

3D OIL LIMITED
ABN 40 105 597 279

**HALF YEAR FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**



Review of Operations	2
Corporate directory	9
Directors' report	10
Auditor's independence declaration	12
Statement of profit or loss and other comprehensive income	13
Statement of financial position	14
Statement of changes in equity	15
Statement of cash flows	16
Notes to the financial statements	17
Directors' declaration	22
Independent auditor's review report to the members of 3D Oil Limited	23

Key Points

T/49P (Otway Basin):

- ConocoPhillips Australia SH1 Pty Ltd ("COP") continue planning for 3D seismic program
- Maximum acquisition area will be 2840km², an increase of 1260km² from the original Dorrig survey plan. As per the Farmout Agreement ("FOA"), this comes at no expense to TDO.
- COP nears submission of the Environment Plan for the Sequoia 3D MSS

WA-527-P (Bedout Sub-basin):

- Negotiations continue with seismic vessel contractors

VIC/P74 (Gippsland Basin):

- A series of Leads with a total Best Estimate Prospective Resource of 370 MMboe have been delineated by interpretation of newly reprocessed seismic data and the completion of detailed depth conversion studies.
- NOPTA approves Hibiscus Petroleum Berhad (CHPL) to enter into a Joint Venture with TDO

3D Oil Limited (ASX: TDO, "3D Oil" or "the Company") is pleased to provide an update to its activities for the half year ending 31 December 2020.

Exploration

T/49P, Otway Basin, offshore Tasmania

3D Oil holds 20% interest in the T/49P exploration permit, which covers 4,960km² 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)).

COP holds 80% interest in the permit and is operating. In accordance with the Farmout Agreement ("FOA"), COP will now undertake the acquisition of a 3D seismic survey of not less than 1580 km² within the Permit to which TDO will make no financial contribution.

Throughout the 6-month period COP progressed stakeholder consultation regarding the Sequoia 3D MSS. The survey, formerly known as Dorrig, will now cover approximately 2840km², which is an increase of 1260km². Between December 4, 2020 and January 3, 2021, the Sequoia 3D MSS Environment Plan (EP) was made available for public comment. COP assessed the comments received, and where necessary integrated with the EP before submitting the document to NOPSEMA for assessment.

COP submitted the Environment Plan in February 2021.

TDO welcomes the proposed increase of acquisition area. In combination with the Flanagan 3D MSS, acquired by TDO in 2014, the majority of the T/49-P permit will be covered by high quality, modern 3D seismic data. This will allow the Joint Venture to evaluate the full potential of the permit. The primary objective of the survey is to cover remaining leads in the central and southern sections of the T/49P acreage and provide further detail on the Flanagan Prospect. Once processing and interpretation is complete, it is hoped that the Joint venture will be able to generate a permit-wide prospect seriatim that will inform the best possible drilling location.

Upon completion of the 3D seismic program, COP may elect to drill an exploration well which will fulfill the current Year 6 work commitment. In the event COP elects to drill an exploration well, the Company will be carried for up to US\$30 million in drilling costs after which it will contribute 20% of drilling costs in line with its interest in the Permit.

Figure 1: Location Map of the Sequoia 3D Marine Seismic Survey (image Courtesy of ConocoPhillips Australia)

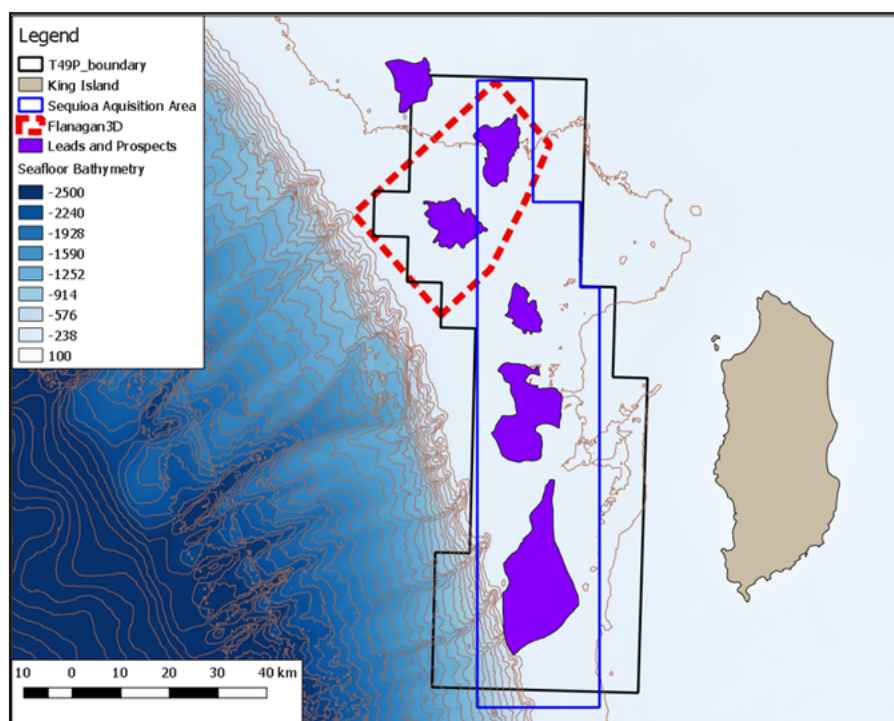


Table 1: T/49P Prospective Resource Estimate (TCF) Recoverable Gas
(ASX ann. 27-Jul-17)

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

WA-527-P, Roebuck Basin, offshore Western Australia

3D Oil holds 100% interest in the WA-527-P exploration permit, which covers 6,500km² of the offshore Bedout Sub-basin. The permit is located adjacent to oil and gas/condensate discoveries at Roc, Phoenix South and Dorado (Figure 2).

In July 2020, the Company received approval from the government regulator NOPSEMA to undertake acquisition of the Sauropod 3D MSS. The Environmental Plan (EP) is approved for a maximum full fold acquisition area of 3447km² between January and April, inclusive of 2021. Throughout this quarter the Company continued to negotiate with seismic vessel providers to secure a vessel capable of acquiring the survey within the constraints of the approved EP.

The survey is primarily aimed at determining the potential for traps associated with a Triassic erosional channel system that is analogous to that which provides the trapping mechanism for the nearby Dorado discovery.

Figure 2: Location of Sauropod 3D MSS Environmental Planning Area

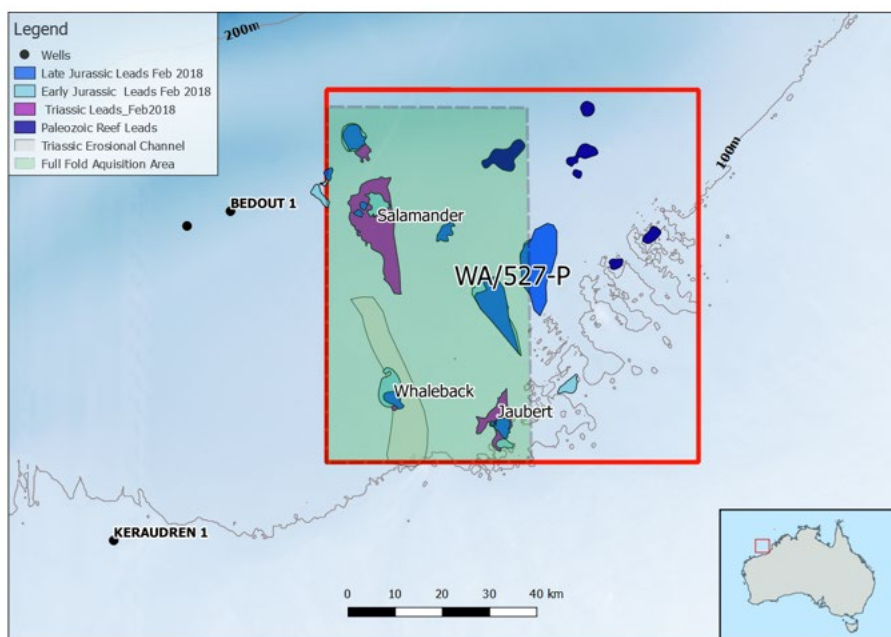


Table 2: WA-527-P Prospective Resource Estimate (MMbbls) Recoverable Oil
(ASX ann. 26-Feb-18)

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.

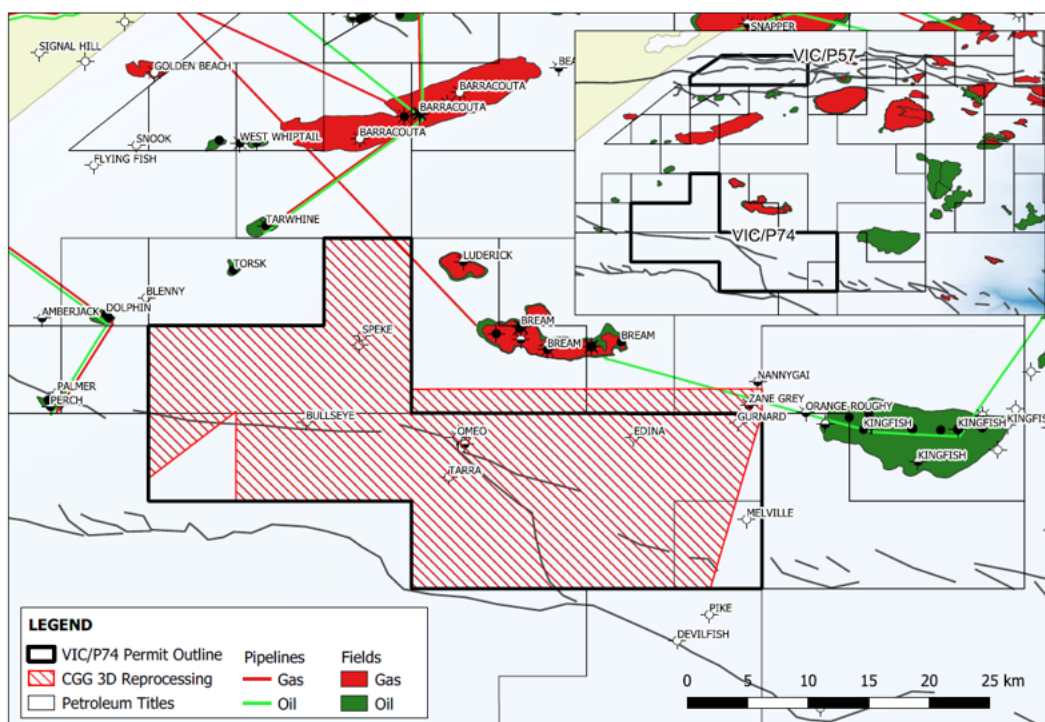
VIC/P74, Gippsland Basin, offshore Victoria

The Company holds 50% interest in the VIC/P74 exploration permit, which covers 1,009km² along the margin of the Southern Terrace, Gippsland Basin. The permit is located adjacent to major Oil and Gas discoveries, including Bream and the giant Kingfish Field, the largest oil field ever discovered in Australia having produced over one billion barrels of oil to date (Figure 3).

In October of 2020 the National Offshore Petroleum Titles Administrator (NOPATA) issued approval for Carnarvon Hibiscus Pty Ltd ("CHPL"), an indirect wholly-owned subsidiary of Hibiscus Petroleum Berhad, to enter into a Joint Venture with TDO. Under the terms of the Joint Operating Agreement, TDO will remain as operator and retain 50% equity in the permit.

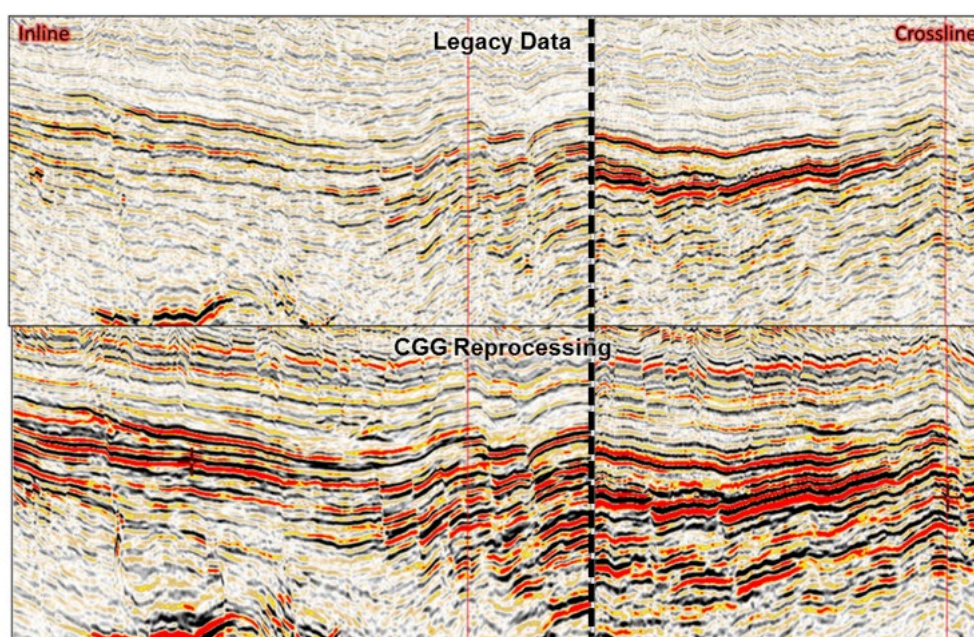
In July 2020, the Joint Venture purchased 1004 km² of the CGG 3D Gippsland Regeneration Reprocessing over the VIC/P74 permit area, including full and offset stacks, gathers and velocity model, thereby fulfilling a major work commitment of the Primary Term.

Figure 3: VIC/P74 permit with purchased CGG 3D seismic reprocessing



The interpretation of this improved reprocessed 3D seismic (Figure 3) has progressed quickly and the mapping of twelve key horizons has been finalised over the last quarter, including the prospective Golden Beach and Emperor horizons. As a result of this work, several potentially commercial gas targets have been delineated within the Golden Beach Subgroup and additional oil potential has been identified in Upper Latrobe reservoirs. The largest feature identified to date is the Bigfin Lead which has a potential areal closure of ~30km² and a vertical relief of up to 240m (Figure 5).

Figure 4: Comparison of the legacy 3D data (top image) with CGG 3D seismic reprocessing purchased by the Joint Venture (bottom image)



Data Courtesy of CGG Multi-Client & New Ventures

Depth conversion is one of the most important technical components of the primary work programme due to previous drilling failures associated with velocity inversions across the shallow overburden. Accordingly, several velocity models have been developed for comparison and comprehensive sensitivity analysis is nearing completion, which will reduce the uncertainty on the structural configuration, size, and volume of identified targets.

The Company has been approached by several interested farm-in candidates to date and, despite the early stages of the VIC/P74 primary work programme, initial data rooms have been conducted under Confidentiality Agreements.

Figure 5: Location Map of the VIC/P74 permit showing leads with prospective resources.

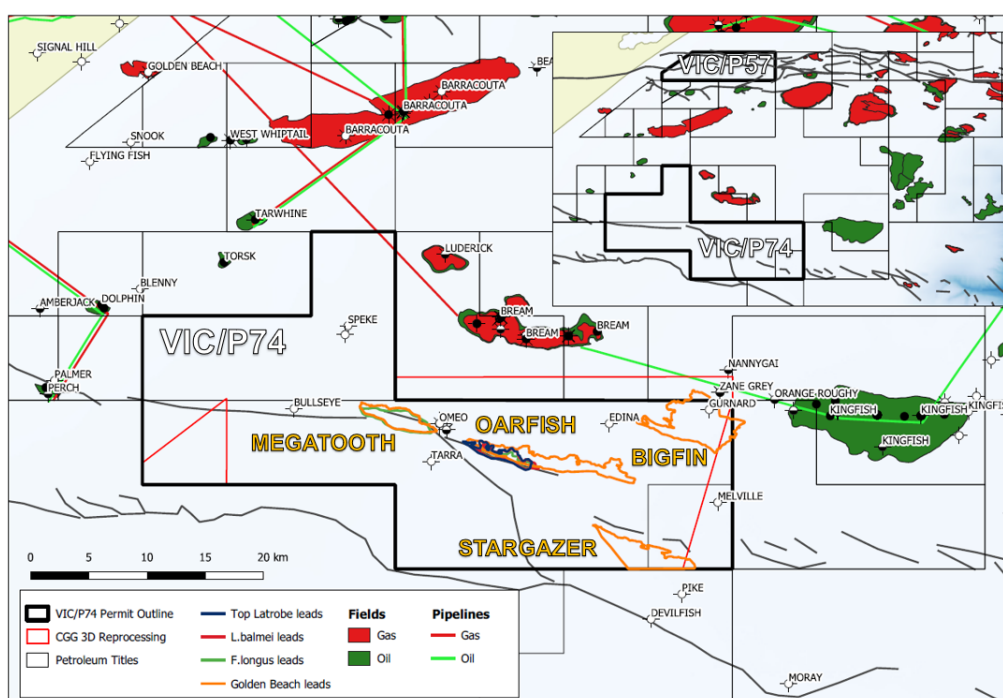


Table 3: VIC/P74 Prospective Resources Estimate (Bcf) Recoverable Gas (Nett to TDO in brackets)

Lead/Prospect	Status	Low	Best	High
Bigfin	Lead	296 (148)	502 (251)	783 (392)
Stargazer	Lead	192 (96)	344 (172)	564 (282)
Oarfish	Lead	132 (66)	237 (119)	400 (200)
Megatooth	Lead	114 (57)	204 (102)	345 (173)
VIC/P74 Arithmetic Total		734 (367)	1287 (644)	2092 (1047)

Table 4: VIC/P74 Prospective Resources Estimate (MMbbls) Recoverable Condensate (Nett to TDO in brackets)

Lead/Prospect	Status	Low	Best	High
Bigfin	Lead	2 (1)	19 (10)	39 (20)
Stargazer	Lead	3 (1.5)	12 (6)	37 (19)
Oarfish	Lead	2 (1)	8 (4)	26 (13)
Megatooth	Lead	1.7 (0.85)	7 (3.5)	22 (11)
VIC/P74 Arithmetic Total		9 (4)	46 (24)	124 (63)

Table 5: VIC/P74 Prospective Resources Estimate (MMbbls) Recoverable Oil (Nett to TDO in brackets)

Lead/Prospect	Status	Low	Best	High
Megatooth	Lead	28 (14)	58 (29)	107 (54)
Oarfish	Lead	23 (11)	40 (20)	71 (35)
VIC/P74 Arithmetic Total		51 (26)	98 (49)	178 (89)

VIC/P57, Gippsland Basin, offshore Victoria

TDO holds 24.9% interest in the VIC/P57 exploration permit in the offshore Gippsland Basin with Joint Venture (“JV”) partner and operator, Hibiscus Petroleum. 3D Oil acts as technical adviser to the JV.

The Joint Venture have identified two drilling candidates in the permit, including Felix and Pointer. The Pointer Prospect is an AVO supported gas target, located close to shore and nearby infrastructure. It is well placed to supply resources to the east Australian gas market. The Felix Prospect is a low risk Oil & Gas prospect located between the Wirrah discovery and Moonfish field.

Figure 6: Prospects and Leads, VIC/P57

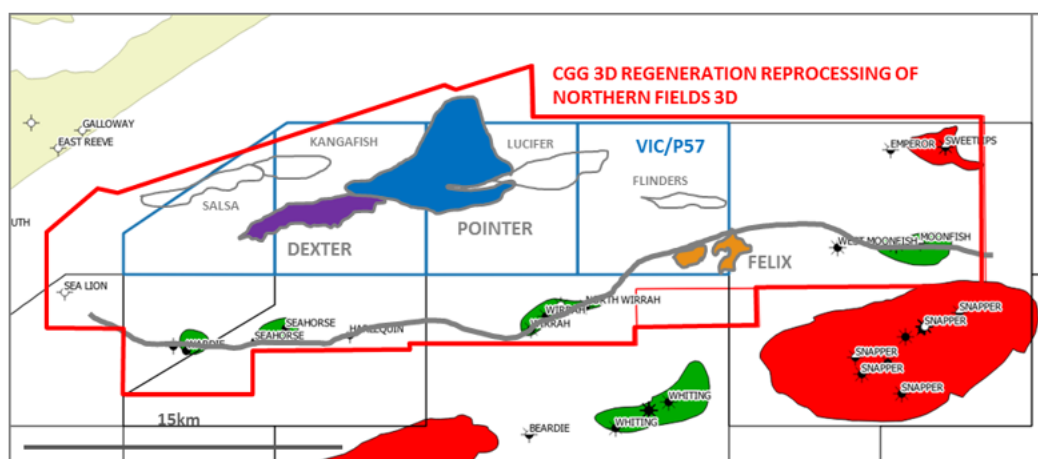


Figure 7: Pointer Prospect Response on Offset Stacks.

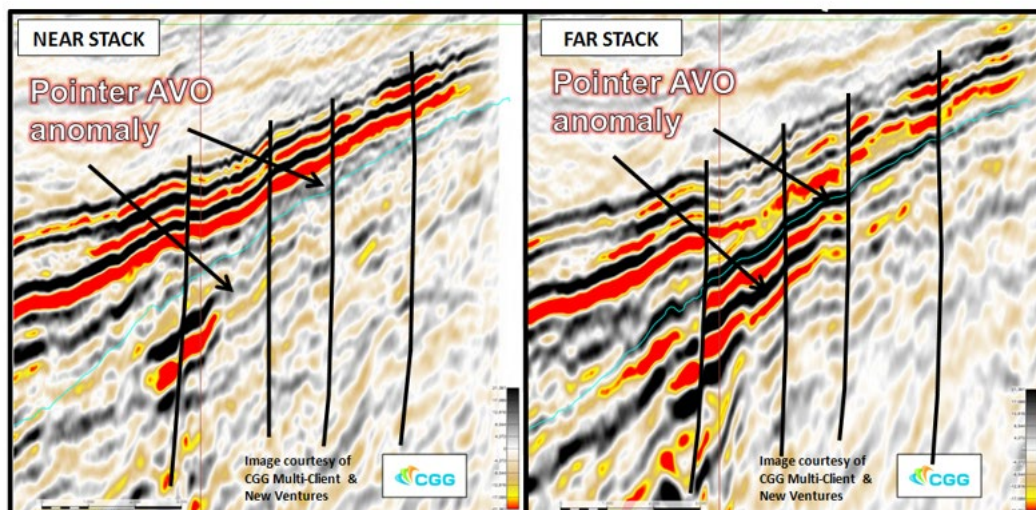


Table 6: VIC/P57 Prospective Resources Estimate (MMbbls) Recoverable Oil
(ASX ann. 27-Jul-17)

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 7: 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

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.

TDO Petroleum Tenement Holdings

As at 31 December 2020, 3D Oil's petroleum tenement holdings were:

Tenement and Location	Beneficial interest at 30 Sep 2020	Beneficial interest acquired / (disposed)	Beneficial interest at 31 Dec 2020
VIC/P57	24.9%	nil	24.9%
Offshore Gippsland Basin, VIC			
T/49P	20%	nil	20%
Offshore Otway Basin, TAS			
WA-527-P	100%	nil	100%
Offshore Roebuck Basin, WA			
VIC/P74	100% ¹	(50%)	50% ¹
Offshore Gippsland Basin, VIC			

¹ On 4 October 2019, 3D Oil announced that Hibiscus Petroleum Berhad had elected to enter into a Joint Venture with 3D Oil in the newly awarded offshore Gippsland Basin permit VIC/P74. TDO will remain as operator with 50% equity when a JOA is signed by both parties and required government approvals. On 9 October 2020, 3D Oil announced that the National Offshore Petroleum Titles Administrator (NOPTA) approved Hibiscus Petroleum Berhad to enter into a Joint Venture with TDO in the offshore Gippsland Basin exploration permit VIC/P74. Under the terms of the Assignment Agreement, TDO will remain as operator with 50% equity.

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 10 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.

Directors	Noel Newell (Executive Chairman) Ian Tchacos (Non-Executive Director) Leo De Maria (Non-Executive Director)
Company secretaries	Melanie Leydin Stefan Ross
Registered office	Level 18, 41 Exhibition Street Melbourne, VIC 3000 Telephone: (03) 9650 9866
Principal place of business	Level 18, 41 Exhibition Street Melbourne, VIC 3000 Telephone: (03) 9650 9866
Share register	Computershare Investor Services Pty Ltd 452 Johnston Street Abbotsford Victoria 3067 Telephone: (03) 9415 5000
Auditor	Grant Thornton Audit Pty Ltd Collin Square Tower 5 727 Collins Street Melbourne VIC 3008
Solicitors	Baker McKenzie Level 19, 181 William Street Melbourne Victoria 3000
Stock exchange listing	3D Oil Limited shares are listed on the Australian Securities Exchange (ASX code: TDO)
Website	www.3doil.com.au

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of 3D Oil Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the period ended 31 December 2020.

Directors

The following persons were Directors of 3D Oil Limited during the whole of the financial period and up to the date of this report, unless otherwise stated:

Mr Noel Newell
Mr Ian Tchacos
Mr Leo De Maria

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of exploration and development of upstream oil and gas assets.

Review of operations

The loss for the Consolidated Entity after providing for income tax amounted to \$526,775 (31 December 2019: \$559,785).

Refer to the detailed Review of Operations preceding this Directors' Report.

Financial Position

The net assets decreased by \$526,151 to \$8,216,392 at 31 December 2020 (30 June 2020: \$8,742,543) mainly due to operating losses during the period. During the period the Consolidated Entity also spent a net amount of \$917,053 on exploration and evaluation.

The Consolidated Entity's working capital position at 31 December 2020, being current assets less current liabilities, was \$3,051,893, a decrease of \$982,053 since 30 June 2020 (30 June 2020: surplus \$4,033,946). The cash balances as at 31 December 2020 was \$3,582,187 (30 June 2020: \$5,077,191).

Based on the above the Directors believe the Company is in a stable position to continue to pursue its current operations.

Significant changes in the state of affairs

On 14 July 2020, the Company announced that it has been awarded the necessary environmental approvals from the Commonwealth Statutory National Agency, NOPSEMA, to acquire the Sauropod 3D Marine Seismic Survey (MSS) within 100% owned WA-527-P of the Offshore Roebuck Basin.

On 9 October 2020, the Company announced that the National Offshore Petroleum Titles Administrator (NOPTA) approved Hibiscus Petroleum Berhad to enter into a Joint Venture with TDO in the offshore Gippsland Basin exploration permit VIC/P74. Under the terms of the Assignment Agreement, TDO will remain as operator with 50% equity.

On 16 December 2020, the Company granted a total of 225,806 Performance Rights to Directors of the Company, with Mr Leo De Maria receiving 112,903 Performance Rights and Mr Ian Tchacos receiving 112,903 Performance Rights following shareholder approval at the Company's Annual General Meeting. Vesting of the Performance Rights is contingent on both the share price of the Company reaching \$0.09 (9 cents) at any time between grant and 17 November 2022, and continued employment up until 17 November 2022. The Performance Rights expire 3 years following the grant date.

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial period.

Matters subsequent to the end of the financial period

On 15 February 2021, the Company granted a total of 516,128 Performance Rights to eligible employees under the Company's Equity Incentive Plan. Vesting of the Performance Rights is contingent on both the share price of the Company reaching \$0.09 (9 cents) at any time between grant and 17 November 2022, and continued employment up until 17 November 2022. The Performance Rights expire 3 years following the grant date.

On 16 February 2021, the Company announced that it has completed an estimate of the Prospective Resources for Leads and Prospects within the VIC/P74 exploration permit. TDO is operator (50%) of the Joint Venture "JV" with its partner Carnarvon Hibiscus Pty Ltd, an indirect wholly owned subsidiary of Hibiscus Petroleum Berhad "CHPL".

On 1 March 2021, the Company announced that TDO's wholly owned subsidiary, 3D Oil T49P Pty Ltd (the "Company"), together with its partner in T/49P, ConocoPhillips Australia SH1 Pty Ltd ("COP"), has contracted the Shearwater vessel the Geo Coral to acquire the Sequoia 3D seismic survey.

The survey will cover an area of approximately 2700 km² with the acquisition estimated to take approximately 60 days between the beginning of August and the end of October 2021. COP is Operator on behalf of the T/49P Joint Venture with 80% equity in the permit and TDO 20%.

Under the terms of the farmout agreement, COP was to acquire a minimum of 1580 km² of 3D seismic at no expense to TDO (TDO ASX Announcement, 18 Dec 2019). The increase in size of the acquisition area will provide coverage of all leads within the Permit and tie with the previously acquired Flanagan 3D seismic survey.

Upon completion of the acquisition, processing and interpretation of the 3D seismic survey, COP may elect to drill an exploration well which will fulfill the current Year 6 work programme obligation. In the event COP elects to drill such exploration well, the Company will be carried for up to US\$30 million in drilling costs after which it will contribute 20% of drilling costs in line with its interest in the Permit.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Noel Newell
Executive Chairman

16 March 2021
Melbourne

Auditor's Independence Declaration

To the Directors of 3D Oil Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of 3D Oil Limited and its subsidiaries for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



D G Ng
Partner – Audit & Assurance

Melbourne, 16 March 2021

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

www.grantthornton.com.au

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

3D Oil Limited
Statement of profit or loss and other comprehensive income
For the period ended 31 December 2020



	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
Revenue		
Other income	82,908	-
Interest	4,101	6,890
Expenses		
Corporate expenses	(160,694)	(181,538)
Administrative expenses	(36,900)	(46,604)
Employment expenses	(302,563)	(263,324)
Occupancy expenses	(32,951)	(11,526)
Depreciation and amortisation expense	(56,593)	(55,103)
Exploration expenses	(18,908)	-
Finance costs	(5,175)	(8,580)
Loss before income tax expense	(526,775)	(559,785)
Income tax expense	-	-
Loss after income tax expense for the period attributable to the Owner of 3D Oil Limited	(526,775)	(559,785)
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income for the period attributable to the Owner of 3D Oil Limited	(526,775)	(559,785)
	Cents	Cents
Basic earnings per share	(0.20)	(0.21)
Diluted earnings per share	(0.20)	(0.21)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

3D Oil Limited
Statement of financial position
As at 31 December 2020



		Consolidated	
	Note	31 December 2020 \$	30 June 2020 \$
Assets			
Current assets			
Cash and cash equivalents		3,582,187	5,077,191
Trade and other receivables		444,418	8,216
Short term investments		93,577	93,577
Prepayments		9,862	39,447
Total current assets		<u>4,130,044</u>	<u>5,218,431</u>
Non-current assets			
Furniture and computer equipment		14,666	14,031
Right-of-use assets		122,326	165,496
Intangibles		92,690	74,068
Exploration and evaluation	4	<u>4,991,169</u>	<u>4,546,537</u>
Total non-current assets		<u>5,220,851</u>	<u>4,800,132</u>
Total assets		<u>9,350,895</u>	<u>10,018,563</u>
Liabilities			
Current liabilities			
Trade and other payables		819,113	934,177
Lease liabilities		91,794	102,039
Employee benefits		167,244	148,269
Total current liabilities		<u>1,078,151</u>	<u>1,184,485</u>
Non-current liabilities			
Lease liabilities		47,709	85,705
Employee benefits		8,643	5,830
Total non-current liabilities		<u>56,352</u>	<u>91,535</u>
Total liabilities		<u>1,134,503</u>	<u>1,276,020</u>
Net assets		<u>8,216,392</u>	<u>8,742,543</u>
Equity			
Issued capital	5	55,483,678	55,483,678
Share option reserve	11	624	-
Accumulated losses		<u>(47,267,910)</u>	<u>(46,741,135)</u>
Total equity		<u>8,216,392</u>	<u>8,742,543</u>

The above statement of financial position should be read in conjunction with the accompanying notes

3D Oil Limited
Statement of changes in equity
For the period ended 31 December 2020



Consolidated	Contributed equity \$	Accumulated losses \$	Reserves \$	Total equity \$
Balance at 1 July 2019	55,483,678	(43,735,070)	-	11,748,608
Loss after income tax expense for the period	-	(559,785)	-	(559,785)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	(559,785)	-	(559,785)
Balance at 31 December 2019	<u>55,483,678</u>	<u>(44,294,855)</u>	<u>-</u>	<u>11,188,823</u>
Consolidated	Contributed equity \$	Accumulated losses \$	Reserves \$	Total equity \$
Balance at 1 July 2020	55,483,678	(46,741,135)	-	8,742,543
Loss after income tax expense for the period	-	(526,775)	-	(526,775)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	(526,775)	-	(526,775)
Share based payments	-	-	624	624
Balance at 31 December 2020	<u>55,483,678</u>	<u>(47,267,910)</u>	<u>624</u>	<u>8,216,392</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

3D Oil Limited
Statement of cash flows
For the period ended 31 December 2020



	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(578,213)	(669,337)
Interest received	4,333	22,022
COVID-19 incentives	77,400	-
Payment of interest element of lease liabilities	(5,175)	-
Net cash used in operating activities	(501,655)	(647,315)
Cash flows from investing activities		
Payments for property, plant and equipment	(32,800)	-
Payments for exploration and evaluation	(917,053)	(319,123)
Payments for term deposits	-	(93,577)
Proceeds from term deposits	-	1,000,000
Net cash from/(used in) investing activities	(949,853)	587,300
Cash flows from financing activities		
Payment of principal element of lease liabilities	(43,496)	(39,162)
Net cash used in financing activities	(43,496)	(39,162)
Net decrease in cash and cash equivalents	(1,495,004)	(99,177)
Cash and cash equivalents at the beginning of the financial period	5,077,191	934,458
Cash and cash equivalents at the end of the financial period	<u>3,582,187</u>	<u>835,281</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover 3D Oil Limited as a Consolidated Entity consisting of 3D Oil Limited and the entities it controlled at the end of, or during, the period. The financial statements are presented in Australian dollars, which is 3D Oil Limited's functional and presentation currency.

3D Oil Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 18, 41 Exhibition Street
Melbourne Victoria 3000

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 16 March 2021. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Going Concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The working capital position as at 31 December 2020 of the Consolidated Entity results in a surplus of \$3,051,893 (current assets over current liabilities) (30 June 2020: surplus \$4,033,946). The Consolidated Entity made a loss after tax of \$526,775 during the six-month period (December 2019 loss: \$559,785) and had net operating cash outflows of \$501,655 (2019: \$647,315). During the period the Consolidated Entity also incurred \$917,053 (2019: \$319,123) on exploration activities. The cash balances as at 31 December 2020 was \$3,582,187 (30 June 2020: \$5,077,191). The continuing viability of the Consolidated Entity and its ability to continue as a going concern is dependent upon the Consolidated Entity being successful in its continuing efforts in exploration projects and accessing additional sources of capital to meet the commitments as and when required. Based on the current forecasts, the Directors are satisfied that the Consolidated Entity has sufficient cash and cash equivalent to meet its obligations. To meet any additional funding requirements, the Consolidated Entity may need to take appropriate funding steps, including a combination of:

- Raising capital by one of or a combination of the following: placement of shares, rights issue, share purchase plan, etc;
- Meeting its obligations by either farm-out or partial sale of the Consolidated Entity's exploration interests;
- Subject to negotiation and approval, minimum work requirements may be varied or suspended, and/or permits may be surrendered or cancelled; or
- Other avenues that may be available to the Consolidated Entity.

Having assessed the potential uncertainties relating to the Consolidated Entity's ability to effectively fund exploration activities and operating expenditures, the Directors believe that the Consolidated Entity will continue to operate as a going concern for the foreseeable future. Therefore, the Directors consider it is appropriate to prepare the financial statements on a going concern basis.

Note 2. Significant accounting policies (continued)

New or amended Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated Entity.

Note 3. Operating segments

AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the Consolidated Entity that are regularly reviewed by the chief decision maker in order to allocate resources to the segment and to assess its performance. 3D Oil Limited operates in the development of oil and gas within Australia. The Consolidated Entity's activities are therefore classified as one operating segment.

The chief decision makers, being the Board of Directors, assess the performance of the Consolidated Entity as a whole and as such through one segment.

Note 4. Non-current assets - Exploration and evaluation

	Consolidated	
	31 December	30 June
	2020	2020
	\$	\$
Exploration and evaluation - at cost	4,991,169	6,432,880
Less: Impairment expenses	-	(1,886,343)
	<u>4,991,169</u>	<u>4,546,537</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

Consolidated	Exploration and evaluation \$	Total \$
Balance at 1 July 2020	4,546,537	4,546,537
Expenditure during the half-year	444,632	444,632
Balance at 31 December 2020	<u>4,991,169</u>	<u>4,991,169</u>

The exploration and evaluation assets relate to VIC P/74 in offshore Gippsland Basin in Victoria, T/49P offshore Otway Basin in Tasmania and WA-527-P in Western Australia. The recoverability of the carrying amounts of the exploration and evaluation expenditure is dependent on the successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest.

The Company has carried out an impairment review of the carrying amount of its exploration expenditure in relation to VIC/P74, T/49P and WA-527-P following the end of the financial half-year as at 31 December 2020. Based on the review no impairments were identified in relation to these tenements.

Note 4. Non-current assets - Exploration and evaluation (continued)

Farm-outs - exploration and evaluation phase

The Consolidated Entity does not record any expenditure made by the farminee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements, but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farminee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the farmor as a gain on disposal.

Note 5. Equity - issued capital

	Consolidated		
	31 December	30 June	31 December
	2020	2020	2020
	Shares	Shares	\$
			\$
Ordinary shares - fully paid	<u>265,188,372</u>	<u>265,188,372</u>	<u>55,483,678</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 6. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

Note 7. Contingent liabilities

There were no contingent liabilities as at 31 December 2020.

Note 8. Commitments

	Consolidated	
	31 December	30 June
	2020	2020
	\$	\$
<i>Exploration Licenses - Commitments for Expenditure</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	355,400	544,133
One to five years	983,333	1,066,667
	<u>1,338,733</u>	<u>1,610,800</u>

In order to maintain current rights of tenure to exploration tenements, the Consolidated Entity is required to outlay rentals and to meet the minimum work requirements and associated indicative expenditure of the National Offshore Petroleum Titles Administrator ('NOPTA'). Minimum commitments may be subject to renegotiation and with approval may otherwise be avoided by sale, farm out or relinquishment. These obligations are therefore not provided for in the financial statements as payable.

The commitments above does not include commitments for indicative expenditure relating to Exploration Permit T/49P, as they are expected to be covered by the farm-in partner, ConocoPhillips Australia Pty Ltd, as per JOA. Under the terms of JOA TDO will contribute 10% of the joint operation expenses until ConocoPhillips Australia has completed an exploration well or spent at least US\$30 million toward drilling of an exploration well.

Note 8. Commitments (continued)

In relation to VIC/P74, the Company has included its commitments for indicative expenditure in the above note relating to VIC/P74 up to the end of Year 3. Commitments from Year 4 onwards are confirmed on a year-by-year basis dependent on the Company agreeing to proceed. If the Company was to proceed beyond Year 3 in relation to VIC/P74, the current indicative expenditure commitment for Years 4-7 is currently gross \$42.1 million, and this would be occurring in 2022-2025 years.

In relation to WA-527-P, the Company has included its commitments for indicative expenditure in the above note relating to WA-527-P up to the end of Year 3. Commitments from Year 4 onwards are confirmed on a year-by-year basis dependent on the Company agreeing to proceed. If the Company was to proceed beyond Year 3 in relation to WA-527-P, the current indicative expenditure commitment for Years 4-6 is currently gross \$30.8 million, and this would be occurring in 2021-2025 years.

In relation to VIC/P57, the joint venture applied to NOPTA in September 2017 for a further 5 year tenure. The program includes minor but, high impact and carefully designed work commitments including state-of-the-art reprocessing of the 3D seismic data covering the permit. The Company announced on 7 March 2018 the renewal of the permit by NOPTA for a further five years. The commitments above include commitments for indicative expenditure relating remaining tenure.

Note 9. Events after the reporting period

On 15 February 2021, the Company granted a total of 516,128 Performance Rights to eligible employees under the Company's Equity Incentive Plan. Vesting of the Performance Rights is contingent on both the share price of the Company reaching \$0.09 (9 cents) at any time between grant and 17 November 2022, and continued employment up until 17 November 2022. The Performance Rights expire 3 years following the grant date.

On 16 February 2021, the Company announced that it has completed an estimate of the Prospective Resources for Leads and Prospects within the VIC/P74 exploration permit. TDO is operator (50%) of the Joint Venture "JV" with its partner Carnarvon Hibiscus Pty Ltd, an indirect wholly owned subsidiary of Hibiscus Petroleum Berhad "CHPL".

On 1 March 2021, the Company announced that TDO's wholly owned subsidiary, 3D Oil T49P Pty Ltd (the "Company"), together with its partner in T/49P, ConocoPhillips Australia SH1 Pty Ltd ("COP"), has contracted the Shearwater vessel the Geo Coral to acquire the Sequoia 3D seismic survey.

The survey will cover an area of approximately 2700 km² with the acquisition estimated to take approximately 60 days between the beginning of August and the end of October 2021. COP is Operator on behalf of the T/49P Joint Venture with 80% equity in the permit and TDO 20%.

Under the terms of the farmout agreement, COP was to acquire a minimum of 1580 km² of 3D seismic at no expense to TDO (TDO ASX Announcement, 18 Dec 2019). The increase in size of the acquisition area will provide coverage of all leads within the Permit and tie with the previously acquired Flanagan 3D seismic survey.

Upon completion of the acquisition, processing and interpretation of the 3D seismic survey, COP may elect to drill an exploration well which will fulfill the current Year 6 work programme obligation. In the event COP elects to drill such exploration well, the Company will be carried for up to US\$30 million in drilling costs after which it will contribute 20% of drilling costs in line with its interest in the Permit.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.



Note 10. Earnings per share

	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
Loss after income tax attributable to the Owner of 3D Oil Limited	<u>(526,775)</u>	<u>(559,785)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>265,188,372</u>	<u>265,188,372</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>265,188,372</u>	<u>265,188,372</u>
	Cents	Cents
Basic earnings per share	(0.20)	(0.21)
Diluted earnings per share	(0.20)	(0.21)

Note 11. Share-based payments

Share based payments expense during the period is \$624 (2020: nil) of which relates to Performance Rights issued to Directors of the Company.

Performance Rights

In December 2020, following shareholder approval at the Annual General Meeting in November 2020, the Company granted 112,903 performance rights to Mr Leo Maria and 112,903 performance rights to Mr Ian Tchacos. Vesting of the Performance Rights is contingent on both the share price of the Company reaching \$0.09 (9 cents) at any time between grant and 17 November 2022, and continued employment up until 17 November 2022. The Performance Rights expire 3 years following the grant date. Details of these performance rights are as below:

Grant date	Vesting date	Expiry date	Exercise price Granted	Balance as at 31 December 2020
17/11/2020	17/11/2022	17/11/2023	- 225,806	225,806

The performance rights were valued at \$10,360, with \$0.0459 per performance right as at grant date, using the Hoadley Trading & Investment Tools ("Hoadley") ESO5 option valuation model using the following inputs:

Spot Price \$	0.056
Exercise price \$	-
Barrier price \$	0.090
Expected future volatility %	80.000
Risk free rate %	0.110
Dividend yield \$	-

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read "Noel Newell".

Noel Newell
Executive Chairman

16 March 2021
Melbourne

Independent Auditor's Review Report

To the Members of 3D Oil Limited

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of 3D Oil Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of 3D Oil Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the 3D Oil Limited's financial position as at 31 December 2020 and of its performance for the half year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd
Chartered Accountants



D G Ng
Partner – Audit & Assurance

Melbourne, 16 March 2021