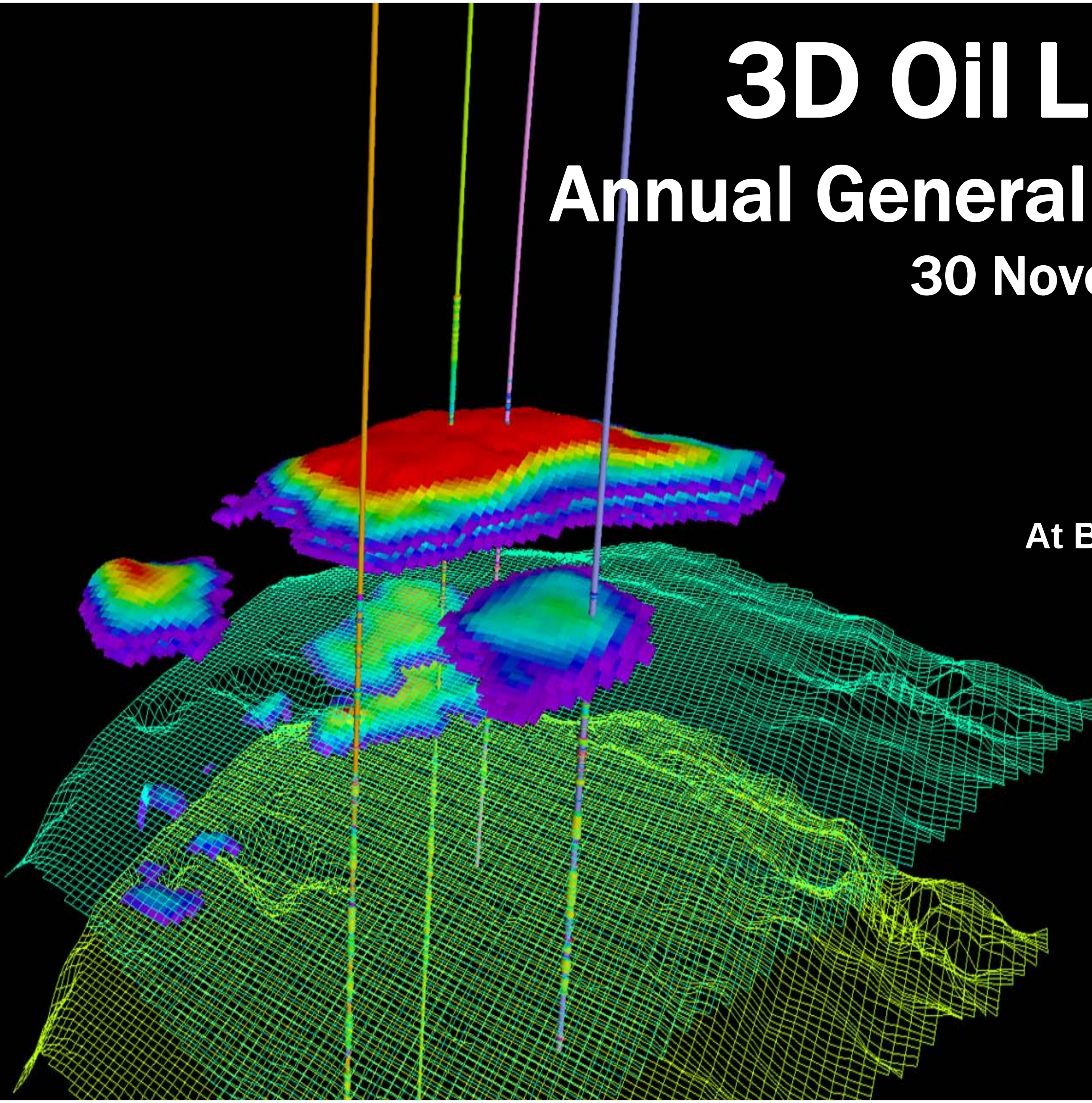
# 3D Oil Limited

## Annual General Meeting

### 30 November 2010



**At Baker & McKenzie**
**William Street**
**Melbourne**

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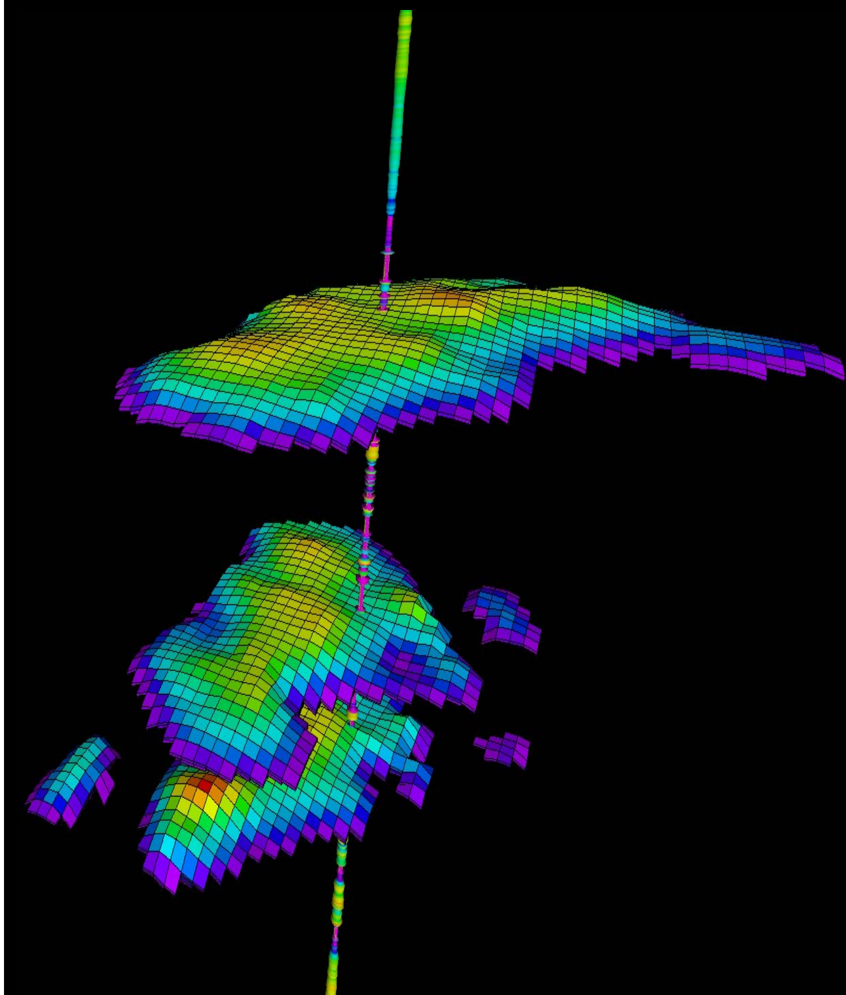
# Overview



3D Oil is a small but highly focused oil and gas exploration and development company with an enviable reserve base and significant prospective resources within a proven and prolific fairway.

- Sizeable increase in 2P and 3P reserves expected for West Seahorse from Independent Expert certification.
- The company has recently identified a further 9MMbbl OIIP (C2) in West Seahorse not included in the certification.
- Front End Engineering and Design work for a stand alone development of West Seahorse continues while negotiations progress well for third party onshore tie in.
- Sea Lion prospectivity significantly enhanced by recent revised evaluation including large deeper gas target.
- Seeking a strategic partner on appropriate terms has taken longer than the company had envisaged. The company is currently in advanced discussions with a number of international and local companies.

# Corporate Status

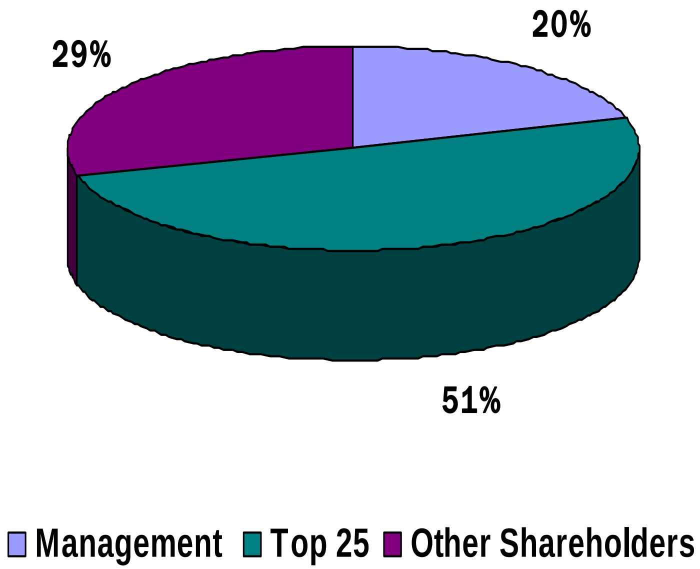
**3D Oil has significant short to medium term upside as it is poised to become a mid tier E&P company**

**Management alignment** - The 3D Oil management hold over 20% of issued shares ensuring an strong alignment with shareholder interest.

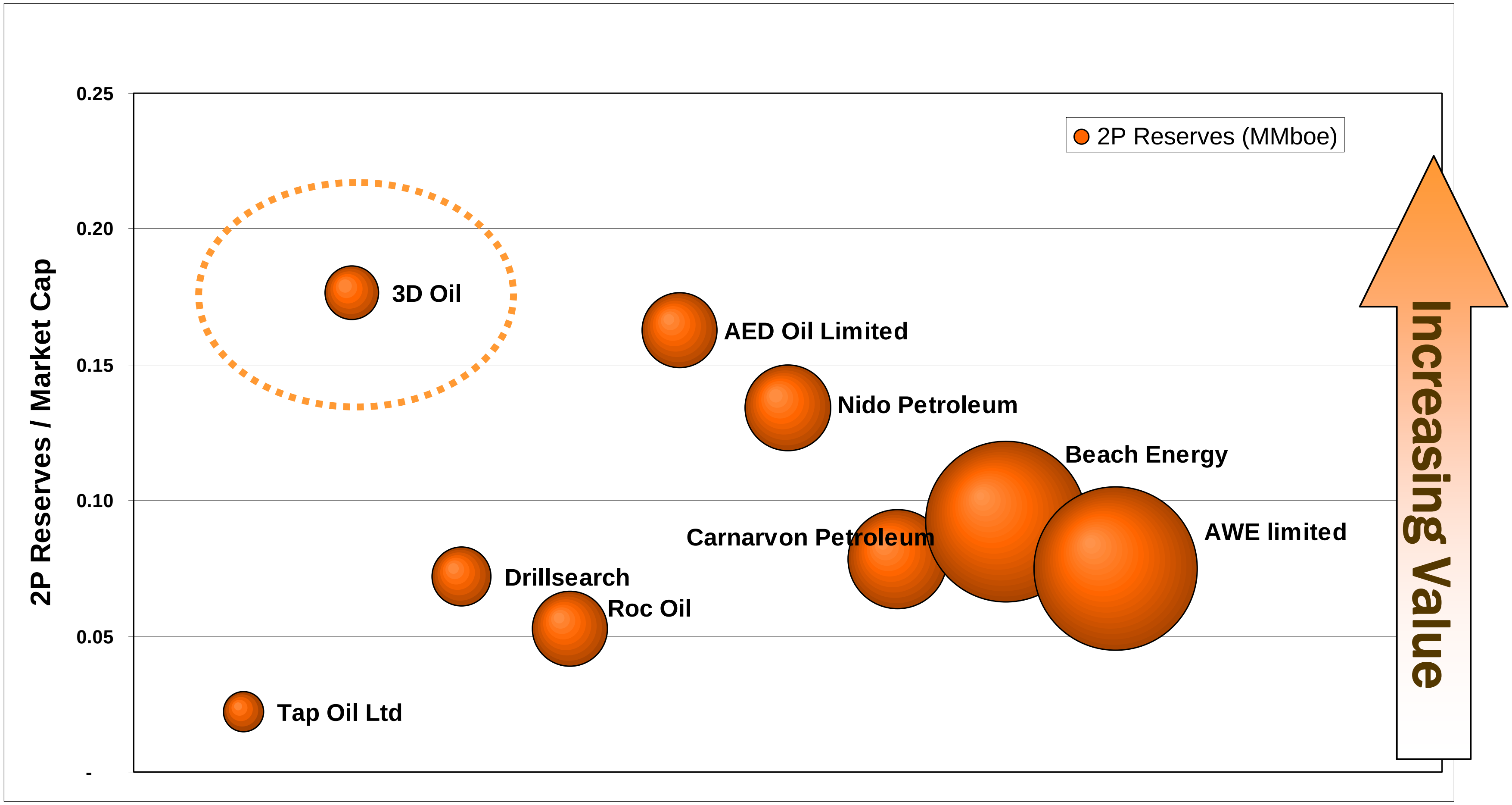
**Funding** - The company has continually articulated the strategy of striving to minimise the issue of new capital. This philosophy has underpinned our commercial discussions with potential strategic partners. The company currently has just under $8m and no debt.

**Share price upside** – 3D Oil has 206.6 million shares on issue and a market capitalisation of approximately $40m. On this basis only $32m is ascribed to the company's development and exploration assets. The West Seahorse project alone has a Net Present Value (NPV) of well over $140m.

**Beyond West Seahorse** – The development of West Seahorse will enable significantly easier commercialisation of any other discoveries in Vic/P57. The company is continually reviewing new opportunities which fit within our exploration philosophy and recently bid on a new block. The company will continue to take early high equity positions while adding value to obtain leveraged positions.



# Peers Comparison
## Producers and developers




**Market capitalisation relative to 2P reserves – Producers and Developers**

Source; Respective company releases

# Assets and Potential

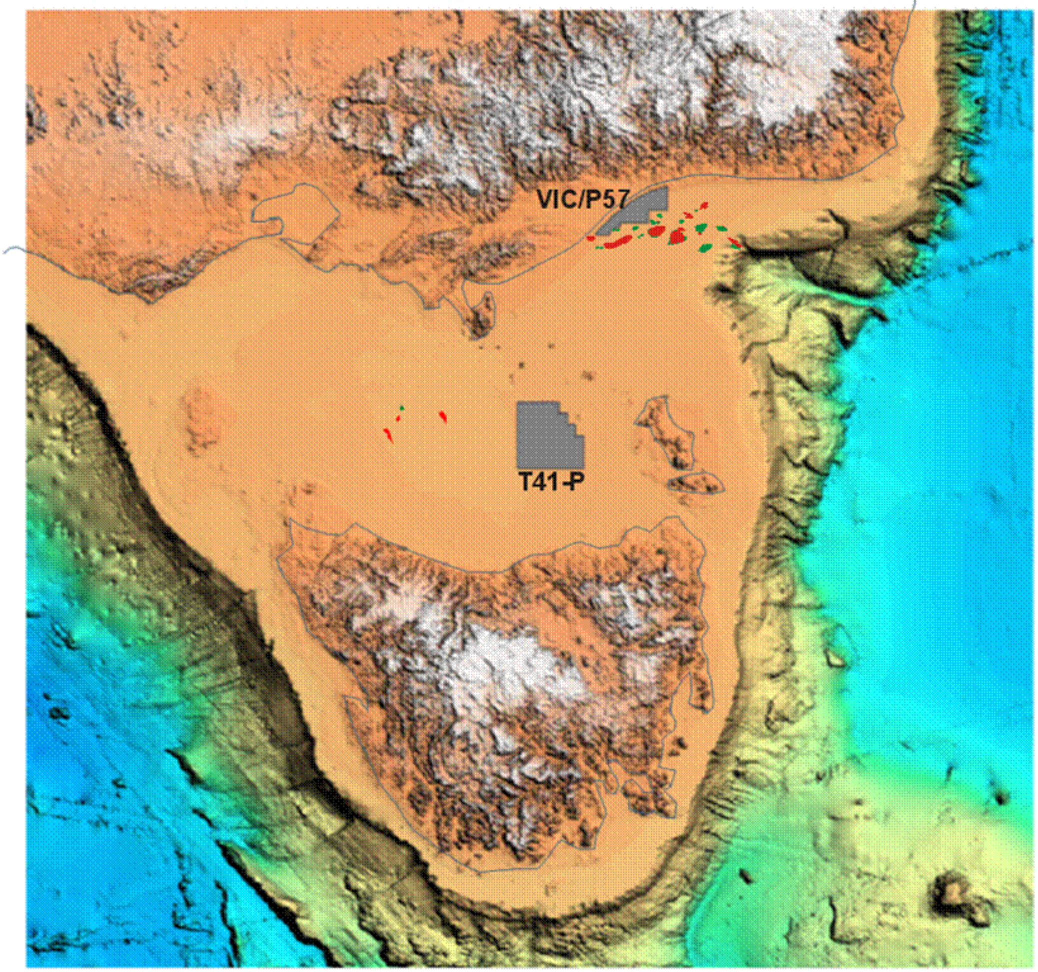
## Vic/P57

- West Seahorse – Currently 5.3 MMbbl (2P reserves) with first oil 2012/13
- Sea Lion – Ready to drill, 20 MMbbl prospective resource with deep gas target
- Felix – low risk, high impact oil prospect with 100 MMbbl potential
- Currently 9 prospects and leads identified by 3D seismic

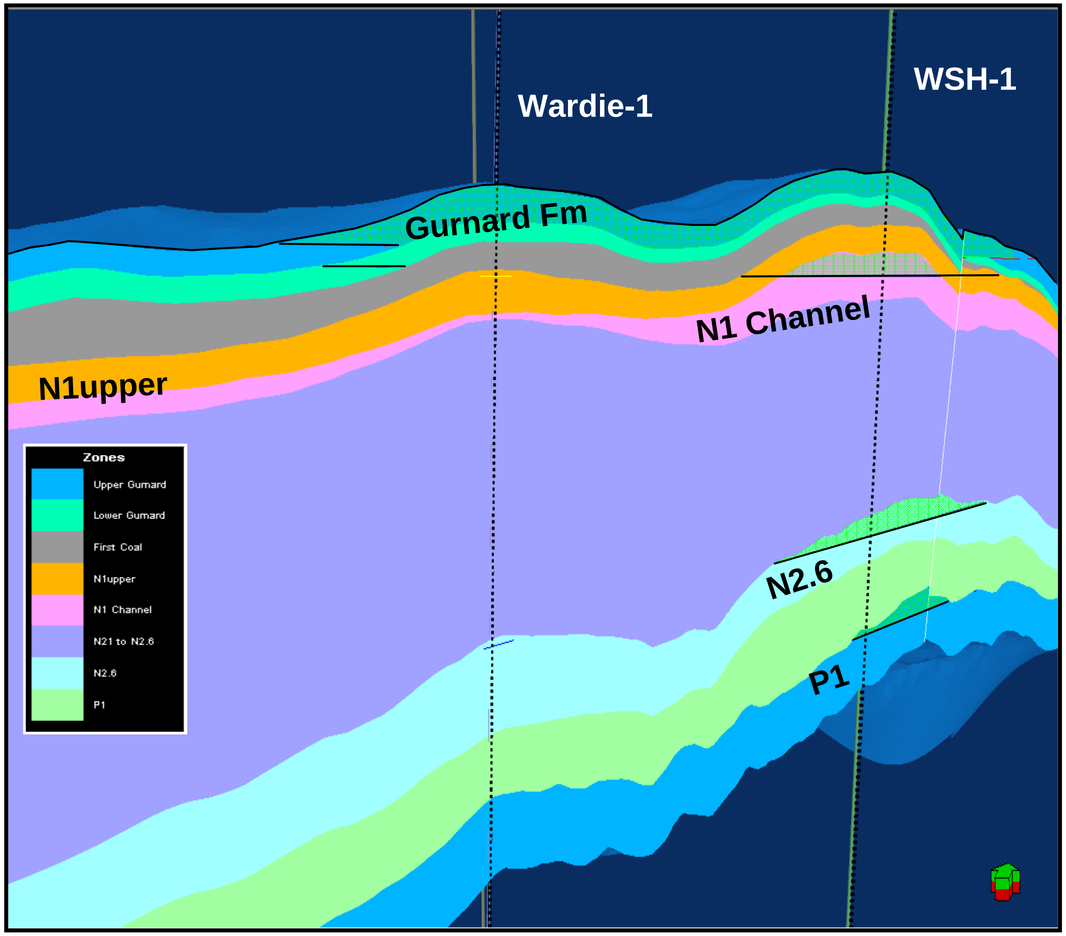
## T41-P

- Dalrymple – has the potential to be the new Yolla. 3D seismic to be acquired in February 2011.

**The company has also bid on a new block in the region**



# West Seahorse resource




3D image of the West Seahorse complex

The 2P and 3P reserves of West Seahorse are expected to increase following an extensive evaluation by Gaffney Cline and Associates. The certification also provides a bankable document.

| | | |
|---|---|---|
| Current Reserves – | 1P | 4.1 MMbbl |
| | 2P | 5.3 MMbbl |
| | 3P | 6.8 MMbbl |

All reserves will be assigned only to **N1 and N2.6** reservoirs.

Additional potential;

P1 reservoir – Up to an additional **1 .5 MMbbl**

Gurnard Formation

The Gurnard Formation is an interlaminated unit directly beneath the regional seal and has largely been overlooked in the Gippsland Basin.

Recent in house work has indicated the unit contains approximately **9 MMbbl** (Most likely OOIP) over the West Seahorse complex.

3D Oil will continue to evaluate this unit to ascertain the best way to exploit it.

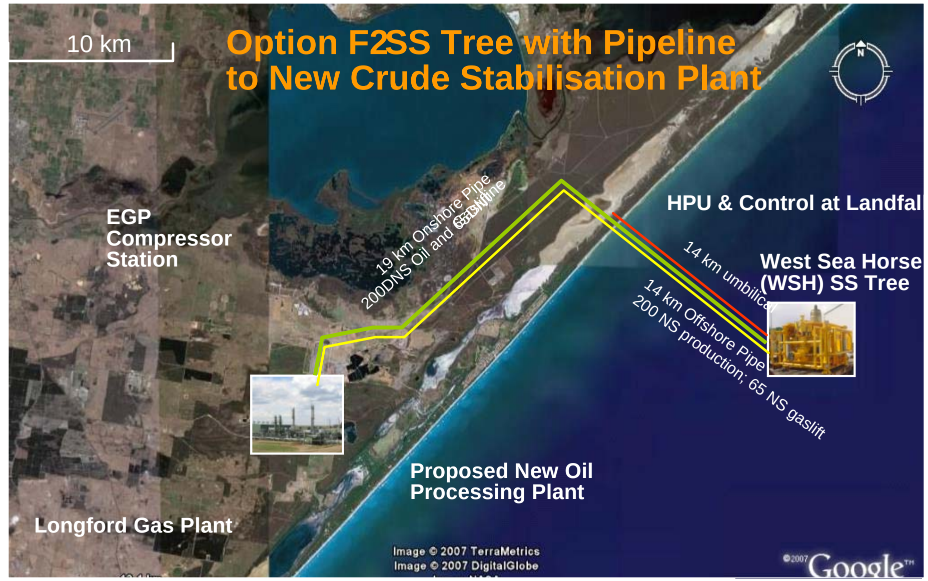
# West Seahorse development

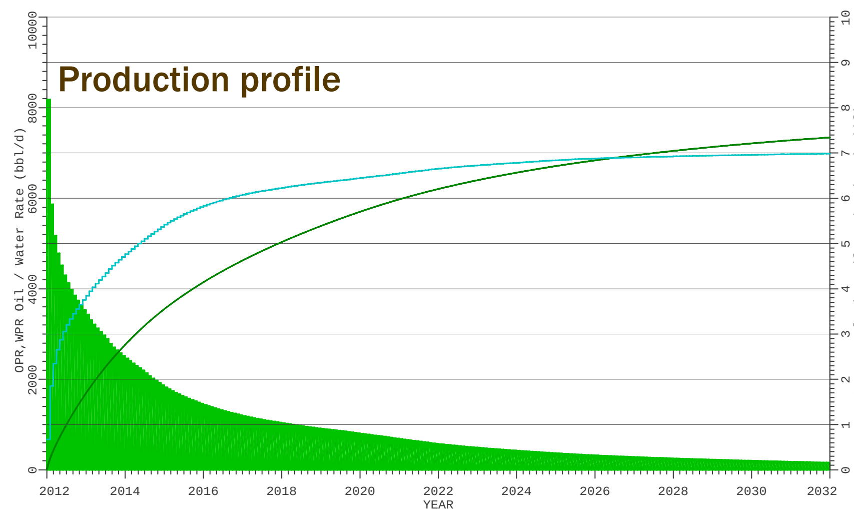
**3D Oil is progressing with the FEED study (WorleyParsons) for subsea tie back to shore. Following extensive review the company believes this option the most favourable.**

**Principal components;**

- Subsea completion of West Seahorse-3
- 14km of offshore pipelines (production and gas lift lines)
- 19km of onshore pipelines
- Stabilisation plant with export of oil by road tanker and gas by pipeline to EGP
- Potential to commence at over 7000 bopd

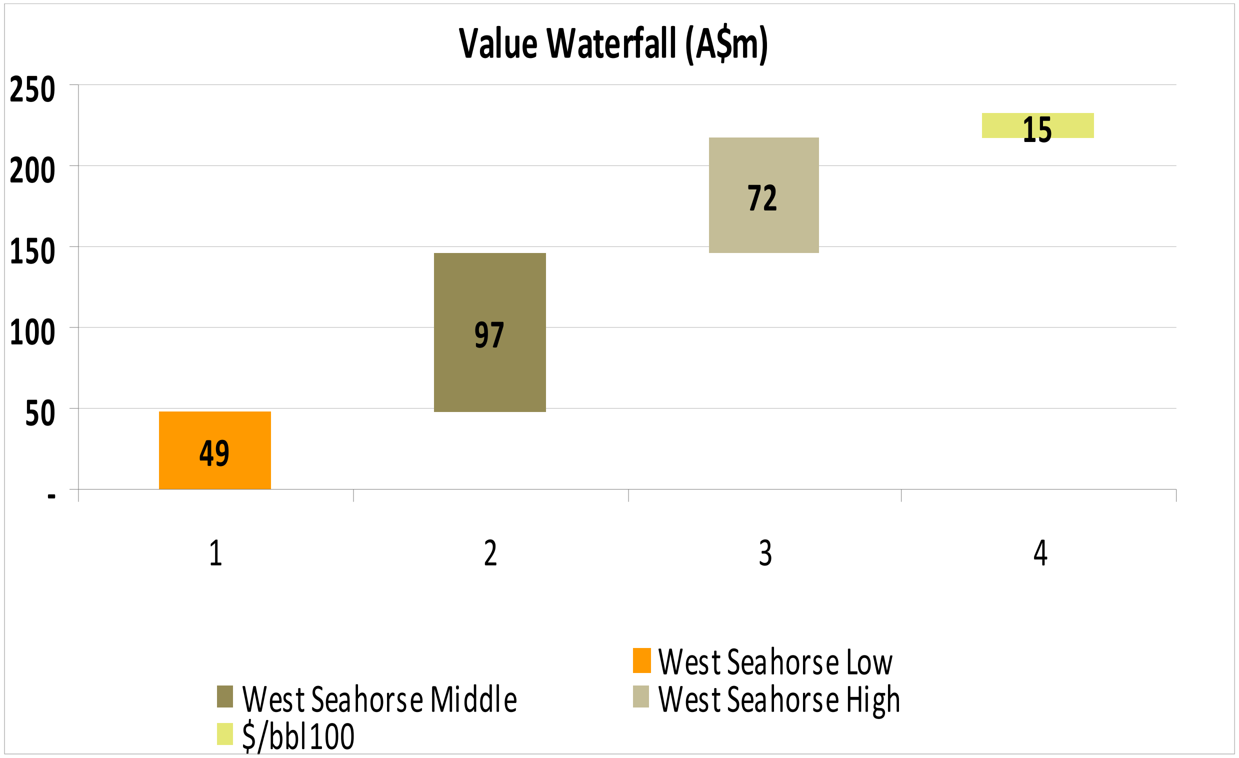
**3D Oil is also making good progress in negotiations for tie-in to third party onshore facilities which removes the need for a stabilisation plant and therefore reduce capex, construction time and the approval process.**



# West Seahorse economics

## Net Present Value (NPV) A$

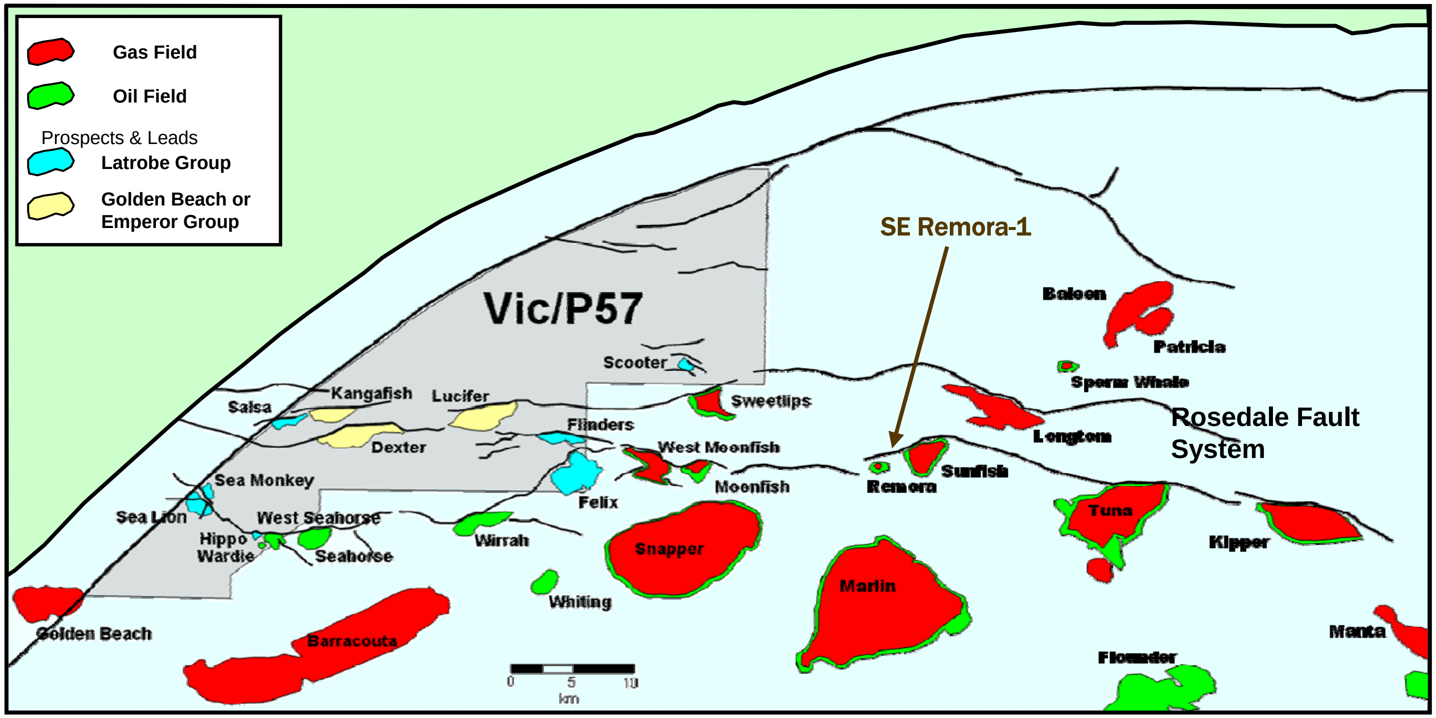



**The West Seahorse project has an NPV of over A$140m based on;**

**2P reserves**
**US$80 WTI (Gippsland oil based on Tapis)**
**One well development**
**Stand alone development**
**First oil late 2012**

**The West Seahorse development break even oil price is below US$40/bbl making it very robust.**

# Exploration Vic/P57, Victoria




**Vic/P57 is located on trend with a prolific sweet-spot, in the Gippsland Basin, which by virtue of historic reasons has been left virtually unexplored**

- 3 prospects identified along the 'oily' southern margin of the Rosedale Fault System
- 5 prospects leads along the northern margin of the Rosedale Fault System
- All prospects and leads defined by 3D seismic which is currently undergoing state of the art reprocessing

**Recoverable potential of >200 MMbbl oil and >1 TCF gas**

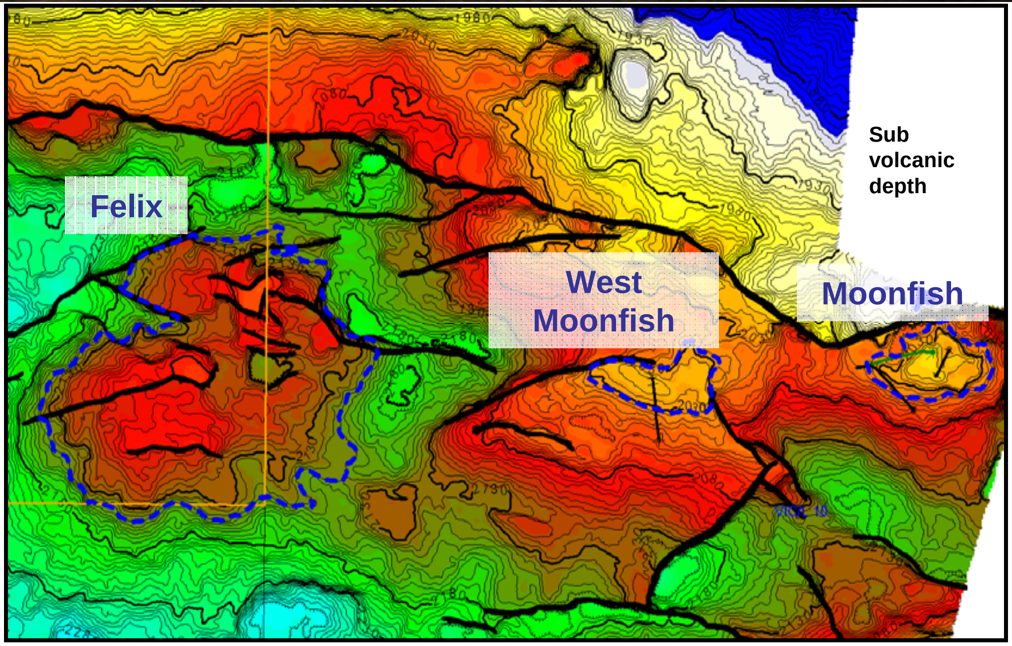
# Felix Prospect

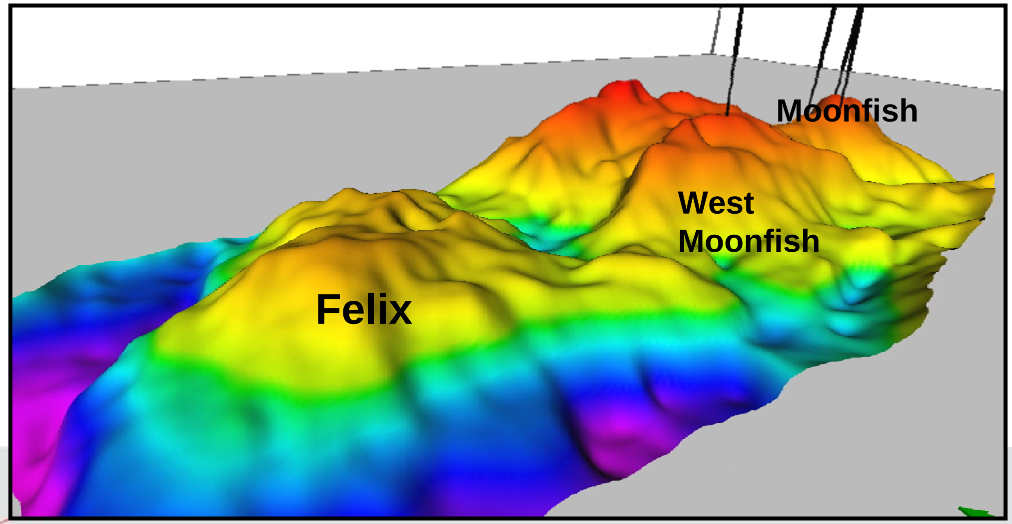
**Felix is arguably the best oil prospect in Australia**

**Felix:**

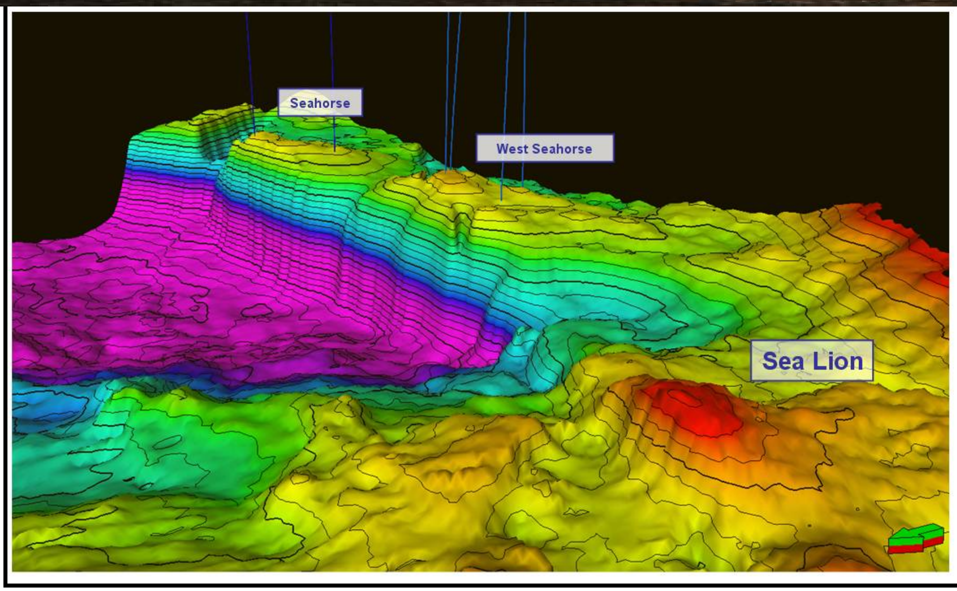
- is a large inversion feature along the Rosedale Fault System.
- has increasing closure with depth as it inverted on an older deeper fault.
- is located between two oil fields Wirrah and Moonfish, and appears larger at the sub volcanic level which contains oil in both fields.
- was not recognised prior to the Northern Margin 3d seismic due to the poor seismic density and quality. 3D Oil are currently reprocessing the 3D seismic.
- has significant gas potential at deeper levels.

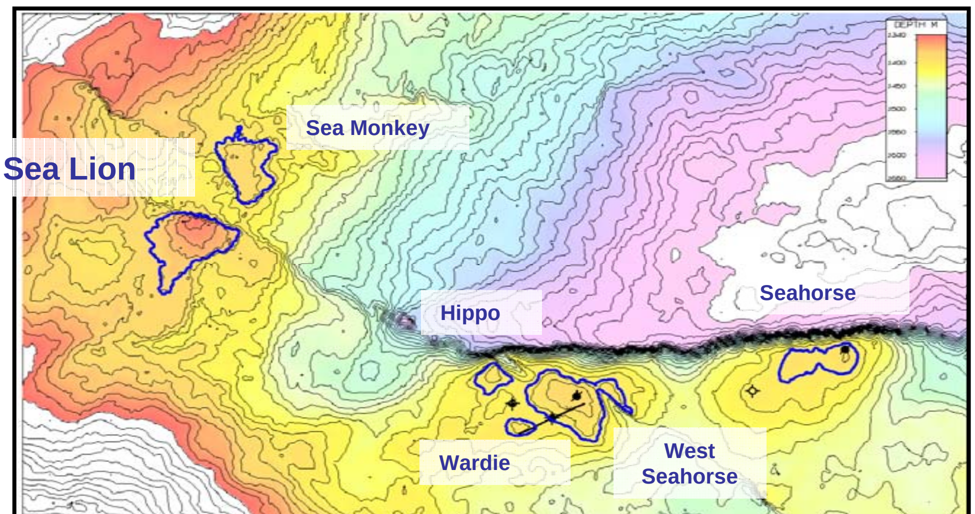
**There is still some low hanging fruit if you look hard enough**



# Sea Lion Prospect, Vic/P57




**Sea Lion is the 'next cab on the rank' along trend from West Seahorse and Seahorse**

- Prospective Resource best estimate of 20 MMbbl recoverable (Independent expert's assessment).
- Interpreted to contain same reservoir units as West Seahorse together with an additional shoreface sand immediately below the seal.
- Recently identified large deep targets underlying the primary oil reservoirs .
- A discovery at Sea Lion would provide an add-on to the West Seahorse development.

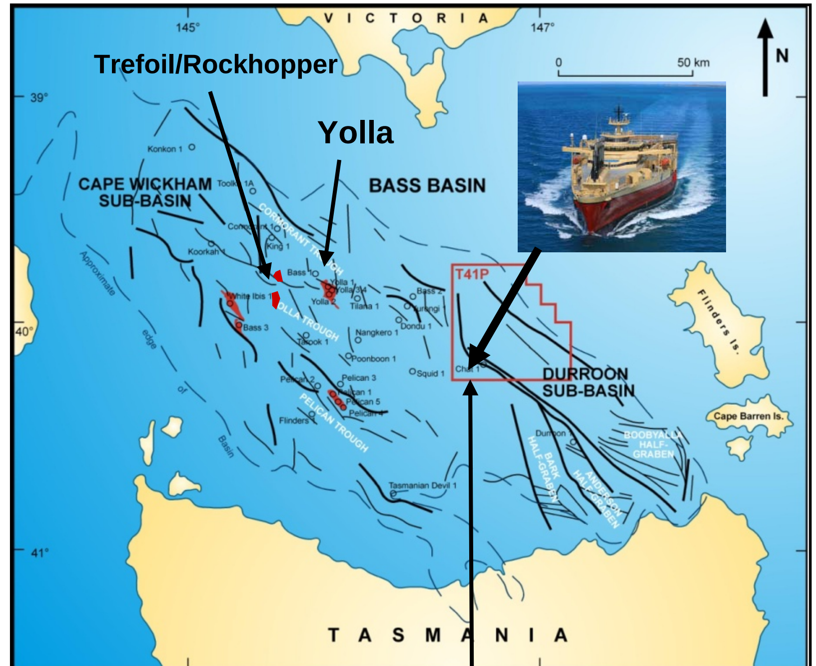
**Sea Lion has the potential to triple the NPV of the West Seahorse project**

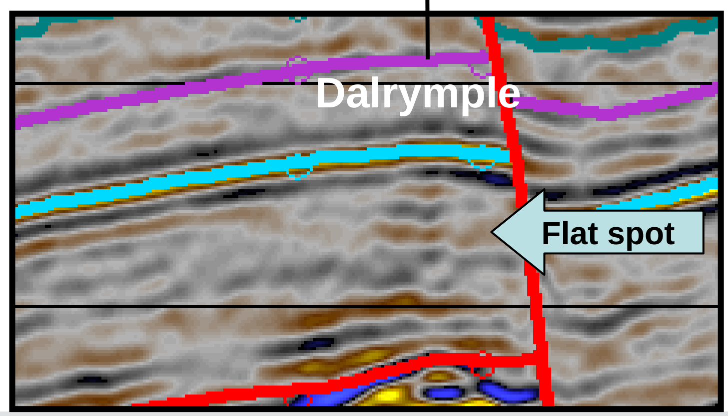
# Exploration T41-P, Tasmania

**The Bass Basin slowly emerges as an exciting petroleum province.**

- In the last year an oil discovery was made in the Rockhopper-1 well and Trefoil-2 successfully confirmed the southern extension of the Trefoil Gas Field.
- A further two exploration wells are planned this summer.
- 3D Oil will acquire a 250 sq km 3D seismic survey in February over the Dalrymple Prospect in T-41P.
- The Dalrymple feature was originally identified when the permit was gazetted and subsequent 2D seismic acquisition has confirmed the size and obvious flat spot.
- Following interpretation of the 3D seismic in 2011 3D Oil intends to find a partner to drill Dalrymple in the following year.

**Dalrymple has potential to be as large as Yolla**



# The Challenges and Initiatives

**Funding solution for West Seahorse**

- Ultimately a combination of partnering, and debt finance.
  The company is in advanced discussions with international companies and debt providers. Finalisation of certification by GCA will contribute significantly to moving forward in both areas.

**Development of West Seahorse**

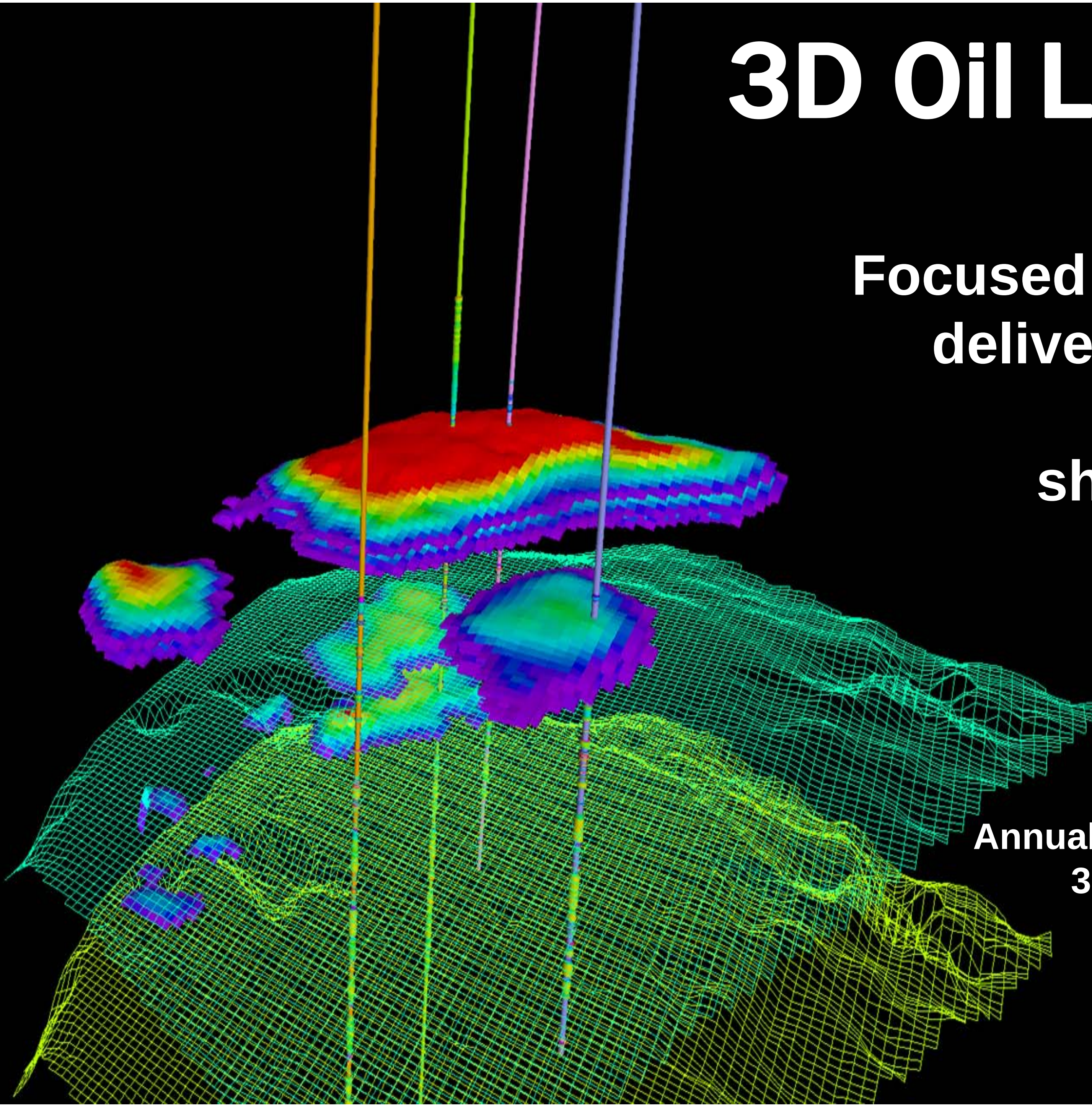
- The company is advancing FEED with WorleyParsons and is in advanced discussions for an onshore third party tie in.
  The company is assembling a small but very experienced team with significant development experience in Bass Strait.

**Funding for future exploration**

- In the short term the company is seeking a partner to minimise it's exposure to expensive offshore drilling costs. Further afield the company will use the cash flow from West Seahorse production for exploration and potential acquisitions.

**Future growth**

- Within the medium term the there is significant, relatively low risk, prospectivity within the current portfolio. The company will review new opportunities where it can take advantage of its strengths and exploit niche positions.
  The company recently submitted a bid in one such area and is about to acquire seismic in the Bass Basin to mature a further prospect.



# 3D Oil Limited

## Focused strategy to deliver value and growth to shareholders

**Annual General Meeting**
**30 November 2010**