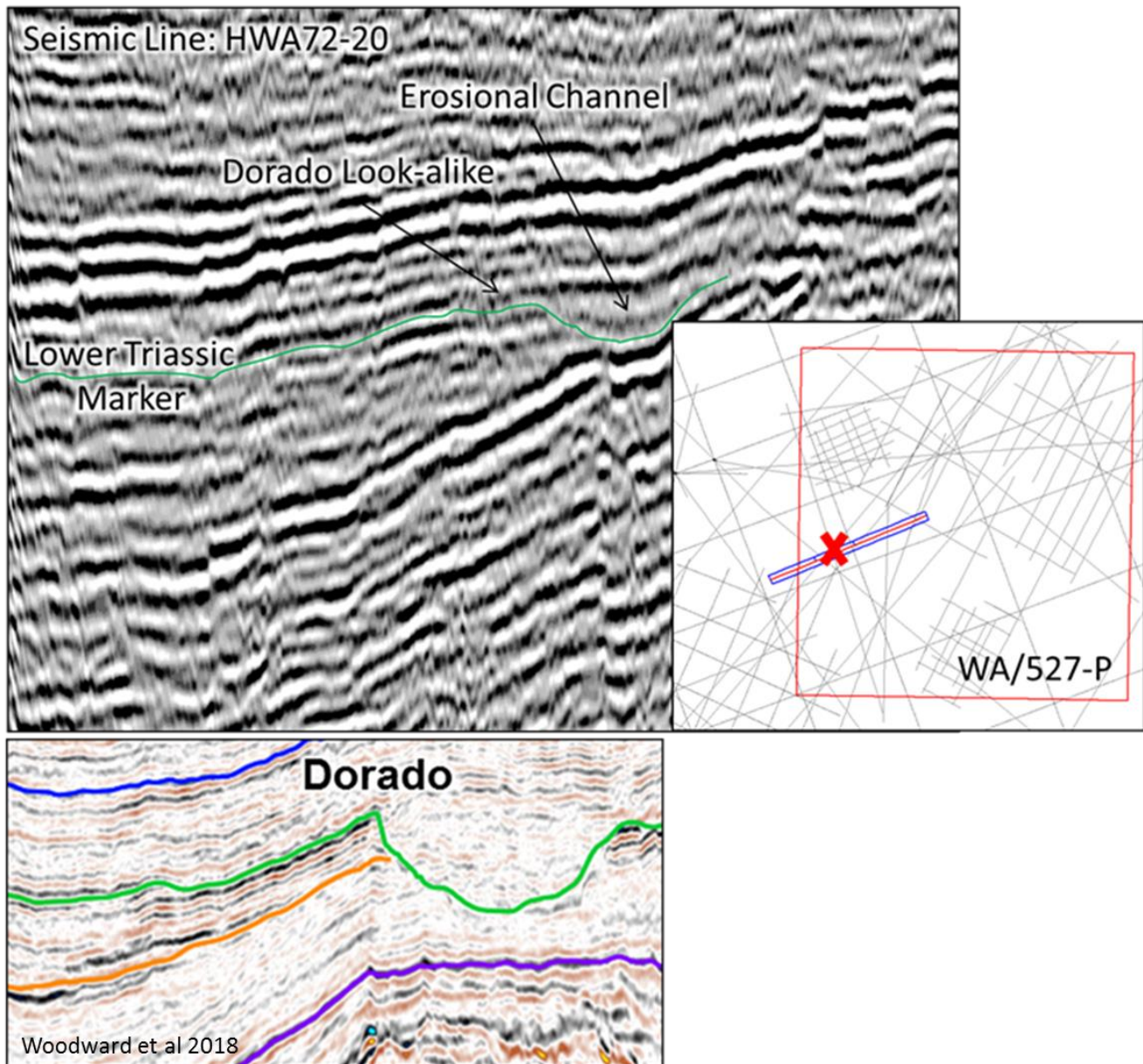
The possible channel system is interpreted to cut into Lower Triassic sands, the same as those bearing hydrocarbon at Dorado and Roc. The features are proposed as analogous to the Dorado-Apus and Milne channel systems (Figure 2) that provide the trapping mechanism for the Dorado oil discovery and the Roc South, Pavo and Apus prospects, all considered to represent similar features (refer to Carnarvon release dated 15 October 2018).

Figure 2: Map showing the Dorado-Apus, Milne Channel systems, accompanying leads and the locations of similar channel features within WA-527-P.
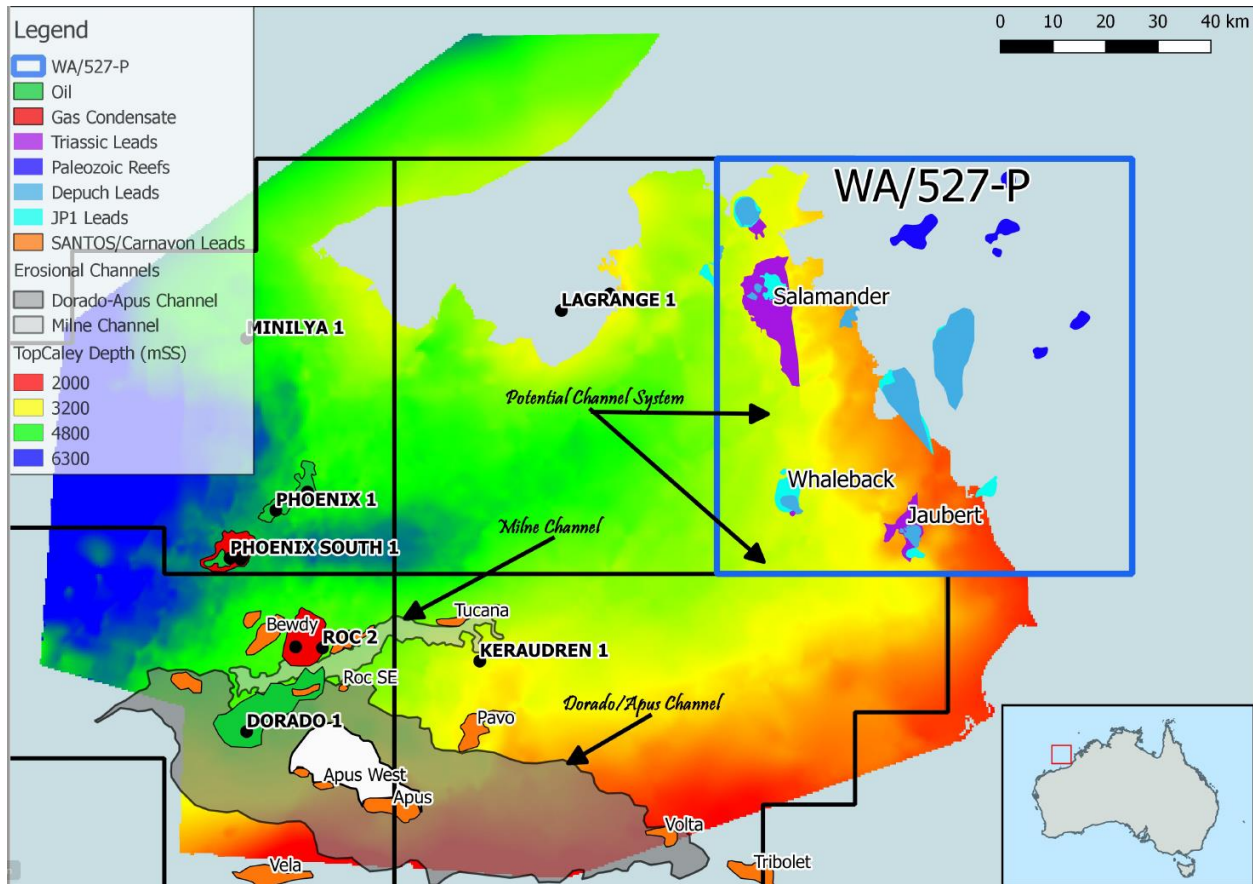
3D Oil has commenced the reprocessing of key 2D seismic lines within the western side of the acreage. It is hoped that modern reprocessing will aid in the mapping of this potential channel system and assist 3D Oil in determining the best possible location for 3D seismic acquisition. It should be noted that significant additional geophysical interpretation is required before 3D Oil can fully confirm and delineate these features.

Recent publications made by Quadrant Energy to leading Australian Oil & Gas Journal APPEA indicate that the Lower Triassic contains excellent quality oil-prone source rocks (Woodward et al. 2018). 3D Oil has undertaken a new thermal and migration model which integrates these source rock parameters with the Dorado-1 results. The results from the migration model indicates the potential for significant hydrocarbon generation available to the western side of WA-527-P, located along the margin of the Bedout Sub-basin.

Table 1: WA/527-P Prospective Resource Estimate (MMbbls) Recoverable Oil

(ASX ann. 26/2/18)

Prospect	Status	Low	Best	High
Salamander	Lead	57	191	713
Jaubert	Lead	17	72	205
Whaleback	Lead	16	87	219
WA/527-P Arithmetic Total		90	349	1,138

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons

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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 Exploration Manager.   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 unrisked and have not been adjusted for both an associated chance of discovery and a chance of development. The Prospective Resources have been estimated probalistically.