



16 June 2014

Dear ROC Shareholder,

Proposed Horizon Oil merger – Independent Expert's Report

ROC recently announced a "merger of equals" with Horizon Oil aiming to create a "New ROC" with an expected market capitalisation of over \$800 million. Since the announcement the ROC share price has increased by approximately 20%. New ROC will have a mixture of high quality producing assets which should support a pipeline of major growth projects including Horizon Oil's PNG gas project. It is an opportunity which your Board and management believes in passionately.

A number of ROC shareholders requested additional information about the overall benefits for shareholders generated through the Merger. Accordingly, with the aim of assisting ROC shareholders in understanding the benefits and risks associated with the Merger, your Board commissioned Grant Samuel & Associates Pty Limited (**Grant Samuel**) to prepare an Independent Expert's Report on the Merger.

The Independent Expert has concluded that the Merger is in the best interests of ROC shareholders.

Grant Samuel has assessed the Merger by:

- comparing the relative values contributed by ROC and Horizon Oil shareholders with the interests they will hold in New ROC;
- evaluating the benefits expected to be realised as a result of the Merger;
- considering any disadvantages of the Merger; and
- assessing whether, overall, ROC shareholders will be better off if the Merger proceeds than if it does not.

Based on that assessment, Grant Samuel concluded that:

- the terms of the Merger are fair to ROC shareholders;
- the Merger benefits are collectively significant and outweigh the disadvantages; and
- the Merger is in the best interests of ROC shareholders.

It is important that you consider Grant Samuel's opinion in the context of their report and subject to the qualifications set out in the report. A full copy of the Grant Samuel report has been released on the ASX and is also available on ROC's website <http://www.rocoil.com.au/Investor--Media-Centre/Announcements/>. You are encouraged to read the Grant Samuel report in full. If you would prefer to receive a printed version of the report then please let us know and we will send you a copy (at our cost).

Your Board believes that the Merger is in the best interests of ROC shareholders, subject to any superior proposal.

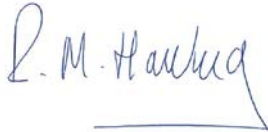
The Board's decision to proceed with the Merger was taken in good faith and followed an extensive due diligence process and proper corporate governance. The Grant Samuel report offers an independent view of the potential benefits and disadvantages of the Merger.

You will have recently received a Notice of an Extraordinary General Meeting to be held on 11 July 2014 (**EGM**). The meeting has been requested by fund manager Allan Gray to consider a resolution to change ROC's Constitution and to frustrate the Merger. Your Board's view is that this is clearly not in the best interests of ROC shareholders.

Your directors unanimously recommend you VOTE AGAINST the resolution proposed at the EGM enabling the merger with Horizon Oil to proceed.

Your vote is important in determining the future of your Company and I urge you to register a vote either by completing a Proxy Form or by attending the meeting. Should you need a new Proxy Form please contact Computershare on 1300 850 505 (within Australia). If you have any questions about the EGM process you can call the ROC Shareholder Information Line on 1300 667 556 (toll free). Your directors will be voting **AGAINST** the resolution.

Yours sincerely,

A handwritten signature in blue ink that reads "M. Harding". The signature is written in a cursive style and is positioned above a horizontal line.

Mike Harding
Chairman