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ASX RELEASE

CEO EXECUTIVE SERVICE AGREEMENT

ROC announces it has entered into new contractual arrangements with its Chief Executive Officer, Mr Alan Linn, with effect from 1 January 2013, including an extension of his existing term and a revision of the "at risk" proportion of his overall remuneration. Key components of the new arrangements agreed with Mr Linn include:

- an extension of Mr Linn's contract term until 31 December 2015;
- a fixed base salary for the three year period; and
- a deferred equity component for a portion of short term incentives (STIs) awarded.

A summary of the key terms that apply to Mr Linn's new remuneration arrangements and other employment terms is attached. All equity grants are subject to shareholder approval and full details of all proposed grants of equity (including revised performance hurdles for long term incentives) will be disclosed in the Notice of Meeting for the upcoming Annual General Meeting.

Commenting on the revised arrangements, ROC's Chairman, Mr Andrew Love, said:

"Mr Linn continues to oversee the strategic transformation for ROC with good progress made during 2012. The changes to Mr Linn's contract reflect the confidence the Board has in Mr Linn to execute this strategy together with a revised incentive structure designed to ensure long term value growth for shareholders. The changes to the overall incentive structure for Mr Linn are a reflection of ROC's commitment to shareholders to more closely link remuneration strategies with Company and individual performance."

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Summary of terms of executive service agreement for Mr Alan Linn

Term	New three year fixed term contract from 1 January 2013 to 31 December 2015 (Term). The parties may agree in writing to extend the Term.
Fixed remuneration	AU\$740,000 for each year of the Term (including superannuation).
Short term incentive	Changes have been made to the key parameters of Mr Linn's short term incentive (STI) entitlement as a result of the Company's broader review of its incentive arrangements. During the Term, Mr Linn will be eligible for an annual STI opportunity of up to 60% of fixed remuneration, subject to satisfaction of a mix of company and personal performance objectives set by the Board. Subject to any necessary or appropriate shareholder approvals, 50% of any STI award will be delivered in the form of deferred equity, which will vest in three tranches over a 1-3 year period. The other 50% will be paid in cash. Details of the terms of deferred equity proposed for 2012 STI award will be set out the in the Notice of Meeting for the Company's upcoming AGM.
Long term incentive	Subject to any necessary or appropriate shareholder approvals, Mr Linn is entitled to participate on an annual basis in the Company's long term incentive (LTI) arrangements from time to time and on terms determined by the Board. Mr Linn's maximum annual LTI opportunity will be 100% of his fixed remuneration. Details of the proposed terms (including performance conditions) for Mr Linn's 2013 LTI award will be set out in the Notice of Meeting for the Company's upcoming AGM.
Expatriate benefits during secondment	Mr Linn is currently on secondment to Roc Oil Malaysia (Holdings) Sdn Bhd and under the terms of his secondment is entitled to certain expatriate benefits (in addition to his fixed remuneration). These include housing and utilities costs, expatriate family medical insurance, cost of schooling for dependent children, agreed flights, local car and transport costs and applicable taxes. These arrangements remain unchanged and as previously reported to shareholders.
Termination	<i>Termination by notice (by ROC or Mr Linn)</i> 6 months' notice in writing is required from either party. A payment in lieu of notice may be paid at the Company's election. <i>Misconduct</i> - Termination will occur without notice. <i>Incapacity</i> - The Company may terminate the employment by providing 3 months' notice in writing. A payment in lieu of notice may be paid at the Company's election. <i>Material diminution</i> - If a material diminution (i.e. a substantial diminution of Mr Linn's job content, status, responsibilities and/or authority) occurs and Mr Linn resigns, Mr Linn is entitled to a termination payment of 12 months' base salary. <i>Expiry of the Term</i> - No notice of termination is required.

General

In addition to accrued employee entitlements, the following termination benefits are contemplated under the contract:

- Reasonable repatriation expenses will be payable in all termination scenarios other than cause.
- Where the termination date falls part way through a performance year, Mr Linn may be entitled to pro rata STI (based on performance and time served), except where termination is for cause.
- Any previously granted STI and LTI entitlements will be dealt with in accordance with the terms on which they were granted. For grants made under the new contract, acceleration of vesting is only intended in the event of termination for death or total and permanent disablement. In other termination scenarios (except termination for cause) it is intended that unvested entitlements will remain on foot and vest (subject to applicable vesting conditions) in the ordinary course.
- Termination benefits in all scenarios will be capped at the maximum amount that can be paid without shareholder approval under termination benefits laws.

Non-compete

From the termination date, Mr Linn will be subject to various non-compete obligations for a period of six months.
