

# 3D OIL LIMITED

## AGM Presentation



**11 NOVEMBER 2019**

Baker and McKenzie



3D Oil has built a portfolio of high potential, frontier offshore exploration permits in Australia, including; offshore Western Australia (Bedout Sub-basin), offshore Tasmania (Otway Basin) and offshore Victoria (Gippsland Basin)

## Corporate overview

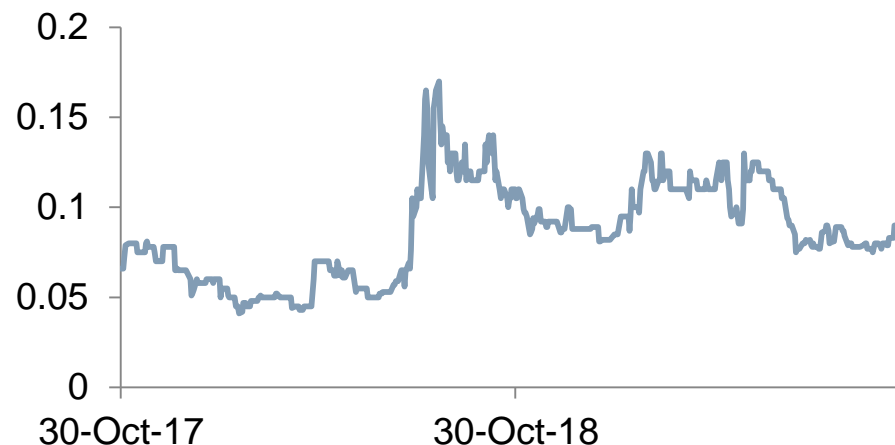
- Portfolio of high potential exploration permits including the offshore permits in the Bedout Sub-basin and the Otway and Gippsland Basins
- 100% ownership of WA-527-P, located adjacent to the significant Carnarvon/Santos oil discoveries (Dorado-1)
- T/49P contains one of the largest conventional prospective gas resources on the east coast (10TCF Best Estimate<sup>1</sup>)
- 3D Oil is financially prudent and continues to maintain a highly efficient capital structure

## Financial information

Share price (8-Nov-2019)	A\$0.093
Number of shares	264.8m
<b>Market capitalisation</b>	<b>A\$24.6m</b>
Cash (30-Sep-2019)	A\$1.4m
Debt (30-Sep-2019)	Nil
<b>Enterprise value</b>	<b>A\$23.2m</b>

## Share price performance (last 2 years)

Share price (Acps)



## Top shareholders

Noel Newell ( <i>Executive Chairman</i> )	16.5%
Oceania Hibiscus ( <i>joint venture partner</i> )	11.7%

**Top 20 holders** ~58%

Source: IRESS

Notes:

- 1 Refer to ASX announcement dated 27 July 2017 for details on T/49P Prospective Resource estimate



**Board and its advisors have significant oil and gas experience (former Director of BHP, Woodside) having led some of Australia's largest corporates**

## Proven success of 3D Oil Board and management team

- **Noel Newell**, current Executive Chairman, is the Founder of 3D Oil and has a **track record of exploration success at 3D Oil** (West Seahorse) and BHP Petroleum

### **Noel Newell – Executive Chairman**

- Founder and Managing Director of 3D Oil Limited since 2003
- Over 35 years oil and gas experience including Principal Geoscientist at BHP Petroleum

### **Ian Tchacos - Non-Executive Director**

- Over 30 years international oil and gas experience
- Former Managing Director of Nexus Energy (ASX: NXS) from 2004 to 2009
  - Took Nexus from A\$2m micro-explorer to an ASX200 offshore producer (market cap >A\$900m)
- Current Executive Chairman of ADX Energy (ASX: ADX) and Non-Executive Director of Xstate Resources (ASX: XST)

### **Leo De Maria – Non-Executive Director**

- Extensive accounting and corporate finance experience
- Chartered Accountant qualified

### **Melanie Leydin – Company Secretary**

- Principal of the Chartered Accounting firm Leydin Freyer
- Over 25 years experience in the accounting profession and has extensive experience in relation to public company responsibilities

### **Peter Willcox – Board advisor**

- Significant oil and gas experience as former CEO BHP Petroleum, and director of Woodside, Hamilton Oil Corp. (NYSE), and Tejas Gas Corp. (NASDAQ) Significant oil and gas experience as former CEO of BHP Petroleum
- Former Chairman of AMP, Mayne, and CSIRO



<b>WA-527P</b>	Dorado -3 proves field commerciality 3D Oil submits Environmental Plan for 3D Survey Reprocessing demonstrates channeling in permit critical for the Dorado trap
<b>T/49P</b>	EP for seismic approved on first submission Pending approval for Year 5 Suspension and Extension Seismic reprocessing improved imaging at the Seal Rocks lead
<b>VIC/P57</b>	2 years ahead of government guaranteed work programme New work highlights the gas potential of Pointer
<b>VIC/P74</b>	New acquisition with low cost work programme Adjacent to largest oil field in Australia Contains the Omeo gas-condensate discovery New reprocessing will breath new life into permit Farmout to Hibiscus



Throughout the last 12 months 3D Oil has strengthened the first two stages of its core strategy by:

- Additional acquisition of early stage assets (recent acquisition of VIC/P74 in the proven Gippsland Basin), and,
- Continued addition of value through high quality technical work

*Identification of early stage assets*



**2016-2019**

- Award of frontier acreage WA-527-P
- Award of VIC/P74

*Add value by progressing early stage assets*



**2019**

- Reprocessing of open-file 2D in WA-527-P and in T/49-P
- Interpretation of reprocessed data in VIC/P57

*Introduce farm-in partner at a premium*



***In progress***

Discussions accelerated with strategic partners for all acreages

*Monetise asset to maximise equity returns*

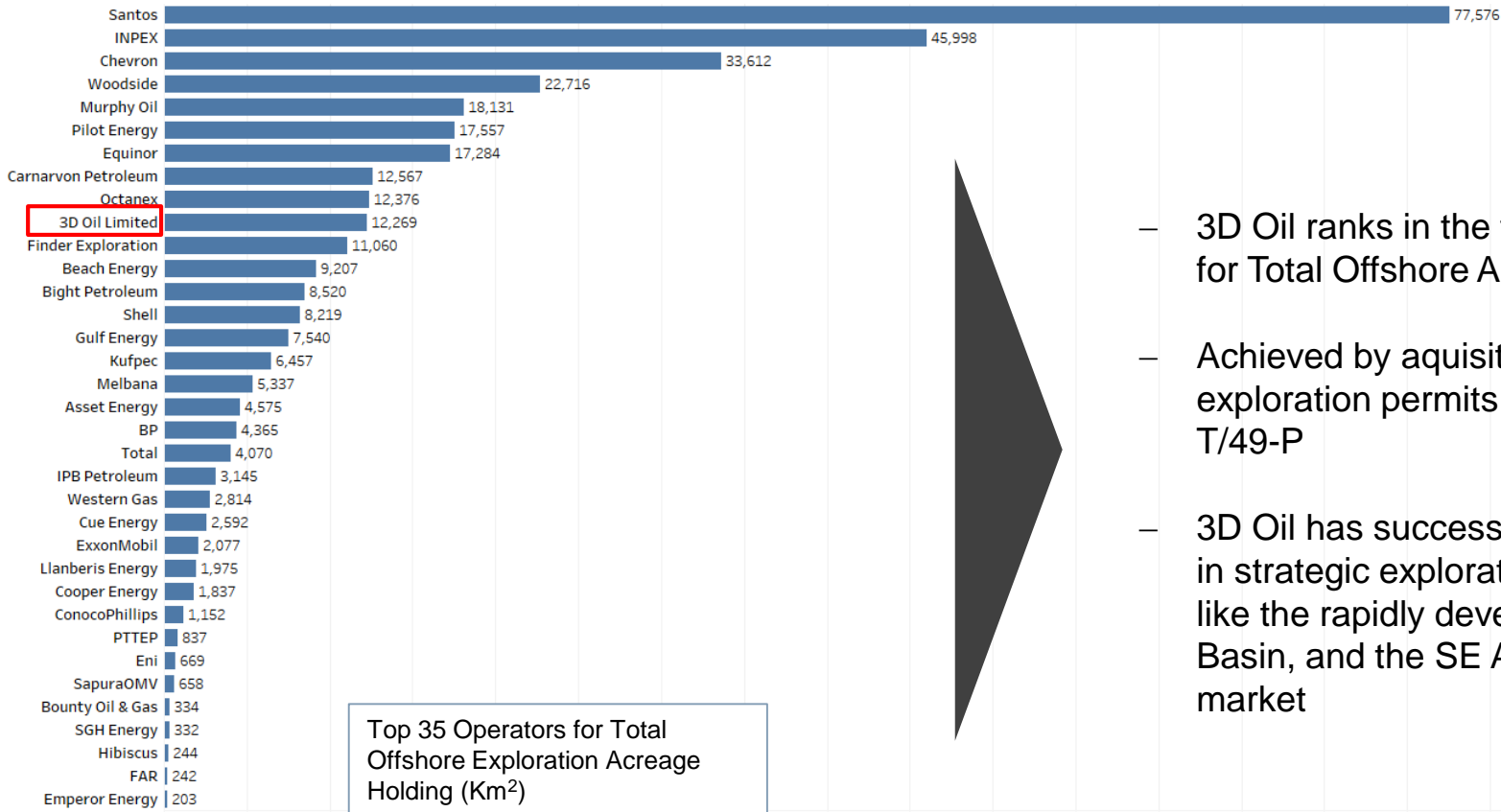


***Not yet commenced***

3D Oil will assess and optimise any development or corporate opportunity for all acreages in the best interest of equity holders



## 3D Oil has successfully increased its offshore acreage holding in order to position itself within strategic locations of Australia's exploration landscape

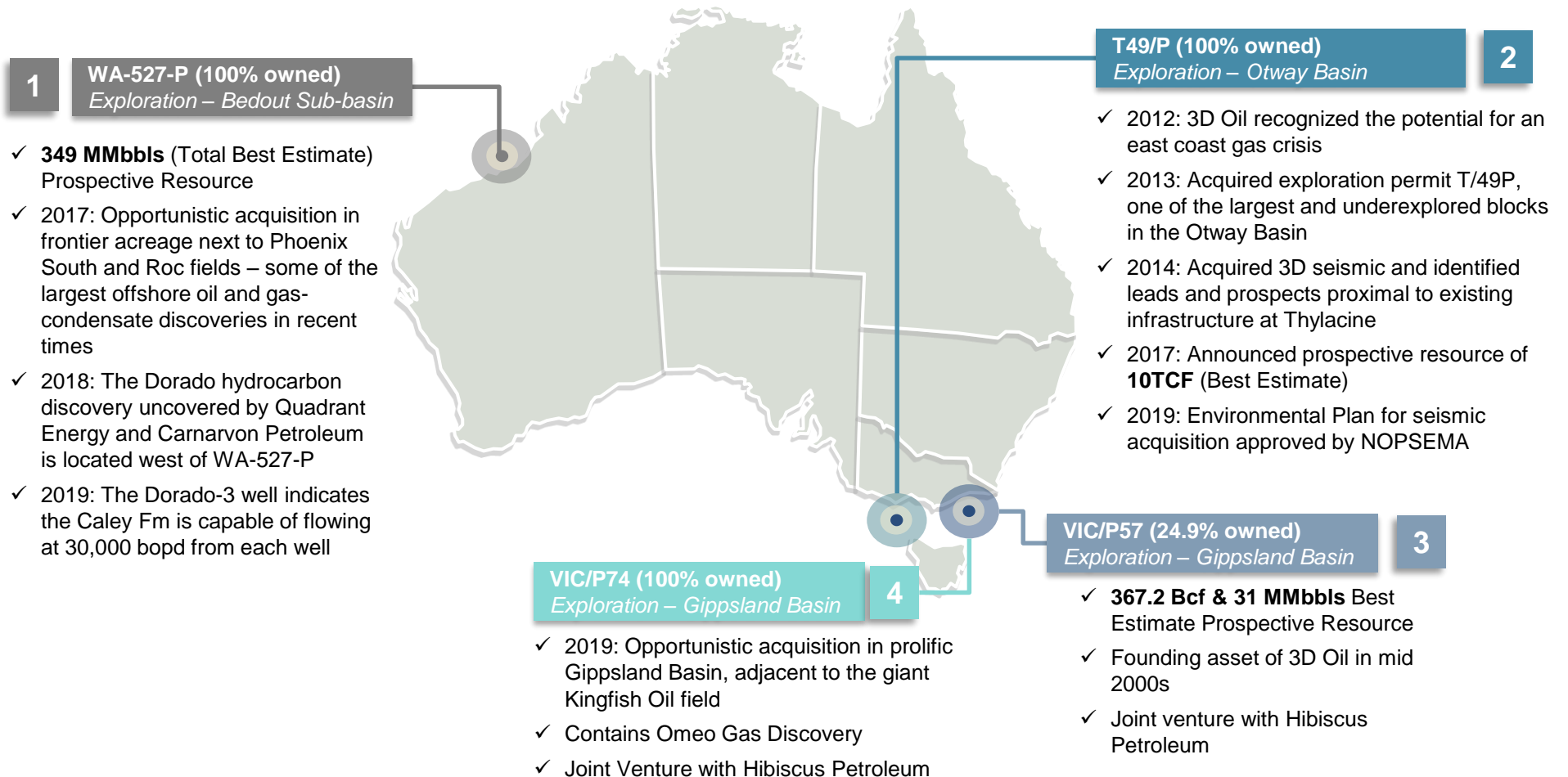


- 3D Oil ranks in the top 10 of Operators for Total Offshore Acreage Holding
- Achieved by aquisition of large frontier exploration permits like WA-527-P and T/49-P
- 3D Oil has successfully positioned itself in strategic exploration environments, like the rapidly developing Roebuck Basin, and the SE Australian gas market

Top 35 Operators for Total Offshore Exploration Acreage Holding (Km<sup>2</sup>)

Source: National Electronic Approvals Tracking System (NEATS)  
 \* 3D Oil has removed some operators that have surrendered permits but are not yet reflected by NEATS

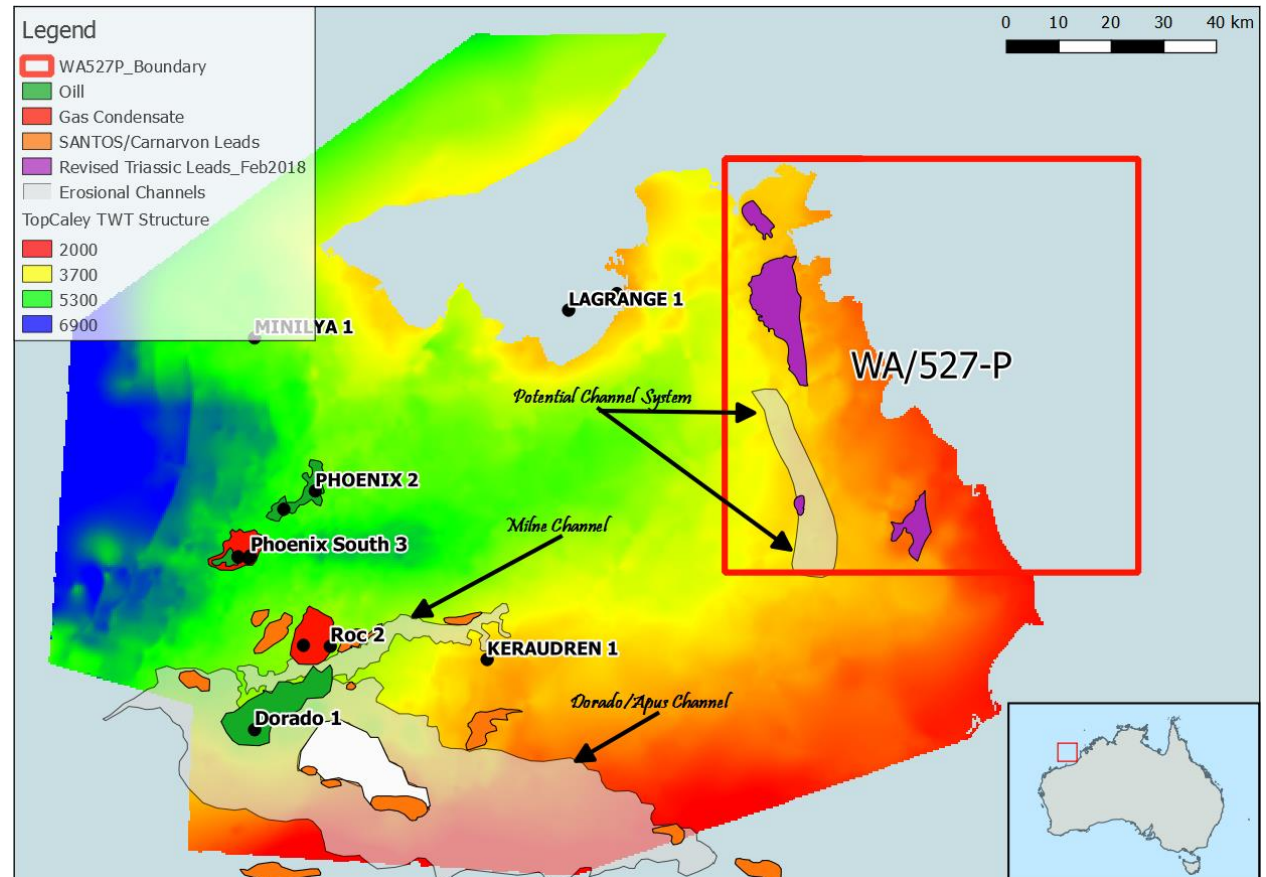
3D Oil has opportunistically built a portfolio of significant positions in some of Australia's most prospective offshore exploration basins



The WA-527-P permit covers a large underexplored area that is situated adjacent to recent oil and gas condensate discoveries, including Dorado

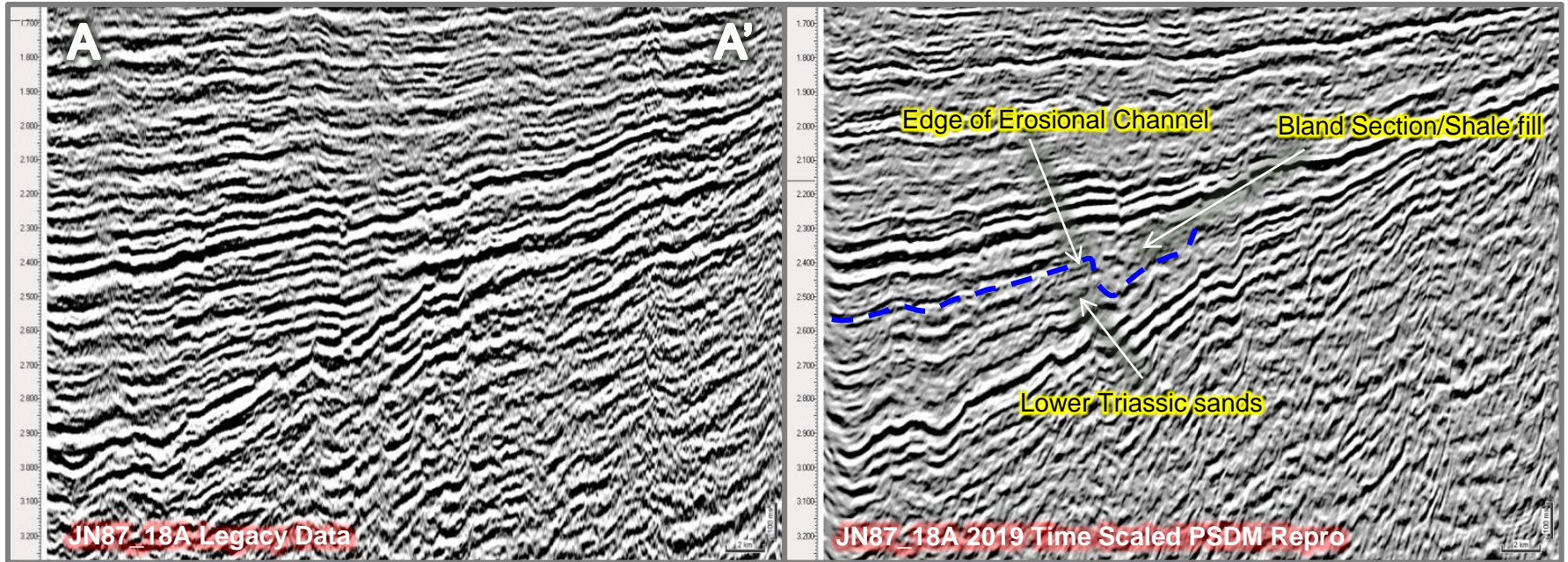
- 3D Oil has **100%-interest** in the permit
- Covering **6,580km<sup>2</sup>** in the offshore Bedout Sub-basin
- **Located north east of the Dorado oil and gas-condensate discovery** recently appraised by the Santos led Joint Venture to contain 162 MMbbls liquids and 748 Bcf of gas
- 3D Oil has conducted a comprehensive prospectivity review, that has included reprocessing of vintage seismic data
- A potential erosional channel system within the south-west of the acreage has been uncovered. The channel offers an analogous trapping mechanism to that which sets up the Dorado discovery

## Permit locations and early Triassic TWT Structure

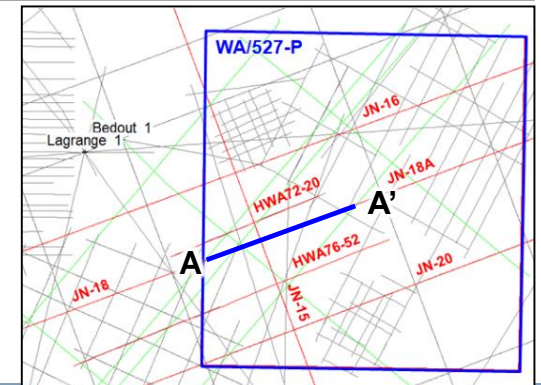




3D Oil has mapped a potential erosional channel system within the western side of WA-527-P, similar to that which traps the Dorado oil discovery



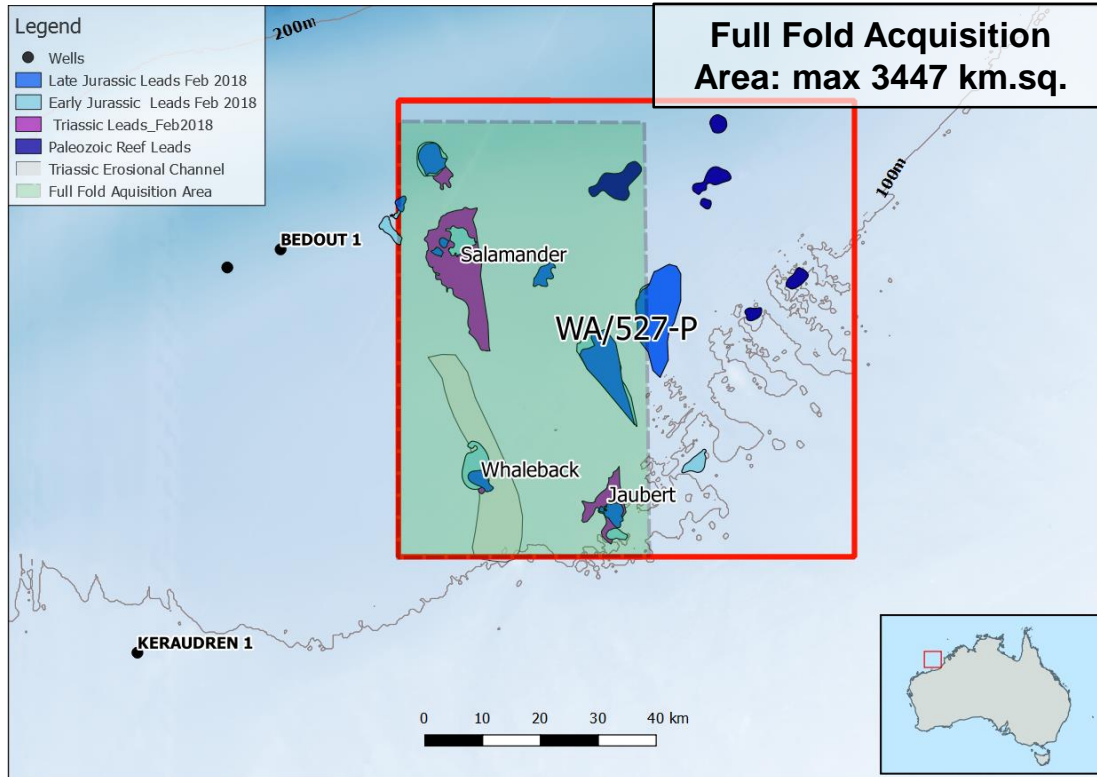
- An erosional channel system was identified on open-file 2D Seismic Data
- 3D Oil reprocessed six key open-file lines in order to map the continuity of this feature
- The channel system is similar to that which provides the trapping mechanism at Dorado and could support a number of similar structures within the western side of WA-527-P





## Risk Analysis of WA-527-P will be improved by acquisition of modern 3D seismic data

### Sauropod 3D Seismic Acquisition Area



- The Sauropod 3D Marine Seismic Program will have multiple objectives, including:
  - Identification of any targets trapped by the potential channel system
  - Assess the potential of the Whaleback, Jaubert and Salamander features, and
  - Examine the largest of the potential Paleozoic carbonate features
- 3D Oil has finalised an Environment Plan for this activity, which has undergone a public comment period and is now under assessment by the government regulator NOPSEMA
- The activity is proposed for either summer 2020 or 2021 pending award of the Environment Plan and availability of funding
- Volumetrics will be revised after interpretation of the new dataset

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
<b>WA/527-P Arithmetic Total</b>		<b>90</b>	<b>349</b>	<b>1,138</b>

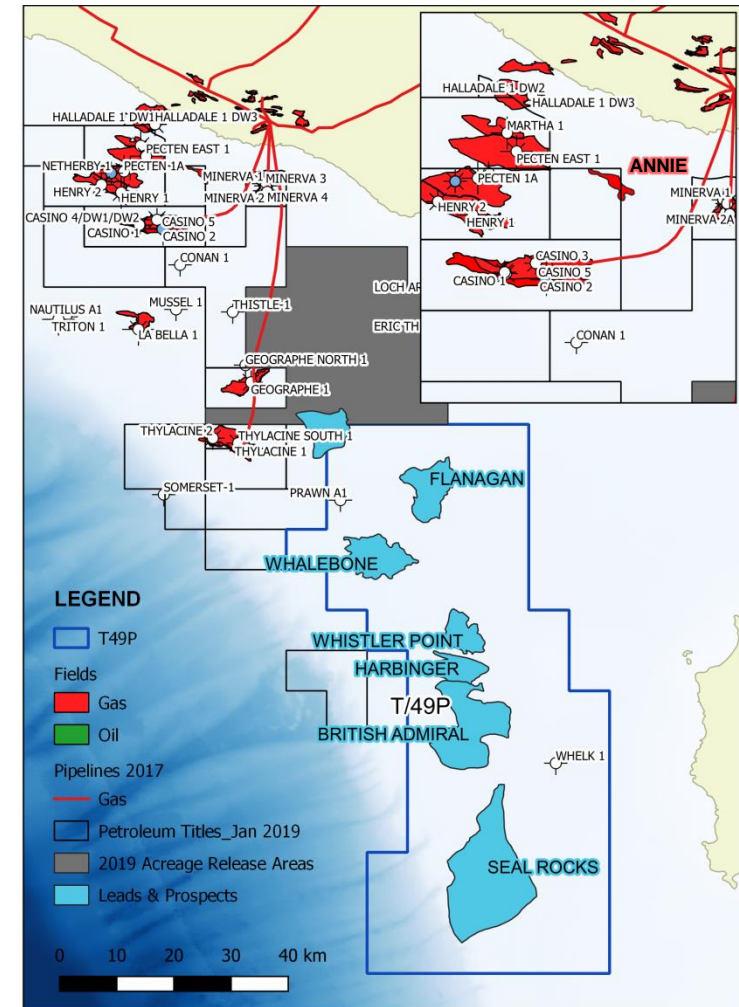
The estimated quantities of petroleum that may be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine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

### Vast frontier acreage with 10TCF Prospective Resource (Best Estimate)<sup>1</sup> in shallow water in the Otway Basin

#### Asset overview

- T/49P was acquired by 3D Oil in 2013 through its bid in the 2012 Australian Offshore Gazettal round
- 3D Oil has 100%-ownership of exploration permit
  - **Large frontier permit** (4,960 km<sup>2</sup>) and **relatively shallow water** (primarily ~100m)
  - Permit contains 1 prospect and 6 leads
- Prospects are interpreted to contain **all the geological elements required for economic hydrocarbons**
- Located adjacent to significant infrastructure and major production wells including Thylacine-1 and Geographe-1 (Beach Energy)
- Otway Basin undergoing a new period of activity including recent near field success, with a gas discovery by Cooper Energy at Annie-1
- Otway Basin has been a **prolific gas-producing province** since the late 1980s
  - The latest fields developed in the early 2000s include Thylacine, Geographe, Casino, Minerva, Halladale, Blackwatch, Speculant and Henry

#### Tenement overview



#### Notes:

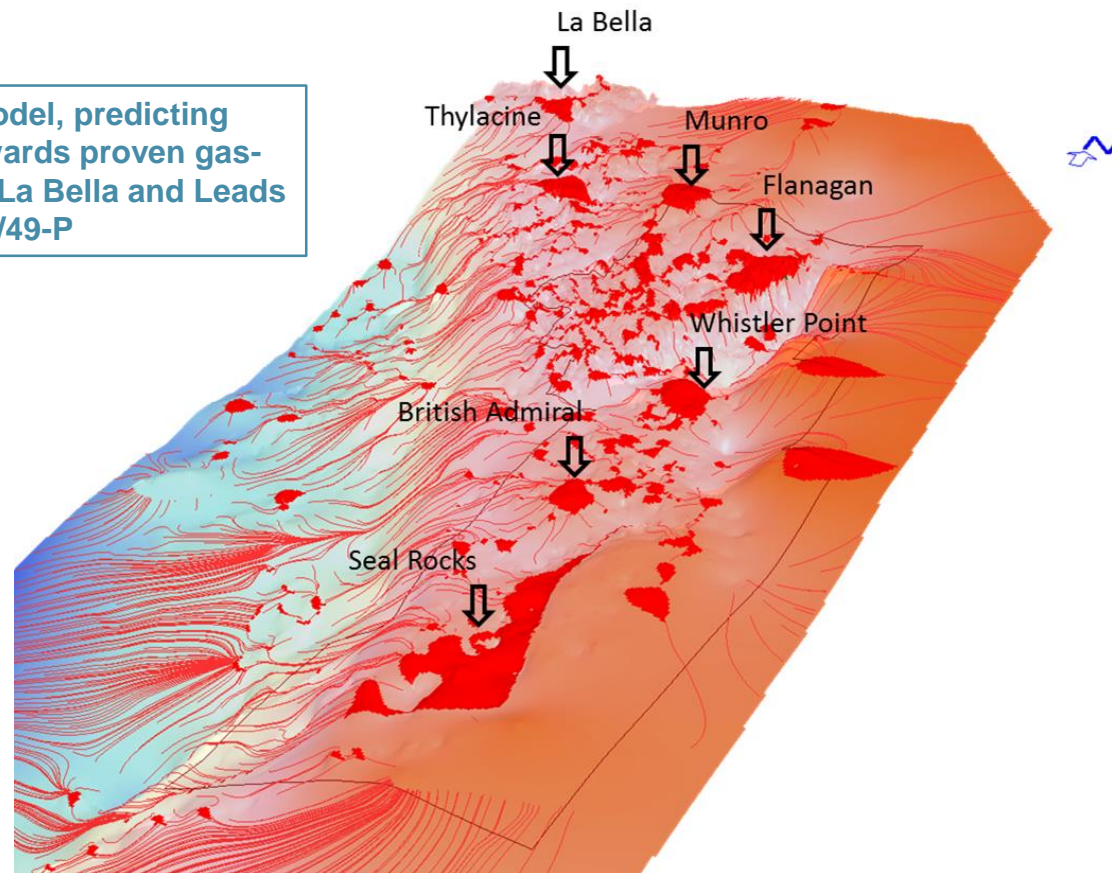
- 1 Refer to ASX announcement dated 27 July 2017 for details on T/49P Prospective Resource estimate

## 2 T/49P – PROSPECTIVE RESOURCE ESTIMATES



In addition to the Flanagan Prospect at least 6 leads have been identified from a broad grid of 2D seismic data

3D Hydrocarbon Migration Model, predicting migration of significant gas towards proven gas-condensate fields Thylacine and La Bella and Leads and Prospects of T/49-P



Resource <sup>1</sup>	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
<i>British Admiral</i>	Lead	0.37	1.03	4.45
<i>Seal Rocks</i>	Lead	0.95	4.64	10.64
<i>Harbinger</i>	Lead	0.33	0.79	1.43
<b>T/49P Total (Arithmetic)</b>		<b>3.04</b>	<b>10.03</b>	<b>28.77</b>

**10TCF (Best Estimate) equivalent to 1,781 billion barrels oil<sup>2</sup>**

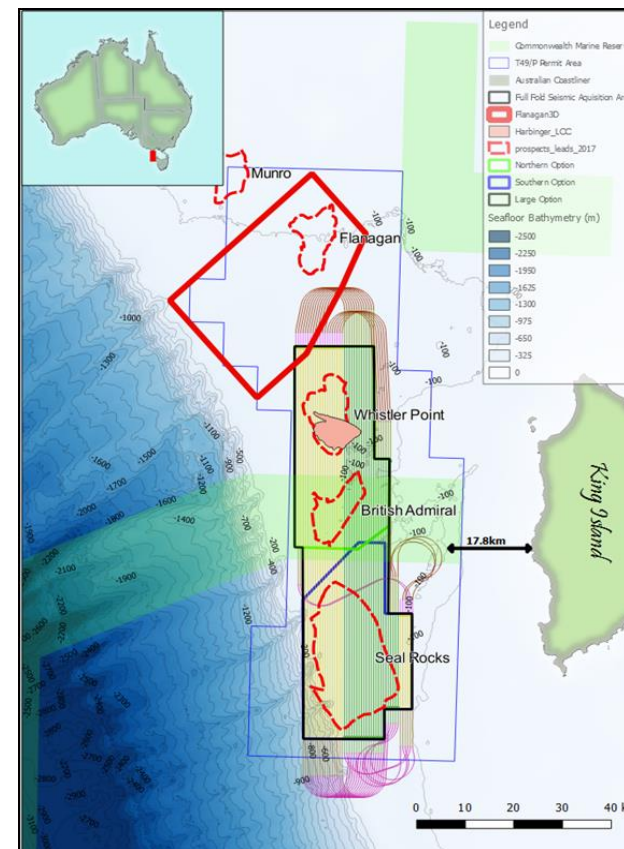
Notes:

- 1 Refer to ASX announcement dated 27 July 2017 for details on T/49P Prospective Resource estimate
- 2 Converted from boe to cubic feet using SPE conversion factor of 5.66

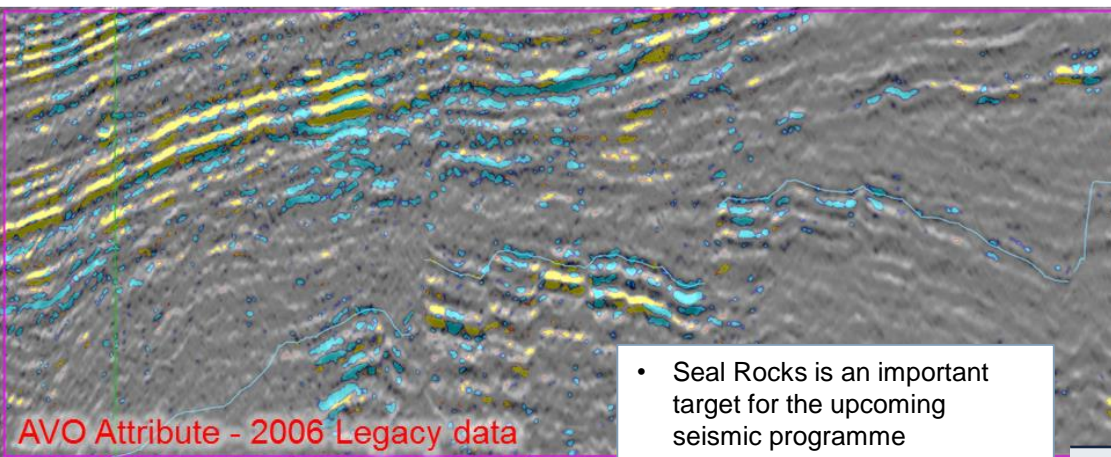
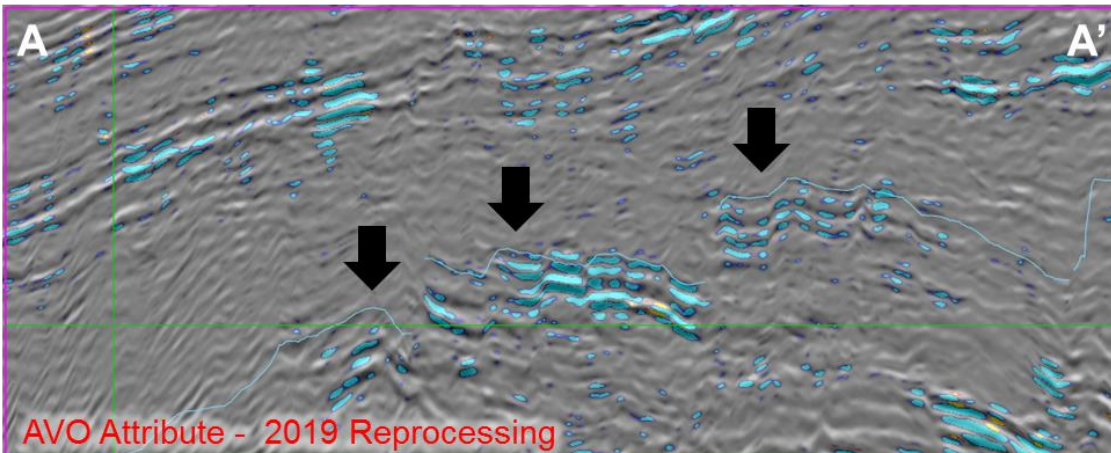
3D Oil continues to make progress towards acquiring a new 3D seismic survey, Dorrigo, with the intention of maturing several of these leads to prospect status

- The survey, named **Dorrigo**, will target a **series of significant leads** across the central and southern portion of T/49P
- 3D Oil's **intention is to mature several of these to prospect status and generate a permit wide Prospect Seriatim**
- Award of the Environment Plan demonstrates 3D Oil's ability to operate in an increasingly challenging regulatory environment
- The survey has been deferred to 2020 due to lack of available seismic vessels

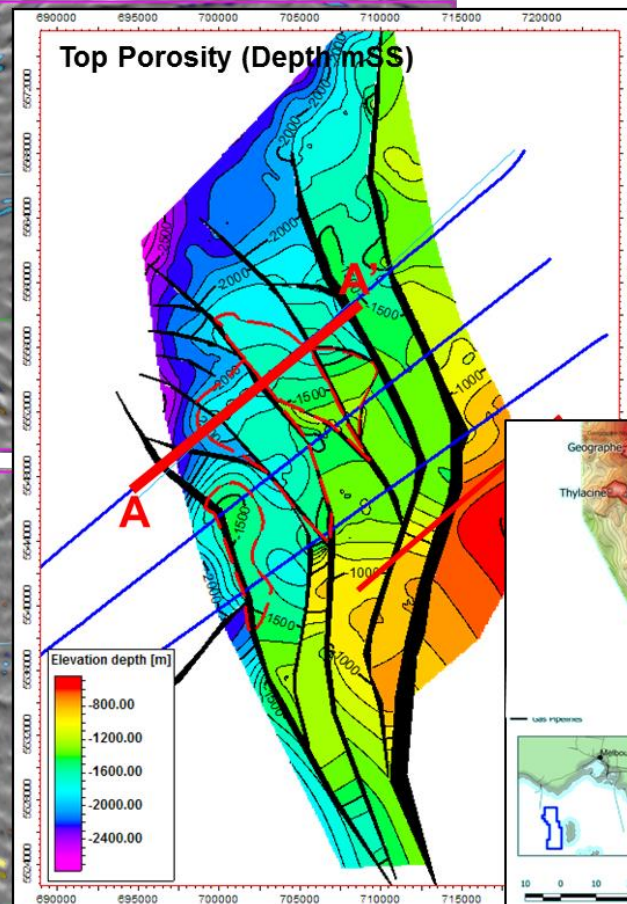
### Proposed Dorrigo 3D Seismic Location



## 2 T/49P – SEAL ROCKS LEAD



- Seal Rocks is an important target for the upcoming seismic programme
- Currently defined on sparse, widely spaced 2D
- 3D Oil reprocessing has improved understanding of the structure



Prospect resource	Low	Best	High
Seal Rocks Lead (Recoverable TCF)	0.95	4.64	10.64

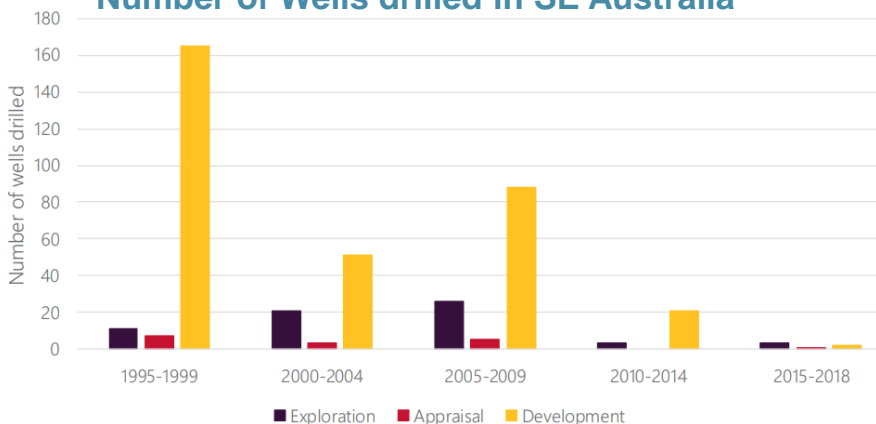


### Gas supply for Victoria will reduce as existing production assets decline

#### Looming Shortfall of gas

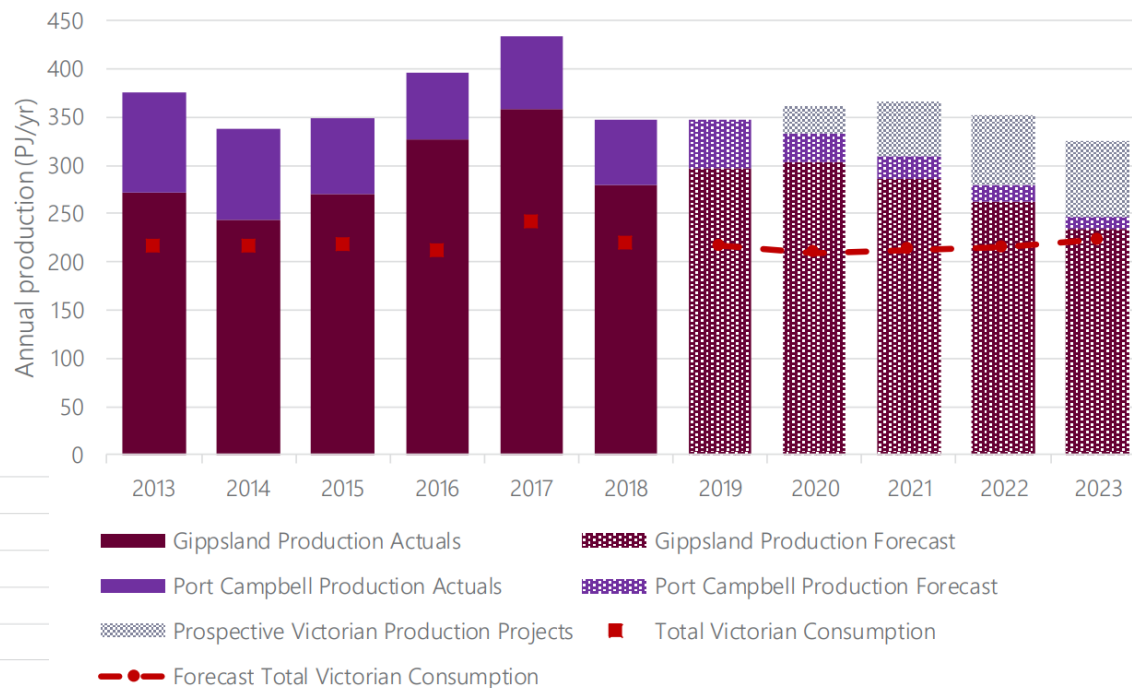
- Post 2019 there is a forecast of growing reduction of gas supply/demand in Victoria
- Offshore Exploration and Development drilling in SE Australia has declined signalling that new gas resources are unlikely to be available post 2023
- 3D Oil is set to benefit from increasing east coast gas prices resulting from these conditions

#### Number of Wells drilled in SE Australia



Source: AEMO Victorian Gas Report, March 2019

#### Annual Gas Production in SE Australia

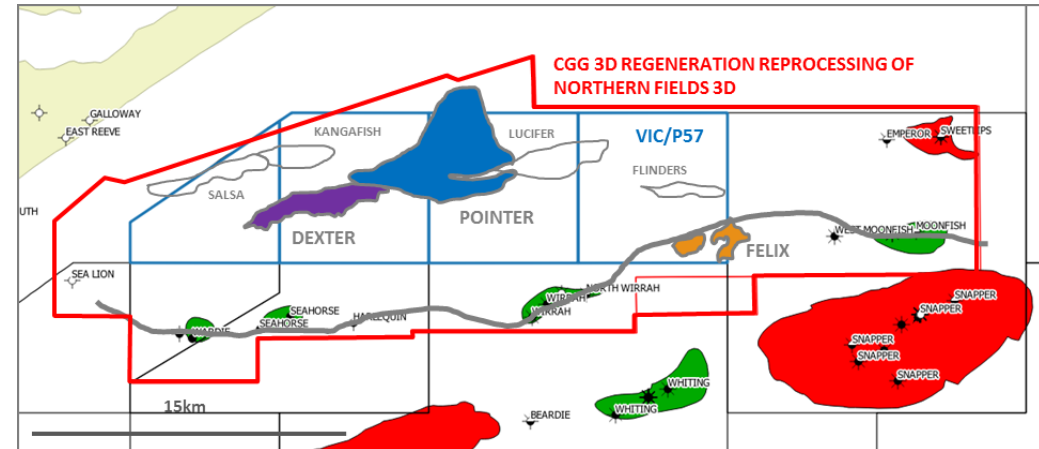


Source: AEMO Victorian Gas Report, March 2019



VIC/P57 has 7 Leads and Prospects defined by state of the art reprocessed 3D seismic data, and located within Australia’s most prolific producing basin

- Located in the Gippsland Basin, which had initial reserves estimated at **4 billion barrels of oil** and **11.5 trillion cubic feet of gas**
- 3D Oil has a 24.9% interest in VIC/P57 with Joint Venture partner Hibiscus Petroleum
  - JV has identified the Felix and Pointer Prospects as the best potential drilling candidates
- **5 remaining leads**, including Dexter, offer additional potential for the permit



#### Oil - Prospective resource (MMbbls)<sup>2</sup>

Location	Status	Low	Best	High
Felix	Prospect	6.84	15.94	26.94
Salsa	Lead	10.65	15.09	20.57
<b>VIC/P57 Total<sup>1</sup></b>		<b>17.51</b>	<b>31.03</b>	<b>47.54</b>

#### Gas - Prospective resource (Bcf)<sup>2</sup>

Location	Status	Low	Best	High
Pointer	Prospect	140.10	235.26	364.91
Dexter	Lead	36.96	131.98	259.14
<b>VIC/P57 Total<sup>1</sup></b>		<b>177.06</b>	<b>367.24</b>	<b>624.05</b>

Note:

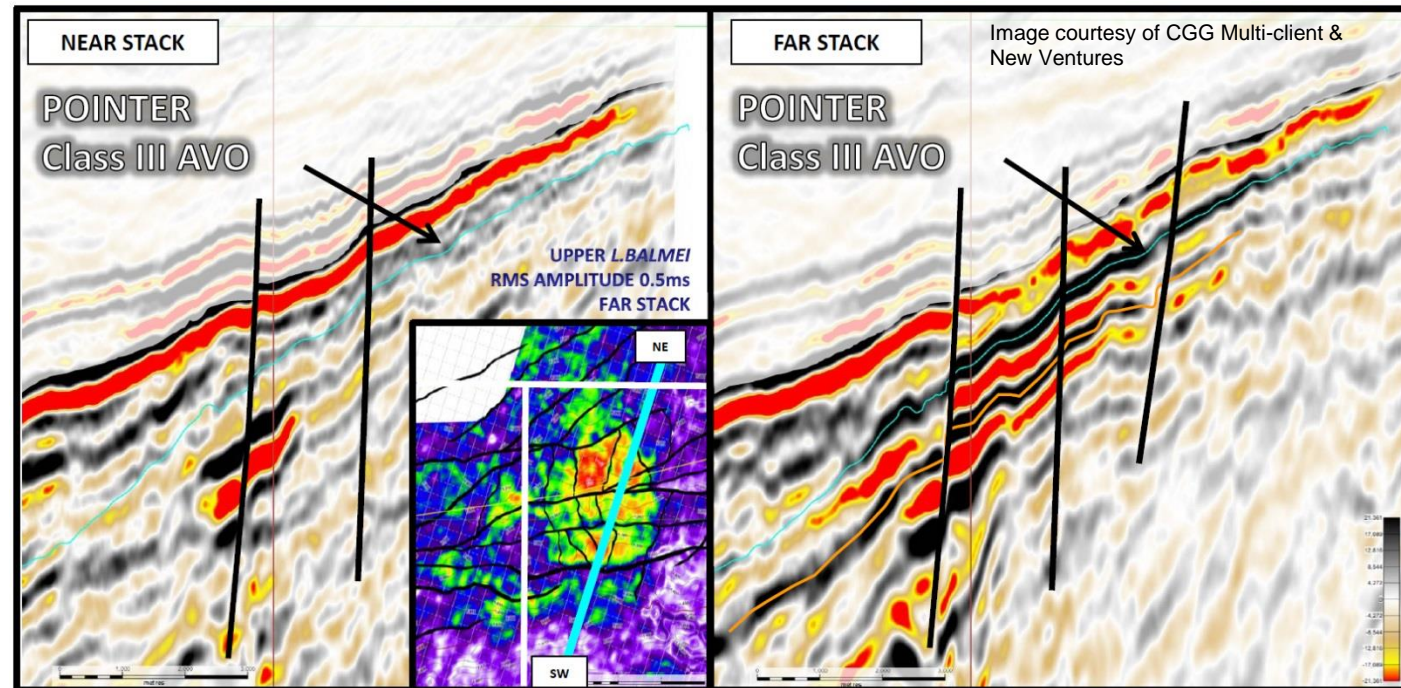
- 1 Arithmetic total
- 2 Refer to ASX announcement dated 27 July 2017 for details on VIC/P57 Prospective Resource estimate



**Pointer has a best estimate prospective resource of 235Bcf recoverable gas, which in its location markets is a very attractive target**

#### Pointer Prospect offset stack analysis on the CGG Reprocessing

- Gas Prospect within the excellent reservoirs of the Upper Latrobe Group
- Confirmed on the CGG Gippsland Regeneration Reprocessing as a strong AVO anomaly, likely to be indicative of hydrocarbons
- Previous volumetric calculations resulting in a Best Estimate of 250Bcf recoverable gas (235Bcf within VIC/P57)<sup>1</sup>
- Revised volumetrics are currently underway

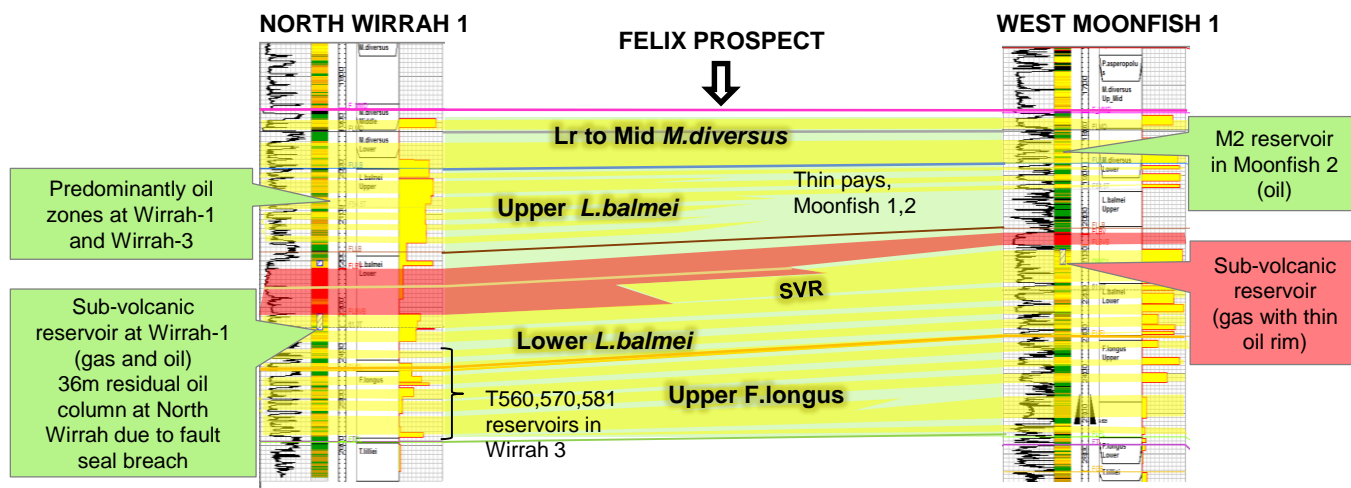


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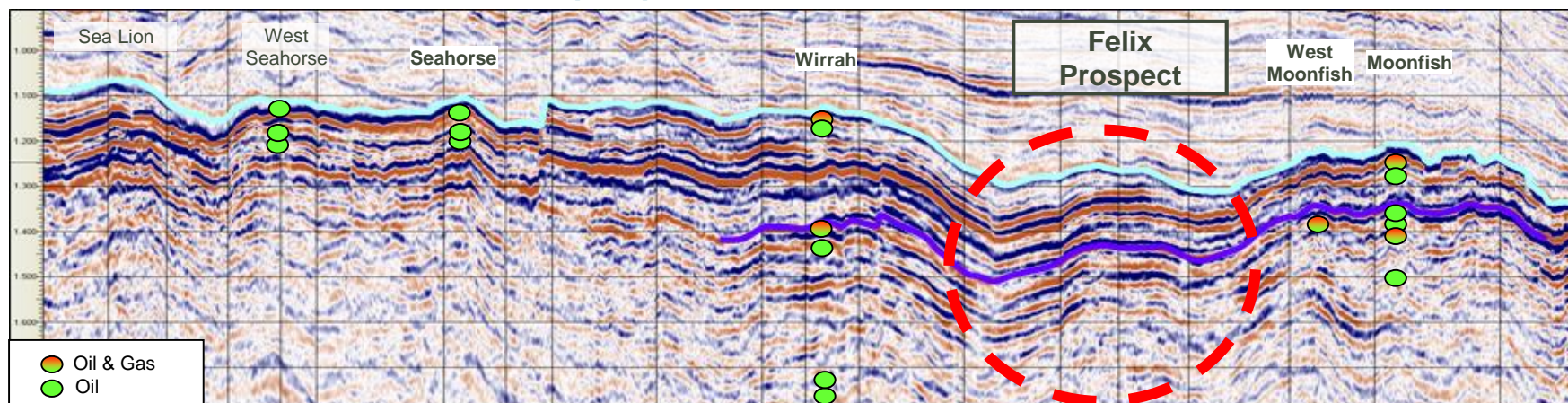
<sup>1</sup> Refer to ASX announcement dated 27 July 2017 for details on VIC/P57 Prospective Resource estimate

## Low Risk Prospect, matured to drill-ready as a result of new CGG reprocessing

- Located between the Wirrah discovery and Moonfish Field
- Closure at multiple levels including that which produces hydrocarbon at Moonfish
- Felix is likely to become more attractive as oil price recovers
- 3D Oil plans to update the market as revised volumetrics become available



Felix prospect seismic cross-section



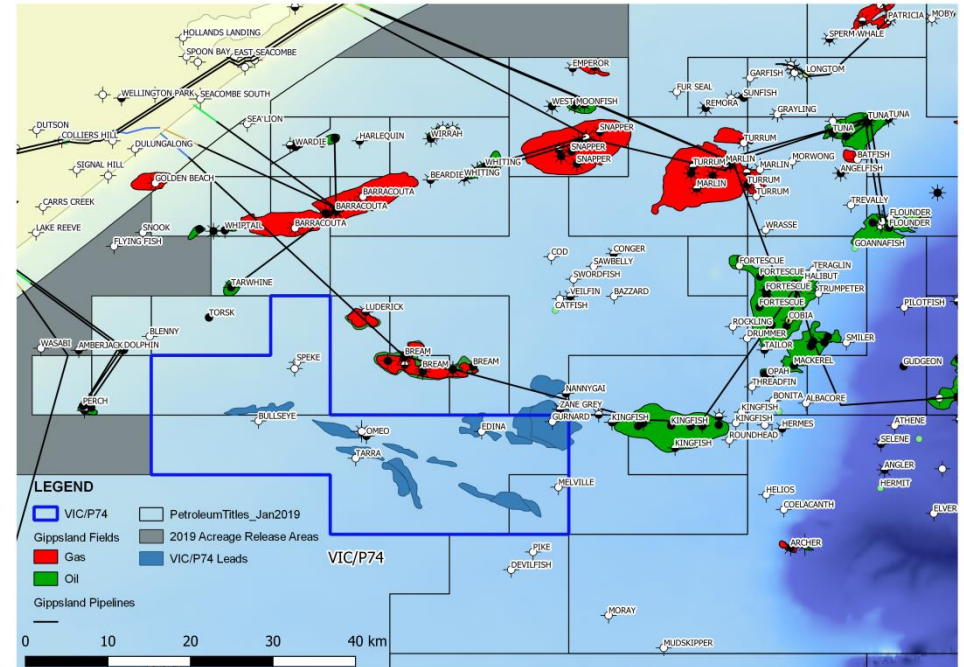


## Large acreage located within the prolific Gippsland Basin and adjacent to the largest ever oil field in offshore Australia

### Asset overview

- VIC/P74 initially acquired by 3D Oil in July of 2019 through its bid in the 2018 Australian Offshore Gazettal round
  - **Large permit (4,960 km<sup>2</sup>) and relatively shallow water (primarily ~100m)**
  - **Contains existing oil & gas shows** demonstrating presence of an active petroleum system
  - **Adjacent to the Kingfish Oil Field**, which to date has produced over a billion barrels of oil
- Hibiscus Petroleum has exercised an option to acquire 50% equity in the permit and participate in the exploration work programme
- The JV intends to purchase the CGG Multi-Client Gippsland Regeneration Reprocessing
- This data has vastly improved imaging quality in the sub-surface of the Gippsland Basin as evidenced by results in the VIC/P57 exploration permit
- Historic exploration in this permit area has been hampered by domain conversion issues, resulting from velocity anomalies in the shallow section
- CGG has significantly reduced this issue and it is hoped that the JV will be able to use the reprocessed data to identify new or missed opportunity in the acreage

### Tenement overview

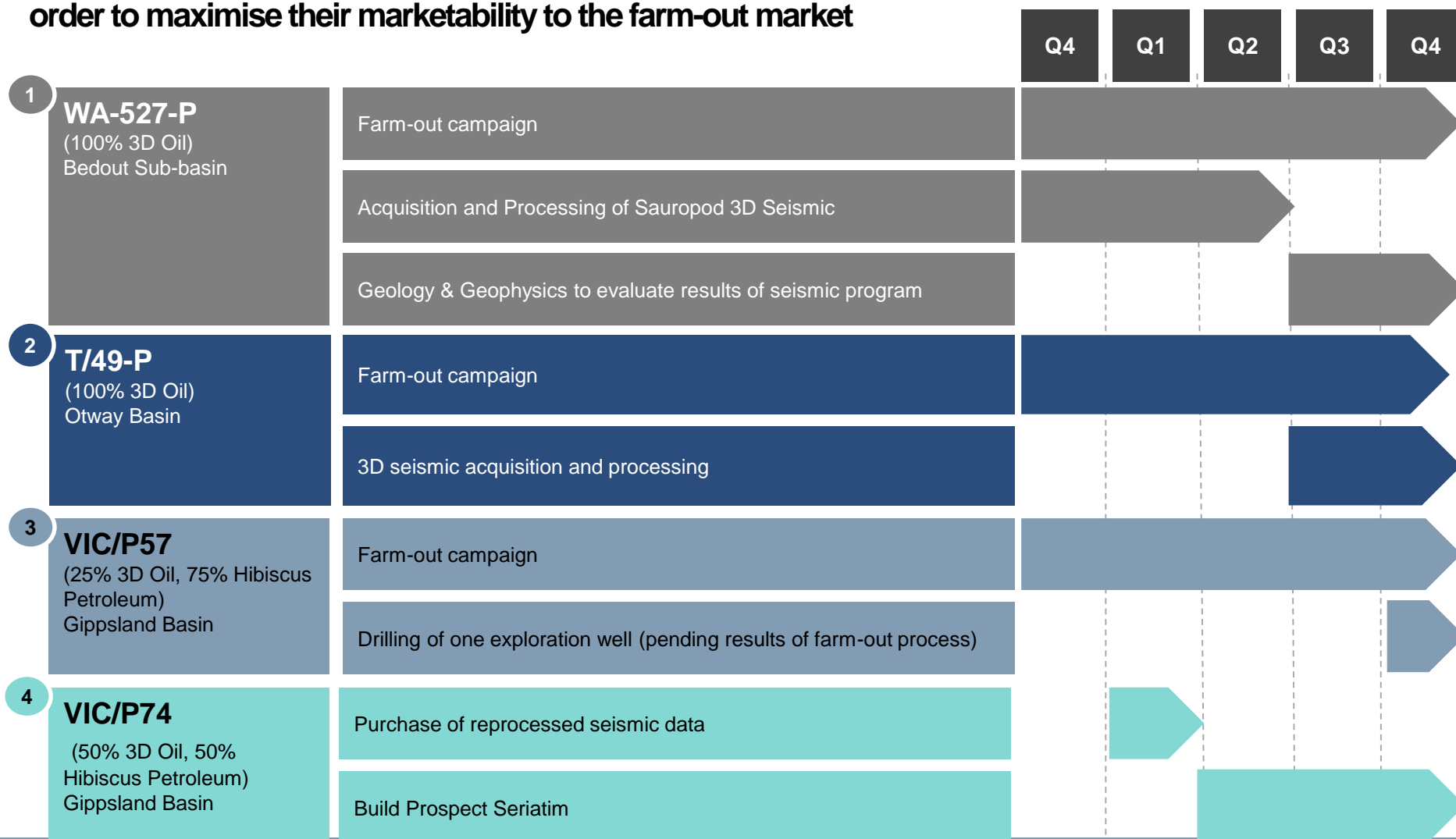


\* Leads shown are based on the interpretation of the previous Operator

# FORWARD WORK PROGRAM



3D Oil is diligently working towards adding value to each of its strategically placed permits in order to maximise their marketability to the farm-out market





## Important Notice

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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 unrisks and have not been adjusted for both an associated chance of discovery and a chance of development. The Prospective Resources have been estimated probabilistically.