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## **ASX Release**

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# **3D Oil Accelerated Growth Strategy Update**

## **TDO extends Vic/P57 farm-out deadline due to strong interest**

3D Oil is well advanced with a program to attract suitable exploration and development partners for the Gippsland Basin permit, Vic/P57. Numerous parties have expressed genuine interest in the permit. To provide those potential partners with adequate time to complete their due diligence on all the technical and commercial details, 3D Oil has extended the evaluation period.

This does not impact 3D Oil's commitment to finalise the preferred West Seahorse oil project development option and award FEED engineering and associated contracts before June this year.

3D Oil is working to an accelerated development schedule which could result in a Final Investment Decision (FID) on the West Seahorse project before the end of 2010.

## **Accelerated Growth Strategy**

Late in 2009 3D Oil announced the implementation of an Accelerated Growth Strategy to unlock shareholder value in its offshore exploration and development portfolio.

This strategy comprises three related phases:

1. Optimising the development of West Seahorse;
2. Comprehensive assessment of exploration prospectivity; and
3. Partnering Strategy

## West Seahorse

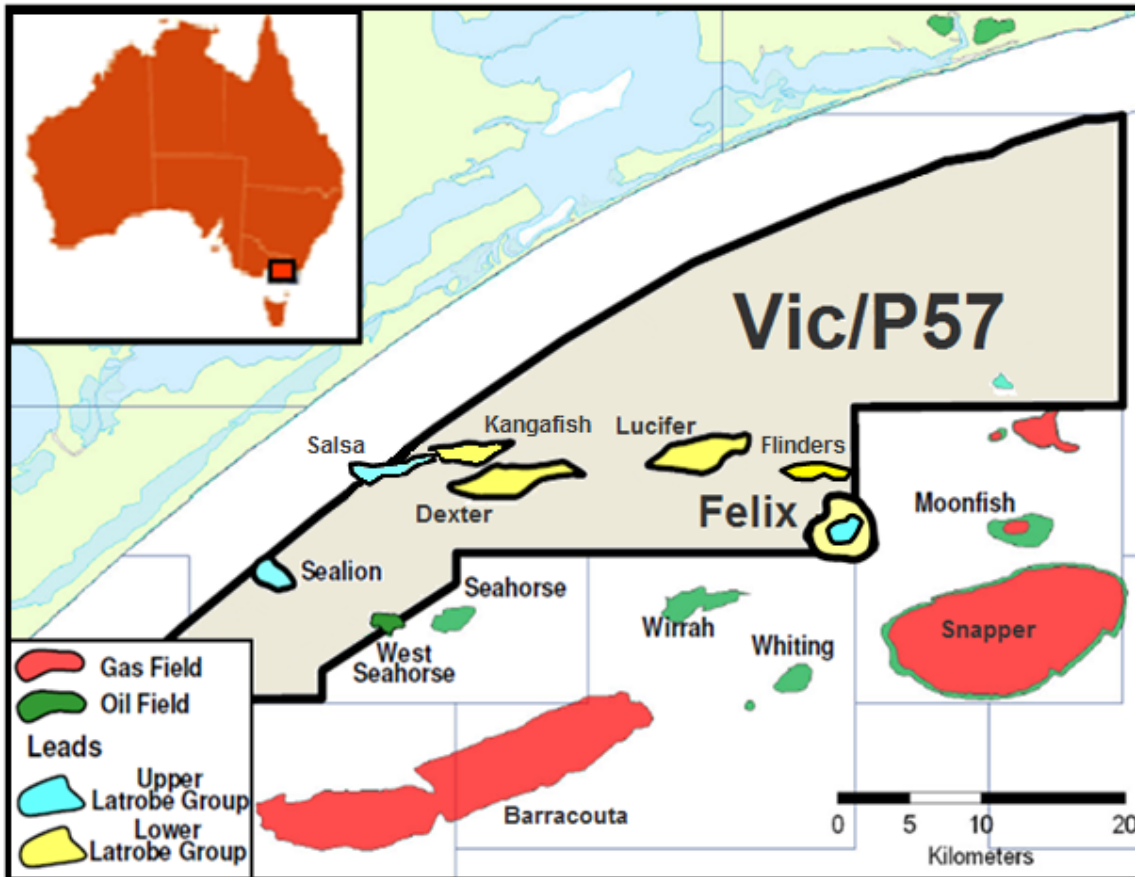
3D Oil has continued to assess the most economic development options for the field. This assessment has included utilising a Mobile Offshore Production Unit (MOPU) and an alternative strategy of developing an offshore tie-back to third party facilities.

In addition 3D Oil has now re-assessed the option of a sub-sea well tied with a production pipeline back to an onshore oil processing plant. Previously this was not considered the most economic development option for a single well project due to the high capital cost of installing the offshore pipeline. However, 3D Oil is now studying an option that does not require the use of a specialist pipe-laying barge. This would significantly reduce the overall capital cost and dramatically improve the project's economics due to low operating costs. Once onshore the production would be sent either to a new crude oil stabilisation plant or linked to existing third party facilities.

3D Oil reaffirms that it intends to finalise the development option and award FEED engineering and associated contracts before June with the intention of reaching a Final Investment Decision (FID) before the end of 2010.

## Exploration

Exploration has continued to focus on the Felix prospect, which has the potential to contain up to 100 million barrels of recoverable oil. Detailed geological and geophysical studies continue on the prospect and surrounding region to mature an optimal drilling location and reduce risk.



Further mapping of the region around Felix has also resulted in the identification of a new prospect, Flinders, to the northwest of Felix.

The Flinders Prospect offers potential follow up in the event of a discovery at the Felix Prospect.

## **Partnering Strategy**

3D Oil is well advanced with a program to target suitable exploration and development partners for Vic/P57. Numerous parties have expressed genuine interest in the permit. In order to provide interested parties with adequate time to address a number of areas of technical and commercial detail, 3D Oil has decided to extend the evaluation period.

Management remains excited about the 2010 program and we look forward to demonstrating the full value potential of West Seahorse and Felix during 2010 and beyond.

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