



1 April 2014

ASX RELEASE

ROC FARMS IN TO PRODUCTION SHARING CONTRACT, OFFSHORE MALAYSIA

Roc Oil Company Limited (ASX: ROC), is pleased to announce the farm in to a Production Sharing Contract (PSC) which includes three fields D35, D21 and J4 (Fields), located offshore Malaysia in water depths of approximately 50 metres. The Fields are currently 100% owned and operated by PETRONAS Carigali and ROC has farmed into a 50% participating interest. The Fields are in production with a combined daily oil rate of approximately 10,000 bopd and gas sales of approximately 17 mmscf/d gross working interest. ROC's economic interest (50%) of the 2P reserves from the Fields is 8.7 mmbœ.

ROC's Chief Executive Officer Mr Alan Linn said: "The farm in is an excellent fit for our business and in line with our Asian development strategy, we expect the Fields to become cornerstone development assets within our growing regional portfolio. The Fields, particularly D35, contain material in place oil and gas volumes, and overall field recovery is expected to benefit significantly from the introduction of secondary and tertiary recovery technologies. The fields provide a portfolio of immediately bookable reserves plus contingent and prospective resources, which combined materially add to and extend the reserves and resources life of ROC.

The farm in agreement includes amendments to the existing PSC effective from 1 January 2014 until December 2034. The PSC terms are designed for field redevelopment and enhanced oil recovery (EOR) to commercially encourage progressive incremental oil development over the full life of the PSC.

ROC's experience in the redevelopment of the Zhao Dong fields, offshore Bohai Bay, China, is a good analogy for the redevelopment potential of the Fields. Since 2006, ROC has doubled the recoverable reserves in Zhao Dong with a combination of reservoir development optimisation; facilities debottlenecking; capacity enhancement and the introduction of low cost drilling for production and injection wells designed to maximise recovery from compartmentalised reservoirs. PETRONAS Carigali and ROC will work together to unlock the Fields' redevelopment potential and our track record has been key in bringing this significant redevelopment opportunity to ROC."

Farm In Terms

Key terms in the agreements are summarised below:

- US\$25 million plus a carry with a 50% participating interest of US\$80 million for the project spread over Phases 1 and 2.
- The project will be delivered by an Integrated Project Team comprising personnel from ROC and PETRONAS Carigali. PETRONAS Carigali will continue to be the Operator of the PSC and retains responsibility for operations and maintenance of the Facilities. PCSB has appointed ROC as the Project Development Manager, responsible for subsurface management, well engineering, new facilities projects and project execution.

About the Project

The Fields are located offshore Malaysia. D35 is the largest of the three fields with the longest production history and represents a significant brownfield redevelopment project. Within the D35 field boundary there is evidence of significant appraisal and near field exploration potential. J4 and D21 are satellite producing assets with similar potential and together they comprise the D35, J4 and D21 PSC.

The proposed redevelopment project consists of distinct phases:

1. Phase 1 Redevelopment – commencing in early 2014 is designed to increase oil production rate and enhance the Fields production potential through a series of intervention activities and facility debottlenecking projects. The Phase 1 activities include an agreed work scope and are expected to contribute approximately 17.4 mmboe of 2P gross economic entitlement (ROC net 50%: 8.7 mmboe) from 1 January 2014. Phase 1 has a minimum work commitment of US\$70 million gross and an estimated total capital investment requirement of up to US\$250 million gross, operating costs associated with Phase 1 are expected to be approximately US\$22/boe.
2. The Phase 2 EOR Project is expected to significantly expand the production and overall recovery potential from the Fields by accessing 2C Contingent Resources of 79.6 mmboe gross economic entitlement reserves (ROC net 50%: 39.8 mmboe). The Phase 2 project is subject to a Field Development Plan (“FDP”) decision, following completion of a series of studies designed to prove the reservoirs’ responses to re-pressurisation and tertiary recovery. Completion of the study work and the subsequent FDP approval process is planned during 2015. Phase 2 has a minimum work commitment of US\$50 million gross and full phase 2 redevelopment cost estimates will be refined during the study period.

In addition, the project also offers exploration opportunities, initial assessment of the Best Estimated Prospective Risked Resources associated with these fields is approximately 12mmboeⁱ (ROC net 50%) and requires further evaluation, however, one well is already under consideration for drilling in 2015.

Alan Linn
Executive Director
& Chief Executive Officer

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Notes

- *In accordance with ASX Listing Rules, reserves and resources information in this Release 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 Release has been issued with the prior written consent of Mr Billingsley in the form and context in which it appears.*
 - *Consistent with recent changes in the ASX listing rules adopted 1/12/13 the reserves and resources numbers presented are on an “economic entitlement” basis.*
 - *The deterministic method has been used to compile Reserves, Contingent Resources and Best Estimated Prospective Risked Resources estimates. The aggregate 1P may be a very conservative estimate due to the portfolio effects of arithmetic summation.*
 - *The BOE conversion used is 6000SCF = 1BBL.*
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ⁱ This is ROC’s initial assessment of estimated prospective risked resources and will be revised during phases 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.