



ASX Release
30 April 2020

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3D Oil Limited

QUARTERLY ACTIVITIES REPORT FOR THE THREE MONTHS ENDED 31 MARCH 2020

Highlights for the quarter include:

- **T/49P (Otway Basin):** Executed Joint Venture Operating agreement with ConocoPhillips Australia to satisfy a key condition of the farm-out of T/49-P exploration permit.
- **WA-527-P (Bedout Sub-basin):** 21 Month Suspension and Extension for the Primary Work Programme was granted as the environmental assessment process continues for the Sauropod 3D MSS.

3D Oil Limited (ASX: TDO, “3D Oil” or “the Company”) is pleased to provide an update to its activities for the quarter ending 31 March 2020.

Exploration

T/49P, Otway Basin, offshore Tasmania

3D Oil will hold 20% interest (pending government approvals) in the T/49P exploration permit, which covers 4,960km² of the strategic offshore Otway Basin. The permit is located adjacent to the producing Thylacine and Geographe gas fields (100% owned by Beach Energy Limited (ASX: BPT)).

During the quarter 3D Oil completed an important milestone of the farm-out process with the execution of a Joint Operating Agreement (“JOA”) with ConocoPhillips Australia SH1 Pty Ltd (“ConocoPhillips Australia”) on 23 March 2020.

Under the terms of the original Farm-Out Agreement (“FOA”), executed on 18 December 2019, TDO were to retain 25% interest in the permit, however, after further negotiations with ConocoPhillips Australia, TDO has agreed to reduce its equity share to 20% in order to minimise ongoing operating costs throughout the exploration programme. Under the revised terms, TDO

will contribute 10% of the cost of such overheads until ConocoPhillips Australia have spent US\$30 million towards drilling of an exploration well.

Other terms of the transaction remain unchanged, these include;

- 3D Oil to receive a A\$5m cash payment in recognition of previous permit expenditure,
- ConocoPhillips Australia will undertake the acquisition and processing of not less than 1580km² 3D seismic data at no cost to 3D Oil (currently planned for 3Q CY2020); and,
- ConocoPhillips Australia may elect to drill an exploration well upon completion of the acquisition, processing and interpretation of the 3D seismic survey. If elected, 3D Oil will be carried for up to the first US\$30m of costs, after which it will contribute 20% of costs in line with its interest in the permit.

Documentation of the transaction is now waiting the approval by the National Offshore Petroleum Titles Administrator (“NOPTA”) which is expected shortly.

The beginning of this relationship represents an important step towards TDO’s over-arching strategy, to provide much needed natural gas to the east coast market. The 2020 Gas Statement of Opportunities Report released by the Australian Energy Market Operator (“AEMO”) on 27 Mar 2020, states; “Southern supply from existing and committed gas developments will reduce by more than 35% (163 petajoules [PJ]) over the next five years, despite an increase in committed gas developments in the past year. Unless additional southern supply sources are developed, LNG import terminals are progressed, or pipeline limitations are addressed, gas supply restrictions and curtailment of gas-powered generation (GPG) for the National Electricity Market (NEM) may be necessary on peak winter days in southern states from 2024.” This implies that current gas supply to South East Australia is sufficient until 2023, after which a supply deficit is predicted.

The next stage of exploration for the T/49-P permit will be the acquisition and processing of not less than 1,580km² of 3D seismic data. The survey is an integral part of the overall exploration strategy as it will cover remaining leads in the central and southern sections of the T/49P acreage and will allow for the generation of a permit-wide prospect seriatim that will inform the best possible drilling location.

Figure 1: Location Map of the Dorrigo 3D Marine Seismic Survey shown with Leads and Prospects, T/49P

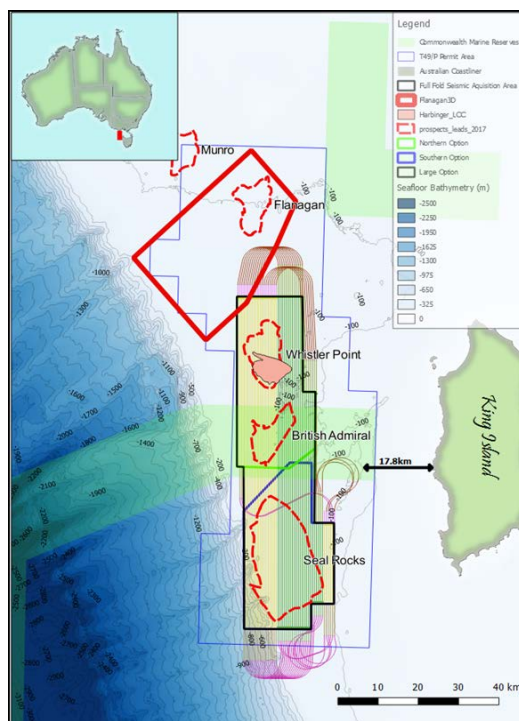


Table 1: T/49P Prospective Resource Estimate (TCF) Recoverable Gas
(ASX ann. 27-Jul-17)

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	28.77

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

WA-527-P, Bedout Sub-basin, offshore Western Australia

3D Oil holds 100% interest in the WA-527-P exploration permit, which covers 6,500km² of the offshore Bedout Sub-basin. The permit is located adjacent to oil and gas/condensate discoveries at Roc, Phoenix South and Dorado (Figure 2).

During the quarter, the Company received approval for a 21-month Suspension & Extension (“S&E”) of the Primary Work Programme, which will now expire on 28 December 2021. The remaining item of the Primary Work Programme includes the acquisition and processing of a minimum 510km² seismic data. TDO had sought the S&E due to limited seismic vessel availability forecast for the original acquisition period of Q1 CY2020 and delays with the award of the environmental approval of the activity. The S&E will allow the Company to acquire and process the Sauropod survey in the next available window of 1Q CY2021.

The Sauropod 3D MSS is primarily aimed at determining the potential for traps associated with a Triassic erosional channel system analogous to that which provides the trapping mechanism for the nearby Dorado discovery (Figure 3). The survey is also intended to provide further insight on the size of the Whaleback and Salamander leads and the potential of the Palaeozoic petroleum system in the north-east of the acreage.

Figure 2: Map showing the Milne and Dorado-Apus channel system which provides the trapping mechanism for the Dorado discovery and the location of a similar channel system within WA-527-P

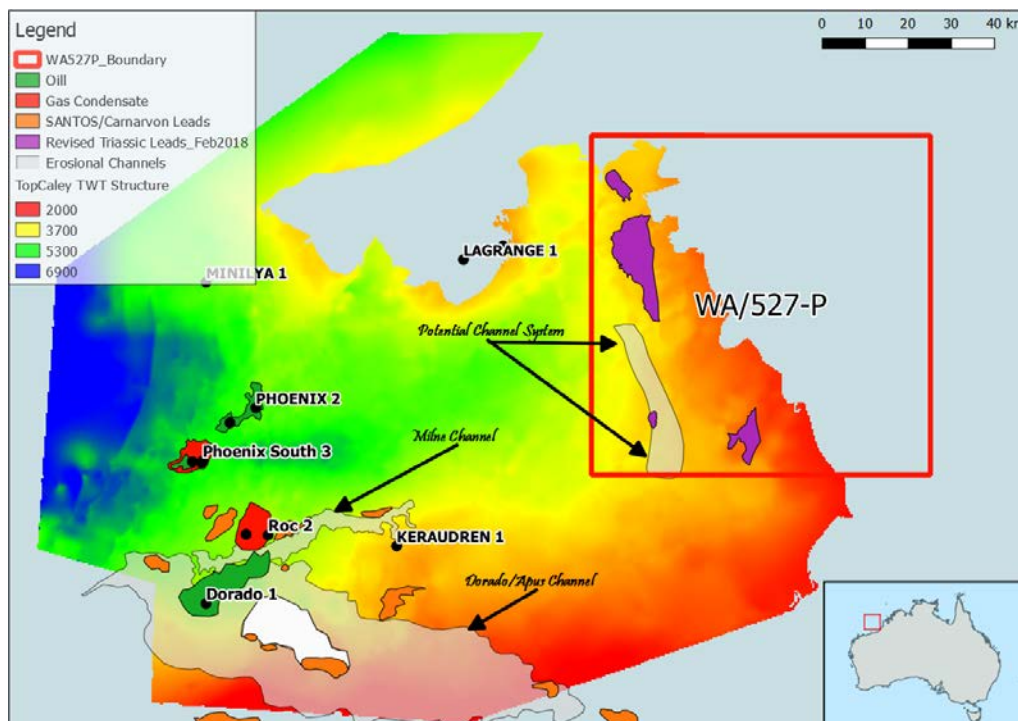


Figure 3: Location of Environmental Planning Area

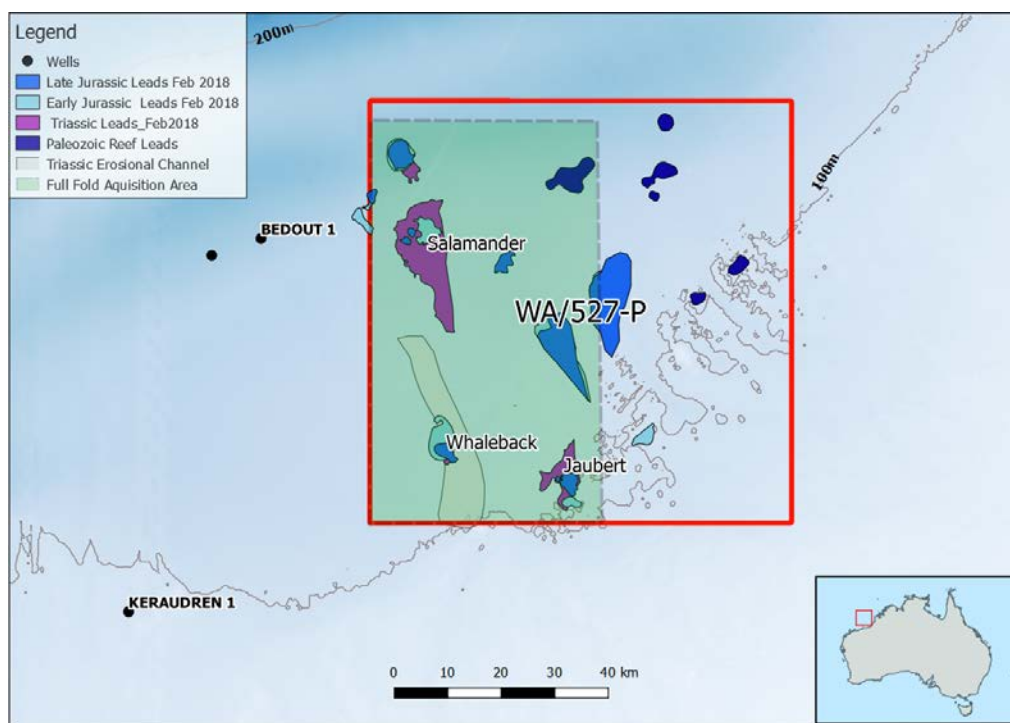


Table 2: WA-527-P Prospective Resource Estimate (MMbbls) Recoverable Oil

Prospect	Stat us	Low	Best	High
Salamander	Lead	57	191	713
Jaubert	Lead	17	72	205
Whaleback	Lead	16	87	219
WA-527-P Arithmetic Total		90	349	1,138

(ASX ann. 26-Feb-18)

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.

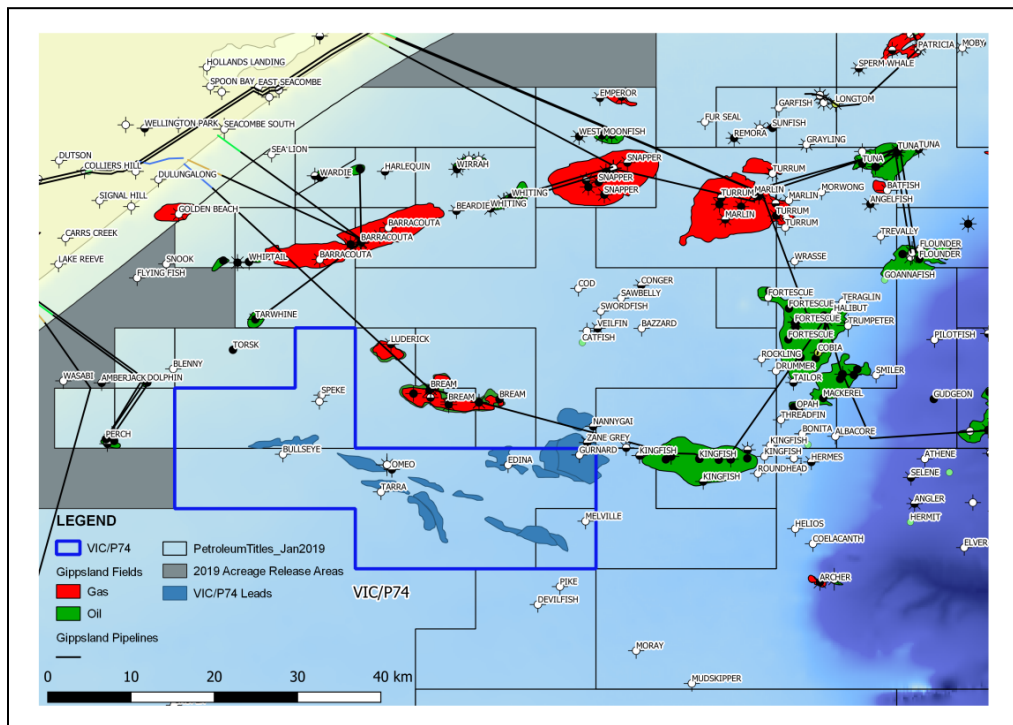
VIC/P74, Gippsland Basin, offshore Victoria

In October 2019, 3D Oil announced that Carnarvon Hibiscus Pty Ltd (“CHPL”), an indirect wholly-owned subsidiary of Hibiscus Petroleum Berhad, elected to enter into a joint venture agreement, by acquiring a 50% interest in the permit. Upon completion of the transaction, 3D Oil and CHPL will enter into a joint operating agreement whereby 3D Oil will remain as operator and retain 50% equity in the permit. The permit covers 1,009km² of the southern side of the Gippsland Basin, adjacent to the giant Kingfish Oil Field, the largest oil field ever discovered in Australia having produced over one billion barrels of oil to date.

TDO has completed the initial prospectivity review in preparation to purchase the CGG Gippsland Basin reprocessing satisfying a key component of the Primary Work Programme.

The Joint Venture was impressed by the uplift in data quality that the reprocessing was able to provide for the VIC/P57 permit and anticipates a similar result in VIC/P74.

Figure 4: VIC/P74 Location



VIC/P57, Gippsland Basin, offshore Victoria

TDO holds 24.9% interest in the VIC/P57 exploration permit in the offshore Gippsland Basin with joint venture (“JV”) partner and operator, Hibiscus Petroleum. 3D Oil acts as technical adviser to the JV. During the quarter, the Joint Venture continued to market the permit’s two drilling candidates, Felix and Pointer to the farm-out market.

Figure 5: Prospects and Leads, VIC/P57

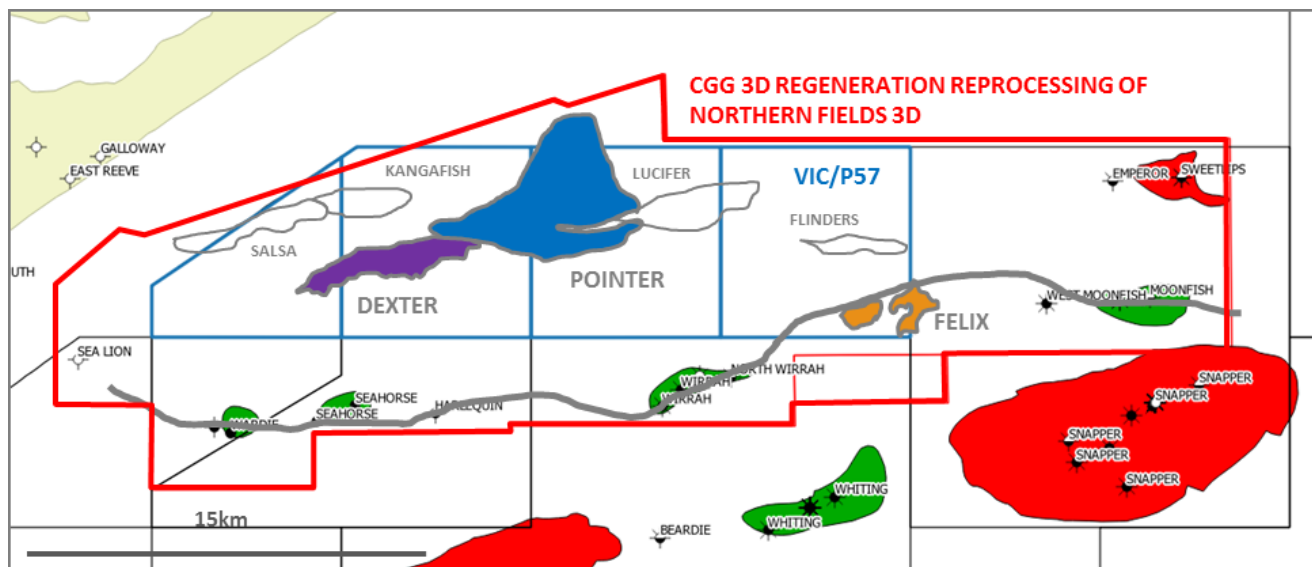


Figure 6: Pointer Prospect Response on Offset Stacks.

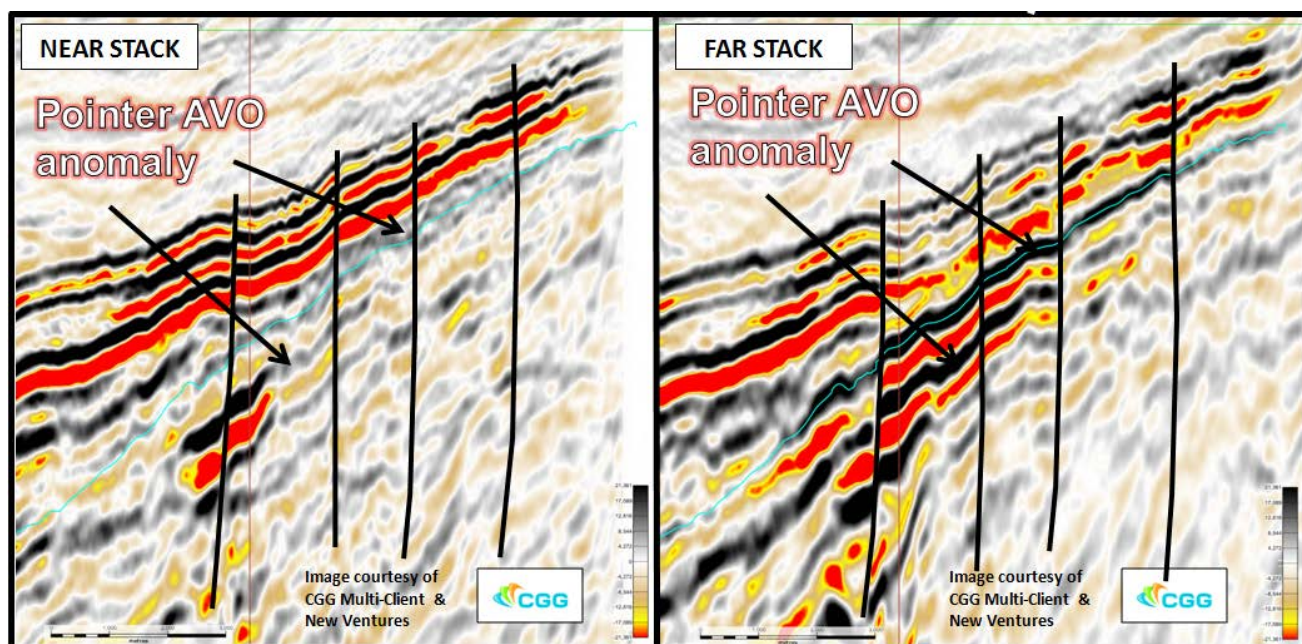


Table 3: VIC/P57 Prospective Resources Estimate (MMbbls) Recoverable Oil
(ASX ann. 27-Jul-17)

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

Table 4: VIC/P57 Prospective Resource Estimate (BCF) Recoverable Gas

Location	Status	Low	Best	High
Pointer	Prospect	140.1	235.3	364.9
Dexter	Lead	37.0	132.0	259.1
VIC/P57 Arithmetic Total		177.1	367.2	624.0

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.

Corporate

As at 31 March 2020, the Company held cash and cash equivalents of approximately A\$528K, which excludes the A\$5m cash payment to be received as part of the T/49P farm-out to ConocoPhillips.

Payments to related parties and their associates during the quarter as outlined in Section 6 of the accompanying Appendix 5B to this quarterly activities report were A\$68k. These payments are related to salaries, superannuation and Director's fees paid to directors and related entities during the March 2020 quarter.

Petroleum Tenement Holdings

As at 31 March 2020, 3D Oil's petroleum tenement holdings were:

Tenement and Location	Beneficial interest at 31 Dec 2019	Beneficial interest acquired / (disposed)	Beneficial interest at 31 Mar 2020
VIC/P57 Offshore Gippsland Basin, VIC	24.9%	nil	24.9%
T/49P Offshore Otway Basin, TAS	100% ¹	nil	100% ¹
WA-527-P Offshore Roebuck Basin, WA	100%	nil	100%
VIC/P74 Offshore Gippsland Basin, VIC	100% ²	nil	100% ²

¹ On 18 December 2019, 3D Oil executed a FOA for T/49P with ConocoPhillips Australia. On 26 March 2020, 3D Oil executed a Joint Operating Agreement with ConocoPhillips to satisfy a key condition of the farmout of T/49P. Under the original FOA, the Company was to retain 25% equity in T/49P however following further negotiations the Company has decided to reduce its interest in the Permit to 20%. Completion of the farmout will occur following government approvals.

² On 4 October 2019, 3D Oil announced that Hibiscus Petroleum Berhad had elected to enter into a Joint Venture with 3D Oil in the newly awarded offshore Gippsland Basin permit VIC/P74. TDO will remain as operator with 50% equity when a JOA is signed by both parties and required government approvals.

This announcement is authorised for release by the Board of Directors of 3D Oil Limited.

For further information, please contact:

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Executive Chairman
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Phone: +61 3 9650 9866

Qualified Petroleum Reserves and Resources Evaluator Statement

The Prospective Resources estimates in this release are based on, and fairly represent, information and supporting documents prepared by, or under the supervision of Dr David Briguglio, who is employed full-time by 3D Oil Limited as Exploration Manager. He holds a BSc.Hons and PhD in Petroleum Geoscience and has been practicing as a Petroleum Geoscientist for 10 years. Dr Briguglio is qualified in accordance with ASX listing rule 5.41 and has consented in writing to the inclusion of the information in the form and context in which it appears.

Prospective Resources

The estimates have been prepared by the company in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System, 2011 approved by the Society of Petroleum Engineer. Prospective Resource estimates are for recoverable volumes and unless otherwise stated this report quotes Best Estimates and gross volumes. The estimates are un-risked and have not been adjusted for both an associated chance of discovery and a chance of development. The Prospective Resources have been estimated with both probabilistic and deterministic methods.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

3D Oil Limited

ABN

40 105 597 279

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(94)	(362)
	(e) administration and corporate costs	(95)	(350)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	23
1.5	Interest and other costs of finance paid	(3)	(10)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	(2)
1.9	Net cash from / (used in) operating activities	(191)	(701)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(13)
	(d) exploration & evaluation (if capitalised)*	(103)	(546)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material) **	-	906
2.6	Net cash from / (used in) investing activities	(103)	347

**Exploration expenses are capitalised as exploration assets but presented as exploration expenses under 1.2 (a) above in the past previous quarterly reports. These capitalised exploration expenses are now reclassified and presented under investing activities.*

***This amount represents the \$1.0 million of cash on deposit, which matured during the quarter ended on 31 December 2019. At maturity, this amount was re-classified from short-term investments into cash and cash equivalents.*

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Principle element of lease payments)	(13)	(52)
3.10	Net cash from / (used in) financing activities	(13)	(52)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	835	934
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(191)	(701)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(103)	347
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(13)	(52)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	528	528

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	528	715
5.2	Call deposits	-	120
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	528	835

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
68
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A’000	Amount drawn at quarter end \$A’000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
N/A			

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(191)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(103)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(294)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	528
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	528
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.80

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes, the Company expects that it will continue to have negative operating cash flows for the time being.

- Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes, during the December 2019 quarter, the Company announced that its wholly owned subsidiary, 3D Oil T49P Pty Ltd and ConocoPhillips Australia SH1 Pty Ltd executed a Farmout Agreement ("FOA") in relation to the offshore Tasmanian Permit T/49P ("Permit"). Under the terms of the FOA and the revised FOA as announced on 26 March 2020, ConocoPhillips Australia will be transferred a 80% interest in the permit and become operator. In exchange for such transfer, the Company will receive a A\$5 million cash payment in recognition of previous permit expenditure and ConocoPhillips Australia will undertake the acquisition of a 3D seismic survey of not less than 1580 sq km within the Permit to which the Company will make no financial contribution. On 26 March 2020, the Company also announced that both parties have executed a Joint Operating Agreement in relation to the Permit, which satisfies a key condition of the FOA. Completion of the farmout will occur following government approvals. Under the terms of the revised FOA and JOA, TDO will contribute 10% of the joint operation expenses until ConocoPhillips Australia has completed an exploration well or spent at least US\$30 million toward drilling of an exploration well. Upon completion of the acquisition, processing and interpretation of the 3D seismic survey, ConocoPhillips Australia may elect to drill an exploration well which will fulfil the current Year 6 Permit work commitment. In the event ConocoPhillips Australia elects to drill such exploration well, the Company will be carried for up to US\$30 million in drilling costs after which it will contribute 20% of costs in line with its interest in the Permit. Receipt of the A\$5 million is expected to be received in Q4 2020, subject to required government approvals.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, the Company expects to be able to continue its operations and meet its business objectives on the basis that it expects to be able to secure funding as described in the answer to Question 2 above.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2020

Authorised by: The Board.

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.