



ASX ANNOUNCEMENT

3D Energi Limited | ASX: TDO

24 June 2024

Otway Basin

Otway Consolidation of farmout obligations successfully negotiated with ConocoPhillips Australia

3D Energi Limited (the “Company”; ASX: TDO) is pleased to announce the successful negotiation of an amendment to farmout agreements (FOA) with its ConocoPhillips Australia (COPA) Joint Venturers (and operators) of VIC/P79 and T/49P exploration permits in offshore Commonwealth waters of the Otway Basin. TDO retains a 20% participating interest in both permits.

Highlights

- TDO has negotiated a consolidation of farmout obligations that allows the US\$30M T/49P well carry obligation to be applied either in T/49P or VIC/P79.
- The FOA amendments ensures TDO retains its US\$30M well carry, while the two well carry stands at US\$65M.
- The amended FOAs form part of an emerging strategy that enables the Joint Venture to manage exploration prospects within both permits as one large portfolio. This provides the ability to optimise decision-making around exploration drilling that facilitates a faster pathway to a commercial project, incorporating proximity to infrastructure, risk, and estimates of prospective resources.
- The final selection of well locations is yet to be confirmed and requires the completion of ongoing 3D seismic interpretation studies in VIC/P79 and T/49P.

Executive Chairman’s Comments

Mr Noel Newell, Executive Chairman of 3D Energi, said today “The negotiation of the Well Transfer Option is a great outcome for the Joint Venture as it provides the opportunity to target the most commercially attractive prospects in the initial drilling campaign. The JV is aligned in aiming to bring gas to market in the shortest timeframe achievable at a time when new gas supply is desperately need on the Australian East Coast.”

Otway Exploration Drilling Program

The Joint Venture has previously signed a two-well drilling contract as part of a 2025 exploration drilling program (Phase 1), pending regulatory approval, with an additional 120 days of optional drilling (Phase 2) ([TDO ASX release 12 July 2023](#)). The contracted semi-submersible drilling rig, Transocean Equinox, recently mobilised to Australia for a five-well drilling contract and is currently expected to arrive in the Otway during the first quarter of 2025.

The drilling Environmental Plan (EP) is currently under assessment with the regulator, NOPSEMA (National Offshore Petroleum Safety and Environmental Management Authority). The EP proposes seabed surveys and the drilling of up to six exploration wells in exploration permits VIC/P79 and T/49P, located in Commonwealth waters offshore of Victoria and King Island, Tasmania (Figure 1).

Drilling locations for the two wells in Phase 1 of the drilling program are yet to be determined and will depend on the outcome of 3D seismic interpretation results in both VIC/P79 and T/49P. Depending on the timing of this interpretation, well locations will be assigned to the firm phase (Phase 1) of the program and the optional phase (Phase 2) of the program.

Otway Carry Consolidation

3D Energi is carried by ConocoPhillips Australia SH2 Pty Ltd for up to US\$35M towards drilling costs of an exploration well in VIC/P79 ([TDO ASX release 16 March 2023](#)) and by ConocoPhillips Australia SH1 Pty Ltd for up to US\$30M towards drilling costs of an exploration well in T/49P ([TDO ASX release 11 June 2020](#)).

The negotiated changes to the FOA's provide COPA the option to discharge the well carry obligation anywhere across T/49P and VIC/P79. This allows the Joint Venture to optimally explore and appraise the combined acreage position. No additional costs have been incurred by the Company as a part of this amendment to the FOA's.

Commercialisation strategy

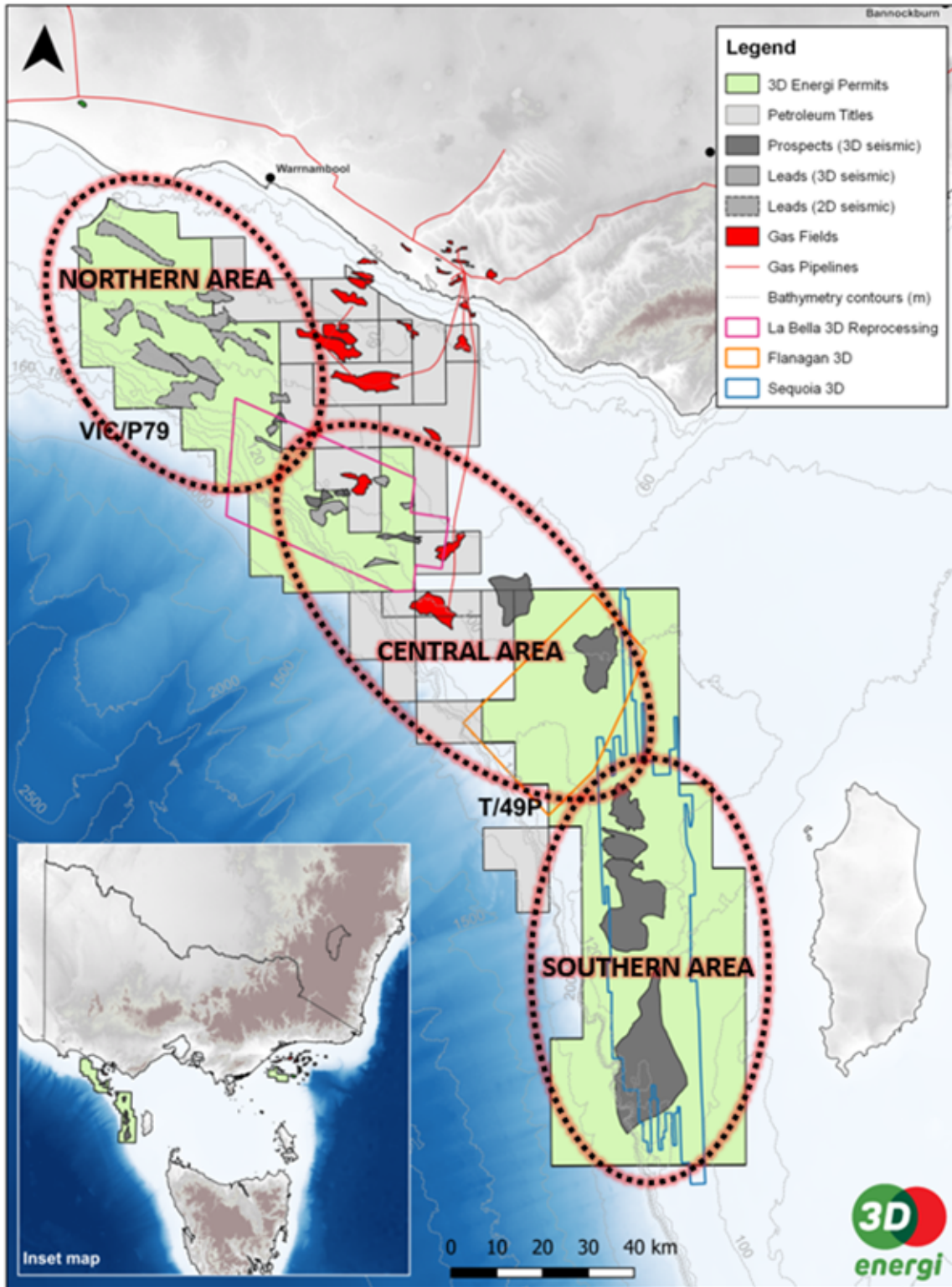
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TDO recognises three main exploration fairways across the broader VIC/P79 and T/49P portfolios (Figure 1), all of which are important to a future commercialisation strategy.

- **Central area** (southern VIC/P79 and northern T/49P)
 - Prospects characterised by good quality 3D seismic (La Bella and Flanagan 3D reprocessing) with observations of Direct Hydrocarbon Indications (DHIs), proximal to infrastructure and existing discoveries (i.e. La Bella, Geographe and Thylacine fields).
- **Northern area** (northern VIC/P79)
 - Prospects characterised by 2D seismic, proximal to infrastructure and existing discoveries (i.e. Casino, Henry, Netherby fields), fewer exploration wells. 3D seismic required for detection of DHIs. Regia 3D seismic is currently under planning over this area.

- **Southern area** (southern T/49P)
 - Frontier prospects characterised by good quality 3D seismic (Sequoia 3D) with observations of Direct Hydrocarbon Indications, limited exploration wells, longer tie-backs required to existing infrastructure.

Figure 1 – VIC/P79 and T/49P exploration permits and exploration fairways



Closing Comments

The negotiation of the carry consolidation is an important milestone for 3D Energi as it approaches the drilling of two firm exploration wells in 2025. This ensures that the Company remains financially carried (up to a combined total of US\$65M) for the drilling program of both wells.

With this amendment in place, the Joint Venture now has the flexibility to make decisions on drilling locations based on commercial considerations, depending on the outcome of 3D seismic interpretation results in both VIC/P79 and T/49P. Final well locations will be confirmed after the completion of a final risked and ranked prospect inventory and economic model.

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

Enquiries

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Glossary of Terms

3D	Three-dimensional
Environmental Plan (EP)	A document that identifies the environmental risks and impacts of an activity (such as drilling) and details the control measures that will be used to reduce the risks and impacts to as low as reasonably practicable (ALARP). An EP must be accepted by NOPSEMA prior to undertaking the proposed activity.
FOA	Farmout Agreement
Joint Venture	The joint ventures formed pursuant to finalised farmout agreements announced on 11 June 2020 (T/49P) and 16 March 2023 (VIC/P79) by and between 3D Energi Limited and ConocoPhillips Australia SH1 Pty Ltd and ConocoPhillips Australia SH2 Pty Ltd, respectively.
Operator	Company responsible for the exploration, development and production of a petroleum title.
Otway Exploration Drilling Program	The Joint Venture is proposing to undertake an exploration program that consists of seabed surveys and the drilling of up to 6 exploration wells in exploration permits VIC/P79 and T/49P located in Commonwealth waters offshore of Victoria and King Island, Tasmania.
Prospect(s)	A prospect is a potential trap/structure that may contain hydrocarbons, usually defined on 3D seismic, and has undergone significant geological and seismic investigation to evaluate the petroleum system.
Semi-submersible	A specialised offshore drilling rig with a platform type deck that is buoyant and floats during operations on partially submerged (ballasted) watertight pontoons that are stable and capable of withstanding rough water conditions.
TDO	ASX trading code for 3D Energi Limited.