



1 April 2014

## ASX RELEASE

# RESERVES STATEMENT: ROC 2P RESERVES INCREASE BY 71% TO 20.9 MMBOE

### HIGHLIGHTS

- **2P Reserves increase by 71% to 20.9 mmboe as at 1 January 2014**
- **2C Resources increase to 48.8 mmboe**
- **Best Estimated Prospective Risked Resource upgraded to 43.6 mmboe**
- **Reserves & Resources (2P + 2C) life increases to ~28 years<sup>1</sup>**

Roc Oil Company Limited (ASX: ROC) today announced that proved plus probable (2P) petroleum reserves have increased to 20.9 million barrels of oil equivalent (mmboe) as at 1 January 2014.

The 2P reserves increase of 8.7 mmboe (economic interest to ROC 50%) from 12.2 mmboe at 31 December 2013, represents a 71% increase and is attributable to the farm in by ROC to the D35, D21 and J4 PSC (Fields), located offshore Malaysia.

The Fields also provide access to 2C Contingent Resources of 39.8 mmboe (economic interest to ROC 50%). The sale of BMG has reduced 2C resources by -14.6 mmboe, giving a net 2C position to ROC of 48.8 mmboe (economic interest). Best estimated Prospective Risked Resources have also increased from 31.6 mmboe to 43.6 mmboe with the inclusion of prospective volumes within the Fields.

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<sup>1</sup> The 'reserves and resources' life is the 2P reserves (Developed and Undeveloped) plus the 2C resources divided by, 2013 economic interest production of 2.5 mmboe

## ROC RESERVES AND RESOURCES STATEMENT (UNAUDITED)

Evaluation date 1 January 2014

### Economic Interest Reserves

	1P Developed and Undeveloped			2P Developed and Undeveloped		
	Oil (MMBBL)	Gas (BCF)	BOE (MMBOE)	Oil (MMBBL)	Gas (BCF)	BOE (MMBOE)
<b>Opening Balance 31 Dec 2013 (Economic Interest)</b>	9.0	0.8	9.1	12.1	1.0	12.2
D35/D21/J4 (Economic Interest)	4.8	7.8	6.1	6.8	11.5	8.7
<b>Closing Balance 1 Jan 2014 (Economic Interest)</b>	<b>13.8</b>	<b>8.6</b>	<b>15.2</b>	<b>18.9</b>	<b>12.5</b>	<b>20.9</b>

### Economic Interest Reserves by Asset

	1P Dev Oil (MMBBL)	1P Undev Oil (MMBBL)	1P Dev Gas (BCF)	1P Undev Gas (BCF)	1P Total BOE (MMBOE)	2P Dev Oil (MMBBL)	2P Undev Oil (MMBBL)	2P Dev Gas (BCF)	2P Undev Gas (BCF)	2P Total BOE (MMBOE)
Zhao Dong	2.2	0.6	0.5	0.2	2.9	2.4	1.2	0.6	0.3	3.7
Beibu	3.9	0.0	0.0	0.0	3.9	4.7	0.0	0.0	0.0	4.7
Cliff Head	1.4	0.0	0.0	0.0	1.4	2.2	0.0	0.0	0.0	2.2
Blane	0.7	0.0	0.1	0.0	0.7	1.3	0.0	0.1	0.0	1.3
Enoch	0.2	0.0	0.0	0.0	0.2	0.3	0.0	0.0	0.0	0.3
D35/D21/J4	1.5	3.3	4.5	3.3	6.1	2.4	4.4	6.2	5.3	8.7
<b>Closing Balance 1 Jan 14</b>	<b>9.9</b>	<b>3.9</b>	<b>5.1</b>	<b>3.5</b>	<b>15.2</b>	<b>13.3</b>	<b>5.6</b>	<b>6.9</b>	<b>5.6</b>	<b>20.9</b>

### Economic Interest Reserves and Resources by Region

	2P		2C		Best Estimate Prospective Risked Resource		
	MMBOE	Oil MMBBL	Gas BCF	MMBOE	Oil MMBBL	Gas BCF	MMBOE
Malaysia	8.7	36.9	17.2	39.8	12.0	0.0	12.0
China	8.4	4.8	1.0	4.9	30.9	1.3	31.1
Australia	2.2	2.3	-	2.3	0.5	-	0.5
UK	1.6	0.9	5.6	1.8	0.0	0.0	0.0
<b>Closing Balance 1 Jan 14</b>	<b>20.9</b>	<b>44.9</b>	<b>23.8</b>	<b>48.8</b>	<b>43.4</b>	<b>1.3</b>	<b>43.6</b>

### Reconciliation of Economic Interest Resources

	2C BOE (MMBOE)	Best Estimate Prospective Risked Resource <sup>(1)</sup> (MMBOE)
<b>Opening Balance 31 Dec 13</b>	23.6	37.8
D35/D21/J4 (Economic Interest)	39.8	12.0
<b>BMG Sale</b>	(14.6)	(6.2)
<b>Closing Balance 1 Jan 2014 (Economic Interest)</b>	<b>48.8</b>	<b>43.6</b>

Notes:

1. This is ROC's initial assessment of estimated prospective risked resources and will be revised during the phase 1 and 2. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation are required to determine the existence of a significant quantity of potentially moveable hydrocarbons.
2. The BOE conversion used is 6000SCF = 1BBL

### **Reserves and Resources Methodology**

The deterministic method has been used to compile Reserve and Resource estimates. The aggregate 1P may be a very conservative estimate and the aggregate 3P may be a very optimistic estimate due to the portfolio effects of arithmetic summation. Prospective Resources have been adjusted for risk using the chance of discovery.

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### **Reserves and Resources Governance**

ROC has put in place an Estimation and Reporting of Reserves and Resources Guideline which sets out the governance arrangements and internal controls regarding the reported estimates of petroleum reserves and resources and the estimation process to apply at ROC. The guideline provides for an annual review of all reserves and resources by the ROC Chief Reservoir Engineer ('CRE') and for an annual audit covering all material assets over a rolling three year period.

All audits are undertaken by independent third party resource evaluators and are overseen by the CRE who is a petroleum reserves and resources evaluator qualified in accordance with ASX Listing Rule requirements. No public reporting of any reserves or resources estimate is permitted without the sign off of the CRE and the approval of the Chief Executive Officer. All public reporting of the reserves or resources estimates is in accordance with the requirements set out in Chapter 5 of the ASX Listing Rules and the ROC Continuous Disclosure Policy.

The reserves and resources reported in this Statement were estimated, reviewed and audited in accordance with this guideline.

### **CRE Sign Off**

The reserves and resources information in this Statement is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Bill Billingsley (Chief Reservoir Engineer and a full time employee of ROC). Mr Billingsley BSc (Chem) MSc (Petroleum Engineering) DIC (Imperial College) is a member of the Society of Petroleum Engineers and has more than 18 years relevant experience within the petroleum industry. The reserves and resources information in this Statement has been issued with the prior written consent of Mr Billingsley in the form and context in which it appears.

**Appendix 1 – Reporting of Petroleum Reserves and Resources for a Material Project - D35, D21 & J4**

As of 1 January 2014	Oil (ROC net 50%)			Gas (ROC net 50%)			Total BOE (6mscf/bbl)
	Developed MMBBL	Undeveloped MMBBL	Total MMBBL	Developed BCF	Undeveloped BCF	Total BCF	
1P	1.5	3.3	4.8	4.5	3.3	7.8	6.1
2P	2.4	4.4	6.8	6.2	5.3	11.5	8.7
2C			36.9			17.2	39.8
Best Estimate Prospective Risked Resource			12.0			-	12.0

The BOE conversion used is 6000SCF = 1BBL

Reserves	
Economic Assumptions and Methodology	<p>Oil Price: Based on ROC Board approved long term average Brent price consensus.</p> <p>Gas Price: A fixed ratio against an LNG bench mark.</p> <p>Costs: Most likely estimate of costs.</p>
Permit or Licence	D35, D21 and J4 PSC
Basis for confirming reducibility and booking reserves	The reserves are related to formations that have already produced elsewhere in the assets during the initial development. Additional reserves therefore have numerous in-field analogues regarding producibility.
Analytical procedures used to estimate the reserves	Developed reserves have been estimated using industry standard performance based tools. Undeveloped reserves are estimated using a combination of existing well logs, structure mapping from seismic and recovery factor estimates from the initial development. A portion of the undeveloped reserves is accessible from existing wellbores.
Proposed extraction method and any specialised process required	Artificial lift using Gas Lift
Estimated quantities to be recovered	See table above
<p>Undeveloped petroleum reserves:</p> <ul style="list-style-type: none"> <li>- Status of the project</li> <li>- Development date</li> <li>- Marketing arrangements</li> <li>- Access to transportation</li> <li>- Environmental approvals</li> </ul>	<ul style="list-style-type: none"> <li>- The development projects are targeting undeveloped reserves pools from the existing infrastructure.</li> <li>- The pools will be targeted within 5 years.</li> <li>- The undeveloped Petroleum will be comingled with the current production and marketed in the same manner as the developed reserves.</li> <li>- All Environmental approvals have been granted.</li> </ul>

Contingent Resources	
Permit or Licence	D35, D21 and J4 PSC
Basis for confirming existence of a significant quantity of potentially moveable hydrocarbons and the determination of the discovery.	The assets are all currently on production.
<p>Description of</p> <ul style="list-style-type: none"> <li>- Analytical procedures used to estimate the contingent reserves.</li> <li>- Key contingencies that prevent the contingent resources from being classified as a petroleum reserve.</li> <li>- Further appraisal drilling and evaluation work to be undertaken to assess the potential for commercial recovery and to progress the material project.</li> </ul>	<ul style="list-style-type: none"> <li>- A combination of volumetric, material balance, industry analogues and commercial screening has characterised the contingent volumes.</li> <li>- Additional studies required to ensure that the additional pressure support will deliver additional economic oil, bypassed targets can be identified and EOR techniques can be applied.</li> <li>- In addition to the studies above, drilling projects undertaken to develop the undeveloped reserves will also be targeted to appraise contingent resources in other reservoirs.</li> </ul>

Best Estimate Prospective Risked Resource	
Permit or Licence	D35, D21 and J4 PSC
<p>Description of</p> <ul style="list-style-type: none"> <li>- Basis on which the perspective resource are estimated.</li> <li>- Further exploration activities, including studies, further data acquisition and evaluation work, and exploration drilling to be undertaken and the expected timing of those exploration activities.</li> </ul>	<ul style="list-style-type: none"> <li>- Prospective Resources have been identified near the existing producing fields, at the same oil producing stratigraphic levels but are deemed isolated from the current field development and cannot be accessed via the existing infrastructure.</li> <li>- A combination of geological modelling, field analogues and volumetric assessment have been used to estimate the Prospective Resources.</li> <li>- Over the coming 3 years, geological and geophysical studies such as seismic reprocessing will further mature this potential and will lead to exploration well drilling. The first exploration well could possibly be in 2015.</li> </ul>
Assessment of the chance of discovery and the chance of development	- The chance of discovery is high as it is a proven oil and gas play, near to existing discoveries. There is a risk that there are insufficient volumes for a commercial development.
Explanation of how the estimates were adjusted for risk	- Prospective Resources have been risked at 50% to reflect that the identified prospective resources require further study and a commercial threshold established.