

# ASX ANNOUNCEMENT

3D Oil Limited | ASX: TDO

## Quarterly Activities Report

### FY23 Second Quarter ending 31 December 2022

25 January 2023

3D Oil Limited (ASX: TDO, “3D Oil” or “the Company”) is pleased to provide an update to its activities for the quarter ending 31 December 2022.

## Highlights

### **VIC/P79 (Otway Basin, Offshore VIC)**

- Joint Operating Agreement (JOA) signed, finalising farmout of 80% interest in VIC/P79 and operatorship to ConocoPhillips Australia, pending regulatory approval.
- Upon regulatory approval 3D Oil to receive cash payment of USD\$3 million and carry for the first USD\$35 million of well costs.

### **T/49P (Otway Basin, Offshore TAS)**

- Following receipt of Phase 2 of the Sequoia 3D MSS processing detailed interpretation of the data commenced by the Joint Venture.
- The final volume is anticipated in Q1 2023 and will support the high grading of potential gas targets.

### **WA-527-P (Bedout Sub-Basin, Offshore WA)**

- 3D Oil has submitted a two-year Environmental Plan (“EP”) to NOPSEMA for acquisition of the proposed Sauropod MC3D seismic survey.
- EP was submitted for public comment of 12 September 2022, which closed on 12 October 2022 however under new guidelines from NOPSEMA a wider area for stakeholder consultation is now required.

### **VIC/P74 (Gippsland Basin, Offshore VIC)**

- Variation of Title Conditions’ application to NOPTA is currently under evaluation and seeks to alter aspects of the secondary work program.

### **GSEL 759 (Otway Basin, Onshore SA)**

- The Company continues a gas storage feasibility study of the depleted Caroline Field suitable for the storage of hydrogen, natural gas or carbon dioxide.

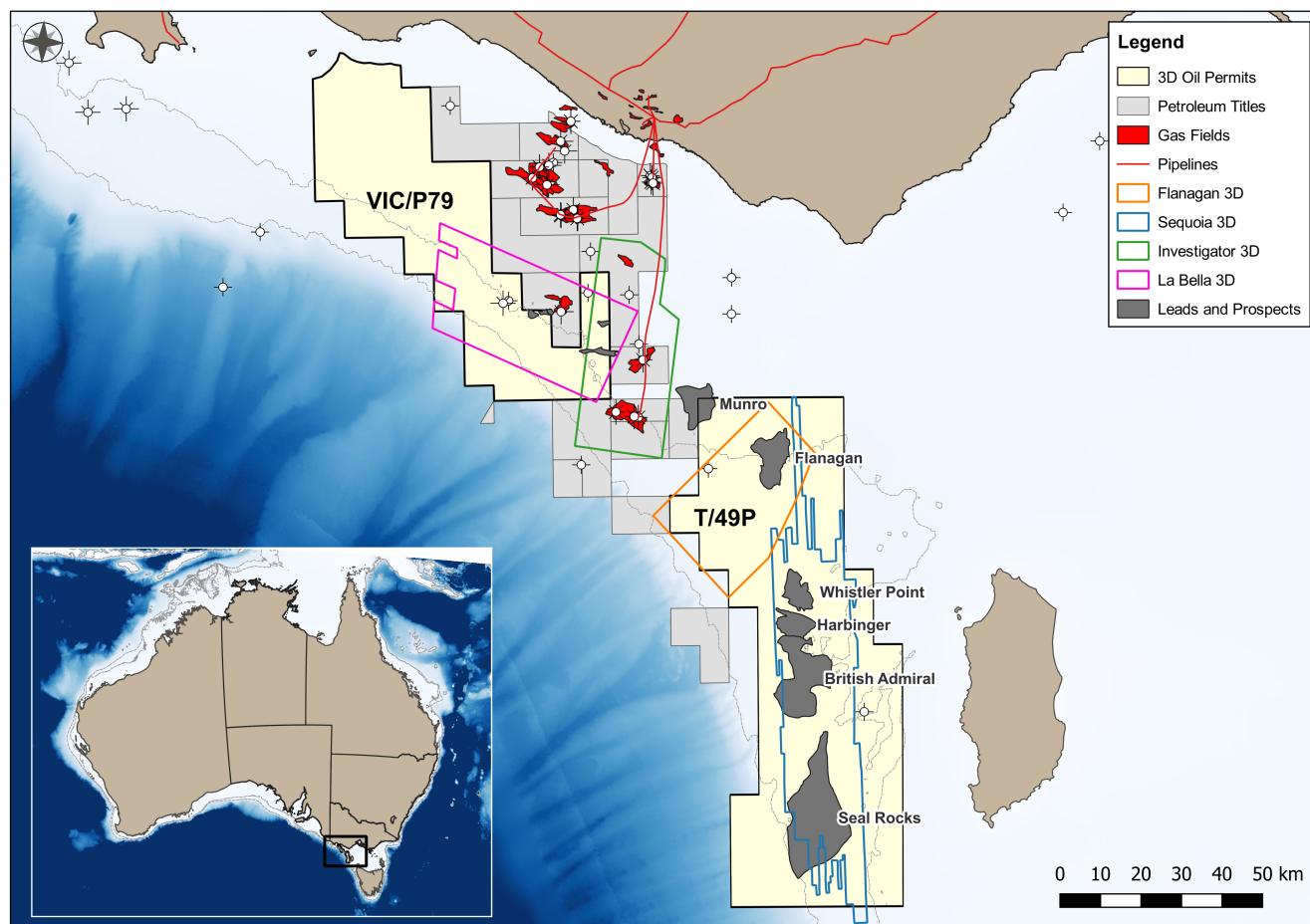
## Managing Director's Comments

The last quarter has seen the finalisation of the VIC/P79 Joint Venture with ConocoPhillips. We now await final regulatory approval which is expected in the near future. This means that the Joint Venture can continue to develop exploration strategies for the Otway Basin holding, noting that VIC/P79 and T/49P represents the largest exploration area held by any company in the basin. In fact, if we include VIC/P74, the Company holds the largest exploration area in Bass Strait at 57% of all exploration permits. As previously reported the exploration potential in these permits offers considerable potential for commercial exploration outcomes. We are looking forward to achieving a number of significant milestones during 2023.

During the last quarter there has been considerable discussion regarding gas pricing in the energy market. This situation and the various actions taken by various companies and Government have had little impact on the Company at this time, as it operates in exploration phase rather than production. The Company acknowledges the gas demand forecast by the Australian Energy Market Operator (AEMO) and its essential place in the evolving future energy mix and aim to position the Company as an energy provider into that market.

## East Coast Exploration

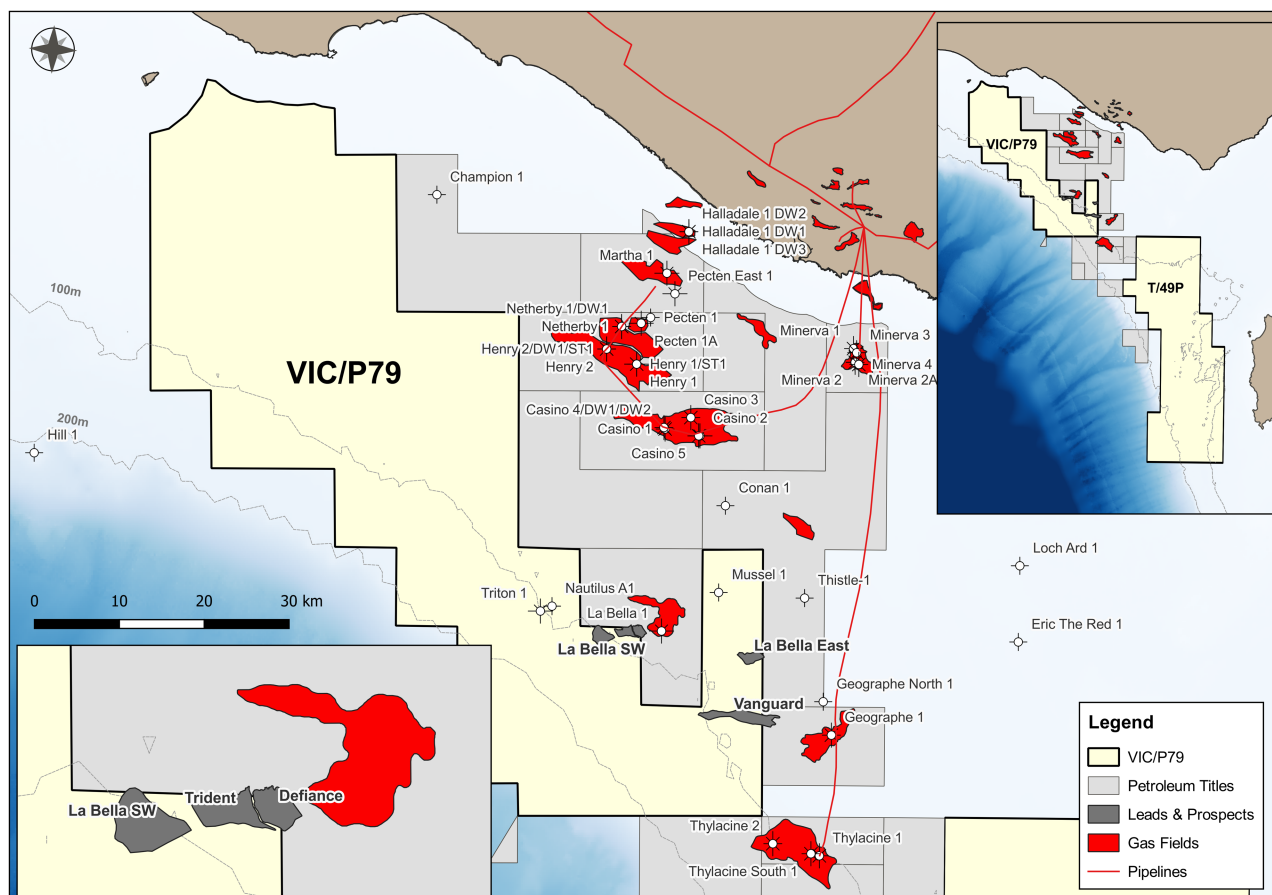
**Figure 1: Location map of exploration permits VIC/P79 and T/49P.**



## VIC/P79, Otway Basin, Offshore Victoria

3D Oil currently holds 100% interest in the VIC/P79 exploration permit, formerly V20-1, from the 2020 Offshore Petroleum Exploration Acreage Release. The permit covers 2,575km<sup>2</sup> of the offshore Otway Basin and is located adjacent to the producing Thylacine and Geographe gas fields (Operated by Beach Energy Limited (ASX: BPT)) and the La Bella gas discovery (Figures 1,2). In conjunction with T/49P, the Company has now strategically gained exposure to >60% of Otway Basin exploration by area.

**Figure 2: Location map of exploration permit VIC/P79 and identified leads and prospects.**



## Administration

3D Oil Limited executed a Joint Operating Agreement (“JOA”) with ConocoPhillips Australia SH2 Pty Ltd (“ConocoPhillips Australia”), in relation to the offshore Victorian Exploration Permit VIC/P79 (“Permit”), located in the Otway Basin (TDO ASX Announcement, 21 October 2022).

Execution of the JOA is a significant milestone and the deal will now be finalised pending relevant government/regulatory approval(s). 3D Oil anticipates the regulatory approval(s) process to be completed in Q1 2023.

Under the terms of the Farmout Agreement (“FOA”), ConocoPhillips Australia will acquire an 80% interest in the Permit and operatorship in exchange for an upfront payment of USD\$3 million. ConocoPhillips Australia will also undertake to drill an exploration well as required by the permit’s

Primary Term minimum work commitment (currently required by February 2025). The Company will be carried for up to USD\$35 million in well costs, above which it will contribute 20% of costs in line with its interest in the Permit.

## **Subsurface Maturation**

Subsurface maturation has progressed significantly over the quarter with the completion of seismic interpretation and depth conversion of the La Bella 3D Marine Seismic Survey. New leads have been identified and revised prospective resource estimates will be released to the market in Q1 2023. 3D Oil is working closely with ConocoPhillips around ongoing and planned subsurface maturation activities, including seismic reprocessing of the La Bella 3D. These activities will provide a holistic picture of the prospectivity across southern VIC/P79 to inform planned drilling activity in late 2024/2025 in accordance with the Primary Term minimum work commitment.

## **Exploration Well Planning**

The progression of a second farmin with ConocoPhillips in the Otway Basin yields operational efficiencies in the well planning process for exploration wells in VIC/P79 and T/49P. ConocoPhillips Australia has progressed the well planning process and is actively looking to secure an appropriate rig. Preparation for relevant regulatory approval(s) is occurring concurrently.

## **T/49P, Otway Basin, Offshore Tasmania**

3D Oil holds 20% interest in the T/49P exploration permit, which covers 4,960km<sup>2</sup> of the strategic offshore Otway Basin (Figure 3). The permit is located adjacent to the producing Thylacine and Geographe gas fields (Operated by Beach Energy Limited (ASX: BPT)). ConocoPhillips Australia SH1 Pty Ltd holds 80% interest in the permit and is Operator on behalf of the Joint Venture.

## **Sequoia 3D Marine Seismic Survey (MSS) Processing & Interpretation**

In November 2021, the Shearwater vessel Geo Coral safely completed the acquisition of approximately 1700km<sup>2</sup> of the Sequoia 3D Marine Seismic Survey (MSS), on behalf of ConocoPhillips Australia (COPA) as Operator of the T/49P Joint Venture (TDO: ASX announcement on 3 November 2021).

Processing of the Sequoia 3D MSS has continued throughout the quarter and the Phase 2 processing deliverables were received during early October. While Phase 2 provides a significant uplift in data quality from Phase 1, a full evaluation of the prospectivity, including seismic attribute analysis, will be possible once the final Phase 3 volume has been received. The fully processed 3D seismic is anticipated in Q1, 2023.

Upon interpretation of the Sequoia 3D MSS and high grading of potential gas targets, ConocoPhillips Australia may elect to drill an exploration well in fulfillment the current Year 6 work program. As per the FOA, the Company will be carried for up to US\$30 million in drilling costs after which it will contribute 20% of drilling costs in line with its interest in the permit.

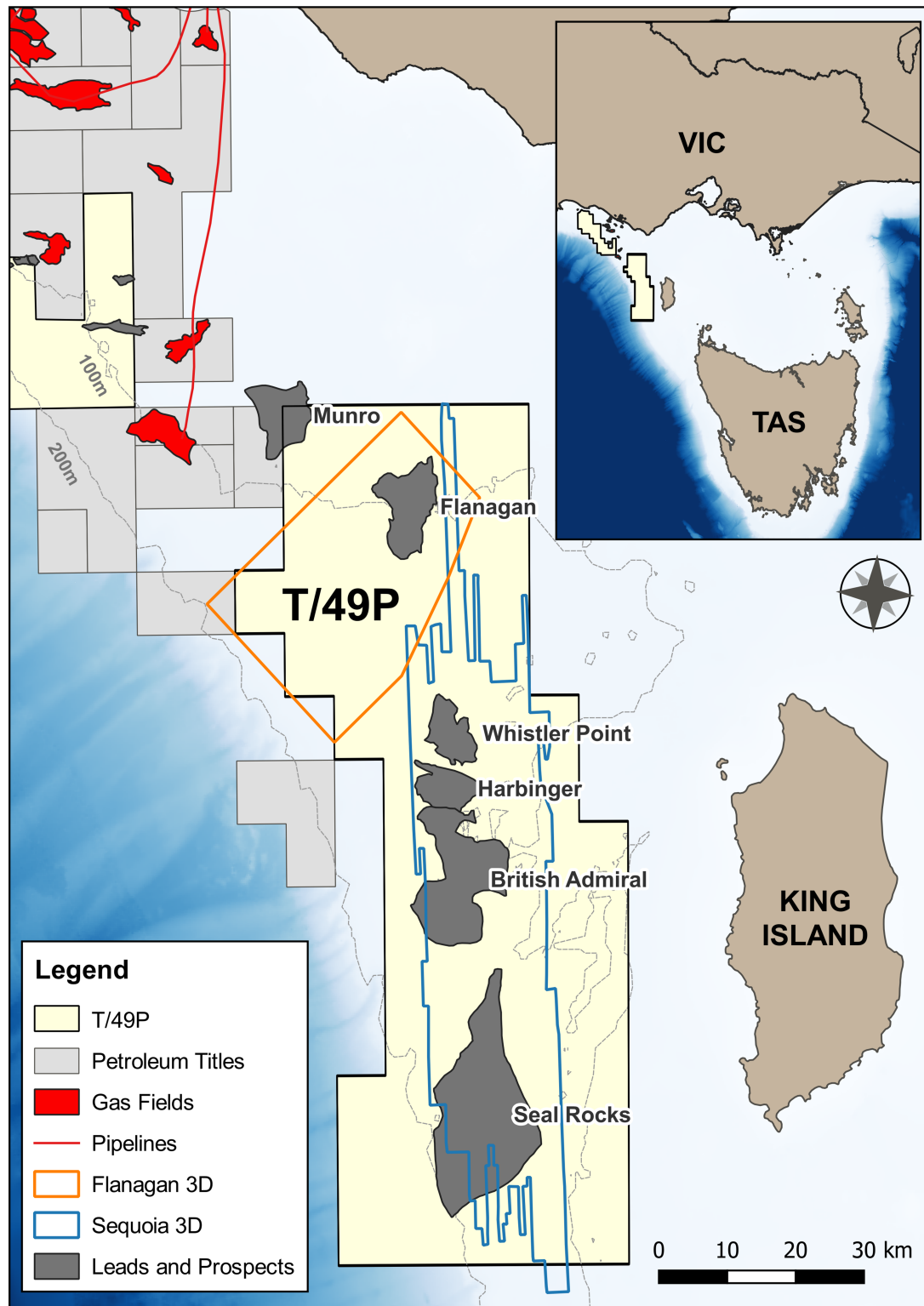
## **VIC/P74, Gippsland Basin, Offshore Victoria**

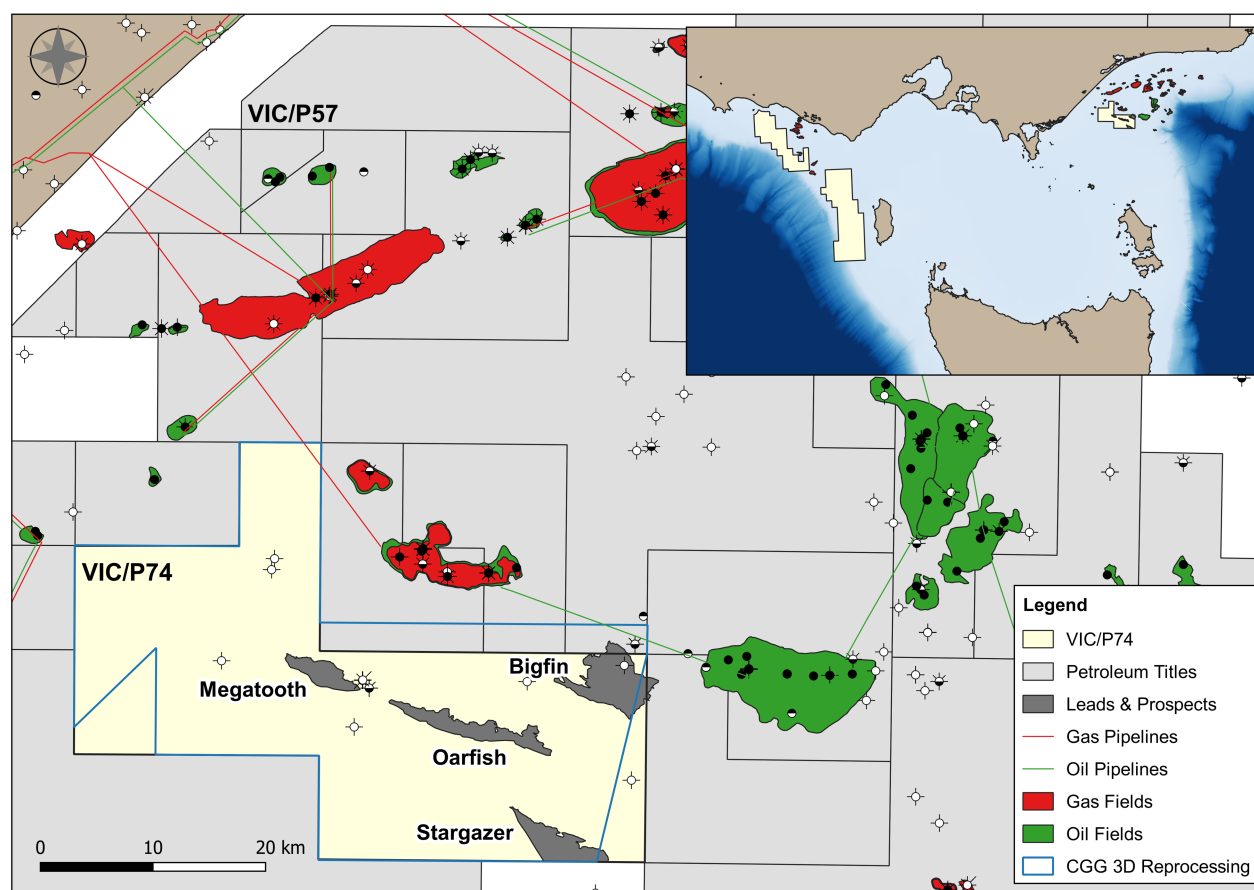
The Company holds 100% interest in the VIC/P74 exploration permit, which covers 1,009km<sup>2</sup> along the margin of the Southern Terrace, Gippsland Basin. The permit is located adjacent to major Oil and Gas



discoveries, including Bream and the giant Kingfish Field, the largest oil field ever discovered in Australia which has produced over one billion barrels of oil to date (Figure 4).

**Figure 3: Location map with the final full-fold acquisition area of the Sequoia 3D Marine Seismic Survey (courtesy of ConocoPhillips Australia)**



**Figure 4: Location map of VIC/P74 showing leads with prospective resources.**

## Regulatory Administration

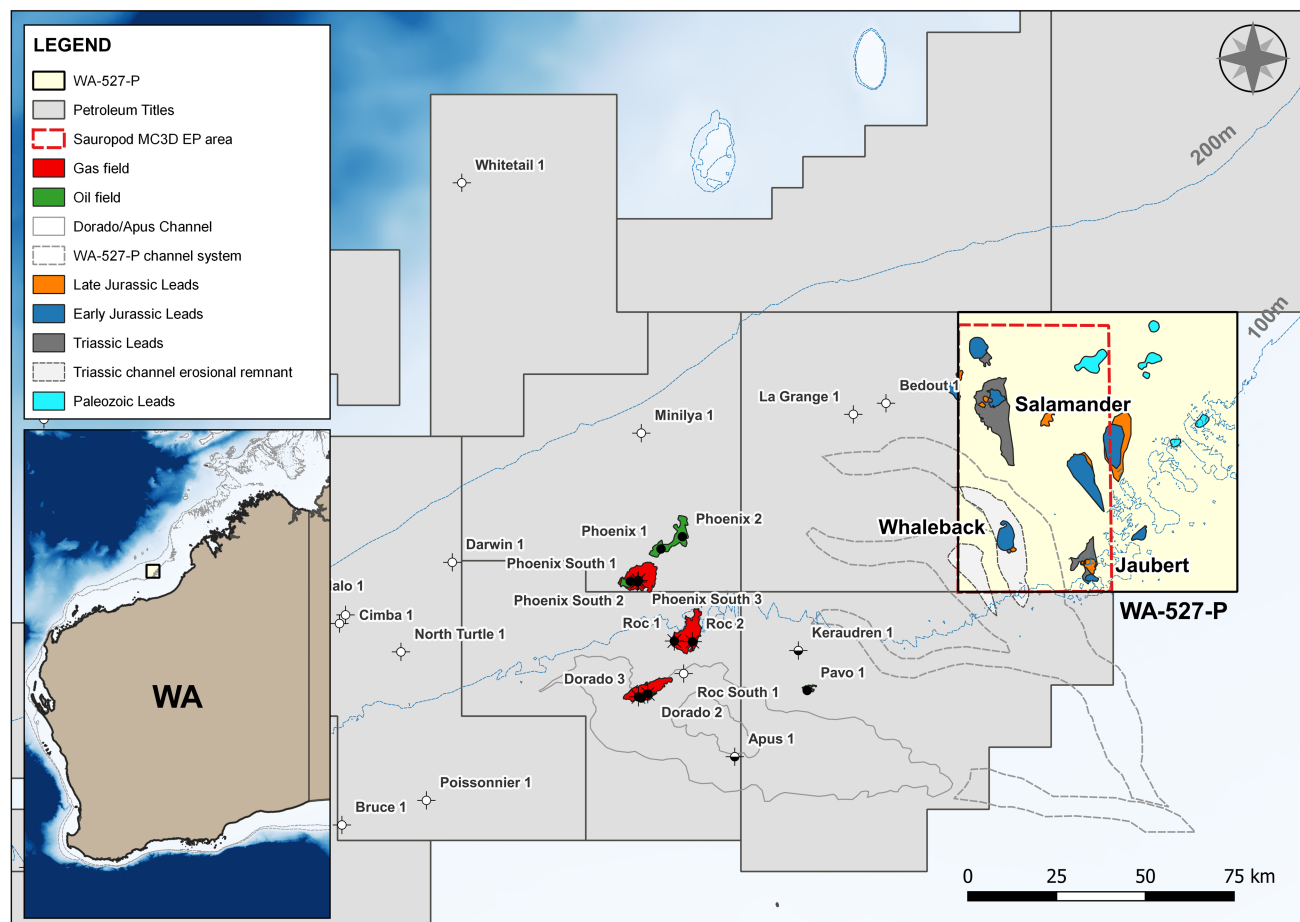
All guaranteed primary term work commitments (Years 1-3) have been fulfilled and the permit entered Year 4 on 26<sup>th</sup> July 2022. Over the course of the primary term, a strong portfolio of gas leads has been developed within the Golden Beach and Emperor Subgroups, including additional oil potential within shallower closures.

The Year 4 work commitments are designed to assist with lead maturation and include the acquisition or purchase of 200km<sup>2</sup> of modern 3D seismic data, as well as seismic interpretation, depth conversion, inversion and AVO. 3D Oil has applied to NOPTA for a 'Variation of Title Conditions' before entry into Year 4, seeking to alter aspects of the secondary work program. This application has been assessed and is currently with the Joint Authority for decision.

## West Coast Exploration

### WA-527-P, Bedout Sub-basin, Offshore Western Australia

3D Oil holds 100% interest in the WA-527-P exploration permit, which covers 6,500km<sup>2</sup> of the offshore Bedout Sub-basin. The permit is located adjacent to oil and gas/condensate discoveries at Roc, Phoenix South, Dorado and Pavo (Figure 5).

**Figure 5: Sauropod 3D MSS Environmental Planning Area (red polygon)**

### Sauropod Multi-Client 3D (MC3D) seismic survey

During the quarter, the Company submitted the revised Sauropod MC3D Environmental Plan (EP) to NOPSEMA (12<sup>th</sup> September 2022) for public comment. The public comment period ended on 12<sup>th</sup> October 2022 and CGG are currently working through the responses however under new guidelines from NOPSEMA a wider area for stakeholder consultation is now required.

The EP outlines a revised 2-year acquisition window covering January-May (inclusive) 2023 or 2024, as recommended by NOPTA (National Offshore Petroleum Titles Administrator). The EP delineates the same acquisition parameters as have been previously proposed, with a maximum full-fold acquisition area of 3447km<sup>2</sup>. The survey is anticipated to take approximately 2 months. The Company would ideally acquire the survey in 2023 however based on the availability of seismic vessels in Australia and the extended EP process a two-year period for the EP is prudent.

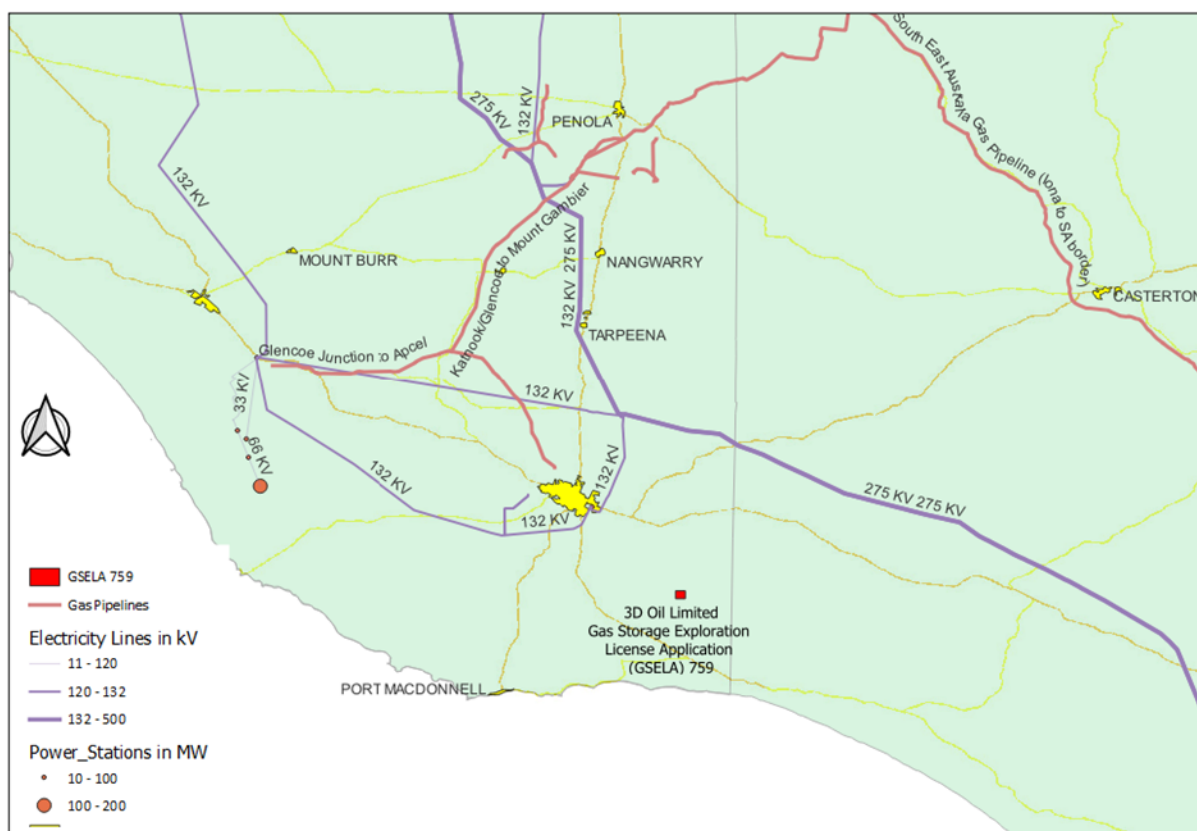
The Sauropod MC3D is an important component of the WA-527-P exploration strategy. The survey has several objectives but is primarily aimed at determining the potential for traps associated with a Dorado-style erosional channel system.

## East Coast Gas Storage

### GSEL 759, Otway Basin, Onshore South Australia

The GSEL 759 Gas Storage Exploration Licence was awarded 100% to 3D Oil in July 2022. The permit is located only 20km southeast of Mount Gambier and proximal to the South East Pipeline System (SEPS) (Figure 6). The licence covers an area of 1.02km<sup>2</sup> and is centrally located around the plugged and abandoned Caroline-1 wellhead, over part of the now depleted Caroline Field.

**Figure 6: GSEL 759 location relative to Mount Gambier (yellow), the South East Pipeline System and electricity transmission lines.**



During the quarter, the Company has continued a gas storage feasibility study into Caroline Field, with the depleted CO<sub>2</sub> reservoir potentially suitable for the storage of hydrogen, natural gas or carbon dioxide. Detailed reservoir/seal studies are planned to understand the reservoir deliverability and seal integrity, in combination with ongoing geomechanics and geophysical studies.

## Corporate

As at 31 December 2022, the Company held cash and cash equivalents of approximately A\$185,000. The Company had net operating cash outflows of A\$286,000 during the quarter, and net cash outflows of A\$115,000 from investing activities. Included in the net cash from investing activities are Joint Venture reimbursements received during the quarter related to exploration and evaluation.

Payments to related parties and their associates during the quarter as outlined in Section 6.1 of the accompanying Appendix 5B to this quarterly activities report were A\$78,000. These payments are related to salaries, superannuation and Director's fees paid to directors and related entities during the December 2022 quarter.

## Petroleum Tenement Holdings

As at 31 December 2022, 3D Oil's petroleum tenement holdings were:

Tenement and Location	Beneficial interest at 30 Sep 2022	Beneficial interest acquired / (disposed)	Beneficial interest at 31 Dec 2022
<b>VIC/P79</b> Offshore Otway Basin, VIC	20% <sup>1</sup>	nil	20% <sup>2</sup>
<b>T/49P</b> Offshore Otway Basin, TAS	20%	nil	20%
<b>WA-527-P</b> Offshore Roebuck Basin, WA	100%	nil	100%
<b>VIC/P74</b> Offshore Gippsland Basin, VIC	100%	nil	100%
<b>GSEL 759</b> Onshore Otway Basin, SA	100%	nil	100%

<sup>1</sup> On 1 July 2022, 3D Oil announced the farmout of 80% interest in VIC/P79 and operatorship.

<sup>2</sup> On 21 October 2022, 3D Oil announced the signing of the Joint Operating Agreement with ConocoPhillips for the farmout of 80% interest in VIC/P79 and operatorship. Completion of the farmout will occur following government approval.

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

## Enquiries

For further information, please contact:

**Noel Newell**  
*Executive Chairman*

Email: [info@3doil.com.au](mailto:info@3doil.com.au)  
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 Daniel Thompson, who is employed full-time by 3D Oil Limited as Chief Geoscientist. He holds a BSc. Hons and PhD in Petroleum Geosciences, has been practicing as a Petroleum Geoscientist for 9 years and is a member of the American Association of Petroleum Geologists (AAPG) and Petroleum Exploration Society of Australia (PESA). Dr Thompson 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 Engineers (SPE). Prospective Resource estimates are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future projects. The estimates are un-risked and have not been adjusted for both an associated chance of discovery and a chance of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. The Best Estimates in each case represent that, in the case of a successful discovery, there is a 50% probability that the resource volume will be greater than the amounts reported. The Prospective Resources have been estimated with deterministic methods and, unless otherwise stated, all total volumes are sum totals.

## 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 December 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(73)	(212)
	(e) administration and corporate costs	(210)	(444)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	3
1.5	Interest and other costs of finance paid	(4)	(9)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(286)</b>	<b>(662)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(115)	(355)
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(115)</b>	<b>(355)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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 (provide details if material)	(29)	(41)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(29)</b>	<b>(41)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	615	1,243
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(286)	(662)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(115)	(355)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(29)	(41)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>185</b>	<b>185</b>

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	185	615
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>185</b>	<b>615</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	78
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. 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	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
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		

	<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(286)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(115)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(401)
8.4	Cash and cash equivalents at quarter end (item 4.6)	185
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	185
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	0.46
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	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.	
8.8.2	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?	
	<p>Answer: Yes, on 1 July 2022, the Company announced that it executed a Farmout Agreement ("FOA") with ConocoPhillips Australia SH2 Pty Ltd in relation to the offshore Victorian Exploration Permit VIC/P79 ("Permit"), located in the Otway Basin. Under the terms of the FOA, ConocoPhillips Australia will acquire an 80% interest in the Permit and operatorship in exchange for an upfront payment of USD\$3 million (~AUD\$4.84<sup>1</sup> million). In addition, the Company will be carried on the drilling of an exploration well by ConocoPhillips Australia for up to US\$35 million (A\$56.5<sup>1</sup> million), after which it will contribute 20% of well costs in line with its interest in the Permit. It should be noted that the FOA is subject to conditions precedent, including the agreement and signing of a Joint Operating Agreement by both parties and required government approvals. On 21 October 2022, the Company announced that ConocoPhillips Australia SH2 Pty Ltd and the Company have executed a Joint Operating Agreement ("JOA") in relation to the offshore Victoria Permit VIC/P79 ("Permit") which satisfies a key condition of the Farmout Agreement ("FOA") announced on 1 July 2022. Completion of the farmout will occur following government approval. The Company expects that receipt of the USD\$3 million will occur in February 2023, subject to government approval.</p> <p><sup>1</sup> Based on a USD to AUD currency conversion rate of 1.61 as per the date of the ASX announcement on 21 October 2022.</p>	
8.8.3	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.	
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	



## **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: 25 January 2023

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.
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.