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3D Oil Limited

QUARTERLY ACTIVITIES REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2018

Highlights for the quarter:

- **WA-527-P: Significant technical and commercial progress made**
 - Technical team has identified a potential Dorado look-alike structure on open-file seismic data
 - Commercial discussions commenced with potential strategic partners interested in the Bedout Sub-basin
- **VIC/P57:** Seismic interpretation of the brand new CGG Gippsland Basin Regeneration Reprocessing is underway with preliminary results indicating enhanced prospectivity
- **T/49P:** Planning continues for 3D seismic acquisition. TDO has commenced community stakeholder engagement as part of its Environmental Plan
- **Corporate:** Oversubscribed A\$3.0m capital raising completed during quarter

3D Oil Limited (“**3D Oil**”, ASX: TDO) is pleased to provide an update to its activities for the quarter ending 30 September 2018.

Exploration

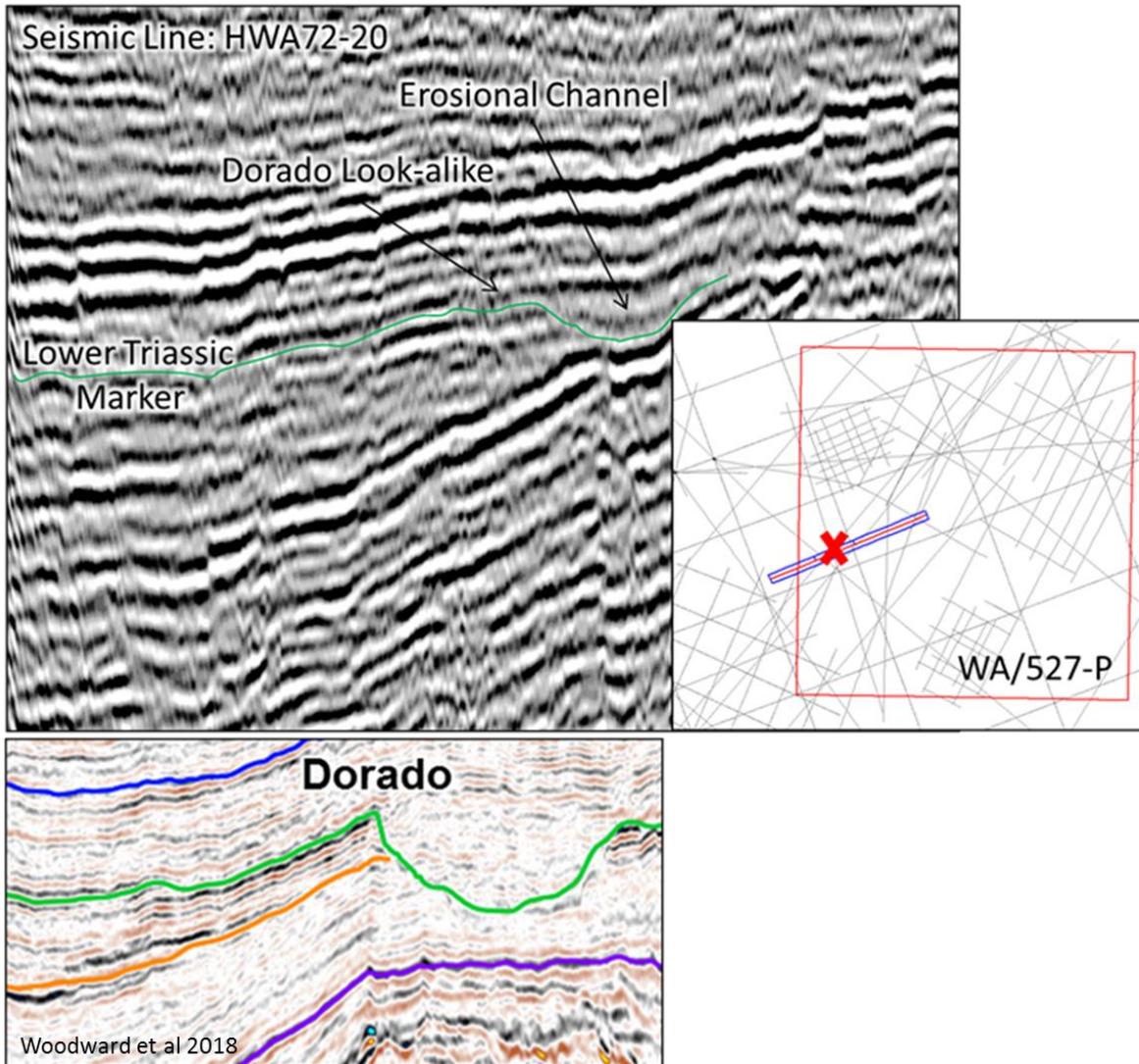
WA-527-P, Bedout Sub-basin, offshore Western Australia

The September quarter was a watershed period for the Bedout Sub-basin and 3D Oil’s 100%-owned exploration permit WA-527-P. On 18 June 2018, the Quadrant / Carnarvon Joint Venture (“JV”) announced a significant oil discovery had been made in the Caley Sandstone member at Dorado-1. The now prolific Caley Sandstone member is interpreted to exist within 3D Oil’s adjacent WA-527-P acreage, along with the Crespin, Milne and Baxter sand intervals which have since demonstrated to contain significant hydrocarbon accumulations.

The influx of transformational data resulting from the Dorado-1 discovery has led to a reinterpretation of the hydrocarbon potential of the Bedout Sub-Basin, including 3D Oil's exploration permit WA-527-P.

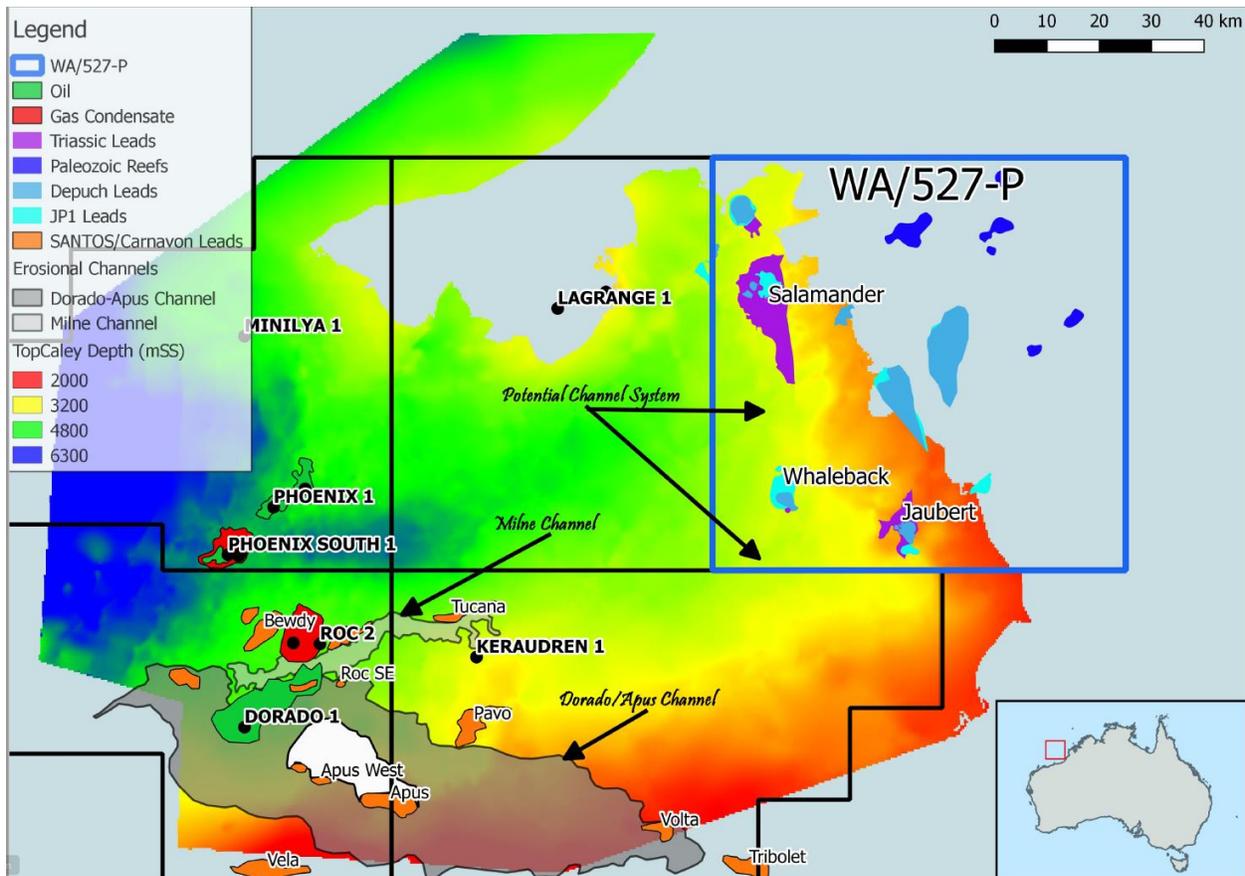
During the quarter, 3D Oil has conducted a detailed review of the open-file 2D seismic data available in the WA-527-P exploration permit. The data is sparse and of varying vintage and quality, however, it has been possible to identify a potential erosional channel system within the western side of the acreage, similar to that which sets up the Dorado oil discovery (refer to Figure 1).

Figure 1: Example of an erosional channel system identified on open-file 2D seismic data and a comparison with the Dorado discovery



The possible channel system is interpreted to cut into Lower Triassic sands, the same as those bearing hydrocarbons at Dorado and Roc. The features are proposed as analogous to the Dorado-Apus and Milne channel systems (Figure 2) that provide the trapping mechanism for the Dorado oil discovery and the Roc South, Pavo and Apus prospects, all considered to represent similar features (refer to Carnarvon release dated 15 October 2018).

Figure 2: Map showing the Dorado-Apus, Milne Channel systems, accompanying leads and the locations of similar channel features within WA-527-P



3D Oil has commenced reprocessing of key 2D seismic lines within the western side of the acreage. It is hoped that modern reprocessing will aid in the mapping of this potential channel system and assist 3D Oil in determining the best possible location for 3D seismic acquisition. It should be noted that significant additional geophysical interpretation is required before 3D Oil can fully confirm and delineate these features.

Recent publications made by Quadrant Energy to leading Australian Oil & Gas Journal APPEA indicate that the Lower Triassic contains excellent quality oil-prone source rocks¹. 3D Oil has undertaken a new thermal and migration model that integrates these source rock parameters with the Dorado-1 results. The results from the migration model indicate significant hydrocarbon could be available to the western side of WA-527-P, located along the margin of the Bedout Sub-basin.

¹ Woodward et al. 2018

**Table 1: WA-527-P Prospective Resource Estimate (MMbbls)
Recoverable Oil**
(ASX ann. 26-Feb-18)

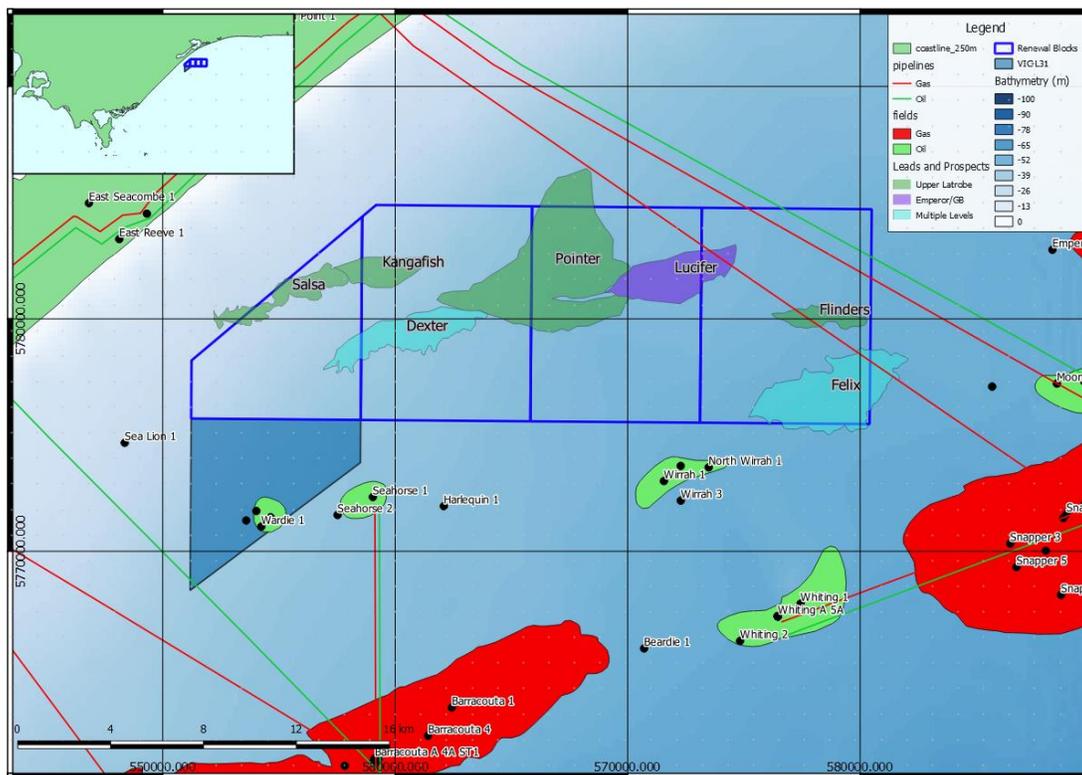
Prospect	Status	Low	Best	High
Salamander	Lead	57	191	713
Jaubert	Lead	17	72	205
Whaleback	Lead	16	87	219
WA-527-P Arithmetic Total		90	349	1,138

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

VIC/P57, Gippsland Basin, offshore Victoria

TDO has a 24.9% interest in the VIC/P57 exploration permit in the offshore Gippsland Basin with JV partner and operator Hibiscus Petroleum. TDO acts as technical adviser to the JV.

Figure 3: Prospects and Leads, VIC/P57



During the quarter 3D Oil has undertaken high-resolution seismic interpretation of 564km² of the CGG Gippsland Regeneration Reprocessing Project. The dataset offers highly improved imaging of the sub-surface and initial analysis suggests uplift to the prospectivity of the permit.

As shown in Figure 5, the Felix Prospect is now clearly visible and the reprocessing has revealed an exceptional increase in the level of observable detail. 3D Oil believes that it is now possible to understand the trapping mechanism at Felix with far greater accuracy. The data also provides greater confidence with respect to the closures within the lower Latrobe Group, which is proven to host gas in other structures such as at Kipper and South Remora.

3D Oil looks forward to receiving the final deliverables of the dataset, including offset stacks, gathers and velocity model, which will form inputs for quantitative geophysical interpretation and AVO analysis.

Figure 4: Example of data improvement at the Felix Prospect (reprocessing on right-hand side)

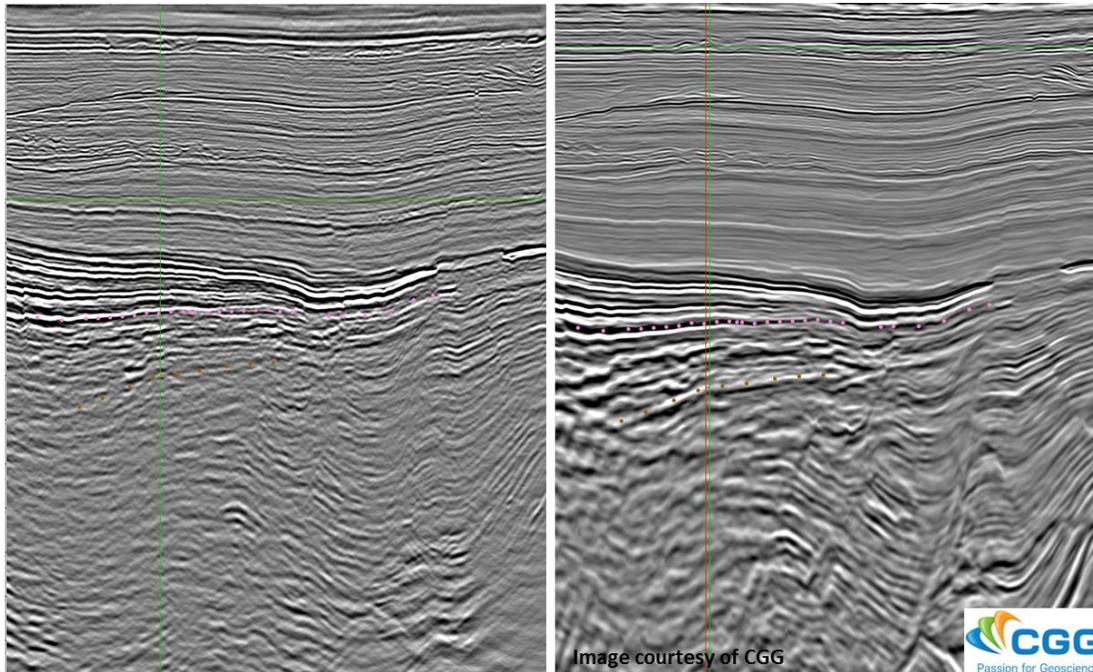


Table 2: VIC/P57 Prospective Resources Estimate (MMbbls) Recoverable Oil
(ASX ann. 27-Jul-17)

Location	Status	Low	Best	High
Felix	Prospect	6.8	15.9	26.9
Salsa	Lead	10.7	15.1	20.6
VIC/P57 Arithmetic Total		17.5	31.0	47.5

Table 3: VIC/P57 Prospective Resource Estimate (BCF) Recoverable Gas

Location	Status	Low	Best	High
Pointer	Prospect	140.1	235.3	364.9
Dexter	Lead	37.0	132.0	259.1
VIC/P57 Arithmetic Total		177.1	367.2	624.0

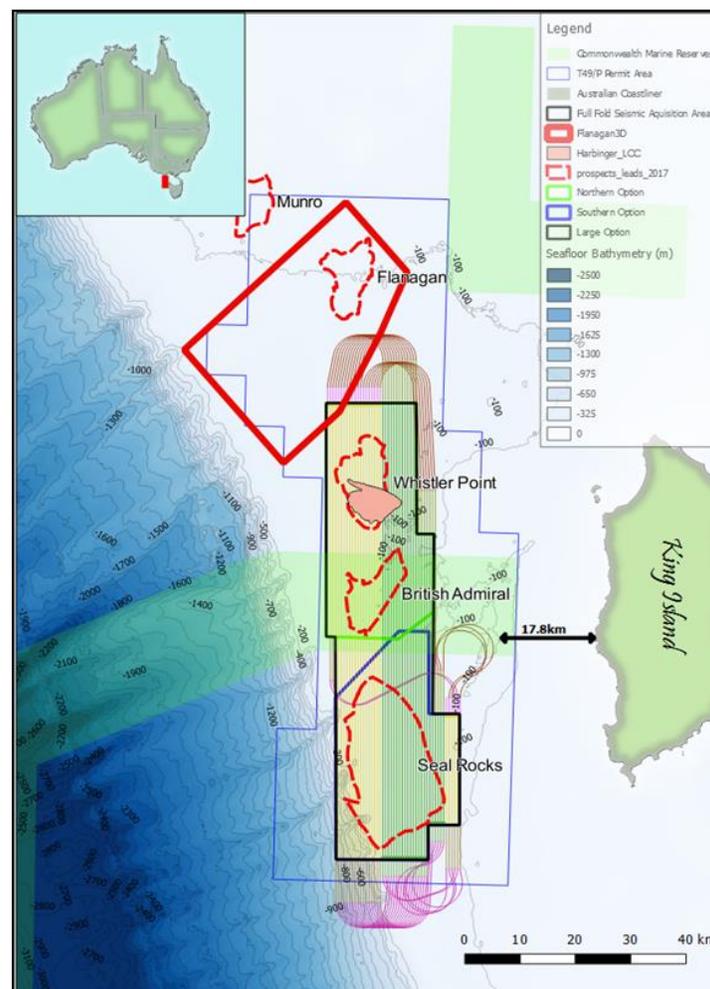
The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required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

T/49P, Otway Basin, offshore Tasmania

3D Oil holds a 100% interest in the T/49P exploration permit, which covers 4,960 km² of the strategic offshore Otway Basin. The permit is located adjacent to the producing Thylacine and Geographe gas fields (100% owned by Beach Energy Limited (ASX: BPT)). The Company continues to engage with a number of large international petroleum companies interested in contributing significant investment to the project, while discussions progress under confidentiality agreements.

3D Oil continues to plan for 3D seismic acquisition in the permit and the survey is intended to cover the central and southern part of the acreage. 3D Oil is in the final stages of drafting the Environmental Plan for the survey and is in the midst of engaging with community stakeholders, as per government regulatory requirements. 3D Oil is strongly committed to an open and thorough consultation process and as such, this process has been on-going since March 2018 and will continue until regulatory requirements are fully satisfied.

Figure 5: Location Map of the Dorrigo 3D Marine Seismic Survey shown with Leads and Prospects



The forthcoming 3D seismic survey, named Dorrigo, will target a series of significant leads across the central and southern portion of T/49P with the intention of maturing several of these to prospect status.

One of the key leads to be targeted by the seismic program is the **Harbinger** Lead, supported by a Type III AVO anomaly indicative of gas. Another candidate for 3D seismic acquisition is the **Seal Rocks** lead, with a Best Estimate Prospective Resource of over 4 TCF. **Seal Rocks** is constrained by widely spaced grid of 2D seismic and requires modern 3D data to assess more accurately.

Table 3: T/49P Prospective Resource Estimate (TCF) Recoverable Gas
(ASX ann. 27-Jul-17)

Location	Status	Low	Best	High
Flanagan	Prospect	0.53	1.34	2.74
Munro (T/49P Part)	Lead	0.04	0.19	0.57
Whistler Point	Lead	0.82	2.04	8.95
British Admiral	Lead	0.37	1.03	4.45
Seal Rocks	Lead	0.95	4.64	10.64
Harbinger	Lead	0.33	0.79	1.43
T/49P Arithmetic Total		3.04	10.03	28.77

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

Corporate

During the quarter the Company undertook a successful placement (“Placement”) and a Share Purchase Plan (“SPP”).

The funds raised will be applied to WA-527-P for the reprocessing of seismic data and to undertake a comprehensive prospectivity update of the permit. The Company raised A\$2.5 million through an oversubscribed placement to sophisticated and institutional investors and raised an additional A\$0.5 million through an SPP. The total amount raised under the Placement and SPP was A\$3 million and this was the first capital raising in 10 years for the Company.

Petroleum Tenement Holdings

As at 30 September 2018, 3D Oil’s petroleum tenement holdings were:

Tenement and Location	Beneficial interest at 30 Jun 2018	Beneficial interest acquired / (disposed)	Beneficial interest at 30 Sep 2018
VIC/P57 Offshore Gippsland Basin, VIC	24.9%	nil	24.9%
T/49P Offshore Otway Basin, TAS	100%	nil	100%
WA-527-P Offshore Roebuck Basin, WA	100%	nil	100%

Qualified Petroleum Reserves and Resources Evaluator Statement

The Prospective Resources estimates in this release are based on, and fairly represent, information and supporting documents prepared by, or under the supervision of Dr David Briguglio, who is employed full-time by 3D Oil Limited as Exploration Manager. He holds a BSc.Hons and PhD in Petroleum Geoscience and has been practicing as a Petroleum Geoscientist for 8 years. Dr Briguglio is qualified in accordance with ASX listing rule 5.41 and has consented in writing to the inclusion of the information in the form and context in which it appears.

Prospective Resources

The estimates have been prepared by the company in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System, 2011 approved by the Society of Petroleum Engineer. Prospective Resource estimates are for recoverable volumes and unless otherwise stated this report quotes Best Estimates and gross volumes. The estimates are un-risked and have not been adjusted for both an associated chance of discovery and a chance of development. The Prospective Resources have been estimated with both probabilistic and deterministic methods.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

3D OIL LIMITED

ABN

40 105 597 279

Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(163)	(163)
(b) development	-	-
(c) production	-	-
(d) staff costs	(103)	(103)
(e) administration and corporate costs	(162)	(162)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(423)	(423)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other: (cash on deposits)	-	-
2.6	Net cash from / (used in) investing activities	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	2,450	2,450
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(175)	(175)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	2,275	2,275
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,008	1,008
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(423)	(423)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,275	2,275
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,860	2,860

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	2,648	796
5.2 Call deposits	118	118
5.3 Bank overdrafts	-	-
5.4 Other – Bank Guarantee	94	94
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,860	1,008

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	100
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Salaries, superannuation and Director's fees paid to directors and related entities during the September 2018 quarter.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

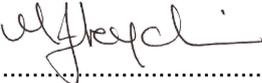
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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	435
9.2 Development	-
9.3 Production	-
9.4 Staff costs	163
9.5 Administration and corporate costs	109
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	707

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: 30 October 2018
(Company secretary)

Print name: MELANIE LEYDIN

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.