



ASX ANNOUNCEMENT

3D Energi Limited | ASX: TDO

26 August 2024

Evolving East Coast Gas Strategy

3D Energi Limited (the “Company”; ASX: TDO) is pleased to provide an update around the evolution of our east coast gas strategy.

Highlights

- **The Company continues to evolve its east coast gas strategy and has applied to the Regulator NOPTA (National Offshore Petroleum Titles Administrator) for consent to surrender VIC/P74 exploration permit, Gippsland Basin.**
- **This will allow TDO to prioritise our resources towards the delivery of projects with a higher chance of commercial success.**
- **TDO is focused on delivering new east coast gas supply through high-impact exploration in the Otway Basin.**
- **TDO continues our evaluation of new business diversification opportunities that align with our goals.**

Executive Chairman’s Comments

Mr Noel Newell, Executive Chairman of 3D Energi, said today “3D Energi has strategically positioned itself as a future east coast gas producer and the Gippsland Basin has played an important role in our asset portfolio over the years. The Company regularly evaluates its assets and strategy and, after a comprehensive prospectivity and economic review of our VIC/P74 exploration permit, has decided to apply to surrender the permit.

The timely surrender of permits which fail to reach the level of prospectivity or meet the desired risk profile is a component of good exploration management and allows us to prioritise our resources towards other exploration opportunities. We have a rapidly approaching drilling program in the Otway Basin in 2025, where the Company finds itself with an incredible exploration and possible future development opportunity.

Evolving our east coast gas strategy

Gippsland Basin exploration and development opportunities have been an important focus for the Company since its inception. In 2019 the Company was awarded VIC/P74 exploration permit on the southern flank of the Gippsland Basin, expanding our footprint in the basin.

Our exploration strategy for the permit was underpinned by the availability of state-of-the-art 3D seismic reprocessing and aimed to leverage the new technology, and prior experience in the basin, to overcome challenging depth conversion issues that previously caused many dry holes in the area. This strategy was supported by the commercial context of declining Gippsland gas production and looming east coast gas supply shortfalls, which has also fuelled our expansion in the Otway Basin.

Utilising this new data revealed a portfolio of 4 potential drill targets within the deep Golden Beach play during the primary term (Years 1-3). 3D Energi high-graded the largest and lowest risk structure, Bigfin Prospect located in the northeast corner of the permit, though subsurface workflows established several play and prospect level risks. The following secondary term work program was designed to address these risks and has recently been completed.

Based on the results of these highly detailed subsurface studies, the Company has applied to NOPTA for consent to voluntarily surrender the VIC/P74 exploration permit, with no further commitments to the Company. The surrender process would likely be concluded by the end of 2024.

In parallel with our Gippsland operations, 3D Energi has developed a strong exploration portfolio across our Bedout Sub-Basin and Otway Basin permits, the latter attracting the interest of Joint Venturer ConocoPhillips Australia (COPA). As Operator, COPA is now preparing to drill two high-impact exploration wells in the 2025 in the Otway Basin, with TDO carried for up to US\$65 million by COPA. In the onshore Otway we are investigating the gas storage potential of the depleted Caroline gas field, while on the Northwest Shelf we are working towards the acquisition of the Sauropod 3D seismic survey over features that have all the hallmarks of the existing Dorado field play, host to the largest oil discovery on the Northwest Shelf in 30 years.

Our preference is to direct our resources into those projects we believe have a higher chance of commercial success, such as those mentioned above, while continuing our ongoing evaluation of new business diversification opportunities that align with our goals.

We are focused on delivering new gas supply to the east coast through high-impact exploration

Gas has an important long-term role in the future energy mix, as recently defined in Future Gas Strategy, in support of decarbonisation of the Australian economy and safeguarding energy security and affordability, among other reasons.

In the short to mid-term, as Bass Strait gas fields steadily deplete over the coming years, the Australian Energy Market Operator (AEMO) has warned of seasonal supply gaps in Victoria through 2026 and 2027 followed by growing annual supply gaps from 2028. In recent months AEMO has raised concerns around the rapid drawdown of Victoria's gas storage supply, attributable to spikes in seasonal energy demand following cold weather conditions, lulls in renewable energy generation, an outage at the Longford Gas Plant and the decline from ExxonMobil's Gippsland production. This prompted the ACCC to call for the urgent development of new sources of gas supply.

3D Energi has strategically positioned itself adjacent to the east coast gas market, through expansion from the prolific offshore Gippsland Basin into the offshore Otway Basin, with the aim to deliver much needed gas into the east coast market before the end of the decade. The Company has progressed this goal through the development of a high impact portfolio of exploration drill targets, proximal to existing gas fields and infrastructure, and the introduction of COPA into both Otway projects, T/49P and VIC/P79. Many of these potential drill targets share the hallmarks of existing gas fields, in an area with world class exploration success rates.

The Transocean Equinox semi-submersible drilling rig has been contracted by the COPA/TDO Joint Venture to drill two (2) gas prospects in 2025, with gross drilling costs to be carried by COPA for up to US\$65M. The rig is currently expected to arrive in the Otway during the first quarter of 2025 and, in preparation, essential drilling items have been ordered and the environmental permitting process is advanced.

Concluding remarks

As 3D Energi rapidly progresses towards drilling in 2025 we refine our strategy to prioritise our resources more effectively. The Company continues to make significant gains towards our goal of delivering new gas supply into the east coast market. The Company continues to evaluate new diversification opportunities that align with our goals.

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

Enquiries

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About 3D Energi: 3D Energi Limited is an oil and gas exploration company based in Melbourne, Victoria, with high-impact projects in offshore Victoria and Western Australia.

Glossary of Terms

TERM	DEFINITION
Future Gas Strategy	The Future Gas Strategy maps the Australian Government’s plan for how gas will support our economy’s transition to net zero in partnership with the world.
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 Oil T49P Pty Limited and ConocoPhillips Australia SH1 Pty Ltd; and 3D Energi Limited 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.
Primary Term	The first 3 years of a work program for a petroleum exploration title. This forms the minimum work commitment.
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.
Secondary Term	Permit years 4, 5 and 6 for a petroleum exploration title. The work commitment for each year becomes guaranteed on entry.
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.