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# ASX RELEASE

# ROC 2013 FULL YEAR FINANCIAL RESULTS

- **ROC reports another strong full year operational and financial result**
- **Production up 12% from 2012 to 2.7 MMBOE and at the high end of guidance**
- **Sales revenue up 4% from 2012 to US$251 million**
- **Full year profit US$45.2 million**

Roc Oil Company Limited (ASX: ROC) today announced its full year results for the 12 months to 31 December 2013.

Commenting on the results, ROC's Chief Executive Officer, Mr Alan Linn, said:

"ROC delivered a strong operational and financial performance in 2013, with an NPAT of US$45.2m on a sales revenue of US$251 million. This is our third successive year of profit.

Our balance sheet has capacity to fund value adding growth opportunities to the business during 2014. Net cash at 31 December was US$65.1 million with undrawn debt facilities of US$66.1 million.

Production was at the higher end of our guidance at 7,263 BOEPD, underpinned by continuing reliable performance from Zhao Dong and the successful commencement of production from the Beibu Gulf fields in March 2013.

The Beibu development has been a real success story, offering a blend of efficient development; incremental exploration success and cooperative partnerships, all combining to complete a project which has delivered significantly ahead of reserve, production and cost expectations.

In Zhao Dong we have been working closely with PetroChina on the next stage of development for the Zhao Dong field, this work culminated in the submission of an incremental development plan (IDP) for the field in late 2013 which maximises production from the fields until 2018; following which it proposes a detailed incremental development plan which seeks to maximise oil recovery from the fields between 2018 -2023. This section of the plan, which is currently under consideration, will require a PSC extension prior to commitment and implementation.

The team in China has made excellent progress on our exploration Block 09/05, offshore Bohai Bay China. The early completion of the 162km$^2$ ocean bottom cable seismic acquisition safely, within budget and producing high quality data was an outstanding achievement, particularly given the volume of marine traffic in the Tanggu port area. Data processing is ongoing and results will be used to refine the drilling location(s) for at least one exploration well in 2H14.

We are continuing to make good progress in Malaysia and the FDP for the Bentara oil field was submitted in December 2013. Following approval of the FDP we will commence final field testing

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and move into production using the existing pre development facilities to optimise the initial oil development cost.

Cliff Head has continued to perform in line with expectations and we will be assessing near field potential in 2014 as the asset moves into a mature production phase. With the recent increases in the Australian gas market pricing we are revisiting our BMG asset, which contain a considerable gas resource base to identify an attractive route to market, concurrent with the divestment process we initiated in 2013.

Our strategic program to focus the business on China, South East Asia and Australia is continuing and we can report the completion of the sale of ROC's interest in the Juan de Nova Block (Africa) to SAPETRO for a total consideration (and after tax profit) of US$8.0million.

In 2013 we participated in the Myanmar onshore and offshore licence rounds and are continuing to identify and pursue attractive projects opportunities in Malaysia, South East Asia and China".

**FINANCIAL**

- Net profit after income tax of US$45.2 million (2012: US$61.0 million)
- Sales revenue of US$251.0  million (2012: US$242.1 million) with an average realised oil price of US$104.61/BBL (2012: US$113.60/BBL), a discount of 4% to the average Brent oil price US$108.66/BBL
- Net cash position of US$65.1 million (2012: 56.8 million)
- Net cash flow from operations of US$101.5 million (2012: US$126.3 million)
- Gross Profit of US$96.1 million (2012: US$106.2 million)
- ROC's investment in BCP Malaysia at year end is US$67.2 million and has been impaired by US$6.9m based on discounted cash flows of the expected future recoverable costs and cash flows of the Bentara oil project, subject to FDP approval.

**OPERATIONAL**

- Production of  2.7 MMBOE (7,263 BOEPD) (2012: 2.4 MMBOE)
- Exploration and appraisal expenditure incurred of US$16.0 million (2012: US$29.0 million)
- Equity Investment into BCP (Malaysia) of US$40.7 million to complete pre-development work
- Development expenditure incurred of US$60.7 million (2012: US$65.3 million)
- Production costs of US$19.3/BOE (2012 US$15.1/BOE)
- Amortisation costs of US$26.7/BOE(2012 US$30.0/BOE)

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