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## **WEST SEAHORSE RESERVES**

A combined 2P reserves and best estimate contingent resource (P50) of 7.86 million barrels of recoverable oil is interpreted to exist in 3D Oil Limited's 100% owned West Seahorse oil field in Vic/P57, Offshore Gippsland Basin, Victoria.

The reserve estimate follows the recent drilling of the West Seahorse 3 appraisal well and a thorough review and analysis of all technical information.

Development options for the West Seahorse field are now being actively pursued.

A study of the results of West Seahorse 3, plus detailed mapping and reservoir analysis of all hydrocarbon bearing zones, high density depth conversion analysis of seismic data, reservoir fluid analysis and reservoir simulation with production forecasting was conducted by 3D Oil Limited and independent expert consultants.

The West Seahorse field contains three separate oil zones: the N1 (Top Latrobe), the N2.6 and the P1 (both intra Latrobe) formations. Reservoir analysis has confirmed the excellent quality of the reservoir units. All consist of thick, stacked fluvial channel sandstones and are expected to provide the high flow rates, supplemented by strong water drive, typical of the Gippsland Basin Latrobe Group reservoirs.

Both the N1 and N2.6 zones currently produce commercial volumes of oil in the neighbouring Seahorse field, operated by the Esso/BHP Billiton Bass Strait joint venture.

The Seahorse field began producing oil in 1990, and is linked via a sub-sea completion, to the Barracouta offshore platform.

The “in-house” reserve assessment of the West Seahorse field has been completed in conjunction with independent consultants and follows SPE/WPC/AAPG guidelines.

These guidelines require that Proved Reserves are those quantities of petroleum which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable from a given date.

3D Oil Limited intends to commission an independent reserves certification of the West Seahorse field to provide independent verification of the reserves and the company’s methodology.

***Reserves and Contingent Resources for the West Seahorse Field in Vic/P57:***

Reserves	1P MMstb	2P MMstb	3P MMstb
N1 and N2.6	3.12	4.63	6.04
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	Low Estimate (P90) MMstb	Best Estimate (P50) MMstb	High Estimate (P10) MMstb
Contingent Resource			
P1 and NE Fault Block	1.98	3.23	5.41
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Total Reserves plus Contingent Resource	5.1	7.86	11.45

The West Seahorse-3 well has been suspended as a future producer and can be sidetracked to a more optimal production location.

3D Oil Limited is currently aggressively exploring a number of development options for the West Seahorse field.

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