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3D Oil Limited

ASX Release

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WA/527-P Update, Bedout Sub basin

Highlights

- **3D Oil completes test seismic reprocessing of open-file 2D seismic data**
- **Erosional channels have been identified across permit which are potential trapping mechanisms for oil, analogous to that discovered in the Dorado setting**
- **Analysis indicates the presence of possible hydrocarbon leakage which supports the concept of a prolific petroleum system to be present in the acreage providing abundant oil charge**
- **Farm-out discussions for WA/527-P are well underway with a number of majors conducting diligence**

3D Oil Limited (ASX: TDO, "3D Oil" or the "Company") is pleased to provide a progress update on its 100%-owned exploration permit WA/527-P, located in the Bedout Sub-basin, approximately 80km north-east of the significant recent Dorado-1 oil discovery (Carnarvon Petroleum 20%, Quadrant Energy 80%).

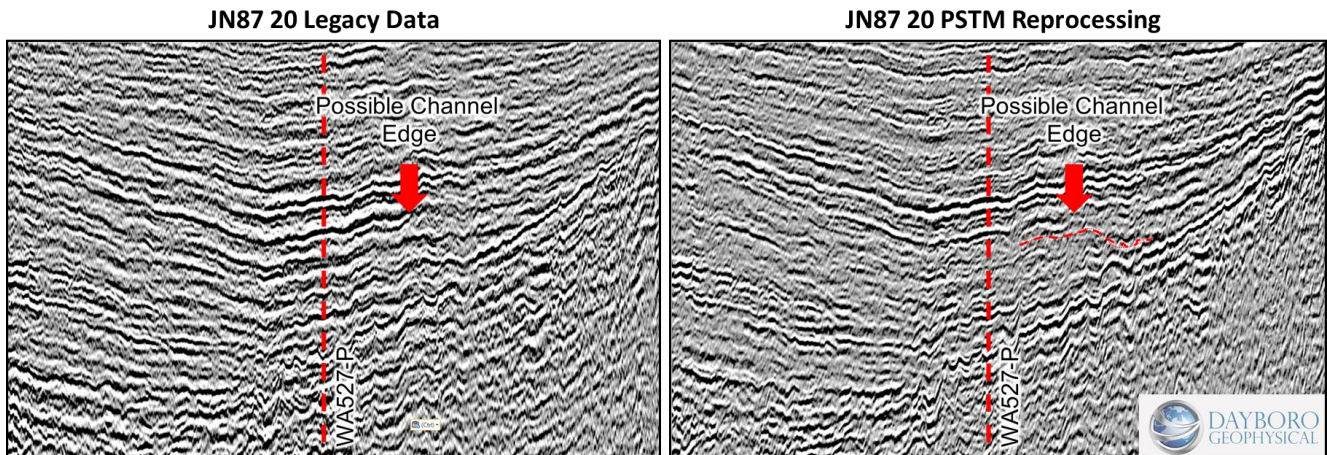
WA/527-P is a large permit covering approximately 6,500 km² in the Bedout Sub-basin. 3D Oil has identified at least fifteen leads across the permit. Recent migration studies have high graded the prospectivity of leads for oil and are the focus of 3D Oil's ongoing farm-out campaign. A number of major strategic parties have expressed interest in the permit following the Dorado-1 discovery which is further enhanced by the recent studies.

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Erosional channels:

3D Oil completed test reprocessing of key seismic line JN87-20, after having identified a possible erosional channel system in the western side of the permit. The results support the presence of an erosional channel system, analogous to that which set up the Dorado discovery.

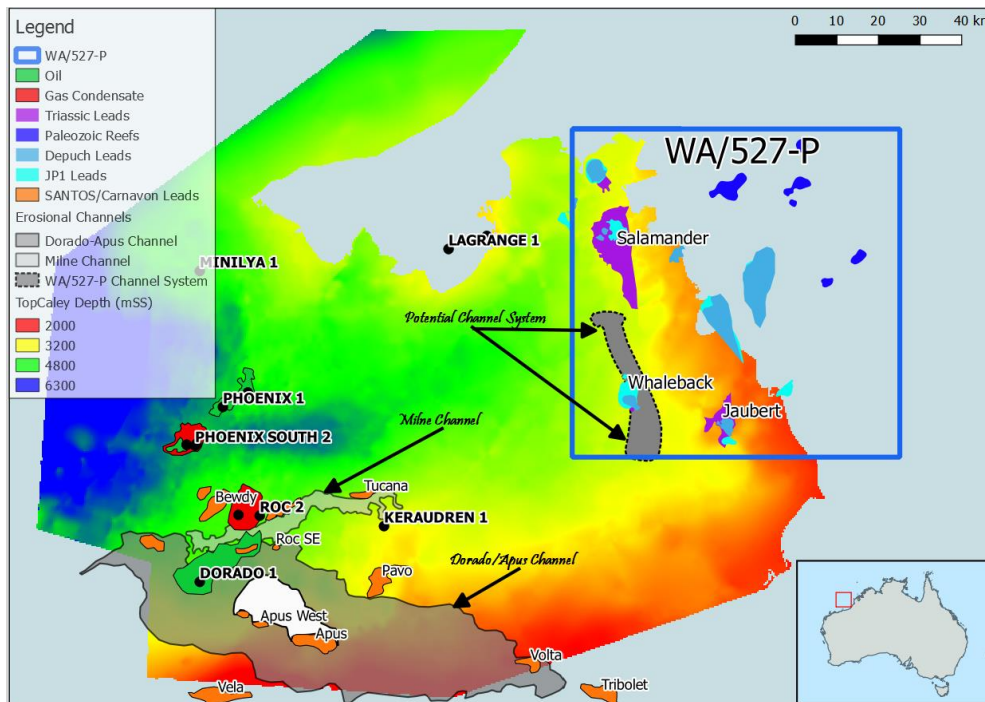
Figure 1: Example of the test reprocessing results



After integration of this new data, it appears the proposed erosional channel system runs parallel to the western boundary of WA/527-P (Figure 2). The channel is interpreted to cut into Lower Triassic sands, the same as those bearing hydrocarbons at Dorado and Roc.

Acquisition of modern 3D seismic data could help determine whether this channel system provides a trapping mechanism for oil bearing structures like Dorado. 3D Oil may be able to then determine the best possible location for the 3D seismic acquisition, after it completes the current task of reprocessing additional key 2D seismic lines within the western side of the acreage.

Figure 2: Map showing the Dorado-Apus, Milne Channel systems, accompanying leads and the locations of similar channel features within WA/527-P



Possible hydrocarbon leakage indicating migration into permit:

3D Oil has identified possible hydrocarbon leakage in the area in the form of possible Hydrocarbon Related Diagenetic Zones (HRDZs). HRDZs are zones of seismic ‘pull-up,’ which could be explained by the presence of sediments that have been chemically altered by vertically migrating hydrocarbons.

Most of these interpreted leakage areas are observed where the Triassic system (which hosts the Dorado, Roc and Phoenix South discoveries) on-lap the Broome High (Figure 3). It is likely that this on-lap edge could allow hydrocarbons to escape from the Triassic system and leak vertically. If correct, there is likely to be abundant hydrocarbons available to the acreage and presumably, the hydrocarbons would contribute to any traps set-up by the recently identified erosional channel system.

The combination of a potential of abundance oil migration in the permit combined with erosional channels providing trapping mechanisms for possible oil accumulations significantly enhances the potential of the permit and the farmout interest being generated for the Permit.

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Figure 3: Example of geophysical expressions of possible hydrocarbon leakage in open-file 2D seismic data

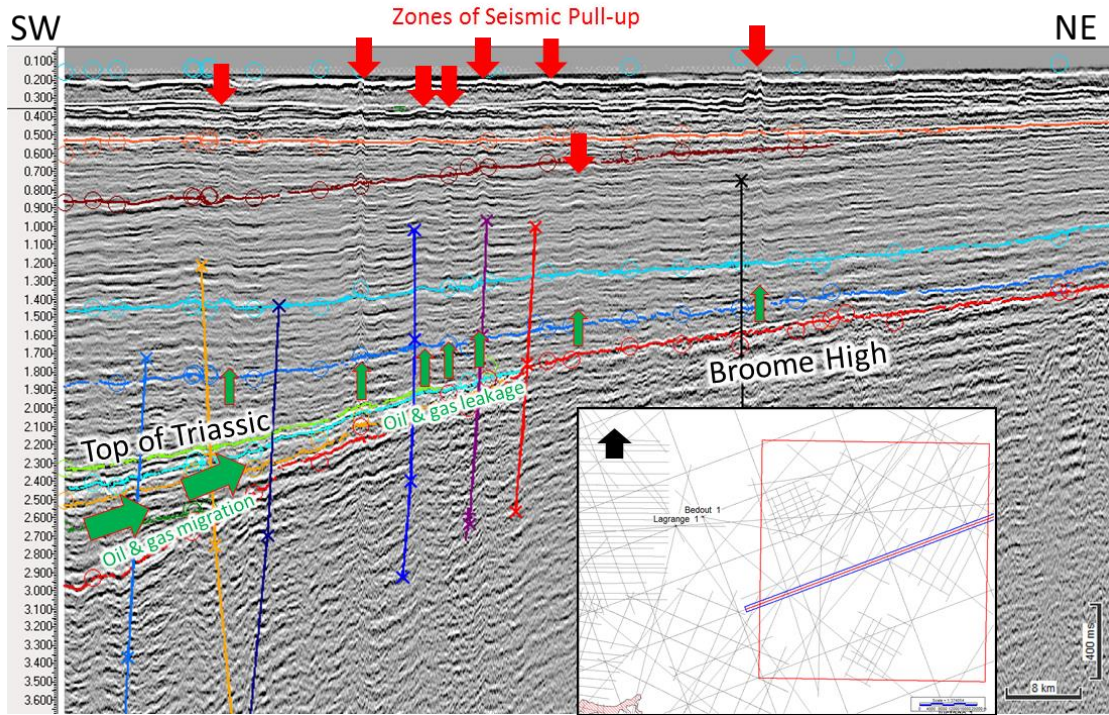


Table 1: WA/527-P Prospective Resource Estimate (MMbbls) Recoverable Oil
(ASX ann. 26/2/18)

Prospect	Status	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

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

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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 8 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 unrisks and have not been adjusted for both an associated chance of discovery and a chance of development. The Prospective Resources have been estimated probalistically.

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