



QUARTERLY ACTIVITY REPORT

ACTIVITIES FOR THE SECOND QUARTER ENDING 30 JUNE 2013

HIGHLIGHTS

- Production of 6,691 BOEPD up 7% from 1Q13
- Revenue of US\$56.8 million down 1% from 1Q13
- Net cash position of US\$58.1 million
- Received first oil sales revenue from the Beibu project totalling US\$11.8 million for the Quarter
- Balai Cluster pre-development appraisal continues with completion of drilling activities
- 3D seismic operations in Block 09/05, Bohai Bay, China, commenced on 25 July

CEO COMMENTS

The Quarter concluded another successful half year for ROC, continuing our focus on delivering operational activities and underlying profitability across our business.

Overall Group production was in line with expectations at 6,478 BOEPD for the first half ended 30 June 2013. Production is forecast to be higher during 2H13 with Beibu Gulf production online for the full period, complemented by completion of the WZ12-8 West Field development drilling. Higher production rates are also forecast from Zhao Dong following additional development drilling. FY13 guidance remains between 6,500 -7,500 BOEPD.

Progress on the Beibu Gulf Project continues to be very positive with first oil sales commencing in the Quarter. Trial Production from the WZ 6-12 development is approximately 10,000 BOPD (gross). The final phase of development drilling on the WZ 12-8 West Field is underway with all five development wells spudded during the Quarter. The field should reach peak production of approximately 15,000 BOPD (gross) at the end of 3Q13, on completion of the WZ 12-8 development wells.

Work to appraise the four marginal fields within the Balai Cluster in Malaysia is ongoing. Bentara-3, the fifth and final well, was drilled and completed in June. The Early Production Vessel (EPV) Balai Mutiara has commenced final commissioning in field with Extended Well Tests (EWT) expected to commence during Q3. Subject to EPV testing and commercial viability, BC Petroleum (BCP) aims to move towards submission of a Field Development Plan (FDP) and Final Investment Decision (FID) by 31 December 2013.

During the Quarter ROC sustained its first lost time injury at Zhao Dong in over two years. ROC injury statistics remain below the APPEA five year average (ROC TRIFR of 2.38 compared to APPEA five year average of 5.2) despite this unfortunate incident.

ROC continues working to create the safest possible workplace and environment for our teams and the communities where we work.

ROC continues to pursue business development and low risk exploration potential, and prequalified to participate in the recently announced Myanmar onshore and offshore bidding rounds 1H13.

3D seismic acquisition on the 09/05 exploration licence in the Bohai Bay, offshore China, close to the Zhao Dong asset, commenced in July. The seismic will be used to refine the exploration potential in the licence and finalise the initial drilling location for a 2014 exploration well.

Alan Linn
CEO and Executive Director

FINANCIAL SUMMARY

- Total working interest production for 2Q13 of 0.609 MMBOE (6,691 BOEPD); up 8% compared to 0.564 MMBOE (6,263 BOEPD) in 1Q13 mainly due to commencement of Beibu oil production.
- Of the total working interest production 0.05 MMBBL (7%) was delivered to host governments (1Q13: 0.04 MMBBL).
- Resulting sales volumes of 0.576 MMBOE (1Q13: 0.519 MMBOE).
- Total sales revenue of US\$56.8 million; compared to US\$57.3 million in 1Q13 mainly due to lower realised oil price, offset by higher sales volume from the Beibu Project.
- Average realised oil price of US\$98.61/BBL, a decrease of 11%; compared to US\$110.43/BBL in 1Q13. Brent averaged \$102.43/bbl for 2Q13.
- At 30 June ROC had net cash of US\$58.1 million with undrawn debt facilities of US\$76.3million.
- ROC had no hedge positions at 30 June.
- Exploration and development expenditure of US\$20.5m (1Q13: US\$16.8m) plus additional BCP equity funding of US\$20.6m (1Q13: US\$0m).

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Summary of oil sales

| | 2Q 2013 | | 1Q 2013 | | YTD 2013 | |
|--------------------------|----------------|---------------|----------------|---------------|------------------|----------------|
| | BBL | US\$'000 | BBL | US\$'000 | BBL | US\$'000 |
| Beibu | 120,387 | 11,796 | - | - | 120,387 | 11,796 |
| Blane | 36,622 | 3,780 | 75,121 | 8,563 | 111,743 | 12,343 |
| Cliff Head | 103,252 | 10,285 | 100,648 | 11,273 | 203,900 | 21,558 |
| Enoch | - | - | - | - | - | - |
| Zhao Dong | 315,803 | 30,948 | 343,315 | 37,485 | 659,118 | 68,433 |
| Other | - | - | 3 | - | 3 | - |
| Total Oil Sales | 576,064 | 56,809 | 519,087 | 57,321 | 1,095,151 | 114,130 |
| Blane (NGL's) | - | - | - | - | - | - |
| Total Sales (BOE) | 576,064 | 56,809 | 519,087 | 57,321 | 1,095,151 | 114,130 |

Exploration and development expenditure incurred

| | 2Q 2013 US\$'000 | 1Q 2013 US\$'000 | YTD 2013 US\$'000 |
|--|---------------------|---------------------|----------------------|
| Exploration | | | |
| China | 316 | 283 | 599 |
| Other (includes New Ventures) | 2,146 | 1,934 | 4,080 |
| Total Exploration | 2,462 | 2,217 | 4,679 |
| Development | | | |
| Zhao Dong | 5,774 | 5,551 | 11,325 |
| Beibu | 12,270 | 9,057 | 21,327 |
| Total Development | 18,044 | 14,608 | 32,652 |
| Total Exploration & Development | 20,506 | 16,825 | 37,331 |

Production

| Oil Production (working interest; BBL) | 2Q 2013 | 1Q 2013 | YTD 2013 | % Change (1Q13 to 2Q13) |
|--|----------------|----------------|------------------|----------------------------|
| Beibu | 124,454 | 4,474 | 128,928 | - |
| Blane | 29,130 | 78,035 | 107,165 | (63%) |
| Cliff Head | 101,411 | 101,539 | 202,950 | 0% |
| Enoch | - | - | - | - |
| Zhao Dong | 352,197 | 376,155 | 728,352 | (6%) |
| Other | - | 3 | 3 | N/A |
| Total Oil Production | 607,192 | 560,206 | 1,167,398 | 8% |
| Blane (NGL Production) | 1,718 | 3,489 | 5,207 | (51%) |
| Total Production (BOE) | 608,910 | 563,695 | 1,172,605 | 8% |
| Average Rate (BOEPD) | 6,691 | 6,263 | 6,478 | 7% |

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PRODUCTION

Beibu Gulf, offshore China (ROC: 19.6%)

Following the successful hook-up and commissioning of the Beibu development offshore facilities, the ten well development drilling program on the WZ 6-12 wellhead platform has been completed safely and within budget. Trial production from the developed fields is approximately 10,000 BOPD (ROC: 1,960 BOPD).

The COSL HYSY 931 jack-up drilling unit has now moved onto the WZ 12-8 West Field, the final phase of development drilling. All five wells (A1H to A5H) in the WZ 12-8 West Field spudded in June and are in progress, with all wells drilled in batch mode to reach the 9-5/8" casing depth and casing run. Drilling of the horizontal reservoir sections commenced in July, with the A1H well now completed and producing with first hydrocarbons reaching the PUQB on 22 July. Development drilling of the field is expected to be completed in 3Q13.

Plateau production from the combined Beibu Gulf producing fields is expected at the end of 3Q13, with average gross daily rates of approximately 15,000 BOPD.

Zhao Dong Oil Fields, Bohai Bay, Offshore China (C & D Oil Fields ROC: 24.5% & Operator, C4 Oil Field ROC: 11.575% unitised & Operator, Zhenghai ROC: 39.2% & Operator)

Zhao Dong gross oil production averaged 17,331 BOPD (ROC: 3,870 BOPD); down 7% versus 1Q13. The lower production figure is the result of natural decline and the completion of the extended appraisal drilling programme which delayed the production ramp up. Production is anticipated to increase during 3Q13.

Electrical cable laying was completed during the Quarter from shore out to Zhao Dong platform. The cabling will be used to supply additional electricity in the future. Commissioning activities commenced in July.

During the Quarter five development wells were drilled.

Cliff Head Oil Field, WA-31-L, Offshore Western Australia (ROC: 42.5% & Operator)

Gross oil production averaged 2,622 BOPD (ROC: 1,114 BOPD); approximately in line with the previous quarter.

Blane Oil Field, North Sea (ROC: 12.5%)

Gross oil production averaged 2,561 BOPD (ROC: 320 BOPD); down 63% from the previous quarter following shutdowns on Ula platform during May not related to the Blane field. Production is expected to resume in early August.

Enoch Oil and Gas Field, North Sea (ROC: 12%)

The Enoch field remains shut-in awaiting reinstatement of the production tree. The remedial activity required to reinstate production is planned for later in 2013 with production expected to commence early 2014.

DEVELOPMENT

Basker-Manta-Gummy (BMG) Oil and Gas Fields (ROC 37.5% and operator)

BMG remains in a non-production phase (NPP). ROC continues to pursue a farm-down or divestment process for BMG.

EXPLORATION AND APPRAISAL

Balai Cluster Risk Service Contract (RSC), offshore Sarawak, Malaysia (ROC: 48%)

Balai Cluster RSC pre-development activities continued, with the drilling and completion of Bentara-3, the fifth and final well in June.

Assessment of the Bentara-3 well results indicates estimated net hydrocarbon pay of approximately 83 metres across 16 sandstone reservoir intervals. The Bentara-3 pre-development well is located approximately one kilometre from Bentara-2 and confirmed the northern and eastern extents of hydrocarbons in the Bentara field. The well has been cased and completed in preparation for EWT with the EPV Balai Murtiara.

The Ensco 53 drilling rig has been demobilised to Singapore.

At the end of the Quarter the EPV Balai Mutiara was on location at the Balai well head platform competing final commissioning and in-field trial operations.

The next phase in the pre-development programme is to conduct EWTs which will provide additional data regarding reservoir deliverability and continuity, as well as hydrocarbon quality. EWT is expected to commence in 3Q. Subject to EWT and commercial viability BCP aims to submit a FDP and move towards FID by 31 December 2013.

During the Quarter ROC contributed an additional \$20.6 million in equity to fund the pre-development work.

Block 09/05, Bohai Bay, offshore China (ROC: 100% & Operator)

Geo-technical interpretation work is progressing well and a 150km² 3D seismic acquisition programme commenced operations on 25 July 2013. The 3D seismic programme is targeted at maturing exploration prospects on trend with Bohai Bay producing fields ahead of exploration drilling currently scheduled for 2014.

Juan de Nova (Africa)

The sale by ROC of its offshore Juan de Nova Mozambique Channel interest is conditional on final French government approval.

Equatorial Guinea (ROC: 20%)

Discussions between the co-venturers are ongoing on the possible drilling of one exploration well in Block H, subject to joint venture and government approval.

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Myanmar

ROC has pre-qualified for the Myanmar Offshore licencing round. This is in addition to ROC's pre-qualification for the Onshore licencing round which comprises of 18 onshore blocks and closes end August 2013. The review of Myanmar opportunities is aligned with ROC's strategic objective to identify and secure value adding opportunities in established petroleum provinces across South East Asia.

CORPORATE

ROC will announce its results for the half year ended 30 June 2013 on Wednesday 28 August 2013. The half-year report (incorporating Appendix 4D) and associated investor briefing presentation will be available on ROC website at www.rocoil.com.au

A webcast briefing, including investor/analyst questions, will be available on ROC's website.

DEFINITIONS

| | |
|---------|--|
| BBL(S) | barrel(s) |
| BCP | BC Petroleum Sdn Bhd |
| BOE | barrels of oil equivalent (6 MSCF = 1 BOE) |
| BOPD | barrels of oil per day |
| BOEPD | barrels of oil equivalent per day |
| CNOOC | China National Offshore Oil Company Ltd |
| EPV | Early Production Vessel |
| EWT | Extended Well Tests |
| FDP | Field Development Plan |
| FID | Final Investment Decision |
| HSEC | Health, Safety, Environment, Communities |
| LTI | lost time injury |
| MMBBL | million barrels |
| MMBOE | million of barrels of oil equivalent |
| NGL | natural gas liquids |
| NPP | non-production phase |
| PUQB | Processing, Utility and Quarters |
| Quarter | the period 1 April 2013 to 30 June 2013 |
| ROC | Roc Oil Company Limited and includes, where the context requires, its subsidiaries |
| RSC | Risk Service Contract |
| YTD | year to date |

In accordance with ASX Listing Rules, the information in this report has been reviewed and approved by Mr Bill Billingsley, Chief Reservoir Engineer, Roc Oil Company Limited, BSc (Chem), MSc (Petroleum Engineering), DIC (Imperial College). Mr Billingsley is a member of the Society of Petroleum Engineers and has more than 17 years relevant experience within the industry and consents to the information in the form and context in which it appears.

FURTHER INFORMATION

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