



T/49P – Southern Offshore Otway Basin

Tasmania, Australia

June 2018

A close-up photograph of a gas burner with blue flames. The burner is black and has a circular grate. The flames are bright blue and are burning evenly across the burner. The background is dark.

**An Exciting New Frontier
Gas Province**

Seapex, London



Important Notice

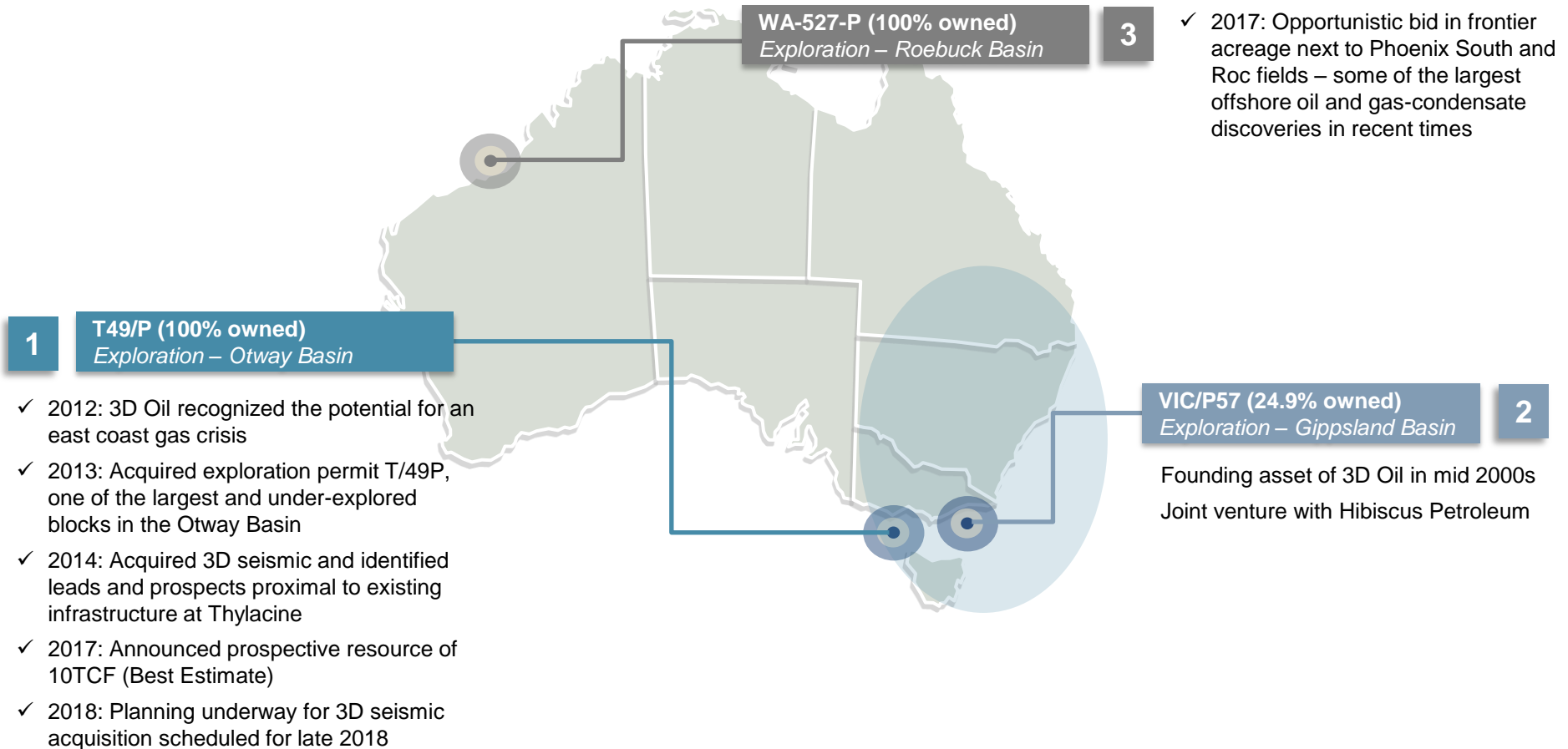
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3D Oil has opportunistically built a portfolio of significant positions in some of Australia's most prospective offshore exploration basins



The supply crunch on the east coast of Australia has resulted in a sharp increase in wholesale gas prices across 2017 and into 2018

Shortfall of supply...

- Post 2017 there is a forecast growing imbalance of gas supply/demand on east coast
- The completion of significant gas supply contracts is exacerbating the supply issue
- 3D Oil is set to benefit from increasing east coast gas prices

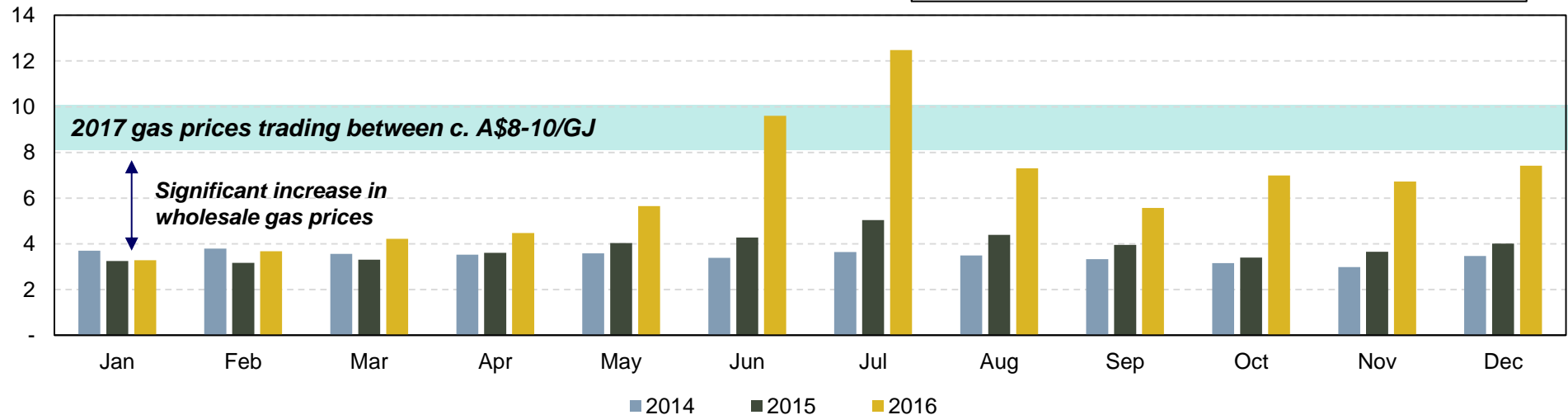
...and high political focus...

Gas crisis 'three times bigger' than thought, Malcolm Turnbull says

The looming gas crisis is three times worse than previously thought, according to Prime Minister Malcolm Turnbull, who has ordered gas giants and state governments to shore up gas supplies to east coast consumers or face strict export limits.

- The Age, 25 September 2017

...resulting in higher wholesale gas prices (A\$/GJ)

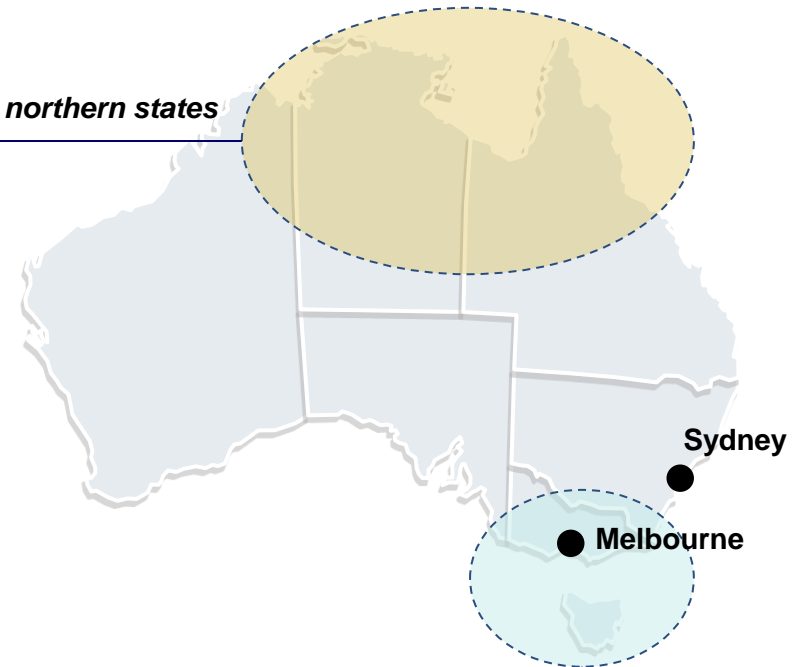
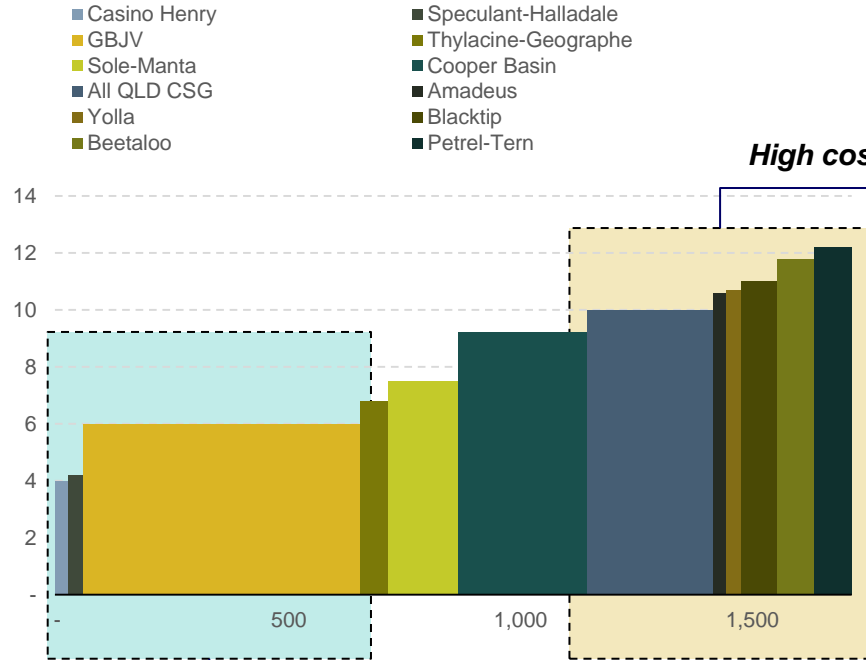


MEETING VICTORIA GAS DEMAND SHORTFALL



3D Oil expects to be well placed to supply high margin gas production to the east coast gas market

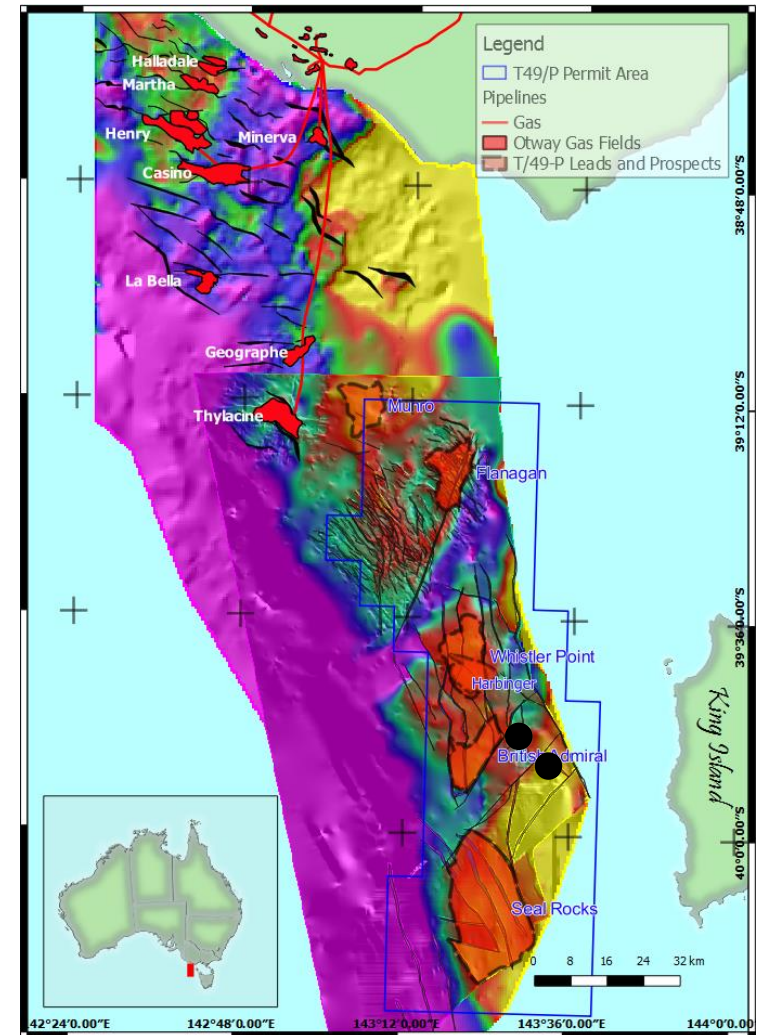
Delivered cost to Melbourne (A\$/GJ)



Offshore Victoria has a significant cost advantage to supply to Melbourne

A potentially significant new Australian gas province

- 3D Oil owns **100% equity in the flagship permit**
- Large under-explored offshore block (4,960km²) in shallow water **adjacent producing gas fields that are filled-to-spill**
- Drill-ready 3D defined **1.3 TCF prospect with AVO support**, and at least 5 other leads identified with a total best estimate prospective resource of **10.5 TCF recoverable**¹
- Offshore Otway success rate is **75% post 3D and 100% with AVO support**
- 1 TCF has a wholesale value² of **A\$4.6 billion (US\$3.5 bill)** in Victoria area



1 Australian energy Market Operator
2 Refer to ASX announcement dated 27 July 2017 for details on T/49P Prospective Resource estimate



T/49P : 3D Oil Limited 100% equity holder and operator

* Year 5 Variation granted

YEAR Grant 22 May 13 Anniversary 22 February *	ACTIVITY	INDICATIVE EXPENDITURE (A\$ MILLION)	
		GROSS	CUMULATIVE
MINIMUM GUARANTEED DRY HOLE WORK PROGRAMME			
Year 1	1. Commence approval and planning process for seismic acquisition.	\$0.150	\$0.400
	2. G&G Studies, Seismic mapping, sequence stratigraphic study, basin modelling.	\$0.200	
	3. Reprocess 500km of 2D seismic.	\$0.050	
Year 2	1. Acquire and process 755 km ² of new 3D seismic.	\$12.000	\$12.400
Year 3	1. Seismic Interpretation	\$0.250	\$13.150
	2. Geological and Geophysical studies.	\$0.500	
Sub-Total \$13.150			
SECONDARY WORK PROGRAMME			
Year 4	1. Drilling planning and preparation	\$0.500	\$0.500
Year 5	1. 750 sq km 3D seismic	\$10.000	\$10.000
Year 6	1. Drill one (1) Exploration Well	\$21,000	\$21.000

T/49P – LOCATION



T/49P is located next to existing domestic gas infrastructure owned by Lattice Energy, BHP, AWE, Mitsui and Cooper Energy

Nearby operations

Halladale
Black Watch
Speculant

FY17 production: 22PJ
2P Reserves: 37PJ
2C Resources: 29PJ



Casino
Henry
Netherby

FY17 production: 7PJ
2P Reserves: 112PJ
2C Resources: n/a



Minerva

FY17 production: 8PJ
End of field life expected in FY18



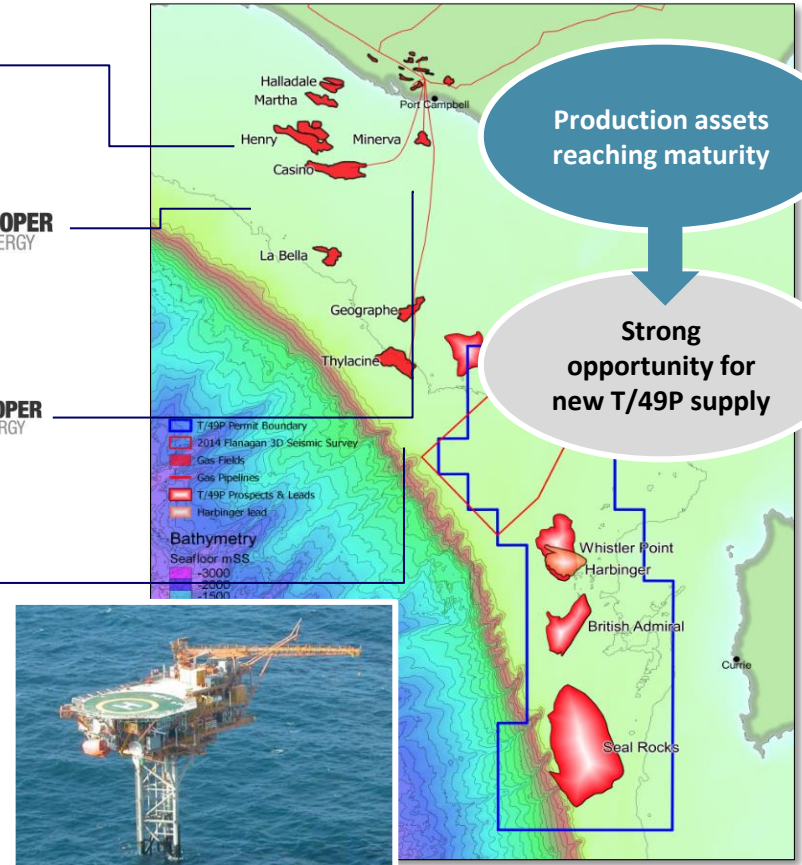
Thylacine
Geographe

FY17 production: 26PJ
2P Reserves: 132PJ
2C Resources: 94PJ



Over 63PJ production in FY17
(Equivalent to A\$630m @ A\$10/GJ)

2P Reserves reaching maturity




T/49P – VALUING THE PROSPECTIVE RESOURCES



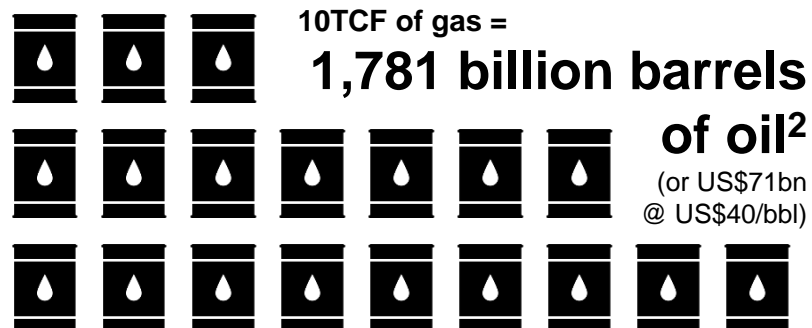
There is significant value in a potential discovery of 10TCF of commercial sales gas as highlighted by numerous valuation approaches

Prospective Resources (TCF)¹

Illustrative gas in place value (A\$ billion)

Resource	Status	Best		A\$4.0/GJ	A\$6.0/GJ	A\$8.0/GJ	A\$10.0/GJ	A\$12.0/GJ
Flanagan	Prospect	1.34	Potential value of gas 	5.7	8.5	11.4	14.2	17.1
Munro (T/49P Part)	Lead	0.19		8.1	12.1	16.2	20.2	24.2
Whistler Point	Lead	2.04		11.5	17.2	23.0	28.7	34.4
British Admiral	Lead	1.03		16.3	24.5	32.6	40.8	48.9
Seal Rocks	Lead	4.64		23.2	34.8	46.4	57.9	69.5
Harbinger	Lead	0.79		32.9	49.4	65.9	82.3	98.8
T/49P Total (Arithmetic)		10.03		97.7	146.5	195.3	244.1	293.0

Energy equivalents



Recent market transactions

September 2017:

Origin Energy (ASX: ORG) acquired the remaining 30% interest in VIC/P43 and T/30P (Thylacine and Geographe) for **A\$190m**



Acquisition highlights the significant value of discovered gas in the Otway Basin and around T/49/P

Notes:

- 1 Refer to ASX announcement dated 27 July 2017 for details on T/49P Prospective Resource estimate
- 2 Converted from boe to cubic feet using SPE conversion factor of 5.66

POTENTIAL SCALE OF T/49P VOLUMES



10TCF is a significant volume and fits within the realm of some of the largest exploration prospects in Australia

Australia's largest offshore undeveloped projects (TCF)



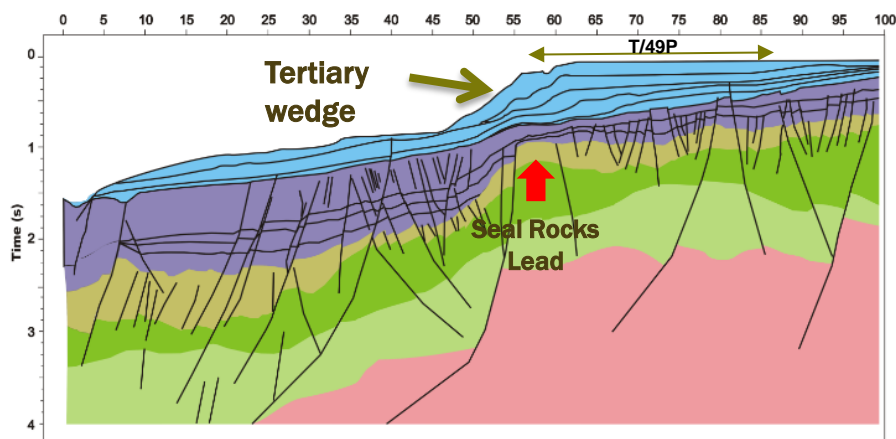
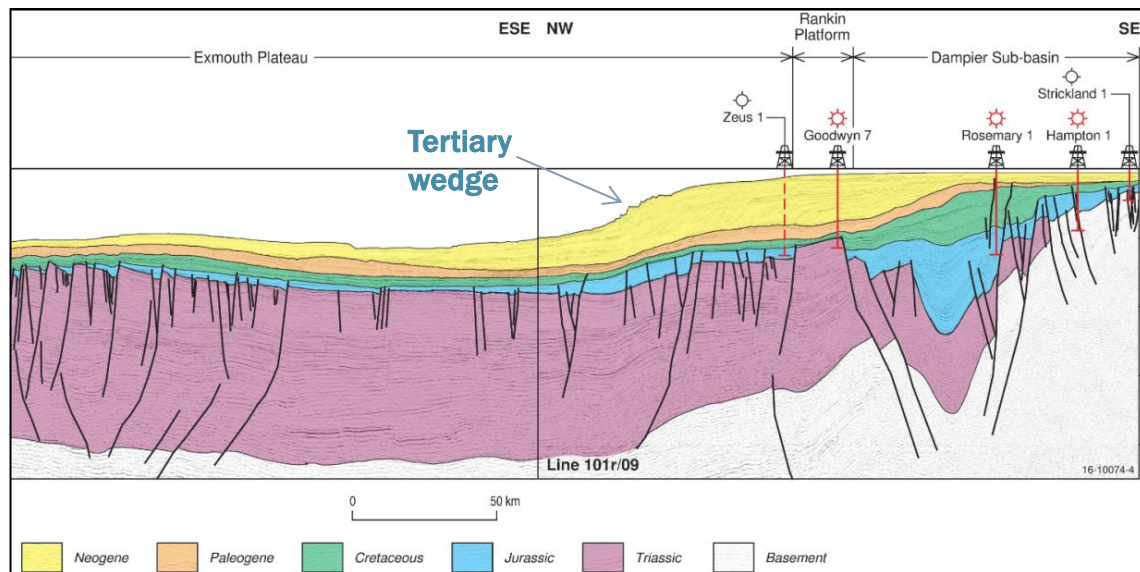
Note:

1 Reserves and continent resources have been converted at a rate of 1 PJ = 0.172 MMboe

T/49P NW SHELF COMPARISON



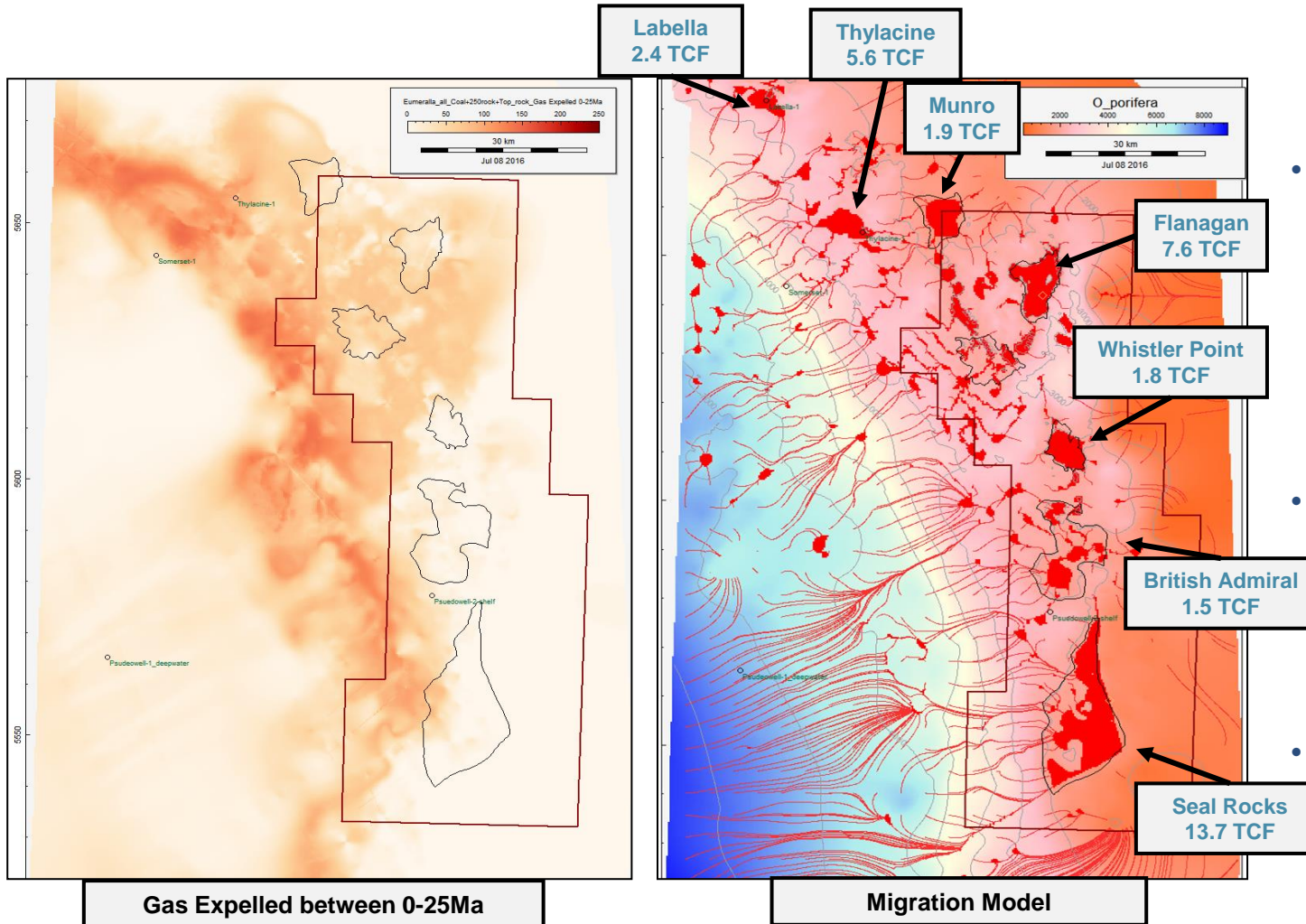
Geological cross section through **Carnarvon Basin**



Geological cross section through southern **Otway Basin**

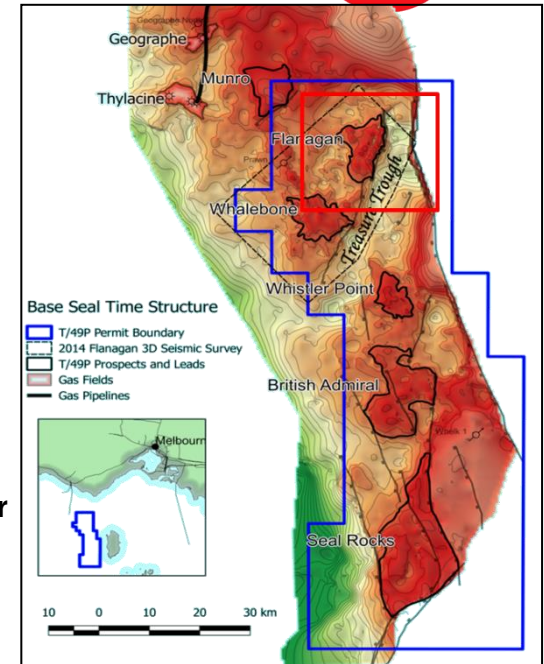
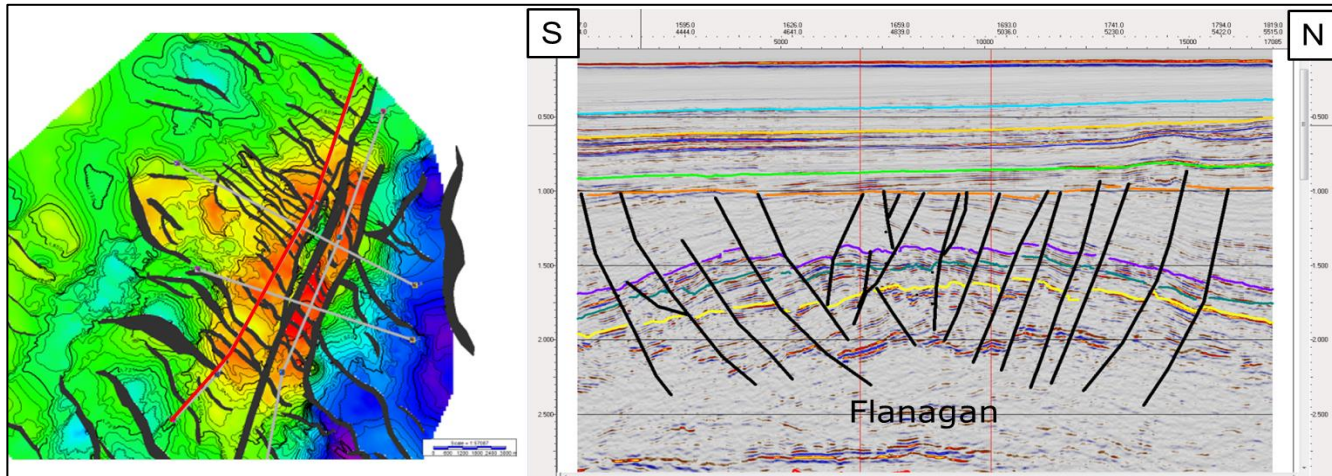
- T/49P is a large block located in a similar geological setting to the **prolific NW Shelf gas trend**
- Both are charged from **late Tertiary loading**, post Oligocene
- Examples of proven gas fields resulting from this system are **Goodwyn** of the Carnarvon Basin and **Thylacine** in the Otway Basin

OFFSHORE OTWAY BASIN MODELLING

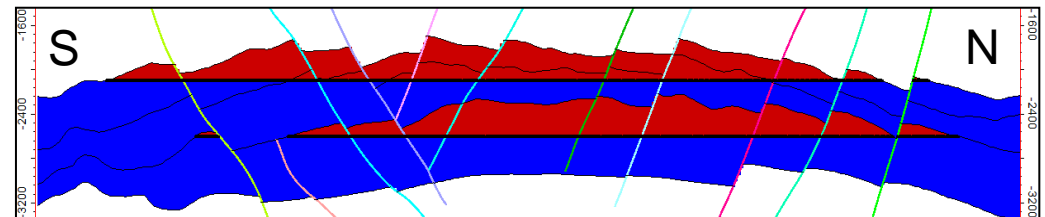


- This migration scenario aimed to test a likely case that hydrocarbons generated from a mixture of clastic and coal source rocks throughout the upper 500m of the Eumeralla
- These SRs have provided hydrocarbons to the existing fields and mapped leads/prospects within T/49P
- In this model, all structures are full to either structural spill or top-seal capacity (set at 500m)

FLANAGAN PROSPECT SUMMARY



- The Flanagan Prospect is a Late Cretaceous structure that was formed by NE-SW extension and later segmented by NE trending trans-tension.
- The Prospect is nearby and analogous, to the to the largest Otway Basin gas fields, Thylacine and Geopraphe.
- Supported by a Type III AVO anomaly,
- Flanagan is drill ready;
 - located in less than 100m of water,
 - best estimate of 1.4 TCF recoverable,
 - near to existing infrastructure and,
 - well positioned to take advantage of Australia's East coast Gas Market.

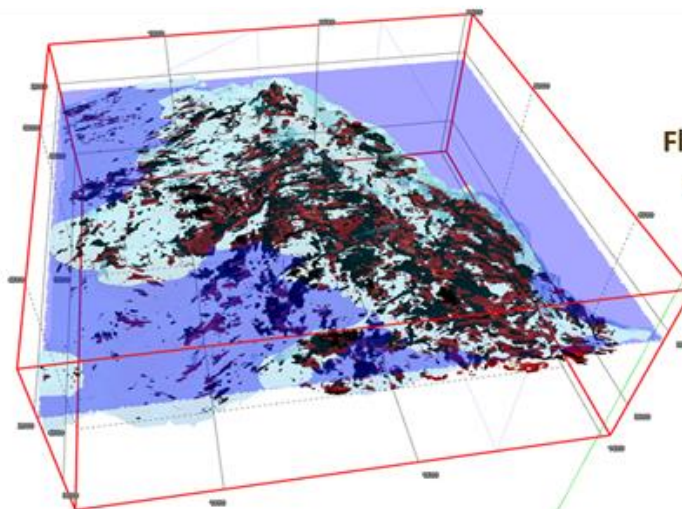
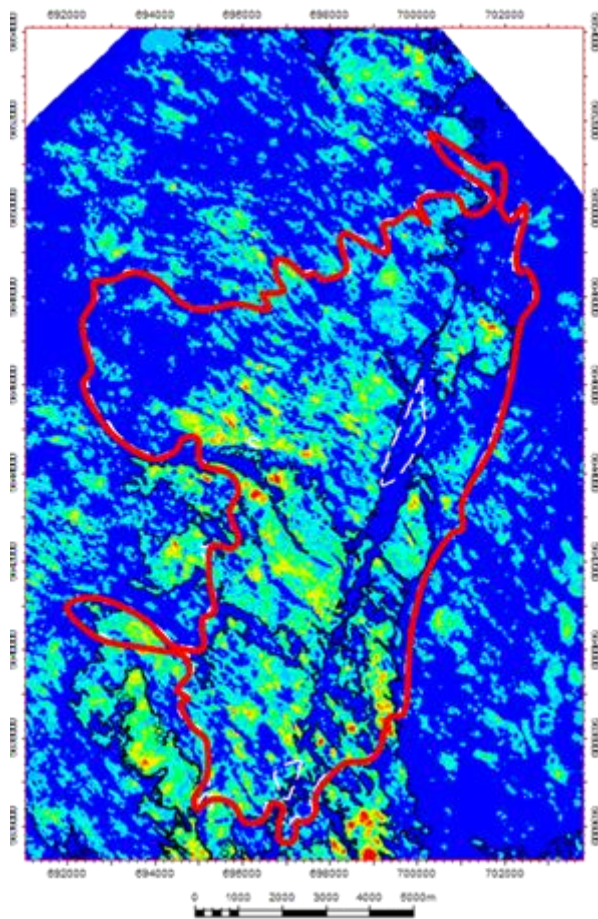


Cross-Section through the Western side of the prospect

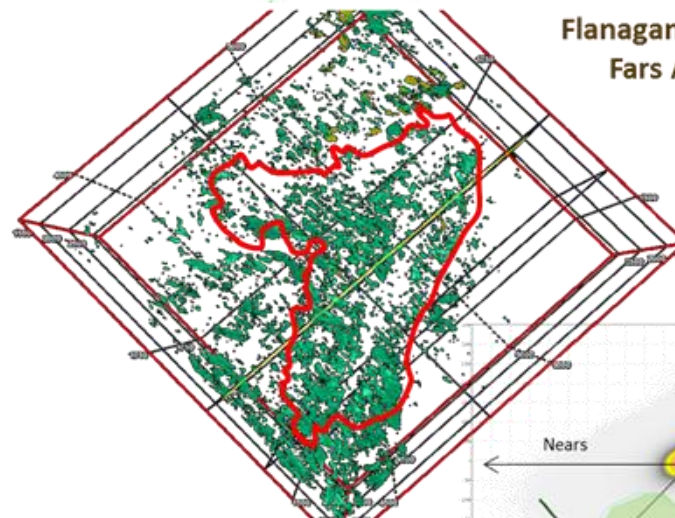
FLANAGAN PROSPECT AMPLITUDE ANALYSIS



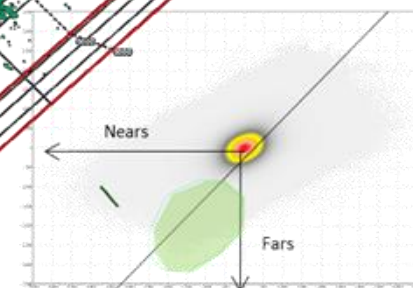
Flanagan Far Offset Amplitudes



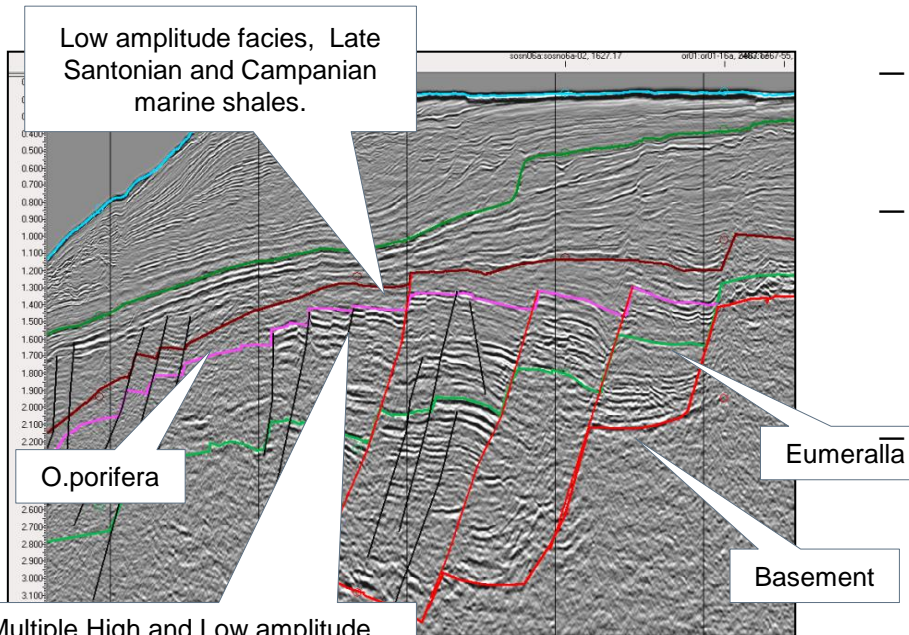
Flanagan Intercept versus Gradient Anomalies



Flanagan Nears versus Fars Anomalies

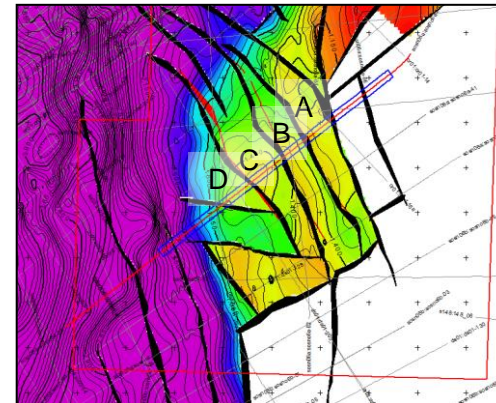


SEAL ROCKS LEAD SUMMARY



- Seal Rocks is a large lead at the Thylacine Mbr level consisting of a series of tilted fault blocks in the south of T/49P
- Top Seal is provided by Santonian marine shales that are intersected in nearby wells in the offshore Otway Basin (notably at Thylacine, Geographe and Labella) and appear as a low amplitude seismic facies

Examples of proven gas fields resulting from this system are **Goodwyn** of the Carnarvon Basin and **Thylacine** in the Otway Basin



Multiple High and Low amplitude seismic facies. Indication of stacked sand / shale sets within Flaxmans and Waarre reservoir section

Fault Block	Block A	Block B	Block C	Block D	Block E	Total
Number of levels (250m column)	1 Sand Level	2 Sand Levels	3 Sand Levels	3 Sand Levels	2 Sand Levels	
Stacked Case GIIP (TCF)	2.09	3.03	4.90	2.58	3.04	15.63
Stacked Case Recoverable (TCF)	1.15	1.67	2.69	1.42	1.67	8.60

T/49P – POTENTIAL FLANAGAN DEVELOPMENT

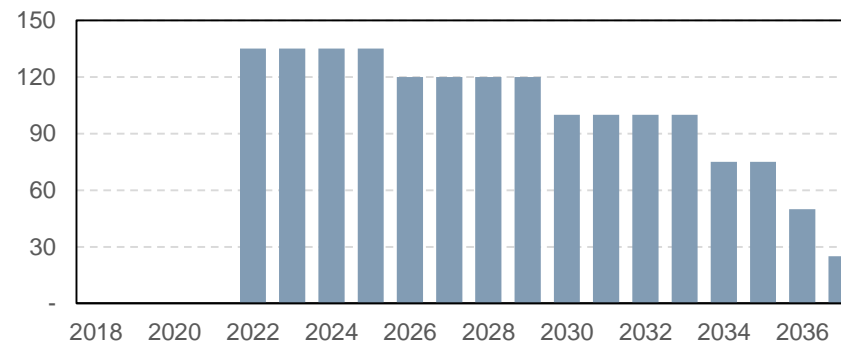


A development at Flanagan could be highly economic based on Worley Parsons analysis, even with conservative development and pricing scenarios

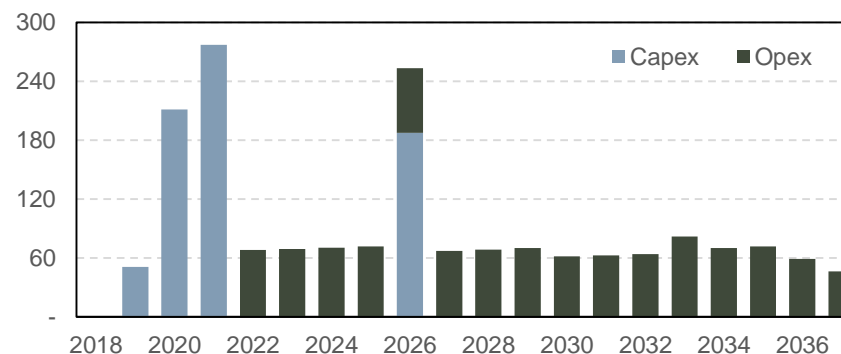
Flanagan NPV assessment

- 3D Oil commissioned an economic study by Worley Parsons in 2017 to assess a development at Flanagan
 - Best Estimate Prospective Resources at Flanagan are 1.34TCF (or 237mmboe¹)
 - Flanagan is a small proportion of total T/49P prospective resources of **10TCF** (Best Estimate)
- Economic assessment highlighted significant upside:
 - NPV = A\$541m (at 10% discount rate, pre-tax)
 - IRR = 33.4% (pre-tax)
 - From only 600BCF recovered and at a conservative sale price of A\$6/MCF
- A tie-in development was considered where a subsea well at Flanagan is tied in to Lattice Energy’s Thylacine-Geographe infrastructure
 - Total pre-production capex estimate of A\$539m
 - Conservative economic analysis based on stand alone development and excluding condensate

Production forecast (mmcf/d)



Expenditure forecast (A\$m)



Notes:

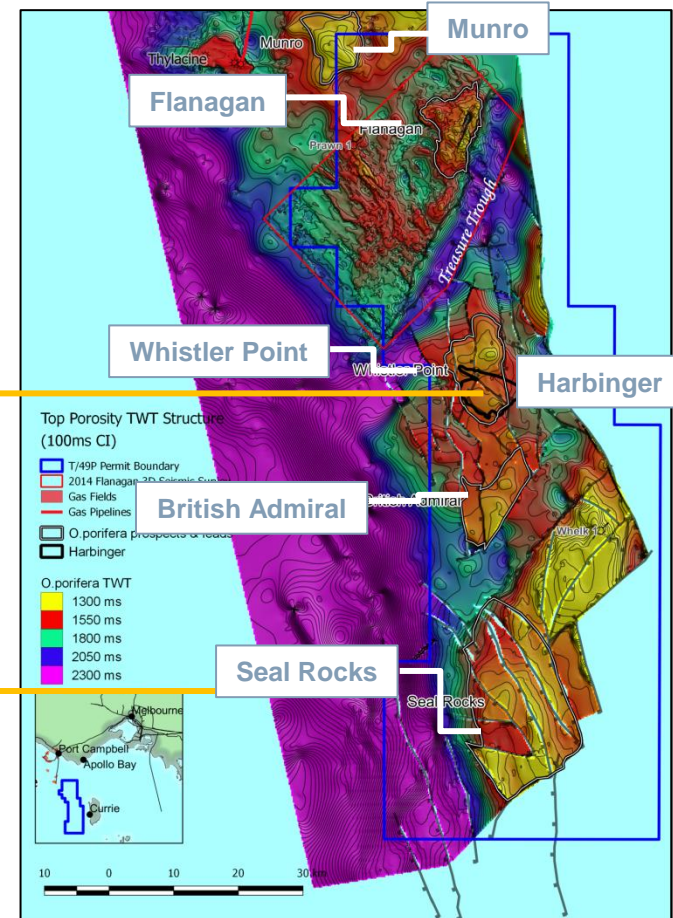
1 Converted from boe to cubic feet using SPE conversion factor of 5.66

Preparation has commenced for 3D seismic acquisition planned for late 2018

Seismic overview

- Focus for 3D seismic is the **central and southern part of T/49P**
 - **Design parameters for the acquisition have been agreed** subject to securing a farm-in partner and funding
 - Estimated costs of A\$10m
- 3D seismic survey will **target a series of significant leads**
 - **Intention is to mature several of these to prospect status**
 - Insight from the new data will be combined with that gleaned from 3D Oil's existing seismic database of the region
- One of the **key leads to be targeted by the seismic program is the Harbinger lead**, supported by a Type III AVO anomaly, indicating gas
 - Independent analysis estimated that Harbinger contains 790 BCF Best Estimate Prospective Resources
- Another **target for 3D seismic acquisition is the Seal Rocks lead**, with a Best Estimate Prospective Resource of over 4 TCF
- Following successful completion, the seismic data is expected to help determine the location of the exploration well
 - Exploration well is currently planned for the CY 2019

Target areas



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Brochure available at Australian Government booth

