ANNUAL REPORT 2019

3D OIL


TARGETTED EXPLORATION THROUGH STATE OF THE ART IMAGING.

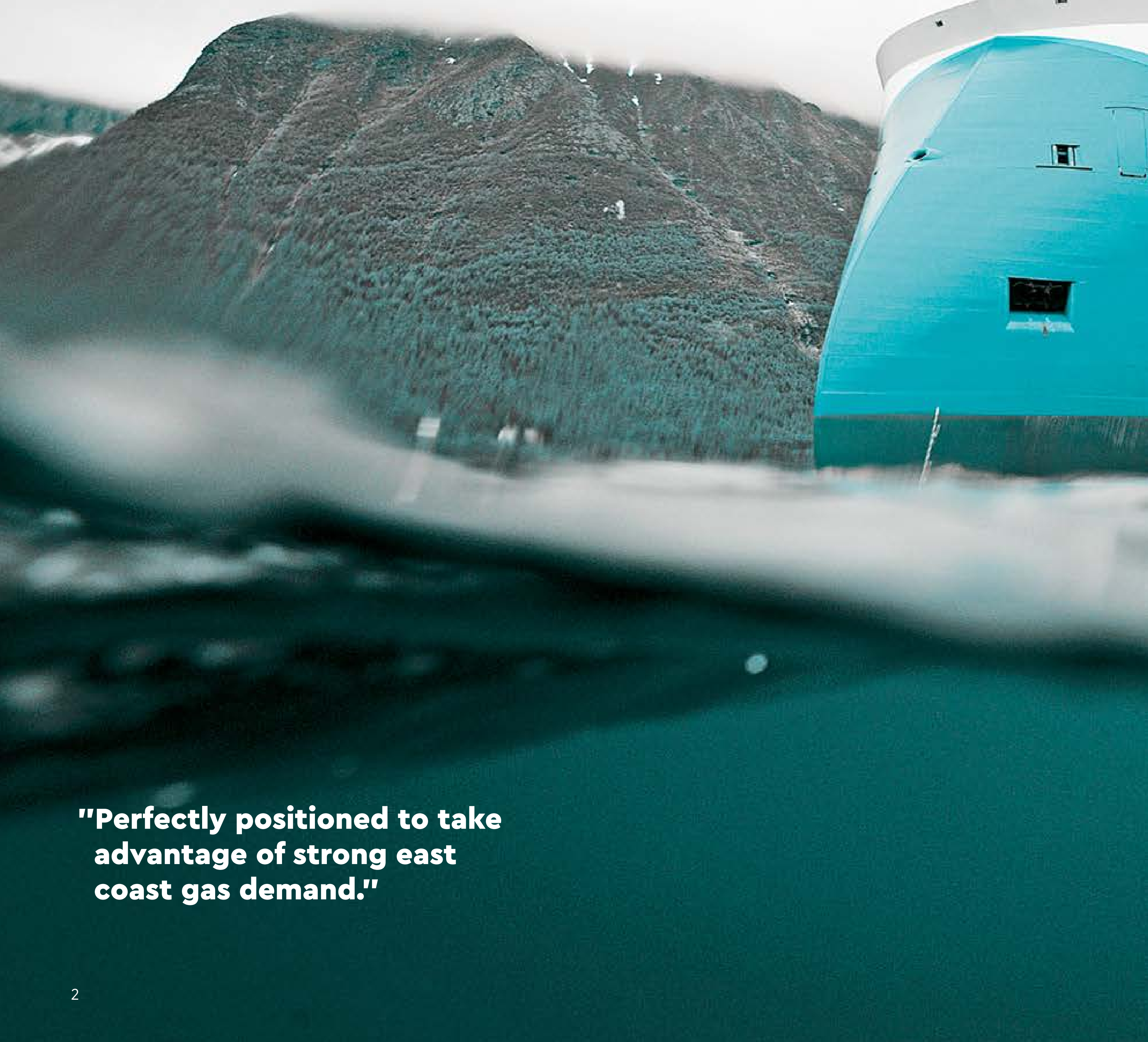
EXPLORE

3D Oil has built a portfolio of high potential, frontier offshore exploration permits in Australia including offshore Western Australia (Bedout Sub-basin) and offshore Tasmania (Otway Basin)

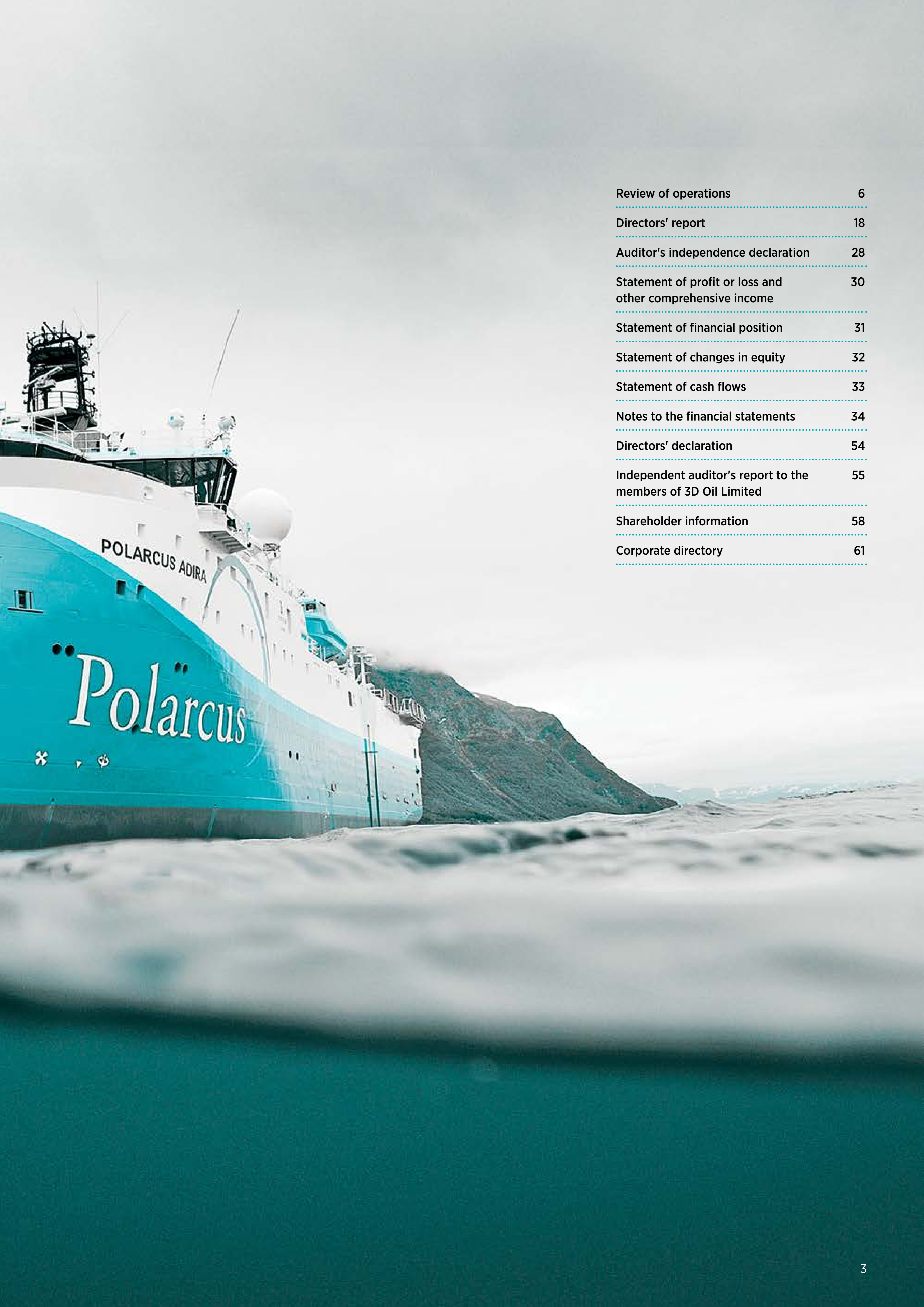
The 100%-owned WA-527-P permit covers a large underexplored area that is situated next to the significant Dorado-1 hydrocarbon discovery in the Bedout Sub-basin

The 100%-owned T/49-P permit is a large frontier permit in the offshore Otway Basin, containing 1 prospect and 5 leads for a total prospective gas resource of 10TCF (Best Estimate)

Recently awarded in the 2018 Offshore Exploration Release, VIC-P74 (50%) will utilise state of art reprocessing to evaluate a proven area located proximal to the largest oil discovery in Australia.



"Perfectly positioned to take advantage of strong east coast gas demand."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LETTER FROM THE EXECUTIVE CHAIRMAN

3D Oil is now one of the last small cap companies exploring in the offshore of Australia. While there are still some small companies on title in the offshore, very few are exploring and recently there has been a dramatic increase in licenses being revoked by the Federal Government due to work programs not being completed.

3D Oil provides an opportunity for shareholders to share in exposure to the potential wealth creation that is the prize in successful offshore hydrocarbon exploration, nonetheless patience is required to reap the benefits.

The appraisal and subsequent sale of the West Seahorse oil field in 2010 demonstrated 3D Oil's ability to add value to an asset and convert it to tangible income. Since this transaction, 3D Oil has successfully executed the initial stages of a new strategy involving acquisition of high impact exploration acreage, addition of value through high quality technical work and ultimately farming out to major Exploration & Production companies who can carry the projects forward.

3D Oil has demonstrated success in this strategy by the acquisition of T/49P (Otway Basin), WA-527P (Bedout Sub-basin) and the recent VIC/P74 (Gippsland Basin), all currently held at 100%. All three blocks have the potential to contain world class assets. It is difficult to think of another small company in Australia with such potentially transformative portfolio. But, as a small fish in the offshore you have to be nimble and think ahead of the pack. You can't be a follower; you need to be there first. As I said last year 'you have to be a risk taker, you have to be opportunistic, you have to be counter cyclical, you have to have some luck,' but most importantly you have to be patient.

Patience is of fundamental importance for the next stage of this strategy which will involve attraction of major E&P companies that will convert this exploration portfolio into potential large rewards for 3D Oil and its shareholders. Patience is necessary for this phase because to attract a major, it is necessary to work to their timetable which can be lengthy. Outsiders to our industry would find it incredible how long a process for a major to undertake a new project and ultimately the opportunity needs to stack in a global seriatim.

Since acquiring T/49P we have been engaged with a number of major companies, some of which we have worked with for longer than 12 months. 3D Oil has developed new ideas with respect to the prospectivity of the southern Otway Basin. These ideas are new and exciting; however, Major companies need to first digest our new ideas prior to undertaking their own exhaustive technical studies before finally taking their recommendations back to their overseas head offices. As I said last year 'Our team have created a world class story with exceptionally good technical work. In my view compelling.'

The time-line has increased as a result of the investment climate in the energy sector in Australia which remains under a cloud. Clear Federal energy policy is necessary to undertake long term investment and offshore regulatory policy is becoming increasingly challenging.

A significant achievement for 3D Oil in 2019, providing significant incentive for potential farminees, is the acceptance of our Environmental Plan (EP) by NOPSEMA for our Dorrigo 3D seismic acquisition. I cannot overstate how important and difficult this was to achieve. We are seeing some companies taking a number of years to obtain a valid EP, with sometimes two or three submissions. 3D Oil achieved success on first submission with a 2000+ page document and over 200 stakeholders to engage! No minor achievement for a small company. This is certainly a feather in our cap, and has been well received by the industry.

Our acquisition of the WA-527P permit prior to the Dorado discovery continues to appear a stunning counter cyclical move. It is rumored the gazettal block on the west side of the Santos/Carnarvon acreage received approximately 10 bids this year involving wells promised in the primary term. We also note Santos have now acquired the permit north of WA-527P. At the time of writing this the Dorado-3 well was completed, confirming hydrocarbons and pressure communication within the Caley, Baxter and Crespin reservoirs. The well will be flow tested shortly, which the industry is keenly anticipating. Dorado is arguably the largest oil find in Australia in over 30 years and has certainly re-invigorated the industry.

3D Oil is in an enviable position and considering the best options going forward. We have undertaken our EP for the Sauropod 3D seismic program, to be conducted in WA-527P, and it has been made public for comment. We will be submitting the application to NOPSEMA in the coming weeks. 3D Oil's primary work bid was only 510 km^2 – somewhat less than multiple wells bid for the adjacent acreage during the recent gazettal round.

The acquisition of WA-527P prior to the drilling of Dorado was no accident or a stroke of luck but rather a thorough piece of technical work underlying the bid following a very deliberate and aggressive strategy to be opportunistic front runners.

The recent acquisition of VIC/P74 once again demonstrates that deliberate and aggressive strategy yet again. The permit is adjacent to the largest oil field discovered in Australia, Kingfish, with over one billion barrels produced to date. There is obviously an extremely rich petroleum system operating in the southern Gippsland Basin. Nonetheless success has alluded previous explorers in the VIC/P74 region.

The rationale for the acquisition of VIC/P74 is based on the likely significant enhancement of the 3D seismic in the basin as a result of reprocessing being undertaken by service company CGG. Exploration of this region has been previously hampered by severe depth conversion issues related to velocity complexities in the shallow section above the reservoir target. Recent advances in reprocessing techniques have made significant improvements in relation to this technical issue as evidenced in 3D Oil's other Gippsland permit VIC/P57. 3D Oil interpret that the permit may have the potential for significant hydrocarbon accumulations as evidenced by the neighbouring Kingfish Field. The permit also contains the Omeo gas and condensate discovery. We note that Cooper Energy were recently awarded the block directly to the north on the basis of the same rationale.

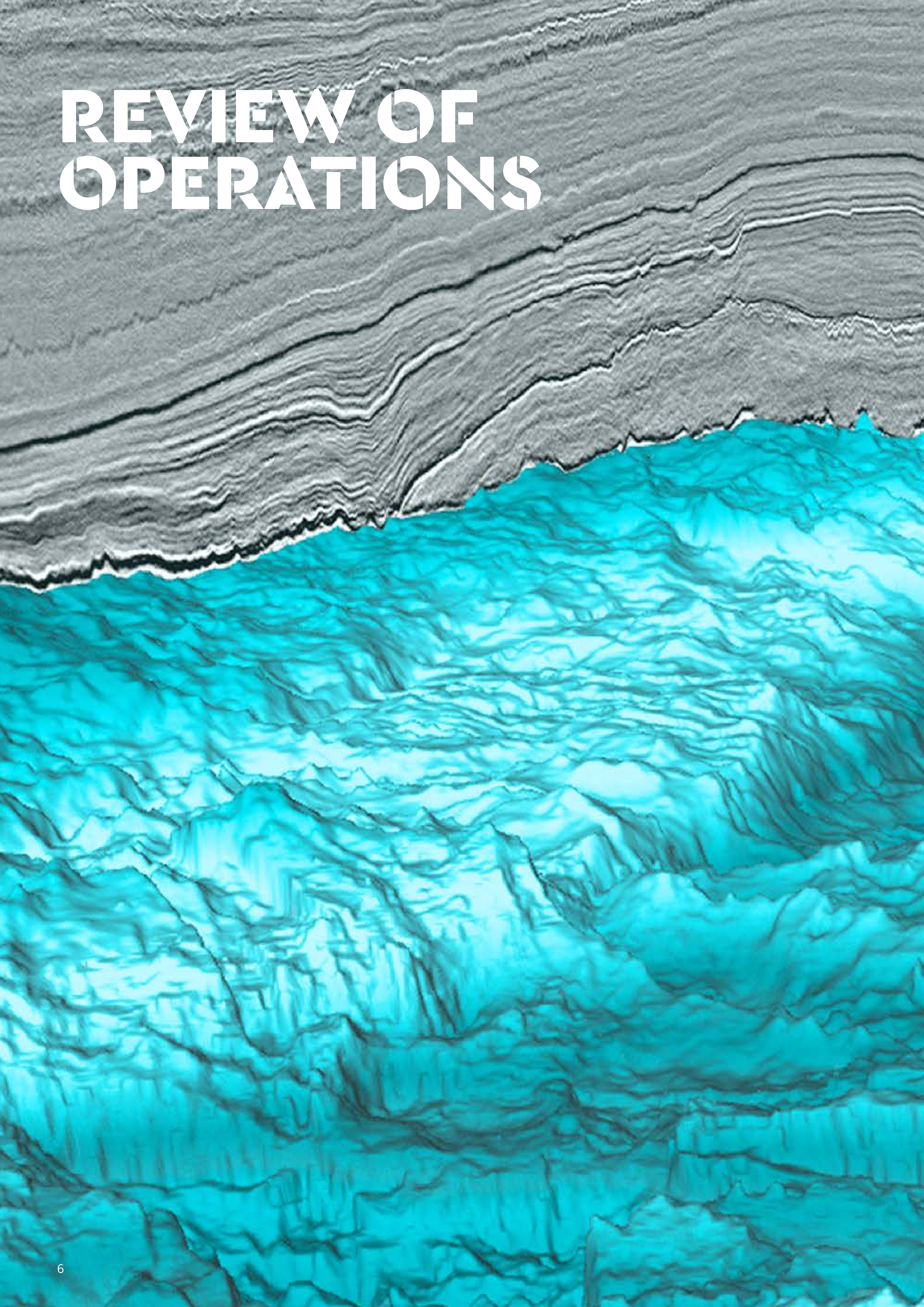
We have an exciting year ahead at 3D Oil with the acquisition of the Dorrigo and Sauropod 3D seismic surveys in the Otway Basin and Bedout Sub-basin respectively. Following on, we believe we will have high impact drilling locations in both areas. While we don't have the funding in place presently, I am quietly confident that 3D Oil will have, so much so that we have our EPs in train.

The team at 3D Oil have our sights set high – we are not looking for slow organic growth but transformational transactions. 3D Oil has survived through tough times which means that we can keep participating in these high risk, but high value, projects for the long haul, therefore maximizing the potential return to shareholders.

On behalf of the Company, I thank the Board, our board advisor Peter Willcox, and the 3D Oil team for their endeavors and commitment over the last year. They are an integral part of realizing our ambition of becoming an Australian oil and gas producer.

Noel Newell
Managing Director

REVIEW OF OPERATIONS



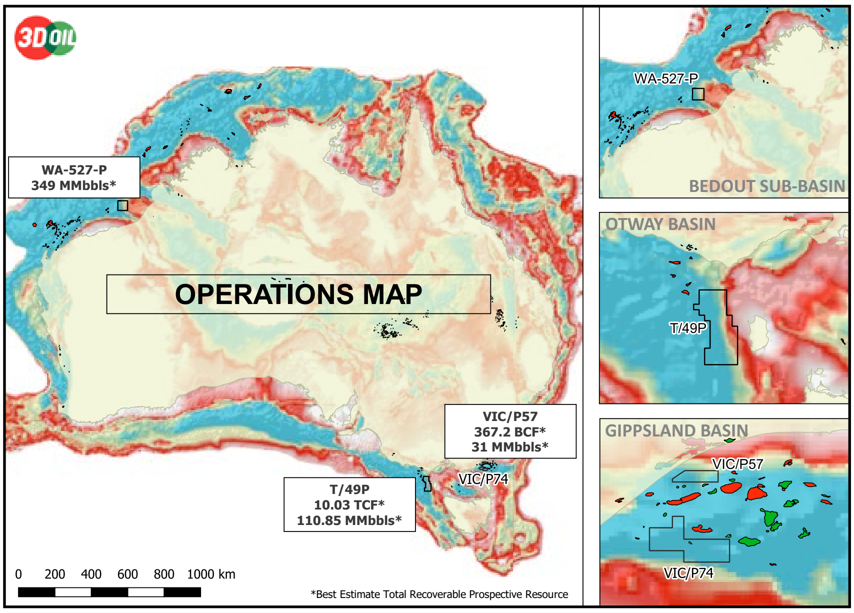


Figure 1 – Operations map

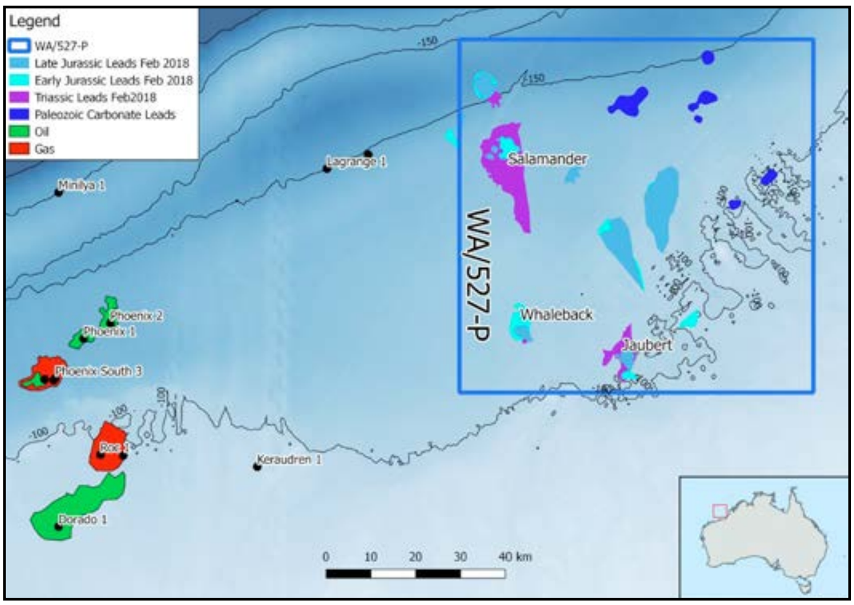
WA/527-P, BEDOUT SUB-BASIN, OFFSHORE NORTHWEST SHELF

Exploration permit WA/527-P is a large permit covering approximately 6,500km^2 in the Bedout Sub-basin of the Northwest Shelf, approximately 80km north-east of the recent Dorado-1 oil discovery (Carnarvon Petroleum 20%, Santos 80%). TDO has identified at least fifteen leads across the permit, and a Triassic erosional channel system, analogous to that which set-up the Dorado oil discovery.

The Bedout Sub-basin is an element of the Roebuck Basin located along the prolific Northwest Shelf of Australia. A recent exploration campaign which was previously led by privately owned Quadrant Energy has resulted in the discovery and appraisal of a prolific, new petroleum system located in permits adjacent to 3D Oil's 100%-owned WA/527-P.

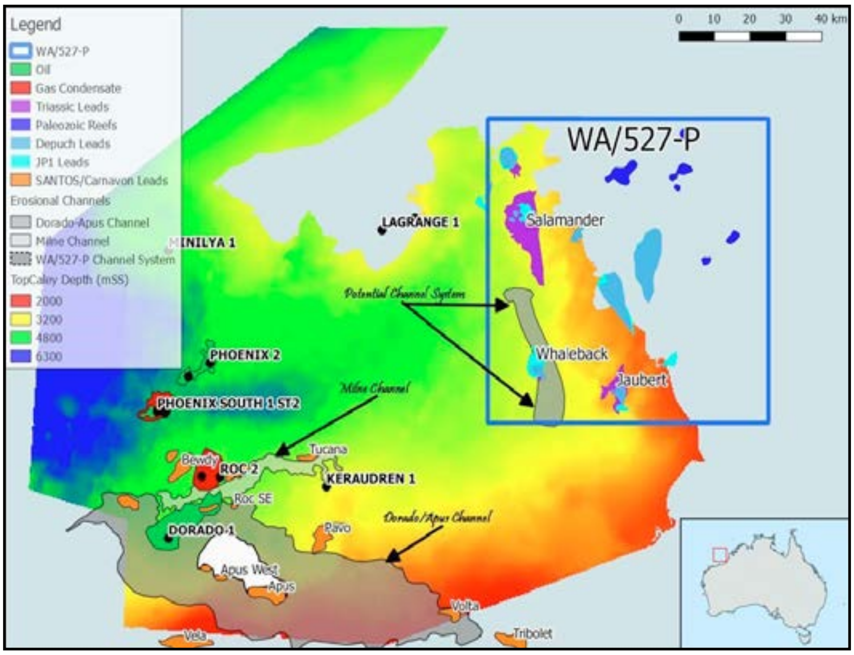
The exploration history began with the drilling of the Phoenix South and Roc wells between 2014 and 2018. Phoenix South-1 discovered a series of light oil zones, while the Roc and other Phoenix South wells all discovered gas-condensate within sands of the Triassic, Caley reservoir. The most significant discovery was made in July 2018, when Dorado-1 discovered 162 MMbbls of liquids and 748 Bcf of gas within multiple reservoir zones of the Lower Triassic.

In August of 2018 Santos acquired 100% of Quadrant Energy for an initial $2.15 Billion USD (refer STO Announcement, 22 AUG 2018). Since this time, the Santos led Joint Venture has proceeded with an aggressive exploration and appraisal campaign in the area surrounding Dorado. The most notable news has been the Dorado appraisal drilling, which began with the drilling of Doardo-2. Revised contingent resource estimates indicate an upgrade in the C2 resource estimate from 283 to 344 MMboe (refer CVN Announcement, 15 JUL 2019).



"A recent exploration program... has resulted in the discovery and appraisal of a prolific, new petroleum system located adjacent to 3D Oil's 100%-owned WA-527-P"

Figure 2 – WA/527-P Location



"Multi-client data has confirmed the existence of an erosional channel system within the south-western quadrant of the acreage. The channel system could provide an analogous trapping mechanism to the Dorado discovery"

Figure 3 – WA/527-P Location, recent oil & gas discoveries and the Basin Margin

ACTIVITIES

During the year 3D Oil completed reprocessing of seven open-file 2D seismic lines. Analysis of these data, combined with licenced multi-client data has confirmed the existence of an erosional channel system within the south-western quadrant of the acreage. The channel system could provide an analogous trapping mechanism to the Dorado discovery. This intelligence has allowed 3D Oil to determine the best possible location for its upcoming seismic commitment, now named the Sauropod 3D Marine Seismic Survey.

3D Oil has completed and submitted an Environment Plan for the Sauropod 3D MSS. The Sauropod 3D program will allow for acquisition for up to 3,500 km^2 of 3D seismic data that will have multiple exploration objectives, including:

– Evaluation of any targets potentially set-up by the recently discovered Triassic erosional channel system,

– Provision of further insight to the Salamader, Jaubert and Whaleback Leads, and,

– Investigation of the potential Palaeozoic play interpreted to be operating in the eastern side of the acreage.

Throughout the year 3D Oil hosted a number of data rooms for multiple interested Exploration & Production Companies, and will continue to do so throughout the next financial year.

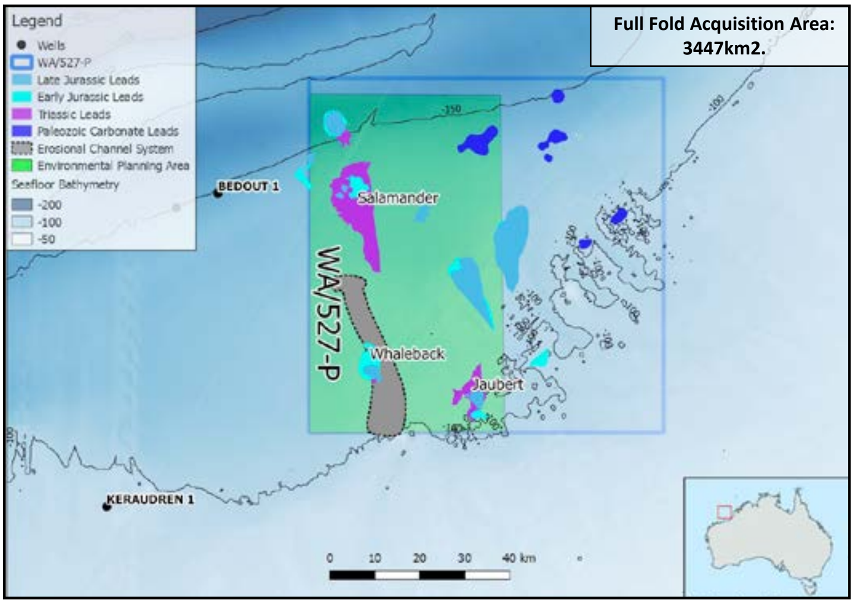


Figure 4 – Proposed Location of Sauropod 3D Full-Fold Acquisition Area

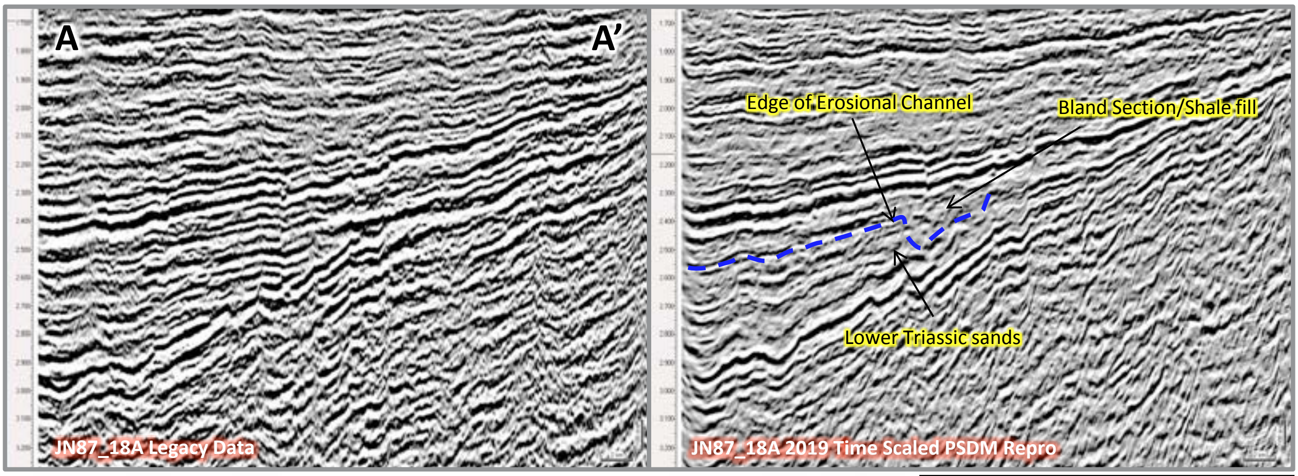
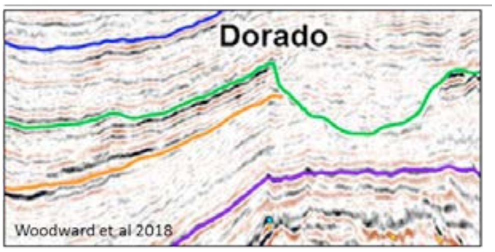
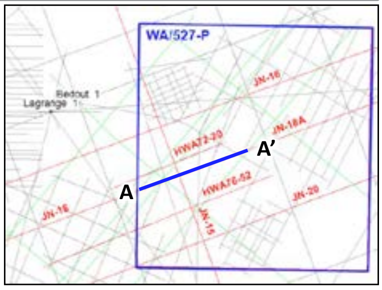


Figure 5 – Example of reprocessing and interpretation of an erosional channel within WA/527-P, shown with a comparison to Dorado (bottom image)





PROSPECTIVITY

The leads within WA/527-P include a series of prospective features along the western side of the acreage which may host Triassic sands, similar to those encountered at Dorado. However, 3D Oil has also identified multiple targets within the shallower Jurassic section and a series of possible carbonate build-up targets within the deeper Palaeozoic. These features are interpreted to receive hydrocarbon from up to two oil-prone source rocks.

Triassic Erosional Channel System

The Dorado oil discovery demonstrated that stratigraphic traps sealed by shale-filled erosional channels can form highly effective closures. 3D Oil has identified an analogous erosional channel system within the Lower Triassic section of WA/527-P. This system has been mapped using a combination of reprocessed open-file 2D seismic data and licenced multi-client data. The feature, oriented sub-parallel to the western boundary of the permit, will be a target of the upcoming Sauropod 3D MSS, which will assist with determining whether any traps, analogous to the Dorado discovery are present within WA/527-P.

Mesozoic Leads

A series of inversion and fault-bound targets within both the Triassic and Jurassic sections have been identified along the western side of WA/527-P. The largest of these include Whaleback and Salamader, with a Best Estimate Prospective Resource of 86 MMbbls and 190 MMbbls respectively.

Palaeozoic Leads

3D Oil has identified the presence of at least six reef-like features that could form viable oil targets. These features range in size from 3-30km^2. These are mostly identifiable within the eastern side of the acreage, within what is interpreted to be a section of an extensive Palaeozoic Barrier Reef System. This system is proven as an effective petroleum system by the Blina and Ungani oil fields in the onshore Canning Basin. The system was also the objective of a recent 3D seismic acquisition program led by Santos in the Bonaparte Basin, which targeted the Beehive reef feature of Carboniferous age. So far, results of the Beehive seismic survey indicate a feature consistent with a carbonate build-up, capable of a Best Estimate Prospective Resource of 388 MMbbls (Refer MAY ASX Announcement, 14 JUN 2019).

3D Oil's proposed play concept for the Palaeozoic involves thermally mature source rocks of Devonian and/or Early Carboniferous age. Such source rocks are proven in the onshore Canning Basin where they have contributed strongly paraffinic, light oil to successful oil fields such as Blina and Ungani. These source rocks are likely to be mature for oil expulsion within the WA/527-P acreage and if so, may provide hydrocarbon to Palaeozoic targets as well as to shallower Mesozoic targets.

Table 1: WA/527-P Prospective Resource Estimate (MMbbls) Recoverable Oil (ASX ann. 26/2/18)

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**	**350**	**1,137**

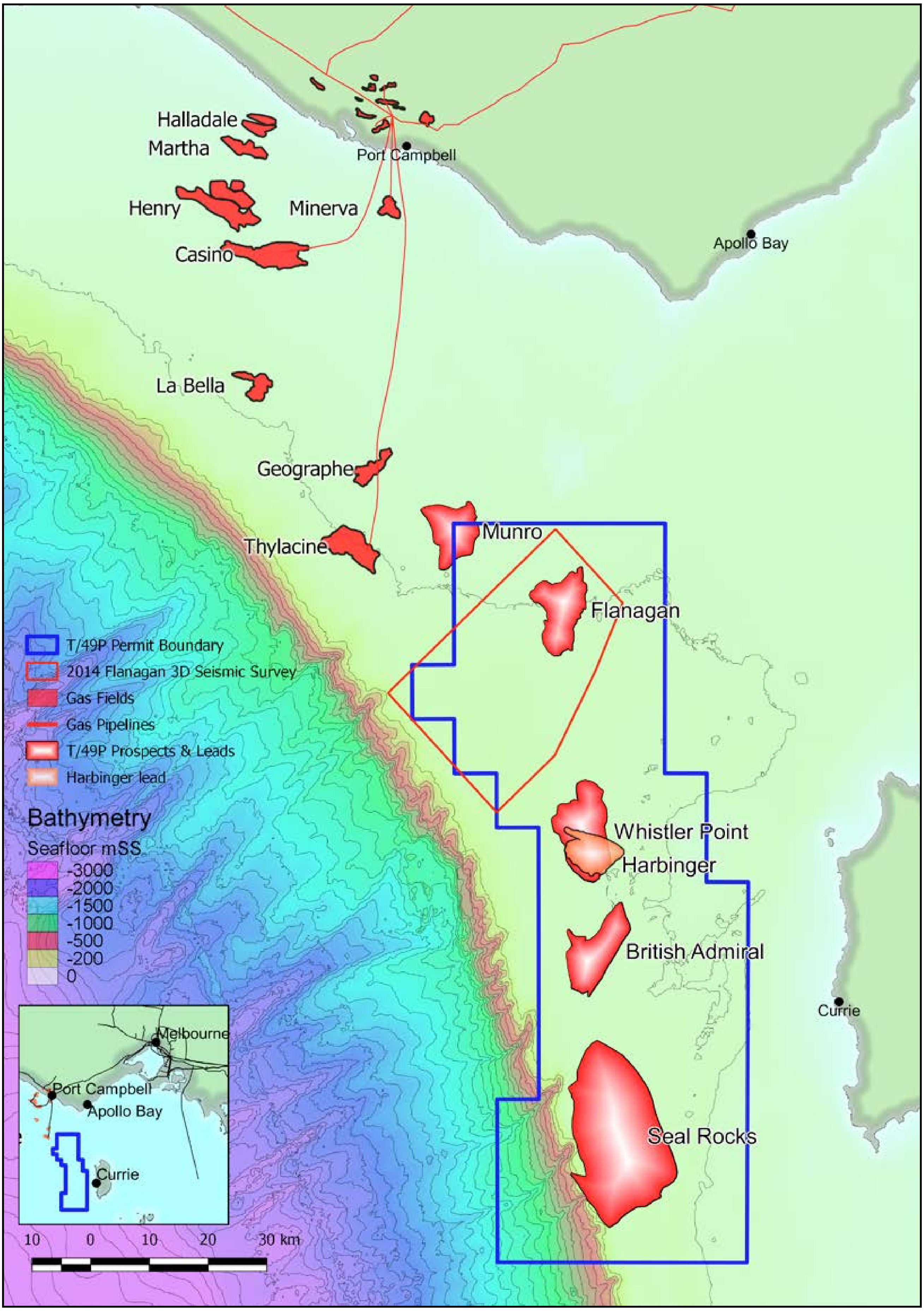


Figure 6 – Otway Basin, Fields and Infrastructure Location

"The T/49-P permit is optimally placed to contribute much needed gas to this market in coming years"

"Another potential target for 3D seismic acquisition is the Seal Rocks lead, with a Best Estimate Prospective Resource of over 4TCF.

T49/P, OTWAY BASIN, OFFSHORE VICTORIA

T/49P exploration permit is located in the Tasmanian part of the offshore Otway Basin, just West of King Island. 3D Oil was awarded the permit in May 2013 and currently hold a 100 % interest in this permit.

The Otway Basin is a northwest trending rift basin. It is approximately 500km long and extends along the southern margin of South Australia and Victoria to north-west Tasmania, covering an area of 150,000km^2. The basin has been an important supplier of gas to the east coast of Australia since the 1980s. The T/49-P permit is optimally placed to contribute much needed additional gas to this market in coming years.

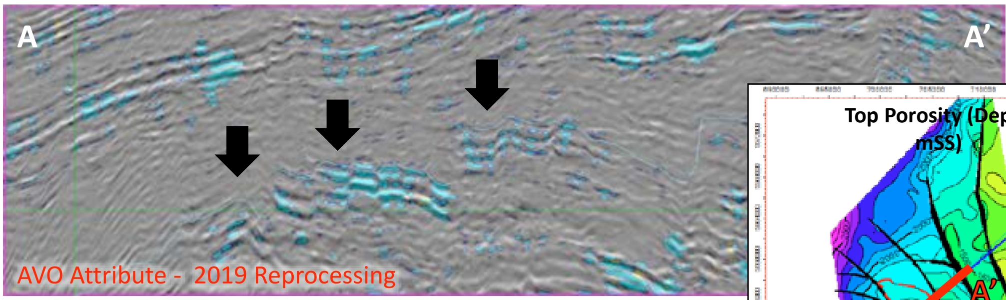
The first commercial gas discoveries in the offshore Otway were in Victorian waters, in the early 1990s proving the existence of what would become recognised as a prolific gas province that is now known to extend throughout much of the Victorian Otway Basin and likely within 3D Oil's T/49-P exploration acreage. The permit is located directly to the southeast of the basin's largest offshore gas field, Thylacine, discovered in 2001. Thylacine and the nearby Geographe gas field have been producing since 2007 from infrastructure that is located close to the northern boundary of the T/49P permit and the Flanagan Prospect. The offshore Otway also supports two other gas production projects at Casino and Minerva, both in Victorian waters.

The T/49-P permit contains a number of structures prospective for gas within an area of 4,960 km^2 and in water depths generally no greater than 100m. The north of the permit is covered by 974 km^2 of modern 3D seismic, while the area to the south remains lightly explored and covered by a broad grid of 2D seismic data of varying vintages. Only two early exploration wells have been drilled in the permit (in 1967 and 1970) on historic, widely spaced 2D seismic. In subsequent years the region was largely overlooked by the industry despite the proximity of the Thylacine and Geographe gas fields.

The T/49P work-program is currently in Permit Year 5, having completed the primary work-program (Years 1-3) including the acquisition, processing and interpretation of the Flanagan 3D seismic survey.

Subsequent to the award of the work program variation at the end of 2017, 3DOil began planning the acquisition of the Dorrigo 3D MSS. This included highly detailed planning, determination of optimal acquisition parameters, determination of the most efficient acquisition area, and the commencement of the Environmental Plan for the activity. The minimum work commitment for the survey is 750km^2, however, 3D Oil is planning for the acquisition of 1580km^2 which would far exceed its obligation. The survey has been carefully designed to capture all remaining leads located to the south of Flanagan. 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. Independent analysis has estimated that Harbinger contains 790 BCF of Prospective Resources; however, this analysis was constrained by broadly spaced, decade old 2D seismic data. The upcoming 3D seismic acquisition may allow 3D Oil to more definitively understand the size of the prospective gas resource and allow for accurate drill planning.

Another potential target for 3D seismic acquisition is the Seal Rocks lead, with a Best Estimate Prospective Resource of over 4 TCF. Seal Rocks is also constrained by widely spaced grid of 2D seismic and requires modern 3D data to asses more accurately.



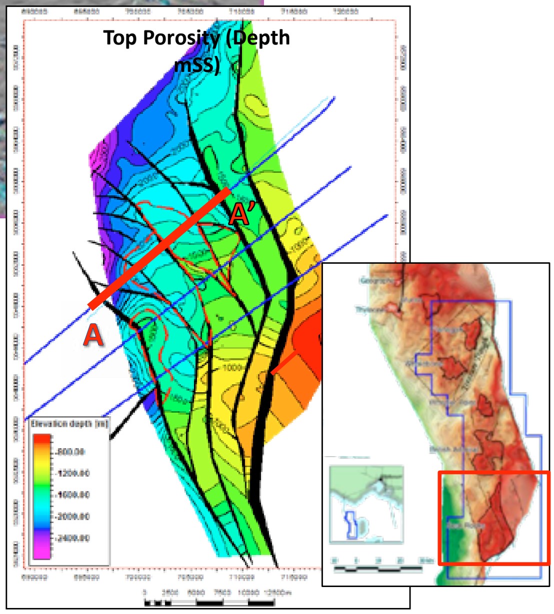


Figure 7 – Seal Rocks Reprocessing and revised Depth Structure

ACTIVITIES

3D Oil continues to plan for 3D seismic acquisition in 100% owned exploration permit T/49-P. The survey is intended to cover the central and southern part of the acreage. The project 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. 3D Oil intends to combine insight gleaned from the new data with that from existing seismic, to determine the location of the exploration well planned for 2020, subject to securing a suitable exploration partner.

After finalising the technical part of the Environment Plan, the Company focused on finalising its consultation 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.

Delays during the Environment Planning process forced the Company to apply to the National Offshore Petroleum Titles Administrator (NOPTA) for a Suspension & Extension (S&E) in November 2018 as it become clear that the Environment Plan would not be approved before the end of the Permit Year. An S&E was approved on the 20th of January 2019 and Permit Year 6 will now extend to the 21st of February 2020. The Environmental Plan was submitted to NOPSEMA on the 30th of January with an acquisition period for Dorrigo 3D, re-scheduled for Q3 2019, pending vessel availability.

After receiving only one request for further information in April 2019, the Dorrigo 3D EP was approved by NOPSEMA on the 13th of May 2019. This approval demonstrates the Company's capacity to successfully navigate increasingly challenging regulatory conditions. Subsequently, 3DOil has started a formal tendering process with seismic vessel contractors in order to source a seismic vessel for an acquisition kick-off in September 2019.

In parallel, 3D Oil has continued its technical work in order to further de-risk the permit. A seismic reprocessing program of open-file 2D data over Seal Rocks was completed. Interpretation of the new data indicates the presence of amplitude anomalies that seems to fit a series of tilted fault-blocks. AVO analysis result are encouraging but confirm the need for modern 3D seismic data in order to be properly analysed for hydrocarbon significance.

Table 2: 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**	**28.78**

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

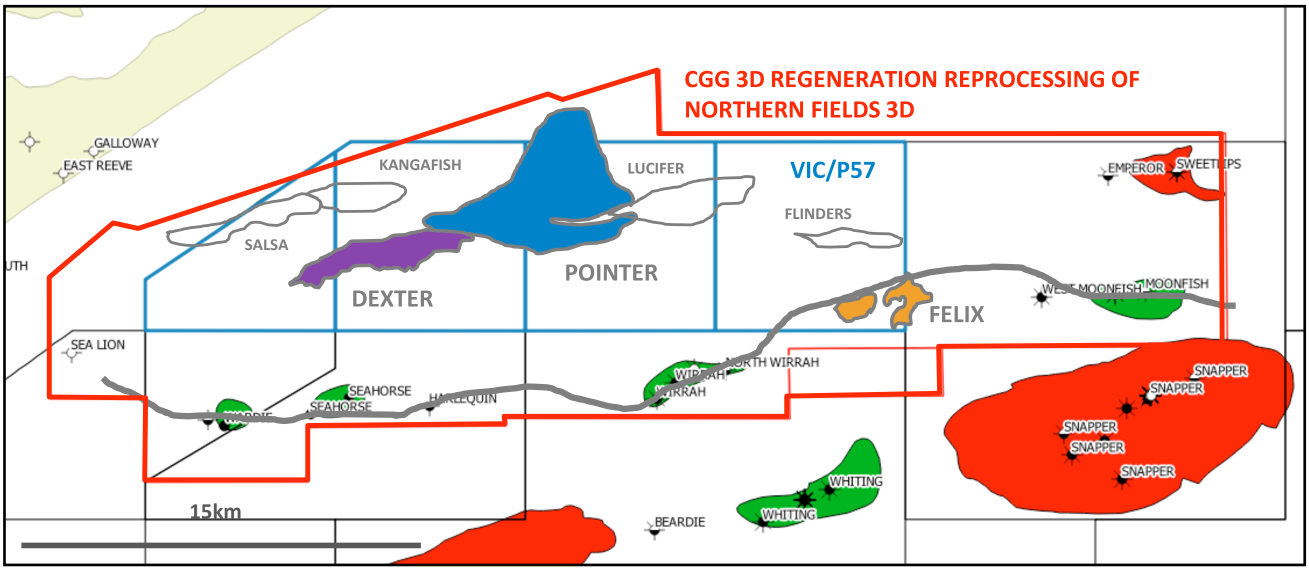


Figure 8 – VIC/P57 Location (blue polygon) with Gippsland ReGeneration Reprocessing data (red polygon)

VIC/P57, GIPPSLAND BASIN OFFSHORE VICTORIA

Exploration Permit VIC/P57 is located in the northwest part of the offshore Gippsland Basin. The permit is approximately 246km^2 in size and located in shallow waters close to shore and proximal to existing infrastructure.

3D Oil holds a 24.9% interest in the VIC/P57. By arrangement with permit operator Carnarvon Hibiscus Pty Ltd (CHPL), 3D Oil Limited continues to carry out subsurface technical work for the permit on behalf of the Joint Venture. The Joint Venture is excited about the potential for this permit to supply additional gas to the domestic market.

The Gippsland Basin, with initial reserves estimated at 4 billion barrels of oil and 11.5 trillion cubic feet of gas, is Australia's most prolific oil and gas producing basin. Twenty-one oil and gas fields are on production with most of the hydrocarbons hosted by the world-class sandstones of the Latrobe Group.

However, Gippsland Basin production is in decline and major operators such as ExxonMobil are working hard to identify commercially viable prospects to sustain production from Gippsland facilities. The basin has an important role to play in future gas supply to the east coast gas market, with the Exxon-BHP Joint Venture recently reaching FID on the West Barracouta gas field. ExxonMobil also recently invested $4.5billion in the Kipper Tuna Turrum offshore project, as well as $1billion on the Longford Gas Conditioning Plant.

Current market demands and a strong appetite for gas makes this an ideal time for small explorers such as 3D Oil to bring new drill-ready prospects to market. This is confirmed by the development of previously marginal gas fields, such as the Sole Field. The exploration of new plays and prospects will play an important part in meeting the predicted supply shortfall, as evidenced by the commencement of an offshore gas exploration drilling program by ExxonMobil in deep water during 2018. The deep water well Sculpin 1 will spud in the second half of this year.

Much of the historical success in the basin was achieved by the interpretation of 2D seismic data. The dominant acreage position of the Esso-BHP joint venture, with a focus on large-scale projects, has to some extent hindered the impact that 3D seismic-based exploration has had on similar basins, where smaller but lower risk targets are pursued.

VIC/P57 is covered by the Northern Fields 3D seismic, which was recently reprocessed using state-of-the-art techniques as part of the 2018 CGG Gippsland ReGeneration Reprocessing Project. This has delivered significant improvements in imaging of the sub-surface and has helped mitigate issues created by anomalous shallow seismic velocities. Broader bandwidth, less noise, a significantly improved velocity model and more sophisticated migration algorithms have resulted in a dramatic improvement in imaging compared with previous attempts.

The data provides those exploring in the Gippsland Basin with a reliable means to identify and exploit previously un-detected near-field opportunities within the Upper Latrobe Group such as Felix and Pointer, and importantly, mature the deeper gas fairway within the Emperor and Golden Beach Sub-groups, which is generally not well imaged on legacy datasets.

At 3D Oil, we believe we can help address the coming gas supply shortfall through the farm-out of quality exploration prospects such as Pointer and Dexter.

ACTIVITIES

The Joint Venture successfully renewed VIC/P57 for a further 5 years in March 2018. The primary term of the renewal period, the first three years, was designed to de-risk and high grade the prospect inventory and ultimately progress prospects to 'drill-ready' status, while also providing an opportunity to identify previously undetected gas targets.

The Joint Venture has purchased a 564km^2 sub-set of the CGG state-of-the-art reprocessing covering VIC/P57 and relevant nearby oil & gas fields. This dataset was received in July 2018 and includes offset stacks, gathers and a velocity model. The reprocessing covers existing data gaps at the northern end of Pointer from previous 2011 reprocessing and has yielded significant improvement in imaging within the Seahorse Syncline, permitting higher confidence mapping of the Golden Beach, Emperor and Strzelecki groups.

Year 1 activities have fulfilled the primary term work commitments and have high-graded several drill-targets to prospect status, including Felix and Pointer. High-resolution interpretation of the latest reprocessing, including fault and horizon

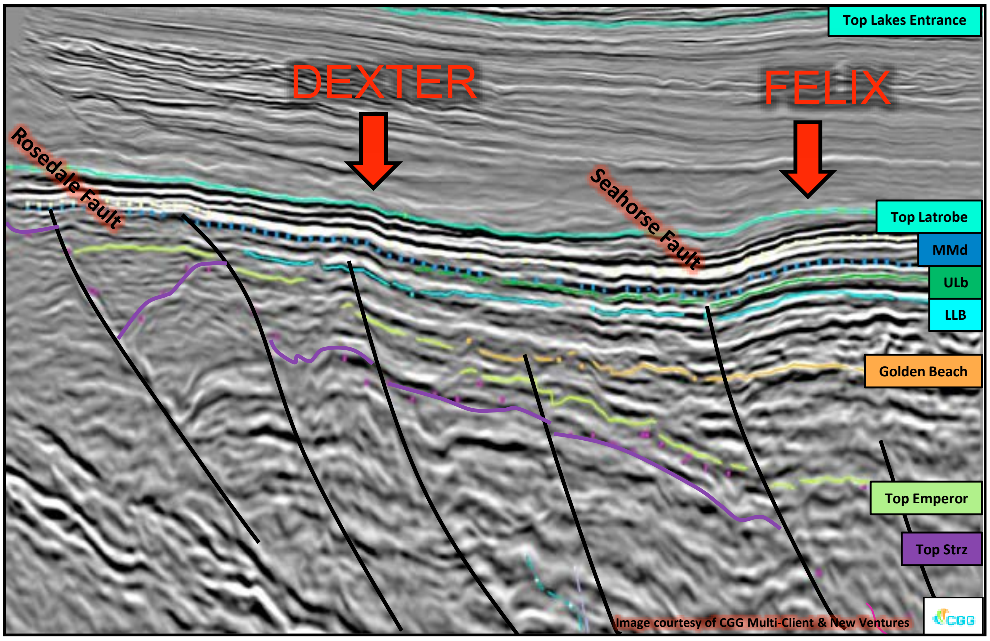


Figure 9 - Arbitrary seismic line through Dexter and Felix structures (Image courtesy of CGG Multiclient & New Ventures)

mapping and depth conversion, has been completed and has reduced the uncertainty on trapping mechanisms and closures. A detailed velocity model has mitigated velocity anomalies over the area caused by channelling in the shallow overburden, leading to the refinement of the leads and prospects portfolio to Felix, Dexter and Pointer.

The Joint Venture has completed a variety of Geological and Geophysical studies, including Petrophysics, Rock Physics and Stochastic Modelling studies, to understand a significant seismic amplitude anomaly at the Pointer Prospect. Rock physics and AVO forward modelling studies utilise rock physics inputs from wells from surrounding fields to constrain the seal and reservoir lithologies and determine the types of amplitude responses that can be expected for a range of fluid scenarios. This work has reduced the uncertainty surrounding hydrocarbon presence at Pointer Prospect.

The technical program has now been completed and a farm-out campaign has been initiated. A data room has been prepared and companies will be hosted over the second half of 2019. Throughout the reporting period the Joint Venture has already entertained preliminary discussions with major Exploration & Production companies which have expressed strong interest in Pointer. The Joint Venture is also currently in the process of completing a prospective resource update for VIC/P57.

PROSPECTIVITY

Felix Prospect

Felix Prospect is an inversion anticline (Figure 9) favourably situated between the Moonfish and Wirrah discoveries along the Seahorse Fault. Migration modelling suggests that the structure is highly likely to have access to charge from the same kitchen as the existing discoveries. The reservoir-seal configuration is well constrained by these wells and excellent reservoir seal pairs are anticipated across the *L.balmei* zone at Felix.

Seismic mapping and depth conversion using the new reprocessed 3D seismic has confirmed Felix Prospect to be a low-risk exploration target. Imaging is now significantly clearer with 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 improved velocity model has helped to de-risk the presence of closure in the depth domain across the *L.balmei* zone and will assist with the selection of a suitable drilling location. Improved depth conversion has also reduced uncertainty surrounding the range of prospective resources within *L.balmei* reservoirs. Revised volumes will be communicated in the near future. Based on rock physics modelling, the seismic response at Felix is consistent with the seismic response observed in local fields at similar depths.

Pointer Prospect

The Pointer Prospect is a combination structural-stratigraphic gas prospect within the Upper L.balmei reservoir. The prospect shows a clear rising amplitude with offset response, a Class III AVO (Figure 10). Improved imaging has permitted high-resolution mapping of the fault architecture (Figure 11) and has reduced uncertainty on the trapping mechanism, highlighting a conformance of amplitude with structure. This has important implications for potential hydrocarbon presence.

Rock physics and stochastic modelling studies provided important necessary constraints and local calibrations to understand the cause of the AVO amplitude anomaly at Pointer. The gathers and angle stack dataset necessary for quantitative geophysical methods were received in December 2018. Subsequent rock physics and AVO modelling has eliminated a variety of seal/reservoir lithology and fluid scenarios. Based on our understanding of lithological variation between offset wells and the anticipated lithologies at Pointer, AVO forward modelling has shown a strong positive hydrocarbon response, with gas being the anticipated hydrocarbon phase. A clear AVO anomaly has solidified Pointer as a strong candidate to contribute much needed gas to the East Australian market.

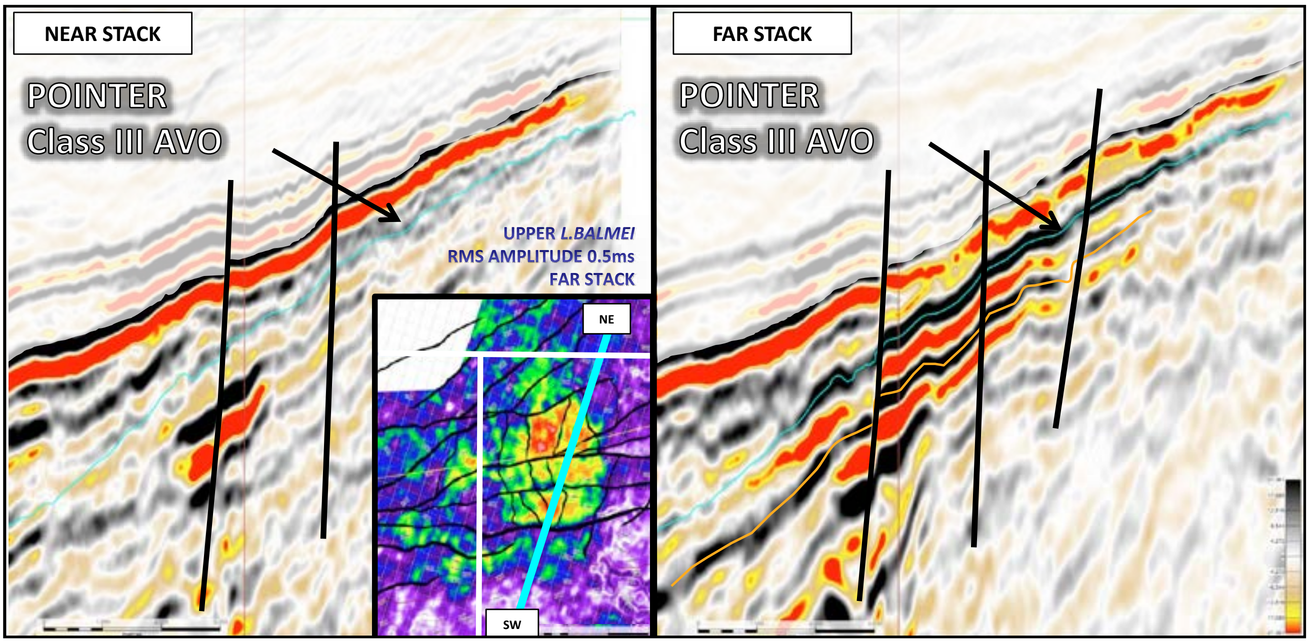


Figure 10 – Pointer Prospect Amplitude Anomaly (image courtesy of CGG Multiclient & New Ventures)

"A clear AVO has solidified Pointer as a strong candidate to contribute much needed gas to the east Australian market"

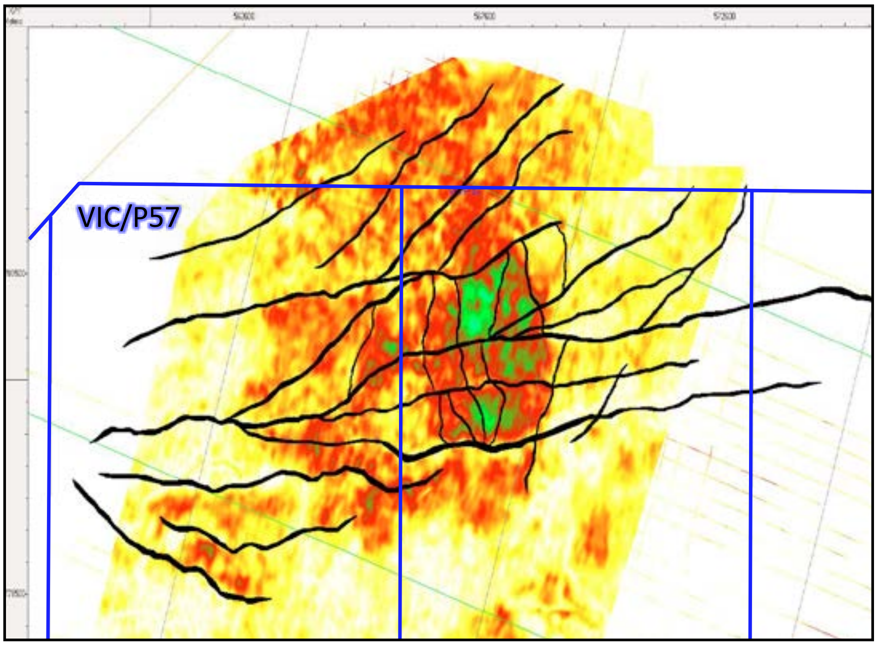


Figure 11 – Pointer Prospect Amplitude Anomaly (Full Stack)

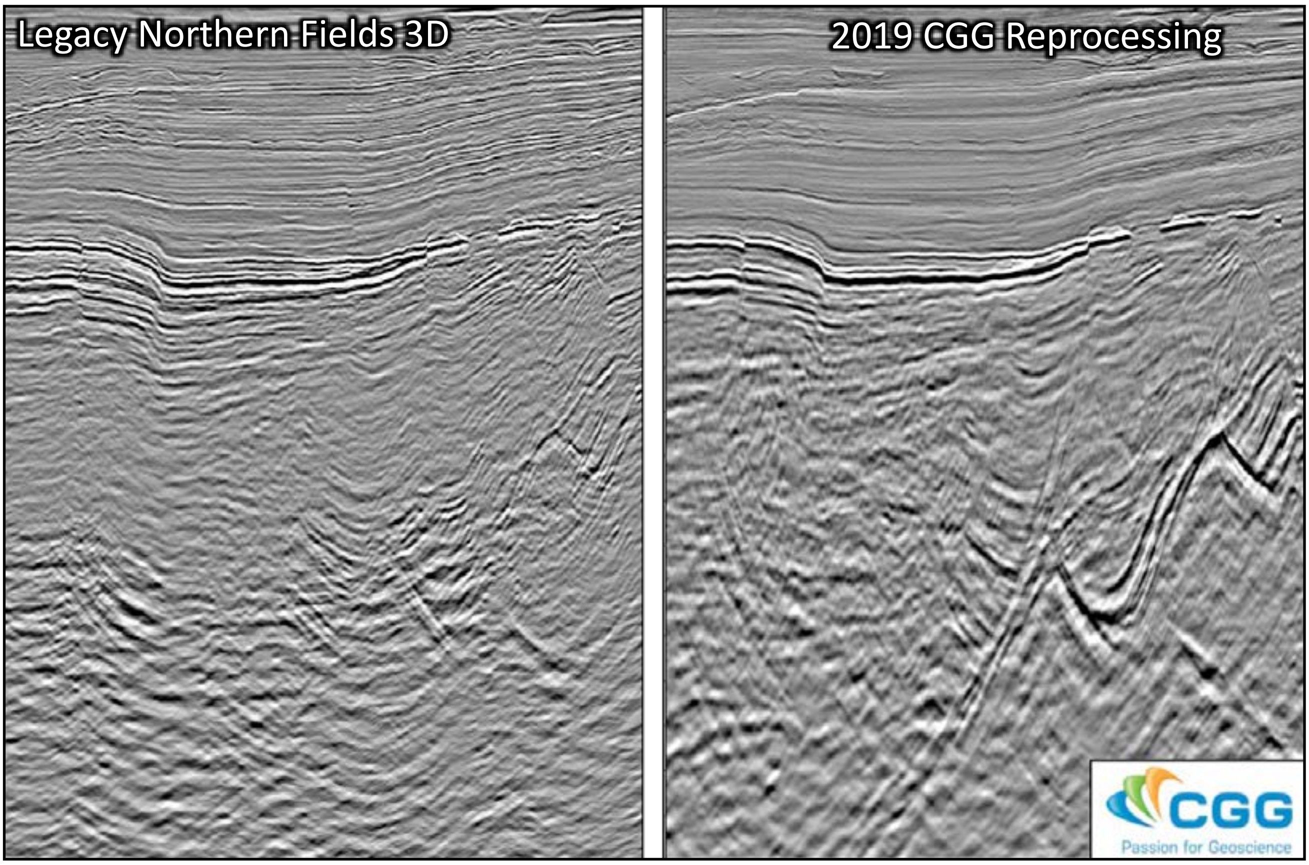


Figure 12 – Comparison of imaging quality between legacy data (left) and the 2018 CGG reprocessing (right) (mage courtesy of CGG Multiclient & New Ventures).

Deeper Gas Potential

The Emperor Sub-group play presents an additional prospective gas fairway within VIC/P57, proven by the along-trend Longtom and Judith gas discoveries. Seismic reprocessing has provided a significant uplift on image quality, permitting higher confidence mapping of the top Emperor Sub-Group. As a result, subsequent mapping and depth conversion has supported a trapping configuration at Dexter Lead. Figure 12 shows the previous vintage of seismic data (left) where the section was barely visible, compared with the CGG Gippsland Regeneration dataset (right), which shows clearly visible tilted fault blocks and involved bedding.

Dexter Lead is a three-way fault-dependent closure at Middle *M.diversus* and Top Emperor Sub-Group, where it relies on cross-fault seal with the Strzelecki Group. The structure is now considered an important lead that offers additional upside potential for the permit.

Table 3: Total VIC/P57 Prospective Resources Estimate (MMbbls) Recoverable Oil (ASX ann. 27/7/17)

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

Table 4: Total VIC/P57 Prospective Resource Estimate (BCF) Recoverable Gas (ASX ann. 27/7/17)

Location	Status	Low	Best	High
Pointer	Prospect	140.1	235.3	364.9
Dexter	Lead	37.0	132.0	259.1
VIC/P57 Total		**177.1**	**367.3**	**624.0**

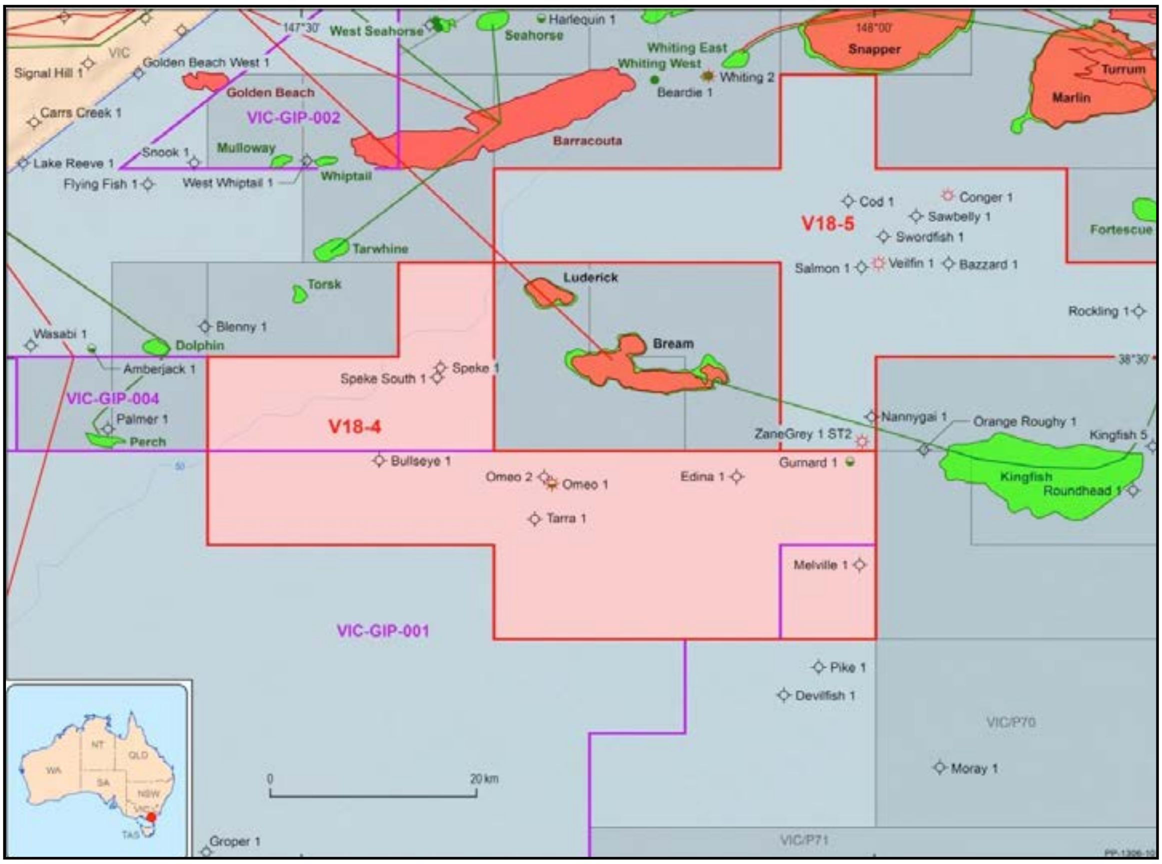


Figure 13 – VIC/P74 Location

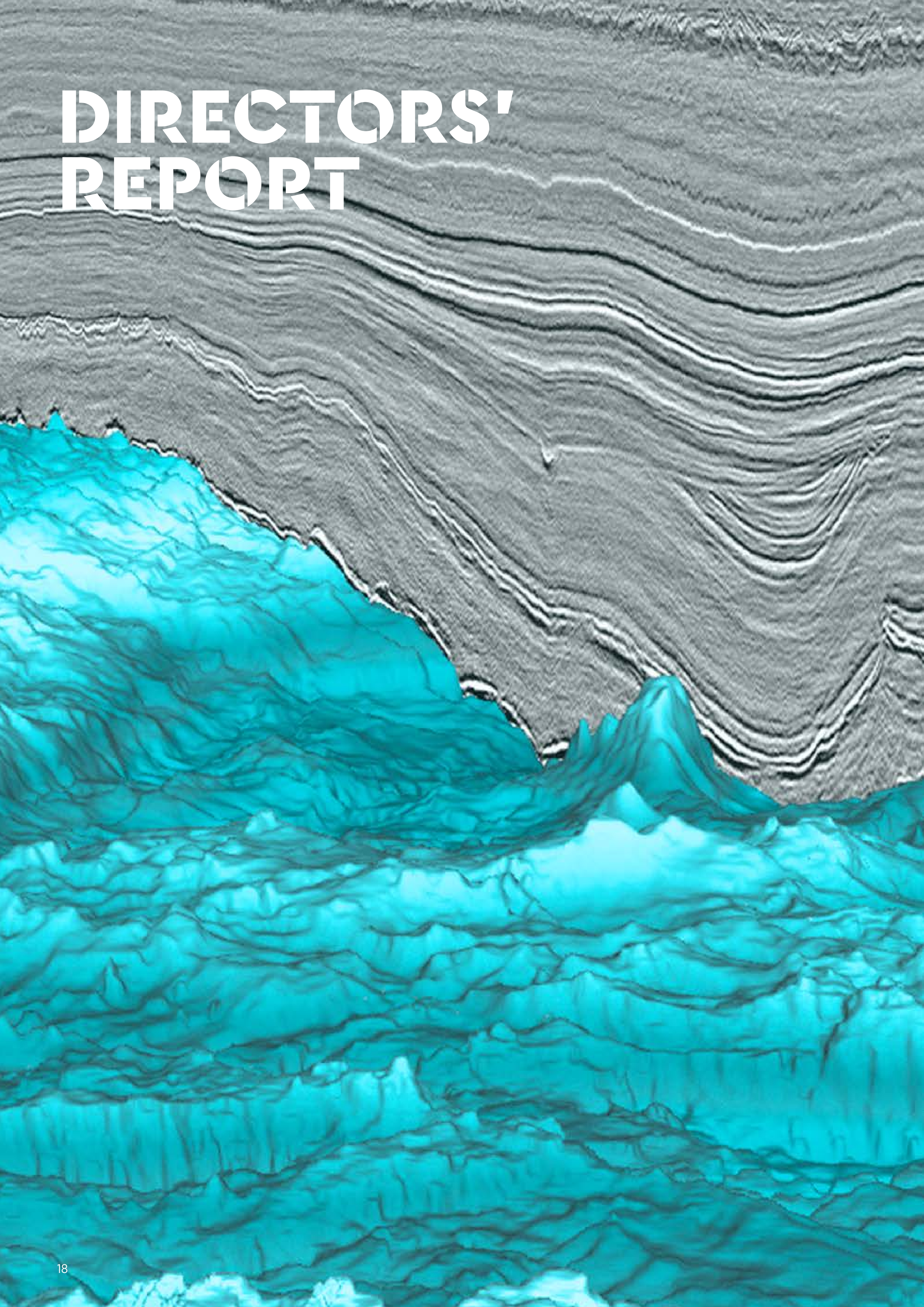
VIC/P74, GIPPSLAND BASIN OFFSHORE VICTORIA

On 26 July 2019 the National Offshore Petroleum Title Administrator ("NOPTA") awarded the 3D Oil the VIC/P74 permit in the offshore Gippsland Basin. The 1,006 km^2 permit is located on the southern side of the Gippsland Basin, adjacent the giant Kingfish Oil Field. The world class Kingfish Field is the largest oil field ever discovered in Australia and to date has produced over one billion barrels of oil. The primary work programme is modest and largely consists of purchase of reprocessed 3D seismic data.

The rationale for the acreage acquisition of VIC/P74 is based on the likely significant enhancement of the of 3D seismic in the basin as a result of reprocessing being undertaken by service company CGG. Exploration of this region has been previously hampered by severe depth conversion issues related to velocity complexities in the shallow section above the reservoir target. Recent advances in reprocessing techniques have made significant improvements in relation to this technical issue as evidenced in 3D Oil's other Gippsland permit VIC/P57. 3D Oil interpret that the permit may have the potential for significant hydrocarbon accumulations as evidenced by the neighbouring Kingfish Field.

Under the terms of a pre-bid agreement Hibiscus Petroleum Berhad can elect to enter into a Joint Venture with 3D Oil (Operator) for up to a 50% interest in VIC/P74 on a ground floor basis.

DIRECTORS' REPORT



The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of 3D Oil Limited (referred to hereafter as the 'Company', '3D Oil' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2019.

DIRECTORS

The following persons were Directors of 3D Oil Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Noel Newell
Mr Ian Tchacos
Mr Leo Demaria

PRINCIPAL ACTIVITIES

During the financial year the principal continuing activities of the Company consisted of exploration and development of upstream oil and gas assets.

DIVIDENDS

There were no dividends paid or declared during the current or previous financial year.

The consolidated entity does not have franking credits available for subsequent financial years.

REVIEW OF OPERATIONS

The loss for the consolidated entity after providing for income tax amounted to $1,089,254 (30 June 2018: $1,154,810).

Refer to the detailed Review of Operations preceding this Directors' Report.

FINANCIAL POSITION

The net assets increased by $1,697,850 to $11,742,743 at 30 June 2019 (30 June 2018: $10,044,893). During the period the consolidated entity spent a net amount after reimbursements of $880,967 (2018: $314,206) on exploration, mainly in relation to T/49P during the period.

The working capital position as at 30 June 2019 of the consolidated entity results in an excess of current assets over current liabilities of $903,047 (30 June 2018: $103,564). The consolidated entity made a loss after tax of $1,089,254 during the financial year (2018 loss: $1,154,810) and had net operating cash outflows of $958,034 (2018: $982,352). The cash balances, including term deposits, as at 30 June 2019 was $1,934,458 (2018: $1,007,865).

Based on the above the Directors believe the Company is in a stable position to continue to pursue its current operations.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

- On 5 September 2018, the consolidated entity announced a $3 million capital raising at $0.115 (11.5 cents) per share to fund purchase of seismic data and undertake a comprehensive prospectivity update across its 100% owned WA-527-P permit. The capital raising comprised of a $2.5 million placement to institutional and sophisticated investors and a fully underwritten share purchase plan raising $0.5 million.
- On 11 September 2018, the consolidated entity issued 21,304,348 fully paid ordinary shares at $0.115 (11.5 cents) per share in relation to the Tranche 1 placement to institutional and sophisticated investors.
- On 3 October 2018, the consolidated entity issued 4,374,170 fully paid ordinary shares at $0.115 (11.5 cents) per share in relation to the Share Purchase Plan Offer dated 12 September 2018.
- On 21 November 2018, the consolidated entity issued 434,782 shares at $0.115 (11.5 cents) per share to Mr Noel Newell as the Tranche 2 placement following shareholder approval on 2 November 2018.
- On 21 February 2019, the Company announced that it had been awarded a 12-month suspension of the Year 5 work program commitment for T/49P, with a corresponding 12-month extension of the permit term. As a result, Permit Year 6 will end on 21 February 2021. This will allow the Company up until 21 February 2020 to complete acquisition, processing and interpretation of a minimum 750 km^2 of 3D seismic data.
- On 15 May 2019, the Company announced that it had received Environmental Approval from NOPSEMA for the Dorrigo 3D Seismic Survey. The survey covers a number of key leads in 3D Oil's 100%-owned T/49-P project. Dorrigo 3D Seismic Survey scheduled for late 2019.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 26 July 2019, the National Offshore Petroleum Title Administrator ("NOPTA") has awarded the Company the VIC/P74 permit in the offshore Gippsland Basin. The 1,006 km^2 permit is located on the southern side of the Gippsland Basin. There are no matters or circumstances that have arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The consolidated entity will continue to pursue its exploration interest in VIC/P57 in Joint Venture partnership with Carnarvon Hibiscus Pty Ltd and WA-527-P in the Roebuck Basin of Western Australia.

3D Oil will continue to develop other permits held. 3D Oil is seeking a farm-in partner to assist in financing the T/49P work program.

ENVIRONMENTAL REGULATION

The consolidated entity holds participating interests in a number of oil and gas areas. The various authorities granting such tenements require the licence holder to comply with the terms of the grant of the licence and all directions given to it under those terms of the licence. There have been no known breaches of the tenement conditions, and no such breaches have been notified by any government agencies during the year ended 30 June 2019.

INFORMATION ON DIRECTORS

Mr Noel Newell
Executive Chairman

Qualifications
B App Sc (App Geol)

Experience and expertise
Noel Newell holds a Bachelor of Applied Science and has over 25 years experience in the oil and gas industry, with 20 years of this time with BHP Billiton and Petrofina. With these companies he has been technically involved in exploration of areas around the globe, particularly South East Asia and all major Australian offshore basins. Prior to leaving BHP Billiton in 2002, Noel was Principal Geologist working within the Southern Margin Company and primarily responsible for exploration within the Gippsland Basin. Noel has a number of technical publications and has co-authored Best Paper and runner up Best Paper at the Australian Petroleum Production & Exploration Association conference and Best Paper at the Western Australian Basins Symposium. Noel is the founder of 3D Oil. Immediately prior to starting 3D Oil, Noel was a technical advisor to Nexus Energy Limited and was directly involved in their move to explore in the offshore of the Gippsland Basin.

Other current Directorships
None

Former Directorships (last 3 years)
None

Special responsibilities
None

Interests in shares
44,082,229 ordinary fully paid shares.

Interests in options
None

Mr Leo Demaria
Non-Executive Director

Experience and expertise
Leo is a Chartered Accountant with extensive experience in company management, financial management, mergers and acquisitions and risk management.

Other currentDirectorships
None

Former Directorships (last 3 years)
None

Special responsibilities
Chairman of Audit Committee and Remuneration and Nomination Committee

Interests in shares
650,070 ordinary fully paid shares.

Interests in options
None

Mr Ian Tchacos
Non-Executive Director

Experience and expertise
Ian Tchacos is an oil and gas professional with over 30 years international experience in corporate development and strategy, mergers and acquisitions, petroleum exploration, development and production operations, decision analysis, commercial negotiation, oil and gas marketing and energy finance. He has a proven management track record in a range of international energy company environments.

Other current Directorships
Xstate Resources Limited, ADX Energy Ltd

Former Directorships (last 3 years)
None

Special responsibilities
Member of Audit Committee and Member of Remuneration and Nomination Committee

Interests in shares
428,500 ordinary fully paid shares

Interests in options
None

'Other current Directorships' quoted above are current Directorships for listed entities only and excludes Directorships in all other types of entities, unless otherwise stated.

'Former Directorships (in the last 3 years)' quoted above are Directorships held in the last 3 years for listed entities only and excludes Directorships in all other types of entities, unless otherwise stated.

COMPANY SECRETARIES

Ms Melanie Leydin
Company Secretary

Ms Leydin has 25 years' experience in the accounting profession including 13 years in the Corporate Secretarial professions and is a company secretary and finance officer for a number of entities listed on the Australian Securities Exchange. She is a Chartered Accountant and a Registered Company Auditor. Since February 2000, she has been the principal of Leydin Freyer. The practice provides outsourced company secretarial and accounting services to public and private companies specialising in ASX listed entities.

Mr Stefan Ross
Company Secretary

Mr Ross has over 10 years of experience in accounting and secretarial services for ASX Listed companies. His extensive experience includes ASX compliance, corporate governance control and implementation and statutory financial reporting.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2019, and the number of meetings attended by each Director were:

	Meetings Held*	Meetings Attended
Mr N Newell	5	5
Mr L Demaria	5	5
Mr I Tchacos	5	3

Held: represents the number of meetings held during the time the Director held office.

*There are no sub-committees.

REMUNERATION REPORT (AUDITED)

The remuneration report, which has been audited, outlines the Director and executive remuneration arrangements for the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with the market best practice for delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its Directors and executives. The performance of the consolidated entity and the Company depends on the quality of its Directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive Director and executive Director remuneration is separate.

Non-executive Directors remuneration

Fees and payments to non-executive Directors reflect the demands which are made on, and the responsibilities of the Directors. Non-executive Directors fees and payments are reviewed annually by the Board. The chairman's fees are determined independently to the fees of other non-executive Directors based on comparative roles in the external market. The chairman is not present at any discussions relating to determination of his own remuneration. Non-executive Directors do not receive share options or other incentives.

ASX listing rules requires that the aggregate non-executive Directors remuneration shall be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 21 November 2012, where the shareholders approved an aggregate remuneration of $400,000.

Executive remuneration

The consolidated entity aims to reward executives with a level and mix of remuneration based on their position and responsibility, which are both fixed.

The executive remuneration and reward framework has three components:

- base pay and non-monetary benefits
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board, based on individual and business unit performance, the overall performance of the Company and comparable market remunerations.

Executives can receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Company and adds additional value to the executive.

All Executives are eligible to receive a base salary (which is based on factors such as experience and comparable industry information) or consulting fee. The Board reviews the Executive Chairman's remuneration package, and the Executive Chairman reviews the senior Executives' remuneration packages annually by reference to the consolidated entity's performance, executive performance and comparable information within the industry.

The performance of Executives is measured against criteria agreed annually with each executive and is based predominantly on the overall success of the consolidated entity in achieving its broader corporate goals. Bonuses and incentives are linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses, and options, and can require changes to the Executive Chairman's remuneration. This policy is designed to attract the highest calibre of Executives and reward them for performance that results in long-term growth in shareholder wealth.

All remuneration paid to Directors and Executives is valued at the cost to the consolidated entity and expensed. Options are valued using the Black-Scholes or Binomial methodology.

The long-term incentives ('LTI') includes long service leave and share-based payments. Shares and or options are awarded to executives on the discretion of the Board based on long-term incentive measures.

Consolidated entity performance and link to remuneration

Remuneration packages do not include performance-based components. An individual member of staff's performance is assessed by reference to their contribution to the Company's overall achievements. The intention of this program is to facilitate goal congruence between Executives with that of the business and shareholders. Generally, the executive's remuneration is tied to the consolidated entity's successful achievement of certain key milestones as they relate to its operating activities.

Voting and comments made at the Company's 2 November 2018 Annual General Meeting ('AGM')

The Company received 98.73%% of 'for' votes in relation to its remuneration report for the year ended 30 June 2018. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

DETAILS OF REMUNERATION

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

Details of the remuneration of the Directors and other key management personnel (defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the Company) of the Company are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Salary and fees	Termination fees	Non-monetary	Super-annuation	Long service leave	Equity-settled performance rights	Total
2019	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Non-Executive Directors:							
Mr I Tchacos	43,151	-	-	4,099	-	-	47,250
Mr L Demaria	41,096	-	-	3,904	-	-	45,000
Executive Directors:							
Mr N Newell	337,488	-	-	19,308	-	-	356,796
	421,735	-	-	27,311	-	-	449,046
2018	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Non-Executive Directors:							
Mr I Tchacos	43,151	-	-	4,099	-	-	47,250
Mr L Demaria	41,096	-	-	3,904	-	-	45,000
Executive Directors:							
Mr N Newell	337,488	-	-	19,308	-	17,952	374,748
	421,735	**-**	**-**	**27,311**	**-**	**17,952**	**466,998**

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk – STI		At risk – LTI	
Name	2019	2018	2019	2018	2019	2018
Non-Executive Directors:						
Mr I Tchacos	100%	100%	-	-	-	-
Mr L Demaria	100%	100%	-	-	-	-
Executive Directors:						
Mr N Newell	100%	95%	-	-	-	5%

SERVICE AGREEMENTS

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Mr N Newell
Executive Chairman

Agreement commenced

1 November 2006

Details

(i) Mr Newell may resign from his position and thus terminate this contract by giving 6 months written notice.

(ii) The Company may terminate this employment agreement by providing 6 months written notice.

(iii) The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, Mr Newell is only entitled to that portion of remuneration which is fixed, and only up to the date of termination.

(iv) On termination of the agreement, Mr Newell will be entitled to be paid those outstanding amount owing to him up until the Termination date.

Mr Ian Tchacos
Non-Executive Director

Agreement commenced

14 October 2016

Details

(i) Mr Tchacos may resign from his position and thus terminate this contract by giving 3 months written notice.

(ii) The Company may terminate this employment agreement by providing 3 months written notice.

(iii) The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, Mr Tchacos is only entitled to that portion of remuneration which is fixed, and only up the date of termination.

(iv) On termination of the agreement, Mr Tchacos will be entitled to be paid those outstanding amounts owing to him up until the Termination date.

Mr Leo Demaria
Non-Executive Director

Agreement commenced

30 September 2014

Details

(i) Mr Demaria may resign from his position and thus terminate this contract by giving 3 months written notice.

(ii) The Company may terminate this employment agreement by providing 3 months written notice.

(iii) The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, Mr Demaria is only entitled to that portion of remuneration, which is fixed, and only up the date of termination.

(iv) On termination of the agreement, Mr Demaria will be entitled to be paid those outstanding amounts owing to him up until the Termination date.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

SHARE-BASED COMPENSATION

Issue of shares

The Company issued 1,552,072 shares to a Director and a former key management personnel as part of compensation during the year ended 30 June 2019.

Options

There were no options over ordinary shares granted to or vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2019.

Performance rights

There are no outstanding performance rights at 30 June 2019. The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of Directors and other key management personnel related to the comparative financial periods are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Share price hurdle for vesting	Fair value per right at grant date
24/11/2015	23/11/2018	23/11/2018	$0.000	$0.027
24/12/2015	23/12/2018	23/12/2018	$0.000	$0.021

Performance rights granted carry no dividend or voting rights. Performance rights vested and exercised during the year. There are no outstanding performance rights at 30 June 2019.

TERMS OF PERFORMANCE RIGHTS

The Performance Rights were issued for $Nil consideration, and the vesting of the rights is contingent on the Company achieving certain hurdles over a three year performance period.

The number of Performance Rights which vest is determined by assessing the performance of the Company, as measured by Total Shareholder Return (TSR) at the Performance Date relative to a comparator group of companies. The VWAP of the Shares in the one-month preceding the Performance Date compared to the VWAP of the Shares in the one-month preceding the grant date, will be used in calculating the TSR over the three year period. The TSR incorporate capital returns as well as dividends notionally reinvested and is considered the most appropriate means of measuring the Company's performance.

Performance Rights will only convert to Shares subject to the Performance Period being met and subject to the Company's TSR being at least equal to the median of the comparator group performance. The entire annual allocation will convert if the Company's TSR is at the 75th percentile or higher than the comparator group performance. The detailed breakdown of the relationship between the Company's performance and the conversion of Performance Rights is:

- 0% converting if the Company TSR performance is below the median performance of the comparator group.
- 50% to 100% converting if the Company TSR performance is at or above the median performance of the comparator group, but below the 75th percentile performance of the comparator group.
- 100% converting if the Company TSR performance is at or above the 75th percentile performance of the comparator group.

Under the LTI Plan there will be a straight line pro-rata conversion of Performance Rights to Shares where the Company's TSR performance is between the median and 75th percentile performance.

1,552,072 performance rights over ordinary shares granted to a Director and a former key management personnel vested during the year ended 30 June 2019. Consequently, the Company issued equivalent number of shares to the rights owners. There are no outstanding performance rights or shares granted to Directors and other key management personnel at 30 June 2019.

Additional information

The earnings of the consolidated entity for the five years to 30 June 2019 are summarised below:

	2019	2018	2017	2016	2015
	$	$	$	$	$
Interest income/sundry income	43,629	27,696	14,677	73,967	192,286
Net profit/(loss) before tax	(1,089,254)	(1,154,810)	(1,839,978)	(10,332,422)	2,356,252
Net profit/(loss) after tax	(1,089,254)	(1,154,810)	(1,839,978)	(10,291,156)	2,314,986

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2019	2018	2017	2016	2015
Share price at financial year start ($)	0.05	0.04	0.02	0.06	0.07
Share price at financial year end ($)	0.11	0.05	0.04	0.02	0.06
Basic earnings per share (cents per share)	(0.42)	(0.49)	(0.77)	(4.33)	0.97

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the consolidated entity, including their related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/other	Balance at the end of the year
Ordinary shares					
Mr N Newell	42,545,454	1,101,993	434,782	-	44,082,229
Mr L Demaria	650,070	-	-	-	650,070
Mr I Tchacos	428,500	-	-	-	428,500
	43,624,024	1,101,993	434,782	-	45,160,799

Performance rights holding

The number of performance rights over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the consolidated entity, including their related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
Performance rights over ordinary shares					
Mr N Newell	1,496,000	-	(1,101,993)	(394,007)	-
	1,496,000	-	(1,101,993)	(394,007)	-

This concludes the remuneration report, which has been audited.

Shares under option

There were no unissued ordinary shares of 3D Oil Limited under option outstanding at the date of this report.

Shares under performance rights

There were no unissued ordinary shares of 3D Oil Limited under performance rights outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of 3D Oil Limited issued on the exercise of options during the year ended 30 June 2019 and up to the date of this report.

Shares issued on the exercise of performance rights

The consolidated entity issued 1,552,072 ordinary shares on the exercise of performance rights during the year ended 30 June 2019 and up to the date of this report. Please refer note 16 to the financial statements for further information.

Indemnity and insurance of officers

The consolidated entity has indemnified the Directors of the Company for costs incurred, in their capacity as a Director, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of Grant Thornton Audit Pty Ltd

There are no officers of the Company who are former partners of Grant Thornton Audit Pty Ltd.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Auditor

Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Rounding of amounts

3D Oil Limited is a type of Company that is referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Noel Newell
Executive Chairman

30 September 2019
Melbourne

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Auditor's Independence Declaration

To the Directors of 3D Oil Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of 3D Oil Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

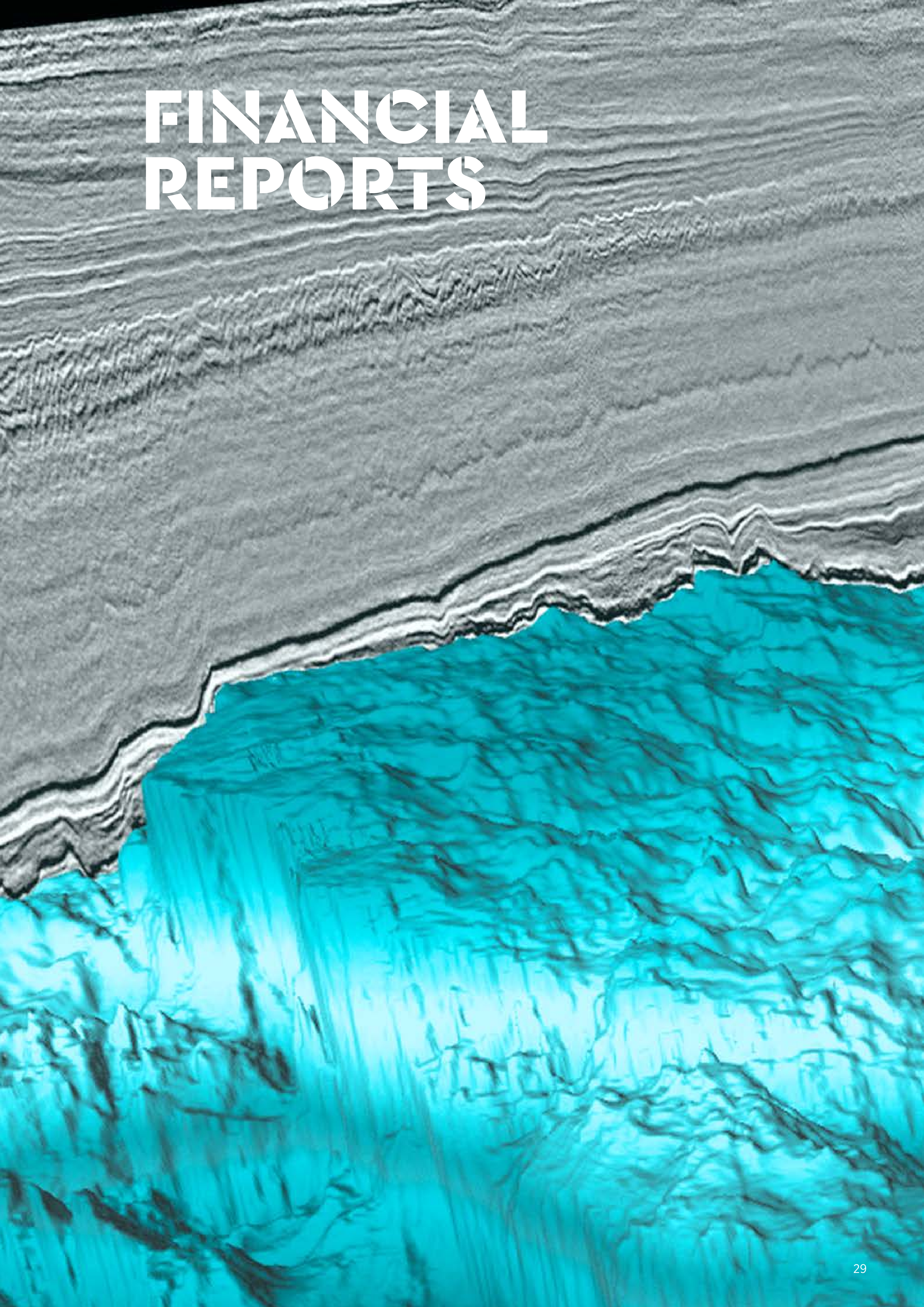
b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B L Taylor
Partner - Audit & Assurance

Melbourne, 30 September 2019

FINANCIAL REPORTS



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2019

		Consolidated	
	Note	**2019**	**2018**
		$	**$**
Interest income calculated using the effective interest method		43,629	27,696
Expenses			
Corporate expenses		(479,721)	(233,525)
Administrative expenses		(88,952)	(55,759)
Employment expenses		(418,442)	(613,471)
Occupancy expenses		(91,619)	(106,014)
Depreciation and amortisation expense	5	(32,762)	(65,386)
Foreign exchange loss		-	(146)
Exploration costs written off		(19,740)	(83,992)
Share based payments		-	(23,654)
Finance costs	5	(1,647)	(559)
Loss before income tax expense		**(1,089,254)**	**(1,154,810)**
Income tax expense	6	-	-
Loss after income tax expense for the year attributable to the owners of 3D Oil Limited		**(1,089,254)**	**(1,154,810)**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of 3D Oil Limited		**(1,089,254)**	**(1,154,810)**
		Cents	**Cents**
Basic earnings per share	28	(0.42)	(0.49)
Diluted earnings per share	28	(0.42)	(0.49)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

		Consolidated	
	Note	2019	2018
		$	$
Assets			
Current assets			
Cash and cash equivalents	7	934,458	1,007,865
Financial assets at amortised cost	8	58,288	15,329
Short term investments	9	1,000,000	-
Prepayments		38,401	24,489
Total current assets		2,031,147	1,047,683
Non-current assets			
Property, plant and equipment	10	17,800	14,289
Intangibles	11	94,160	108,922
Exploration and evaluation	12	10,735,892	9,821,789
Total non-current assets		10,847,852	9,945,000
Total assets		**12,878,999**	**10,992,683**
Liabilities			
Current liabilities			
Trade and other payables	13	1,000,333	832,167
Employee benefits	14	127,767	111,952
Total current liabilities		1,128,100	944,119
Non-current liabilities			
Employee benefits	15	8,156	3,671
Total non-current liabilities		8,156	3,671
Total liabilities		1,136,256	947,790
Net assets		**11,742,743**	**10,044,893**
Equity			
Issued capital	16	55,483,678	52,657,366
Reserves	17	-	53,221
Accumulated losses		(43,740,935)	(42,665,694)
Total equity		**11,742,743**	**10,044,893**

The above statement of financial position should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

Consolidated	Contributed equity $	Accumulated losses $	Reserves $	Total equity $
Balance at 1 July 2017	52,657,366	(41,525,787)	44,470	11,176,049
Loss after income tax expense for the year	-	(1,154,810)	-	(1,154,810)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	(1,154,810)	-	(1,154,810)
Transactions with owners in their capacity as owners:				
Share-based payments	-	-	23,654	23,654
Expiry of Options	-	14,903	(14,903)	-
Balance at 30 June 2018	**52,657,366**	**(42,665,694)**	**53,221**	**10,044,893**

Consolidated	Contributed equity $	Accumulated losses $	Reserves $	Total equity $
Balance at 1 July 2018	52,657,366	(42,665,694)	53,221	10,044,893
Loss after income tax expense for the year	-	(1,089,254)	-	(1,089,254)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	(1,089,254)	-	(1,089,254)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 16)	2,787,104	-	-	2,787,104
Expiry of performance rights	-	14,013	(14,013)	-
Conversion of vested performance rights	39,208	-	(39,208)	-
Balance at 30 June 2019	**55,483,678**	**(43,740,935)**	**-**	**11,742,743**

The above statement of changes in equity should be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS

For the year ended 30 June 2019

		Consolidated	
	Note	2019	2018
		$	$
Cash flows used in operating activities			
Payments to suppliers and employees (inclusive of GST)		(984,616)	(1,009,715)
Interest received		28,230	27,922
Interest paid		(1,648)	(559)
Net cash used in operating activities	27	(958,034)	(982,352)
Cash flows from/(used in) investing activities			
Payments for property, plant and equipment	10	(18,845)	-
Payments for intangibles	11	(2,665)	-
Payments for exploration and evaluation		(880,967)	(314,206)
Proceeds (used) / from short term investments		(1,000,000)	1,000,000
Net cash from/(used in) investing activities		(1,902,477)	685,794
Cash flows from financing activities			
Proceeds from issue of shares	16	3,003,035	-
Share issue transaction costs		(215,931)	-
Net cash from financing activities		2,787,104	-
Net decrease in cash and cash equivalents		(73,407)	(296,558)
Cash and cash equivalents at the beginning of the financial year		1,007,865	1,304,423
Cash and cash equivalents at the end of the financial year	**7**	**934,458**	**1,007,865**

The above statement of cash flows should be read in conjunction with the accompanying notes

NOTE 1. GENERAL INFORMATION

The financial statements cover 3D Oil Limited as a consolidated entity consisting of 3D Oil Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is 3D Oil Limited's functional and presentation currency.

3D Oil Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 18
41 Exhibition Street
Melbourne VIC 3000

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 30 September 2019. The Directors have the power to amend and reissue the financial statements.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

GOING CONCERN

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The working capital position as at 30 June 2019 of the consolidated entity results in an excess of current assets over current liabilities of $903,047 (30 June 2018: $103,564). The consolidated entity made a loss after tax of $1,089,254 during the financial year (2018 loss: $1,154,810) and had net operating cash outflows of $958,034 (2018: $982,352). The cash balances, including term deposits, as at 30 June 2019 was $1,934,458 (2018: $1,007,865). The continuing viability of the consolidated entity and its ability to continue as a going concern is dependent upon the consolidated entity being successful in its continuing efforts in exploration projects and accessing additional sources of capital to meet the commitments within twelve (12) months from the date of this report.

To meet the Company's funding requirements as and when they fall due the Group will need to take appropriate steps, including a combination of:

- Raising capital by one of or a combination of the following: placement of shares, rights issue, share purchase plan, etc;
- Meeting its obligations by either farm-out or partial sale of the Group's exploration interests;
- Subject to negotiation and approval, minimum work requirements may be varied or suspended, and/or permits may be surrendered or cancelled; or
- Other avenues that may be available to the Group.

This financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. Should the Group be unable to obtain the funding as described above, there is a material uncertainty as to whether the Group will be able to continue as a going concern, and therefore, whether it will be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report. The financial report does not include any adjustment relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern. Having carefully assessed the potential uncertainties relating to the consolidated entity's ability to effectively fund exploration activities and operating expenditures, the Directors believe that the consolidated entity will continue to operate as a going concern for the foreseeable future. Therefore, the Directors consider it is appropriate to prepare the financial statements on a going concern basis.

ROUNDING OF AMOUNTS

3D Oil Limited is a type of Company that is referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar.

BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

PARENT ENTITY INFORMATION

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 24.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of 3D Oil Limited ('Company' or 'parent entity') as at 30 June 2019 and the results of all subsidiaries for the year then ended. 3D Oil Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

REVENUE RECOGNITION

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

INCOME TAX

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

3D Oil Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

EXPLORATION EXPENDITURE

Exploration expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward in relation to each area of interest to the extent the following conditions are satisfied:

(a) the rights to tenure of the area of interest are current; and

(b) at least one of the following conditions is also met:

(i) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and

(ii) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward cost in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the cost of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

LEASES

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

The consolidated entity has not entered into any finance leases.

GOODS AND SERVICES TAX ('GST') AND OTHER SIMILAR TAXES

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

FAIR VALUE MEASUREMENT

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET MANDATORY OR EARLY ADOPTED

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2019. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The consolidated entity will adopt this standard from 1 July 2019. The consolidated entity has elected to apply the modified retrospective method of adoption. This transition method requires the cumulative effect of initially applying AASB 16 as an adjustment to the opening balance of retained earnings from the date of initial application. In accordance with the modified retrospective method, comparative figures are not restated. As at reporting date, the Group has assessed the impact of the standard and the expected impacts are as follows:

1. Increase in assets and liabilities amounting to $259,557 and $260,424 respectively.
2. Increase in the accumulated losses in the amount of $867.
3. It is not expected that there will be any net impact on the consolidated statement of cash flows.

NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. The expectation of recovery of the costs capitalised is based on the assumption that the Group will be able to obtain adequate financing to allow the continued exploration and subsequent development of areas of interest by either successfully farming out a proportion of existing permits or raising adequate capital in its own right. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

NOTE 4. OPERATING SEGMENTS

AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the consolidated entity that are regularly reviewed by the chief decision maker in order to allocate resources to the segment and to assess its performance. 3D Oil Limited operates in the development of oil and gas within Australia. The consolidated entity's activities are therefore classified as one operating segment.

The chief decision makers, being the Board of Directors, assess the performance of the consolidated entity as a whole and as such through one segment.

Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

NOTE 5. EXPENSES

	Consolidated	
	2019	2018
	$	$
Loss before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	(15,334)	(29,699)
Amortisation		
Software	(17,428)	(35,687)
Total depreciation and amortisation	**(32,762)**	**(65,386)**
Post employment benefit plans – Superannuation contributions	(23,065)	(34,527)
Equity settled share based payments	-	(17,740)
	(23,065)	**(52,267)**
Operating lease payments		
Office lease	(84,364)	(94,037)
Finance costs		
Interest and finance charges paid/payable	(1,647)	(559)

NOTE 6. INCOME TAX EXPENSE

	Consolidated	
	2019	2018
	$	$
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(1,089,254)	(1,154,810)
Tax at the statutory tax rate of 27.5%	(299,545)	(317,573)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	1,997	1,324
Share-based payments	-	6,505
Prior year under/over adjustment	-	274,077
Unrecognised tax losses	297,548	35,667
Income tax expense	**-**	**-**

Petroleum Resource Rent Tax

Petroleum Resource Rent Tax (PRRT) applies to petroleum projects in Australian onshore and offshore areas under the Petroleum Resource Rent Tax Assessment Act 1987. PRRT is assessed on a project basis or production licence area and is levied on the taxable profits of a petroleum project at a rate of 40%.

Eligible expenditure incurred in relation to permits VIC/P57, T49P and WA-527-P, attach to the permit and can be carried forward. Certain specified undeducted expenditure is eligible for annual compounding at set rates. The compound amount can be deducted against assessable receipts in future years.

		Consolidated
	2019	**2018**
	$	**$**
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Tax losses	16,685,138	15,846,704
Total deferred tax assets not recognised	**16,685,138**	**15,846,704**

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

The taxation benefits of tax losses and temporary difference not brought to account will only be obtained if:

(i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;

(ii) the consolidated entity continues to comply with the conditions for deductibility imposed by law; and

(iii) no change in tax legislation adversely affects the Company in realising the benefits from deducting the losses.

NOTE 7. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

		Consolidated
	2019	**2018**
	$	**$**
Cash at bank	720,969	795,884
Cash on deposit	213,489	211,981
	934,458	**1,007,865**

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTE 8. CURRENT ASSETS – FINANCIAL ASSETS AT AMORTISED COST

	Consolidated	
	2019	**2018**
	$	**$**
Trade receivables	27,954	-
Interest receivable	16,704	1,305
GST receivable	13,630	14,024
	58,288	**15,329**

Trade receivables represent reimbursement of labour costs and third party invoices by JV partners.

The average credit period on trade and other receivables is 30 days. No interest is charged on the receivables. The consolidated entity has financial risk management policies in place to ensure that all receivables are received within the credit timeframe. Due to the short term nature of these receivables, their carrying value is assumed to be approximate to their fair value.

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

NOTE 9. CURRENT ASSETS – SHORT TERM INVESTMENTS

	Consolidated	
	2019	**2018**
	$	**$**
Cash on deposit	**1,000,000**	**-**

This amount relates to cash on deposit held with a term to maturity greater than 3 months.

NOTE 10. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2019	**2018**
	$	**$**
Plant and equipment – at cost	184,083	201,096
Less: Accumulated depreciation	(184,083)	(186,807)
	-	14,289
Computer equipment – at cost	18,845	-
Less: Accumulated depreciation	(1,045)	-
	17,800	-
	17,800	**14,289**

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Plant & Equipment	Total
Consolidated	**$**	**$**
Balance at 1 July 2017	43,988	43,988
Depreciation expense	(29,699)	(29,699)
Balance at 30 June 2018	14,289	14,289
Additions	18,845	18,845
Depreciation expense	(15,334)	(15,334)
Balance at 30 June 2019	**17,800**	**17,800**

Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

NOTE 11. NON-CURRENT ASSETS – INTANGIBLES

		Consolidated
	2019	**2018**
	$	**$**
Software – at cost	334,790	421,011
Less: Accumulated amortisation	(240,630)	(312,089)
	94,160	**108,922**

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Software	Total
Consolidated	**$**	**$**
Balance at 1 July 2017	144,609	144,609
Amortisation expense	(35,687)	(35,687)
Balance at 30 June 2018	108,922	108,922
Additions	2,665	2,665
Amortisation expense	(17,427)	(17,427)
Balance at 30 June 2019	**94,160**	**94,160**

Accounting policy for intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

NOTE 12. NON-CURRENT ASSETS – EXPLORATION AND EVALUATION

	Consolidated	
	2019	2018
	$	$
Exploration and evaluation expenditure	**10,735,892**	**9,821,789**

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Exploration & Evaluation Expenditure	Total
Consolidated	$	$
Balance at 1 July 2017	9,507,583	9,507,583
Expenditure during the year	314,206	314,206
Balance at 30 June 2018	9,821,789	9,821,789
Expenditure during the year	933,843	933,843
Impairment of assets	(19,740)	(19,740)
Balance at 30 June 2019	**10,735,892**	**10,735,892**

The exploration and evaluation assets relate to VIC/P57 offshore Gippsland Basin in Victoria, T/49P offshore Otway Basin in Tasmania and WA-527-P in Western Australia. The recoverability of the carrying amounts of the exploration and evaluation expenditure is dependent on the successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest.

The Company carried out an impairment review of the carrying amount of its exploration expenditure in VIC/P57, T/49P and WA-527-P as at 30 June 2019.

Farm-outs — in the exploration and evaluation phase

The consolidated entity does not record any expenditure made by the farminee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements, but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farminee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the farmor as a gain on disposal.

Accounting policy for exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

NOTE 13. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	Consolidated	
	2019	2018
	$	$
Trade payables	91,510	32,986
Sundry payables and accrued expenses	908,823	799,181
	1,000,333	**832,167**

Refer to note 19 for further information on financial instruments.

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

NOTE 14. CURRENT LIABILITIES – EMPLOYEE BENEFITS

	Consolidated	
	2019	2018
	$	$
Annual leave	15,538	20,562
Long service leave	112,229	91,390
	127,767	**111,952**

Accounting policy for employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

NOTE 15. NON-CURRENT LIABILITIES – EMPLOYEE BENEFITS

	Consolidated	
	2019	2018
	$	$
Long service leave	**8,156**	**3,671**

Accounting policy for long-term employee benefits

The liability for long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bond rates with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

NOTE 16. EQUITY – ISSUED CAPITAL

	Consolidated			
	2019	2018	2019	2018
	Shares	Shares	$	$
Ordinary shares – fully paid	**265,188,372**	**237,523,000**	**55,483,678**	**52,657,366**

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2017	237,523,000		52,657,366
Balance	30 June 2018	237,523,000		52,657,366
Conversion of vested performance rights	30 July 2018	1,552,072	$0.000	39,208
Share placement	11 September 2018	21,304,348	$0.110	2,450,000
Share placement	3 October 2018	4,374,170	$0.110	503,035
Share placement	21 November 2018	434,782	$0.110	50,000
Capital raising costs		-	$0.000	(215,931)
Balance	**30 June 2019**	**265,188,372**		**55,483,678**

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The Company is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 30 June 2018 Annual Report.

Options

For further information in relation to unissued ordinary shares of 3D Oil Limited under option, refer to the Directors' report and Note 29.

Accounting policy for issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTE 17. EQUITY – RESERVES

	Consolidated	
	2019	2018
	$	$
Share-based payments reserve	**-**	**53,221**

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Options Reserve	Total
Consolidated	**$**	**$**
Balance at 1 July 2017	44,470	44,470
Share based payments	23,654	23,654
Expiry of options	(14,903)	(14,903)
Balance at 30 June 2018	53,221	53,221
Expiry of options (Note 29)	(14,013)	(14,013)
Conversion of vested performance rights (Note 29)	(39,208)	(39,208)
Balance at 30 June 2019	**-**	**-**

NOTE 18. EQUITY – DIVIDENDS

There were no dividends paid or declared during the current or previous financial year.

The consolidated entity does not have franking credits available for subsequent financial years.

Accounting policy for dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

NOTE 19. FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT OBJECTIVES

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('Finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

MARKET RISK

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. The consolidated entity operates a US dollar bank account for the purpose of transacting in US dollars.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

		Assets		Liabilities
	2019	2018	2019	2018
Consolidated	$	$	$	$
US dollars	**33**	**31**	**-**	**-**

The consolidated entity operated a US dollar bank account. There were no other assets or liabilities denominated in foreign currencies at the year end. The US balance on the account was US$23 and the exchange rate used to translate the balance at 30 June 2019 was $0.69768.

			AUD strengthened			AUD weakened
Consolidated – 2018	% change	Effect on profit before tax	Effect on equity	% change	Effect on profit before tax	Effect on equity
		$	$		$	$
US dollar	4%	(1)	(1)	9%	3	3

Price risk

The consolidated entity is not exposed to any significant price risk.

Interest rate risk

The consolidated entity's only exposure to interest rate risk is in relation to deposits held. Deposits are held with reputable banking financial institutions.

The tables below illustrate the impact on profit before tax based upon expected volatility of interest rates using market data and analysis forecasts.

			Basis points increase			Basis points decrease
Consolidated – 2019	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
		$	$		$	$
Cash at bank	50	306	306	-	(306)	(306)

			Basis points increase			Basis points decrease
Consolidated – 2018	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
		$	$		$	$
Cash at bank	50	5,039	5,039	50	(5,039)	(5,039)

CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

LIQUIDITY RISK

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Consolidated – 2019	**%**	**$**	**$**	**$**	**$**	**$**
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	889,345	-	-	-	889,345
Total non-derivatives		889,345	-	-	-	889,345

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Consolidated – 2018	**%**	**$**	**$**	**$**	**$**	**$**
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	832,167	-	-	-	832,167
Total non-derivatives		832,167	-	-	-	832,167

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. When appropriate, the fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

NOTE 20. KEY MANAGEMENT PERSONNEL DISCLOSURES

DIRECTORS

The following persons were Directors of 3D Oil Limited during the financial year:

Mr Noel Newell	Executive Chairman
Mr Leo De Maria	Non-Executive Director
Mr Ian Tchacos	Non-Executive Director

COMPENSATION

The aggregate compensation made to Directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2019	**2018**
	$	**$**
Short-term employee benefits	421,735	421,735
Post-employment benefits	27,311	27,311
Share-based payments	-	17,952
	449,046	**466,998**

NOTE 21. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Company:

	Consolidated	
	2019	**2018**
	$	**$**
Audit services – Grant Thornton Audit Pty Ltd		
Audit or review of the financial statements	**52,580**	**59,022**

NOTE 22. COMMITMENTS

	Consolidated	
	2019	2018
	$	$
Operating Lease Commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	84,792	91,936
One to four years	196,248	-
	281,040	**91,936**
Exploration Licenses – Commitments for Expenditure		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	1,840,000	311,111
One to five years	2,177,778	4,937,778
More than five years	600,000	-
	4,617,778	**5,248,889**

In order to maintain current rights of tenure to exploration tenements, the consolidated entity is required to outlay rentals and to meet the minimum work requirements and associated indicative expenditure of the National Offshore Petroleum Titles Administrator ('NOPTA'). Minimum commitments may be subject to renegotiation and with approval may otherwise be avoided by sale, farm out or relinquishment. These obligations are therefore not provided for in the financial statements as payable.

The Company has included its commitments for indicative expenditure in the above note partly relating to Exploration Permit T/49P up to year 4 as outlined in the permit documentation. Commitments from year 5 onwards are confirmed on a year-by-year basis dependent on the Company agreeing to proceed. If the Company was to proceed beyond year 4 in relation to T/49P, the current indicative expenditure commitment for Years 5-6 is currently gross $30 million and this would be occurring in 2018-2020 years.

In relation to VIC/P57, the joint venture applied to NOPTA in September 2017 for a further 5 year tenure. The program includes minor but, high impact and carefully designed work commitments including state-of-the-art reporcessing of the 3D seismic data covering the permit. The Company announced on 7 March 2018 the renewal of the permit by NOPTA for a further five years.

In relation to WA-527-P, the Company has included its commitments for indicative expenditure in the above note relating to WA-527-P up to year 4. Commitments from year 5 onwards are confirmed on a year-by-year basis dependent on the Company agreeing to proceed. If the Company was to proceed beyond year 5 in relation to WA-527-P, the current indicative expenditure commitment for Years 5-6 is currently gross $30.5 million and this would be occurring in 2022-2023 years.

On 26 July 2019, the Company was awarded VIC/P74 permit. The Company has included its commitments for indicative expenditure in the above note relating to VIC/P74 up to year 5. Commitments from year 6 onwards are confirmed on a year-by-year basis dependent on the Company agreeing to proceed. If the Company was to proceed beyond year 6 in relation to VIC/P74, the current indicative expenditure commitment for Years 6-7 is currently gross $40.3 million and this would be occurring in 2024-2025 years.

NOTE 23. RELATED PARTY TRANSACTIONS

Parent entity

3D Oil Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 25.

Key management personnel

Disclosures relating to key management personnel are set out in note 20 and the remuneration report included in the Directors' report.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

NOTE 24. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income		Parent
	2019	2018
	$	$
Loss after income tax	(1,089,683)	(1,154,834)
Total comprehensive income	(1,089,683)	(1,154,834)

Statement of financial position

		Parent
	2019	2018
	$	$
Total current assets	1,965,976	1,090,309
Total assets	10,124,978	8,239,091
Total current liabilities	1,015,871	852,729
Total liabilities	1,136,256	947,790
Equity		
Issued capital	55,483,678	52,657,366
Share-based payments reserve	-	53,222
Accumulated losses	(46,494,956)	(45,419,287)
Total equity	**8,988,722**	**7,291,301**

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2019 and 30 June 2018.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2019 and 30 June 2018.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2019 and 30 June 2018.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.
- Significant estimates and judgement – recoverability of loan to subsidiary.

No objective indicators of impairment due to:

- current best estimates of potential resources indicate a quantity of oil/gas that would allow recovery of the amount due in full.

NOTE 25. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2:

		Ownership interest	
		2019	2018
Name	Principal place of business / Country of incorporation	%	%
3D Oil T49P Pty Ltd	Australia	100.00%	100.00%

NOTE 26. EVENTS AFTER THE REPORTING PERIOD

On 26 July 2019, the National Offshore Petroleum Title Administrator ("NOPTA") has awarded the Company the VIC/P74 permit in the offshore Gippsland Basin. The 1,006 km^2 permit is located on the southern side of the Gippsland Basin. There are no other matters or circumstances that have arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

NOTE 27. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH USED IN OPERATING ACTIVITIES

	Consolidated	
	2019	2018
	$	$
Loss after income tax expense for the year	(1,089,254)	(1,154,810)
Adjustments for:		
Depreciation and amortisation	32,762	65,386
Share-based payments	-	23,653
Impairment of exploration and evaluation	19,740	-
Accrued interest	(15,400)	-
Change in operating assets and liabilities:		
Decrease in financial assets at amortised cost	394	87,657
Increase in prepayments	(13,912)	(1,022)
Increase/(decrease) in trade and other payables	87,336	(5,968)
Increase in employee benefits	20,300	2,752
Net cash used in operating activities	**(958,034)**	**(982,352)**

NOTE 28. EARNINGS PER SHARE

	Consolidated	
	2019	2018
	$	$
Loss after income tax attributable to the owners of 3D Oil Limited	**(1,089,254)**	**(1,154,810)**
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	259,489,921	237,523,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	259,489,921	237,523,000
	Cents	**Cents**
Basic earnings per share	(0.42)	(0.49)
Diluted earnings per share	(0.42)	(0.49)

Accounting policy for earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of 3D Oil Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTE 29. SHARE-BASED PAYMENTS

Shares are awarded to executives from time to time based on long-term incentive measures. These include the increase in shareholders value relative to the entire market and the increase compared to the consolidated entity's direct competitors.

There were no share based payments were made to the employees and Directors during the year ended on 30 June 2019. Set out below are summaries of performance rights granted under the plan in the comparative periods:

2019

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
24/11/2015	23/11/2018	$0.000	1,496,000	-	(1,101,993)	(394,007)	-
24/12/2015	23/12/2018	$0.000	611,000	-	(450,079)	(160,921)	-
			2,107,000	-	(1,552,072)	(554,928)	-

2018

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
24/11/2015	23/11/2018	$0.000	1,496,000	-	-	-	1,496,000
24/12/2015	23/12/2018	$0.000	611,000	-	-	-	611,000
			2,107,000	-	-	-	2,107,000

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was nil years (30 June 2018: 3 years).

For the performance rights the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
24/11/2015	23/11/2018	$0.040	$0.000	62.700%	-	2.130%	$0.027
24/12/2015	23/12/2018	$0.030	$0.000	62.700%	-	2.030%	$0.021

Accounting policy for share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

– during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
– from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

DIRECTORS' DECLARATION

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Noel Newell
Executive Chairman

30 September 2019
Melbourne

Grant Thornton

Collins Square, Tower 5
727 Collins Street
Docklands Victoria 3008

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Independent Auditor's Report

To the Members of 3D Oil Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of 3D Oil Limited (the Company) and its subsidiaries (the Group) which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of 3D Oil Ltd and controlled entities is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Group incurred a net loss of $1,089,254 during the year ended 30 June 2019 and had net operating cash outflows of $958,034. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Exploration and Evaluation Assets - valuation	

As all of the tenements held by 3D Oil Limited are in the exploration stage, exploration expenditure is capitalised in accordance with Australian Accounting Standard AASB 6 *Exploration for and Evaluation of Mineral Resources*.
 	
The company is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value. Any impairment losses are then measured in accordance with AASB 136 *Impairment of Assets*.
 	
AASB 6 *Exploration for and Evaluation of Mineral Resources* requires exploration and evaluation asset to be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. AASB 6 provides a list of four indicators, however that list is not exhaustive and therefore subjectivity is involved in the assessment.
 	
This area is a key audit matter as significant judgement is required in determining whether the facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, and then consequently in measuring any impairment loss.
	Our procedures included, amongst others:
	
	• Obtaining the management prepared reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger;
	• Selecting a sample of capitalised exploration and evaluation expenditure and obtaining documentation to support the amount capitalised in line with AASB 6;
	• Critically reviewing management's assessment of impairment indicators for the Group's capitalised exploration assets under AASB 6 by:
	    ○ Assessing the period for the right to explore the areas of interest have not expired or will not expire in the near future without an expectation of renewal;
	    ○ Enquiring of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of managements' budgeted expenditure;
	    ○ Understanding whether any data exists that indicates the carrying value of these exploration and evaluation assets are unlikely to be recovered from successful development or by sale; and
	    ○ Considering any other available evidence of impairment.
	• Assessing management's consequent determination of impairment loss (if any); and
	• Reviewing related financial statement disclosures.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's/Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 21 to 26 of the Directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of 3D Oil Limited, for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B L Taylor
Partner – Audit & Assurance

Melbourne, 30 September 2019

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 27 September 2019.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	44
1,001 to 5,000	129
5,001 to 10,000	134
10,001 to 100,000	461
100,001 and over	265
	1,033
Holding less than a marketable parcel	**190**

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Noel Newell (Newell Family A/C)	38,604,620	13.40
Oceania Hibiscus SDN BHD	30,963,000	10.75
H Louey Pang & Co Pty Ltd (Demaria Family A/C)	8,550,000	2.97
Fugro Exploration Pty Ltd	7,511,000	2.61
Citicorp Nominees Pty Limited	7,110,250	2.47
Bill Hopper	6,475,000	2.25
Sanlirra Pty Ltd (Sanlirra Super Fund A/C)	5,600,000	1.94
J K Demaria Pty Ltd	4,823,935	1.67
HSBC Custody Nominees (Australia) Limited - A/C 2	5,031,740	1.75
PAND JR Pty Ltd (John Demaria Family A/C)	4,886,510	1.70
Northern Business Planning Centre Pty Ltd (Newell Super A/C)	4,375,616	1.52
Pengold JR Pty Ltd (Pengold Super Fund A/C)	3,714,000	1.29
Andrew Paterson	3,237,500	1.12
Vin Naidu and Wendy Naidu	2,837,500	0.99
Mr Giovanni Monteleone and Mrs Frances Monteleone	2,550,000	0.89
Mr Russell Barwick	2,500,000	0.87
Eilie Sunshine Pty Ltd (Eilie Sunshine Superfund A/C)	2,500,000	0.87
Blamnco Trading Pty Ltd	2,367,490	0.82
Blamnco Trading Pty Ltd	2,325,000	0.81
Miclon Pty Ltd (Talty Super Fund A/C)	2,146,348	0.75
	148,109,509	**51.44**

Unquoted equity securities

There are no unquoted equity securities.

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	**% of total shares issued**
Noel Newell (Newell Family A/C)	42,980,236	14.92
Oceania Hibiscus SDN BHD	30,963,000	10.75

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

CORPORATE DIRECTORY

Directors

Noel Newell (Executive Chairman)
Ian Tchacos (Non-Executive Director)
Leo Demaria (Non-Executive Director)

Company secretaries

Melanie Leydin
Stefan Ross

Registered office

Level 18, 41 Exhibition Street
Melbourne, VIC 3000
Telephone: (03) 9650 9866

Principal place of business

Level 18, 41 Exhibition Street
Melbourne, VIC 3000

Share register

Computershare Investor Services Pty Limited
452 Johnston Street
Abbotsford Victoria 3067
Telephone: (03) 9415 5000

Auditor

Grant Thornton Audit Pty Ltd
Collins Square Tower 5
727 Collins Street
Melbourne Victoria 3008

Solicitors

Baker McKenzie
Level 19, 181 William Street
Melbourne,Victoria 3000

Stock exchange listing

3D Oil Limited securities are listed on the Australian Securities Exchange.
(ASX Code: TDO)

Website

3doil.com.au

Corporate Governance Statement

Corporate governance documents can be found in the Company's website www.3doil.com.au/about/corporate-governance

Annual General Meeting

3D Oil Limited advises that its Annual General Meeting will be held on Monday, 11 November 2019. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all Shareholders and released to the ASX in due course.

Cover image: PGS Ramform Tethys, courtesy PGS

3D OIL