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3D Oil Limited

QUARTERLY ACTIVITIES REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2018

Highlights for the quarter:

- **WA-527-P:**
 - 3D Oil has completed test reprocessing of open-file 2D seismic data,
 - The reprocessing has revealed features that are analogous to Dorado,
 - Additional analysis of open-file data indicates the presence of possible hydrocarbon leakage in and around WA-527-P which supports the concept of a prolific petroleum system to be operating in the acreage providing abundant hydrocarbon charge.
 - Commercial discussions are underway with potential strategic partners interested in the Bedout Sub-basin
 - Planning has commenced for 3D seismic acquisition to occur in late 2019 or early 2020

- **VIC/P57:** High quality seismic interpretation of the state-of-the-art CGG Gippsland Basin Regeneration Reprocessing has been completed and offset stacks, gathers and velocity model have been received, allowing detailed quantitative geophysical interpretation and AVO modelling to begin.

- **T/49P:**
 - 3D Oil has commenced reprocessing of open-file 2D data near to the Seal Rocks Lead. It is hoped that the reprocessing will allow 3D Oil to better define the geometry of the Seal Rocks lead and allow for more accurate amplitude analysis.
 - Environmental Planning for 3D seismic acquisition is almost complete with a revised acquisition period scheduled for late 2019.

3D Oil Limited (“3D Oil”, ASX: TDO) is pleased to provide an update to its activities for the quarter ending 31 December 2018.

Exploration

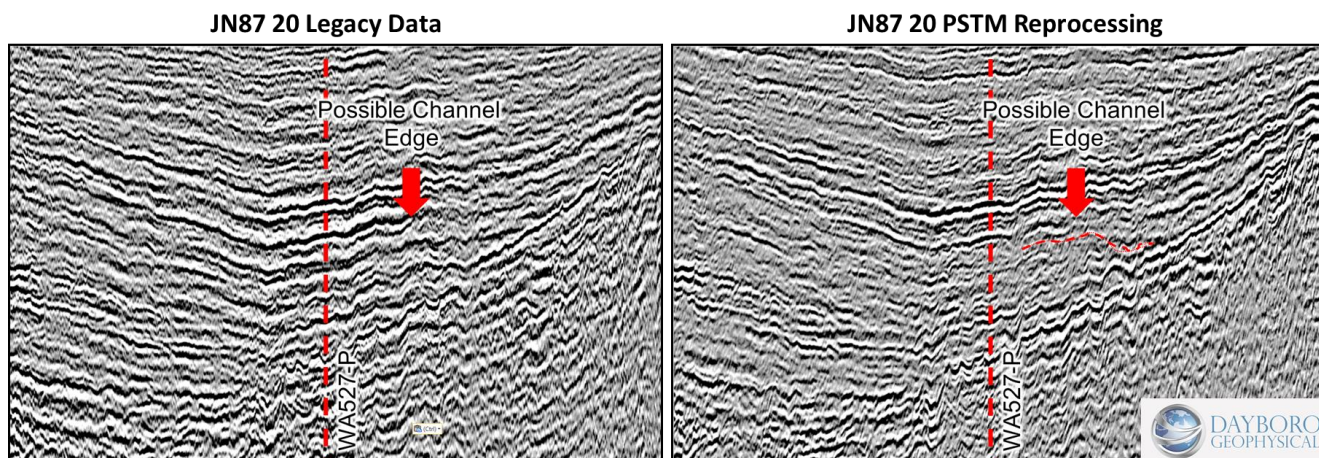
WA-527-P, Bedout Sub-basin, offshore Western Australia

3D Oil holds a 100% interest in the WA-527-P exploration permit, which covers 6,500 km² of the offshore Bedout Sub-basin. The permit is located adjacent to gas and condensate discoveries at Roc and Phoenix South and the more recent oil discovery at Dorado. The Company is currently engaged with multiple international E&P companies interested in participating with exploration in the acreage.

Seismic Reprocessing:

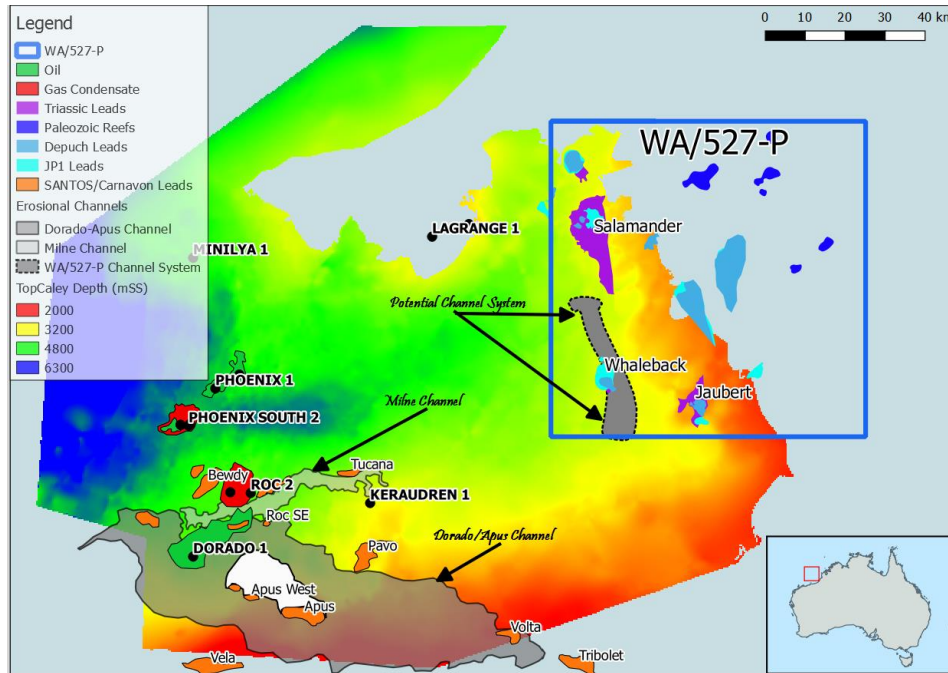
During the quarter, 3D Oil completed test reprocessing of key 2D seismic line JN87-20. The results support the presence of an erosional channel system, analogous to that which sets up the Dorado discovery, within the western side of WA-527-P (Figure 1).

Figure 1: Example of the Test Reprocessing results.



After integration of this new data, it was possible for 3D Oil to tentatively map out the geometry of this proposed channel system, which appears to run parallel to the western boundary of WA-527-P (Figure 2). The channel is interpreted to cut into Lower Triassic sands, the same as those bearing hydrocarbon at Dorado and Roc. Acquisition of modern 3D seismic data will allow 3D Oil to determine whether this channel system provides a trapping mechanism for oil bearing structures like Dorado.

Figure 2: Map showing the Dorado-Apus, Milne Channel systems, accompanying leads and the locations of a similar channel system within WA-527-P.



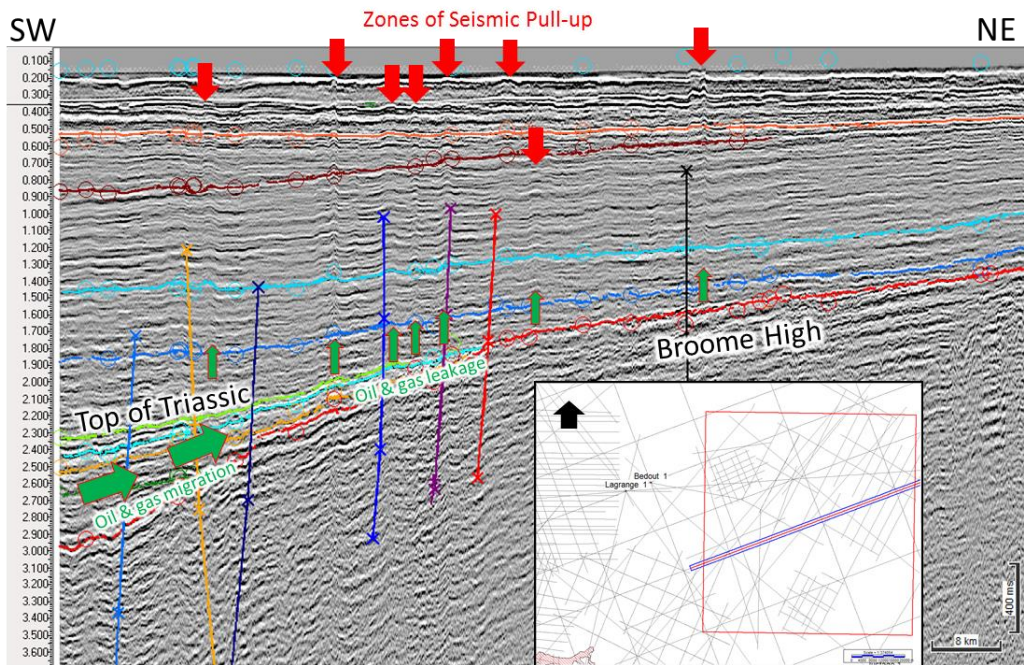
3D Oil has commenced reprocessing of additional key 2D seismic lines. It is hoped that modern reprocessing will aid in the mapping of this potential channel system and therefore assist 3D Oil in determining the best possible location for 3D seismic acquisition.

Possible hydrocarbon leakage indicating hydrocarbon migration into permit:

Additional geophysical analysis on open-file seismic data has revealed evidence of possible hydrocarbon leakage in the area in the form of Hydrocarbon Related Diagenetic Zones (HRDZs). These are zones of seismic ‘pull-up,’ which could be explained by the presence of sediments that have been chemically altered by vertically migrating hydrocarbons.

Most of these interpreted leakage areas are observed where the Triassic system (which hosts the Dorado, Roc and Phoenix South discoveries) on-lap the Broome High (Figure 3). It is likely that this on-lap edge would allow hydrocarbons to escape from the Triassic system and leak vertically. If correct, these observations support 3D Oil’s technical position that there is likely to be abundant hydrocarbons available to the acreage. Presumably, the hydrocarbon would be available to any traps set-up by the recently identified erosional channel system.

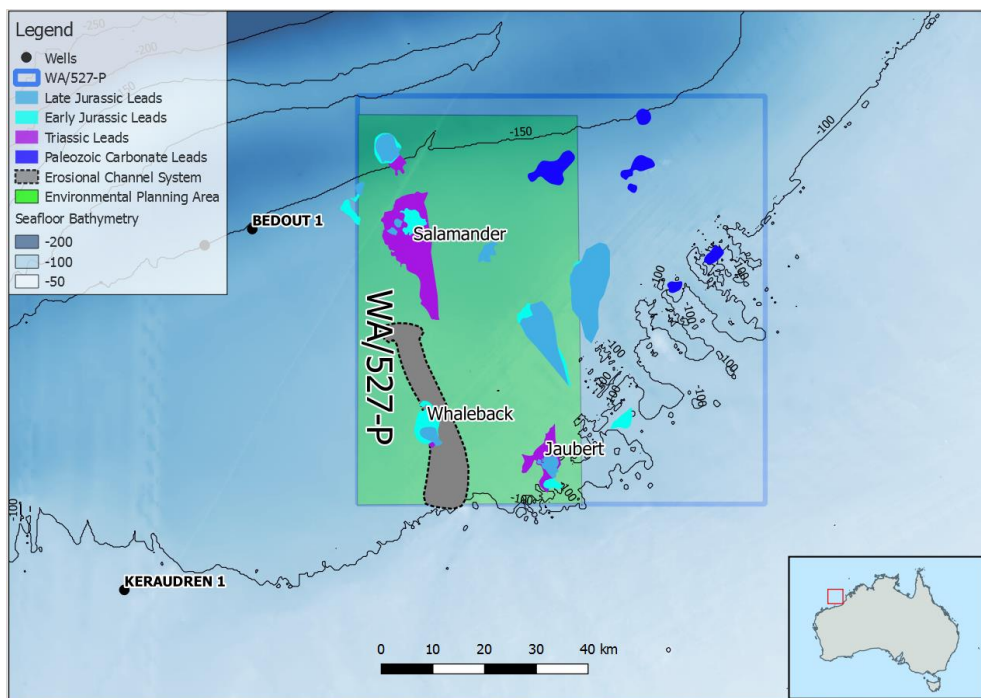
Figure 3: Example of geophysical expressions of possible hydrocarbon leakage in open-file 2D seismic data.



Seismic Planning:

3D Oil has begun planning for 3D seismic acquisition for the southwest corner of the acreage (Figure 4), ahead of acquisition in late 2019 or early 2020. The survey is predominantly intended to provide an accurate understanding of any leads that could be set up by the erosional channel system which 3D Oil has recently identified. It will also provide further insight to other leads such as Whaleback and Salamander. Once all leads have been mapped, it is hoped that one or more of these will progress to Prospect status and ultimately form a drilling target.

Figure 4: Location of Environmental Planning Area



**Table 1: WA-527-P Prospective Resource Estimate (MMbbls)
Recoverable Oil
(ASX ann. 26-Feb-18)**

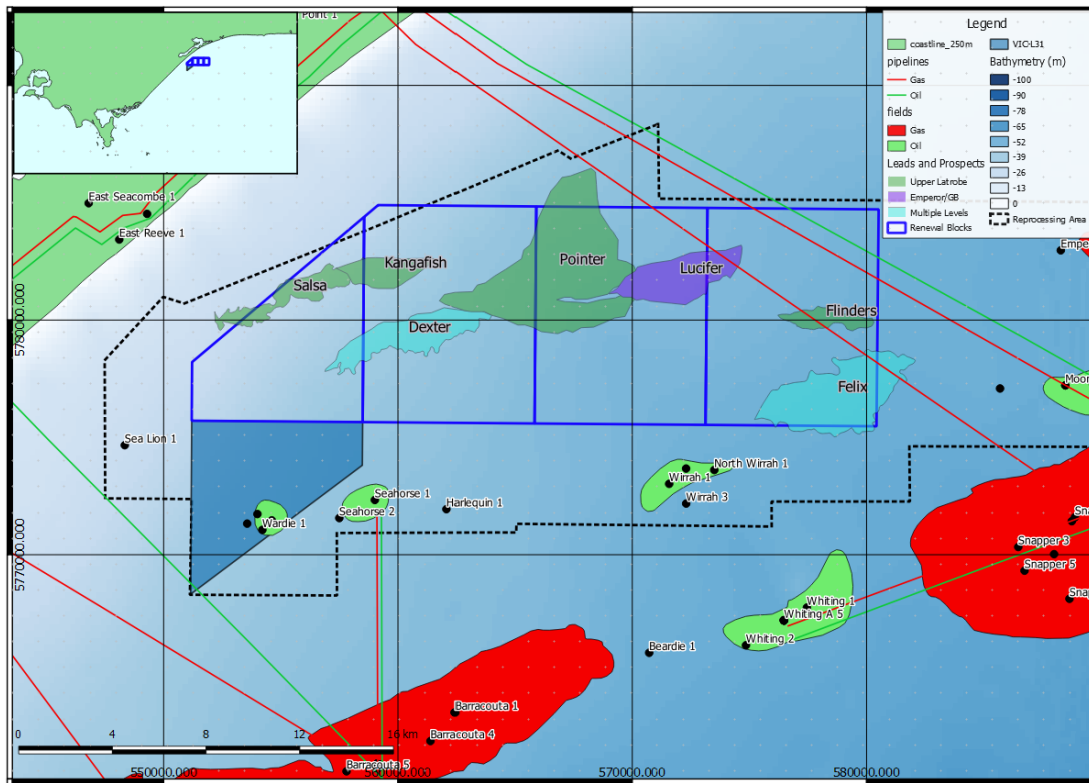
Prospect	Status	Low	Best	High
Salamander	Lead	57	191	713
Jaubert	Lead	17	72	205
Whaleback	Lead	16	87	219
WA-527-P Arithmetic Total		90	349	1,138

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.

VIC/P57, Gippsland Basin, offshore Victoria

TDO has a 24.9% interest in the VIC/P57 exploration permit in the offshore Gippsland Basin with JV partner and operator Hibiscus Petroleum. TDO acts as technical adviser to the JV.

Figure 5: Prospects and Leads, VIC/P57



During the quarter 3D Oil completed high resolution seismic interpretation of the state-of-the-art CGG Gippsland Regeneration Reprocessing Project, over an area of 564km². This includes detailed mapping of the Felix and Pointer prospects, which has reduced the uncertainty on the trapping mechanisms and improved confidence with respect to Lower Latrobe Group closures.

3D Oil also received final reprocessing deliverables from CGG, including offset stacks, gathers and velocity model. These deliverables form key inputs for quantitative geophysical interpretation and AVO analysis, aimed at discriminating seal/reservoir lithologies and reservoir fluids, including oil and gas.

3D Oil also received outputs for Petrophysics, Rock Physics and Stochastic Modelling completed by DownUnder Geosolutions. These results define lithology/fluid (including oil and gas) scenarios over a range of target depths in order to capture anticipated rock property ranges and amplitude responses. This study is integral for determining the types of amplitude responses that can be expected of a hydrocarbon bearing reservoir at the prospects within VIC/P57. Preliminary amplitude analysis at the Pointer Prospect shows clear rising amplitude with offset (Figure 6), consistent with the behavior of hydrocarbon fluids.

3D Oil is now utilizing this study to begin a detailed analysis of the Pointer AVO response, which will reduce uncertainty and improve risk analysis of the likelihood of hydrocarbon presence and top seal character.

Figure 6: Pointer Prospect Response on Offset Stacks.

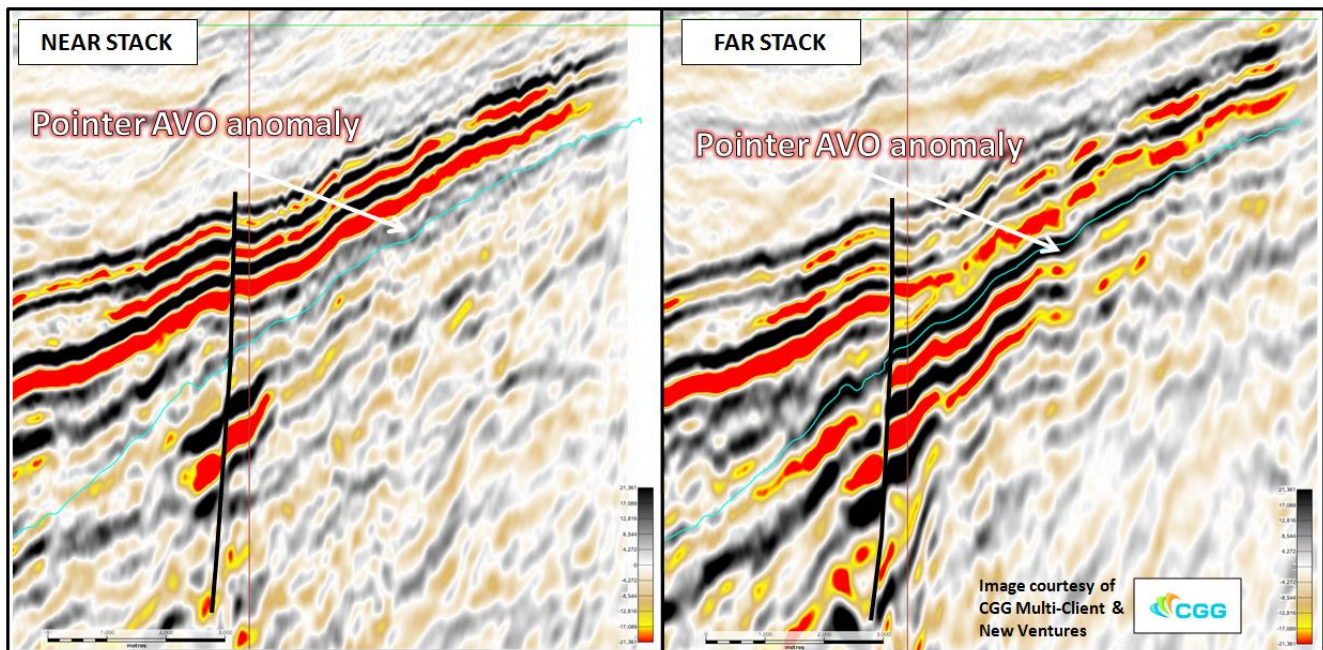


Table 2: VIC/P57 Prospective Resources Estimate (MMbbls) Recoverable Oil
(ASX ann. 27-Jul-17)

Location	Status	Low	Best	High
Felix	Prospect	6.8	15.9	26.9
Salsa	Lead	10.7	15.1	20.6
VIC/P57 Arithmetic Total		17.5	31.0	47.5

Table 3: VIC/P57 Prospective Resource Estimate (BCF) Recoverable Gas

Location	Status	Low	Best	High
Pointer	Prospect	140.1	235.3	364.9
Dexter	Lead	37.0	132.0	259.1
VIC/P57 Arithmetic Total		177.1	367.2	624.0

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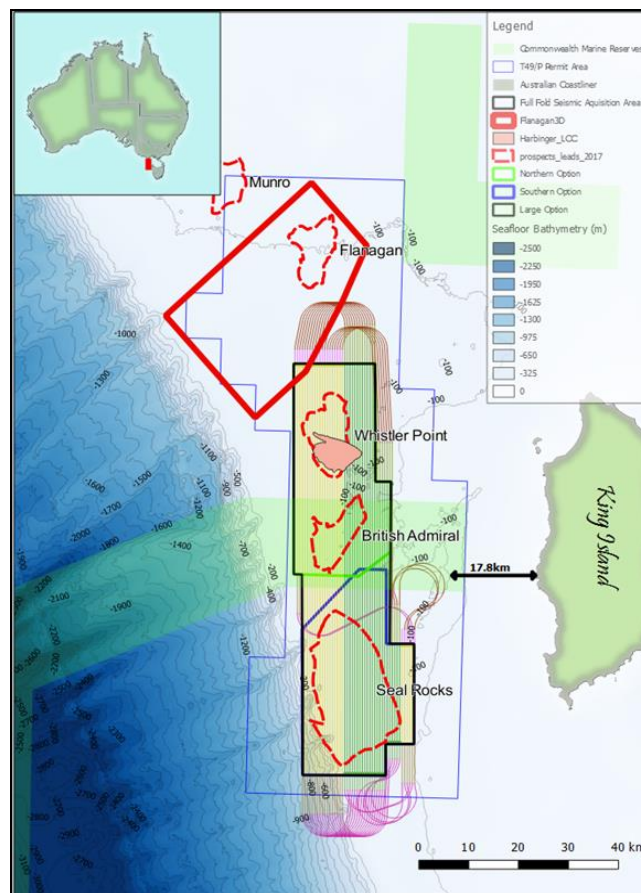
T/49P, Otway Basin, offshore Tasmania

3D Oil holds 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 (100% owned by Beach Energy Limited (ASX: BPT)). The Company continues to engage with a number of large international petroleum companies interested in contributing significant investment to the project, while discussions progress under confidentiality agreements.

3D Oil is finalizing plans for the Dorrigo 3D Marine Seismic Survey. The survey is intended to cover the central and southern part of the acreage and will cover all remaining leads in the acreage. 3D Oil is approaching submission of the Environmental Plan for the survey as it addresses remaining government regulatory requirements.

During the quarter 3D Oil applied to the National Offshore Petroleum Administrator (NOPA) for a suspension and extension in order to allow the Company to acquire the survey in late 2019.

Figure 7: Location Map of the Dorrigo 3D Marine Seismic Survey shown with Leads and Prospects



The survey will target a series of leads across the central and southern portion of T/49P with the intention of maturing one or more of these to prospect status. This will ultimately allow 3D Oil to determine the best possible drilling target in the permit.

One of the key leads to be targeted by the seismic program is the **Harbinger** Lead, supported by a Type III AVO anomaly indicative of gas. Another candidate for 3D seismic acquisition is the **Seal Rocks** lead, with a Best Estimate Prospective Resource of over 4 TCF. **Seal Rocks** is constrained by widely spaced grid of 2D seismic and requires modern 3D data to assess more accurately.

3D Oil has commenced reprocessing of open-file 2D data at the Seal Rocks Lead. The purpose of this reprocessing is to better understand the geometry of the Seal Rocks lead and determine whether modern data reprocessing might reveal the presence of amplitude anomalies consistent with the presence of gas. 3D Oil will update the market on the progress of this work as results become available.

Table 3: T/49P Prospective Resource Estimate (TCF) Recoverable Gas
(ASX ann. 27-Jul-17)

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 Arithmetic Total		3.04	10.03	28.77

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

Corporate

During the quarter the Company undertook a successful placement (“Placement”) and a Share Purchase Plan (“SPP”).

The funds raised will be applied to WA-527-P for the reprocessing of seismic data and to undertake a comprehensive prospectivity update of the permit. The Company raised A\$2.5 million through an oversubscribed placement to sophisticated and institutional investors and raised an additional A\$0.5 million through an SPP. The total amount raised under the Placement and SPP was A\$3 million and this was the first capital raising in 10 years for the Company.

At the end of December the Company held cash reserves of \$1,380,000 with a further \$1,500,000 on deposit with maturity greater than 3 months.

Petroleum Tenement Holdings

As at 31 December 2018, 3D Oil's petroleum tenement holdings were:

Tenement and Location	Beneficial interest at 30 Sep 2018	Beneficial interest acquired / (disposed)	Beneficial interest at 31 Dec 2018
VIC/P57 Offshore Gippsland Basin, VIC	24.9%	nil	24.9%
T/49P Offshore Otway Basin, TAS	100%	nil	100%
WA-527-P Offshore Roebuck Basin, WA	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 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 un-risked and have not been adjusted for both an associated chance of discovery and a chance of development. The Prospective Resources have been estimated with both probabilistic and deterministic methods.

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")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(189)	(352)
(b) development	-	-
(c) production	-	-
(d) staff costs	(142)	(245)
(e) administration and corporate costs	(154)	(316)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	14
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	(476)	(899)
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 (6 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)	(1,500)	(1,500)
2.6	Net cash from / (used in) investing activities	(1,500)	(1,500)

¹ Included in the amount noted above is \$1.5 million of cash on deposit held with a term to maturity greater than 3 months.

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	553	3,003
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	(57)	(232)
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	496	2,771

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,860	1,008
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(476)	(899)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,500)	(1,500)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	496	2,771
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period ¹	1,380	1,380

¹ The cash balance above excludes \$1.5 million of cash on deposit with a maturity date greater than 3 months.

Mining exploration entity and oil and gas exploration entity quarterly report

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	1,167	2,648
5.2 Call deposits	119	118
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	1,380	2,860

¹ The cash balance above excludes \$1.5 million of cash on deposit with a maturity date greater than 3 months.

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	134
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 and Director's fees paid to directors and related entities during the December 2018 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	270
9.2 Development	-
9.3 Production	-
9.4 Staff costs	170
9.5 Administration and corporate costs	140
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	580

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: 25 January 2019

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.