



3D Oil Limited

ABN 40 105 597 279

Half-year Financial Report - 31 December 2022



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3D Oil Limited (ASX: TDO, “3D Oil” or “the Company”) is pleased to provide an update to its activities for the half year 31 December 2022.

Highlights

VIC/P79 (Otway Basin)

- Joint Operating Agreement (JOA) signed and NOPTA approval received on the Transfer of Title subsequent to the period end, finalising farmout of 80% interest in VIC/P79 and operatorship to ConocoPhillips Australia.
- 3D Oil has received cash payment of USD\$3 million (approximately AUD \$4.48 million).

T/49P (Otway Basin)

- Following receipt of Phase 2 of the Sequoia 3D MSS processing detailed interpretation of the data commenced by the Joint Venture.
- The final volume is anticipated in Q1 2023 and will support the high grading of potential gas targets.

WA-527-P (Bedout Sub-basin)

- 3D Oil submitted a two-year Environmental Plan (“EP”) to NOPSEMA for acquisition of the proposed Sauropod MC3D seismic survey.
- EP was submitted for public comment of 12 September 2022, which closed on 12 October 2022 however under new guidelines from NOPSEMA a wider area for stakeholder consultation is now required.
- On 1 December 2022, the Company applied for a 12-month Suspension & Extension of the primary work program commitment for WA-527-P, which is in progress at the date of this report.

VIC/P74 (Gippsland Basin)

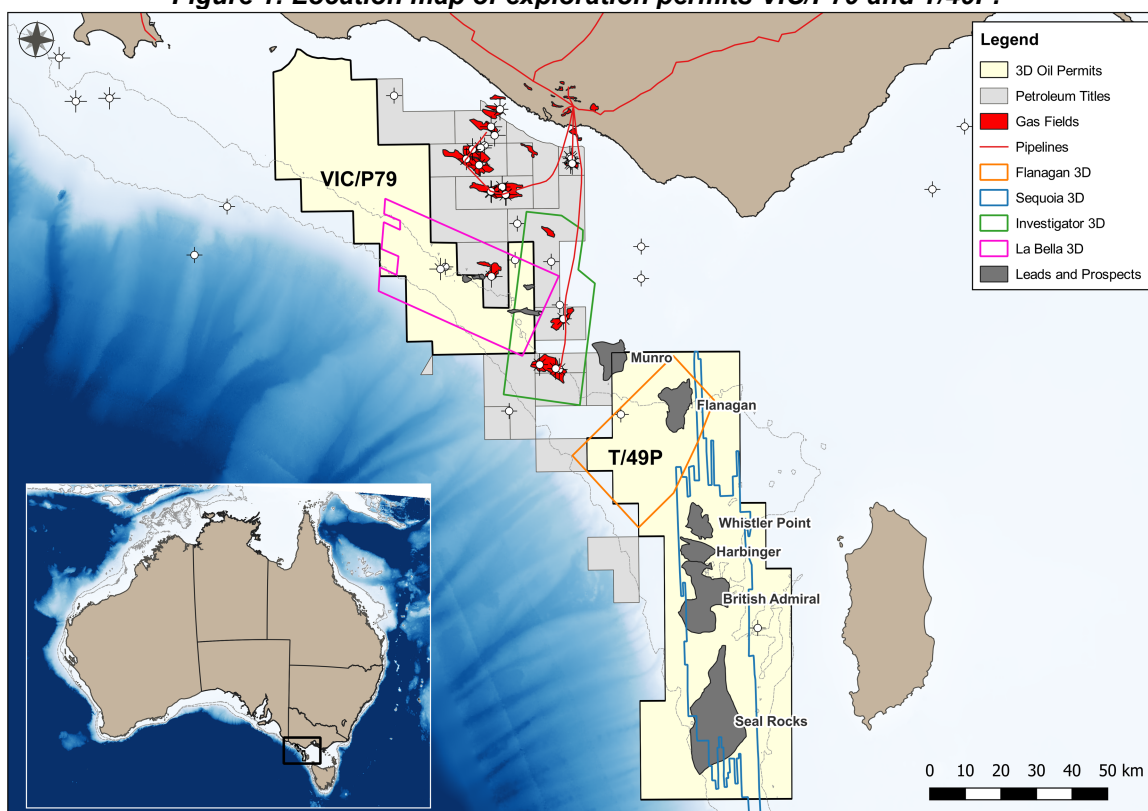
- Variation of Title Conditions’ application to NOPTA is currently under evaluation and seeks to alter aspects of the secondary work program.

GSEL579 (Onshore Otway Basin, SA)

- The Company has kicked off a gas storage feasibility study into Caroline Field, with the depleted CO2 reservoir potentially suitable for the storage of hydrogen, natural gas or carbon dioxide.

East Coast Exploration

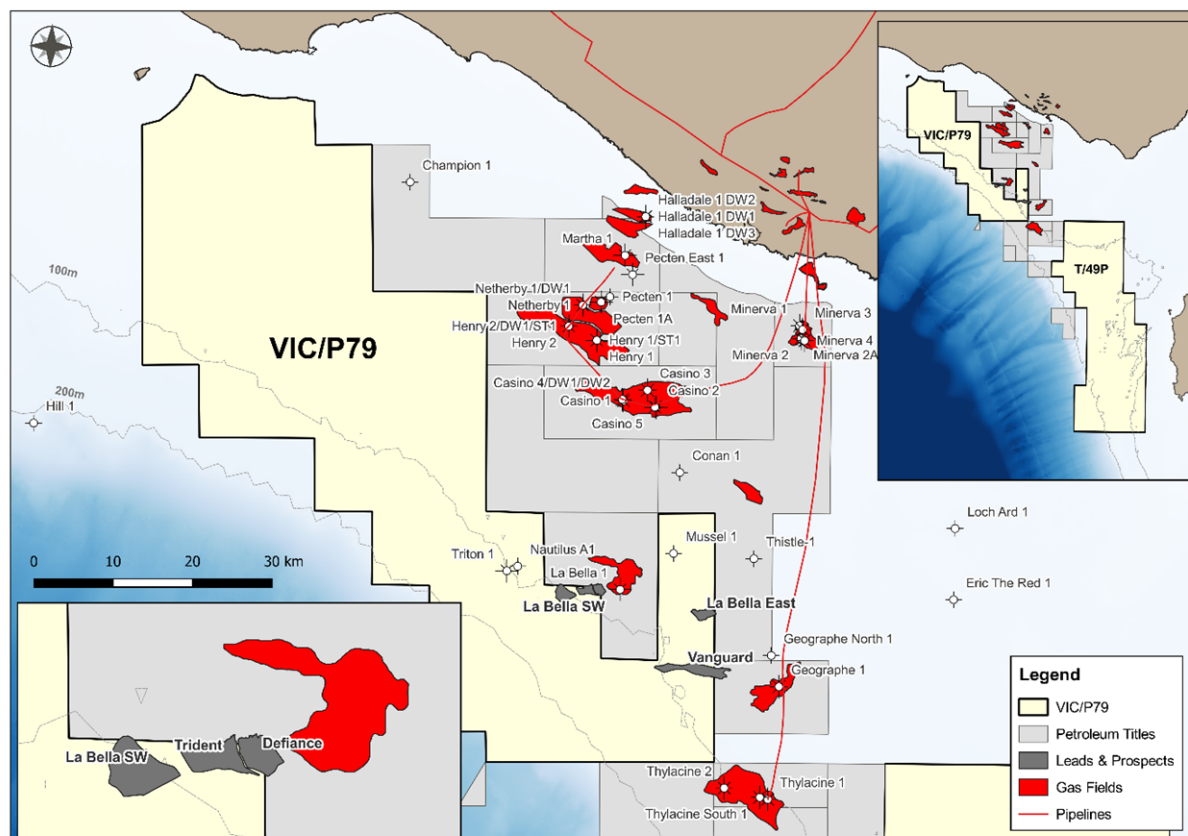
Figure 1: Location map of exploration permits VIC/P79 and T/49P.



VIC/P79, Otway Basin, Offshore Victoria

3D Oil currently holds 20% interest in the VIC/P79 exploration permit, formerly V20-1, from the 2020 Offshore Petroleum Exploration Acreage Release. The permit covers 2,575km² of the offshore Otway Basin and is located adjacent to the producing Thylacine and Geographe gas fields (Operated by Beach Energy Limited (ASX: BPT)) and the La Bella gas discovery (Figures 1,2). In conjunction with T/49P, the Company has now strategically gained exposure to >60% of Otway Basin exploration by area.

Figure 2: Location map of exploration permit VIC/P79 and identified leads and prospects.



Administration

3D Oil Limited executed a Joint Operating Agreement (“JOA”) with ConocoPhillips Australia SH2 Pty Ltd (“ConocoPhillips Australia”), in relation to the offshore Victorian Exploration Permit VIC/P79 (“Permit”), located in the Otway Basin (TDO ASX Announcement, 21 October 2022).

On 16 March 2023, the Consolidated Entity announced the completion of the VIC/P79 farmout to ConocoPhillips Australia, following NOPTA approval of the Transfer of Title of 80% interest in VIC/P79 exploration permit to ConocoPhillips Australia SH2 Pty Ltd. On 17 March 2023, 3D Oil received a cash payment of USD\$3million (approximately AUD \$4.48 million).

Under the terms of the Farmout Agreement (“FOA”), ConocoPhillips Australia has acquired an 80% interest in the Permit and operatorship in exchange for an upfront payment of USD\$3 million. ConocoPhillips Australia will also undertake to drill an exploration well as required by the permit’s Primary Term minimum work commitment (currently required by February 2025). The Company will be carried for up to USD\$35 million in well costs, above which it will contribute 20% of costs in line with its interest in the Permit.

Subsurface Maturation

Subsurface maturation has progressed significantly over the quarter with the completion of seismic interpretation and depth conversion of the La Bella 3D Marine Seismic Survey. New leads have been identified and revised prospective resource estimates will be released to the market in Q1 2023. 3D Oil is working closely with ConocoPhillips around ongoing and planned subsurface maturation activities, including seismic reprocessing of the La Bella 3D. These activities will provide a holistic picture of the prospectivity across southern VIC/P79 to inform planned drilling activity in late 2024/2025 in accordance with the Primary Term minimum work commitment.

Exploration Well Planning

The progression of a second farm-in with ConocoPhillips in the Otway Basin yields operational efficiencies in the well planning process for exploration wells in VIC/P79 and T/49P. ConocoPhillips Australia has progressed the well planning process and is actively looking to secure an appropriate rig. Preparation for relevant regulatory approval(s) is occurring concurrently.

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 (Figure 3). The permit is located adjacent to the producing Thylacine and Geographe gas fields (Operated by Beach Energy Limited (ASX: BPT)). ConocoPhillips Australia SH1 Pty Ltd holds 80% interest in the permit and is Operator on behalf of the Joint Venture.

Sequoia 3D Marine Seismic Survey (MSS) Processing & Interpretation

In November 2021, the Shearwater vessel Geo Coral safely completed the acquisition of approximately 1700km² of the Sequoia 3D Marine Seismic Survey (MSS), on behalf of ConocoPhillips Australia (COPA) as Operator of the T/49P Joint Venture (TDO: ASX announcement on 3 November 2021).

Processing of the Sequoia 3D MSS has continued throughout the quarter and the Phase 2 processing deliverables were received during early October. While Phase 2 provides a significant uplift in data quality from Phase 1, a full evaluation of the prospectivity, including seismic attribute analysis, will be possible once the final Phase 3 volume has been received. The fully processed 3D seismic is anticipated in Q1, 2023.

Upon interpretation of the Sequoia 3D MSS and high grading of potential gas targets, ConocoPhillips Australia may elect to drill an exploration well in fulfillment the current Year 6 work program. As per the FOA, 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.

VIC/P74, Gippsland Basin, offshore Victoria

The Company holds 100% 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 which has produced over one billion barrels of oil to date (Figure 4).

Figure 3: Location map with the final full-fold acquisition area of the Sequoia 3D Marine Seismic Survey (courtesy of ConocoPhillips Australia)

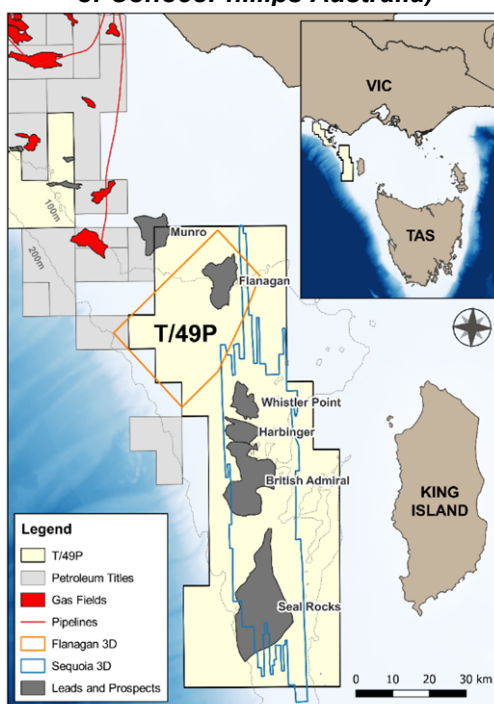
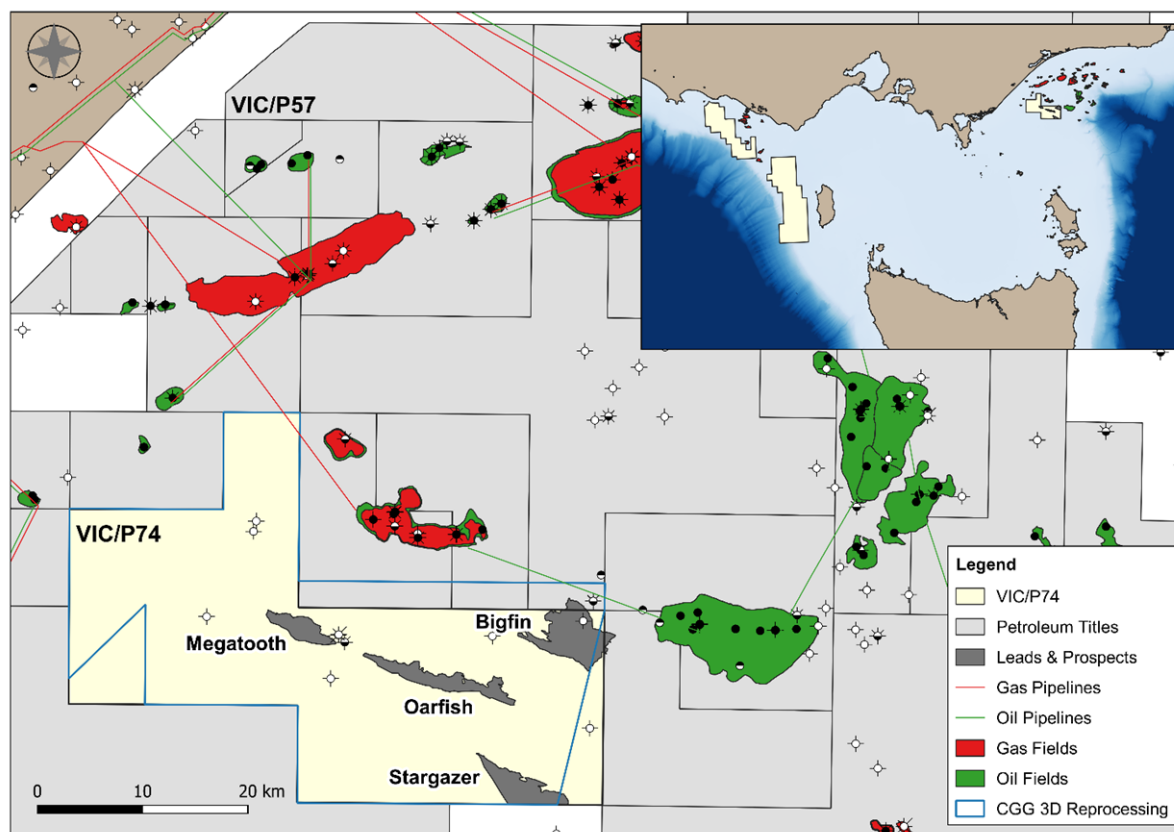


Figure 4: Location map of VIC/P74 showing leads with prospective resources.



Regulatory Administration

All guaranteed primary term work commitments (Years 1-3) have been fulfilled and the permit entered Year 4 on 26th July 2022. Over the course of the primary term, a strong portfolio of gas leads has been developed within the Golden Beach and Emperor Subgroups, including additional oil potential within shallower closures.

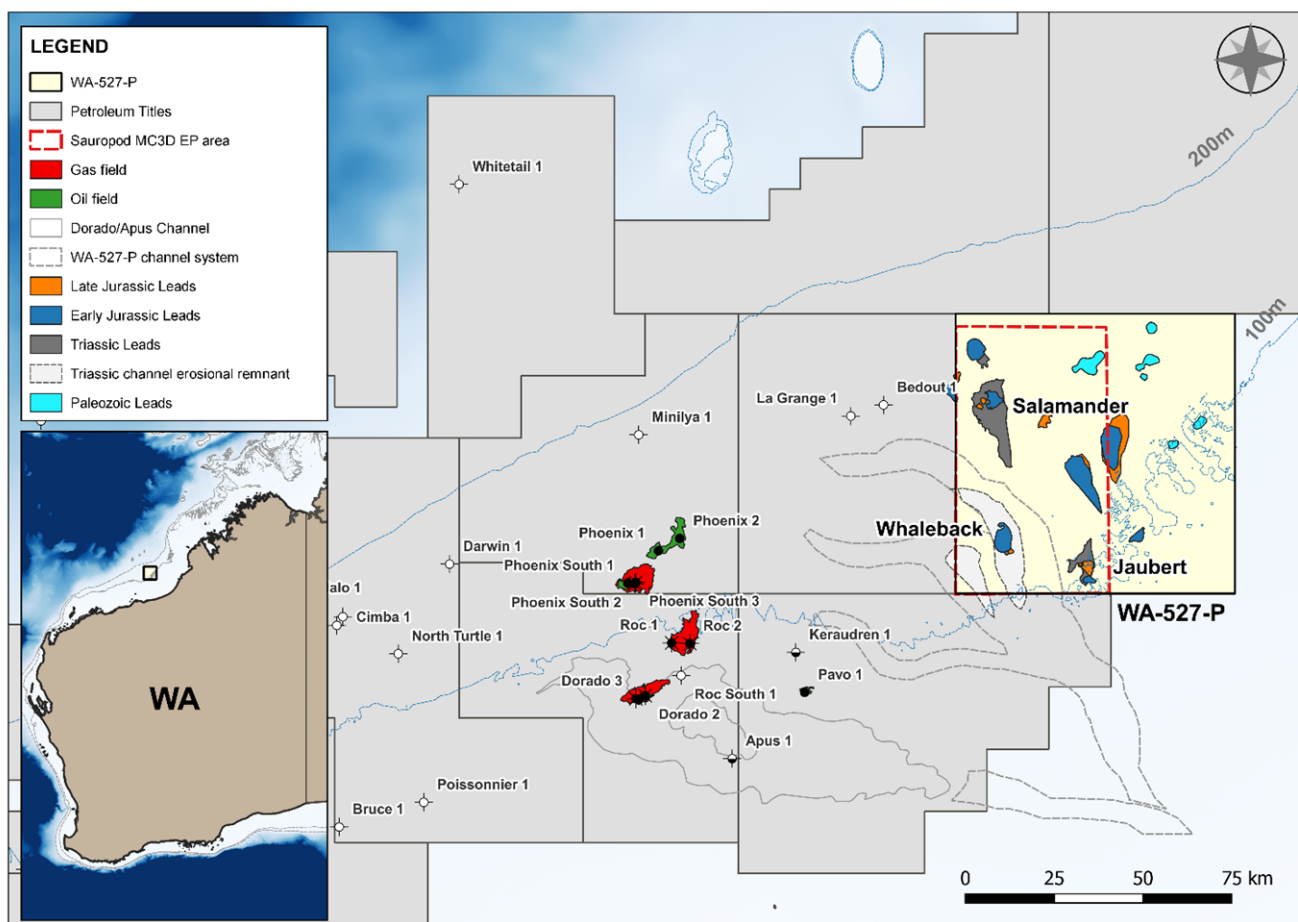
The Year 4 work commitments are designed to assist with lead maturation and include the acquisition or purchase of 200km² of modern 3D seismic data, as well as seismic interpretation, depth conversion, inversion and AVO. 3D Oil has applied to NOPTA for a 'Variation of Title Conditions' before entry into Year 4, seeking to alter aspects of the secondary work program. This application has been assessed and is currently with the Joint Authority for decision.

West Coast Exploration

WA-527-P, Bedout Sub-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, Dorado and Pavo (Figure 5).

Figure 5: Sauropod 3D MSS Environmental Planning Area (red polygon)



Sauropod Multi-Client 3D (MC3D) seismic survey

During the 6 months period, the Company submitted the revised Sauropod MC3D Environmental Plan (EP) to NOPSEMA (12 September 2022) for public comment. The public comment period ended on 12 October 2022 and CGG are currently working through the responses however under new guidelines from NOPSEMA a wider area for stakeholder consultation is now required.

The EP outlines a revised 2-year acquisition window covering January-May (inclusive) 2023 or 2024, as recommended by NOPTA (National Offshore Petroleum Titles Administrator). The EP delineates the same acquisition parameters as have been previously proposed, with a maximum full-fold acquisition area of 3447km². The survey is anticipated to take approximately 2 months. The Company would ideally acquire the survey in 2023 however based on the availability of seismic vessels in Australia and the extended EP process a two-year period for the EP is prudent.

On 1 December 2022, the Company applied for a 12-month Suspension & Extension of the primary work program commitment for WA-527-P, which is in progress at the date of this report.

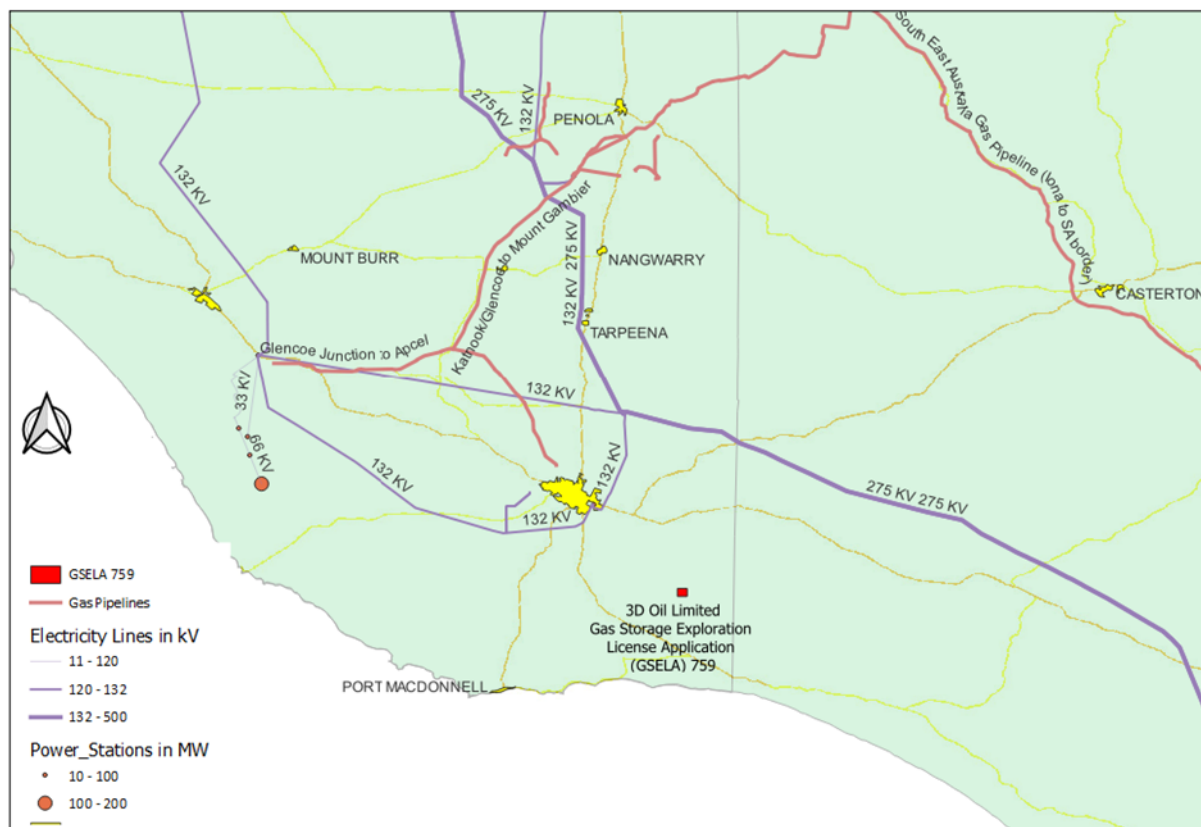
The Sauropod MC3D is an important component of the WA-527-P exploration strategy. The survey has several objectives but is primarily aimed at determining the potential for traps associated with a Dorado-style erosional channel system.

East Coast Gas Storage

GSEL 759, Otway Basin, Onshore South Australia

The GSEL 759 Gas Storage Exploration Licence was awarded 100% to 3D Oil in July 2022. The permit is located only 20km southeast of Mount Gambier and proximal to the South East Pipeline System (SEPS) (Figure 6). The licence covers an area of 1.02km² and is centrally located around the plugged and abandoned Caroline-1 wellhead, over part of the now depleted Caroline Field.

Figure 6: GSEL 759 location relative to Mount Gambier (yellow), the South East Pipeline System and electricity transmission lines.



During the quarter, the Company has continued a gas storage feasibility study into Caroline Field, with the depleted CO2 reservoir potentially suitable for the storage of hydrogen, natural gas or carbon dioxide. Detailed reservoir/seal studies are planned to understand the reservoir deliverability and seal integrity, in combination with ongoing geomechanics and geophysical studies.

Directors	Noel Newell (Executive Chairman) Ian Tchacos (Non-Executive Director) Leo De Maria (Non-Executive Director) Trevor Slater (Non-Executive Director)
Company secretaries	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
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 2022.

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
Mr Trevor Slater

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 \$72,451 (31 December 2021: \$562,958).

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

Financial Position

The net assets decreased by \$57,522 to \$6,416,704 at 31 December 2022 (30 June 2022: \$6,474,226) mainly due to operating losses during the period. During the period the Consolidated Entity also spent a net amount of \$650,038 on operations and \$367,145 exploration and evaluation.

The Consolidated Entity's working capital position at 31 December 2022, being current assets less current liabilities, was \$298,036 deficit (30 June 2022: surplus \$137,607). The cash balances as at 31 December 2022 was \$184,857 (30 June 2022: \$1,243,195).

Risks and uncertainties

The Consolidated Entity is subject to risks that are specific to the Consolidated Entity and the Consolidated Entity's business activities, as well as general risks.

Future Funding Risks

The Consolidated Entity is involved in exploration and development of upstream oil and gas assets and is yet to generate revenues. The Consolidated Entity has a cash and cash equivalents balance of \$184,857 and net assets of \$6,416,704 as at 31 December 2022. The Consolidated Entity may require substantial additional financing in the future to sufficiently fund exploration commitments and its other longer-term objectives.

As the Consolidated Entity is still in the early stages of exploration it has the ability to control the level of its operations and hence the level of its expenditure over the next 12 months. However, the Consolidated Entity's ability to raise additional funds will be subject to, among other things, factors beyond the control of the Consolidated Entity and its Directors, including cyclical factors affecting the economy and share markets generally. If for any reason the Consolidated Entity was unable to raise future funds, its ability to meet the exploration commitments and future development would be significantly affected.

The Directors regularly review the spending pattern and ability to raise additional funding to ensure the Consolidated Entity's ability to generate sufficient cash inflows to settle its creditors and other liabilities.

Joint Venture Operations Risks

The Consolidated Entity participates in a number of joint ventures for its business activities. This is a common form of business arrangement designed to share risk and other costs. Under certain joint venture operating agreements, the Consolidated Entity may not control the approval of work programs and budgets and a Joint Venture Partner may vote to participate in certain activities without the approval of the Consolidated Entity. As a result, the Consolidated Entity may experience a dilution of its interest or may not gain the benefit of the activity, except at a significant cost penalty later in time.

Failure to reach agreement on exploration, development and production activities may have a material impact on the Consolidated Entity's business. Failure of the Consolidated Entity's Joint Venture Partner's to meet financial and other obligations may have an adverse impact on the Consolidated Entity's business.

The Consolidated Entity works closely with its Joint Venture Partner's.

Commodity price risks

Future value, growth and financial conditions are dependent upon the prevailing prices for oil and gas. Those prices are subject to fluctuations and are affected by numerous factors beyond the control of the Consolidated Entity.

Prospective resources estimate risks

Oil and gas resource estimates are expressions of judgement based on knowledge, experience and industry practice. These estimates may alter significantly or become uncertain when new information becomes available and/or there are material changes of circumstances which may result in the Consolidated Entity altering its plans. This could have a positive or negative effect on the Consolidated Entity's operations. Other risks may affect the resource estimate, for example, commodity price movements.

Environmental and social risks

The business of exploration, development and production, involves a variety of risks which may impact the community and the environment.

The Consolidated Entity's exploration and development activities are subject to local, state, and federal environmental laws and regulations. Oil and gas exploration and development can be potentially environmentally hazardous, giving rise to substantial costs for environmental rehabilitation, damage control and losses.

The legal framework governing this area of law is complex and constantly developing. There is a risk that the environmental regulations may become more onerous, making the Consolidated Entity's operations more expensive or causing delays.

It is the Consolidated Entity's policy to conduct its activities to the highest standard of environmental obligation. There is no assurance that new environmental laws, regulations or stricter enforcement policies, if implemented, will not oblige the Consolidated Entity to incur significant expense and undertake significant investment, which could have a material adverse effect on its business, financial conditions and results of operations.

The long-term viability of the Consolidated Entity is closely associated to the wellbeing of the communities and environments in which the Consolidated Entity conduct operations. At any stage, the Consolidated Entity's operations and activities may

have or be seen to have significant adverse impacts on communities and environments. In these circumstances, the Consolidated Entity may fail to meet the evolving expectations of our stakeholders (including investors, governments, employees, suppliers, customers and community members) whose support is needed to realise our strategy and purpose. This could lead to loss of stakeholder support or regulatory approvals, increased taxes and regulation, enforcement action, litigation or class actions, or otherwise impact our licence to operate and adversely affect our reputation, fund raising capability, ability to attract and retain talent, operational continuity and financial performance.

Exploration and development risks

Exploration is a speculative activity with an associated risk of discovery to find oil and gas in commercial quantities, and a risk of development. If the Consolidated Entity is unsuccessful in locating and developing or acquiring new reserves and resources that are commercially viable, this may have a material adverse effect on future business, results of operations and financial conditions.

Oil and gas exploration is a speculative endeavour and the nature of the business carries a degree of risk associated with failure to find hydrocarbons in commercial quantities or at all.

The Consolidated Entity utilises well-established prospect evaluation, ranking methodologies and experienced personnel to manage exploration and development risks.

Reliance on key personnel

The Consolidated Entity's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including those employed on a contractual basis. The loss of the services of such personnel or the reduced ability to recruit additional personnel could have an adverse effect on the performance of the Consolidated Entity.

The Consolidated Entity maintains a mixture of permanent staff and expert consultants to advance its programs and ensure access to multiple skill sets. The Consolidated Entity reviews remunerations to human resources regularly.

IT system failure and cyber security risks

Any information technology system is potentially vulnerable to interruption and/or damage from a number of sources, including but not limited to computer viruses, cyber security attacks and other security breaches, power, systems, internet and data network failures, and natural disasters.

The Consolidated Entity is committed to preventing and reducing cyber security risks through outsourced the IT management to a reputable services provider.

Regulatory risk

The Consolidated Entity operates in a highly regulated environment and complies with regulatory requirements. There is a risk that regulatory approvals are withheld or take longer than expected, or that unforeseen circumstances arise where requirements may not be adequately addressed in the eyes of the regulator and costs may be incurred to remediate perceived non-compliance and/or obtain approval(s).

The Consolidated Entity's business or operations may be impacted by changes in personnel and Governments, or in monetary, taxation and other laws in Australia or overseas.

The Consolidated Entity's permits and activities may be subject to extensive regulation by local, state and federal governments. There is no assurance that future government policy will not change, and this may adversely affect the long-term prospects of the Consolidated Entity. Future changes in governments, regulations and policies may have an adverse impact on the Consolidated Entity.

Dividends

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

Significant changes in the state of affairs

On 30 June 2022, the Company executed a Farm out Agreement ("FOA") with ConocoPhillips Australia SH2 Pty Ltd ("ConocoPhillips Australia") in relation to the offshore Victorian Exploration Permit VIC/P79 (*TDO ASX Announcement, 1 July 2022*). Under the terms of the FOA, ConocoPhillips Australia acquired an 80% interest in the Permit and operatorship in exchange for an upfront payment of USD\$3 million. ConocoPhillips Australia will also undertake to drill an exploration well as required by the Permit's Primary Term minimum work commitment (currently required by February 2025). The Company will be carried for up to USD\$35 million in well costs, above which it will contribute 20% of costs in line with its interest in the Permit.

On 11 August 2022, the Company completed the application to relinquish its participating interest in VIC/P57.

On 2 September 2022, the Consolidated Entity announced that the South Australia Department of Energy and Mining has awarded the Company the GSEL 759 Gas Storage Exploration Licence in onshore Otway Basin. The licence covers an area of 1.02km², centrally located around the plugged and abandoned Caroline-1 wellhead, over part of the now depleted Caroline Field, originally used for the production of carbon dioxide in the Otway Basin. The Field is potentially suitable for the storage of hydrogen, natural gas, or carbon dioxide.

On 21 September 2022, the Company has received regulatory approval for the Transfer of Title of Carnarvon Hibiscus' 50% participating interest in VIC/P74 to the Company. The Company is now 100% titleholder of VIC/P74.

On 21 October 2022, the Company announced that ConocoPhillips Australia and the Company have executed a Joint Operating Agreement ("JOA") in relation to the offshore Victoria Permit VIC/P79 ("Permit") which satisfied a key condition of the FOA. Completion of the farmout will occur following government approval.

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 16 March 2023, the Consolidated Entity announced the completion of the VIC/P79 farmout to ConocoPhillips Australia, following NOPTA approval of the Transfer of Title of 80% interest in VIC/P79 exploration permit to ConocoPhillips Australia SH2 Pty Ltd. 3D Oil has received a cash payment of USD\$3million (approximately AUD \$4.48 million).

No other matters or circumstances has arisen since 31 December 2022 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

17 March 2023
Melbourne

Grant Thornton Audit Pty Ltd

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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 for the half-year ended 31 December 2022. 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, 17 March 2023

3D Oil Limited
Statement of profit or loss and other comprehensive income
For the period ended 31 December 2022



		Consolidated	
	Note	31 December 2022	31 December 2021
		\$	\$
Revenue			
Interest		3,673	242
Expenses			
Corporate expenses		(251,986)	(125,828)
Administrative expenses		(99,224)	(40,989)
Employment expenses		(321,241)	(301,852)
Occupancy expenses		(13,355)	(61,198)
Depreciation and amortisation expense		(61,998)	(17,285)
Exploration expenses		-	(13,537)
Share based payments		(14,929)	-
Writeback of R&D tax refund provision	7	695,894	-
Finance costs		(9,285)	(2,511)
Loss before income tax expense		(72,451)	(562,958)
Income tax expense		-	-
Loss after income tax expense for the period attributable to the Owners of 3D Oil Limited		(72,451)	(562,958)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period attributable to the Owners of 3D Oil Limited		(72,451)	(562,958)
		Cents	Cents
Basic earnings per share		(0.03)	(0.21)
Diluted earnings per share		(0.03)	(0.21)

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



		Consolidated	
		31 December	30 June 2022
	Note	2022	2022
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		184,857	1,243,195
Trade and other receivables		23,849	29,992
Short term investments		93,577	93,577
Prepayments		23,267	-
Total current assets		<u>325,550</u>	<u>1,366,764</u>
Non-current assets			
Furniture and computer equipment		14,334	17,542
Right-of-use assets		213,033	257,109
Intangibles		32,498	47,212
Exploration and evaluation	4	<u>6,601,613</u>	<u>6,207,257</u>
Total non-current assets		<u>6,861,478</u>	<u>6,529,120</u>
Total assets		<u>7,187,028</u>	<u>7,895,884</u>
Liabilities			
Current liabilities			
Trade and other payables		293,351	925,255
Lease liabilities		88,790	75,458
Employee benefits		241,445	228,444
Total current liabilities		<u>623,586</u>	<u>1,229,157</u>
Non-current liabilities			
Lease liabilities		144,435	190,585
Employee benefits		2,303	1,916
Total non-current liabilities		<u>146,738</u>	<u>192,501</u>
Total liabilities		<u>770,324</u>	<u>1,421,658</u>
Net assets		<u>6,416,704</u>	<u>6,474,226</u>
Equity			
Issued capital	5	55,483,678	55,483,678
Share option reserve		10,370	17,559
Accumulated losses		<u>(49,077,344)</u>	<u>(49,027,011)</u>
Total equity		<u>6,416,704</u>	<u>6,474,226</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 2022



Consolidated	Contributed equity \$	Accumulated losses \$	Reserves \$	Total equity \$
Balance at 1 July 2021	55,483,678	(47,883,230)	9,072	7,609,520
Loss after income tax expense for the period	-	(562,958)	-	(562,958)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	(562,958)	-	(562,958)
Share based payments	-	-	5,991	5,991
Lapse of performance rights	-	-	(3,398)	(3,398)
Balance at 31 December 2021	<u>55,483,678</u>	<u>(48,446,188)</u>	<u>11,665</u>	<u>7,049,155</u>
Consolidated	Contributed equity \$	Accumulated losses \$	Reserves \$	Total equity \$
Balance at 1 July 2022	55,483,678	(49,027,011)	17,559	6,474,226
Loss after income tax expense for the period	-	(72,451)	-	(72,451)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	(72,451)	-	(72,451)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	-	14,929	14,929
Lapse of Options	-	22,118	(22,118)	-
Balance at 31 December 2022	<u>55,483,678</u>	<u>(49,077,344)</u>	<u>10,370</u>	<u>6,416,704</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 2022



	Consolidated	
	31 December 2022	31 December 2021
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(643,878)	(545,877)
Interest received	2,874	553
Payment of interest element of lease liabilities	(9,034)	(2,511)
Net cash used in operating activities	(650,038)	(547,835)
Cash flows from investing activities		
Payments for exploration and evaluation	(367,145)	(363,789)
Net cash used in investing activities	(367,145)	(363,789)
Cash flows from financing activities		
Payment of principal element of lease liabilities	(41,155)	(45,018)
Net cash used in financing activities	(41,155)	(45,018)
Net decrease in cash and cash equivalents	(1,058,338)	(956,642)
Cash and cash equivalents at the beginning of the financial period	1,243,195	3,048,802
Cash and cash equivalents at the end of the financial period	<u>184,857</u>	<u>2,092,160</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 entity 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 17 March 2023. 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 2022 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 2022 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 Consolidated Entity made a loss of \$72,471 in respect of the six-month period ended 31 December 2022. For the six-month period ended 31 December 2022 the Consolidated Entity also had net operating cash outflows of \$641,004 and also invested \$367,145 on exploration activities. The cash balances as at 31 December 2022 were \$184,857. At 31 December 2022 the Consolidated Entity's current liabilities amounted to \$623,586 and current assets amounted to \$325,550 leaving a shortfall in working capital of \$298,036. The Consolidated Entity's total assets of \$7,187,028 exceeded total liabilities of \$770,324 as at 31 December 2022 by an amount of \$6,416,704.

The shortfall in working capital reflects amounts owing by the Consolidated Entity for current employee benefits of \$202,237, accrued directors' fees of \$42,197, current lease liabilities of \$88,790 and trade and other payables of \$290,363. The directors had agreed to delayed payment of their director fees until the Consolidated Entity received the USD\$3 million (AUD \$4.48 million) in relation to the VIC/P79 Farmout agreement (see below) and the Consolidated Entity returns to a working capital surplus. In relation to trade payables and other payables the Consolidated Entity had arranged deferred settlement arrangements with some creditors and will pay remaining creditors as and when they fall due. A short-term working capital facility had been arranged in the event it was required to fund any short-term commitments in the form of an intent from a Director to provide a loan to the Consolidated Entity to assist with the Company's operating cash flow until the receipt of funds from ConocoPhillips Australia. The Consolidated Entity expects that the payment of current employee benefits and current lease liabilities will be discharged in the normal course of business over the next 12 months from future funding sources (see below).

Note 2. Significant accounting policies (continued)

On 16 March 2023, the Consolidated Entity announced the completion of the VIC/P79 farmout to ConocoPhillips Australia, following NOPTA approval of the Transfer of Title of 80% interest in VIC/P79 exploration permit to ConocoPhillips Australia SH2 Pty Ltd. 3D Oil has received a cash payment of USD\$3million (approximately AUD \$4.48 million).

As background, on 30 June 2022, the Company and ConocoPhillips Australia executed a Farm out Agreement ("FOA") in relation to the offshore Victorian Exploration Permit VIC/P79, located in the Otway Basin. Under the terms of the FOA, ConocoPhillips Australia will acquire an 80% interest in the Permit and operatorship in exchange for an upfront payment of USD\$3 million. ConocoPhillips Australia will also undertake to drill an exploration well as required by the Permit's Primary Term minimum work commitment (currently required by February 2025). The Company will be carried for up to USD\$35 million in well costs, above which it will contribute 20% of costs in line with its interest in the Permit.

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 exploration commitments (*refer note 8 for further details*) as and when required. Therefore, to meet the Consolidated Entity's funding requirements as and when they fall due the Consolidated Entity will need to take appropriate 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.

As a result of these matters there is a material uncertainty that may cast significant doubt upon the Consolidated Entity's ability to continue as a going concern and therefore whether the Consolidated Entity will realise its assets and settle its liabilities in the ordinary course of business at the amounts recorded in the financial statements.

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. The Directors are therefore confident that the going concern basis of preparation is appropriate as at the date of this report.

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 2022
	2022	
	\$	\$
Exploration and evaluation - at cost	6,601,613	6,207,257

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

Reconciliations

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

Consolidated	Area of interest T49P \$	Area of interest VIC/P74 \$	Area of interest WA-527-P \$	Area of interest VIC/P79 \$	Total \$
Balance at 1 July 2022	4,360,030	563,259	1,159,489	124,479	6,207,257
Expenditure during the half-year	196,508	59,031	52,387	86,430	394,356
Balance at 31 December 2022	<u>4,556,538</u>	<u>622,290</u>	<u>1,211,876</u>	<u>210,909</u>	<u>6,601,613</u>

The exploration and evaluation assets relate to VIC/P74, an offshore project in the Gippsland Basin in Victoria, T/49P which is an offshore project in the Otway Basin in Tasmania, WA-527-P in Western Australia and VIC/P79, an offshore exploration permit in the Otway Basin. The recoverability of the exploration and evaluation expenditure's carrying amounts is dependent on the successful development and commercial exploitation, or alternatively the farm-out or sale, of the respective areas of interest. The Consolidated Entity's note the following developments and activities related to the exploration tenements during the period ended 31 December 2022:

- T/49P - Work programs are currently fulfilled by ConocoPhillips Australia as Operator of the Joint Venture (*TDO: ASX announcement on 3 November 2021*).
- VIC/P79 - Subject to regulatory approvals and transfer of operatorship, the minimum work requirements of the Primary Term are expected to be fulfilled by ConocoPhillips Australia as Operator of the Joint Venture.
- The Consolidated Entity is currently seeking a joint venture partner, suspensions / extensions of work programs requested and awaiting approval in relation to VIC/P74 and WA-527-P.

The Consolidated Entity has carried out an impairment review of the carrying amount of its exploration expenditure in relation to VIC/P74, T/49P, WA-527-P and VIC/P79 at 31 December 2022. Based on the review no impairments were identified in relation to these tenements.

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

	31 December 2022 Shares	Consolidated 30 June 2022 Shares	31 December 2022 \$	30 June 2022 \$
Ordinary shares - fully paid	<u>265,188,372</u>	<u>265,188,372</u>	<u>55,483,678</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 - Share option reserve

	Consolidated	
	31 December 2022	30 June 2022
	\$	\$
Share-based payments reserve	10,370	17,559

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current financial period are set out below:

Consolidated	Share based payments \$	Total \$
Balance at 1 July 2022	17,559	17,559
Share based payments	14,929	14,929
Lapse of Options	(22,118)	(22,118)
Balance at 31 December 2022	10,370	10,370

Note 7. Contingent liabilities

The Company received a research and development tax grant of \$695,894 during the financial year ended 30 June 2012. AusIndustry (Innovation Australia) in its subsequent review assessed this grant as ineligible. As at the period ended 31 December 2022, the repayment of this grant by the company is contingent upon the Australian Taxation Office's re-assessment of company's 2012 income tax return. It is the Directors' view that it is not probable that a claim will be made against this contingency.

There were no other contingent liabilities as at 31 December 2022.

Note 8. Commitments

	Consolidated	
	31 December 2022	30 June 2022
	\$	\$
<i>Exploration Licenses - Commitments for Expenditure</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	4,610,000	3,060,000
Two to five years	40,000	-
	4,650,000	3,060,000

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 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.

Note 8. Commitments (continued)

VIC/P74

The Company holds 100% interest in VIC/P74 Offshore Gippsland Basin in Victoria. Exploration commitments related VIC/P74's the primary term, year 1-3 were met.

Commitments from year 4 onwards are confirmed on a year-by-year basis dependent on the Company agreeing to proceed. The commitment table above includes \$1.5 million associated with tenement year 4, which ends on 25 July 2023. However, timing of this commitment is expected to change as a variation of Title Conditions' application to NOPTA is currently in progress at the date of this report. Subject to regulatory approvals, aspects of the secondary work program including timing of year 4 commitments likely to be altered to a future date.

If the Company was to proceed beyond year 5 in relation to VIC/P74, the current indicative expenditure commitment for Years 5-6 is currently gross \$40.6 million, and this would be occurring in 2023-2025 years. However, as noted above timing of these commitments are likely to be altered to a future dates subject to regulatory approvals.

WA-527-P

The Company holds 100% interest in the WA-527-P Exploration Permit, which covers 6,500km² of the offshore Bedout Sub-basin.

The commitment table above includes \$3.06 million for indicative expenditure in the year 3 amounting, which was ended 28 December 2022. During the period, the Company submitted a revised Sauropod MC3D Environmental Plan to NOPSEMA for public comment. The public comment period ended on 12 October 2022 and the Consolidated Entity is currently working through the responses. The EP outlines a revised 2-year acquisition window covering January-May (inclusive) 2023 or 2024. Based on the availability of seismic vessels in Australia and the extended EP process a two-year period for the Environmental Plan is deemed prudent.

On 1 December 2022, the Company applied for a 12-month Suspension & Extension of the primary work program commitment for WA-527-P, which is in progress at the date of this report. Therefore, subject to regulatory approvals and progress with Environmental Plan, aspects of the primary work program including timing of year 3 commitments likely to be altered to a future date.

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 4 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 2022-2025 years. However, as noted above timing of these commitments are likely to be altered to a future date subject to regulatory approvals.

T49P

The Consolidated Entity holds 20% interest in the T/49P Exploration Permit and ConocoPhillips Australia SH1 Pty Ltd holds 80% interest in the Permit and is Operator on behalf of the Joint Operation. The commitments above do not include commitments for indicative expenditure relating to Exploration Permit T49P, as they are expected to be covered by the farm-in partner, ConocoPhillips Australia Pty Ltd, as per Joint Operating Agreement. Under the terms of Joint Operating Agreement, the Company 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 (*which are excluded from the commitment table above*).

On 16 March 2021, NOPTA issued a variation notice to the Exploration Permit T/49P, as a result of which seismic acquisition and drill planning works in Year 5 and the drilling of an exploration well in Year 6 have been deferred to the year ended 21 August 2023 and 21 August 2024, respectively.

Note 8. Commitments (continued)

VIC/P79

On 30 June 2022, the Company executed a Farmout Agreement with ConocoPhillips Australia SH2 Pty Ltd in relation to the VIC/P79 Exploration Permit. Under the terms of the agreement, ConocoPhillips Australia will acquire an 80% interest in the Exploration Permit and will become the Operator on behalf of the Joint Operation. On 21 October 2022, 3D Oil announced the signing of the Joint Operating Agreement with ConocoPhillips for the farmout of 80% interest in VIC/P79 and operatorship. On 16 March 2023, the Consolidated Entity announced the completion of the VIC/P79 farmout to ConocoPhillips Australia, following NOPTA approval of the Transfer of Title of 80% interest in VIC/P79 exploration permit to ConocoPhillips Australia SH2 Pty Ltd. 3D Oil has received a cash payment of USD\$3million (approximately AUD \$4.48 million).

The above commitment note include 10% of year one (1) to three (3) commitment, which the Company expects to contribute under the terms of Joint Operating Agreement. In addition, under the terms of Joint Operating Agreement, the Company will contribute 10% of the Joint Operation's expenses (*which are excluded from the commitment table above*).

It is expected that the ConocoPhillips Australia will also undertake to drill an exploration well as required by the Permit's Primary Term minimum work commitment (currently required by February 2025). The Company will be carried for up to USD\$35 million (~AUD\$50.751 million) in well costs, above which it will contribute 20% of costs in line with its interest in the Exploration Permit.

Commitments from year 4 onwards are confirmed on a year-by-year basis dependent on the Company agreeing to proceed. If the Company and farm-in partner, ConocoPhillips Australia Pty Ltd was to proceed beyond year 4 in relation to VIC/P79, the current indicative expenditure commitment for Years 4-6 is currently gross \$12.8 million and this would be occurring in 2025-2028 years.

Note 9. Events after the reporting period

On 16 March 2023, the Consolidated Entity announced the completion of the VIC/P79 farmout to ConocoPhillips Australia, following NOPTA approval of the Transfer of Title of 80% interest in VIC/P79 exploration permit to ConocoPhillips Australia SH2 Pty Ltd. 3D Oil has received a cash payment of USD\$3million (approximately AUD \$4.48 million).

No other matters or circumstances has arisen since 31 December 2022 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 2022	31 December 2021
	\$	\$
Loss after income tax attributable to the Owners of 3D Oil Limited	<u>(72,451)</u>	<u>(562,958)</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	(0.03)	(0.21)
Diluted earnings per share	(0.03)	(0.21)

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 2022 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

17 March 2023
Melbourne

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Independent Auditor's Review Report

To the Members of 3D Oil Limited

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of 3D Oil Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, 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 the Group does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Group's financial position as at 31 December 2022 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.

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Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of \$72,451 during the half year ended 31 December 2022 and, as of that date, the Group's current liabilities exceeded its current assets by \$298,036. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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 2022 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, 17 March 2023