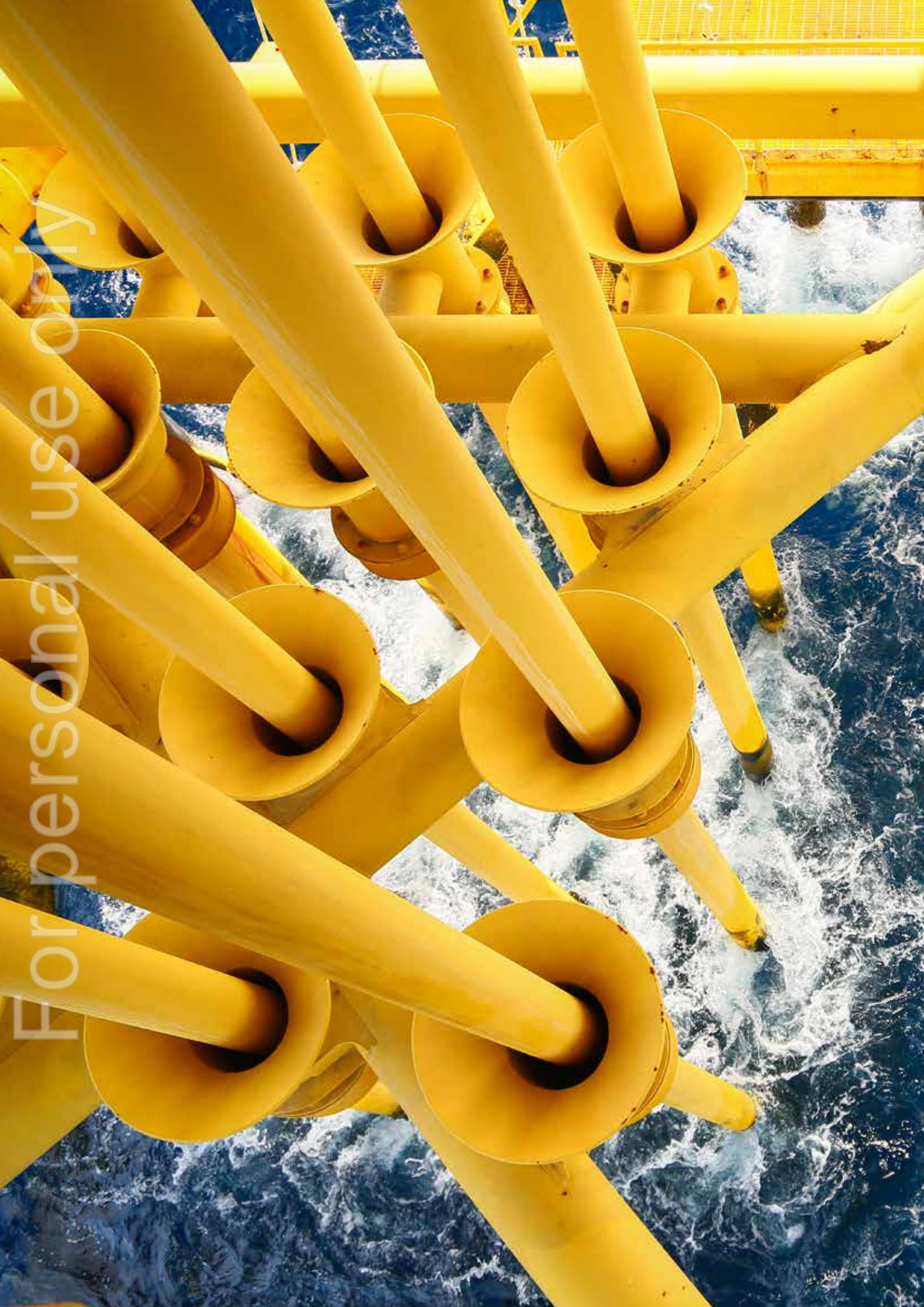


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Annual Report 2023

On the move



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3D Oil has established a pathway towards a commercial gas discovery with Joint Venturer ConocoPhillips Australia, in what has been one of our most exciting years yet.

Noel Newell, Executive Chairman

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The 3D Oil Vision

Our Purpose

To provide energy solutions to our local communities through collaboration and consultation resulting in reliable, affordable and sustainable energy.

Our Values

Integrity

We act ethically and honestly; staying true to our values; and accountable for our actions

Awareness

We take account of all identified key issues in our decisions; and considering future impacts

Professionalism

We strive to achieve the highest standards in excellence in all facets of our activities.

Teamwork and Collaboration

We foster teamwork both within the Company and externally; listening to external stakeholders; and building long term relationships

Our Vision

Our aim is to enable the development Australia's gas and oil opportunities in support of Australia's current and future energy needs. We seek to leverage our strong technical expertise and local knowledge to enhance value of energy projects for the benefit of our shareholders and the communities in which we operate.

Safety

We are committed to providing and maintaining a safe and non-discriminatory working environment to safeguard the health and safety of our employees, consultants, and others.

Creativity

As an organization we continually encourage a culture where innovation can be explored. We are agile: do what we say we are going to do; and bring focus to every project.

Responsibility

We respect each other, our communities, and the environment

Executive Chairman's Letter to Shareholder

3D Oil has now completed two of the best farmout deals in Australia for arguably almost two decades. In addition, we have achieved this but forming a joint venture with a global leader in oil and gas sector, ConocoPhillips (COP), and aiming to target exploration in at least one region that has witnessed a very high exploration success rate for two decades. Further, it is a gas-rich province adjacent existing under-utilised infrastructure feeding a significantly under supplied market.

The stage is now set for an incredibly exciting two years ahead of 3D Oil.

Admittedly COP's arrival in Bass Strait has flown largely under the radar to date, but now with the signing of Transocean Equinox the market will slowly become aware of their presence – and not an insignificant presence. It comes at time when Bass Strait production is falling over a cliff while the 'energy transition' will ensure gas has an important role to play for many decades. Not neglecting gas is required for a myriad of everyday industrial processes.

The Transocean Equinox is literally on the horizon and is expected to arrive in Australia next year, from Norway, to commence an extensive program for the Bass Strait drilling consortium. Our Joint Venture (JV) has contracted the rig for a minimum of two wells with the potential of additional four wells – not an insignificant program. 3D Oil is carried for the first two wells to the combined tune of US\$65 million – an enviable position by any measure.

Our JV is spoilt for choice with numerous exciting gas prospects demonstrating Direct Hydrocarbon Indicators (DHIs). Most likely the first two wells will be located within the 'sweet spot' of the Otway Basin – a truly world class area in terms of the associated exploration risk.

As the JV are the largest acreage holders in the Otway Basin we have potentially many years of exploration and, assuming success, production drilling ahead of us. When considering other potential areas to supply gas to the East Coast it is not inconceivable to contemplate our JV will be the largest supplier excluding LNG imports. That will be an incredible achievement.

While our Otway position is obviously the jewels in the 3D Oil crown and providing our major strategy our other positions in Australia are not insignificant and provide further exciting additional opportunities.

The acquisition of GSEL 759 represents an exciting development opportunity for the Company in broadening 3D Oil's strategy in the rapidly changing East Coast energy market. The GSEL is ideally located being only 20km southeast of Mount Gambier and proximal to the South East Pipeline System. 3D Oil has undertaken technical work to better understand the reservoirs' suitability for gas storage applications, including storage capacity and reservoir deliverability with a view to determining the most feasible business model from multiple gas storage and supply scenarios. The pre-existing Caroline Field may yet provide an integral component to our Otway gas strategy.



The 100% owned WA-527-P permit in the offshore Bedout Sub basin, Western Australia, still provides much excitement for the 3D Oil team. The neighbouring Dorado oil and gas field, the largest oil discovery in Australia in 3 decades, has now been given the green light by the regulators to proceed to development – it only needs the final investment decision from the Joint Venture which in addition to Santos and Carnarvon now includes the Taiwanese national oil company. The prospectivity of WA-527-P was further significantly upgraded with the discovery of the neighbouring Pavo oil discovery. Pavo 1 de-risks uncertainties around source presence and hydrocarbon migration away from existing discoveries and towards the basin margin, and supports migration to any erosional truncation leads in WA-527-P. In addition, Carnarvon recently released an updated Resource Evaluation for their Bedout acreage. This included the Starbuck Group of prospects, directly adjacent to our permit which has the potential to contain over 2 TCF of gas and 400 MMbbl of oil. The actual Starbuck Prospect has an impressive Chance of Success (COS) of 58%. The Company continues to work on obtaining an Environmental Plan (EP) for the acquisition of the Sauropod 3D seismic survey.

It remains a challenging time in our industry and will remain so. Climate change concerns, the emerging ESG environment, access to funds, together with the volatility in global markets. Despite these difficulties 3D Oil is in a unique position in our sector.

Fossil fuels stubbornly dominate global energy despite the surge in renewables and currently still provide 82% of the world energy needs. This is not expected to change in the foreseeable future. Oil and gas are critical for transport, mining (including critical minerals), manufacture and industrial uses. In addition, petrochemicals are used in about half a million different products. The Global South are energy hungry where economic growth is tied to power usage. There is a direct correlation between energy use and GDP.

On behalf of the Company, I thank the Board and the 3D Oil team for their endeavors, commitment and energy over the last year – they are an inspiration and honour to work with. They are an integral part of realising our ambition to become a significant Australian energy company.

A handwritten signature in black ink, appearing to read 'Noel Newell'.

Noel Newell
Executive Chairman

Review of operations

FY23 EXPLORATION HIGHLIGHTS

79%

increase in gross prospective resource (VIC/P79)

1115 km²

3D seismic reprocessed (Flanagan)

1782 km²

3D seismic processed (Sequoia)

687 line km

2D seismic reprocessed (T/49P)

US\$35M

carry towards one exploration well (VIC/P79 farmout)

US\$3M

cash received (VIC/P79 farmout)



3D has achieved several milestones over FY23 and continues to build value for investors.



3D is now firmly set on the pathway to achieve its goal of becoming an east coast gas producer.



Second successful farmout to ConocoPhillips Australia completed. Up to US\$65M carry towards 2 exploration wells in the Otway signifies 3D is climbing the value chain for investors.



The Otway Joint Venture has developed a material portfolio of amplitude supported gas targets. Gas targets with potential are proximal to infrastructure in the event of a successful upcoming drilling campaign.



Semi-submersible rig contracted for 2025 drilling operations. Drilling contract allows for 2 firm exploration wells to be drilled in 2025, and up to 4 optional wells. Success could be transformational for 3D.



Secured a gas storage exploration licence. 3D is exploring the feasibility of onshore gas storage at the depleted Caroline field, diversifying its range of energy solutions.

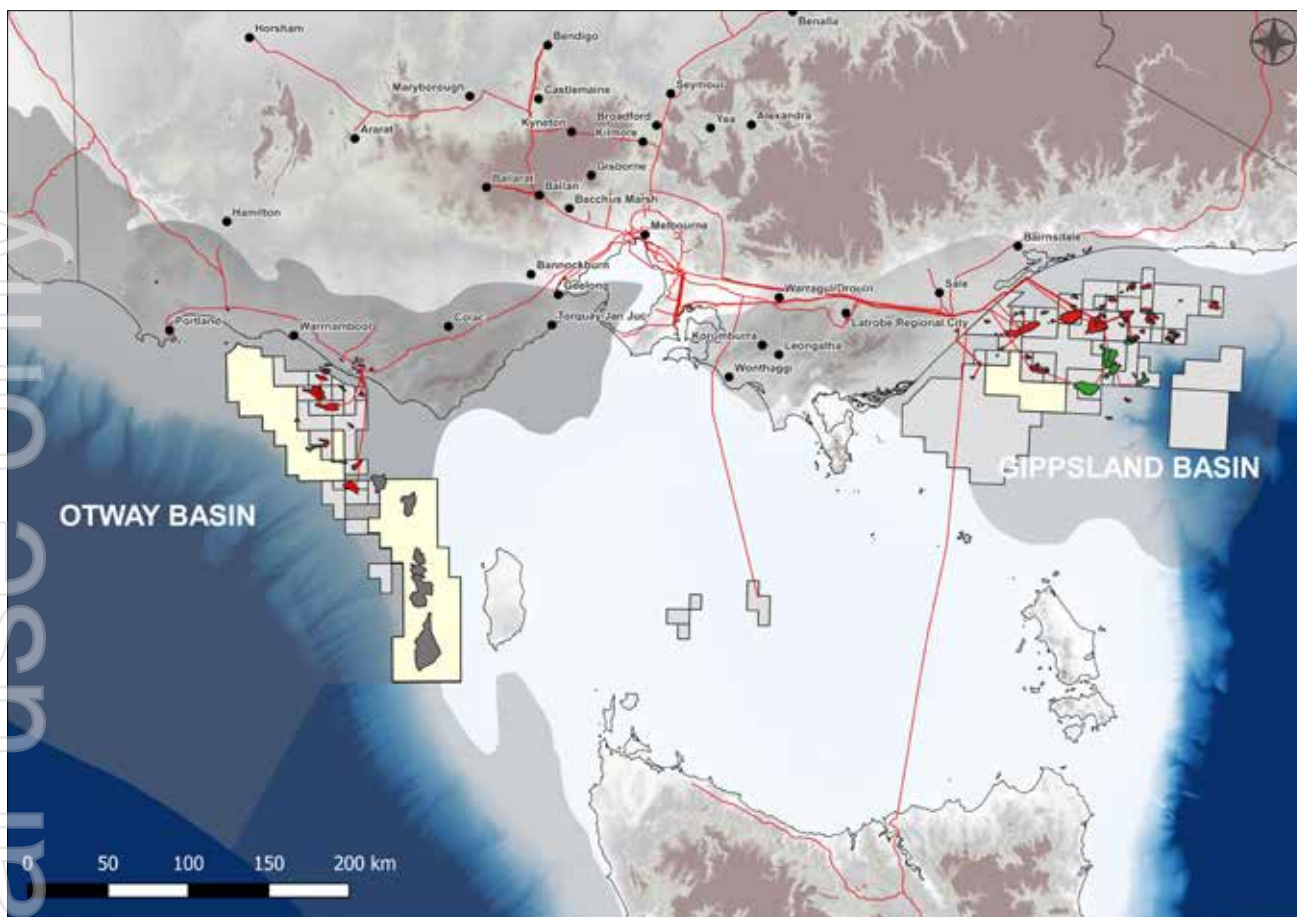


Figure 1 – 3D Oil has positioned itself as an east coast gas explorer

EAST COAST OFFSHORE EXPLORATION

3D Oil has strategically positioned itself as an active offshore east coast gas explorer, boasting a highly prospective portfolio (Figure 1) in support of its goal to become an East Coast gas supplier. Significant uncertainty around both short and long-term gas supply on the east coast means that 3D Oil's business model has never been more relevant:

- » Victoria is **rapidly depleting** its natural gas reserves as production from the Bass Strait gas fields declines, accentuating the urgency to replace reserves through exploration
- » Victoria's **gas demand is higher than any other state** and consumption is forecast to have only a minimal decline over the coming decades¹
- » Victoria faces a **projected gas shortfall** in 2027 which extends to all southern states, leaving no external supply from other jurisdictions²
- » Unless new supply is developed, Victoria is forecast to become a **net importer** of gas from winter 2027²

There is a strong need for near-term investment to expand gas supply across the southern states, and 3D Oil believes it has a role to play in securing the energy needs of Victoria:

- » 3D Oil is the **largest acreage holder** by area for Victorian offshore exploration, providing significant opportunities for potential gas discoveries.
- » The 3D Oil/ConocoPhillips Australia Joint Venture have developed a **significant prospective gas resource** consisting of prospective amplitude supported gas prospects.
- » The Otway Basin has a world class **88% success rate in drilling amplitude supported gas prospects**
- » These gas prospects are located **proximal to existing gas discoveries and infrastructure**, including pipelines and gas plants with spare capacity.
- » The 3D Oil/ConocoPhillips Australia Joint Venture have announced an exploration drilling program, targeting up to 6 exploration wells in the Otway Basin, commencing in 2025.

“Gas storage is an important component of the east coast gas story by ensuring the maintenance of a reliable gas supply during periods of high demand”

1 AEMO Gas Statement of Opportunities
2 AEMO Victorian Gas Planning Report

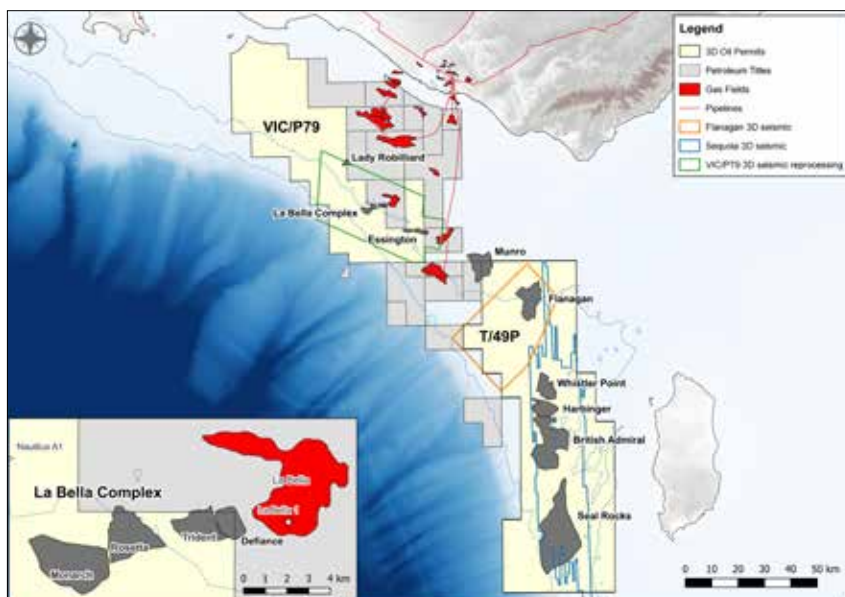


Figure 2 – Otway Basin leads and prospects portfolio

“The Joint Venture has developed a robust portfolio of drill targets, proximal to existing offshore infrastructure, that are supported by seismic amplitudes”

OTWAY BASIN

Significant opportunity exists in the Otway Basin for the 3D Oil/ConocoPhillips Joint Venture due to nearby underutilised infrastructure, namely the Athena and Otway gas plants. While the Otway gas plant is currently operating at ~80% capacity, the Athena gas plant is only utilising ~16% of its capacity (AEMO gas bulletin board). The rapid decline curve for production rates once new fields are connected means that a constant pipeline of opportunities are required to maintain consistent output.

The Joint Venture has developed a robust portfolio of drill targets (Figure 2), proximal to existing offshore infrastructure, that are supported by seismic amplitudes. Since the application of 3D seismic in exploration from the 1990s, the Otway Basin has enjoyed an outstanding success rate for exploration wells owing to the strong seismic amplitude response of gas discoveries in the basin.

With plans to undertake the drilling of up to 6 exploration wells, this venture would mark the largest offshore exploration campaign in the basin in the past two decades and could potentially yield a resource equivalent to several years' worth of Victoria's gas supply.

VIC/P79 Exploration Permit – Offshore Victoria T/49P Exploration Permit – Offshore Tasmania 20% 3D Oil Limited, 80% ConocoPhillips Australia (Operator)



FY23 Highlights

- » Successfully farmed down 80% interest in VIC/P79 to ConocoPhillips Australia
- » Announced an exploration drilling program consisting of up to six exploration wells
- » Secured a rig contract for 2 exploration wells in 2025, with the option for an additional 120 days of drilling
- » Initiated stakeholder consultation and environmental planning for exploration drilling
- » Commenced reprocessing of the La Bella and Investigator 3D seismic surveys
- » Upgraded Prospective Resource estimates over southern VIC/P79 to 533 Bcf (gross best estimate)
- » Identified additional new leads in the La Bella Complex
- » Completed the processing of the Sequoia 3D and reprocessing of Flanagan 3D in T/49P



FY24 Activities

- » Complete the reprocessing and interpretation of La Bella and Investigator 3D seismic surveys
- » Interpret reprocessed datasets and Sequoia 3D seismic
- » Update leads and prospects inventories for both permits
- » Submit the drilling Environmental Plan
- » Conduct seabed surveys for upcoming exploration wells
- » Complete an array of drilling related contracts in preparation for the drilling program

PERMITS OVERVIEW

3D Oil Limited holds a 20% participating interest in both VIC/P79 and T/49P offshore exploration permits, both operated by ConocoPhillips Australia. The Company has established a strong acreage position within Commonwealth waters of the Otway Basin, covering ~7,265km² along the shallow inner margin of the continental shelf, generally in water depths around 100m. The Joint Venture now has access to 78% of Otway Basin exploration permits (by area).

VIC/P79 covers an area of 2,575km² and is flanked to the north by existing gas discoveries at La Bella and producing fields along the Pecten High trend (including Casino), which are connected via pipeline to the onshore Athena gas plant (operated by Cooper Energy). To date, 533 Bcf (gross best estimate) in Prospective Resources has been identified within the southern half of the permit, proximal to infrastructure. The permit primary work program has a minimum commitment of 630km² of 3D seismic reprocessing and the drilling of one exploration well before February 2025.

The neighbouring Thylacine and Geographe fields, the largest in the basin to date, lie just 5km to the east of VIC/P79, in the area between the VIC/P79 and T/49P permits. These gas fields are connected via pipeline to the onshore Otway Gas Plant (operated by Beach Energy). The T/49P permit is situated west of King Island, Tasmania, and contains the 1.3 Tcf Flanagan Prospect (gross best estimate prospective resource), located 30km west of Thylacine. Additionally, the permit presents an additional Prospective Resource of 8.7 Tcf (gross best estimate based on 2D seismic data), distributed across a series of structures trending towards the south, which remains largely an underexplored area. The permit's work program has an optional one well minimum commitment in Year 6 of the secondary term.

COMMERCIAL

The farmout of 80% interest in VIC/P79 to ConocoPhillips Australia was completed on 16 March 2023, upon regulatory approval from NOPTA and the receipt of US\$3 million from ConocoPhillips. On 1 July 2022, the Company announced the Farmout Agreement ("FOA") with ConocoPhillips Australia SH2 Pty Ltd, under which ConocoPhillips Australia would acquire an 80% interest, and operatorship, in exchange for an upfront payment of US\$3 million and a US\$35 million carry towards drilling costs of one exploration well. Above the US\$35 million cap, 3D Oil will contribute 20% of costs in line with its interest.

ConocoPhillips Australia fulfilled a major obligation of the T/49P FOA during FY23 with the delivery of the final processing of the Sequoia 3D, at no cost to 3D Oil. As part of the T/49P FOA with ConocoPhillips Australia SH1 Pty Ltd, 3D Oil is entitled to a US\$30 million carry towards drilling costs of one exploration well in T/49P, should ConocoPhillips Australia elect to drill one well. If the costs exceed the US\$30 million cap, the Company will contribute 20% of the costs in line with its interest.

EXPLORATION

An Otway exploration drilling program was announced during FY23, consisting of a minimum of two and up to six exploration wells. Subsequently, on 12 July 2023, a Letter of Award was announced for the Transocean semi-submersible drilling rig to drill two firm exploration wells with an additional 120 days of optional drilling. Currently, the rig is expected to arrive in the Otway region in Q1 2025. Stakeholder consultation has commenced, and the drilling Environmental Plan is currently planned to be submitted to NOPTA in 2023.

In VIC/P79, Vanguard Prospect was renamed to Essington (Figure 2) and upgraded from 161 Bcf to 246 Bcf (gross best estimate prospective resource) in Q1 2023, based on the latest seismic interpretation and depth conversion studies (ASX announcement on 8 March 2023). Rosetta and Monarch leads were also added to the portfolio. These new leads form the southern end of a string of four drill targets that include the previously defined, amplitude supported Defiance and Trident prospects, which are located directly adjacent to the La Bella gas discovery.

Together, these four drill targets constitute the La Bella Complex (Figures 2,3), presenting a combined best estimate prospective resource of 255 Bcf across three of the targets. The largest structure, Monarch, is yet to be fully characterised due to seismic imaging issues.

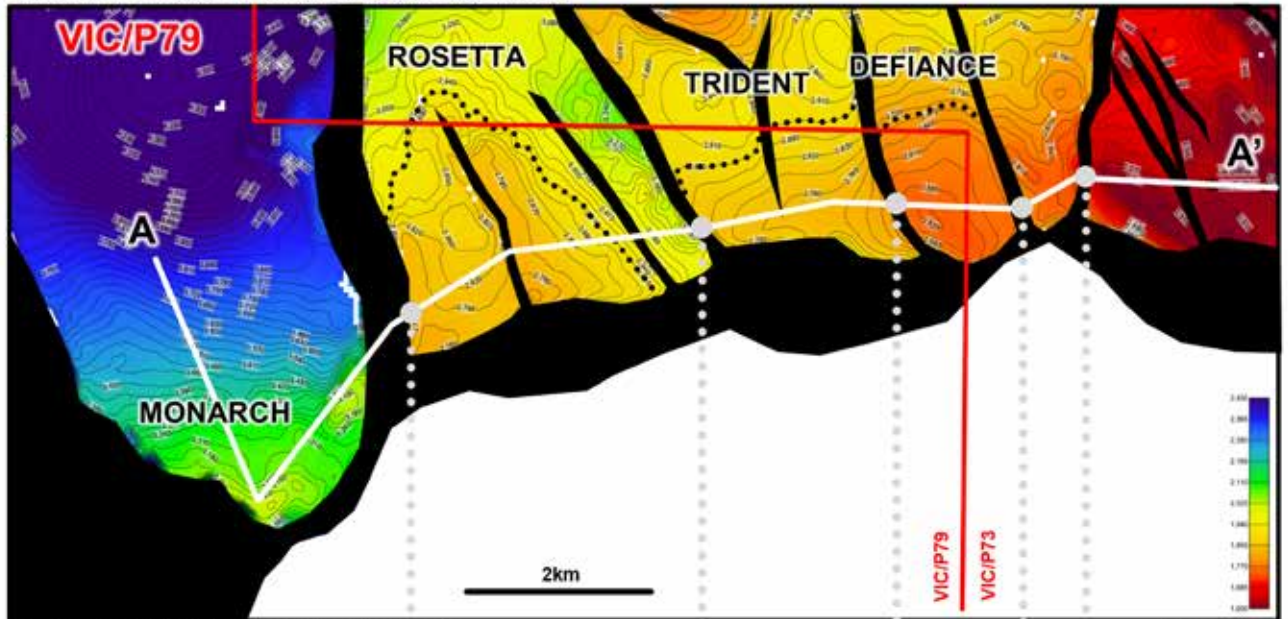
The Joint Venture commenced the La Bella MC3D Reprocessing Project (Figure 2) after the completion of the farmout deal in FY23. Under this project, the entire La Bella 3D seismic survey (887km²) is being reprocessed and part of the Investigator 3D seismic survey over Essington Prospect, with a total area of ~1,135km². The project is estimated to be completed in Q4, 2023 and will be important for improving image quality and seismic attributes at key leads and prospects, especially along the southern end of the La Bella Complex and potentially uncovering new prospects.

Interpretation of the new data will enable the maturation of Rosetta and Monarch, an update of prospective resource estimates for the permit, and improved understanding of the prospectivity across southern VIC/P79 to support the planned drilling activity in 2025.

Processing of the 1782km² Sequoia 3D Marine Seismic Survey (Figure 2) in T/49P has continued throughout FY23, in combination with reprocessing of the 1115km² Flanagan 3D over Flanagan Prospect, with acquisition having been successfully completed in October 2021 by ConocoPhillips Australia. The Sequoia 3D plays a crucial role in unlocking the hydrocarbon potential within the permit, especially within the central corridor of T/49P, where 2D seismic has previously revealed a series of large structural traps with a best estimate Prospective Resource of 8.7Tcf (gross).

Interim Phase 2 processing was received in Q3, 2022 and interim seismic interpretation commenced in support of ongoing processing workflows. The final Sequoia 3D processing was received in Q2, 2023 and the Joint Venture has now gained a high-resolution data set over all pre-existing leads within the permit. This will enable a more comprehensive evaluation of the major prospects, including seismic attribute analysis, and high grading of prospective gas targets as we progress towards the drilling program in 2025.

Depth structure map of the La Bella Complex – Top Waarre A



Cross section A-A' through the La Bella Complex

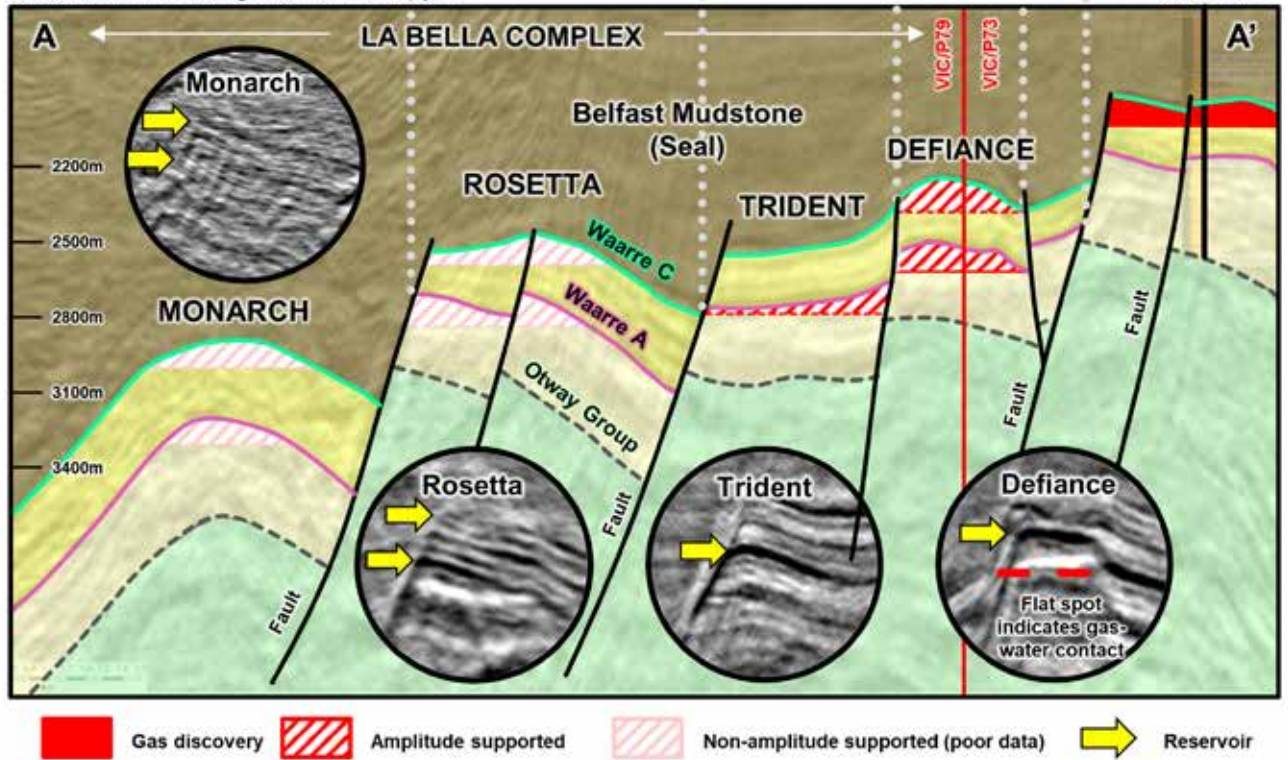


Figure 3 – Cross-section through the La Bella Complex

“a Letter of Award was announced for the Transocean semi-submersible drilling rig to drill two firm exploration wells with an additional 120 days of optional drilling”

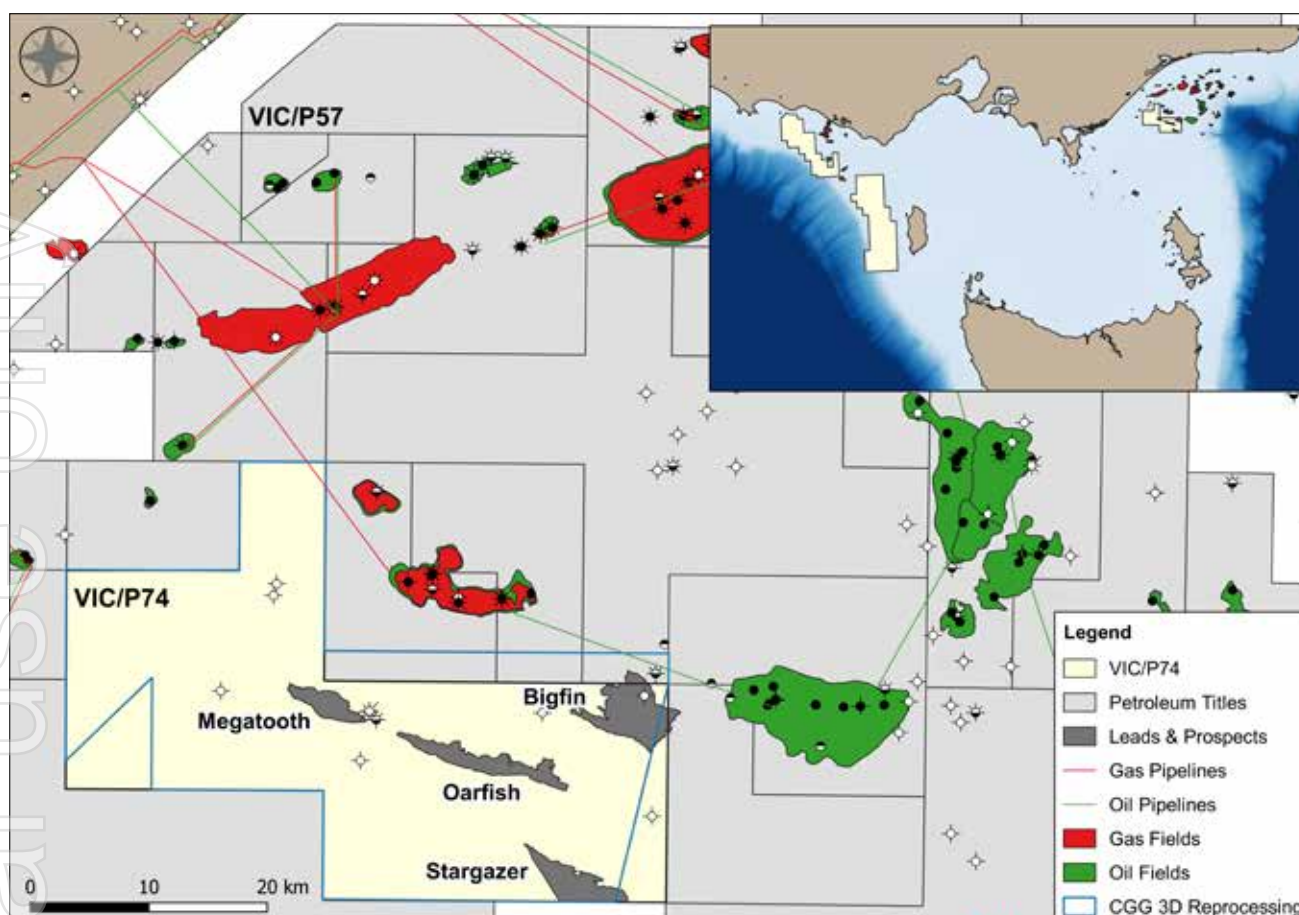


Figure 4 – VIC/P74 location map showing leads and prospects portfolio

GIPPSLAND BASIN

The Bass Strait oil and gas fields, operated by the Gippsland Basin Joint Venture, has produced more than half of Australia's crude oil and hydrocarbon liquids. However, the rapid depletion of these fields is causing a tightening of gas supply to the east coast while oil production has ceased.

Considering this challenge, 3D Oil believes that significant opportunity still exists within the deeper and poorly imaged areas of the basin by leveraging its experience and expertise in unlocking prospectivity within the basin through the application of new technologies and datasets.

New prospectivity has been identified within the Golden Beach Sub-Group utilising reprocessed 3D seismic, which has provided a significant uplift in seismic quality and resolved early issues caused by velocity anomalies in the shallow overburden that led to early dry holes, both within and around the VIC/P74 exploration permit. 3D Oil has identified a Prospective Resource of 1.8Tcf (best estimate) across four drill targets within the Golden Beach Sub-Group.

VIC/P74 Exploration Permit – Offshore Victoria 100% 3D Oil Limited (Operator)



FY23 Highlights

- » 3D Oil has applied to vary its VIC/P74 work program and is currently awaiting a decision from the regulator, the National Offshore Petroleum Titles Administrator (NOPATA)



FY24 Activities

- » Dependent on the outcome of the variation application

“New prospectivity has been identified within the Golden Beach Sub-Group utilising reprocessed 3D seismic, which has provided a significant uplift in seismic quality”

PERMIT OVERVIEW

The VIC/P74 petroleum exploration permit covers an area of 1,006 km² and lies within shallow Commonwealth waters of the Gippsland Basin, where water depths range up to 70m (Figure 13). The permit was awarded to TDO in July 2019 and subsequently, in October 2019, Hibiscus Petroleum elected to enter the permit and assumed a 50% non-operator interest. TDO now holds 100% interest in the permit after NOPTA approved a 'Transfer of Title' from Hibiscus Petroleum in Q3, 2022.

Situated on the southern flank of the Gippsland Basin, the permit straddles the boundary of two geological domains, the Southern Terrace and the Central Deep, separated by a fault system that forms the Megatooth and Oarfish closures. The Central Deep is known to be the primary source of the prolific hydrocarbon generation in the Gippsland Basin.

Geologically, the permit has an advantageous location and flanks several important discoveries in the basin (Figure 4). The nearby Kingfish Field, Australia's largest oil field, lies just 5km to the east and has produced over 1 billion barrels of oil from the classic top Latrobe play. Similarly, the Bream Field, located 5km to the north, represents a significant gas-condensate discovery within the same play.

EXPLORATION

As per the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*, work programs are divided into a 'primary' term (the first three years) and 'secondary' term (Years 4, 5 and 6). The primary term includes minimum work commitments that are 'guaranteed'. All primary term work commitments for VIC/P74 have been fulfilled, including licencing and interpreting the multiclient 3D seismic reprocessing, culminating in a strong portfolio of gas leads within the Golden Beach and Emperor subgroups, and oil leads within shallower closures.

During the secondary term, each year's work program becomes guaranteed upon entry and the minimum work commitment must be completed within the permit year. VIC/P74 was due to enter Year 4 on 26 July 2022, however, the Company applied to the National Offshore Petroleum Titles Administrator, "NOPTA", to vary aspects of the secondary work program. As the current work program stands, Year 4 work commitments are designed to facilitate lead maturation and include the acquisition or purchase of 200km² of modern 3D seismic data, alongside seismic interpretation, depth conversion, inversion and AVO. 3D Oil's variation application has been assessed by NOPTA and is currently awaiting a decision from the Joint Authority, prior to a final decision from NOPTA.

The Company recognises the significant potential for VIC/P74 in addressing the impending east coast gas supply shortage and remains committed to fulfilling the secondary work program.

WEST COAST OFFSHORE EXPLORATION

In 2017, 3D Oil took a strategic move to diversify its exploration portfolio by venturing into a Northwest Shelf oil play, gaining an early entry into Australia's newest petroleum province in the Bedout Sub-Basin before the Dorado oil discovery in 2018, Australia's largest in 30 years. Since the discovery of Dorado, many oil and gas majors have turned their back on oil exploration and investment in the face of the growing momentum of the global energy transition.

Despite this industry shift, BP and Shell have recently reversed their outlook signalling a more practical approach to the energy transition. Wilsons Equity Research³ suggests that oil demand is more robust today than it was 20 years ago, largely driven by the rising oil consumption from non-OECD (Organisation of Economic Cooperation and Development) countries (shifting from 45% to 55% over the past two decades). Non-OECD countries accounted for 55% of global crude and liquids consumed in 2023, and demand is only set to further grow, particularly from populous developing nations such as China, India, Indonesia and Brazil. When coupled with the predicted decline of the US shale production and recent lack of investment in new supply, we are faced with a looming global oil crisis.

3 Oil and Gas Tailwinds Begin, James Karakatsanis and Sam Catalano, Wilsons Equity Research

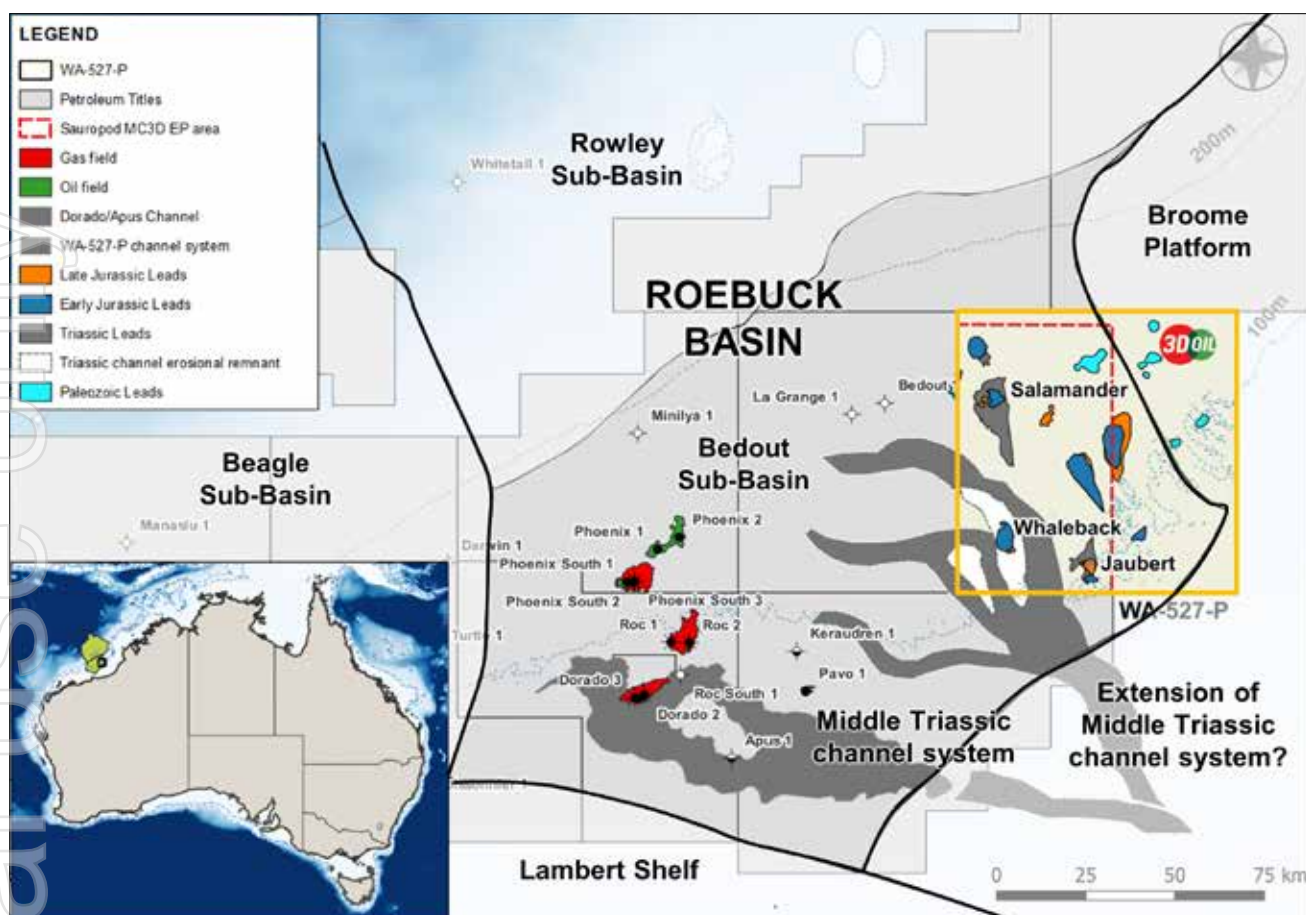


Figure 5 – WA-527-P location, leads and Environmental Planning area for the Sauropod MC3D.

BEDOUT SUB-BASIN, NORTHWEST SHELF

The Bedout Sub-Basin offers a unique opportunity for oil exploration in Australia with two significant discoveries in basin largely unexplored. Light fluids from the Dorado and Pavo fields are highly suitable for use as petrochemical feedstock (high naphtha content), jet fuel and other transportation fuels, with a growing demand across Asia Pacific region⁴. Petrochemicals are found in everyday items such as clothing, plastics, fertilisers, tyres, digital devices, packaging, medical equipment and detergents, and petrochemical feedstock accounts for 12% of global demand⁵. Importantly, they are essential components in almost every aspect of humanity, underlining the importance of oil in the energy mix moving forward.

3D Oil has recognised the potential for ~350MMbbls of oil across three structures on the eastern flank of the Bedout Sub-Basin, with Salamander Lead representing the third largest undrilled structure in the basin. Furthermore, the potential extension of the Dorado play into the southwest corner of WA-527-P highlights the excellent prospectivity and requirement for 3D seismic over the western side of the permit.

WA-527-P Exploration Permit – Offshore Western Australia 100% Participating Interest (Operator)



FY23 Highlights

- » Preparation of Environmental Plan for 2024/2025 Sauropod 3D seismic acquisition has continued
- » Successful application for Suspension and Extension of Sauropod 3D work program commitment



FY24 Activities

- » Submission of Sauropod MC3D Environmental Plan to NOPSEMA for public comment and assessment
- » Potential acquisition of the Sauropod MC3D seismic survey

⁴ Carnarvon Energy Corporate Presentation – 8 March 2022

⁵ International Energy Agency

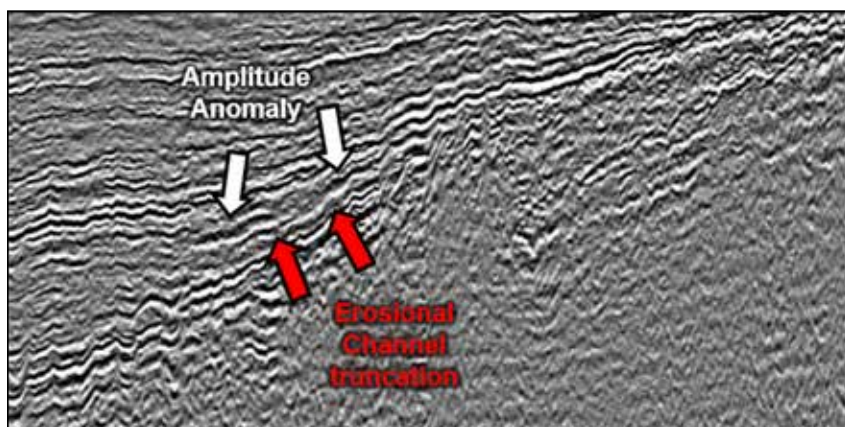


Figure 6 – Amplitude anomaly (full stack) on reprocessed 2D seismic, truncated by a potential erosional channel system within WA-527-P (red arrows delineate edges of channel).

PERMIT OVERVIEW

3D Oil holds a 100% participating interest in WA-527-P exploration permit, which covers an area of 6,580km² over shallow Commonwealth waters of the Bedout Sub-Basin, where water depths generally range from 100-150m (Figure 5). The permit is located 195km west of Broome, on the Northwest Shelf, adjacent to the 2018 Dorado Discovery, the largest oil discovery in 30 years, and along trend from the recent 2022 Pavo oil discovery.

WA-527-P was awarded in March 2017 as part of the 2016 Gazettal round. The minimum work program requirement includes geological and geophysical studies, and the acquisition of ~510km² of 3D seismic over the most prospective area of the permit.

3D Oil is currently focused on the acquisition of the Sauropod MC3D seismic survey, which covers a potential northern extension of the Dorado incised valley channel system (Figure 6). The Environmental Planning (EP) area for this seismic survey covers 3447km², the entire western half of the permit (Figure 5). The Sauropod survey aims to define new potential prospects and upgrade the existing leads portfolio.

In Q2 FY23, 3D Oil received a Suspension and Extension of the Permit Year 1-3 work program, extending the primary term to 28 December 2023.

EXPLORATION

The Company has been focused on progressing the Sauropod Environmental Plan over the course of FY23 for the acquisition of the Sauropod MC3D seismic survey, while simultaneously running a farmout campaign to seek an industry partner for WA-527-P.

Seismic company CGG is managing the environmental permitting process, which is a critical requirement for the acquisition of the Sauropod MC3D survey. In recent developments during FY23, Santos lost their federal court case around their consultation methods with First Nations groups surrounding its Barossa gas project in the Timor Sea. Subsequently in 2022, the federal court dismissed a challenge to the first instance decision and provided more authoritative clarification of the requirements for consultation in the Offshore Environment Regulations administered by NOPSEMA (National Offshore Petroleum Safety and Environmental Management Authority).

On 15 December 2022, NOPSEMA released its amended guidelines on stakeholder consultation in direct response to the court's decision. As a result of these amended guidelines, a new stakeholder consultation process would be required for Sauropod to ensure all relevant stakeholders are identified and consulted.

3D Oil were planning to have a valid Environmental Plan for the 2023 acquisition window (January-May inclusive), but given the time required to plan and undertake a revised and more detailed stakeholder consultation process, as well as the timeframe required for a rigorous EP assessment and subsequent vessel mobilisation and acquisition, the Sauropod MC3D was unable to be acquired prior to the closing of the acquisition window at the end of May 2023.

Over 2023, a new stakeholder consultation process has been developed to ensure all relevant stakeholders are identified and consulted with, including First Nations Peoples. The identification of additional relevant persons is underway, and consultation has been ongoing, including community sessions in relevant areas. The previously prepared EP is also currently under revision and is currently anticipated to be re-submitted to NOPSEMA for public comment and assessment in Q3, 2023.

The EP under preparation will cover a two-year acquisition window, as recommended by NOPTA, extending from January-May (inclusive) 2024, or January-May (inclusive) 2025. The EP delineates the same acquisition parameters as have been previously proposed, with a maximum full-fold acquisition area of 3447km². The survey acquisition is anticipated to take approximately two months.

Despite the challenges, 3D Oil remains committed to acquiring the Sauropod MC3D Seismic Survey, which underpins the WA-527-P exploration strategy. The survey's primary objective is to investigate and determine the potential for remnant traps associated with a Triassic erosional channel system (Figure 6) that is analogous to the trapping mechanism observed in the nearby Dorado discovery.

Additionally, the Company has continued its renewed farmout campaign following the Pavo oil discovery in 2022, which has significantly upgraded the prospectivity of the Caley Sandstone play in WA-527-P (Refer ASX Announcement 24 March 2022). The Company has observed significant renewed interest from the farm-in market and continues to hold active discussions and data rooms with interested farm-in candidates to explore potential partnerships for the venture.

“3D Oil has recognised the potential for ~350MMbbls of oil across three structures on the eastern flank of the Bedout Sub-Basin”

EAST COAST GAS STORAGE

3D Oil is exploring the feasibility of the depleted Caroline carbon dioxide (CO₂) field, within the onshore Otway Basin, as a potential gas storage site that could be suitable for the storage of hydrogen, natural gas, or carbon dioxide.

Caroline Field was previously held by Air Liquide Australia Ltd and was relinquished at the end of April 2022 having produced approximately 21.5 BCF of CO₂. Caroline was discovered in 1967 during petroleum exploration drilling and flowed CO₂ in commercial quantities at up to 99% purity, making it the single most profitable well in

South Australia. Food grade liquid CO₂ was processed onsite continuously from 1968 until 2016. However, over the last decade of production, the field's production declined and was shut in during 2017, then plugged, abandoned and the site remediated in 2019.

Gas storage is an important component of the east coast gas story by ensuring the maintenance of a reliable gas supply during periods of high demand, and forms part of an emerging broader energy strategy for 3D Oil in a time of an impending energy crisis in Eastern Australia and the transition in the domestic and global energy sector.

OTWAY BASIN, SOUTH AUSTRALIA

GSEL 759 Gas Storage Exploration Permit – Onshore South Australia

100% Participating Interest (Operator)



FY23 Highlights

- » Awarded GSEL 759 gas storage exploration licence
- » Initiated technical studies to better understand the storage capacity and reservoir deliverability.

PERMIT OVERVIEW

Gas Storage Exploration Licence GSEL 759 (Figure 7) was awarded 100% to 3D Oil in July 2022. The permit is located only 20km southeast of Mount Gambier and proximal to the South East Pipeline System (SEPS). The licence covers an area of 1.02km² and is centrally located around the plugged and abandoned Caroline-1 wellhead, over part of the now depleted Caroline Field.

The GSEL has a 5-year work program culminating in a final gas storage business model and includes reservoir deliverability and seal integrity studies, seismic interpretation (potentially reprocessing) to assist with the development of a static and dynamic model, and the development of an economic model that incorporates drilling, completions, and engineering studies.



FY24 Activities

- » Feasibility study on using the depleted Caroline Field for storage of hydrogen, natural gas or carbon dioxide continues

EXPLORATION

During FY23, 3D Oil has initiated technical studies to better understand the reservoirs' suitability for gas storage applications, including storage capacity, reservoir deliverability and seal integrity, with a view to determining the most feasible business model from multiple gas storage and supply scenarios.

Preliminary work to understand the reservoir has included the compilation of historical reservoir data and a petrophysical assessment of the Caroline-1 well, aimed at understanding the pay zones and reservoir properties within the Flaxmans/Waarre reservoirs. Detailed studies are ongoing to further evaluate the reservoir deliverability and seal integrity, in combination with ongoing geomechanics and geophysical studies.

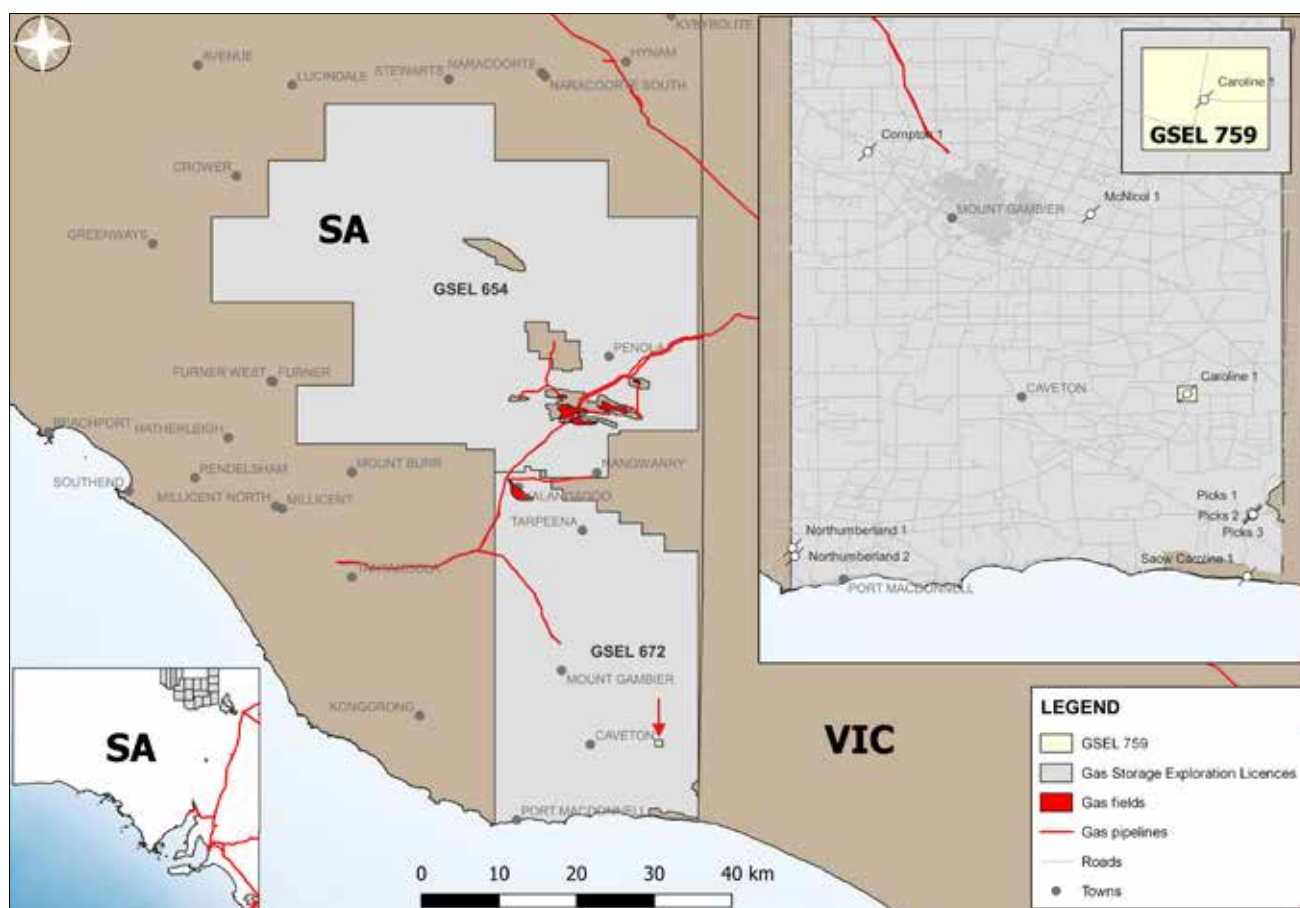


Figure 7 – GSEL 759 location relative to Mount Gambier and the South East Pipeline System.

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Directors' report



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 year ended 30 June 2023.

DIRECTORS

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

Mr Noel Newell
Mr Ian Tchacos
Mr Leo De Maria
Mr Trevor Slater

PRINCIPAL ACTIVITIES

During the financial year the principal continuing activities of the Company consisted of exploration and development of upstream oil and gas assets.

DIVIDENDS

There were no dividends paid or declared during the current or previous financial year.

The Consolidated Entity does not have franking credits available for subsequent financial years.

REVIEW OF OPERATIONS

The profit for the Consolidated Entity after providing for income tax amounted to \$3,414,258 (30 June 2022: loss of \$1,147,179).

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

FINANCIAL POSITION

The net assets increased by \$3,431,011 to \$9,905,237 at 30 June 2023 (30 June 2022: \$6,474,226). During the year the Consolidated Entity spent a net amount after reimbursements of \$1,029,655 (2022: \$715,100) on exploration, mainly in relation to WA-527-P, T/49P, VIC/P79 and VIC/P74.

The working capital position of the Consolidated Entity as at 30 June 2023 is \$2,708,803 (30 June 2022: \$137,577). The Consolidated Entity incurred net operating cash outflows of \$1,405,663 (2022: \$997,474). The cash balances as at 30 June 2023 was \$3,221,377 (2022: \$1,243,195).

RISKS AND UNCERTAINTIES

The Company is subject to risks that are specific to the Company and the Company's business activities, as well as general risks.

Future funding risks

The Company is involved in exploration and development of upstream oil and gas assets and is yet to generate revenues. The Company has a cash and cash equivalents balance of \$3,221,377 and net assets of \$9,905,237 as at 30 June 2023. The Company may require substantial additional financing in the future to sufficiently fund exploration commitments and its other longer-term objectives.

As the Company is still in the early stages of exploration it has the ability to control the level of its operations and hence the level of its expenditure over the next 12 months. However, the Company's ability to raise additional funds will be subject to, among other things, factors beyond the control of the Company and its Directors, including cyclical factors affecting the economy and share markets generally. If for any reason the Company was unable to raise future funds, its ability to meet the exploration commitments and future development would be significantly affected.

The Directors regularly review the spending pattern and ability to raise additional funding to ensure the Company's ability to generate sufficient cash inflows to settle its creditors and other liabilities.

Joint Venture Operations risks

The Company participates in a number of joint ventures for its business activities. This is a common form of business arrangement designed to share risk and other costs. Under certain joint venture operating agreements, the Company may not control the approval of work programs and budgets and a Joint Venture Partner may vote to participate in certain activities without the approval of the Company. As a result, the Company may experience a dilution of its interest or may not gain the benefit of the activity, except at a significant cost penalty later in time.

Failure to reach agreement on exploration, development and production activities may have a material impact on the Company's business. Failure of the Company's Joint Venture Partner's to meet financial and other obligations may have an adverse impact on the Company's business.

The Company works closely with its Joint Venture Partner's.

Foreign currency risk

Certain exploration transactions are denominated in foreign currency and the Company is exposed to foreign currency risk through foreign exchange rate fluctuations, which is beyond the control of the Company. The Company monitors exchange rate risk and considers control mechanisms, as well as managing it through the Company's cashflow forecasting.

Commodity price risks

Future value, growth and financial conditions are dependent upon the prevailing prices for oil and gas. Those prices are subject to fluctuations and are affected by numerous factors beyond the control of the Company.

Prospective resources estimate risks

Oil and gas resource estimates are expressions of judgement based on knowledge, experience and industry practice. These estimates may alter significantly or become uncertain when new information becomes available and/or there are material changes of circumstances which may result in the Company altering its plans. This could have a positive or negative effect on the Company's operations. Other risks may affect the resource estimate, for example, commodity price movements.

Environmental and social risks

The business of exploration, development and production, involves a variety of risks which may impact the community and the environment.

The Company's exploration and development activities are subject to local, state, and federal environmental laws and regulations. Oil and gas exploration and development can be potentially environmentally hazardous, giving rise to substantial costs for environmental rehabilitation, damage control and losses.

The legal framework governing this area of law is complex and constantly developing. There is a risk that the environmental regulations may become more onerous, making the Company's operations more expensive or causing delays.

It is the Company's policy to conduct its activities to the highest standard of environmental obligation. There is no assurance that new environmental laws, regulations or stricter enforcement policies, if implemented, will not oblige the Company to incur significant expense and undertake significant investment, which could have a material adverse effect on its business, financial conditions and results of operations.

The long-term viability of the Company is closely associated to the wellbeing of the communities and environments in which the Company conduct operations. At any stage, the Company's operations and activities may have or be seen to have significant adverse impacts on communities and environments. In these circumstances, the Company may fail to meet the evolving expectations of our stakeholders (including investors, governments, employees, suppliers, customers and community members) whose support is needed to realise our strategy and purpose. This could lead to loss of stakeholder support or regulatory approvals, increased taxes and regulation, enforcement action, litigation or class actions, or otherwise impact our licence to operate and adversely affect our reputation, fund raising capability, ability to attract and retain talent, operational continuity and financial performance.

Exploration and development risks

Exploration is a speculative activity with an associated risk of discovery to find oil and gas in commercial quantities, and a risk of development. If the Company is unsuccessful in locating and developing or acquiring new reserves and resources that are commercially viable, this may have a material adverse effect on future business, results of operations and financial conditions.

Oil and gas exploration is a speculative endeavour and the nature of the business carries a degree of risk associated with failure to find hydrocarbons in commercial quantities or at all.

The Company utilises well-established prospect evaluation, ranking methodologies and experienced personnel to manage exploration and development risks.

Reliance on key personnel

The Company's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including those employed on a contractual basis. The loss of the services of such personnel or the reduced ability to recruit additional personnel could have an adverse effect on the performance of the Company.

The Company maintains a mixture of permanent staff and expert consultants to advance its programs and ensure access to multiple skill sets. The Company reviews remunerations to human resources regularly.

IT system failure and cyber security risks

Any information technology system is potentially vulnerable to interruption and/or damage from a number of sources, including but not limited to computer viruses, cyber security attacks and other security breaches, power, systems, internet and data network failures, and natural disasters.

The Company is committed to preventing and reducing cyber security risks through outsourced the IT management to a reputable services provider.

Regulatory risk

The Company operates in a highly regulated environment and complies with regulatory requirements. There is a risk that regulatory approvals are withheld or take longer than expected, or that unforeseen circumstances arise where requirements may not be adequately addressed in the eyes of the regulator and costs may be incurred to remediate perceived non-compliance and/or obtain approval(s).

The Company's business or operations may be impacted by changes in personnel and Governments, or in monetary, taxation and other laws in Australia or overseas.

The Company's permits and activities may be subject to extensive regulation by local, state and federal governments. There is no assurance that future government policy will not change, and this may adversely affect the long-term prospects of the Company. Future changes in governments, regulations and policies may have an adverse impact on the Company.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 11 August 2022, the Company completed the application to relinquish its participating interest in VIC/P57.

On 2 September 2022, the Consolidated Entity announced that the South Australia Department of Energy and Mining has awarded the Company the GSEL 759 Gas Storage Exploration Licence in onshore Otway Basin. The licence covers an area of 1.02km², centrally located around the plugged and abandoned Caroline-1 wellhead, over part of the now depleted Caroline Field, originally used for the production of carbon dioxide in the Otway Basin. The Field is potentially suitable for the storage of hydrogen, natural gas, or carbon dioxide.

On 21 September 2022, the Company has received regulatory approval for the Transfer of Title of Carnarvon Hibiscus' 50% participating interest in VIC/P74 to the Company. The Company is now 100% titleholder of VIC/P74.

On 21 October 2022, the Company announced that ConocoPhillips Australia and the Company have executed a Joint Operating Agreement ("JOA") in relation to the offshore Victoria Permit VIC/P79 ("Permit") which satisfied a key condition of the FOA.

On 16 March 2023, the Consolidated Entity announced the completion of the VIC/P79 farmout to ConocoPhillips Australia, following NOPTA approval of the Transfer of Title of 80% interest in VIC/P79 exploration permit to ConocoPhillips Australia SH2 Pty Ltd. 3D Oil has received a cash payment of USD\$3million (approximately AUD \$4.48 million). On 1 July 2022, the Company announced the Farmout Agreement ("FOA") with ConocoPhillips Australia SH2 Pty Ltd, under which ConocoPhillips Australia would acquire an 80% interest, and operatorship, in exchange for an upfront payment of US\$3 million and a US\$35 million carry towards drilling costs in relation to one exploration well, after which it will contribute 20% of costs in line with its interest in the Permit.

On 5 May 2023, the Company issued 431,000 Performance Rights to eligible employees, subject to certain vesting conditions set out in the corresponding invitation letter in accordance with the Company's Equity Incentive Plan. The Performance Rights vest subject to both the 5-day VWAP being equal to or greater than \$0.07 (7 cents), at any time between grant and 9 March 2026, and continued employment up until 9 March 2026.

On 12 May 2023, the Company issued 185,185 fully paid ordinary shares to Mr Trevor Slater, a Non-Executive Director of the Company upon exercise of unlisted options, which were granted to Mr Slater in lieu of professional fees, as approved by shareholders at the AGM held on 10 November 2022.

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 YEAR

No matter or circumstance has arisen since 30 June 2023 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.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS FROM OPERATIONS

The Consolidated Entity will continue to pursue its exploration interest in

- VIC/P74 in the offshore Gippsland Basin, Victoria;
- T/49P in the Otway Basin, Offshore Tasmania in partnership with Conoco Phillips Australia SH1 Pty Ltd;
- VIC/P79 in the Otway Basin, Offshore Victoria in partnership with Conoco Phillips Australia SH2 Pty Ltd;
- WA-527-P in the Roebuck Basin, Western Australia; and
- GSEL759 in the Otway Basin, South Australia.

ENVIRONMENTAL REGULATION

The Consolidated Entity holds participating interests in a number of oil and gas areas. The various authorities granting such tenements require the licence holder to comply with the terms of the grant of the licence and all directions given to it under those terms of the licence. There have been no known breaches of the tenement conditions, and no such breaches have been notified by any government agencies during the year ended 30 June 2023.

INFORMATION ON DIRECTORS

Mr Noel Newell

Executive Chairman

Qualifications

B App Sc (App Geol)

Experience and expertise

Noel Newell holds a Bachelor of Applied Science and has over 30 years' experience in the oil and gas industry, with 21 years of this time with BHP Billiton and Petrofina. With these companies Mr Newell has been technically involved in exploration of areas around the globe, particularly South East Asia and all major Australian offshore basins. Prior to leaving BHP Billiton in 2002, Mr Newell was Principal Geologist working within the Southern Margin Company and primarily responsible for exploration within the Gippsland Basin.

Mr Newell has a number of technical publications and has co-authored Best Paper and runner up Best Paper at the Australian Petroleum Production & Exploration Association conference and Best Paper at the Western Australian Basins Symposium. Mr Newell is the founder of 3D Oil. Immediately prior to starting 3D Oil, Mr Newell was a technical advisor to Nexus Energy Limited and was directly involved in their move to explore in the offshore of the Gippsland Basin.

Other current directorships

None

Former directorships (last 3 years)

None

Special responsibilities

None

Interests in shares

44,875,960 ordinary fully paid shares.

Interests in options

None

Interests in rights

None

Mr Leo De Maria

Non-Executive Director

Experience and expertise

Leo De Maria is a Chartered Accountant with extensive experience in company management, financial management, mergers and acquisitions and risk management.

Other current directorships

None

Former directorships (last 3 years)

None

Special responsibilities

Chair of the Audit and Risk Committee and member of the Remuneration and Nomination Committee

Interests in shares

650,070 ordinary fully paid shares.

Interests in options

None

Interests in rights

None

Mr Ian Tchacos

Non-Executive Director

Experience and expertise

Ian Tchacos is an oil and gas professional with over 30 years international experience in corporate development and strategy, mergers and acquisitions, petroleum exploration, development and production operations, decision analysis, commercial negotiation, oil and gas marketing and energy finance. He has a proven management track record in a range of international energy company environments.

Other current directorships

ADX Energy Ltd

Former directorships (last 3 years)

None

Special responsibilities

Member of the Audit and Risk Committee and Chair of the Remuneration and Nomination Committee

Interests in shares

428,500 ordinary fully paid shares

Interests in options

None

Interests in rights

None

Trevor Slater

Non-Executive Director

Qualifications

B.Bus (Acc), Fellow of CPA Australia, Fellow of the Governance Institute of Australia.

Experience and expertise

Trevor has extensive experience in the development and operations of resource and construction projects within Australia and overseas performing as a director or senior executive in ASX listed or unlisted companies for over 30 years. Formerly, Trevor operated as an executive director for a gas production and storage project in Bass Strait; and as country director and manager for oil and gas exploration projects in Brunei.

Trevor has also held senior roles in the development of oil and gas fields in the Timor Sea and consulted widely in South-East Asia. He has also been extensively involved in the development of significant resource projects including the Ballarat Gold Project where as CFO, he assisted the Company in its initial exploration programs and project development.

Other current directorships

None

Former directorships (last 3 years)

None

Special responsibilities

Member of the Audit and Risk Committee and Remuneration and Nomination Committee

Interests in shares

449,938 ordinary fully paid shares

Interests in options

None

Interests in rights

None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

COMPANY SECRETARY

Mr Stefan Ross B.Bus (Acc)

Company Secretary

Mr Ross has over 10 years of experience in accounting and secretarial services for ASX listed companies. His extensive experience includes ASX compliance, corporate governance control and implementation, statutory financial reporting, shareholder meeting requirements, capital raising management, and board and secretarial support. Stefan has a Bachelor of Business majoring in Accounting.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each Director were:

	Meetings Held	Meetings Attended
Mr N Newell	6	6
Mr L De Maria	6	6
Mr I Tchacos	6	6
Mr T Slater	6	6

Held: represents the number of meetings held during the time the Director held office.

REMUNERATION REPORT (AUDITED)

The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Consolidated Entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with the market best practice for delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Consolidated Entity and the Company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Consolidated Entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive Director and executive Director remuneration is separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors fees and payments are reviewed annually by the Board.

ASX listing rules requires that the aggregate non-executive directors remuneration shall be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 21 November 2012, where the shareholders approved an aggregate remuneration of \$400,000.

Executive remuneration

The Consolidated Entity aims to reward executives with a level and mix of remuneration based on their position and responsibility, which are both fixed.

The executive remuneration and reward framework have three components:

- base pay, annual leave, short term incentives and non-monetary benefits
- share-based payments; and
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board, based on individual and business unit performance, the overall performance of the Company and comparable market remunerations.

Executives can receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Company and adds additional value to the executive.

All Executives are eligible to receive a base salary (which is based on factors such as experience and comparable industry information) or consulting fee. The Board reviews the Executive Chairman's remuneration package, and the Executive Chairman reviews the senior Executives' remuneration packages annually by reference to the Consolidated Entity's performance, executive performance and comparable information within the industry. The chairman is not present at any discussions relating to determination of his/her own remuneration.

The performance of Executives is measured against criteria agreed annually with each executive and is based predominantly on the overall success of the Consolidated Entity in achieving its broader corporate goals. Bonuses and incentives are linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses, and options or performance rights and can require changes to the Executive's remuneration. This policy is designed to attract the highest calibre of Executives and reward them for performance that results in long-term growth in shareholder wealth.

All remuneration paid to Directors and Executives is valued at its cost to the Consolidated Entity and expensed. Options and performance rights are valued using the Hoadley Trading & Investment Tools ("Hoadley") ESO5 option valuation model.

The long-term incentives ('LTI') includes long service leave and share-based payments. Shares, options or performance rights are awarded to executives on the discretion of the Board based on long-term incentive measures.

Consolidated Entity performance and link to remuneration

Commencing from 2021 financial year, Directors and employees' remuneration packages have included performance-based components. Performance rights may be granted which offer the recipient the right, upon achieving certain vesting conditions, to participate in the benefits accruing to shareholders through the alignment of the terms of the performance rights to the shareholders' interests. During the year ended 30 June 2023, the Company granted performance rights to eligible employees which are conditional upon the achievement of a target share price and tenure of employment. The intention of this program is to facilitate goal congruence between Directors, Executives and employees with that of the business and shareholders.

Generally, the executive's remuneration is tied to the Consolidated Entity's successful achievement of certain key milestones as they relate to its operating activities. There was no performance-based remuneration to the Executive Director during the year (2022: Nil).

Voting and comments made at the Company's 10 November 2022 Annual General Meeting ('AGM')

The Company received 99.52% of 'for' votes in relation to its remuneration report for the year ended 30 June 2022, during the AGM held on 10 November 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

DETAILS OF REMUNERATION

Amounts of remuneration

Details of the remuneration of key management personnel of the Consolidated Entity are set out in the following tables.

Details of the remuneration of the directors and other key management personnel (defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the company) of the Company are set out in the following tables.

The key management personnel of the Consolidated Entity consisted of the following Directors of 3D Oil Limited:

- Mr Noel Newell
- Mr Ian Tchacos
- Mr Leo De Maria
- Mr Trevor Slater

	Short-term benefits	Post- employment benefits	Long-term benefits	Equity settled share based payments	
	Salaries and fees	Super- annuation	Long service leave	Performance rights	Total
2023	\$	\$	\$	\$	\$
Non-Executive Directors:					
Mr I Tchacos*	42,760	4,509	-	(5,180)	42,089
Mr L De Maria*	40,724	4,276	-	(5,180)	39,820
Mr T Slater	40,724	4,276	-	9,815	54,815
Executive Directors:					
Mr N Newell	335,903	27,069	7,782	-	370,754
	460,111	40,130	7,782	(545)	507,478

*Equity settled remuneration amounts for the current financial year were in credit due to the reversal of fair value of performance rights. These fair value reversals were recognised directly in accumulated losses from share-based payment reserve, through statement of changes of equity. These performance rights were granted on 16 December 2020, but lapsed during the year, as the conditions attached with these securities were not met or have become incapable of being satisfied.

	Short-term benefits	Post- employment benefits	Long-term benefits	Equity settled share based payments	
	Salaries and fees	Super- annuation	Long service leave	Performance rights	Total
2022	\$	\$	\$	\$	\$
Mr I Tchacos	43,004	4,296	-	2,590	49,890
Mr L De Maria	40,956	4,091	-	2,590	47,637
Mr T Slater*	25,568	2,557	-	-	28,125
Mr N Newell	346,439	23,100	8,893	-	378,432
	455,967	34,044	8,893	5,180	504,084

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At-risk long term remuneration	
Name	2023	2022	2023	2022
Non-Executive Directors:				
Mr I Tchacos	112%	94%	(12%)	6%
Mr L De Maria	113%	95%	(13%)	5%
Mr T Slater	82%	100%	18%	-
Executive Directors:				
Mr N Newell	100%	100%	-	-

SERVICE AGREEMENTS

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Mr N Newell

Executive Chairman

Agreement commenced

1 November 2006

Details

- (i) Mr Newell may resign from his position and thus terminate this contract by giving 6 months written notice.
- (ii) The Company may terminate this employment agreement by providing 6 months written notice.
- (iii) The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, Mr Newell is only entitled to that portion of remuneration which is fixed, and only up to the date of termination.
- (iv) On termination of the agreement, Mr Newell will be entitled to be paid those outstanding amount owing to him up until the Termination date.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no ordinary shares issued to directors and key management personnel as part of compensation during the year ended 30 June 2023 (2022: Nil).

Options

There were 185,185 options over ordinary shares granted to a director as part of compensation during the year ended 30 June 2023. These options vested and were exercised during the year ended 30 June 2023 (2022: Nil).

The number of options over ordinary shares granted to and vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2023 are set out below:

Name	Grant date	Vesting date	Number of options granted	Value of options granted	Number of options vested	Value of options vested
Mr T Slater	16/12/2022	16/12/2022	185,185	9,815	185,185	9,815

Performance rights

There were no performance rights over ordinary shares issued to Directors as part of compensation that were outstanding as at 30 June 2023 (2022: 225,806).

Additional information

The earnings of the Consolidated Entity for the five years to 30 June 2023 are summarised below:

	2023	2022	2021	2020	2019
	\$	\$	\$	\$	\$
Other income including interest income	4,202,908	467	87,478	85,279	43,629
Net profit/(loss) before tax	3,414,258	(1,147,179)	(1,142,095)	(3,006,065)	(1,089,254)
Net profit/(loss) after tax	3,414,258	(1,147,179)	(1,142,095)	(3,006,065)	(1,089,254)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2023	2022	2021	2020	2019
Share price at financial year start (\$)	0.050	0.050	0.070	0.110	0.050
Share price at financial year end (\$)	0.050	0.050	0.050	0.070	0.110
Basic earnings/(loss) per share (cents per share)	1.287	(0.433)	(0.430)	(1.130)	(0.420)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Consolidated Entity, including their related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Mr N Newell	44,381,998	-	493,962	-	44,875,960
Mr L De Maria	650,070	-	-	-	650,070
Mr I Tchacos	428,500	-	-	-	428,500
Mr T Slater*	264,753	-	185,185	-	449,938
	45,725,321	-	679,147	-	46,404,468

*There were 185,185 options over ordinary shares granted to Mr Trevor Slater as part of compensation during the year ended 30 June 2023. These options vested and were exercised during the year ended 30 June 2023 (2022: Nil).

Performance rights holding

The number of performance rights over ordinary shares in the Company held during the financial year by each Director of the Consolidated Entity, including their related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
Performance rights over ordinary shares					
Mr L De Maria	112,903	-	-	(112,903)	-
Mr I Tchacos	112,903	-	-	(112,903)	-
	225,806	-	-	(225,806)	-

Option holding

The number of Options over ordinary shares in the Company held during the financial year by each Director of the Consolidated Entity, including their related parties, is set out below:

	Balance at the start of the year	Granted	Vested and exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Mr T Slater	-	185,185	(185,185)	-	-
	-	185,185	(185,185)	-	-

This concludes the remuneration report, which has been audited.

Shares under option

There were no unissued ordinary shares of 3D Oil Limited under option outstanding at the date of this report.

Shares under performance rights

Unissued ordinary shares of 3D Oil Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under rights
5 March 2023	5 March 2026	\$0.000	431,000

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

185,185 ordinary shares of 3D Oil Limited were issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

Shares issued on the exercise of performance rights

There were no ordinary shares of 3D Oil Limited issued on the exercise of performance rights during the year ended 30 June 2023.

Indemnity and insurance of officers

The Consolidated Entity has indemnified the directors of the Company for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company

is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 23 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 23 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of RSM Australia Partners

There are no officers of the Company who are former partners of RSM Australia Partners.

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.

Auditor

Grant Thornton Audit Pty Ltd resigned as Company's auditors during the year. RSM Australia Partners was appointed as Company's auditor during the year and continues in office in accordance with section 327 of the Corporations Act 2001

Rounding of amounts

3D Oil Limited is a type of Company that is referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar.

Forward looking statements

This Financial Report includes certain forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

These factors include, among other things, commercial and other risks associated with the meeting of objectives and other investment considerations, as well as other matters not yet known to the Company or not currently considered material by the Company.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Noel Newell
Executive Chairman

28 September 2023
Melbourne



RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of 3D Oil Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

J S Croall
Partner

Melbourne, Victoria
Dated: 28 September 2023

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Financial Reports



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2023

		Consolidated	
	Note	2023	2022
		\$	\$
Other income	5	4,188,464	-
Interest income		14,444	467
Expenses			
Corporate expenses		(690,826)	(473,583)
Employment expenses	6	(613,403)	(505,620)
Occupancy expenses		(27,014)	(14,449)
Depreciation and amortisation expense	6	(119,742)	(121,275)
Exploration expenses		-	(15,994)
Share based payments		(16,753)	(11,886)
R&D tax provision write-back		695,894	-
Finance costs	6	(16,806)	(4,839)
Profit/(loss) before income tax expense		3,414,258	(1,147,179)
Income tax expense	7	-	-
Profit/(loss) after income tax expense for the year attributable to the owners of 3D Oil Limited		3,414,258	(1,147,179)
Other comprehensive income/(loss) for the year, net of tax		-	-
Total comprehensive income/(loss) for the year attributable to the owners of 3D Oil Limited		3,414,258	(1,147,179)
		Cents	Cents
Basic earnings/(loss) per share	31	1.287	(0.433)
Diluted earnings/(loss) per share	31	1.285	(0.433)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		Consolidated	
	Note	2023	2022
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	8	3,221,377	1,243,195
Other receivables	9	8,729	29,992
Financial assets	10	93,577	93,577
Prepayments		41,002	-
Total current assets		3,364,685	1,366,764
Non-current assets			
Property, plant and equipment	11	11,126	17,542
Right-of-use assets	12	168,957	257,109
Intangibles	13	22,038	47,212
Exploration and evaluation	14	7,095,490	6,207,257
Total non-current assets		7,297,611	6,529,120
Total assets		10,662,296	7,895,884
Liabilities			
Current liabilities			
Trade and other payables	15	327,486	925,255
Lease liabilities	20	93,763	75,488
Employee benefits	16	234,633	228,444
Total current liabilities		655,882	1,229,187
Non-current liabilities			
Lease liabilities	20	96,267	190,555
Employee benefits	17	4,910	1,916
Total non-current liabilities		101,177	192,471
Total liabilities		757,059	1,421,658
Net assets		9,905,237	6,474,226
Equity			
Issued capital	18	55,483,678	55,483,678
Reserves		1,823	17,559
Accumulated losses		(45,580,264)	(49,027,011)
Total equity		9,905,237	6,474,226

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Contributed equity	Accumulated losses	Reserves	Total equity
Consolidated	\$	\$	\$	\$
Balance at 1 July 2021	55,483,678	(47,883,230)	9,072	7,609,520
Loss after income tax expense for the year	-	(1,147,179)	-	(1,147,179)
Other comprehensive income/(loss) for the year, net of tax	-	-	-	-
Total comprehensive income/(loss) for the year	-	(1,147,179)	-	(1,147,179)
<i>Transactions with owners in their capacity as owners:</i>				
Lapse of performance rights	-	3,398	(3,398)	-
Share-based payments	-	-	11,885	11,885
Balance at 30 June 2022	55,483,678	(49,027,011)	17,559	6,474,226
	Contributed equity	Accumulated losses	Reserves	Total equity
Consolidated	\$	\$	\$	\$
Balance at 1 July 2022	55,483,678	(49,027,011)	17,559	6,474,226
Profit after income tax expense for the year	-	3,414,258	-	3,414,258
Other comprehensive income/(loss) for the year, net of tax	-	-	-	-
Total comprehensive income/(loss) for the year	-	3,414,258	-	3,414,258
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	-	16,753	16,753
Lapse of performance rights	-	32,489	(32,489)	-
Balance at 30 June 2023	55,483,678	(45,580,264)	1,823	9,905,237

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

		Consolidated	
	Note	2023	2022
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(1,400,777)	(993,446)
Interest received		13,269	811
Interest on lease liabilities paid		(18,155)	(4,839)
Net cash used in operating activities	30	(1,405,663)	(997,474)
Cash flows from investing activities			
Payments for computer equipment	11	-	(6,362)
Payments for exploration and evaluation		(1,029,655)	(715,100)
Receipts from farmout arrangement		4,468,200	-
Net cash from/(used in) investing activities		3,438,545	(721,462)
Cash flows from financing activities			
Payment of principal element of lease liabilities		(76,013)	(86,671)
Net cash used in financing activities		(76,013)	(86,671)
Net increase/(decrease) in cash and cash equivalents		1,956,869	(1,805,607)
Cash and cash equivalents at the beginning of the financial year		1,243,195	3,048,802
Effects of exchange rate changes on cash and cash equivalents		21,313	-
Cash and cash equivalents at the end of the financial year	8	3,221,377	1,243,195

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 June 2023

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 year. 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 VIC 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 28 September 2023. The Directors have the power to amend and reissue the financial statements.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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.

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.

As disclosed in the financial statements, the Consolidated Entity incurred operating cash outflows of \$1,405,663 and invested \$1,029,655 in exploration and evaluation during the year ended 30 June 2023.

The Consolidated Entity is required to fund the exploration commitments as noted in note 25 in line with its interest in the respective tenements.

These factors indicate a material uncertainty which may cast significant doubt as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The Consolidated Entity is in the early development phase of activities and has the ability to control the level of its operations and hence the level of its expenditure over the next 12 months. In considering the ability of the Consolidated Entity to continue as a going concern the Directors considered the following matters:

- 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; and
- Subject to negotiation and approval, minimum work requirements may be varied or suspended, and/or permits may be surrendered or cancelled.

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. The Directors are therefore confident that the going concern basis of preparation is appropriate as at the date of this report.

The financial statements do not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Consolidated Entity does not continue as a going concern.

ROUNDING OF AMOUNTS

3D Oil Limited is a type of Company that is referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar.

BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

PARENT ENTITY INFORMATION

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in note 27.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of 3D Oil Limited ('Company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. 3D Oil Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

INTEREST INCOME

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

OTHER REVENUE

Other revenue is recognised when it is received or when the right to receive payment is established.

INCOME TAX

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

3D Oil Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

JOINT OPERATIONS

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Consolidated Entity has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

EXPLORATION EXPENDITURE

Exploration expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward in relation to each area of interest to the extent the following conditions are satisfied:

- (a) the rights to tenure of the area of interest are current; and
- (b) at least one of the following conditions is also met:
 - (i) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
 - (ii) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward cost in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the cost of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined

using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

LEASES

At inception of a contract, the Consolidated Entity assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Consolidated Entity assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Consolidated Entity has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Consolidated Entity has the right to direct the use of the asset. The Consolidated Entity has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how

and for what purpose the asset is used is predetermined, the Consolidated Entity has the right to direct the use of the asset if either:

- The Consolidated Entity has the right to operate the asset; or
- The Consolidated Entity designed the asset in a way that predetermine how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Consolidated Entity allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Consolidated Entity has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

As a lessee

The Consolidated Entity recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Consolidated Entity's incremental borrowing rate. Generally, the Consolidated Entity uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Consolidated Entity is reasonably certain to exercise, lease payments in an optional renewal period if the Consolidated Entity is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Consolidated Entity is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Consolidated Entity's estimate of the amount expected to be payable under a residual value guarantee, or if the Consolidated Entity changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Consolidated Entity has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Consolidated Entity recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

GOODS AND SERVICES TAX ('GST') AND OTHER SIMILAR TAXES

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

FAIR VALUE MEASUREMENT

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET MANDATORY OR EARLY ADOPTED

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the annual reporting period ended 30 June 2023. The Consolidated Entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting

accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

SHARE-BASED PAYMENT TRANSACTIONS

The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Hoadley Trading & Investment Tools ("Hoadley") ESO5 option valuation model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

RECOVERY OF DEFERRED TAX ASSETS

Deferred tax assets are recognised for deductible temporary differences only if the Consolidated Entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

LEASE TERM

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Consolidated Entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Consolidated Entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

INCREMENTAL BORROWING RATE

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Consolidated Entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

EMPLOYEE BENEFITS PROVISION

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

EXPLORATION AND EVALUATION COSTS

Exploration and evaluation costs have been capitalised on the basis that the Consolidated Entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures

directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. The expectation of recovery of the costs capitalised is based on the assumption that the Consolidated Entity will be able to obtain adequate financing to allow the continued exploration and subsequent development of areas of interest by either successfully farming out a proportion of existing permits or raising adequate capital in its own right. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made. Significant judgement is required by management when assessing each of area of interest and therefore management's judgement carries the risk of been misstated.

NOTE 4. 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.

ACCOUNTING POLICY FOR OPERATING SEGMENTS

Operating segments are presented using the 'management approach', where the information presented in these financial statements is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

NOTE 5. OTHER INCOME

	Consolidated	
	2023	2022
	\$	\$
Gain from farm-out arrangement	4,188,464	-

On 16 March 2023, the Consolidated Entity completed the VIC/P79 farmout to ConocoPhillips Australia and transferred 80% interest in VIC/P79 exploration permit to ConocoPhillips Australia SH2 Pty Ltd. The Company received a cash payment of \$4,468,200 (US\$ 3,000,000) for the title transfer, which is recognised as other income net of carried forward costs of \$279,736.

NOTE 6. EXPENSES

	Consolidated	
	2023	2022
	\$	\$
Profit/(loss) before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	(6,416)	(5,355)
Right-of-use assets	(88,152)	(86,491)
Total depreciation	(94,568)	(91,846)
Amortisation		
Software	(25,174)	(29,429)
Total depreciation and amortisation	(119,742)	(121,275)
Superannuation contributions	(45,539)	(37,498)
Salaries, wages and other employment expenses	(567,864)	(468,122)
Total employment costs	(613,403)	(505,620)
Finance costs		
Interest and finance charges paid/payable on lease liabilities	(16,806)	(4,839)

NOTE 7. INCOME TAX EXPENSE

	Consolidated	
	2023	2022
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit/(loss) before income tax expense	3,414,258	(1,147,179)
Tax at the statutory tax rate of 25%	853,565	(286,795)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Permanent differences	(184,260)	3,320
Prior period adjustments	(10,875)	(234,022)
Amounts not brought to account as deferred tax assets	(658,430)	517,497
Income tax expense	-	-

PETROLEUM RESOURCE RENT TAX

Petroleum Resource Rent Tax (PRRT) applies to petroleum projects in Australian onshore and offshore areas under the Petroleum Resource Rent Tax Assessment Act 1987. PRRT is assessed on a project basis or production licence area and is levied on the taxable profits of a petroleum project at a rate of 40%. Eligible expenditure incurred in relation to permits VIC/P57, VIC/P74, T49P and WA-527-P, attach to the permit and can be carried forward. Certain specified un-deducted expenditure is eligible for annual compounding at set rates. The compound

amount can be deducted against assessable receipts in future years.

The Company has not recognised a deferred tax asset with respect to the carried forward un-deducted expenditure.

	Consolidated	
	2023	2022
<i>Net deferred Tax Assets not recognised at 25% (30 June 2022: 25%)</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Temporary differences relating to provisions, accruals, other	69,940	64,935
Exploration expenditure	(1,795,681)	(1,551,815)
Tax losses	14,942,030	15,959,509
Net deferred tax assets not recognised	13,216,289	14,472,629

The above potential tax benefit, which includes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain. The taxation benefits of tax losses and temporary difference not brought to account and will only be recognised if:

- (i) the Consolidated Entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- (ii) the Consolidated Entity continues to comply with the conditions for deductibility imposed by law; and
- (iii) no change in tax legislation adversely affects the Company in realising the benefits from deducting the losses.

NOTE 8. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	Consolidated	
	2023	2022
	\$	\$
Cash at bank	3,221,377	1,243,195

ACCOUNTING POLICY FOR CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities

of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTE 9. CURRENT ASSETS – OTHER RECEIVABLES

	Consolidated	
	2023	2022
	\$	\$
Other receivables	-	18,024
Interest receivable	1,304	129
GST receivable	7,425	11,839
	8,729	29,992

Other receivables represent reimbursement of venture costs by joint venture partners.

No interest is charged on the receivables. Due to the short-term nature of these receivables, their carrying value is assumed to be approximate to their fair value.

ACCOUNTING POLICY FOR OTHER RECEIVABLES

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

NOTE 10. CURRENT ASSETS – FINANCIAL ASSETS

	Consolidated	
	2023	2022
	\$	\$
Cash on deposit	93,577	93,577

This amount relates to cash on deposit held with an original term to maturity greater than 3 months.

NOTE 11. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2023	2022
	\$	\$
Furniture and fittings – at cost	184,083	184,083
Less: Accumulated depreciation	(184,083)	(184,083)
	-	-
Computer equipment – at cost	32,080	32,080
Less: Accumulated depreciation	(20,954)	(14,538)
	11,126	17,542
	11,126	17,542

RECONCILIATIONS

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

	Computer equipment	Total
Consolidated	\$	\$
Balance at 1 July 2021	16,525	16,525
Additions	6,372	6,372
Depreciation expense	(5,355)	(5,355)
Balance at 30 June 2022	17,542	17,542
Depreciation expense	(6,416)	(6,416)
Balance at 30 June 2023	11,126	11,126

ACCOUNTING POLICY FOR FURNITURE, COMPUTER AND EQUIPMENT

Furniture and computer equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Furniture, computer equipment	3-7 years
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

NOTE 12. NON-CURRENT ASSETS – RIGHT-OF-USE ASSETS

The Consolidated Entity has a lease arrangement for office space. In June 2022, the lease was renewed for a three-year period from 1 June 2022 to 31 May 2025 with no further option to extend. This note provides information for leases where the Consolidated Entity is a lessee.

Lease terms are negotiated on an individual basis and may contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

	Consolidated	
	2023	2022
	\$	\$
Office space – right-of-use	516,286	516,286
Less: Accumulated depreciation	(347,329)	(259,177)
	168,957	257,109

Refer note 20 to these financial statements for the current and non-current lease liabilities. Depreciation expenses of right of use assets and finance charges on lease liabilities are presented in note 6 to the financial statements.

RECONCILIATIONS

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

The Consolidated Entity had no short-term lease arrangements during the year ended 30 June 2023.

	Office space – right-of-use	Total
Consolidated	\$	\$
Balance at 1 July 2021	79,156	79,156
Additions	264,444	264,444
Depreciation expense	(86,491)	(86,491)
Balance at 30 June 2022	257,109	257,109
Depreciation expense	(88,152)	(88,152)
Balance at 30 June 2023	168,957	168,957

ACCOUNTING POLICY FOR RIGHT-OF-USE ASSETS

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Consolidated Entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Consolidated Entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

NOTE 13. NON-CURRENT ASSETS – INTANGIBLES

	Consolidated	
	2023	2022
	\$	\$
Software – at cost	364,791	364,791
Less: Accumulated amortisation	(342,753)	(317,579)
	22,038	47,212

RECONCILIATIONS

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

	Software	Total
Consolidated	\$	\$
Balance at 1 July 2021	76,641	76,641
Amortisation expense	(29,429)	(29,429)
Balance at 30 June 2022	47,212	47,212
Amortisation expense	(25,174)	(25,174)
Balance at 30 June 2023	22,038	22,038

ACCOUNTING POLICY FOR INTANGIBLE ASSETS

Intangible assets acquired measured at cost and are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

SOFTWARE

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

NOTE 14. NON-CURRENT ASSETS – EXPLORATION AND EVALUATION

	Consolidated	
	2023	2022
	\$	\$
Exploration and evaluation expenditure	7,095,490	6,207,257

RECONCILIATIONS

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

	Area of interest T/49P	Area of interest VIC/P74	Area of interest WA-527-P	Area of interest VIC/P79	Total
Consolidated	\$	\$	\$	\$	\$
Balance at 1 July 2021	4,017,578	524,950	832,071	-	5,374,599
Additions during the year	342,452	38,309	327,418	124,479	832,658
Balance at 30 June 2022	4,360,030	563,259	1,159,489	124,479	6,207,257
Additions during the year	477,821	102,499	250,371	337,277	1,167,968
Amount de-recognised on farm-out (Note 5)	-	-	-	(279,735)	(279,735)
Balance at 30 June 2023	4,837,851	665,758	1,409,860	182,021	7,095,490

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, WA-527-P in Western Australia and VIC/P79, an offshore exploration permit in the Otway Basin. 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.

The Consolidated Entity has carried out an impairment review of the carrying amount of its exploration expenditure in relation to VIC/P74, T/49P, WA-527-P and VIC/P79 following the end of the financial year as at 30 June 2023. Based on the review no impairments indicators were identified in relation to these tenements.

FARM-OUT IN THE EXPLORATION AND EVALUATION PHASE

The Consolidated Entity does not record any expenditure made by the farminnee 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 farminnee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the farminor as a gain on disposal. Please refer to note 29 for further information on the Consolidated Entity's farm-out arrangements.

ACCOUNTING POLICY FOR EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

NOTE 15. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	Consolidated	
	2023	2022
	\$	\$
Trade payables	220,386	119,505
Research and development tax grant	-	695,894
Sundry payables and accrued expenses	107,100	109,856
	327,486	925,255

Refer to note 21 for further information on financial instruments.

ACCOUNTING POLICY FOR TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

NOTE 16. CURRENT LIABILITIES – EMPLOYEE BENEFITS

	Consolidated	
	2023	2022
	\$	\$
Annual leave	66,055	69,769
Long service leave	149,024	134,591
Employee benefits	19,554	24,084
	234,633	228,444

AMOUNTS NOT EXPECTED TO BE SETTLED WITHIN THE NEXT 12 MONTHS

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the company does not have an unconditional right to defer settlement.

ACCOUNTING POLICY FOR EMPLOYEE BENEFITS

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

NOTE 17. NON-CURRENT LIABILITIES – EMPLOYEE BENEFITS

	Consolidated	
	2023	2022
	\$	\$
Long service leave	4,910	1,916

ACCOUNTING POLICY FOR LONG-TERM EMPLOYEE BENEFITS

The liability for long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments

to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the

reporting date on high quality corporate bond rates with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

NOTE 18. EQUITY – ISSUED CAPITAL

	Consolidated			
	2023	2022	2023	2022
	Shares	Shares	\$	\$
Ordinary shares – fully paid	265,373,557	265,188,372	55,483,678	55,483,678

Movements in ordinary share capital

Details	Date	Shares	\$
Balance	01 July 2021	265,188,372	55,483,678
Balance	30 June 2022	265,188,372	55,483,678
Shares issued upon exercise of options	12 May 2023	185,185	-
Balance	30 June 2023	265,373,557	55,483,678

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.

CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders while achieving the exploration objectives.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

The Consolidated Entity would look to raise capital when an opportunity to invest in a business or Company was seen as value adding relative to the current parent entity's share price at the time of the investment. The Company is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 30 June 2022 Annual Report.

ACCOUNTING POLICY FOR ISSUED CAPITAL

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTE 19. EQUITY – DIVIDENDS

There were no dividends paid or declared during the current or previous financial year.

The Consolidated Entity does not have franking credits available for subsequent financial years.

ACCOUNTING POLICY FOR DIVIDENDS

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

NOTE 20. LEASE LIABILITIES

	Consolidated	
	2023	2022
	\$	\$
<i>Lease liabilities</i>		
Current lease liabilities	93,763	75,488
Non-current lease liabilities	96,267	190,555
Total lease liabilities	190,030	266,043

Lease liability maturity analysis – contractual undiscounted cash flows

	Consolidated	
	2023	2022
Less than one year	104,397	92,045
Two to five years	99,194	203,591
Total undiscounted lease liabilities	203,591	295,636

LEASE LIABILITY FINANCE COSTS

During the year ended 30 June 2023, the Consolidated Entity incurred interest charges of \$16,806, as disclosed in note 6.

LEASE LIABILITY OUTFLOWS

During the year ended 30 June 2023, lease liability related cash outflows was \$76,013 as disclosed in the statement of cashflows.

ACCOUNTING POLICY FOR LEASE LIABILITIES

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Consolidated Entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

NOTE 21. FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT OBJECTIVES

The Consolidated Entity's activities expose it to a variety of financial risks: liquidity risk, market risk (including foreign currency risk and interest rate risk) and credit risk. The Consolidated Entity's overall risk management program focuses managing liquidity risk and seeks to minimise potential adverse effects on the financial performance of the Consolidated Entity. The Consolidated Entity uses different methods to measure different types of risk to which it is exposed. These methods include forecasting cash flows to manage liquidity risk, sensitivity analysis in the case of interest rate and foreign exchange ageing analysis for credit risk.

Risk management is carried out by senior executives under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Consolidated Entity and appropriate procedures, controls and risk limits. Senior executives, evaluates and manages the financial risks within the Consolidated Entity's operating units as per the approved policies. Results are reported to the Board periodically.

MARKET RISK

Foreign currency risk

The Consolidated Entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. The Consolidated Entity operates a US dollar bank account for the purpose of transacting in US dollars. The transactions and balances denominated in US dollars are not material to these financial statements.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Consolidated – 2023	AUD strengthened			AUD weakened		
	% change	Effect on profit after tax	Effect on equity	% change	Effect on profit after tax	Effect on equity
US dollar	10%	(158,662)	(158,662)	10%	209,863	209,863

Consolidated – 2022	AUD strengthened			AUD weakened		
	% change	Effect on profit after tax	Effect on equity	% change	Effect on profit after tax	Effect on equity
US dollar	10%	2,117	2,117	10%	(2,587)	(2,587)

Price risk

The Consolidated Entity is not exposed to any significant price risk.

Interest rate risk

The Consolidated Entity's only exposure to interest rate risk is in relation to deposits held. Movements in interest rates are not material to the financial statements at the respective reporting dates.

CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The Consolidated Entity's operations not resulted in material trade or other receivables at the reporting date. The credit risk on liquid funds and financial instruments are limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies. The Consolidated Entity measures credit risk on a fair value basis. The maximum exposure to credit risk at the reporting date to recognised

financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Consolidated Entity does not hold any collateral.

LIQUIDITY RISK

Liquidity risk is the risk that the Consolidated Entity will not be able to pay its debts as and when they fall due. The Consolidated Entity has no borrowings at reporting date and the Directors ensure that the cash on hand is sufficient to meet the commitments and the Consolidated Entity be able to pay debts as and when they become due and payable.

Operating cash flows are used to maintain and expand the Consolidated Entity's assets. The Consolidated Entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash and also through assessment of available funding to identify risks to the cash position of the business.

Remaining contractual maturities

The following tables detail the Consolidated Entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Remaining contractual maturities
Consolidated – 2023	%	\$	\$	\$	\$
Non-derivatives					
<i>Non-interest bearing</i>					
Trade and other payables	-	327,486	-	-	327,486
<i>Interest-bearing – fixed rate</i>					
Lease liability	7.50%	104,397	99,194	-	203,591
Total non-derivatives		431,883	99,194	-	531,077
Consolidated – 2022					
Non-derivatives					
<i>Non-interest bearing</i>					
Trade and other payables	-	925,255	-	-	925,255
<i>Interest-bearing – fixed rate</i>					
Lease liability	7.50%	92,045	104,397	99,194	295,636
Total non-derivatives		1,017,300	104,397	99,194	1,220,891

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. Where appropriate, the fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

NOTE 22. KEY MANAGEMENT PERSONNEL DISCLOSURES

DIRECTORS

The following persons were Directors of 3D Oil Limited during the financial year:

Mr Noel Newell	Executive Chairman
Mr Ian Tchacos	Non-Executive Director
Mr Leo De Maria	Non-Executive Director
Mr Trevor Slater	Non-Executive Director

COMPENSATION

The aggregate compensation made to Directors and other members of key management personnel of the Consolidated Entity is set out below:

	Consolidated	
	2023	2022
	\$	\$
Short-term employee benefits	460,111	455,967
Post-employment benefits	40,130	34,044
Long-term benefits	7,782	8,893
Share-based payments	(545)	5,180
	507,478	504,084

NOTE 23. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners and Grant Thornton Audit Pty Ltd (resigned as auditor on 19 June 2023) (2022: Grant Thornton Audit Pty Ltd), the auditor of the Company:

	Consolidated	
	2023	2022
	\$	\$
<i>Audit or review of the financial statements</i>		
RSM Australia Partners (Audit fees at 30 June 2023)	40,000	-
Grant Thornton Audit Pty Ltd (Audit and review fees at 31 December 2022 and 30 June 2022)	30,500	58,500
	70,500	58,500
<i>Other services – RSM Australia Partners</i>		
Preparation of the tax return	8,750	-
Other taxation services	12,900	-
	21,650	-

NOTE 24. CONTINGENT LIABILITIES

The Consolidated Entity provided a security deposit of \$48,827 (2022: \$48,827). The Consolidated Entity will forgo this deposit if conditions of return are not met.

There were no other contingent liabilities as at 30 June 2023.

NOTE 25. COMMITMENTS

	Consolidated	
	2023	2022
	\$	\$
<i>Exploration Licenses – Commitments for Expenditure</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	4,610,000	4,660,000
Two to five years	40,000	80,000
	4,650,000	4,740,000

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 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.

VIC/P74

The Company holds 100% interest in VIC/P74 Offshore Gippsland Basin in Victoria. Exploration commitments related VIC/P74's the primary term, year 1-3 were met.

Commitments from year 4 onwards are confirmed on a year-by-year basis dependent on the Company agreeing to proceed. The commitment table above includes \$1.5 million associated with tenement year 4, which ended on 25 July 2023. However, timing of this commitment is expected to change as a variation of Title Conditions' application to NOPTA is

currently in progress at the date of this report. Subject to regulatory approvals, aspects of the secondary work program including timing of year 4 commitments likely to be altered to a future date.

If the Company was to proceed beyond year 5 in relation to VIC/P74, the current indicative expenditure commitment for Years 5-6 is currently gross \$40.6 million, and this would be occurring in 2023-2025 years. However, as noted above timing of these commitments are likely to be altered to a future date subject to regulatory approvals.

WA-527-P

The Company holds 100% interest in the WA-527-P Exploration Permit, which covers 6,500km² of the offshore Bedout Sub-basin.

During the year, NOPTA approved a 12-month suspension of the WA-527-P permit condition in respect of the Permit Year 1-3 work program commitment with a corresponding 12-month extension of the WA 527-P permit team. Accordingly, the primary term (Permit Year 1-3) will now end on 28 December 2023 and the permit term will end on 28 December 2026.

The commitment table above includes \$3.06 million for indicative expenditure in the year 3 amounting, which ends on 28 December 2023. The acquisition and processing of 510km² of 3D seismic data, the Sauropod MC3D seismic survey, forms a minimum work commitment for the primary term (Years 1-3) work program of WA-527-P. The Company progressed preparations for the acquisition of the Sauropod MC3D, working with geophysical service company, CGG, who is preparing the Environmental Plan (EP). The EP under preparation will cover a two-year acquisition window extending from January-May (inclusive) 2024 or 2025, as recommended by NOPTA (National Offshore Petroleum Titles Administrator). The EP delineates the same acquisition parameters as have been previously proposed, with a maximum full-fold acquisition area of 3447km². The survey acquisition is anticipated to take approximately two months.

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 2023-2026 years. However, as noted above timing of these commitments are likely to be altered to a future date subject to regulatory approvals.

T/49P

The Consolidated Entity holds 20% interest in the T/49P Exploration Permit and ConocoPhillips Australia SH1 Pty Ltd holds 80% interest in the Permit and is Operator on behalf of the Joint Venture. The commitments above do 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, as per Joint Operating Agreement. Under the terms of Joint Operating Agreement, the Company will contribute 10% of the Joint Venture's expenses until ConocoPhillips Australia has completed an exploration well or spent at least US\$30 million toward drilling of an exploration well (which are excluded from the commitment table above).

On 16 March 2021, NOPTA issued a variation notice to the Exploration Permit T/49P, as a result of which seismic acquisition and drill planning works in Year 5 and the drilling of an exploration well in Year 6 have been deferred to the year ended 21 August 2023 and 21 August 2024, respectively.

VIC/P79

The Consolidated Entity holds 20% interest in the VIC/P79 Exploration Permit and ConocoPhillips Australia SH2 Pty Ltd holds 80% interest in the Permit and is Operator on behalf of the Joint Venture.

The above commitment note include 10% of year one (1) to three (3) commitment, which the Company expects to contribute under the terms of Joint Venture Agreement. In addition, under the terms of Joint Venture Agreement, the Company will contribute 10% of the Joint Venture's expenses (which are excluded from the commitment table above).

It is expected that the ConocoPhillips Australia will also undertake to drill an exploration well as required by the Permit's Primary Term minimum work commitment (currently required by February 2025). The Company will be carried for up to USD\$35 million in well costs, above which it will contribute 20% of costs in line with its interest in the Exploration Permit.

Commitments from year 4 onwards are confirmed on a year-by-year basis dependent on the Joint Venture agreeing to proceed. If the Company and farm-in partner, ConocoPhillips Australia Pty Ltd was to proceed beyond year 4 in relation to VIC/P79, the current indicative expenditure commitment for Years 4-6 is currently gross \$12.8 million and this would be occurring in 2025-2028 year.

NOTE 26. RELATED PARTY TRANSACTIONS

Parent entity

3D Oil Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 28.

Joint operations

Interests in joint operations are set out in note 29.

Key management personnel

Disclosures relating to key management personnel are set out in note 22 and the remuneration report included in the Directors' report.

Transactions with related parties

During the year, the Company issued 185,185 options over ordinary shares with a fair value of \$9,815 to Mr T Slater, a Non-Executive Director of the Company as part of compensation for the consulting services offered to the Company.

During the year, the Company paid \$25,667 for consulting services to NB Resources Ltd, an entity associated with Mr T Slater, a Non-Executive Director of the Company.

There were no other transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

NOTE 27. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2023	2022
	\$	\$
Profit/(loss) after income tax	3,413,944	(1,147,188)
Total comprehensive income/(loss)	3,413,944	(1,147,188)

Statement of financial position

	Parent	
	2023	2022
	\$	\$
Total current assets	3,364,630	1,274,029
Total assets	7,910,794	6,816,818
Total current liabilities	506,858	1,229,187
Total liabilities	757,059	3,093,744
Equity		
Issued capital	55,483,678	55,483,678
Share-based payments reserve	1,823	17,559
Accumulated losses	(48,331,766)	(51,778,163)
Total equity	7,153,735	3,723,074

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2023 and 30 June 2022.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments – Property, plant and equipment

Other than the commitments disclosed in note 25, the parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.
- Significant estimates and judgement – recoverability of loan to subsidiary. No objective indicators of impairment as the current best estimates of potential resources indicate a quantity of oil/gas that would allow recovery of the amount due in full.

NOTE 28. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2:

		Ownership interest	
		2023	2022
Name	Principal place of business / Country of incorporation	%	%
3D Oil T49P Pty Ltd	Australia	100.00%	100.00%

NOTE 29. INTERESTS IN JOINT OPERATIONS

The Consolidated Entity has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the

financial statements under the appropriate classifications. Information relating to joint operations that are material to the Consolidated Entity are set out below:

		Ownership interest	
		2023	2022
Name	Principal place of business / Country of incorporation	%	%
T/49P, Otway Basin, offshore Tasmania	Australia	20.00%	20.00%
VIC/P74, Gippsland Basin, offshore Victoria*	Australia	100.00%	50.00%
VIC/P79, Otway Basin, offshore Victoria**	Australia	20.00%	100.00%

* On 21 September 2022, the Company has received regulatory approval for the Transfer of Title of Carnarvon Hibiscus' 50% participating interest in VIC/P74 to the Company. The Company is now 100% titleholder of VIC/P74.

** On 16 March 2023, the Consolidated Entity announced the completion of the VIC/P79 farmout to ConocoPhillips Australia, following NOPTA approval of the Transfer of Title of 80% interest in VIC/P79 exploration permit to ConocoPhillips Australia SH2 Pty Ltd. 3D Oil has received a cash payment of USD\$3million (approximately AUD \$4.48 million).

NOTE 30. RECONCILIATION OF PROFIT/(LOSS) AFTER INCOME TAX TO NET CASH USED IN OPERATING ACTIVITIES

	Consolidated	
	2023	2022
	\$	\$
Profit/(loss) after income tax expense for the year	3,414,258	(1,147,179)
Adjustments for:		
Depreciation and amortisation	119,717	112,920
Gain from farm-out arrangement	(4,188,464)	-
Share-based payments	16,753	11,886
Unrealised gain on foreign currency translation	(21,313)	-
Change in operating assets and liabilities:		
Decrease/(increase) in other receivables	3,239	(3,875)
Decrease/(increase) in prepayments	(40,977)	41,924
Decrease in trade and other payables	(718,060)	(19,808)
Increase in employee benefits	9,184	6,658
Net cash used in operating activities	(1,405,663)	(997,474)

NOTE 31. EARNING / (LOSS) LOSS PER SHARE

	Consolidated	
	2023	2022
	\$	\$
Profit/(loss) after income tax attributable to the owners of 3D Oil Limited	3,414,258	(1,147,179)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share	265,213,740	265,188,372
Adjustments for calculation of diluted earnings per share:		
Performance rights	431,000	-
Weighted average number of ordinary shares used in calculating diluted earnings/(loss) per share	265,644,740	265,188,372
	Cents	Cents
Basic earnings/(loss) per share	1.287	(0.433)
Diluted earnings/(loss) per share	1.285	(0.433)

ACCOUNTING POLICY FOR EARNINGS LOSS PER SHARE

Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to the owners of 3D Oil Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTE 32. SHARE-BASED PAYMENTS

On 16 December 2020, the Consolidated Entity issued of 225,806 Performance Rights to Directors of the Company following shareholder approval at the Company's Annual General Meeting on 17 November 2020. Vesting of the Performance Rights is contingent on both the share price of the Company reaching \$0.09 (9 cents) at any time between grant date and 17 November 2022 and continued employment through 17 November 2022. The Performance Rights expire 3 years following the grant date. These performance rights were lapsed during the year, as the conditions attached with these securities were not met or have become incapable of being satisfied.

On 15 February 2021, the Consolidated Entity issued 516,128 Performance Rights to eligible employees under the Consolidated Entity's Equity Incentive Plan. Vesting of the Performance Rights is contingent on both the share price of the Company reaching \$0.09 (9 cents) at any time between grant date and 17 November 2022 and continued employment through 17 November 2022. The performance rights expire 3 years following their grant date. 298,387 of these performance rights expired in the year ended June 2022 and the balance 217,741 rights expired during the year ended June 2023. These performance rights lapsed as the conditions attached with these securities were not met or have become incapable of being satisfied.

On 5 May 2023, the Company issued 431,000 Performance Rights to eligible employees at nil exercise price, subject to certain vesting conditions set out in the corresponding invitation letter in accordance with the Company's Equity Incentive Plan. The Performance Rights vest subject to both the 5-day VWAP being equal to or greater than \$0.07 (7 cents), at any time between grant and 9 March 2026, and continued employment up until 9 March 2026.

Set out below are summaries of performance rights granted to directors and employees:

2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/other	Balance at the end of the year
17/11/2020	17/11/2023	\$0.000	225,806	-	-	(225,806)	-
28/01/2021	28/01/2024	\$0.000	80,645	-	-	(80,645)	-
29/01/2021	29/01/2024	\$0.000	80,645	-	-	(80,645)	-
01/02/2021	01/02/2024	\$0.000	56,451	-	-	(56,451)	-
05/03/2023	05/03/2026	\$0.000	-	431,000	-	-	431,000
			443,547	431,000	-	(443,547)	431,000

2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/other	Balance at the end of the year
17/11/2020	17/11/2023	\$0.000	225,806	-	-	-	225,806
28/01/2021	28/01/2024	\$0.000	80,645	-	-	-	80,645
29/01/2021	29/01/2024	\$0.000	80,645	-	-	-	80,645
01/02/2021	01/02/2024	\$0.000	112,903	-	-	(56,452)	56,451
11/02/2021	11/02/2024	\$0.000	241,935	-	-	(241,935)	-
			741,934	-	-	(298,387)	443,547

For the performance rights issued during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
05/03/2023	05/03/2026	\$0.064	\$0.000	82.890%	-	3.146%	\$0.062

The weighted average remaining contractual life of performance rights at 30 June 2023 is 3 years.

ACCOUNTING POLICY FOR SHARE-BASED PAYMENTS

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using Geometric Brownian Motion model and Monte Carlo simulation model.

The option pricing model that takes into account the exercise price, the share hurdle price, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together

with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

NOTE 33. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2023 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.

DIRECTORS' DECLARATION

30 June 2023

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 and of its performance for the financial year 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.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5) (a) of the Corporations Act 2001.

On behalf of the Directors



Noel Newell

Executive Chairman

28 September 2023
Melbourne



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INDEPENDENT AUDITOR'S REPORT
To the Directors of 3D Oil Limited

Opinion

We have audited the financial report of 3D Oil Limited (the Company), and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group 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 (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred operating cash outflows of \$1.4m during the ended 30 June 2023 and. 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 Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
Valuation of Exploration and Evaluation assets Refer to Note 14 in the financial statements	
<p>At 30 June 2023 the Group held capitalised exploration and evaluation assets ("E&E Asset") of \$7.1 million. This represents 66% of the total assets of the Group at that date.</p> <p>We consider the carrying amount of these assets to be a key audit matter, under AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, due to the significant management judgments involved, including:</p> <ul style="list-style-type: none"> Whether the exploration and evaluation spend can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest in line with AASB 6; The Group's ability and intention to continue to explore the area; The existence of any impairment indicators, and if so, those applied to determine and quantify any impairment loss; and <p>Whether exploration activities have reached the stage at which the existence of an economically recoverable reserve may be determined.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Obtaining evidence that the Group has valid rights to explore in the specific areas of interest; Critically assessing and evaluating management's assessment that no indicators of impairment existed; Agreeing a sample of the additions to capitalised exploration assets to supporting documentation, to confirm they were capitalised in line with the measurement and other criteria of the Group's policy and AASB 6; Holding discussions with, and making enquiries of, the Group's management team, reviewing of the Group's ASX announcements, and other relevant documentation; Confirming the existence of plans to determine that the Group will incur substantive expenditure on further exploration for and evaluation of mineral resources in the specific areas of interest; Confirming the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area, through enquiries, and by assessing the Group's future cashflow forecasts, and reviewing the Group's business and financial strategy; and Confirming that management has not resolved to discontinue activities in the specific area of interest.

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed this matter
Accounting for new Farmout agreement Refer to Note 5 in the financial statements	
<p>During the financial year ended 30 June 2023, 3D Oil executed a farmout arrangement with ConocoPhillips on the sale of 80% interest in the VIC/P79 tenement. This arrangement resulted in a cash consideration of USD\$3 million (approximately A\$4.4 million as at the date of payment received).</p> <p>ConocoPhillips Australia have an obligation for a US\$35 million carry towards drilling costs of one exploration well. Above the US\$35 million cap, 3D Oil will contribute 20% of costs in line with its interest.</p> <p>3D Oil have accounted for this at as a Joint Operation under AASB 11 <i>Joint Arrangements</i> whereby cash consideration received directly from ConocoPhillips Australia is credited against the cost previously capitalised in relation to the whole interest with any excess accounted as a gain on disposal.</p> <p>We have considered the accounting treatment to be a key audit matter due to the materiality and complexities of the arrangement.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Reviewing Joint Operating Agreement and Farmout Arrangement executed with farmee; • Reviewing relevant Australian Accounting Standards and other accounting resources to ensure correct treatment of the farmout arrangement; • Critically assessing and evaluating management's accounting policy and assessment of the accounting treatment of farmout income; • Holding discussions with, and making enquiries of, the Group's management team, reviewing of the Group's ASX announcements, and other relevant documentation; and • Confirming that management has adequately and accurately disclosed the farmout arrangement in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of 3D Oil Limited, for the year ended 30 June 2023, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



RSM AUSTRALIA PARTNERS



J S CROALL
Partner

Dated: 28 September 2023
Melbourne, Victoria

SHAREHOLDER INFORMATION

30 June 2023

The shareholder information set out below was applicable as at 12 September 2023.

DISTRIBUTION OF EQUITABLE SECURITIES

Analysis of number of equitable security holders by size of holding:

	Ordinary shares	Ordinary shares				
	Number of holders	% of total shares issued	total shares issued	% performance rights	Number of performance rights	Number of performance holders
1 to 1,000	50	0.01	14,042	-	-	-
1,001 to 5,000	112	0.14	373,858	-	-	-
5,001 to 10,000	124	0.40	1,067,102	-	-	-
10,001 to 100,000	447	7.07	18,755,146	19.95	86,000	1.00
100,001 and over	247	92.38	245,163,409	80.05	345,000	1.00
	980	100.00	265,373,557	100.00	431,000	1.00
Holding less than a marketable parcel	232	0.34	915,002	-	-	-

EQUITY SECURITY HOLDERS

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
MR NOEL NEWELL <NEWELL FAMILY A/C>	38,604,620	14.55
OCEANIA HIBISCUS SDN BHD\ C	30,963,000	11.67
MR JOHN PHILIP DANIELS	11,929,628	4.50
BILL HOPPER	6,475,000	2.44
CITICORP NOMINEES PTY LIMITED	5,740,449	2.16
NORTHERN BUSINESS PLANNING CENTRE PTY LTD <NEWELL SUPER A/C>	5,169,347	1.95
SANLIRRA PTY LTD <SANLIRRA SUPER FUND A/C>	5,000,000	1.88
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,976,886	1.88
BNP PARIBAS NOMS PTY LTD <DRP>	4,784,650	1.80
MR TAI TRAN	4,500,000	1.70
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	4,088,895	1.54
PENGOLD PTY LTD <PENGOLD SUPER FUND A/C>	3,714,000	1.40
VIN NAIDU + WENDY NAIDU	2,837,500	1.07
MR RICHARD JOHN LOVERIDGE + MRS KATRINA LOVERIDGE <RJ LOVERIDGE S/FUND A/C>	2,771,419	1.04
MR GIOVANNI MONTELEONE + MRS FRANCES MONTELEONE	2,550,000	0.96
MR RUSSELL BARWICK	2,500,000	0.94
EILIE SUNSHINE PTY LTD <EILIE SUNSHINE SUPERFUND A/C>	2,500,000	0.94
MR MICHAEL ANDREW JAKET	2,250,000	0.85
MR PETER ALARIC HAYES	2,237,000	0.84
MR ALAN ROBERT BLAKENEY	2,124,975	0.80
	145,717,369	54.91

	Number on issue	Number of holders
Performance rights over ordinary shares issued	431,000	2

SUBSTANTIAL HOLDERS

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Noel Newell	44,875,960	16.91
Oceania Hibiscus SDN BHD	30,963,000	11.67

VOTING RIGHTS

The voting rights attached to ordinary shares are set out below:

Ordinary shares

All issued shares carrying voting rights on a one-for-one basis.

Performance rights

There are no voting rights attached to performance rights.

There are no other classes of equity securities.

CORPORATE GOVERNANCE STATEMENT

The Company's 2023 Corporate Governance Statement is available on the Company's website at:

<https://www.3doil.com.au/about/corporate-governance>

ANNUAL GENERAL MEETING

3D Oil Limited advises that its Annual General Meeting will be held on Friday, 24 November 2023. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all shareholders and released to ASX in due course. In accordance with the ASX Listing Rules and the Company's Constitution, the closing date for receipt of nominations for the position of Director are required to be lodged at the registered office of the Company by 5.00pm (AEDT) on 13 October 2023.

PETROLEUM TENEMENT HOLDINGS

	Beneficial interest
Tenement and Location	%
VIC/P79 Offshore Otway Basin, VIC	20%
T/49P Offshore Otway Basin, TAS	20%
WA-527-P Offshore Roebuck Basin, WA	100%
VIC/P74 Offshore Gippsland Basin, VIC	100%
GSEL759 Otway Basin, SA	100%

CORPORATE DIRECTORY

30 June 2023

DIRECTORS

Noel Newell (Executive Chairman)
Ian Tchacos (Non-Executive Director)
Leo De Maria (Non-Executive Director)
Trevor Slater (Non-Executive Director)

COMPANY SECRETARY

Stefan Ross

REGISTERED OFFICE

Level 18, 41 Exhibition Street
Melbourne, VIC 3000
Telephone: +61 3 9650 9866

PRINCIPAL PLACE OF BUSINESS

Level 18, 41 Exhibition Street
Melbourne, VIC 3000
Telephone: +61 3 9650 9866

SHARE REGISTER

Computershare Investor Services
Pty Limited
452 Johnston Street
Abbotsford, Victoria 3067
Telephone: 1300 850 505
(within Australia)
Telephone: +61 3 9415 4000
(outside Australia)

AUDITOR

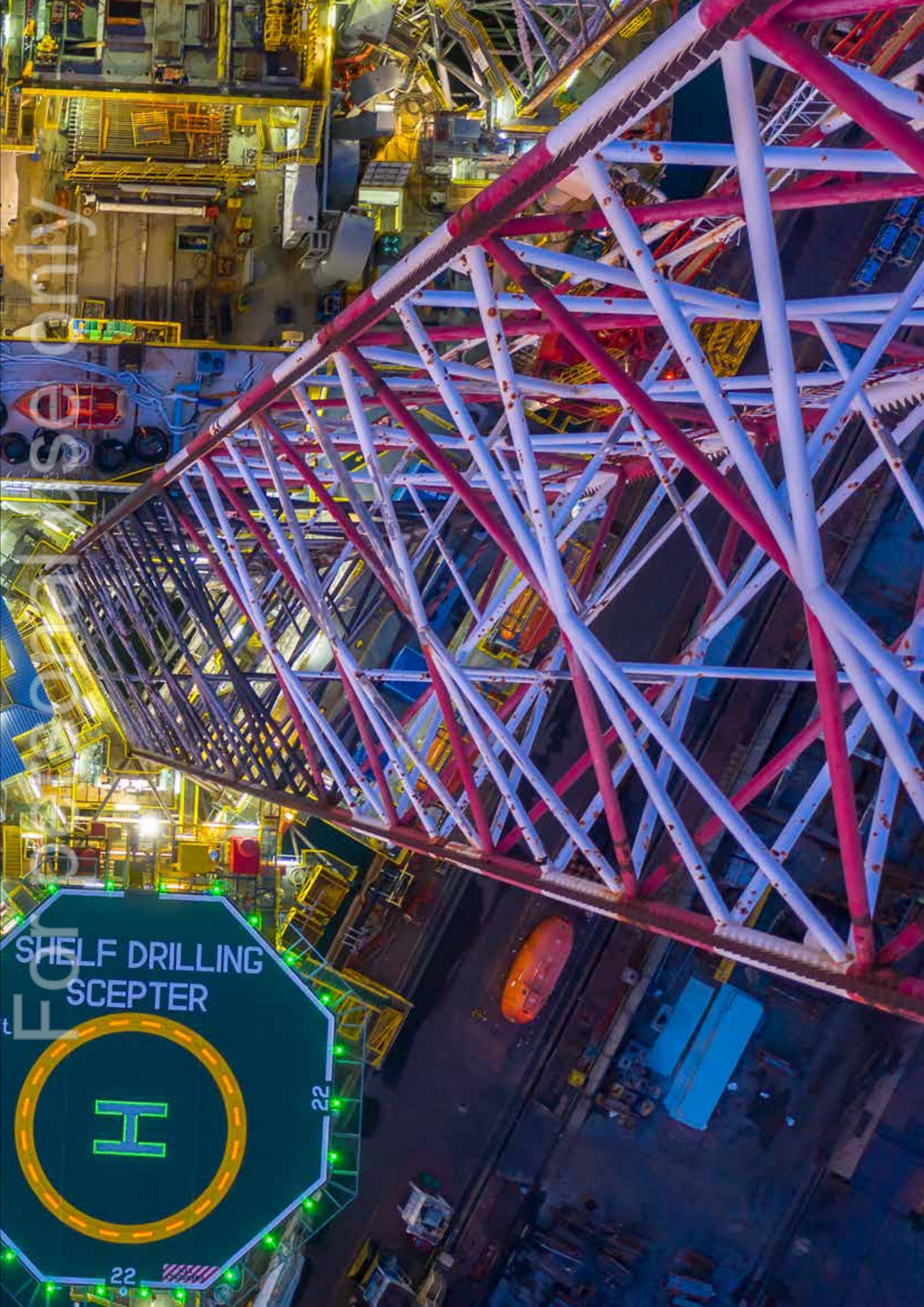
RSM Australia Partners
Level 21
55 Collins Street
Melbourne, Victoria 3000

STOCK EXCHANGE LISTING

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

WEBSITE

3doil.com.au



SHELF DRILLING
SCEPTER



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