



3D Oil Limited

Level 5, 164 Flinders Lane

Melbourne VIC 3000

Tel: +61 3 9650 9866

Fax: +61 3 9639 1960

www.3doil.com.au

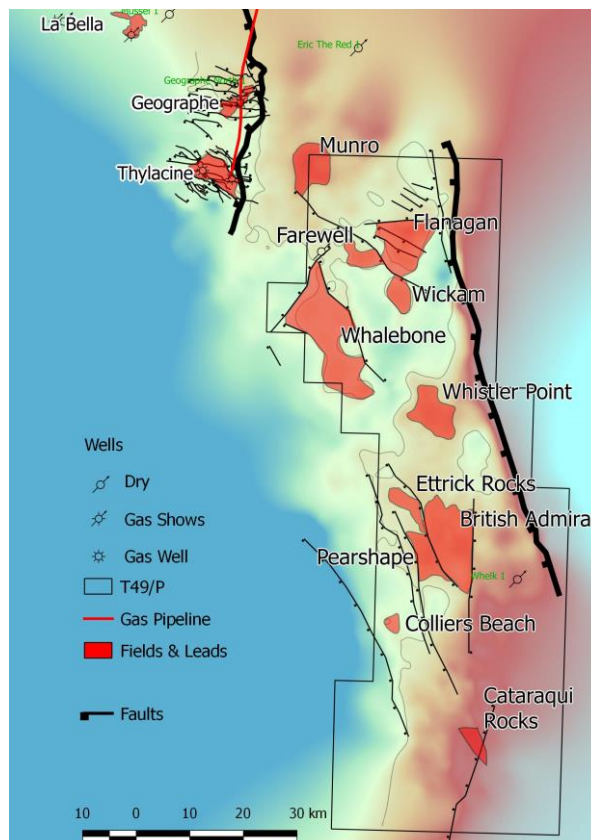
ASX Release

12 December 2013

High Potential Gas Play for 3D Oil Limited

HIGHLIGHTS

- High impact prospectivity based on extension of producing trends
- 3 TCF GIIP unrisked potential in Flanagan Lead, close to Thylacine
- Over 10 additional leads identified with a total unrisked potential of almost 20 TCF in almost 5,000 km² permit
- East coast gas markets continue to strengthen
- \$1 billion indicative NPV for single 1.4 TCF field
- Strong indicative NPVs for even modest discoveries
- Farmin discussions progressing with a range of potential JV partners



T/49P Leads and Thylacine and Geographe Fields

3D Oil Limited (ASX: TDO) is pleased to provide an update on activities related to its recently acquired high impact T/49P permit (TDO 100%). Located in the offshore Otway Basin T/49P is adjacent the Thylacine and Geographe gas fields which have a combined gas in place ("GIP") of over 2 TCF. Thylacine is the largest gas discovery in the Otway Basin.

T/49P covers an area of 4,960 km² in water depths generally no greater than 100m. The permit is lightly explored covered by a broad grid of 2D seismic data of varying vintages and has two early exploration wells.

The Company is currently in discussions with a range of potential farmin partners to jointly explore T/49P. The targeted companies potentially bring financial strength, operational expertise and market presence to the permit. TDO has also received a number of unsolicited farmin approaches.

Prospectivity

Since acquiring the permit in May 2012 TDO has continued to expand our assessment of the prospectivity. This work has only increased the company's opinion of the potential for significant gas volumes in the permit.

The company has undertaken a detailed remapping of the pre-existing 2D seismic data set to constrain and improve the definition of the leads identified during the pre-bid phase. We are also continuing to review the geological data to further understand and ultimately reduce the associated risks.

To date at least 10 leads have been identified from mapping of the existing 2D seismic data. These range from medium to large structures by world standards. The combined gas in place for these leads is in the order of 20 TCF.

TDO's highest ranked lead, Flanagan, has the potential to contain up to 6 TCF GIIP. The optimistic view of its prospectivity is based on its proximity and geological similarity to the Thylacine and Geographe fields.

It is the company's belief that T/49P has the potential to be a world class asset.

TDO will continue to evaluate the permit ahead of a 755 km² of 3D seismic mostly likely to be acquired in the summer of 2014/2015. This survey is the only major commitment in the primary term of the permit.

Gas Markets

The commercial attractiveness of exploring for gas in eastern Australia has been boosted by a strongly improving gas pricing environment for producers.

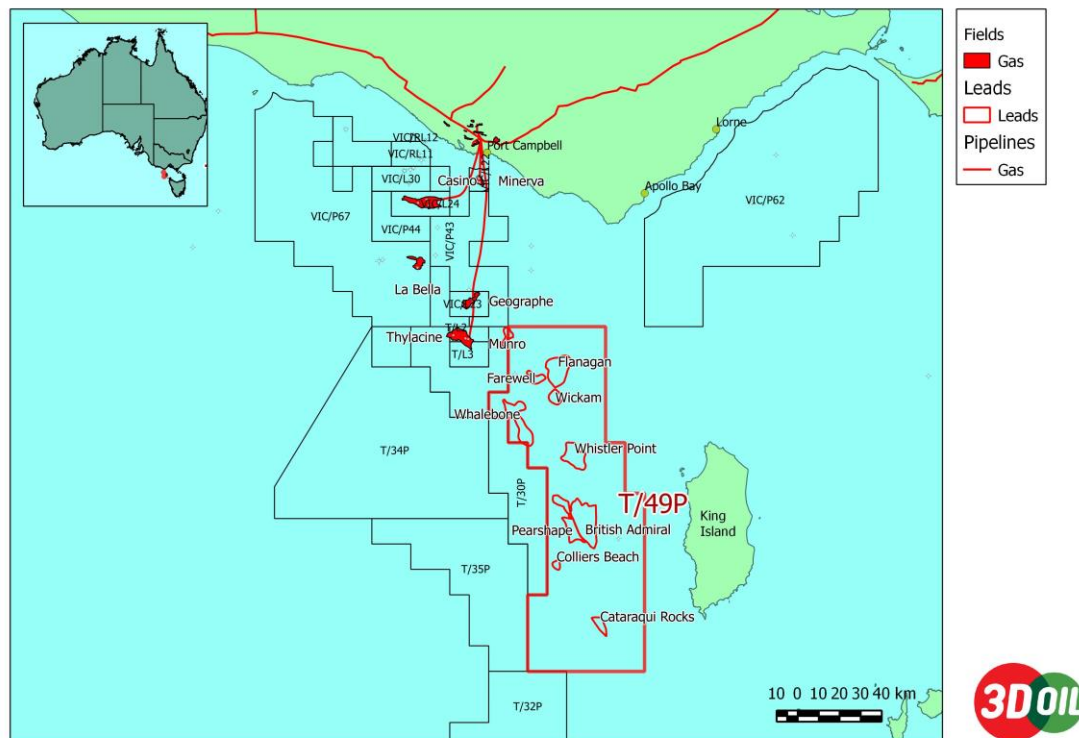
Eastern Australia gas markets are currently in a transition. In recent years, Australian retail gas prices have begun to increase and pressures exist that are expected to consolidate these increases, including from such factors as:

- Exposure to international pricing through LNG exports
- The unwinding of major low cost, long term gas contracts

Exports of gas from the eastern market via the CSG to LNG projects under construction at Gladstone in Queensland are scheduled to start in 2014. The commencement of LNG exports, and the netback prices received by producers from international oil-linked pricing, will influence domestic gas prices in the eastern market.

Once operational, CSG LNG projects will connect Australia's eastern gas market to the Asia-Pacific market. These projects will increase the demand for domestically produced gas and put upward pressure on domestic prices. Market consensus indicates pricing of A\$7 to 9/GJ by 2015/16 with a likelihood of a short-term peak beyond this range. This compares to A\$3.50 to 4/GJ in recent years.

Several recent gas supply deals provide evidence that this increasing price environment is now being established in eastern Australia.



Otway Basin field and facilities location map

T/49P Indicative Economics

TDO has undertaken scoping economics to provide a guide to the Net Present Value (NPV) for a range of field sizes.

Economic analysis indicates that a gas price of \$6/GJ provides a robust project for field sizes greater than 400 BCF. At \$8/GJ the analysis indicates NPVs of approximately A\$450 million and A\$1.3 billion for field sizes of 800 BCF and 1400 BCF respectively.

The economic modelling has assumed a standalone development with a 90 km offshore pipeline and onshore processing plant. However, the timing of any T/49P discovery and production would likely coincide with spare capacity in existing facilities such as Thylacine, Minerva and Casino and tie-in options could be explored at that time.

The economic analysis did not include the value of associated condensate. Based on known condensate/gas ratios (CGR) in Thylacine and Geographe, 15 mmbbl of condensate could be produced from a hypothetical gas field of 1 TCF.

Mr Noel Newell, 3D Oil's Managing Director, said "it is a very exciting time to be exploring for gas to feed the rapidly expanding east coast gas scene. The stage is set for a very interesting time and I am proud of my team at 3D Oil for putting us in a position to be one of the players."

Mr Newell continued “it is difficult to know where else on the east coast you could secure the exploration rights to structures of world class scale, in a known gas province, in shallow water and close to infrastructure supplying an expanding, secure market. T/49P has already attracted the attention of some large gas players and we are confident of going forward with a big brother.”

For further information please contact:

Noel Newell
Managing Director
3D Oil Limited
Phone: +613 9650 9866

Craig Jensz
Managing Director
Lion Capital Advisory
+61 400 634 979