3D Oil Limited
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12 February 2014

Kate Kidson
Principal Adviser
ASX Listings
Level 4, North Tower
525 Collins Street
Melbourne, VIC 3000

Dear Kate,

Response to ASX Query – December 2013 Appendix 5B

I refer to your letter of 10 February 2014 in relation to the 31 December 2013 Appendix 5B and provide the following responses to each of your questions:

1. The Company believes that it will have sufficient cash to fund its activities for the current quarter. The Company is an exploration company and, as such, does not have a stable source of income. That situation has not changed since the Company was first admitted to the ASX.

   The Company is advancing fundraising initiatives in light of the current stage of development of West Seahorse and expects to announce this in the March quarter. These discussions and initiatives are not yet at a stage of confirmation to permit the release of any announcement.

   The Company is in regular communication with their Joint Venture partner in regard to the ongoing funding of the West Sea Horse development project and the Company has also reduced non-essential operating expenditure until further funds are raised.

2. The Company expects to have negative operating cash flows in future quarters due to its status as an oil and gas explorer moving into a development stage. Once the Company has successful production flow from its current projects, it expects that the operating cash flows will become positive.

3. The Company's Board and Management continue to be focused on meeting its current objectives and are cognisant of the funding requirements to meet the objectives.

4. The Company can confirm that it is in compliance with the listing rules and in particular Listing Rule 3.1.

5. The Company can confirm that it is in compliance with listing rule 12.2. The Company has significant assets and minimal liabilities. The Company is also of the belief that it will be able to raise additional funding as and when required to fund its operations either through an equity placement or divestment of projects.

Yours Sincerely,

Melanie Leydin
Director and Company Secretary

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10 February 2014

Ms Melanie Leydin
Company Secretary
3D Oil Limited
Level 5
164 Flinders Lane,
Melbourne VIC 3000

By email only

Dear Melanie

3D Oil Limited (the "Company")

I refer to the Company's Quarterly Report in the form of Appendix 5B and covering announcement for the period ended 31 December 2013 released to ASX Limited ("ASX") on 31 January 2014 (the "Appendix 5B").

ASX notes that the Company has reported the following.

1. Receipts from customers of $5,262.

2. Net negative operating cash flows for the quarter of ($600,044).

3. Cash at end of quarter of $1,187,775.

In the light of the information contained in the Appendix 5B, please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?

2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?

3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?

4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?

5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response may be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me by return email. It should <u>not</u> be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 9.30 am A.D.S.T. on Thursday, 13 February 2014.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries, please do not hesitate to contact me.

Yours sincerely

[Sent electronically without signature]

Kate Kidson
<u>Principal Adviser, Listings Compliance (Melbourne)</u>