



**3D Oil Limited**

**ABN 40 105 597 279**

**Half-year Financial Report - 31 December 2021**

Review of Operations	2
Corporate directory	10
Directors' report	11
Auditor's independence declaration	13
Statement of profit or loss and other comprehensive income	14
Statement of financial position	15
Statement of changes in equity	16
Statement of cash flows	17
Notes to the financial statements	18
Directors' declaration	23
Independent auditor's review report to the members of 3D Oil Limited	24

3D Oil Limited (ASX: TDO, “3D Oil” or “the Company”) is pleased to provide an update to its activities for the half year ending 31 December 2021.

## **Highlights**

### **T/49P (Otway Basin)**

- ConocoPhillips Australia SH1 Pty Ltd (“COP”) Sequoia 3D MSS Environmental Plan (EP) accepted 10 October 2021.
- ConocoPhillips Australia completes acquisition of ~1700km<sup>2</sup> of the Sequoia 3D MSS at midnight on 31 October 2021, covering the most prospective areas and all existing leads.
- Processing of the Sequoia 3D MSS is underway with a preliminary fast-track volume anticipated in Q2 2022.

### **WA-527-P (Bedout Sub-basin)**

- CGG proposes to undertake the Sauropod 3D MSS as a multi-client survey and completes public comment period for the revised Sauropod 3D Environment Plan.
- Negotiations with potential seismic vessel operators are underway
- Suspension & Extension submitted to NOPTA for Year 3 of the Primary Term.

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

- TDO releases prospective resource update based on the delineation of the Emperor Subgroup play at Megatooth and Oarfish leads.
- Oarfish is now the largest unrisks gas target in VIC/P74 with a combined best estimate prospective resource of 544 Bcf gas.

## **Exploration**

### **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. 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 (“COPA”) holds 80% interest in the permit and is Operator on behalf of the Joint Venture.

Throughout the 6-month period, the Environmental Plan (EP) for the Sequoia 3D Marine Seismic Survey (MSS) submitted by ConocoPhillips Australia was accepted by NOPSEMA (National Offshore Petroleum Safety and Environmental Management Authority). Accepted on 10 August 2021, the EP is valid from 10 August 2021 – 31 October 2021 and has a much larger maximum full-fold acquisition area (approximately 2500km<sup>2</sup>) than the 1580 km<sup>2</sup> minimum commitment in the Farmout Agreement (“FOA”). On 3 November 2021, the Company announced that ConocoPhillips Australia has completed acquiring the Sequoia 3D seismic data using the Shearwater vessel, Geo Coral, which was completed in full compliance with the stringent EP.

3D Oil believes the Sequoia 3D MSS EP has established a new benchmark in Australia for environmental performance standards and adaptive management plans to protect key environmental aspects.

The Shearwater vessel Geo Coral commenced acquisition of the Sequoia 3D MSS in late August and safely completed the acquisition at midnight on 31 October 2021, in accordance with the approved EP from NOPSEMA. The Sequoia 3D MSS was hampered by unprecedented weather in Bass Strait early in the acquisition window which, in addition to further EP conditions, resulted in a total acquisition area of approximately 1700km<sup>2</sup>, less than the approved 2450km<sup>2</sup>. Despite this, prioritisation of the survey across the central corridor has yielded coverage across the most prospective leads (Figure 1), including all pre-existing leads (excluding Flanagan).

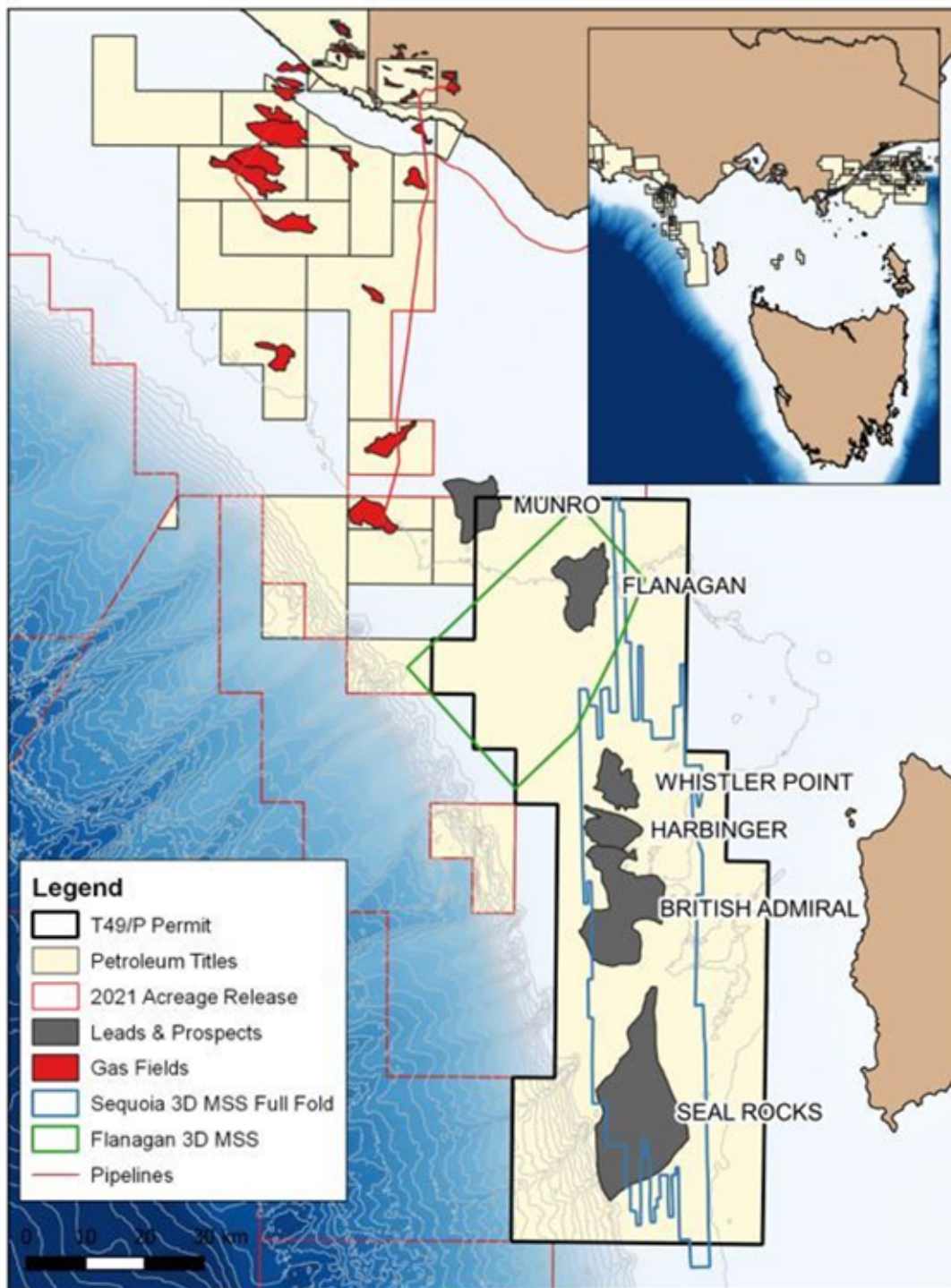
The survey was completed in full compliance with stringent Environmental Plan (EP) conditions, including all marine mammal and invertebrate management requirements, and fulfills ConocoPhillips’ commitment to acquire 3D seismic over a minimum area of 1580 km<sup>2</sup> within the Permit, as per the Farmout Agreement (“FOA”) and TDO ASX Announcement on 18 Dec 2019. TDO will make no financial contribution towards the acquisition of the Sequoia 3D MSS.

In combination with the Flanagan 3D MSS, acquired by TDO in 2014, the Sequoia 3D MSS will allow the Joint Venture to evaluate the full potential of the permit with high-quality, modern 3D seismic. Processing of the Sequoia 3D MSS is currently underway, and a preliminary fast-track volume for interpretation is anticipated in Q2 2022.

Upon interpretation of the Sequoia 3D MSS and high grading of potential gas targets, COPA may elect to drill an exploration

well in fulfillment of the current Year 6 work program. As per the FOA, TDO 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.

Figure 1: Location Map with the final full-fold acquisition area of the Sequoia 3D Marine Seismic Survey (courtesy of ConocoPhillips Australia)



**Table 1: T/49P Prospective Resource Estimate (TCF) Recoverable Gas**  
(ASX ann. 27-Jul-17)

Location	Status	Low	Best	High
Flanagan	Prospect	0.53	1.34	2.74
Munro (T/49P Part)	Lead	0.04	0.19	0.57
Whistler Point	Lead	0.82	2.04	8.95
British Admiral	Lead	0.37	1.03	4.45
Seal Rocks	Lead	0.95	4.64	10.64
Harbinger	Lead	0.33	0.79	1.43
<b>T/49P Arithmetic Total</b>		<b>3.04</b>	<b>10.03</b>	<b>28.77</b>

*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*

### WA-527-P, Roebuck 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 and Dorado (Figure 2).

### Bedout Basin Exploration

The Bedout Sub-basin is a rapidly emerging exploration frontier and is likely to become Australia's newest producing province. Santos has announced initiation of front-end-engineering and design (FEED) at Dorado field with FID slated for some stage in 2022.

Present activities in the basin supports the Company's long held technical view that the area hosts significant resources and will become integral to the national energy supply. 3D seismic acquisition was completed in permits adjacent to WA-527-P over the half, including the 1,600km<sup>2</sup> Archer 3D Marine Seismic Survey (MSS) over Dorado, completed on 1 June 2021, followed by an additional ~2,600km<sup>2</sup> of the Keraudren 3D Extension MSS up to 28 July 2021.

Carnarvon Energy Ltd (ASX: CVN) announced on 16 December 2021 that the Noble Tom Prosser jack-up rig is on track to commence operations on the Pavo 1 exploration well in mid-late January 2022, followed shortly thereafter by Apus 1. Exploration drilling at Pavo 1 is scheduled to take around 2 months and will acquire geological information on deeper stratigraphic units not previously penetrated within the Bedout Sub-Basin. Importantly, both wells will target traps located up-dip from Dorado Field and hosted by the same play.

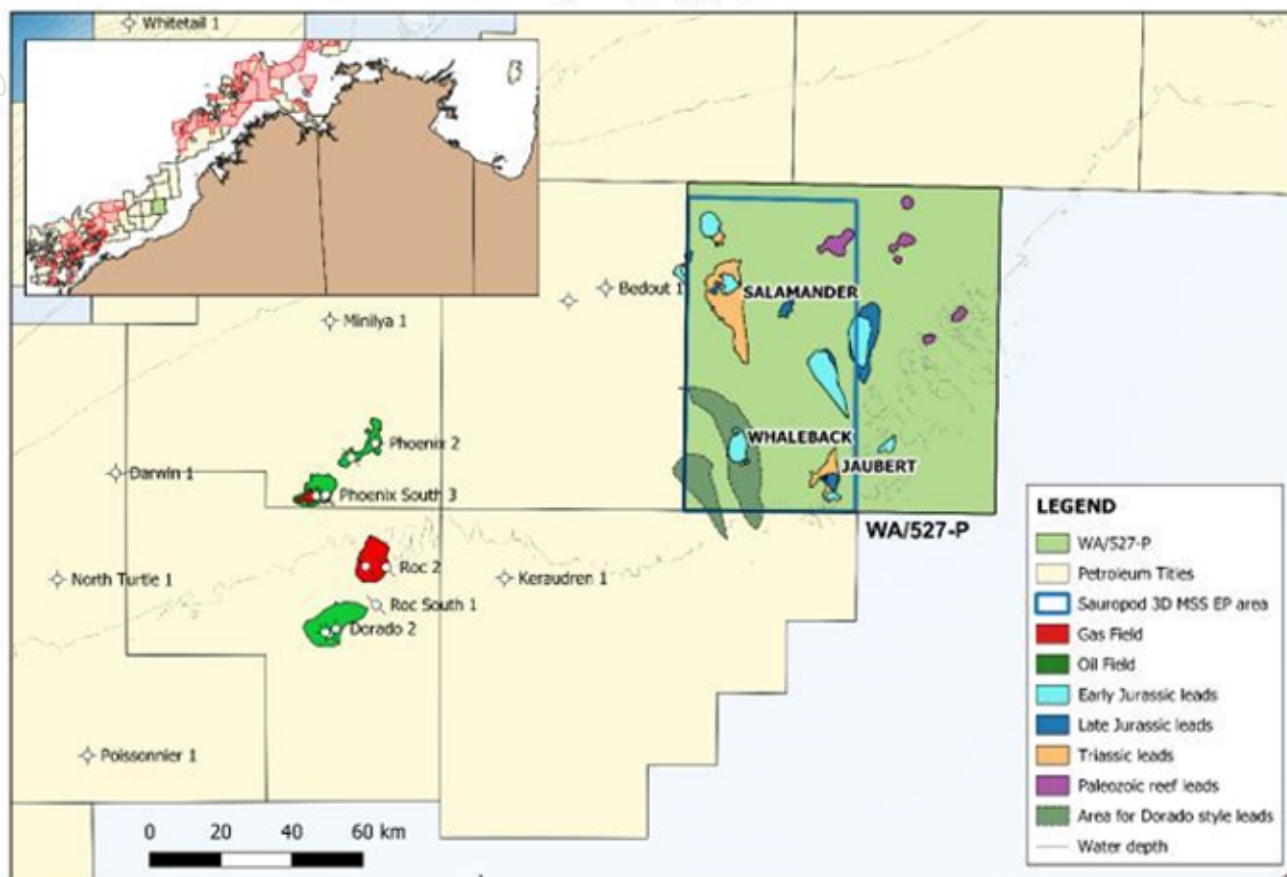
### WA-527-P Activities

Throughout the 6-month period, 3D Oil has progressed with plans to acquire the Sauropod 3D MSS in the next available acquisition window. Seismic company CGG has proposed to acquire the survey as multi-client data and on 6 September 2021, re-submitted the Sauropod 3D MSS Environment Plan for a one-month public comment period. The EP delineates the same acquisition parameters as having been previously proposed including a maximum full fold acquisition area of 3447km<sup>2</sup> (Figure 2) to be acquired between January and April inclusive of 2022. After completing the public comment period, the EP was re-submitted to NOPSEMA where it is currently under assessment. The Sauropod 3D MSS acquisition will take approximately 2 months so granting of the EP in a timely fashion is critical for acquisition in 2022.

The Sauropod 3D seismic survey is an important component of the WA-527-P exploration strategy. The survey has several objectives, however, is primarily aimed at determining the potential for traps associated with a Triassic erosional channel system that is analogous to that which provides the trapping mechanism for the nearby Dorado discovery.



**Figure 2: Location of the Sauropod 3D MSS Environmental Planning Area (Blue polygon)**



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

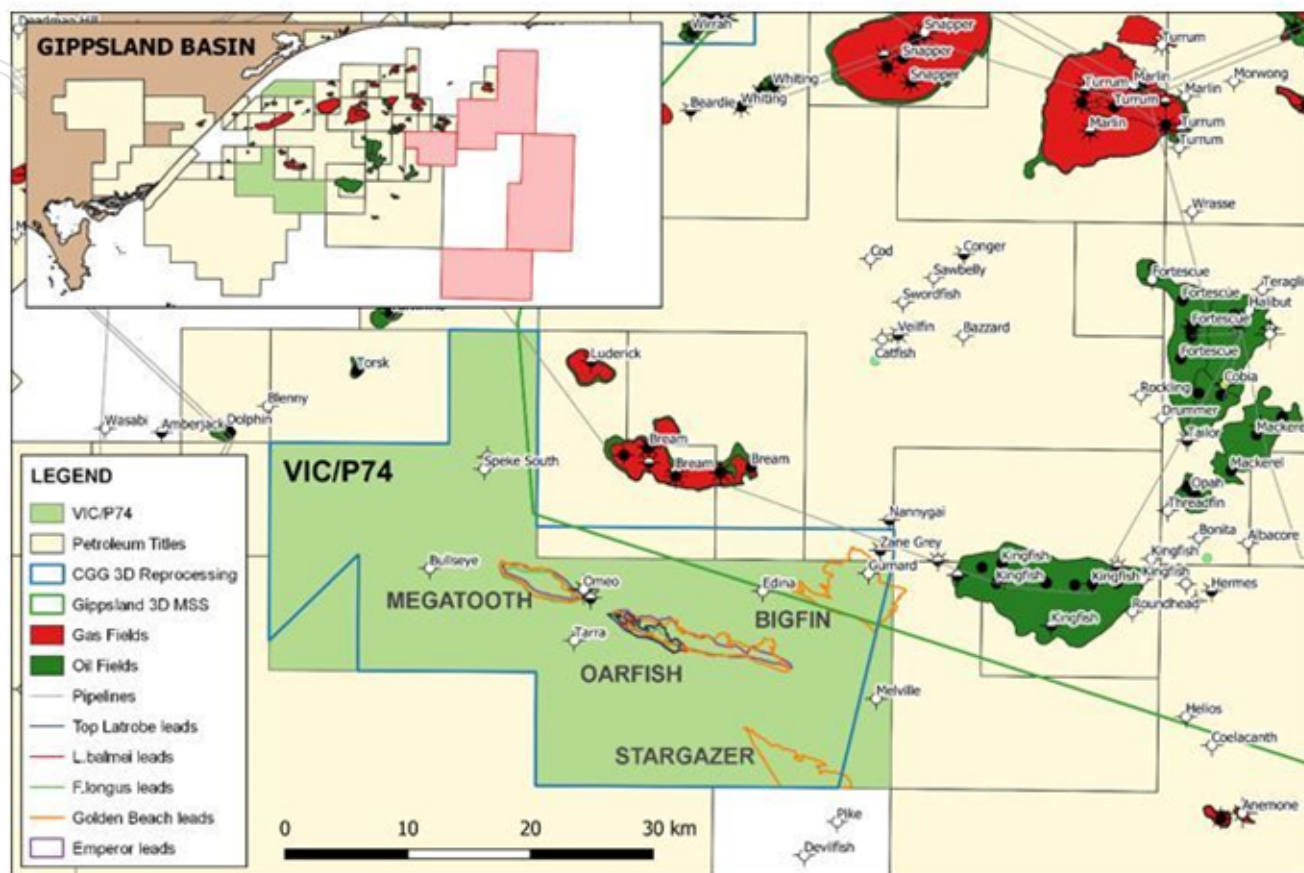
Prospect	Status	Low	Best	High
Salamander	Lead	57	191	713
Jaubert	Lead	17	72	205
Whaleback	Lead	16	87	219
<b>WA-527-P Arithmetic Total</b>		<b>90</b>	<b>349</b>	<b>1,138</b>

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.

#### VIC/P74, Gippsland Basin, offshore Victoria

The Company holds 50% 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 having produced over one billion barrels of oil to date (Figure 3).

**Figure 3: Location map of VIC/P74 showing leads with prospective resources.**



Over the 6-month period, the Company released an update to the market on Prospective Resource estimates within the permit based on stratigraphic, seismic interpretation and depth conversion studies in the deeper Emperor Subgroup play. Additional gas prospectivity has been identified at several existing leads within VIC/P74, including Oarfish and Megatooth, within closures along strike to the gas sands at the Omeo discovery.

Oarfish is now the largest un-risked gas target in VIC/P74, having an arithmetic total best estimate prospective resource of 544 Bcf, up from 338 Bcf. The lead is situated 2km to the east of Omeo 1A and reservoir/seal pairs are anticipated to be similar. Oarfish essentially has the same trapping configuration as the Omeo structure, which has hydrocarbons at equivalent levels based on log analysis and RFT recovery of water and gas with a thin film of oil/condensate.

Given the addition of the Emperor Subgroup play, Megatooth now has a total best estimate recoverable prospective resource of 465 Bcf, up from 204 Bcf. The lead is well situated relative to the kitchen underlying Bream towards the northeast and migration can be demonstrated by gas-condensates intersected within the Lower Latrobe Group at Omeo 1A. Emperor gas sands at the Omeo wells lie within 1km of Megatooth.

The next stage of exploration in VIC/P74 will involve the acquisition or purchase of modern 3D seismic data to assist with maturing the best potential lead(s) to prospect status. Internal risking is currently underway to assist with informing this next stage.

### **Farmout Campaign**

Active discussions with interested farm-in candidates are ongoing, but given the upgrade in Prospective Resource estimates, the Joint Venture is seeking the best possible terms to facilitate the next stages of exploration including, seismic acquisition and drilling.

**Table 3: VIC/P74 Prospective Resources Estimate (Bcf) Recoverable Gas  
(Nett to TDO in brackets)**

Lead/Prospect	Status	Low	Best	High
Oarfish	Lead	303 (152)	544 (272)	918 (459)
Bigfin	Lead	296 (148)	502 (251)	783 (392)
Megatooth	Lead	259 (130)	465 (233)	784 (392)
Stargazer	Lead	192 (96)	344 (172)	564 (282)
<b>VIC/P74 Arithmetic Total</b>		<b>1050 (526)</b>	<b>1855 (928)</b>	<b>3049 (1525)</b>

**Table 4: VIC/P74 Prospective Resources Estimate (MMbbls) Recoverable Condensate (Nett to TDO in brackets)**

Lead/Prospect	Status	Low	Best	High
Oarfish	Lead	4 (2)	19 (9)	60 (30)
Bigfin	Lead	2 (1)	19 (10)	39 (20)
Megatooth	Lead	4 (2)	16 (8)	51 (26)
Stargazer	Lead	3 (1.5)	12 (6)	37 (19)
<b>VIC/P74 Arithmetic Total</b>		<b>13 (6.5)</b>	<b>66 (33)</b>	<b>187 (95)</b>

**Table 5: VIC/P74 Prospective Resources Estimate (MMbbls) Recoverable Oil (Nett to TDO in brackets)**

Lead/Prospect	Status	Low	Best	High
Megatooth	Lead	28 (14)	58 (29)	107 (54)
Oarfish	Lead	23 (11)	40 (20)	71 (35)
<b>VIC/P74 Arithmetic Total</b>		<b>51 (26)</b>	<b>98 (49)</b>	<b>178 (89)</b>

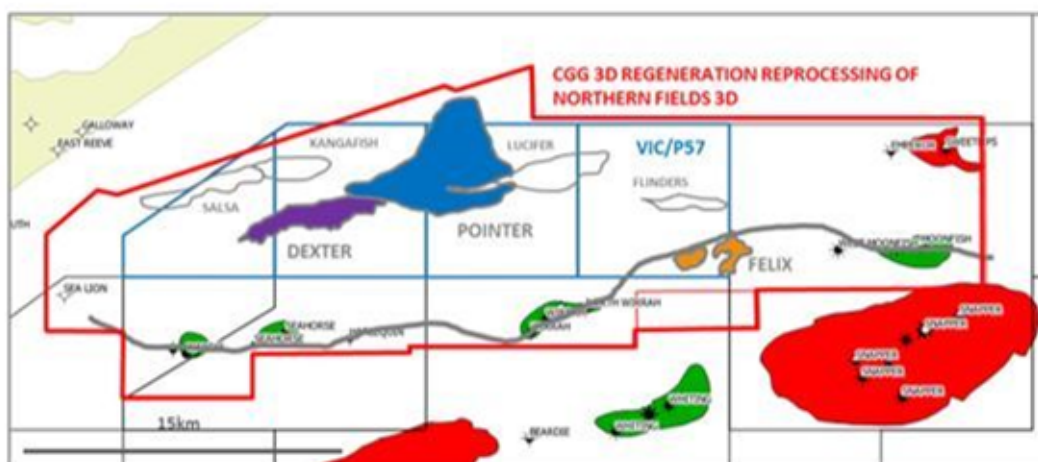
#### **VIC/P57, Gippsland Basin, offshore Victoria**

TDO holds 24.9% interest in the VIC/P57 exploration permit in the offshore Gippsland Basin with Joint Venture ("JV") partner and operator, Hibiscus Petroleum. 3D Oil acts as technical adviser to the JV.

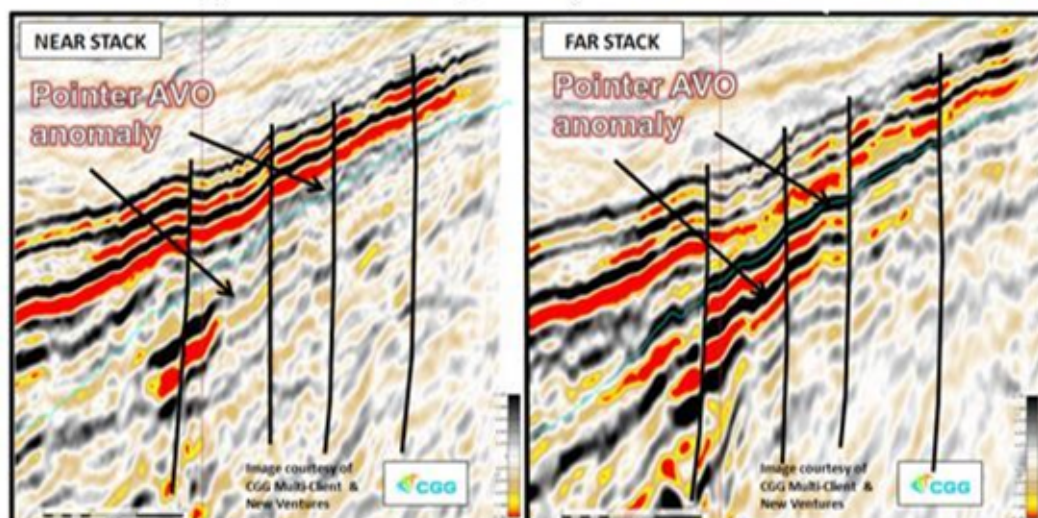
The Joint Venture have identified two drilling candidates in the permit, including Felix and Pointer (Figure 4). The Pointer Prospect is an AVO supported gas target (Figure 5), located close to shore and nearby infrastructure. It is well placed to supply resources to the east Australian gas market. The Felix Prospect is a low-risk Oil & Gas prospect located between the Wirrah discovery and Moonfish field.



**Figure 4: Prospects and Leads, VIC/P57**



**Figure 5: Pointer Prospect Response on Offset Stacks.**



**Table 3: VIC/P57 Prospective Resources Estimate (MMbbbls) Recoverable Oil**  
(ASX ann. 27-Jul-17)

Location	Status	Low	Best	High
Felix	Prospect	6.8	15.9	26.9
Salsa	Lead	10.7	15.1	20.6
VIC/P57 Arithmetic Total		17.5	31.0	47.5

**Table 4: VIC/P57 Prospective Resource Estimate (BCF) Recoverable Gas**

Location	Status	Low	Best	High
Pointer	Prospect	140.1	235.3	364.9
Dexter	Lead	37.0	132.0	259.1
VIC/P57 Arithmetic Total		177.1	367.2	624.0

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.

## TDO Petroleum Tenement Holdings

As at 31 December 2021, 3D Oil's petroleum tenement holdings were:

Tenement and Location	Beneficial interest at 30 June 2021	Beneficial interest acquired / (disposed)	Beneficial interest at 31 Dec 2021
VIC/P57 Offshore Gippsland Basin, VIC	24.9%	nil	24.9%
T/49P Offshore Otway Basin, TAS	20%	nil	20%
WA-527-P Offshore Roebuck Basin, WA	100%	nil	100%
VIC/P74 Offshore Gippsland Basin, VIC	50%	nil	50%

## 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 Geoscience and has been practicing as a Petroleum Geoscientist for 8 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 Engineer. Prospective Resource estimates are for recoverable volumes and unless otherwise stated this report quotes Best Estimates and gross volumes. The estimates are un-risked and have not been adjusted for both an associated chance of discovery and a chance of development. The Prospective Resources have been estimated with both probabilistic and deterministic methods.

**Directors**

Noel Newell (Executive Chairman)  
Ian Tchacos (Non-Executive Director)  
Leo De Maria (Non-Executive Director)  
Trevor Slater (Non-Executive Director, appointed on 15 November 2021)

**Company secretaries**

Melanie Leydin (resigned on 29 October 2021)  
Stefan Ross

**Registered office**

Level 18, 41 Exhibition Street  
Melbourne, VIC 3000  
Telephone: (03) 9650 9866

**Principal place of business**

Level 18, 41 Exhibition Street  
Melbourne, VIC 3000  
Telephone: (03) 9650 9866

**Share register**

Computershare Investor Services Pty Ltd  
452 Johnston Street  
Abbotsford Victoria 3067  
Telephone: (03) 9415 5000

**Auditor**

Grant Thornton Audit Pty Ltd  
Collin Square Tower 5  
727 Collins Street  
Melbourne VIC 3008

**Solicitors**

Baker McKenzie  
Level 19, 181 William Street  
Melbourne Victoria 3000

**Stock exchange listing**

3D Oil Limited shares are listed on the Australian Securities Exchange (ASX code: TDO)

**Website**

[www.3doil.com.au](http://www.3doil.com.au)

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of 3D Oil Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the period ended 31 December 2021.

### **Directors**

The following persons were Directors of 3D Oil Limited during the whole of the financial period and up to the date of this report, unless otherwise stated:

Mr Noel Newell  
Mr Ian Tchacos  
Mr Leo De Maria  
Mr Trevor Slater (appointed on 15 November 2021)

### **Principal activities**

During the financial half-year the principal continuing activities of the Consolidated Entity consisted of exploration and development of upstream oil and gas assets.

### **Review of operations**

The loss for the Consolidated Entity after providing for income tax amounted to \$562,958 (31 December 2020: \$526,775).

Refer to the detailed Review of Operations preceding this Directors' Report.

### **Financial Position**

The net assets decreased by \$560,365 to \$7,049,155 at 31 December 2021 (30 June 2021: \$7,609,520) mainly due to operating losses during the period. During the period the Consolidated Entity also spent a net amount of \$363,789 on exploration and evaluation.

The Consolidated Entity's working capital position at 31 December 2021, being current assets less current liabilities, was \$1,109,415, a decrease of \$957,769 since 30 June 2021 (30 June 2021: surplus \$2,067,184). The cash balances as at 31 December 2021 was \$2,092,160 (30 June 2021: \$3,048,802).

Based on the above the Directors believe the Company is in a stable position to continue to pursue its current operations.

### **Significant changes in the state of affairs**

In accordance with the announcement of 1 March 2021, the Consolidated Entity announced on 11 August 2021 that ConocoPhillips Australia SH1 Pty Ltd ("ConocoPhillips Australia") as operator of the T/49P joint venture with TDO's wholly-owned subsidiary, 3D Oil T49P Pty Ltd, will commence acquisition of the Sequoia MSS 3D seismic survey using the Shearwater vessel the Geo Coral.

The survey is planned to cover an area of approximately 2,500 km<sup>2</sup> with the seismic survey acquisition estimated to take approximately 60 days between the middle of August and the end of October 2021. ConocoPhillips Australia is the operator of the T/49P joint venture with an 80% interest in the T/49P Permit, the Company having the remaining 20% interest.

Under the terms of the Farmout Agreement, ConocoPhillips Australia was to acquire a minimum of 1580 km<sup>2</sup> of 3D seismic at no expense to the Company (TDO ASX Announcement 11 June 2020). The proposed increase in size of the acquisition area will provide coverage of all leads within the T/49P Permit and tie in with the previously acquired Flanagan 3D seismic survey.

On 7 October 2021, the Consolidated Entity announced an update surrounding the delineation of additional prospectivity within the VIC/P74 exploration permit. This included an update to the Prospective Resources estimates for Leads and Prospects released to the market on 16<sup>th</sup> February 2021.

On 29 October 2021, the Consolidated Entity announced the appointment of Mr Trevor Slater as a Non-Executive Director, with his appointment effective at the conclusion of the Company's Annual General Meeting on 15 November 2021. In addition, Ms Melanie Leydin stepped down as Joint Company Secretary, effective 29 October 2021, with Mr Stefan Ross continuing in the officeholder position as sole Company Secretary.

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial period.



#### **Matters subsequent to the end of the financial period**

On 4 February 2022, the Consolidated Entity announced that the National Offshore Petroleum Titles Administrator ("NOPATA") has awarded the Consolidated Entity the VIC/P79 exploration permit in the offshore Otway Basin. The 2,576km<sup>2</sup> permit is located adjacent to the largest gas fields in the offshore Otway Basin, Thylacine and Geographe, and contains the highly prospective Vanguard Prospect. The Permit was awarded with a minimum work commitment that includes one exploration well. The acquisition of VIC/P79 accelerates 3D Oil's strategy to be a significant east coast gas producer and compliments our Otway Basin Joint Venture in T/49P with ConocoPhillips.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

#### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



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Noel Newell  
Executive Chairman

16 March 2022  
Melbourne

## Auditor's Independence Declaration

### To the Directors of 3D Oil Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of 3D Oil Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



D G Ng  
Partner – Audit & Assurance

Melbourne, 16 March 2022

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**3D Oil Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the period ended 31 December 2021**



	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
<b>Other income</b>		
Other income	-	82,908
Interest	242	4,101
<b>Expenses</b>		
Corporate expenses	(125,828)	(160,694)
Administrative expenses	(40,989)	(36,900)
Employment expenses	(301,852)	(302,563)
Occupancy expenses	(61,198)	(32,951)
Depreciation and amortisation expense	(17,285)	(56,593)
Exploration expenses	(13,537)	(18,908)
Finance costs	(2,511)	(5,175)
<b>Loss before income tax expense</b>	<b>(562,958)</b>	<b>(526,775)</b>
Income tax expense	-	-
<b>Loss after income tax expense for the period attributable to the Owner of 3D Oil Limited</b>	<b>(562,958)</b>	<b>(526,775)</b>
Other comprehensive income for the period, net of tax	-	-
<b>Total comprehensive income for the period attributable to the Owner of 3D Oil Limited</b>	<b>(562,958)</b>	<b>(526,775)</b>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.21)	(0.20)
Diluted earnings per share	(0.21)	(0.20)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**3D Oil Limited**  
**Statement of financial position**  
**As at 31 December 2021**



**Assets**

**Current assets**

	Consolidated 31 December 2021 \$	30 June 2021 \$
Cash and cash equivalents	2,092,160	3,048,802
Trade and other receivables	47,313	31,752
Short term investments	93,577	93,577
Prepayments	28,812	41,924
<b>Total current assets</b>	<b>2,261,862</b>	<b>3,216,055</b>

**Non-current assets**

Furniture and computer equipment	13,954	16,525
Right-of-use assets	35,986	79,156
Intangibles	61,927	76,641
Exploration and evaluation	5,828,597	5,374,599
<b>Total non-current assets</b>	<b>5,940,464</b>	<b>5,546,921</b>

**Total assets**

**8,202,326**      **8,762,976**

**Liabilities**

**Current liabilities**

Trade and other payables	844,634	820,345
Lease liabilities	49,085	96,614
Employee benefits	258,728	231,912
<b>Total current liabilities</b>	<b>1,152,447</b>	<b>1,148,871</b>

**Non-current liabilities**

Employee benefits	724	4,585
<b>Total non-current liabilities</b>	<b>724</b>	<b>4,585</b>

**Total liabilities**

**1,153,171**      **1,153,456**

**Net assets**

**7,049,155**      **7,609,520**

**Equity**

Issued capital	5	55,483,678	55,483,678
Share option reserve	10	11,665	9,072
Accumulated losses		(48,446,188)	(47,883,230)

**Total equity**

**7,049,155**      **7,609,520**

*The above statement of financial position should be read in conjunction with the accompanying notes*



**3D Oil Limited**  
**Statement of changes in equity**  
**For the period ended 31 December 2021**



**Consolidated**

	<b>Contributed equity</b> <b>\$</b>	<b>Accumulated losses</b> <b>\$</b>	<b>Reserves</b> <b>\$</b>	<b>Total equity</b> <b>\$</b>
Balance at 1 July 2020	55,483,678	(46,741,135)	-	8,742,543
Loss after income tax expense for the period	-	(526,775)	-	(526,775)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	(526,775)	-	(526,775)
Share based payments	-	-	624	624
Balance at 31 December 2020	<u>55,483,678</u>	<u>(47,267,910)</u>	<u>624</u>	<u>8,216,392</u>

**Consolidated**

	<b>Contributed equity</b> <b>\$</b>	<b>Accumulated losses</b> <b>\$</b>	<b>Reserves</b> <b>\$</b>	<b>Total equity</b> <b>\$</b>
Balance at 1 July 2021	55,483,678	(47,883,230)	9,072	7,609,520
Loss after income tax expense for the period	-	(562,958)	-	(562,958)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	(562,958)	-	(562,958)
Share based payments	-	-	5,991	5,991
Lapse of performance rights	-	-	(3,398)	(3,398)
Balance at 31 December 2021	<u>55,483,678</u>	<u>(48,446,188)</u>	<u>11,665</u>	<u>7,049,155</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**3D Oil Limited**  
**Statement of cash flows**  
**For the period ended 31 December 2021**



	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees (inclusive of GST)	(545,877)	(578,213)
Interest received	553	4,333
COVID-19 incentives	-	77,400
Payment of interest element of lease liabilities	(2,511)	(5,175)
Net cash used in operating activities	(547,835)	(501,655)
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	-	(32,800)
Payments for exploration and evaluation	(363,789)	(917,053)
Net cash used in investing activities	(363,789)	(949,853)
<b>Cash flows from financing activities</b>		
Payment of principal element of lease liabilities	(45,018)	(43,496)
Net cash used in financing activities	(45,018)	(43,496)
Net decrease in cash and cash equivalents	(956,642)	(1,495,004)
Cash and cash equivalents at the beginning of the financial period	3,048,802	5,077,191
Cash and cash equivalents at the end of the financial period	<u>2,092,160</u>	<u>3,582,187</u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

## **Note 1. General information**

The financial statements cover 3D Oil Limited as a Consolidated Entity consisting of 3D Oil Limited and the entities it controlled at the end of, or during, the period. The financial statements are presented in Australian dollars, which is 3D Oil Limited's functional and presentation currency.

3D Oil Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 18, 41 Exhibition Street  
Melbourne Victoria 3000

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 16 March 2022. The Directors have the power to amend and reissue the financial statements.

## **Note 2. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

### **Going Concern**

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The working capital position as at 31 December 2021 of the Consolidated Entity results in a surplus of \$1,109,415 (current assets over current liabilities) (30 June 2021: surplus \$2,067,184). The Consolidated Entity made a loss after tax of \$562,958 during the six-month period (December 2020 loss: \$526,775) and had net operating cash outflows of \$547,835 (2020: \$501,655). During the period the Consolidated Entity also incurred \$363,789 (2020: \$917,053) on exploration activities. The cash balances as at 31 December 2021 was \$2,092,160 (30 June 2021: \$3,048,802). The continuing viability of the Consolidated Entity and its ability to continue as a going concern is dependent upon the Consolidated Entity being successful in its continuing efforts in exploration projects and accessing additional sources of capital to meet the commitments as and when required. To meet the Consolidated Entity's funding requirements as and when they fall due, the Consolidated Entity will need to take appropriate steps, including a combination of:

- Raising capital by one of or a combination of the following: placement of shares, rights issue, share purchase plan, etc;
- Meeting its obligations by either farm-out or partial sale of the Consolidated Entity's exploration interests;
- Subject to negotiation and approval, minimum work requirements may be varied or suspended, and/or permits may be surrendered or cancelled; or
- Other avenues that may be available to the Consolidated Entity.

Having assessed the potential uncertainties relating to the Consolidated Entity's ability to effectively fund exploration activities and operating expenditures, the Directors believe that the Consolidated Entity will continue to operate as a going concern for the foreseeable future. Based on the aforementioned conclusions reached by the Directors, the financial statements have been prepared on a going concern basis.

## Note 2. Significant accounting policies (continued)

### New or amended Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated Entity.

## Note 3. Operating segments

AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the Consolidated Entity that are regularly reviewed by the chief decision maker in order to allocate resources to the segment and to assess its performance. 3D Oil Limited operates in the development of oil and gas within Australia. The Consolidated Entity's activities are therefore classified as one operating segment.

The chief decision makers, being the Board of Directors, assess the performance of the Consolidated Entity as a whole and as such through one segment.

## Note 4. Non-current assets - Exploration and evaluation

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2021</b>
	<b>2021</b>	
	<b>\$</b>	<b>\$</b>
Exploration and evaluation - at cost	<u>5,828,597</u>	<u>5,374,599</u>

### Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

<b>Consolidated</b>	<b>Exploration and evaluation</b>
	<b>\$</b>
Balance at 1 July 2021	5,374,599
Expenditure during the half-year	453,998
Balance at 31 December 2021	5,828,597

The exploration and evaluation assets relate to VIC/P74, an offshore project in the Gippsland Basin in Victoria, T/49P which is an offshore project in the Otway Basin in Tasmania and WA-527-P in Western Australia. The recoverability of the exploration and evaluation expenditure's carrying amounts is dependent on the successful development and commercial exploitation, or alternatively the farm-out or sale, of the respective areas of interest. Area of interest VIC/P57 is an offshore project in the Gippsland Basin in Victoria which was written down to a carrying amount of nil as of 30 June 2020.

The Consolidated Entity has carried out an impairment review of the carrying amount of its exploration expenditure in relation to VIC/P74, T/49P and WA-527-P following the end of the financial half-year as at 31 December 2021. Based on the review no impairments were identified in relation to these tenements.

### Farm-outs - exploration and evaluation phase

The Consolidated Entity does not record any expenditure made by the farminee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farminee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the farmor as a gain on disposal.



#### Note 4. Non-current assets - Exploration and evaluation (continued)

##### Exploration and evaluation costs expensed

Upon completion of the aforementioned impairment review, it was concluded that area of interest VIC/P57 currently will not generate future economic benefits as a result of which exploration costs of \$13,537 incurred were immediately expensed in the statement of profit or loss and other comprehensive income in the year ended 31 December 2021.

#### Note 5. Equity - issued capital

	31 December 2021 Shares	30 June 2021 Shares	Consolidated 31 December 2021 \$	30 June 2021 \$
Ordinary shares - fully paid	<u>265,188,372</u>	<u>265,188,372</u>	<u>55,483,678</u>	<u>55,483,678</u>

##### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

#### Note 6. Share option reserve

	31 December 2021 \$	Consolidated 30 June 2021 \$
Share based payments reserve	<u>11,665</u>	<u>9,072</u>

Share based payments expense during the period is \$5,992 (31 December 2020: \$624), which includes relates to performance rights issued to key management personnel of the Company.

On 29 October 2021, 56,452 performance rights issued to employee lapsed.

On 23 December 2021, 241,935 performance rights issued to employee lapsed.

Movements in each class of reserve during the current half financial are set out below:

	\$
Balance at 1 July 2021	9,072
Share based payment expense	5,992
Lapse of performance rights	<u>(3,399)</u>
Balance at 31 December 2021	<u>11,665</u>

#### Note 7. Contingent liabilities

There were no contingent liabilities as at 31 December 2021 (30 June 2021: nil).

**Note 8. Commitments**

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>30 June 2021</b>
	<b>\$</b>	<b>\$</b>
<i>Exploration Licenses - Commitments for Expenditure</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	3,060,000	3,060,000
One to five years	-	-
<b>Total</b>	<b>3,060,000</b>	<b>3,060,000</b>

In order to maintain current rights of tenure to exploration tenements, the Consolidated Entity is required to outlay rentals and to meet the minimum work requirements and associated indicative expenditure of the NOPTA. Minimum commitments may be subject to renegotiation and with approval may otherwise be avoided by sale, farm out or relinquishment. These obligations are therefore not provided for in the financial statements as payable.

On 8 October 2020, NOPTA approved Hibiscus Petroleum Berhad to enter into a Joint Venture with the Company in the offshore Gippsland Basin exploration permit VIC/P74, in which the Company remains the operator with 50% equity. The Company has included in the above commitments its share of indicative expenditure relating to VIC/P74 up to year 3. Commitments from year 4 onwards are confirmed on a year-by-year basis dependent on the Company agreeing to proceed. If the Company was to proceed beyond year 4 in relation to VIC/P74, the current indicative expenditure commitment for Years 4-6 is currently gross \$42.1 million, and this would be occurring in 2022-2025 years.

In relation to VIC/P57, the joint venture applied to NOPTA in September 2017 for a further 5 year tenure, which was granted on 7 March 2018. The program includes minor but high impact and carefully designed work commitments including state-of-the-art reprocessing of the 3D seismic data covering the permit. During the year ended 30 June 2021, the Joint Venture received approval for a 12 Month Suspension and Extension to the Primary Term of VIC/P57, which expired on 6 March 2022. The Company, currently is in the process of surrendering VIC/P57 tenement license to NOPTA.

In relation to WA-527-P, the Company has included its commitments for indicative expenditure in the above note relating to WA-527-P up to year 3. Commitments from year 4 onwards are confirmed on a year-by-year basis dependent on the Company agreeing to proceed. If the Company was to proceed beyond year 4 in relation to WA-527-P, the current indicative expenditure commitment for Years 4-6 is currently gross \$30.8 million and this would be occurring in 2023-2025 years.

The commitments above does not include commitments for indicative expenditure relating to Exploration Permit T49P, as they are expected to be covered by the farm-in partner, ConocoPhillips Australia Pty Ltd (COP), as per JOA. Under the terms of JOA, TDO will contribute 10% of the joint operation expenses until ConocoPhillips Australia has completed an exploration well or spent at least US\$30 million toward drilling of an exploration well.

During the March 2021 quarter, the joint venture was awarded a 30-month Suspension and Extension on the Year 5 permit commitments, allowing up until 21 August 2023 to complete the Year 5 work programme. Upon interpretation of the 3D seismic survey, COP may elect to drill an exploration well which will fulfill the current Year 6 work programme.

## Note 9. Events after the reporting period

On 4 February 2022, the Consolidated Entity announced that the National Offshore Petroleum Titles Administrator ("NOPTA") has awarded the Consolidated Entity the VIC/P79 exploration permit in the offshore Otway Basin. The 2,576km<sup>2</sup> permit is located adjacent to the largest gas fields in the offshore Otway Basin, Thylacine and Geographe, and contains the highly prospective Vanguard Prospect. The Permit was awarded with a minimum work commitment that includes one exploration well. The acquisition of VIC/P79 accelerates 3D Oil's strategy to be a significant east coast gas producer and compliments our Otway Basin Joint Venture in T/49P with ConocoPhillips.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

## Note 10. Earnings per share

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the Owner of 3D Oil Limited	<u>(562,958)</u>	<u>(526,775)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>265,188,372</u>	<u>265,188,372</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>265,188,372</u>	<u>265,188,372</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.21)	(0.20)
Diluted earnings per share	(0.21)	(0.20)

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



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Noel Newell  
Executive Chairman

16 March 2022  
Melbourne



# Independent Auditor's Review Report

## To the Members of 3D Oil Limited

### Report on the review of the half-year financial report

#### Conclusion

We have reviewed the accompanying half-year financial report of 3D Oil Limited (the Company) and its subsidiaries (the Consolidated Entity), which comprises the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of 3D Oil Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of 3D Oil Limited's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$562,958 during the half-year ended 31 December 2021 and had net operating cash outflows of \$547,835. During the period, the Consolidated Entity also incurred \$363,789 on exploration activities. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



D G Ng  
Partner – Audit & Assurance

Melbourne, 16 March 2022