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ASX Release

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3D Oil Update

On 3 November 2011, 3D Oil Limited (“3D Oil”, ASX: TDO) announced that it had entered into a non-binding term sheet with Canadian oil and gas company, Oracle Energy Corp. ("OEC"), for a farm into 3D Oil's VIC/P57 permit. The transaction was conditional upon the parties signing definitive documentation, which was expected by 17 February 2012.

Over the past 3½ months, 3D Oil and OEC have made significant progress in due diligence on the potential farm-in. OEC has now notified 3D Oil that it will be unable to finalise definitive documentation and commercial terms in accordance with the original timetable and terms.

3D Oil and OEC will progress discussions on a revised, non-exclusive basis. There is no certainty that any revised term sheet will be agreed with OEC.

In parallel, 3D Oil will recommence discussions with other parties, including those that have previously expressed an interest in VIC/P57 and 3D Oil.

Gresham Advisory Partners Limited has been retained to assist 3D Oil.

For further information, please contact:

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About 3D Oil Limited

3D Oil Limited was incorporated in July 2003 and acquired a 100% interest in the Gippsland Basin Permit VIC/P57 in Bass Strait, through the gazettal process in April 2004. The Permit covered, at that time, a 750 square kilometre area and had been tested by only four wells, one of which was the West Seahorse oil discovery, and only one of these wells has been drilled within the last 25 years.

VIC/P57

3D Oil was recently granted renewal of VIC/P57 for a five-year term, which commenced on 10 August, 2011. All of the identified leads and prospects in VIC/P57 were retained following the compulsory relinquishment of half of the graticular blocks in the original permit. The renewed acreage comprises approximately 483 square kilometres (around two thirds of the original area).

The permit contains the West Seahorse Field in which global petroleum consultants, Gaffney, Cline & Associates, have estimated that the 2C Contingent Resource is 9.2 MMbbl.

VIC/P57 also overlies the prolific Rosedale Fault System which has numerous associated prospects and leads within the permit including the Sea Lion and Felix Prospects. Sea Lion is adjacent and a lookalike to the West Seahorse structure and the potential to add significant value to the development.

The Felix Prospect is also located within an established oil production fairway between the Moonfish oil field and the Wirrah discovery while it is structurally similar to the former. This prospect has the potential to contain significant volumes of hydrocarbons.

Most of VIC/P57 is covered by modern 3D seismic which is currently undergoing state of the art reprocessing primarily to improve imaging in the deeper prospective levels.

T41-P

In addition, the Company has a 100% interest in the Bass Basin Permit T41-P in Bass Strait. The Permit covers approximately 2,805 square kilometres and previously had only been lightly explored with only a regional grid of 2D seismic and one exploration well.

Since acquisition of the permit in June 2005, 3D Oil has acquired both regional 2D and prospect targeted 3D seismic data.