3D Oil Limited

ABN 40 105 597 279

Annual Report - 30 June 2015

Contents

3D Oil Limited
Corporate directory
30 June 2015

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 Limited 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	www.3doil.com.au

VIC/P57, GIPPSLAND BASIN OFFSHORE VICTORIA

Exploration Permit VIC/P57 is located in the northwest of the offshore Gippsland Basin. The permit is close to shore, in shallow water depths and approximately 450 square kilometres in size.

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), 3D Oil's joint venture partner and operator in VIC/P57 and, at that time, in VIC/L31. These agreements were approved at a 3D Oil Limited General Meeting on 11 August 2014. The agreements were subsequently completed and the associated options were exercised. As a result, 3D Oil received a total of US$16 million for the sale of its 49.9% interest in the West Seahorse Production Licence VIC/L31. CHPL now holds 100% interest in this Licence.

3D Oil has retained a 24.9% interest in the VIC/P57 exploration permit with 3D Oil's interest in the upcoming Sea Lion-1 well being carried by CHPL to the extent of US$7.5 million. By arrangement with CHPL, 3D Oil Limited continues to carry out subsurface technical work in VIC/P57 on behalf of the joint venture.

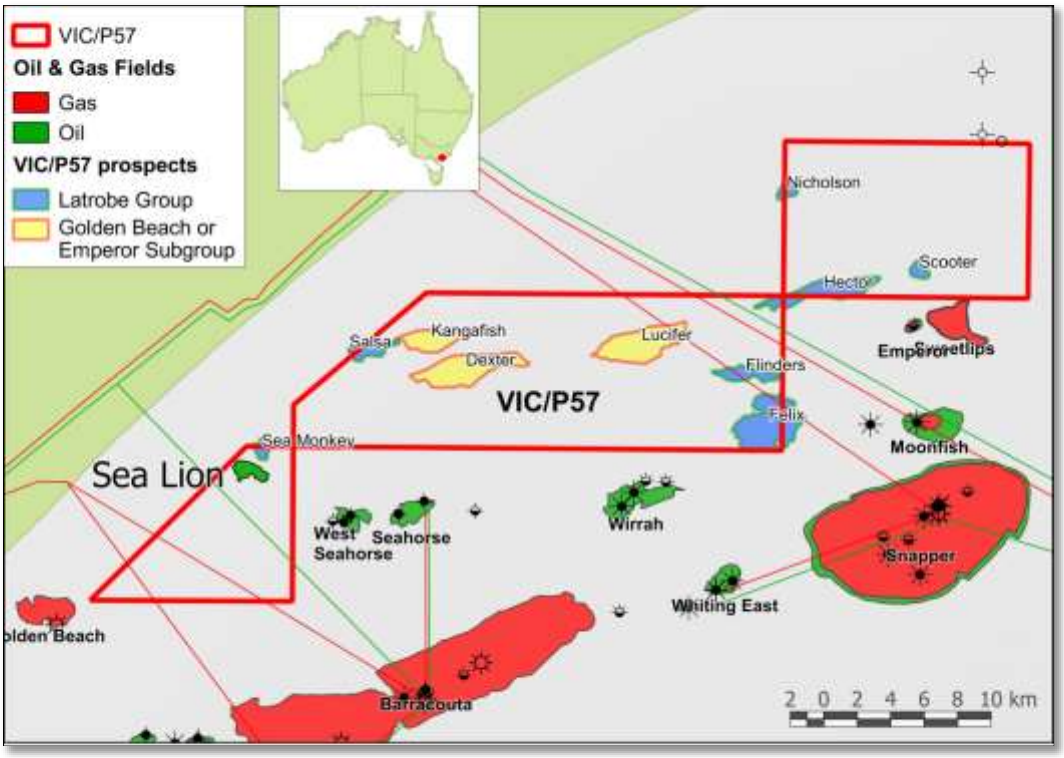

Figure 1 - VIC/P57 Location

The Sea Lion-1 well will meet the VIC/P57 Year 3 permit commitment. A suspension and extension of Year 3 has been granted to accommodate the scheduled drilling of Sea Lion-1 which is now anticipated to commence in September 2015 utilising the West Telesto jack-up rig. The West Telesto is currently on contract with Origin Energy at the Yolla gas field offshore Tasmania and will move to Sea Lion upon release from the Yolla drilling programme.

Earlier work by 3D Oil in VIC/P57 has identified a strong inventory of leads and prospects (Figure 1). During the year 3D Oil geoscience work has focused final mapping and preparation for drilling Sea Lion-1 exploration well and on prospect mapping in the permit with emphasis on the Felix prospect.

The joint venture has completed its operational and regulatory preparations and stands ready to drill Sea Lion-1 upon handover of the West Telesto. Drilling had been anticipated earlier in the year but adverse Bass Strait weather and sea conditions continue to prevent the timely release of the West Telesto from its current assignment with another operator.

The Sea Lion prospect is 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.

Background

The Gippsland Basin, with initial reserves estimated at 4 billion barrels of oil and 11.5 trillion cubic feet of gas, is Australia's most prolific oil-producing basin. Twenty one oil and gas fields are on production with most of the hydrocarbons reservoired within the world-class sandstones of the Latrobe Group.

Most of the historical success in the basin was based on the interpretation of 2D seismic data. The dominant acreage position of the Esso-BHPB joint venture, with a focus on large-scale projects has to some extent hindered the impact that 3D seismic-based exploration has had on similar basins, where smaller but lower risk targets are pursued. Approximately 88% of VIC/P57 is covered by 3D seismic data while approximately 65% is covered by seismic data reprocessed by the company in 2010/11.

The lightly explored VIC/P57 permit is located in the northwest of the basin and extends across the oil-prone exploration fairway that trends from Moonfish to West Seahorse. This fairway is on the western part of the Rosedale Fault System which has an historical success rate of approximately 70% largely achieved with 2D data.

Sea Lion Prospect

The Sea Lion well is scheduled to be drilled with the West Telesto jack-up rig upon completion of its drilling contract at the Yolla Field.

Located six kilometres from the shoreline, Sea Lion is a prominent feature on seismic data and is one of the last undrilled Top Latrobe closures in the offshore Gippsland Basin. The structure, like most Gippsland anticlines, is an inversion feature on older normal fault.

The primary targets at Sea Lion are the N asperus-aged fluvial sands that form the oil reservoirs in the West Seahorse and Seahorse fields on trend. West Seahorse contains oil in the N1 and N2.6 level sands with good oil shows at the P1 level while Seahorse contains oil in N1, N2.6 and the deeper P1 levels sands.

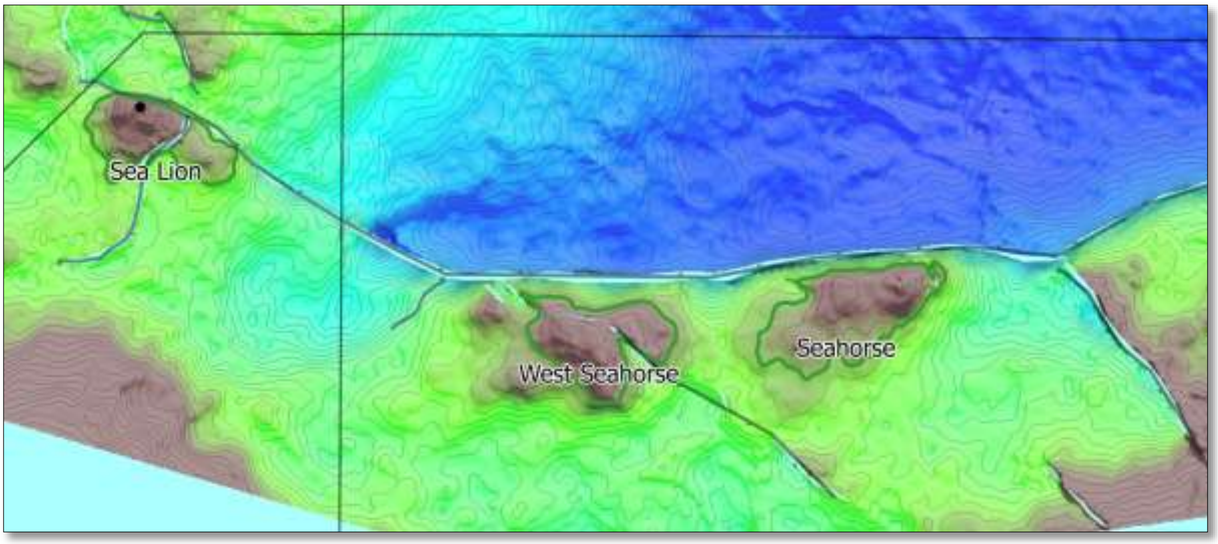

Figure 2 - Top Latrobe Structure, Sea Lion to Seahorse

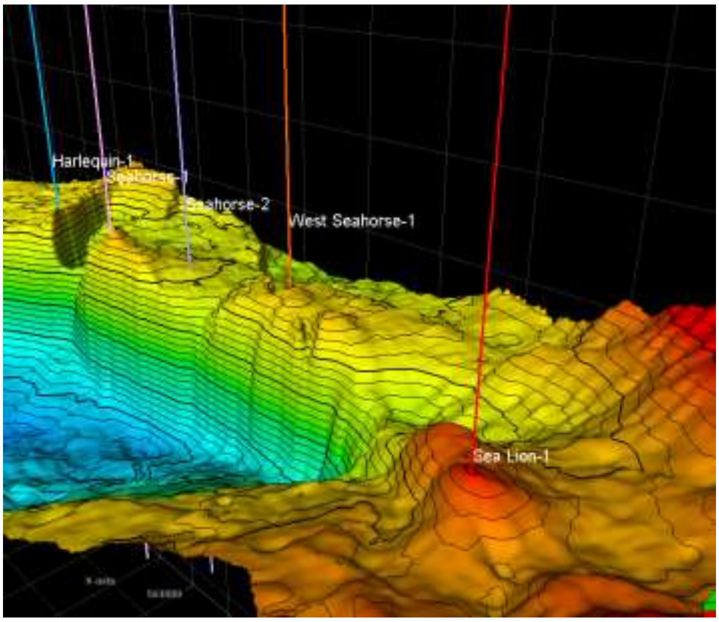

Figure 1 - The Top Latrobe seal level at Sea Lion is also structurally closed with offset wells indicating additional reservoir quality sands immediately below the Top Latrobe seal and above the N1 sands.

In addition to established reservoirs in the primary target section, Sea Lion is also interpreted to intersect a sequence of sands immediately below the marine shales of the Lakes Entrance Formation. While these sands were not present in West Seahorse, oil recovered from a thin sand in Wardie-1 indicates hydrocarbons are able to migrate above the N1 level sand. Potential for 30 to 40 meters of these additional sands exists at Sea Lion. (Figure 4).

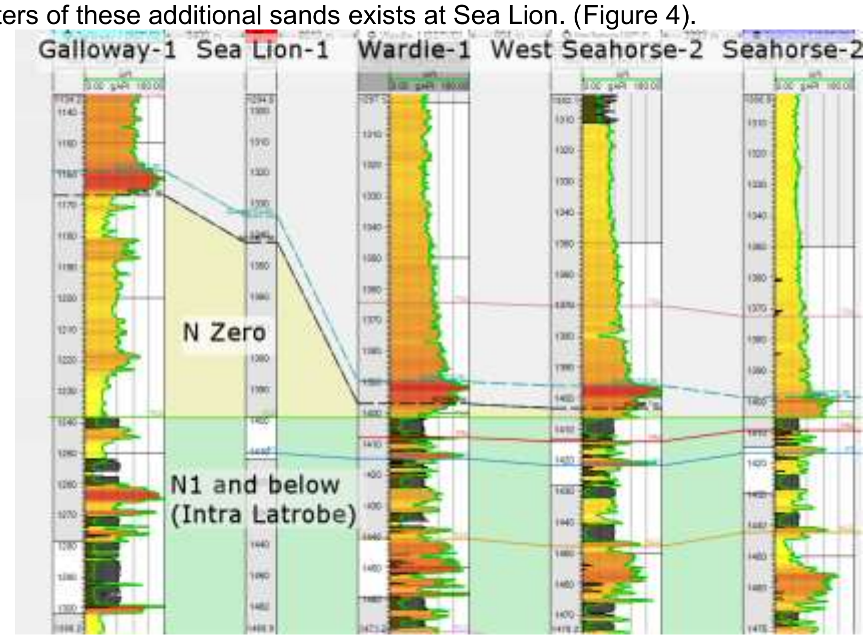

Figure 2 - Well section from Galloway-1 to West Seahorse showing additional sand section below Top Latrobe Seal

Existing oil fields along the Rosedale Fault system indicate that oil has been generated and migrated into this part of the Gippsland Basin. The West Seahorse Field indicates this petroleum system is working 6 km to the east. The Galloway-1 well, drilled from onshore and located to the northeast of Sea Lion, contained good oil shows indicating oil has migrated beyond the discovered fields in this region.

An independent resource assessment conducted as part of the Hibiscus farm-in process found that the combined probabilistic estimate of the most likely (P50) prospective resource for the three main target levels at Sea Lion was 11.0MMBBL of oil.

T/49P, OTWAY BASIN, OFFSHORE TASMANIA

Exploration permit T/49P was awarded to 3D Oil in May 2013. The permit is located in the offshore Otway Basin of Tasmania and covers an area of 4,960 km2 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 for Origin Energy and others and have a combined gas in place (“GIP”) of over 2 TCF.

During the year Beach Energy Limited (ASX: BPT) acquired a 20% working interest in T/49P for a price of $3 million and subsequently also completed a farmin for an additional 10% interest, with the result that the T/49P joint venture is now comprised of 3D Oil at 70% and operator, with Beach Energy at 30%.

The major commitment in the primary term of T/49P is for a 3D seismic survey. During the year 3D Oil, as joint venture operator, completed all environmental and regulatory requirements and awarded a contract for the acquisition of the 974 sq km Flanagan 3D seismic survey to the Polarcus Asima. The Asima is a modern high-specification vessel which was mobilized to the area in a cost-sharing arrangement with Origin Energy which recorded a separate survey with the vessel.

In December 2014, 3D Oil concluded the acquisition of the 974 sq km Flanagan 3D seismic survey after just over one month of operations west of King Island. Operations were within budget and without environmental or safety incident.

Processing of the Flanagan seismic data, was undertaken for 3D Oil by DownUnder GeoSolutions in Perth and was concluded late June 2015. Seismic interpretation and assessment of the geology and prospectivity of the area by geoscientists from 3D Oil and Beach Energy is ongoing.

3D Oil 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 partnership established with Beach has allowed 3D Oil 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 in late 2015. The continuing strength of Eastern Australian gas markets is expected to stimulate industry interest in 3D Oil’s T/49P farmout.

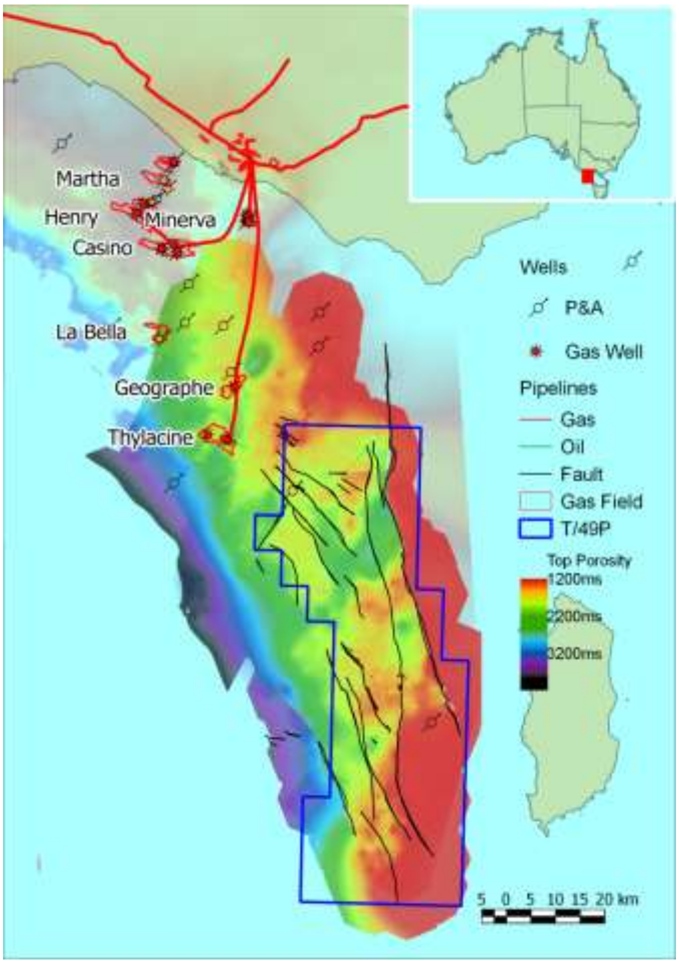

Figure 5 – T/49P Location Map

Background

The perceived geological prospectivity of T/49P is underpinned by several key factors. A thick 'Tertiary wedge' is located approximately coincident with the shelf-break edge in a largely north-south orientation. This is a common feature of successful plays further to the north and west along the offshore Otway. It is also analogous to productive areas on the Northwest Shelf and many other examples around the world. While seismic coverage is sparse, this feature can clearly be seen within the western sector of T/49P. 3D Oil considers that the rapid Tertiary burial evidenced by this build-up of sediment will have caused late stage hydrocarbon generation from the Eumeralla Formation and potentially other formations along this margin. A three dimensional maturation modelling study has demonstrated that source material in the Eumeralla Formation is currently at optimal temperature and depth for gas generation. The present day maturity at the top of the Eumeralla as derived from the modelling is shown in Figure 6.

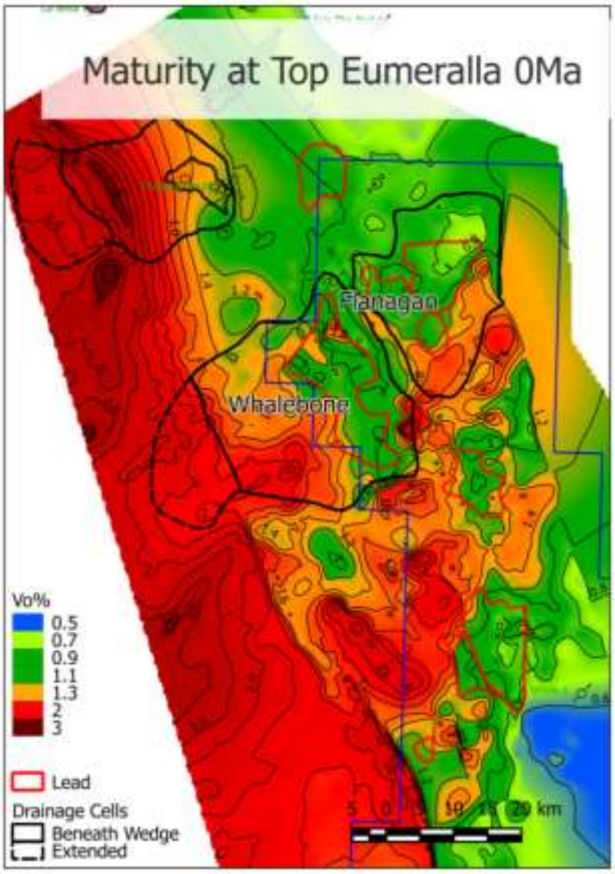

Figure 6 - Modelled Vitrinite reflectance at the Top of the Eumeralla Formation at present day

Historically, the major perceived risk in T/49P has been the absence of the regional seal in two early wells, Prawn-A1 (1967) and Whelk-1(1970), both of which were dry holes located on the Prawn Shelf. However, seismic facies interpretation undertaken by 3D Oil in the first permit year indicated areas of good seal based upon a low acoustic signature correlated with the Belfast Mudstone in the Thylacine Field. This unit overlies a complexly faulted sequence of higher amplitude seismic events interpreted to include the Waarre Formation which is the primary reservoir unit in the offshore gas-fields to the north of T/49P. The seal-reservoir combination interpreted in T/49P is potentially analogous to that in these fields.

Interpretation by 3D Oil of 2D seismic data acquired since the drilling of Prawn-A1, most of which data post-dates the year 2000, indicates that this well was drilled off structure. The 2D data, however, is neither sufficiently dense nor of adequate quality to properly resolve the complex geological structure in the permit. In order to improve the definition of the structure in the northern part of the permit, and also to provide clearer discrimination between potential seals and reservoirs, the Flanagan 3D survey was acquired in the second permit year over an area including both the Prawn structure and 3D Oil's highest ranked lead, Flanagan. The new dataset has provided an unprecedented degree of detail and resolution with which to improve and refine 3D Oil's understanding of the permit's structure, stratigraphy and seismic facies.

One important development in 3D Oil's understanding of the geology in this part of the Otway Basin has been the recognition that what has generally been called the Prawn Platform is not a stable platform but rather, in the northern part of the permit at least, a tectonically active zone including a prominent SW to NE-trending trough, termed the Treasure Trough (Figure 7). Periodic subsidence and uplift within this active zone appears to have controlled the depositional environment, and consequently the distribution of reservoir and seal facies, during subsequent periods of sedimentation.

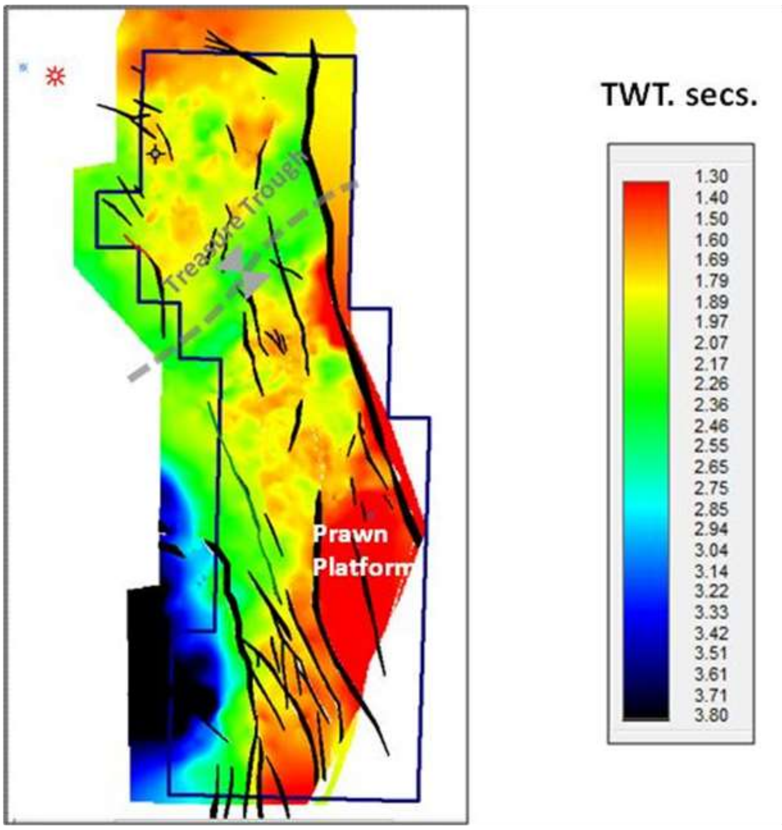

Figure 7 - Regional seismic time interpretation at Top of Flaxman Formation showing major structural divisions of T/49P

3D Interpretation Progress

The 3D seismic interpretation is proceeding on schedule and is revealing a more complex subsurface than indicated by the previous 2D data interpretation. The most significant result is the clarity of the subsurface image over the Flanagan lead. The original 2D interpretation is shown in Figure 8.

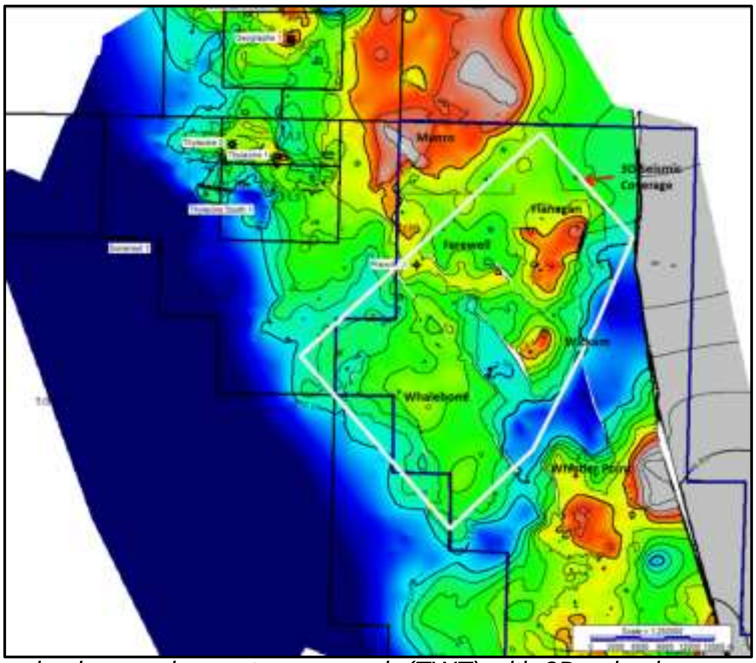

Figure 8 - Previous 2D seismic mapping on top reservoir (TWT) with 3D seismic coverage shown as a white polygon.

Figure 9 illustrates the currently mapped top reservoir based upon the newly acquired 3D Flanagan seismic data. The mapping is at a preliminary stage with the Flanagan Lead at a more advanced stage of interpretation than Whalebone Lead. It is immediately evident that the Flanagan structure, while quite complex, appears larger than previously mapped. The lead has been divided into West Flanagan and East Flanagan separated by a distinct north by northeast to south by southwest trending fault.

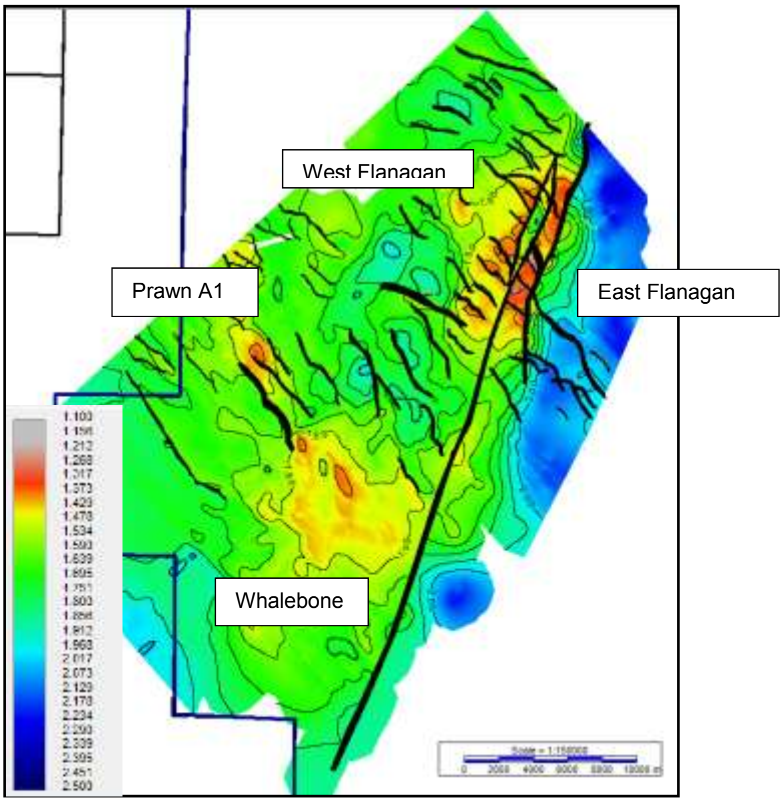

Figure 9 - Flanagan 3D seismic mapping on top reservoir (TWT)

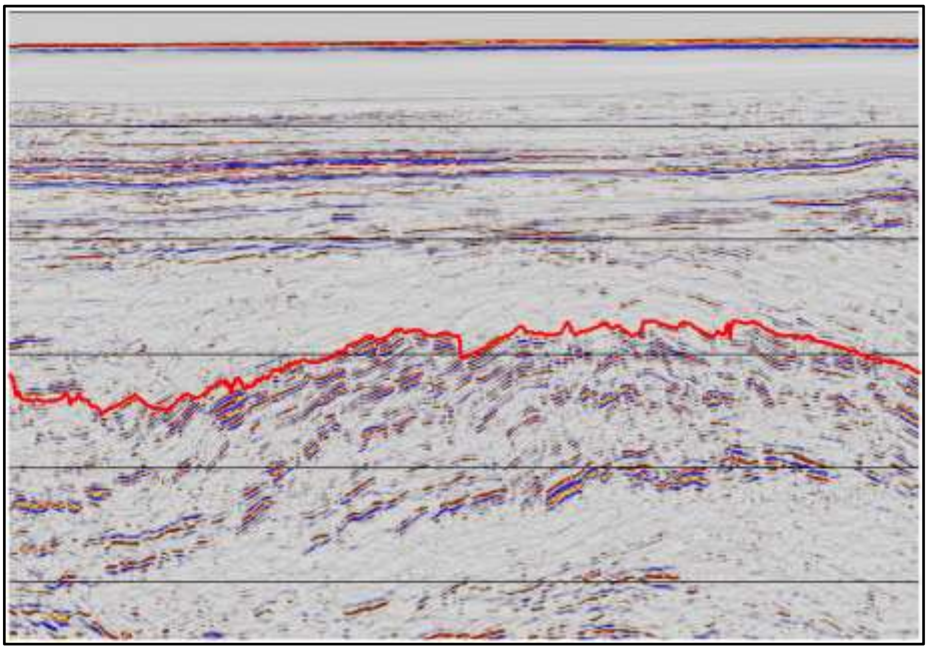

Figure 10 - 3D arbitrary line through West Flanagan

Figure 10 illustrates an arbitrary line through West Flanagan (faults omitted) and demonstrates the quality of the data achieved by the Flanagan 3D seismic survey. The new 3D data also confirm that the seismic character above the top reservoir (shown as the red horizon marker) is subdued which is indicative of a good seal facies, compared to the underlying reservoir package which exhibits higher amplitude character. This is typical of good seal/reservoir combination and is very similar to what is observed over the Thylacine field 30 km to the northwest.

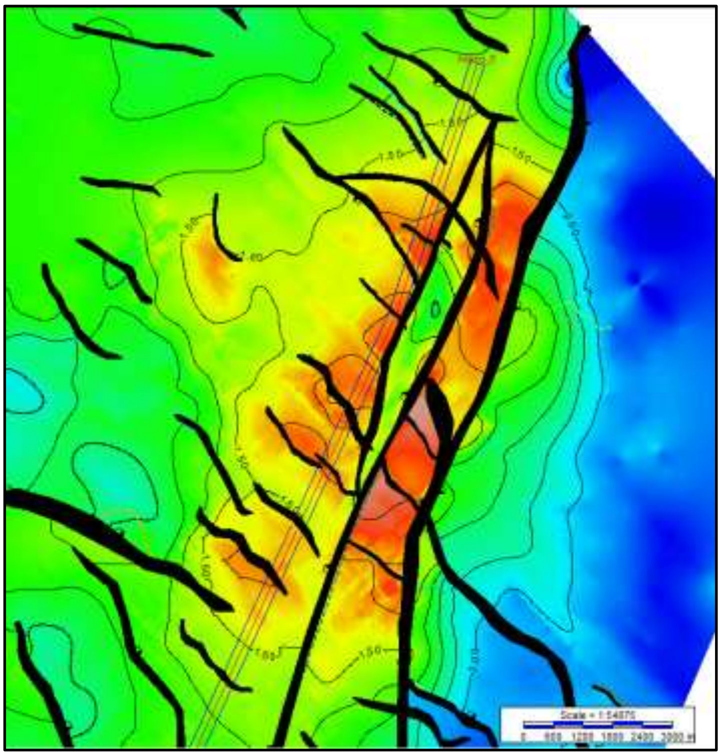

Figure 11 - Location of 3D arbitrary line through West Flanagan

T/49P Further Potential

The prospectivity of T/49P is founded upon three observations. Foremost, is the ideal location of the permit with respect to hydrocarbon charge from the source Eumeralla Formation as it is buried by later sediments and matured. The permit also contains the requisite reservoir section in the Sherbrook and Shipwreck subgroups, and evidence from seismic data of a suitable seal sequence overlying the reservoirs rocks. Finally, the block is well structured, providing a number of leads for ongoing evaluation. Tilted fault blocks provide traps to capture the migration of matured oil or gas from source areas along the shelf margin to the west and also from a central trough – the 'Treasure Trough'.

While the recently acquired 3D seismic will detail several large structures north of the Treasure Trough, prospective structures exist throughout the permit. The following diagrams provide examples which may in future years become additional drilling targets in T/49P. As the permit is relatively unexplored and the density and orientation of the old 2D seismic is insufficient to clearly define prospects, it is expected that additional 3D seismic acquisition will be required prior to drilling in the southern area.

The Seal Rocks lead in the south of T/49P remains inadequately defined by seismic but 3D Oil views it as a highly prospective feature. It shows clear differentiation of seal and interpreted reservoir facies in fault blocks at both the Thylacine Sandstone member equivalent (*O porifera* horizon) and the Waarre Formation. Seal Rocks is well positioned to receive charge from the source rock section buried by tertiary loading at the shelf margin.

The Whistler Point lead is more structurally complex but the same favourable geometry is interpretable. Whistler Point can be charged from both the north and the shelf margin to the west. A large number of other structural leads are identified in T/49P and are being further mapped as possible additional targets.

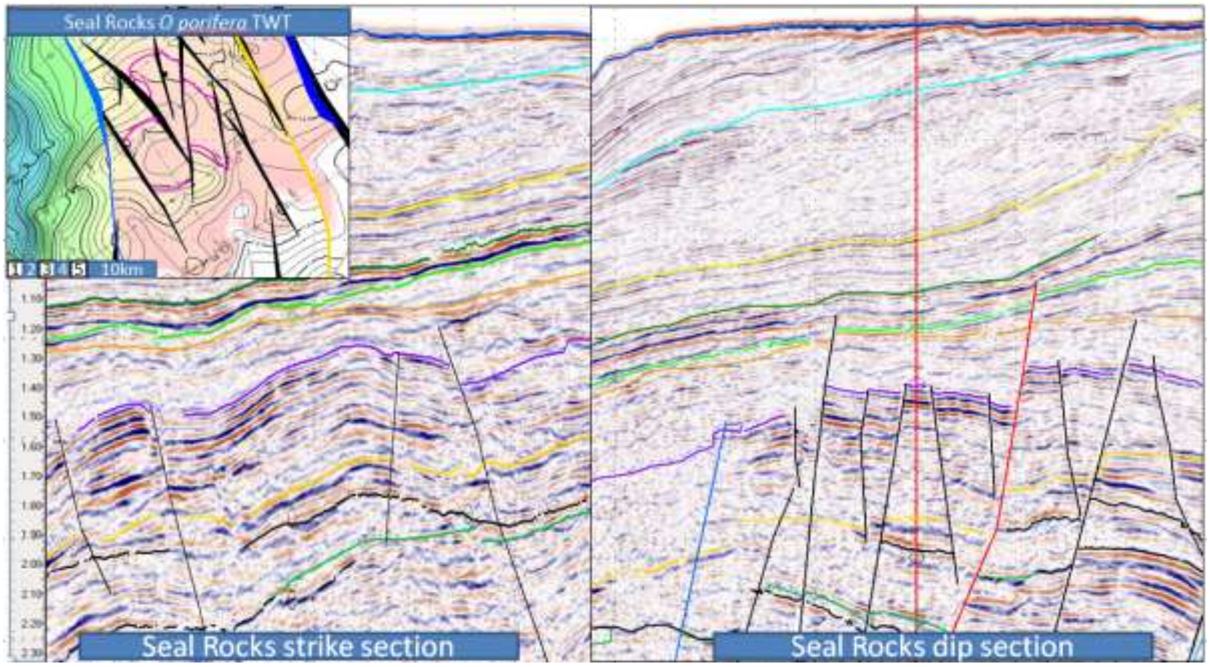

Figure 12 - Seal Rocks lead showing tilted fault block traps with high seismic amplitudes below seismically bland Skull Creek Mudstone

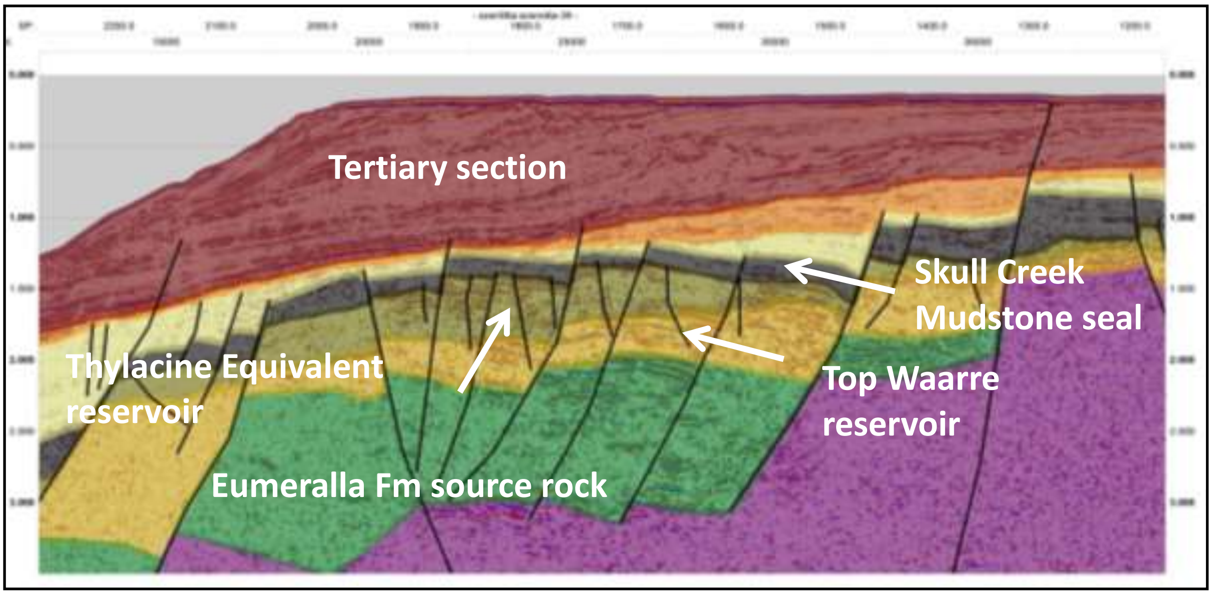

Figure 13 - Geoseismic section through Seal rocks lead. The thick wedge of Tertiary sediment at the shelf edge provides critical burial and maturation of the Eumeralla Formation, with Seal Rocks trap well positioned to receive hydrocarbon charge.

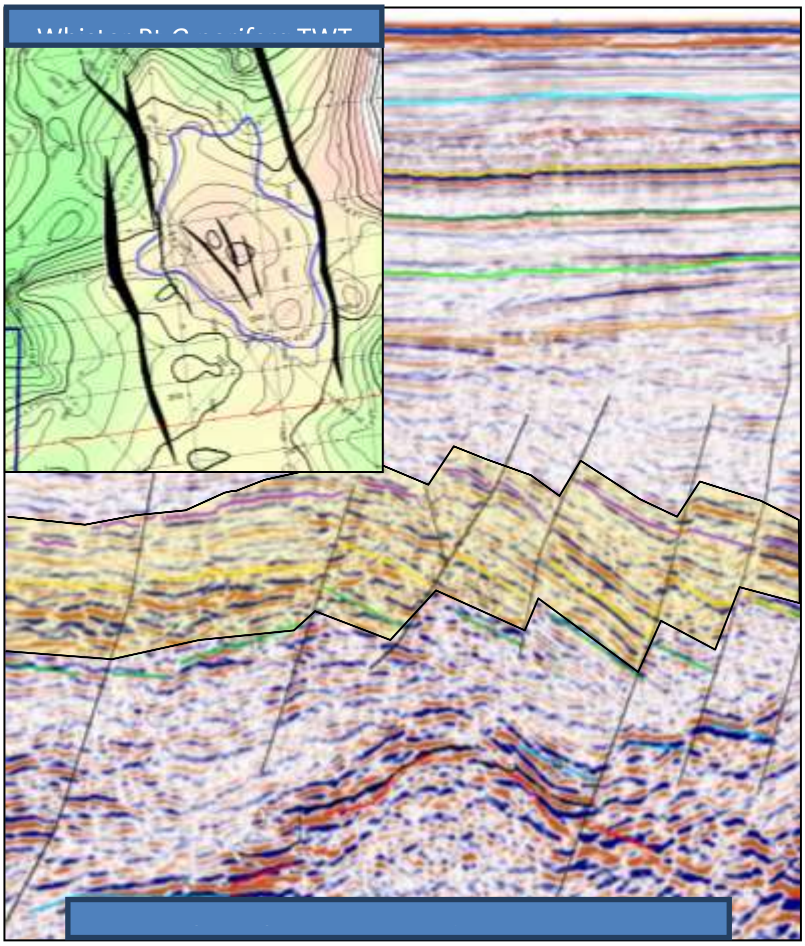

Figure 14 - Whistler Point lead showing structural development over strong basement high. Structure and interpreted reservoir facies are seen at Waarre Formation and O porifera horizons.

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 year ended 30 June 2015.

Directors
The following persons were directors of 3D Oil Limited during the whole of the financial 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)
Dr Kenneth Pereira (resigned 3 July 2014)

Principal activities
During the financial year the principal continuing activities of the company consisted of exploration and development of upstream oil and gas assets.

Dividends
There were no dividends paid or declared during the current or previous financial year.

The consolidated entity does not have franking credits available for subsequent financial years.

Review of operations
The profit for the consolidated entity after providing for income tax amounted to $2,314,986 (30 June 2014: loss of $1,289,942).

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

Financial Position

The net assets increased by $2,329,887 to $23,277,613 at 30 June 2015 (30 June 2014: $20,947,726). During the period the consolidated entity spent a net amount after reimbursements of $9,162,156 on exploration, mainly in relation to VIC permit T49P during the period. The consolidated entity's working capital position at 30 June 2015, being current assets less current liabilities, was $9,394,372, an increase of $12,844,083 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.

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 year.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2015 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.

Likely developments and expected results of operations
The consolidated entity will continue to pursue its exploration interest in the West Seahorse Oil Field (VIC/P57) in Joint Venture partnership with Carnarvon Hibiscus Pty Ltd following the sale of the consolidated entity's interest in VIC/L31 for a consideration of US$14.05 million during the financial year.

3D Oil will continue to develop other permits held and to this end has successfully introduced new partners to its new exploration permit (T/49P) in the offshore Otway Basin of Tasmania during the financial year. Over the course of the next 3 years the Minimum Guaranteed Work Programme sets out planned expenditures of $13.15 million. 3D Oil intend to seek a farm-in partner to assist in financing the work programme.

Environmental regulation
The consolidated entity holds participating interests in a number of oil and gas areas. The various authorities granting such tenements require the licence holder to comply with the terms of the grant of the licence and all directions given to it under those terms of the licence. There have been no known breaches of the tenement conditions, and no such breaches have been notified by any government agencies during the year ended 30 June 2015.

Information on directors

Name:	Mr Campbell Horsfall
Title:	Non-executive Director and Chairman
Qualifications:	B.Comm., LL.B (Melb)
Experience and expertise:	Campbell Horsfall is a lawyer with extensive experience in the petroleum industry and has held positions as Company Solicitor for BP Australia Ltd, BHP Petroleum, Japan Australia LNG (MIMI) Pty Ltd and was General Counsel of Vicpower Trading (formerly the State Electricity Commission of Victoria). Campbell holds Degrees in Law and Commerce from the University of Melbourne and a Diploma from the Securities Institute and practices as a barrister in Melbourne. Campbell has commercial expertise in fund raisings, mergers and acquisitions as well as the day to day running of an ASX listed public company. He has been a director of two other public companies and was a non-executive director of Orchard Petroleum Limited. Orchard Petroleum is an oil and gas exploration company based in California, USA.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of Audit Committee
Interests in shares:	104,625 ordinary fully paid shares.
Interests in options:	None

Name:	Mr Noel Newell
Title:	Executive Director
Qualifications:	B App Sc (App Geol)
Experience and expertise:	Noel Newell holds a Bachelor of Applied Science and has over 25 years' experience in the oil and gas industry, with 20 years of this time with BHP Billiton and Petrofina. With these companies he has been technically involved in exploration of areas around the globe, particularly South East Asia and all major Australian offshore basins. Prior to leaving BHP Billiton in 2002, Noel was Principal Geologist working within the Southern Margin Company and primarily responsible for exploration within the Gippsland Basin. Noel has a number of technical publications and has co-authored Best Paper and runner up Best Paper at the Australian Petroleum Production & Exploration Association conference and Best Paper at the Western Australian Basins Symposium. Noel is the founder of 3D Oil. Immediately prior to starting 3D Oil, Noel was a technical advisor to Nexus Energy Limited and was directly involved in their move to explore in the offshore of the Gippsland Basin.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	39,087,789 ordinary fully paid shares.
Interests in options:	None

Name:	Ms Melanie Leydin
Title:	Non-executive Director and Company Secretary
Qualifications:	B.Bus CA
Experience and expertise:	Melanie Leydin holds a Bachelor of Business majoring in Accounting and Corporate Law. She is a member of the Institute of Chartered Accountants and is a Registered Company Auditor. She graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 has been the principal of chartered accounting firm, Leydin Freyer. The practice provides outsourced company secretarial and accounting services to public and private companies specialising in the Resources, technology, bioscience and biotechnology sector. Melanie has over 23 years' experience in the accounting profession and has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of Companies and shareholder relations.
Other current directorships:	None
Former directorships (last 3 years):	Celamin Holdings NL (resigned: 9 October 2012)
Special responsibilities:	Member of Audit Committee
Interests in shares:	295,000 ordinary fully paid shares.
Interests in options:	None

Name:	Mr Leo De Maria
Title:	Non-executive Director (appointed 1 October 2014)
Experience and expertise:	Leo is a Chartered Accountant with extensive experience in company management, financial management, mergers and acquisitions and risk management.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of Audit Committee
Interests in shares:	650,070 ordinary fully paid shares.
Interests in options:	None

Name:	Dr Kenneth Pereira
Title:	Non-executive Director (resigned 3 July 2014)
Qualifications:	BSc (Hons) Engineering, MBA, DBA.
Experience and expertise:	Kenneth Pereira has 22 years' experience in the oil and gas industry (both services and exploration and production). He has worked for Schlumberger (9 years as a Field Engineer in North Africa and Europe) and SapuraCrest Petroleum Berhad (from founding of the company as Sapura Energy in 1997 until 2008) as Chief Operating Officer. In 2009, he became Managing Director of Interlink Petroleum Ltd, an oil and gas exploration & production company listed on the Mumbai Stock Exchange (2009 to 2011).
Other current directorships:	N/A
Former directorships (last 3 years):	N/A
Special responsibilities:	N/A
Interests in shares:	N/A
Interests in options:	N/A

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2015, and the number of meetings attended by each director were:

	Full Board		Audit Committee	
	Attended	Held	Attended	Held
Mr C Horsfall	7	7	2	2
Mr N Newell	7	7	-	-
Ms M Leydin	7	7	2	2
Mr L De Maria	5	5	1	1
Mr K Pereira	1	1	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)
The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with the market best practice for delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity and company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

Alignment to shareholders' interests:

- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracts and retains high calibre executives

Alignment to program participants' interests:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations are separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to determination of his own remuneration. Non-executive directors do not receive share options or other incentives.

ASX listing rules requires that the aggregate non-executive directors remuneration shall be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 21 November 2012, where the shareholders approved an aggregate remuneration of $400,000.

Executive remuneration

The consolidated entity aims to reward executives with a level and mix of remuneration based on their position and responsibility, which are both fixed.

The executive remuneration and reward framework has three components:

- base pay and non-monetary benefits
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board, based on individual and business unit performance, the overall performance of the company and comparable market remunerations.

Executives can receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the company and adds additional value to the executive.

All Executives are eligible to receive a base salary (which is based on factors such as experience and comparable industry information) or consulting fee. The Board reviews the Managing Director's remuneration package, and the Managing Director reviews the senior Executives' remuneration packages annually by reference to the consolidated entity's performance, executive performance and comparable information within the industry.

The performance of Executives is measured against criteria agreed annually with each executive and is based predominantly on the overall success of the consolidated entity in achieving its broader corporate goals. Bonuses and incentives are linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses, and options, and can require changes to the Managing Director's recommendations. This policy is designed to attract the highest calibre of Executives and reward them for performance that results in long-term growth in shareholder wealth.

All remuneration paid to Directors and Executives is valued at the cost to the consolidated entity and expensed. Options are valued using the Black-Scholes or Binomial methodology.

The long-term incentives ('LTI') includes long service leave and share-based payments. Shares and or options are awarded to executives on the discretion of the Board based on long-term incentive measures.

Consolidated entity performance and link to remuneration
Remuneration packages do not include performance-based components. An individual member of staff's performance is assessed by reference to their contribution to the Company's overall achievements. The intention of this program is to facilitate goal congruence between Executives with that of the business and shareholders. Generally, the executive's remuneration is tied to the consolidated entity's successful achievement of certain key milestones as they relate to its operating activities.

Voting and comments made at the company's 17 November 2014 Annual General Meeting ('AGM')
The company received 92.26% of 'for' votes in relation to its remuneration report for the year ended 30 June 2014. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

Details of the remuneration of the directors and other key management personnel (defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the company) of the company are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2015	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Mr C Horsfall	76,696	-	-	7,304	-	-	84,000
Ms M Leydin *	143,250	-	-	-	-	-	143,250
Mr Leo De Maria **	30,822	-	-	2,928	-	-	33,750
Executive Directors:							
Mr N Newell	396,100	-	-	17,775	-	-	413,875
Other Key Management Personnel:							
Mr A Adams	324,557	-	-	32,592	-	14,901	372,050
	971,425	-	-	60,599	-	14,901	1,046,925

* This includes fees paid to Leydin Freyer Corp Pty Ltd in respect of Directors fees, Company Secretarial and Accounting services.
** Mr Leo De Maria was appointed on 1 October 2014.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2014	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Mr C Horsfall	76,278	-	-	7,056	-	-	83,334
Ms M Leydin *	142,875	-	-	-	-	-	142,875
Ms P Kelly **	17,677	-	-	1,635	-	-	19,312
Dr K Pereira ***	45,000	-	-	-	-	-	45,000
Executive Directors:							
Mr N Newell	384,063	-	-	17,775	-	-	401,838
Other Key Management Personnel:							
Mr A Adams****	292,917	-	-	25,000	-	20,700	338,617
	958,810	-	-	51,466	-	20,700	1,030,976

* This includes fees paid to Leydin Freyer Corp Pty Ltd in respect of Directors fees, Company Secretarial and Accounting services.
** Resigned on 25 November 2013
*** Resigned on 3 July 2014

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Mr N Newell
Title:	Managing Director
Agreement commenced:	1 November 2006
Details:	(i) Mr Newell may resign from his position and thus terminate this contract by giving 6 months written notice.(ii) The Company may terminate this employment agreement by providing 6 months written notice.(iii) The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, Mr Newell is only entitled to that portion of remuneration which is fixed, and only up to the date of termination.(iv) On termination of the agreement, Mr Newell will be entitled to be paid those outstanding amount owing to him up until the Termination date.

Name:	Mr C Horsfall
Title:	Chairman
Agreement commenced:	23 January 2009
Details:	(i) Mr Horsfall may resign from his position and thus terminate this contract by giving 6 months written notice.(ii) The Company may terminate this employment agreement by providing 6 months written notice.(iii) The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, Mr Horsfall is only entitled to that portion of remuneration which is fixed, and only up to the date of termination.(iv) On termination of the agreement, Mr Horsfall will be entitled to be paid those outstanding amounts owing to him up until the Termination date.

Name:	Ms M Leydin
Title:	Non-Executive Director
Agreement commenced:	23 January 2009
Details:	(i) Ms Leydin may resign from her position and thus terminate this contract by giving 6 months written notice.(ii) The Company may terminate this employment agreement by providing 6 months written notice.(iii) The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, Ms Leydin is only entitled to that portion of remuneration which is fixed, and only up the date of termination.(iv) On termination of the agreement, Ms Leydin will be entitled to be paid those outstanding amounts owing to her up until the Termination date.

Name:	Mr A Adams
Title:	Commercial and Exploration Manager
Agreement commenced:	10 October 2012
Term of agreement:	(i) Mr Adams may resign from his position and thus terminate this contract by giving 3 months written notice.(ii) The Company may terminate this employment agreement by providing 6 months written notice.(iii) The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, Mr Adams is only entitled to that portion of remuneration which is fixed, and only up the the date of termination.(iv) On termination of the agreement, Mr Adams will be entitled to be paid those outstanding amounts owing to her up until the Termination date.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2015.

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
23 July 2014	23 July 2014	30 November 2017	$0.08	$0.037

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2015 are set out below:

Name	Number of options granted during the year 2015	Number of options granted during the year 2014	Number of options vested during the year 2015	Number of options vested during the year 2014
Mr A Adams	400,000	-	400,000	-

Additional information
The earnings of the consolidated entity for the five years to 30 June 2015 are summarised below:

	2015 $	2014 $	2013 $	2012 $	2011 $
Revenue	192,286	47,652	101,500	140,072	336,290
Net profit/(loss) before tax	2,356,252	(1,289,142)	(2,033,105)	(7,672,697)	(1,003,568)
Net profit/(loss) after tax	2,314,986	(1,289,142)	(2,033,105)	(6,976,803)	(1,003,568)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2015	2014	2013	2012	2011
Share price at financial year start ($)	0.07	0.09	0.07	0.14	0.20
Share price at financial year end ($)	0.06	0.07	0.09	0.07	0.14
Basic earnings per share (cents per share)	0.97	(0.54)	(0.92)	(3.38)	(0.49)

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Mr C Horsfall	84,625	-	20,000	-	104,625
Mr N Newell	38,344,150	-	549,639	-	38,893,789
Ms M Leydin	150,000	-	145,000	-	295,000
Mr L De Maria*	-	-	375,000	275,070	650,070
Mr K Pereira**	30,963,000	-	-	(30,963,000)	-
Mr A Adams	-	-	292,000	-	292,000
	69,541,775	-	1,381,639	(30,687,930)	40,235,484

* Appointed on 1 October 2014. Mr L De Maria held 275,070 ordinary fully paid shares on appointment.
** Resigned on 3 July 2014

Option holding
The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Mr A Adams	600,000	400,000	-	-	1,000,000
	600,000	400,000	-	-	1,000,000

	Vested and exercisable	Vested and unexercisable	Balance at the end of the year
Options over ordinary shares			
Mr A Adams	1,000,000	-	1,000,000
	1,000,000	-	1,000,000

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of 3D Oil Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
7 October 2011	7 October 2015	$0.18	78,000
15 December 2012	30 November 2015	$0.16	495,000
2 September 2013	30 November 2016	$0.11	300,000
6 December 2013	29 November 2016	$0.12	250,000
25 July 2014	30 November 2017	$0.08	400,000
			1,523,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of 3D Oil Limited issued on the exercise of options during the year ended 30 June 2015 and up to the date of this report.

Indemnity and insurance of officers
The consolidated entity has indemnified the directors of the company for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former partners of Grant Thornton Audit Pty Ltd

There are no officers of the company who are former partners of Grant Thornton Audit Pty Ltd.

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.

Auditor

Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Noel Newell
Managing Director

30 September 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 audit of 3D Oil Limited for the year ended 30 June 2015, 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 audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B.A. Mackenzie
Partner - Audit & Assurance

Melbourne, 30 September 2015

3D Oil Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Revenue	5	192,286	47,652
Other income	6	3,866,768	-
Expenses			
Corporate expenses		(174,330)	(366,358)
Administrative expenses		(113,997)	(85,058)
Employment expenses		(1,044,659)	(674,264)
Occupancy expenses		(120,022)	(86,815)
Depreciation and amortisation expense	7	(38,999)	(33,703)
Exploration costs written off		-	(81,216)
Loss on sale of assets		-	23,556
Unrealised exchange gains/loss		-	5,714
Writeback of well abandonment provision		500,000	-
Share based payments		(14,901)	(39,450)
R&D tax refund payable		(695,894)	-
Profit/(loss) before income tax expense		2,356,252	(1,289,942)
Income tax expense	8	(41,266)	-
Profit/(loss) after income tax expense for the year attributable to the owners of 3D Oil Limited		2,314,986	(1,289,942)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of 3D Oil Limited		2,314,986	(1,289,942)
		Cents	**Cents**
Basic earnings per share	35	0.97	(0.54)
Diluted earnings per share	35	0.97	(0.54)

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 30 June 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Assets			
Current assets			
Cash and cash equivalents	9	10,494,399	827,864
Trade and other receivables	10	236,529	337,545
Other	11	34,144	57,994
Total current assets		10,765,072	1,223,403
Non-current assets			
Property, plant and equipment	12	8,106	25,162
Intangibles	13	202,101	-
Exploration and evaluation	14	13,709,188	24,902,640
Total non-current assets		13,919,395	24,927,802
Total assets		24,684,467	26,151,205
Liabilities			
Current liabilities			
Trade and other payables	15	1,187,158	3,422,971
Borrowings	16	-	639,591
Income tax	17	41,266	-
Employee benefits	18	133,700	101,012
Provisions	19	8,576	9,540
Other	20	-	500,000
Total current liabilities		1,370,700	4,673,114
Non-current liabilities			
Employee benefits	21	30,426	24,637
Provisions	22	5,728	505,728
Total non-current liabilities		36,154	530,365
Total liabilities		1,406,854	5,203,479
Net assets		23,277,613	20,947,726
Equity			
Issued capital	23	52,657,366	52,657,366
Reserves	24	102,063	98,562
Accumulated losses		(29,481,816)	(31,808,202)
Total equity		23,277,613	20,947,726

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 year ended 30 June 2015

Consolidated	Contributed equity $	Accumulated losses $	Reserves $	Total equity $
Balance at 1 July 2013	52,657,366	(30,525,543)	66,395	22,198,218
Loss after income tax expense for the year	-	(1,289,942)	-	(1,289,942)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	(1,289,942)	-	(1,289,942)
Transactions with owners in their capacity as owners:				
Share-based payments (note 36)	-	-	39,450	39,450
Expiry of Options	-	7,283	(7,283)	-
Balance at 30 June 2014	52,657,366	(31,808,202)	98,562	20,947,726

Consolidated	Contributed equity $	Accumulate d losses $	Reserves $	Total equity $
Balance at 1 July 2014	52,657,366	(31,808,202)	98,562	20,947,726
Profit after income tax expense for the year	-	2,314,986	-	2,314,986
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	2,314,986	-	2,314,986
Transactions with owners in their capacity as owners:				
Share-based payments	-	-	14,901	14,901
Expiry of Options	-	11,400	(11,400)	-
Balance at 30 June 2015	52,657,366	(29,481,816)	102,063	23,277,613

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 year ended 30 June 2015

	Note	Consolidated 2015 $	2014 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		7,977	15,945
Payments to suppliers and employees (inclusive of GST)		(4,239,052)	(455,598)
Interest received		108,388	32,834
Interest paid		(43,348)	-
Net cash used in operating activities	34	(4,166,035)	(406,819)
Cash flows from investing activities			
Payments for property, plant and equipment		(2,400)	(17,739)
Payments for intangibles		(221,644)	-
Payments for exploration and evaluation		(7,047,066)	(3,079,063)
Reimbursement from Joint Venture		-	1,071,900
Proceeds from sale of assets		19,929,024	500,000
Proceeds from foreign exchange investment		-	(5,714)
Net cash from/(used in) investing activities		12,657,914	(1,530,616)
Cash flows from financing activities			
Loans received from joint venture		-	639,591
Net cash from financing activities		-	639,591
Net increase/(decrease) in cash and cash equivalents		8,491,879	(1,297,844)
Cash and cash equivalents at the beginning of the financial year		827,864	2,125,708
Effects of exchange rate changes on cash and cash equivalents		1,174,656	-
Cash and cash equivalents at the end of the financial year	9	10,494,399	827,864

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 year. 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 5, 164 Flinders Lane
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 30 September 2015. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, 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.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 31.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of 3D Oil Limited ('company' or 'parent entity') as at 30 June 2015 and the results of all subsidiaries for the year then ended. 3D Oil Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Note 2. Significant accounting policies (continued)

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is 3D Oil Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Note 2. Significant accounting policies (continued)

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

3D Oil Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Other receivables are recognised at amortised cost, less any provision for impairment.

Note 2. Significant accounting policies (continued)

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Farm-outs
The Group does not record any expenditure made by the farmee 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 and any consideration received directly from the farmee is credited against costs previously capitalised.

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Exploration and evaluation assets
Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Petroleum and Exploration Development Expenditure
Petroleum and exploration development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward in relation to each area of interest to the extent the following conditions are satisfied:
(a) the rights to tenure of the area of interest are current; and
(b) at least one of the following conditions is also met:
(i) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
(ii) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Note 2. Significant accounting policies (continued)

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward cost in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the cost of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Note 2. Significant accounting policies (continued)

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bond rates with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:
- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 2. Significant accounting policies (continued)

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends
Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of 3D Oil Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Leases
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

The consolidated entity has not entered into any finance leases.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Note 2. Significant accounting policies (continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2015. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments
This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2018 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The consolidated entity will adopt this standard and the amendments from 1 January 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2017. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 January 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 4. 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 5. Revenue

	Consolidated 2015 $	2014 $
Interest	106,613	31,707
Rent	7,252	15,945
Joint Venture operator fees	78,421	-
Revenue	192,286	47,652

Note 6. Other income

	Consolidated 2015 $	2014 $
Net foreign exchange gain	1,174,656	-
Net gain on disposal of assets	2,692,112	-
Other income	3,866,768	-

Note 7. Expenses

	Consolidated 2015 $	Consolidated 2014 $
Profit/(loss) before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	(19,456)	(19,142)
Amortisation		
Software	(19,543)	(14,561)
Total depreciation and amortisation	(38,999)	(33,703)
Post employment benefit plans - Superannuation contributions	(45,126)	(86,749)
Equity settled share based payments	(14,901)	(39,450)
	(60,027)	(126,199)
Operating lease payments		
Office lease	(113,802)	(64,221)
R&D tax refund payable	(695,894)	-

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 financial year.

Note 8. Income tax expense

	Consolidated 2015 $	Consolidated 2014 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit/(loss) before income tax expense	2,356,252	(1,289,942)
Tax at the statutory tax rate of 30%	706,876	(386,983)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	1,785	952
Share-based payments	4,470	11,385
Share of Joint venture losses	(942,266)	(810,935)
Other non-deductible expenses	208,774	-
Previously unrecognised DTA now brought to account	61,627	1,185,581
Income tax expense	41,266	-

Petroleum Resource Rent Tax

Petroleum Resource Rent Tax (PRRT) applies to petroleum projects in Australian onshore and offshore areas under the Petroleum Resource Rent Tax Assessment Act 1987. PRRT is assessed on a project basis or production licence area and is levied on the taxable profits of a petroleum project at a rate of 40%. Production license VIC/L31 has been registered at a project for PRRT purposes. Eligible expenditure incurred in relation to the production license VIC/L31 and permits VIC/P57 and T49P, attach to the permit and can be carried forward. Certain specified undeducted expenditure is eligible for annual compounding at set rates. The compound amount can be deducted against assessable receipts in future years.

Note 8. Income tax expense (continued)

The consolidated entity has undeducted expenditure across its license/permits of $10M at 30 June 2015 (2014: $59M). As compounding occurs annually on 1 July, the compounded amount at 1 July 2015 is estimated at $11M (1 July 2014: $61M).

The Company has not recognised a deferred tax asset with respect to the carried forward undeducted expenditure.

	Consolidated 2015 $	Consolidated 2014 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Tax Losses	8,502,984	2,582,792
Total deferred tax assets not recognised	8,502,984	2,582,792

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

The taxation benefits of tax losses and temporary difference not brought to account will only be obtained if:

(i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
(ii) the consolidated entity continues to comply with the conditions for deductibility imposed by law; and
(iii) no change in tax legislation adversely affects the company in realising the benefits from deducting the losses.

Note 9. Current assets - cash and cash equivalents

	Consolidated 2015 $	Consolidated 2014 $
Cash at bank	10,333,604	669,344
Cash on deposit	160,795	158,520
	10,494,399	827,864

Note 10. Current assets - trade and other receivables

	Consolidated 2015 $	Consolidated 2014 $
Trade receivables	205,890	319,556
Interest receivable	225	2,000
GST receivable	30,414	15,989
	236,529	337,545

Trade receivables represent reimbursement of labour costs and third party invoices by Carnarvon Hibiscus Pty Ltd.

The average credit period on trade and other receivables is 30 days. No interest is charged on the receivables. The consolidated entity has financial risk management policies in place to ensure that all receivables are received within the credit timeframe. Due to the short term nature of these receivables, their carrying value is assumed to be approximate to their fair value.

Note 11. Current assets - other

	Consolidated	
	2015	**2014**
	$	**$**
Prepayments	34,144	57,994

Note 12. Non-current assets - property, plant and equipment

	Consolidated	
	2015	**2014**
	$	**$**
Plant and equipment - at cost	125,569	123,169
Less: Accumulated depreciation	(117,463)	(98,007)
	8,106	25,162

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

Consolidated	Plant & Equipment $	Total $
Balance at 1 July 2013	26,565	26,565
Additions	17,739	17,739
Depreciation expense	(19,142)	(19,142)
Balance at 30 June 2014	25,162	25,162
Additions	2,400	2,400
Depreciation expense	(19,456)	(19,456)
Balance at 30 June 2015	8,106	8,106

Note 13. Non-current assets - intangibles

	Consolidated	
	2015	**2014**
	$	**$**
Software - at cost	375,230	153,586
Less: Accumulated amortisation	(173,129)	(153,586)
	202,101	-

Note 13. Non-current assets - intangibles (continued)

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

Consolidated	Software $	Total $
Balance at 1 July 2013	14,561	14,561
Amortisation expense	(14,561)	(14,561)
Balance at 30 June 2014	-	-
Additions	221,644	221,644
Amortisation expense	(19,543)	(19,543)
Balance at 30 June 2015	202,101	202,101

Note 14. Non-current assets - exploration and evaluation

	Consolidated 2015 $	Consolidated 2014 $
Exploration and evaluation expenditure	13,709,188	24,902,640

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

Consolidated	Exploration & Development Expenditure $	Total $
Balance at 1 July 2013	20,632,631	20,632,631
Expenditure during the year	5,849,870	5,849,870
Write off of assets	(81,216)	(81,216)
Reimbursement from Joint Venture	(1,498,645)	(1,498,645)
Balance at 30 June 2014	24,902,640	24,902,640
Expenditure during the year	9,162,156	9,162,156
Sale of interest in T49P	(307,888)	(307,888)
Sale of interest in VIC P57	(20,047,720)	(20,047,720)
Balance at 30 June 2015	13,709,188	13,709,188

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

Farm-outs — in the exploration and evaluation phase
The consolidated entity does not record any expenditure made by the farmee 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 farmee 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 15. Current liabilities - trade and other payables

	Consolidated 2015 $	Consolidated 2014 $
Trade payables	309,007	3,089,592
Sundry payables and accrued expenses	878,151	333,379
	1,187,158	3,422,971

Refer to note 26 for further information on financial instruments.

Note 16. Current liabilities - borrowings

	Consolidated 2015 $	Consolidated 2014 $
Loan - Carnarvon Hibiscus	-	639,591

Refer to note 26 for further information on financial instruments.

On 13 May 2014 the consolidated entity announced that it had entered into a non-binding heads of agreement with Carnarvon Hibiscus Pty Ltd (CHPL), Athlea Corporation Limited and HiRex Petroleum Sdn Bhd (HIREX). Within one day of executing the heads of agreement, CHPL was required to transfer USD $600,000 to the consolidated entity for working capital purposes. These funds were repayable to the joint venture without interest within 8 months of signing the final agreements.

Note 17. Current liabilities - income tax

	Consolidated 2015 $	Consolidated 2014 $
Provision for income tax	41,266	-

Note 18. Current liabilities - employee benefits

	Consolidated 2015 $	Consolidated 2014 $
Annual leave	52,978	49,118
Long service leave	80,722	51,894
	133,700	101,012

Note 19. Current liabilities - provisions

	Consolidated 2015 $	Consolidated 2014 $
Deferred lease incentives	8,576	9,540

Deferred lease incentives
The provision represents operating lease incentives received. The incentives are allocated to profit or loss in such a manner that the rent expense is recognised on a straight-line basis over the lease term.

Note 20. Current liabilities - other

	Consolidated 2015 $	Consolidated 2014 $
Deposits received	-	500,000

On 16 June 2014 the consolidated entity announced that it had entered into an agreement with Beach Energy Limited for the purchase of a 20% working interest of the consolidated entity's T/49P permit for a consideration of $3 million and a deposit of $500,000 was received during the previous financial year. The sale was completed in October 2014.

Note 21. Non-current liabilities - employee benefits

	Consolidated 2015 $	Consolidated 2014 $
Long service leave	30,426	24,637

Note 22. Non-current liabilities - provisions

	Consolidated 2015 $	Consolidated 2014 $
Deferred lease incentives	5,728	5,728
Provision for well abandonment	-	500,000
	5,728	505,728

Provision for Well Abandonment
The provision for well abandonment represents the present value of director's best estimate for the costs to abandon the Wardie-1 Well. There is no current estimate of when any abandonment may take place in light of the recently agreed farm-in arrangement with Hibiscus Petroleum Berhad.

Note 23. Equity - issued capital

	Consolidated 2015 Shares	2014 Shares	2015 $	2014 $
Ordinary shares - fully paid	237,523,000	237,523,000	52,657,366	52,657,366

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.

Capital risk management
The company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Note 23. Equity - issued capital (continued)

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The company is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 30 June 2014 Annual Report.

Options

For further information in relation to unissued ordinary shares of 3D Oil Limited under option, refer to the Directors' report and Note 30.

Note 24. Equity - reserves

	Consolidated 2015 $	Consolidated 2014 $
Share-based payments reserve	102,063	98,562

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Options Reserve $	Total $
Balance at 1 July 2013	66,395	66,395
Share based payments	39,450	39,450
Expiry of options	(7,283)	(7,283)
Balance at 30 June 2014	98,562	98,562
Share based payments	14,901	14,901
Expiry of options	(11,400)	(11,400)
Balance at 30 June 2015	102,063	102,063

Note 25. Equity - dividends

There were no dividends paid or declared during the current or previous financial year.

The consolidated entity does not have franking credits available for subsequent financial years.

Note 26. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Note 26. Financial instruments (continued)

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. The consolidated entity operates a US dollar bank account for the purpose of transacting in US dollars.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
Consolidated	**2015 $**	**2014 $**	**2015 $**	**2014 $**
US dollars	5,278,265	-	-	-

The consolidated entity operated a US dollar bank account. There were no other assets or liabilities denominated in foreign currencies at the year end. The US balance on the account was US$4,053,707 and the exchange rate used to translate the balance at 30 June 2015 was $1.3021.

	AUD strengthened			AUD weakened		
Consolidated - 2015	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
US dollar	4%	(209,863)	(209,863)	9%	497,070	497,070

Price risk
The consolidated entity is not exposed to any significant price risk.

Interest rate risk
The consolidated entity's only exposure to interest rate risk is in relation to deposits held. Deposits are held with reputable banking financial institutions.

The tables below illustrate the impact on profit before tax based upon expected volatility of interest rates using market data and analysis forecasts.

	Basis points increase			Basis points decrease		
Consolidated - 2015	**Basis points change**	**Effect on profit before tax**	**Effect on equity**	**Basis points change**	**Effect on profit before tax**	**Effect on equity**
Cash at bank	50	5,331	5,331	50	(5,331)	(5,331)

Note 26. Financial instruments (continued)

	Basis points increase			Basis points decrease		
Consolidated - 2014	**Basis points change**	**Effect on profit before tax**	**Effect on equity**	**Basis points change**	**Effect on profit before tax**	**Effect on equity**
Cash at bank	50	4,139	4,139	50	(4,139)	(4,139)

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2015	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables	-%	1,187,157	-	-	-	1,187,157
Total non-derivatives		1,187,157	-	-	-	1,187,157

Consolidated - 2014	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables	-%	3,422,971	-	-	-	3,422,971
Other loans	-%	639,591	-	-	-	639,591
Total non-derivatives		4,062,562	-	-	-	4,062,562

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

Note 27. Key management personnel disclosures

Directors
The following persons were directors of 3D Oil Limited during the financial year:

Mr Campbell Horsfall	Non-executive Chairman
Mr Noel Newell	Managing Director
Ms Melanie Leydin	Non-executive Director and Company Secretary
Mr Leo De Maria	Non-executive Director (appointed 1 October 2014)
Mr Kenneth Pereira	Non-executive Director (resigned 3 July 2014)

Other key management personnel
The following person also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Mr Andrew Adams	Commercial and Exploration Manager

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2015 **$**	**2014** **$**
Short-term employee benefits	971,425	958,810
Post-employment benefits	60,599	51,466
Long-term benefits	14,901	20,700
	1,046,925	1,030,976

Note 28. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the company:

	Consolidated	
	2015 **$**	**2014** **$**
Audit services - Grant Thornton Audit Pty Ltd		
Audit or review of the financial statements	45,000	47,400

Note 29. Commitments

	Consolidated 2015 $	2014 $
Operating Lease Commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	49,801	88,146
One to four years	49,801	44,073
	99,602	132,219
Exploration Licenses - Commitments for Expenditure		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	250,000	12,000,000
One to five years	500,000	750,000
	750,000	12,750,000

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 National Offshore Petroleum Titles Administration. Minimum 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 indicative 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 confirmed on a year-by-year basis dependent on the Company agreeing to proceed. If the Company was to proceed beyond year 3, the current indicative expenditure commitment for Years 4-6 is gross $41mill and this would be occurring in years 2017-2019.

Note 30. Related party transactions

Parent entity
3D Oil Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 32.

Key management personnel
Disclosures relating to key management personnel are set out in note 27 and the remuneration report in the directors' report.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 31. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2015 $	Parent 2014 $
Loss after income tax	(456,564)	(1,271,574)
Total comprehensive income	(456,564)	(1,271,574)

Statement of financial position

	Parent 2015 $	Parent 2014 $
Total current assets	10,691,121	1,223,391
Total assets	21,825,164	25,669,573
Total current liabilities	1,183,857	4,121,220
Total liabilities	1,300,733	4,703,479
Equity		
Issued capital	52,657,366	52,657,366
Share-based payments reserve	102,063	98,562
Accumulated losses	(32,234,998)	(31,789,834)
Total equity	20,524,431	20,966,094

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2015 and 30 June 2014.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2015 and 30 June 2014.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at as 30 June 2015 and 30 June 2014.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 32. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2015 %	Ownership interest 2014 %
3D Oil T49P Pty Ltd	Australia	100.00%	100.00%

Note 33. Events after the reporting period

No matter or circumstance has arisen since 30 June 2015 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 34. Reconciliation of profit/(loss) after income tax to net cash used in operating activities

	Consolidated 2015 $	Consolidated 2014 $
Profit/(loss) after income tax expense for the year	2,314,986	(1,289,942)
Adjustments for:		
Depreciation and amortisation	38,999	33,703
Share-based payments	14,901	39,450
Foreign exchange differences	(1,174,656)	5,714
Exploration costs written off	-	81,216
Gain on disposal of assets	(2,692,112)	-
Reversal of provision for exploration remedial costs	(500,000)	-
Non-cash fees from operating joint venture	(78,421)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(48,349)	156,370
Decrease/(increase) in prepayments	23,850	(4,320)
Increase/(decrease) in trade and other payables	(2,144,012)	647,841
Increase in provision for income tax	41,266	-
Increase/(decrease) in other provisions	37,513	(76,851)
Net cash used in operating activities	(4,166,035)	(406,819)

Note 35. Earnings per share

	Consolidated 2015 $	Consolidated 2014 $
Profit/(loss) after income tax attributable to the owners of 3D Oil Limited	2,314,986	(1,289,942)
	Number	**Number**
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	1,909,603	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	239,432,603	237,523,000
	Cents	**Cents**
Basic earnings per share	0.97	(0.54)
Diluted earnings per share	0.97	(0.54)

Note 36. Share-based payments

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

2015

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the 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
02/09/2013	30/11/2016	$0.11	300,000	-	-	-	300,000
06/12/2013	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	-	(350,000)	1,523,000

Shares are awarded to executives from time to time based on long-term incentive measures. These include the increase in shareholders value relative to the entire market and the increase compared to the consolidated entity's direct competitors.

2014

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
27/08/2009	30/06/2014	$0.25	64,000	-	-	(64,000)	-
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	595,000	-	-	(100,000)	495,000
02/09/2013	30/11/2016	$0.11	-	300,000	-	-	300,000
06/12/2013	29/11/2016	$0.12	-	250,000	-	-	250,000
			1,087,000	550,000	-	(164,000)	1,473,000

Note 36. Share-based payments (continued)

For the options on issue during the previous and current financial year, 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
27/08/2009	30/06/2014	$0.19	$0.25	0.80%	-%	0.05%	$0.049
27/08/2009	30/06/2014	$0.19	$0.25	0.80%	-%	0.05%	$0.440
02/06/2010	30/11/2014	$0.19	$0.40	0.80%	-%	0.05%	$0.083
02/06/2010	30/11/2014	$0.19	$0.40	0.80%	-%	0.05%	$0.076
02/06/2010	30/11/2014	$0.19	$0.40	0.80%	-%	0.05%	$0.083
24/01/2011	31/01/2015	$0.25	$0.40	0.80%	-%	0.05%	$0.931
07/10/2011	07/10/2015	$0.14	$0.18	1.00%	-%	0.04%	$0.090
15/12/2012	30/11/2015	$0.14	$0.16	1.00%	-%	0.04%	$0.045
02/09/2013	30/11/2016	$0.09	$0.11	1.00%	-%	0.40%	$0.069
06/12/2013	29/11/2016	$0.09	$0.12	1.00%	-%	0.40%	$0.075
23/07/2014	30/11/2017	$0.06	$0.08	103.16%	-%	2.70%	$0.037

3D Oil Limited
Directors' declaration
30 June 2015

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial 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.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Noel Newell
Managing Director

30 September 2015
Melbourne

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

Report on the financial report

We have audited the accompanying financial report of 3D Oil Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2015, 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 year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Auditor's opinion

In our opinion:

a the financial report of 3D Oil Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

  ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in pages 16 to 22 of the directors' report for the year ended 30 June 2015. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of 3D Oil Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B. A. Mackenzie
Partner - Audit & Assurance

Melbourne, 30 September 2015

3D Oil Limited
Shareholder information
30 June 2015

The shareholder information set out below was applicable as at 28 September 2015.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	34
1,001 to 5,000	131
5,001 to 10,000	141
10,001 to 100,000	432
100,001 and over	214
	952
Holding less than a marketable parcel	235

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Noel Newell (Newell Family A/C)	36,661,450	15.43
Oceania Hibiscus SDN BHD	30,963,000	13.04
H Louey Pang & Co Pty Ltd (Demaria Family A/C)	8,550,000	3.60
Citicorp Nominees Pty Limited	7,799,787	3.28
Fugro Exploration Pty Ltd	7,511,000	3.16
Bill Hopper	6,475,000	2.73
Sanlirra Pty Ltd (Sanlirra S/F A/C)	5,307,763	2.23
Pand JR Pty Ltd (John Demaria Family A/C)	4,865,201	2.05
J K Demaria Pty Ltd	4,366,576	1.84
RHB Securities Pte Ltd (Clients A/C)	4,320,178	1.82
Pengold Pty Ltd (Pengold Super Fund A/C)	3,714,000	1.56
Vobe Resources Pty Ltd (Superannuation A/C)	3,694,099	1.56
Andrew Paterson	3,237,500	1.36
Noel Mainwaring	3,050,000	1.28
Mr Giovanni Monteleone + Mrs Frances Monteleone	3,050,000	1.28
Vin Naidu + Wendy Naidu	2,837,500	1.19
Mr Joseph Hannah	2,643,200	1.11
Mr Russell Barwick	2,500,000	1.05
Eilie Sunshine Pty Ltd (Eilie Sunshine Superfund A/C)	2,500,000	1.05
Mr John Mcnamara and Miss Suzanne Maree Bond	2,398,931	1.01
	146,445,185	61.66

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	1,623,000	7

Substantial holders
Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Noel Newell (Newell Family A/C)	36,661,450	15.43
Oceania Hibiscus SDN BHD	30,963,000	13.04

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
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.

There are no other classes of equity securities.