

**3D Oil Limited**

**ABN 40 105 597 279**

**Half-year Financial Report - 31 December 2014**

**3D Oil Limited**  
**Contents**  
**31 December 2014**

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**3D Oil Limited**  
**Corporate directory**  
**31 December 2014**

Directors	Campbell Horsfall (Non-Executive Chairman) Noel Newell (Managing Director) Melanie Leydin (Non-Executive Director) Leo De Maria (Non-Executive Director)
Company secretary	Melanie Leydin
Registered office	Level 5, 164 Flinders Lane Melbourne, VIC 3000 Telephone: (03) 9650 9866
Principal place of business	Level 5, 164 Flinders Lane Melbourne, VIC 3000
Share register	Computershare Investor Services Pty Ltd 452 Johnston Street Abbotsford Victoria 3067 Telephone: (03) 9415 5000
Auditor	Grant Thornton Audit Pty Ltd Chartered Accountants The Rialto, Level 30, 525 Collins Street Melbourne Victoria 3000
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	<a href="http://www.3doil.com.au">www.3doil.com.au</a>

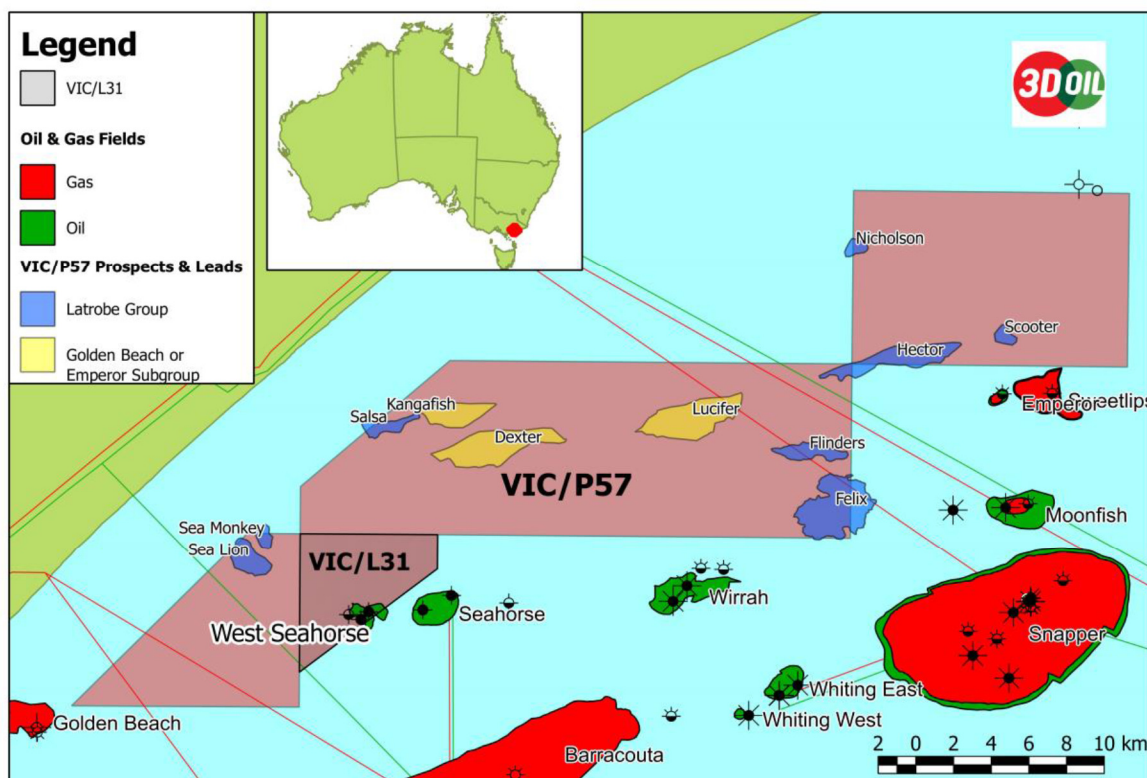
## Review of Operations

### VIC/P57 & VIC/L31, Gippsland Basin Offshore Victoria

In July 2014 3D Oil (ASX: TDO) signed binding agreements with companies associated with Hibiscus Petroleum Berhad, the parent company of Carnarvon Hibiscus Pty Ltd (CHPL), TDO's joint venture partner in VIC/P57 and VIC/L31. These agreements, the Hibiscus Transaction and the HiRex Transaction, formalised the provisions of a Heads of Agreement announced in May 2014 and were approved at the 3D Oil Limited General Meeting on 11 August 2014.

Both of these transactions were completed and the associated options were exercised during the half-year period.

As a result, TDO received a total of US\$16 million for its 49.9% interest in the West Seahorse Production Licence VIC/L31. TDO has also retained a 24.9% interest in the VIC/P57 exploration permit with TDO's interest in the upcoming Sea Lion-1 well being carried to the extent of US\$7.5 million.

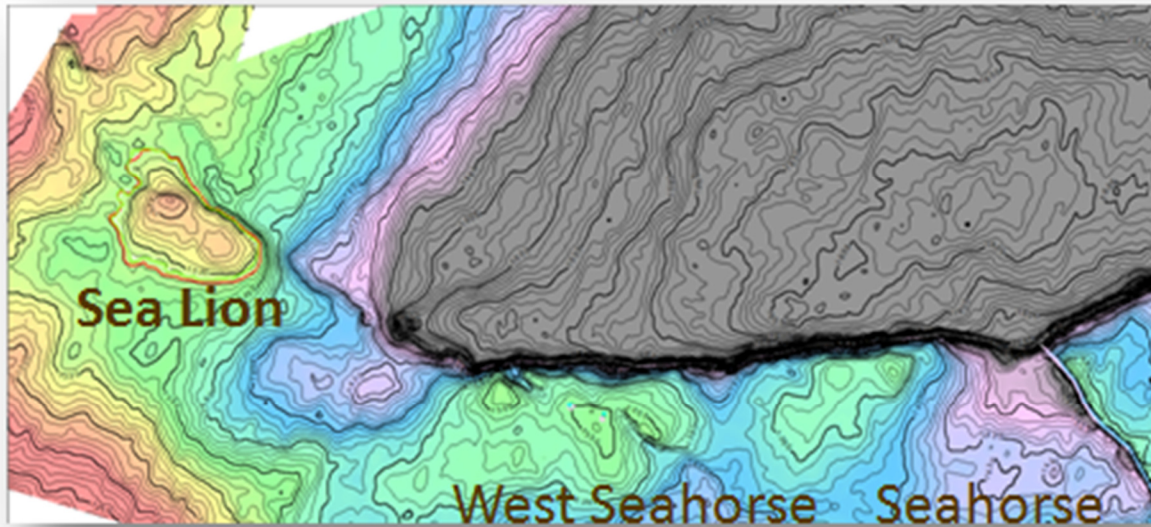


*Location map for VIC/P57 and VIC/L31*

The Sea Lion-1 well will meet the VIC/P57 Year 3 permit commitment. It is scheduled to be drilled during the second quarter of 2015 with the West Telesto jack-up rig. The West Telesto is currently drilling for Origin Energy at the Yolla gas field offshore Tasmania and will move to Sea Lion upon completion of the Yolla drilling programme.

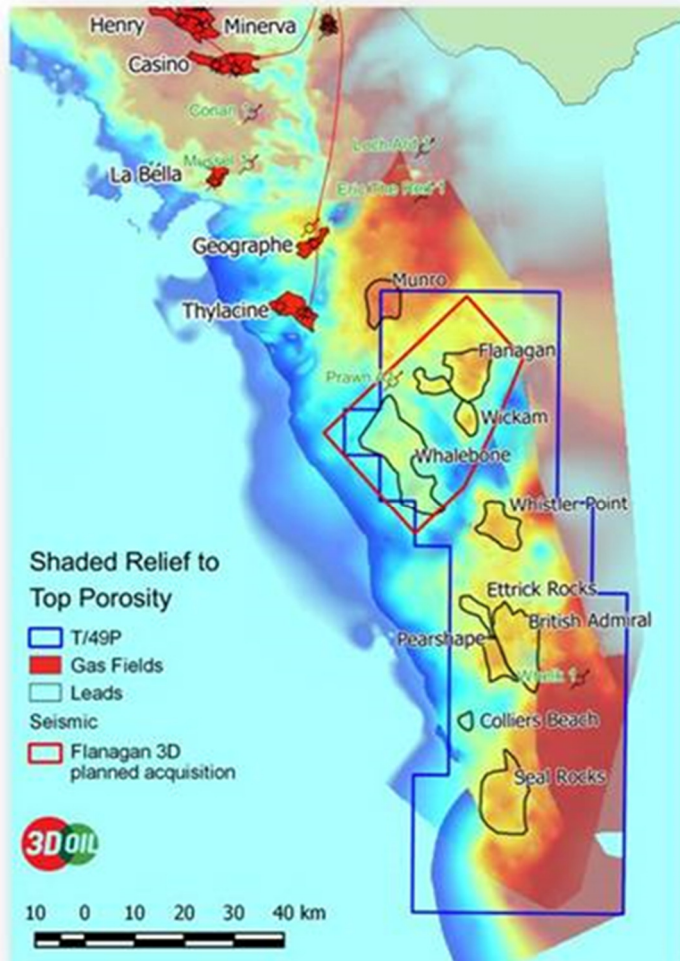
Sea Lion is an exciting prospect on a proven oil-producing trend, and represents one of the last undrilled 4-way dip closures at the prolific 'Top Latrobe' level in the Gippsland Basin. The combination of prominent mapped depth structure and the likely presence of thick high quality reservoir sands overlain by the regional seal makes Sea Lion uniquely prospective.

An independent report has assessed the Sea Lion most likely (P50) Prospective Resource at 11.0MMbbl of oil (combined probabilistic estimate for the three main target levels).



Sea Lion Structural Map

**T/49P, Otway Basin, offshore Tasmania**



T/49P Location map



**3D Oil Limited  
Operations Report  
31 December 2014**

Exploration permit T/49P was awarded to TDO in May 2013. The permit is located in the offshore Otway Basin of Tasmania and covers an area of 4,960 km<sup>2</sup> in water depths generally no greater than 100m. It is lightly explored and lies adjacent to the Thylacine and Geographe gas fields which are in production and have a combined gas in place (“GIP”) of over 2 TCF.

Following the announcement on 16 June 2014 that Beach Energy Limited (ASX: BPT) had executed agreements to acquire a 20% working interest in the T/49P exploration permit for a price of \$3 million.

TDO awarded the acquisition of the Flanagan 3D seismic survey, the major commitment in the primary term of the permit, in September to the Polarcus Asima, a modern high-specification vessel. The mobilisation cost of the Asima was shared with Origin Energy who recorded a separate survey with the vessel prior to TDO. The Environment Plan for the Flanagan survey, submitted to NOPSEMA on 5 June 2014, was approved on 30 July 2014.



*Polarcus Asima docked in Melbourne*

In mid November the acquisition of the 974 sq km Flanagan 3D seismic survey commenced and concluded in December. The seismic vessel Polarcus Asima completed just over one month of operations west of King Island with-in budget and without environmental or safety incident.

Processing of the seismic data, recorded by the Asima, commenced in late December and was undertaken by DownUnder GeoSolutions in Perth. DownUnder has developed a worldwide reputation as a leading edge data processor. Data processing for modern 3D seismic is a sophisticated process which will require several months to produce a data volume for interpretation by 3D Oil's geoscientists.

Interpretation and assessment of the geology and prospectivity of the area will also likely require several months. As a result, TDO anticipates that results of the Flanagan survey will be available in mid-2015.

In a second phase of dealing with Beach Energy Limited a farmin agreement was completed during the December quarter and the T/49P joint venture is now comprised of TDO at 70% and operator, with Beach Energy at 30%.

TDO intends to leverage the results of the Flanagan survey to attract the best possible farmin terms for future exploration in this highly prospective gas exploration area. The recent deals with Beach have allowed TDO to retain a large pre-drilling interest and operatorship in T/49P, while reducing cash exposure to the Flanagan survey. Farmout activities are expected to commence during the third quarter of 2015. The continued strengthening of Eastern Australian gas markets is also expected to contribute to the appetite for the farmout.

## TDO Petroleum Tenement Holdings

As at 31 December 2014, TDO petroleum tenement holdings were:

Tenement and Location	TDO beneficial interest at 30 June 14	Beneficial interest acquired / (disposed)	TDO beneficial interest at 31 Dec 14
VIC/P57 offshore Gippsland Basin, Victoria	49.9%	(25%)	24.9%
VIC/L31 offshore Gippsland Basin, Victoria	49.9%	(49.9%)	n/a
T/49P offshore Otway Basin, Tasmania	100%	(30%)	70%

**3D Oil Limited**  
**Directors' report**  
**31 December 2014**

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 half-year ended 31 December 2014.

**Directors**

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

Mr Campbell Horsfall  
Mr Noel Newell  
Ms Melanie Leydin  
Mr Leo De Maria (Appointed 1 October 2014)  
Mr Kenneth Pereira (Resigned 3 July 2014)

**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 profit for the consolidated entity after providing for income tax amounted to \$2,826,310 (31 December 2013: loss of \$586,284).

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

**Financial Position**

The net assets increased by \$2,841,211 to \$23,788,937 at 31 December 2014 (30 June 2014: \$20,947,726). During the period the consolidated entity spent a net amount after reimbursements of \$4,543,366 on exploration, mainly in relation to VIC permit T49P during the period. The consolidated entity's working capital position at 31 December 2014, being current assets less current liabilities, was \$10,659,341, an increase of \$14,109,052 since 30 June 2014.

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 7 July 2014 the consolidated entity announced that it had executed binding agreements with Carnarvon Hibiscus Pty Ltd (CHPL), Althea Corporation Limited, and HiRex Petroleum Sdn Bhd (HIREX) in relation to the restructuring of the funding and ownership of its interest in offshore Gippsland Basin tenements VIC/P57 and VIC/L31.

Key points of the binding agreements were as follows:

- CHPL to pay TDO US\$7.5 million for the Company's interest in the Britannia Rig and a 5% interest in VIC/P57.
- The proceeds will be used to meet Year 3 funding commitments for VIC/P57.
- US\$2 million will be paid in advance to TDO to assist with short term funding.
- US\$1.94 million of funding owing to the Operator of the VIC/L31 JV will be offset against a transfer to CHPL of a 6.07% interest in VIC/L31.
- An option has been granted to CHPL to purchase the remaining 43.83% interest in VIC/L31 for \$14.05 million.
- An option has been granted to HIREX to earn a 20% interest in VIC/P57. Under the HiRex Farmin Agreement, HIREX has been granted the option to earn a 20% interest in VIC/P57 directly from the Company in return for the provision of data analysis for VIC/P57 using the HIREX virtual drilling technology. The option to farm-in is exercisable within 1 month following receipt of all conditions precedent to the agreements.
- As CHPL is a substantial holder of the consolidated entity for the purposes of ASX Listing Rule 10.1, Shareholder approval was required to be obtained to complete the matters set out in the transaction documents.

The consolidated entity held a general meeting of shareholders on 11 August 2014 and shareholders approved the transaction. On 18 August 2014 the consolidated entity announced that it received notice from CHPL exercising its option to acquire the VIC/L31 remaining interest from the consolidated entity for a consideration of US\$14.05 million.

On 23 July 2014 the consolidated entity granted 400,000 unlisted employee options exercisable at \$0.08 (8 cents) per option expiring 30 November 2017.



**3D Oil Limited**  
**Directors' report**  
**31 December 2014**

**Significant changes in the state of affairs (continued)**

On 21 August 2014 the consolidated entity announced completion of the sale of a 20% working interest in the T/49P exploration permit to Beach Energy Limited and the remaining \$2.5 million of the \$3 million purchase price was received.

On 29 October 2014 the consolidated entity announced that the sale of 3D's 49.9% interest in the West Seahorse Production Licence VIC/L31 has been completed and 3D had relieved a settlement of US \$14.05 million.

On 18 November 2014, HiRex (Australia) Pty Ltd exercised its option to take up a 20% participating interest in the VIC/P57 exploration permit. TDO now retains 24.9% interest in VIC/P57.

On 24 November 2014 the consolidated entity announced that Beach Energy Limited (Beach) increased its working interest in the T/49P exploration permit to 30%. Beach will earn an additional 10% interest in T/49P by paying an increased share of the expanded Flanagan survey costs. The final cash contribution of the parties will be determined by the final cost of the acquisition and processing of the survey.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

**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 on the following page.

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



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Noel Newell  
Managing Director

13 March 2015  
Melbourne

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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 2014, 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



B. A. Mackenzie  
Partner - Audit & Assurance

Melbourne, 13 March 2015

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**3D Oil Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2014**

	<b>Note</b>	<b>Consolidated</b> <b>31 December 2014</b>	<b>31 December 2013</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Gain on sale of assets		2,682,331	-
Other income		106,574	33,955
<b>Expenses</b>			
Corporate expenses		(14,475)	(144,335)
Administrative expenses		(41,796)	(49,902)
Employment expenses		(463,423)	(287,938)
Occupancy expenses		(50,445)	(46,402)
Depreciation and amortisation expense		(14,243)	(22,473)
Exploration costs written off		-	(27,554)
Unrealised exchange gains/(loss)		371,336	-
Realised exchange gains/(loss)		461,246	(374)
Writeback of well abandonment provision	3	500,000	-
Share based payments		(14,901)	(39,450)
R&D tax refund payable	4	(695,894)	-
Finance costs		-	(1,811)
<b>Profit/(loss) before income tax expense</b>		<b>2,826,310</b>	<b>(586,284)</b>
Income tax expense		-	-
<b>Profit/(loss) after income tax expense for the half-year attributable to the owners of 3D Oil Limited</b>		<b>2,826,310</b>	<b>(586,284)</b>
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive income for the half-year attributable to the owners of 3D Oil Limited</b>		<b>2,826,310</b>	<b>(586,284)</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		1.19	(0.25)
Diluted earnings per share		1.18	(0.25)

*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 2014**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2014</b>
	<b>2014</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	16,588,563	827,864
Trade and other receivables	3,274,617	337,545
Other	44,160	57,994
<b>Total current assets</b>	<u>19,907,340</u>	<u>1,223,403</u>
<b>Non-current assets</b>		
Property, plant and equipment	17,750	25,162
Intangibles	178,724	-
Exploration and evaluation	5 13,038,809	24,902,640
<b>Total non-current assets</b>	<u>13,235,283</u>	<u>24,927,802</u>
<b>Total assets</b>	<u>33,142,623</u>	<u>26,151,205</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	9,200,485	3,422,971
Borrowings	-	639,591
Employee benefits	38,938	101,012
Provisions	8,576	9,540
Other	-	500,000
<b>Total current liabilities</b>	<u>9,247,999</u>	<u>4,673,114</u>
<b>Non-current liabilities</b>		
Employee benefits	99,959	24,637
Provisions	5,728	505,728
<b>Total non-current liabilities</b>	<u>105,687</u>	<u>530,365</u>
<b>Total liabilities</b>	<u>9,353,686</u>	<u>5,203,479</u>
<b>Net assets</b>	<u>23,788,937</u>	<u>20,947,726</u>
<b>Equity</b>		
Issued capital	52,657,366	52,657,366
Reserves	6 102,063	98,562
Accumulated losses	<u>(28,970,492)</u>	<u>(31,808,202)</u>
<b>Total equity</b>	<u>23,788,937</u>	<u>20,947,726</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 half-year ended 31 December 2014**

<b>Consolidated</b>	<b>Contributed equity</b> <b>\$</b>	<b>Accumulated losses</b> <b>\$</b>	<b>Reserves</b> <b>\$</b>	<b>Total equity</b> <b>\$</b>
Balance at 1 July 2013	52,657,366	(30,525,543)	66,395	22,198,218
Loss after income tax expense for the half-year	-	(586,284)	-	(586,284)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	(586,284)	-	(586,284)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 12)	-	-	39,450	39,450
Cancellation of options	-	4,467	(4,467)	-
Balance at 31 December 2013	<u>52,657,366</u>	<u>(31,107,360)</u>	<u>101,378</u>	<u>21,651,384</u>
<b>Consolidated</b>	<b>Contributed equity</b> <b>\$</b>	<b>Accumulated losses</b> <b>\$</b>	<b>Reserves</b> <b>\$</b>	<b>Total equity</b> <b>\$</b>
Balance at 1 July 2014	52,657,366	(31,808,202)	98,562	20,947,726
Profit after income tax expense for the half-year	-	2,826,310	-	2,826,310
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	2,826,310	-	2,826,310
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 12)	-	-	14,901	14,901
Expiry of options (Note 12)	-	11,400	(11,400)	-
Balance at 31 December 2014	<u>52,657,366</u>	<u>(28,970,492)</u>	<u>102,063</u>	<u>23,788,937</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 half-year ended 31 December 2014**

	<b>Consolidated</b>	
	<b>31 December 2014</b>	<b>31 December 2013</b>
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	68,812	11,161
Payments to suppliers and employees	(1,414,092)	(592,377)
Interest received	39,465	24,315
Interest paid	(4,572)	-
	<u>                    </u>	<u>                    </u>
Net cash used in operating activities	(1,310,387)	(556,901)
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(1,951)	(17,739)
Payments for intangibles	(183,155)	-
Payments for exploration and evaluation	(3,505,413)	(1,076,971)
Reimbursement from operating partner	-	713,690
Proceeds from sale of assets	19,929,024	-
	<u>                    </u>	<u>                    </u>
Net cash from/(used in) investing activities	16,238,505	(381,020)
<b>Cash flows from financing activities</b>		
	<u>                    </u>	<u>                    </u>
Net cash from financing activities	-	-
	<u>                    </u>	<u>                    </u>
Net increase/(decrease) in cash and cash equivalents	14,928,118	(937,921)
Cash and cash equivalents at the beginning of the financial half-year	827,864	2,125,708
Effects of exchange rate changes on cash and cash equivalents	832,581	-
	<u>                    </u>	<u>                    </u>
Cash and cash equivalents at the end of the financial half-year	<u><u>16,588,563</u></u>	<u><u>1,187,787</u></u>

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



**3D Oil Limited**  
**Notes to the financial statements**  
**31 December 2014**

**Note 1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2014 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 2014 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, unless otherwise stated.

**New, revised or amending Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

**Note 2. 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's management accounts are based on consolidated numbers, therefore they are classified as one business segment.

**Note 3. Write back of well abandonment provision**

Following the sale transaction of the L31 production licence and the farm down of the Company's interest in VIC P57, the provision for well abandonment associated with the L31 production licence is now assumed by Hibiscus Petroleum.

**Note 4. Expenses**

<b>Consolidated</b>	
<b>31 December</b>	<b>31 December</b>
<b>2014</b>	<b>2013</b>
\$	\$

Profit/(loss) before income tax includes the following specific expenses:

R&D tax refund payable	(695,894)	-
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In the financial year ended 30 June 2012 the consolidated entity received a tax refund in relation to R&D Tax Incentive of \$695,894. The Company has received notification that AusIndustry has reversed this claim following their audit process. The Company has therefore recognised this expense during the current half-year.

**Note 5. Non-current assets - exploration and evaluation**

<b>Consolidated</b>	
<b>31 December</b>	<b>30 June 2014</b>
<b>2014</b>	<b>2014</b>
\$	\$

Exploration and evaluation - at cost	<u>13,038,809</u>	<u>24,902,640</u>
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**3D Oil Limited**  
**Notes to the financial statements**  
**31 December 2014**

**Note 5. Non-current assets - exploration and evaluation (continued)**

*Reconciliations*

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

<b>Consolidated</b>	Exploration & Development \$	Total \$
Balance at 1 July 2014	24,902,640	24,902,640
Expenditure during the half-year	4,543,366	4,543,366
Sale of interest in T49P	(317,689)	(317,689)
Sale of interest in VIC P57	<u>(16,089,508)</u>	<u>(16,089,508)</u>
Balance at 31 December 2014	<u>13,038,809</u>	<u>13,038,809</u>

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the results of future exploration and successful development or, alternatively, sale of the respective areas of interest.

*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 6. Equity - reserves**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2014</b>
	2014 \$	\$
Share-based payments reserve	<u>102,063</u>	<u>98,562</u>

*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 half-year are set out below:

<b>Consolidated</b>	Share based payments \$	Total \$
Balance at 1 July 2014	98,562	98,562
Share based payments	14,901	14,901
Expiry of options	<u>(11,400)</u>	<u>(11,400)</u>
Balance at 31 December 2014	<u>102,063</u>	<u>102,063</u>

**Note 7. Equity - dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**3D Oil Limited**  
**Notes to the financial statements**  
**31 December 2014**

**Note 8. Contingent liabilities**

There were no contingent liabilities as at 31 December 2014.

**Note 9. Commitments**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2014</b>
	<b>2014</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	98,325	88,146
One to five years	49,162	44,073
	<u>147,487</u>	<u>132,219</u>
<i>Exploration Licenses - Commitments for Expenditure</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
One to five years	750,000	12,000,000
More than five years	-	750,000
	<u>750,000</u>	<u>12,750,000</u>

Operating lease commitments are not materially different to those reported at 30 June 2014.

In order to maintain current rights of tenure to exploration tenements, the consolidated entity is required to outlay rentals and to meet the minimum expenditure requirements of the Mineral Resources Authority. Minimum expenditure commitments may be subject to renegotiation and with approval may otherwise be avoided by sale, farm out or relinquishment. These obligations are not provided in the accounts and are payable.

The company has included its commitments for expenditure in the above note relating to Exploration Permit T/49P up to year 3 as outlined in the permit documentation. Commitments from year 4 onwards are dependent on the Company agreeing to proceed the project expenditure after year 2 and 3 results are assessed.

**Note 10. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2014 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.

**3D Oil Limited**  
**Notes to the financial statements**  
**31 December 2014**

**Note 11. Earnings per share**

	<b>Consolidated</b>	
	<b>31 December 2014</b>	<b>31 December 2013</b>
	<b>\$</b>	<b>\$</b>
Profit/(loss) after income tax attributable to the owners of 3D Oil Limited	<u>2,826,310</u>	<u>(586,284)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	237,523,000	237,523,000
Adjustments for calculation of diluted earnings per share:		
Options	<u>1,636,699</u>	<u>-</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>239,159,699</u>	<u>237,523,000</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	1.19	(0.25)
Diluted earnings per share	1.18	(0.25)

**Note 12. Share-based payments**

The Company granted unlisted share options to employees pursuant to employment agreements with executives.

Set out below are summaries of options granted under the plan:

31 December  
2014

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the half-year
02/06/2010	30/11/2014	\$0.40	150,000	-	-	(150,000)	-
24/01/2011	31/01/2015	\$0.40	200,000	-	-	-	200,000
07/10/2011	07/10/2015	\$0.18	78,000	-	-	-	78,000
15/12/2012	30/11/2015	\$0.16	495,000	-	-	-	495,000
21/11/2013	30/11/2016	\$0.11	300,000	-	-	-	300,000
25/11/2013	29/11/2016	\$0.12	250,000	-	-	-	250,000
23/07/2014	30/11/2017	\$0.08	-	400,000	-	-	400,000
			1,473,000	400,000	-	(150,000)	1,723,000

For the options granted during the current financial period, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
23/07/2014	30/11/2017	\$0.06	\$0.08	103.16%	-%	2.70%	\$0.037

**3D Oil Limited**  
**Directors' declaration**  
**31 December 2014**

In the directors' opinion:

- the attached financial statements and notes thereto 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 thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the financial half-year 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



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Noel Newell  
Managing Director

13 March 2015  
Melbourne

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## **Independent Auditor's Review Report To the Members of 3D Oil Limited**

We have reviewed the accompanying half-year financial report of 3D Oil Limited (“Company”), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors’ declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year’s end or from time to time during the half-year.

### **Directors’ responsibility for the half-year financial report**

The directors of 3D Oil Limited 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 controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor’s responsibility**

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the 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 3D Oil Limited consolidated entity’s financial position as at 31 December 2014 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. As the auditor of 3D Oil Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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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.

**Independence**

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

**Conclusion**

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

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



B. A. Mackenzie  
Partner - Audit & Assurance

Melbourne, 13 March 2015