

25 May 2009



**ROC OIL COMPANY LIMITED ("ROC")**  
**STOCK EXCHANGE RELEASE**

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**INVESTOR PRESENTATION – MAY 2009**

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Attached is ROC's latest investor presentation. A copy is also available on ROC's website at:  
[http://www.rocoil.com.au/Public/Investor\\_Centre/Presentations.aspx](http://www.rocoil.com.au/Public/Investor_Centre/Presentations.aspx)

**Matthew Gerber**  
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**Investor Relations & External Affairs**

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**ROC OIL COMPANY LIMITED**



# 2009 STRATEGY DAY PRESENTATION



25-26 May 2009



# Will Jephcott Deputy Chairman



# INTRODUCTION

- **Early recognition of issues and decisive response**
  - management stabilised
  - focus on production and development
  - focus on lowering costs and delivering budgets
  - “right-size” the business
  - secure banking relationships
- **Management delivering**
  - production on target
  - re-engineering of BMG: phased “fit for purpose” development
  - Zhao Dong development almost completed
  - exploration reduced and/or farmed out
  - substantial cost reductions
  - CBA bridging facility
- **Expect more progress and initiatives**



# Bruce Clement

## Chief Executive Officer



# 2009 Strategy and Plans

# 2008 OPERATING PERFORMANCE

**Gippsland Basin**



**Beibu Gulf**



**UK North Sea**



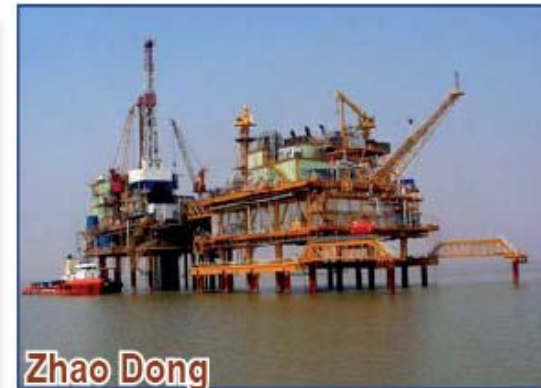
**Perth Basin**



**Angola**

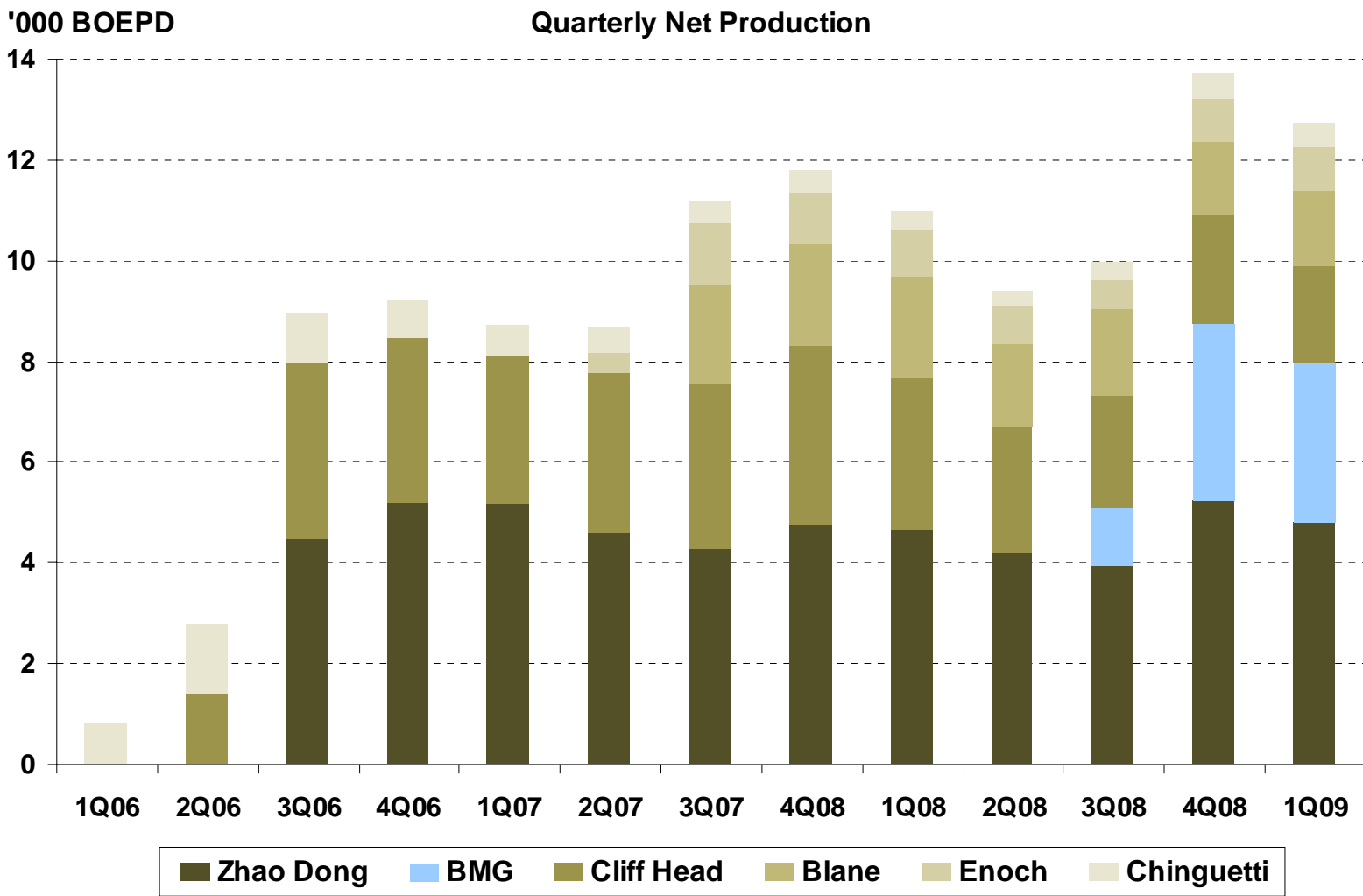


**Zhao Dong**





# PRODUCTION HISTORY



1Q 2009 production 12,789 BOEPD



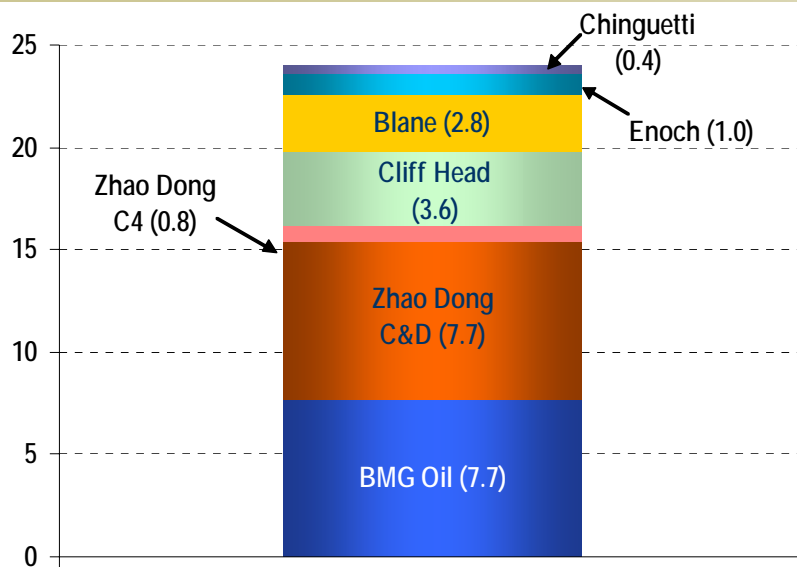


## CURRENT POSITION

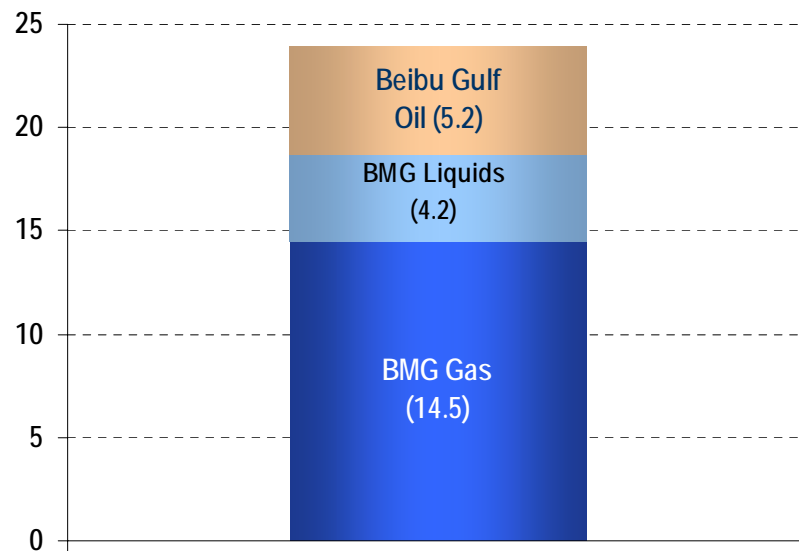
- **Underlying business is healthy**
  - anticipate 2009 operating cash flow in excess of US\$100 million at a Brent oil price less than US\$50/BBL
  - production over 12,000 BOEPD year to date
  - US\$35 million Bridge Loan Facility from CBA
  - funding in place to underpin 2009 business plans, which includes US\$90 million to US\$100 million development investment
- **Strong operating and technical team**
  - approximately 35,000 BOEPD operated production in Australia and China in 1Q09
  - operating major development projects at Zhao Dong and Beibu Gulf, China and BMG, Australia
  - exploration focused in Australia and Southeast Asia



# STRENGTHENED 2P RESERVES & RESOURCE BASE (at 31 December 2008)

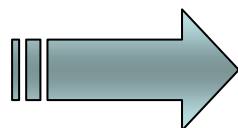


2P Remaining Reserves  
24.0 MMBOE



Best Estimate (2C) Contingent Resources  
23.9 MMBOE

- 2P Reserves at year end of 24.0 MMBOE (over 99% oil)
  - 47% located in Australia
  - 35% located in China
- Additional 3P Reserves and near field exploration potential
  - Cliff Head, BMG and Zhao Dong



**Significant leverage to oil price**

# STRATEGY

- Fully exploit reserve and resource base
- Leverage operating and technical capabilities and strengths to create growth opportunities through exploration, development and production
- Balance and manage risk, including financial, operating and resource risks
- Steward financial resources and focus on financial performance



**Balanced Exploration, Development  
and Production Company**



# IMPLEMENTATION OF STRATEGY

- **Influenced by industry and global financial environments**
- **Operating within financial capacity**
  - established funding for 2009 plans
  - reduced 2009 exploration budget to US\$10 million
  - reduced and deferred 2009 development expenditures
- **Exploiting reserves and resources**
  - focus on delivering 2009 operating budget
    - production targeted to exceed 4.0 MMBOE
    - cost reduction initiatives to benefit from lower cost environment
  - focus on commercialising 2C Contingent Resources
    - BMG phase 2 Gas Project
    - Beibu Gulf Oil Development
- **Balance and manage risk**
  - farmed out Angola equity for exploration carry and bonuses on commercial success
  - farmout plans for Mozambique Channel and Equatorial Guinea
  - rephased development plan and expenditure for BMG Project
  - reduced expenditure and focused Zhao Dong 2009 development plan



# PLANS FOR 2009 AND 2010

- **2009 – a year of consolidation**
- **Deliver operating budget**
  - 2009 production targeted to exceed 2008
  - cost reductions in new industry environment
  - reduced overheads and corporate costs
- **Commercialise 2C Contingent Resources**
  - BMG Phase 2 Gas Project
  - Beibu Gulf Oil Project
- **Pursue near term growth opportunities**
  - Cliff Head and BMG workovers
  - exploration in Angola
  - development drilling in Zhao Dong
- **Focus on financial performance**
- **2010 – opportunities for growth**



## DELIVER OPERATING BUDGET

- **2009 production targeted to exceed 2008**
  - between 11,500-12,000 BOEPD
  - full year of BMG
  - Zhao Dong already ahead of budget
- **Tight control over expenditure**
  - US\$90 million to US\$100 million development expenditure
  - US\$10 million exploration expenditure
- **Take advantage of industry cost reductions**
  - reduced contract costs for BMG rig programme
- **Reduced overheads and corporate costs**
  - “right-size” the business



# COMMERCIALISE 2C CONTINGENT RESOURCES

- **BMG Phase 2 Gas Project**
  - 2C Contingent Resource of 18.7 MMBOE
    - ~100 BCF of gas
    - 4.2 MMBBL of liquids
  - Additional 3P Reserves upside
  - Focus on “fit for purpose” lower cost development
- **Beibu Gulf Oil Project**
  - 2C Contingent Resource of 5.2 MMBBL of oil
  - Exploration upside in the 6-12 development area
    - to be tested from production facilities
  - Additional future development opportunities at 12-8E and 12-3 oil discoveries
  - Joint development and sharing facilities significantly reduce capex
  - Recent market transaction values ROC's 40% share at ~US\$64 million



# PURSUE NEAR TERM GROWTH OPPORTUNITIES

- **Cliff Head workovers**
  - 2H 2009
- **BMG workovers**
  - B3 and B5 commencing in June 2009
- **Development drilling in Zhao Dong**
  - will continue for several years
- **Exploration**
  - Angola
    - carried through 2009 exploration programme
  - Equatorial Guinea
    - Aleta prospect: scope to farm down interest from 37.5%
  - Mozambique Channel
    - scope to farm down from eventual 90% interest in two permits





# Alan Linn

## Chief Operating Officer

# Health, Safety, Environment and Community (HSEC)



## HEALTH AND SAFETY PERFORMANCE

- Strong HSEC performance
- Completed 4.8 million man-hours with an LTIFR of 0.83 and TRIFR of 2.31 in 2008
- LTIFR and TRIFR 2009 year to date is Zero
- Pacesetter within Australian industry

(LTIFR – Lost Time Injury Frequency Rate/million man-hours)

(TRIFR – Total Recordable Injury Frequency Rate/million man-hours)



# ENVIRONMENT

- No reportable environmental or community related incidents
- Managing operational relationship with environment
- Facility integrity management
- **Company reporting in place in for (FNGERS)** Federal National Greenhouse Energy Reporting System
- **Carefully Monitoring development of (CETS)** Carbon Emissions Trading Scheme
- **Current projects**
  - Angola well site remediation complete
  - BMG 2009 investment to reduce flaring to zero during normal operations
  - Managing produced water discharges for local marine environments

# 2008 COMMUNITY RELATIONSHIPS AND CSR

- A good neighbour
- 2008 Initiatives

## ANGOLA

- Sponsoring local village students
- Upgrading water access points



## AUSTRALIA

### Cliff Head

- Carefully managing our relationship with the Cray-fishing industry around Dongara

### BMG

- Working with fishing community to raise awareness

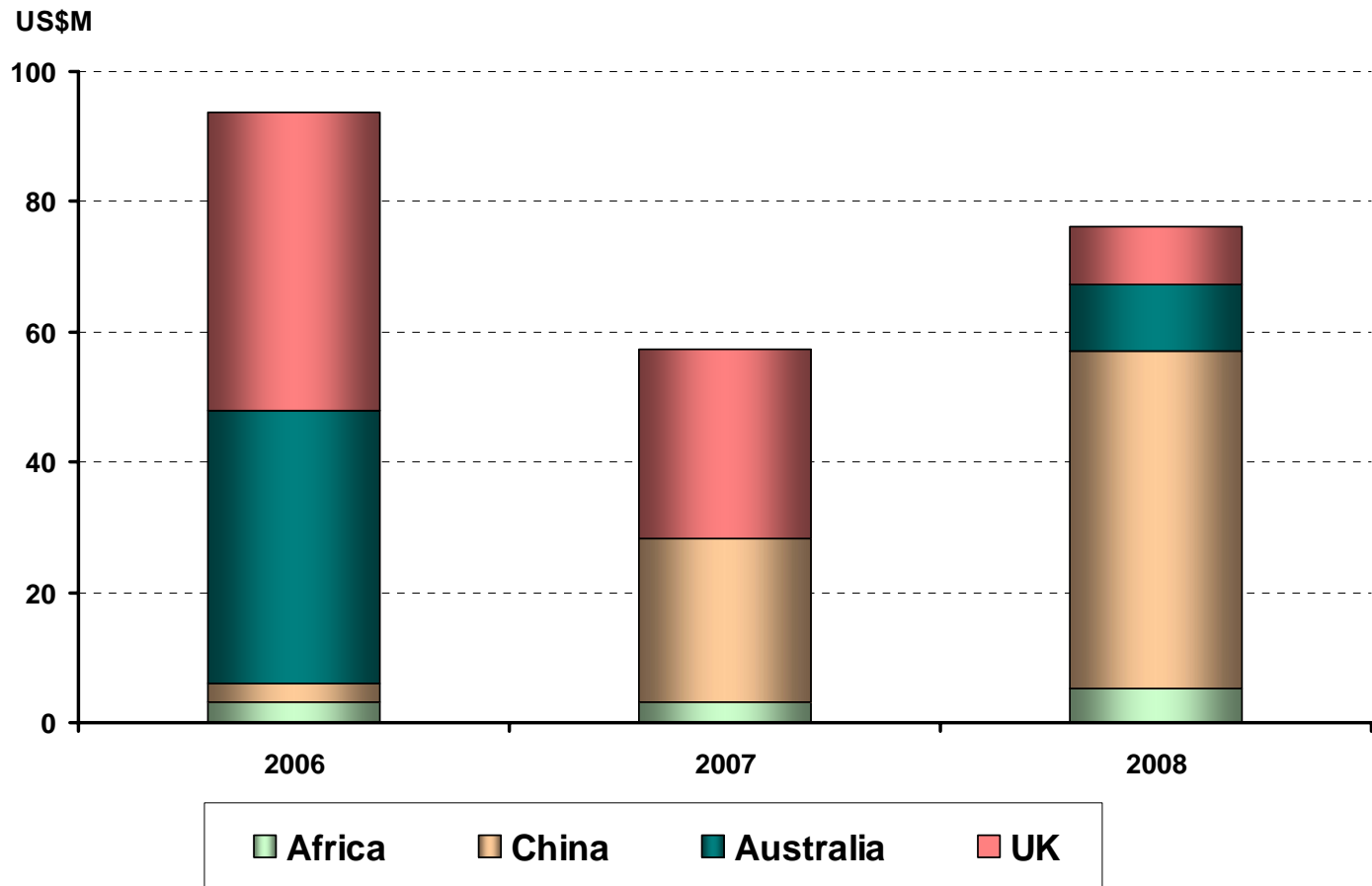


# OPERATING COSTS

Direct Operating Cost Fields Average	2007	2008
US\$/BBL	8.6	10.98

BMG FPSO operations included in cost base

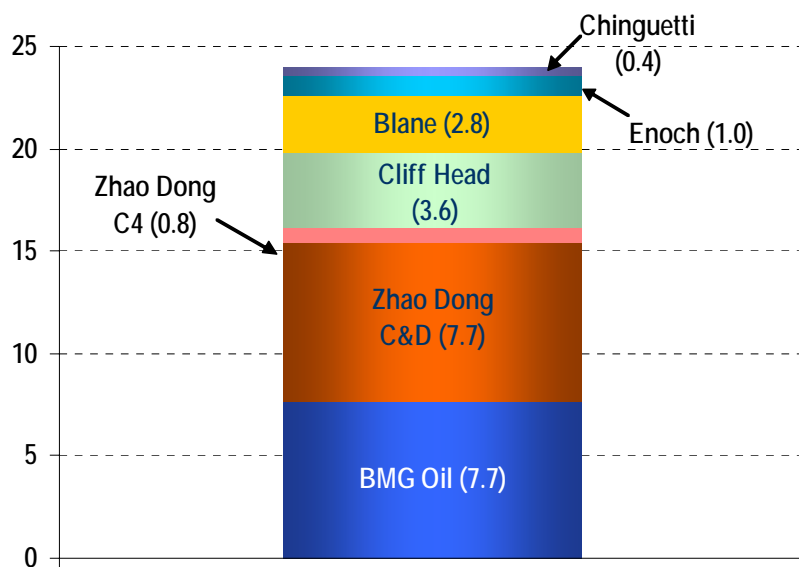
# DEVELOPMENT EXPENDITURE



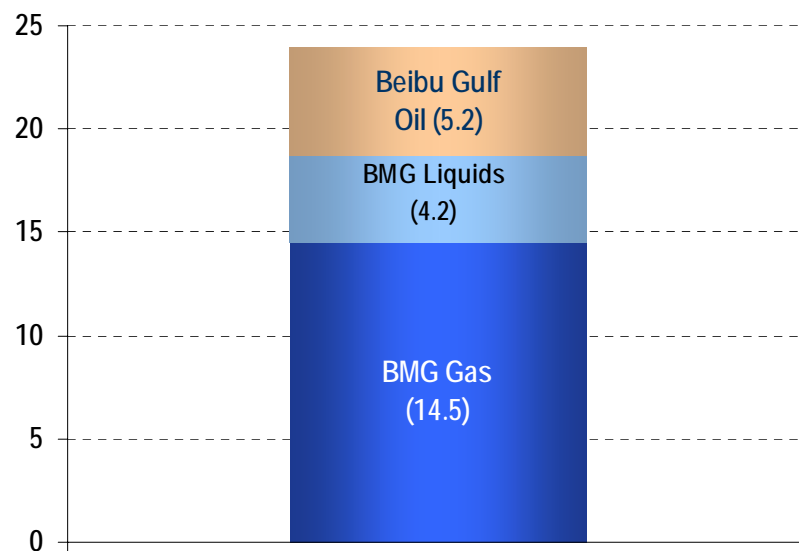
- Development expenditure US\$76.2 million 2008
- Zhao Dong Project US\$51.8 million
- Ongoing expansion at BMG contributed US\$10.4 million



## 2P RESERVES & RESOURCE BASE



2P Remaining Reserves  
24.0 MMBOE



Best Estimate (2C) Contingent Resources  
23.9 MMBOE

+ Near Field Potential





# Development and Production Assets



# DEVELOPMENTS IN AUSTRALIA

- **BMG Phase 1 Oil Project**
  - Ocean Patriot rig programme 2009
  - development drilling planned in 2010/11
- **BMG Phase 2 Gas Project**
  - complete development planning
  - finalise FPSO selection
  - gas marketing
  - focus on “fit for purpose” lower cost development
- **Cliff Head Production Acceleration Project**



# Cliff Head

# CLIFF HEAD OIL FIELD DEVELOPMENT

## 17 MMBBL Offshore Development

**Developed in 2005/2006**

An example of ROC's innovation and focus





## CLIFF HEAD FIELD DEVELOPMENT

- Transferred management and technical expertise to China and BMG projects
- Reservoir performing ahead of 2P Reserve expectations
- Opportunities being evaluated for expansion within and around existing field

# INSTALLATION OF PLATFORM



Project Efficiencies



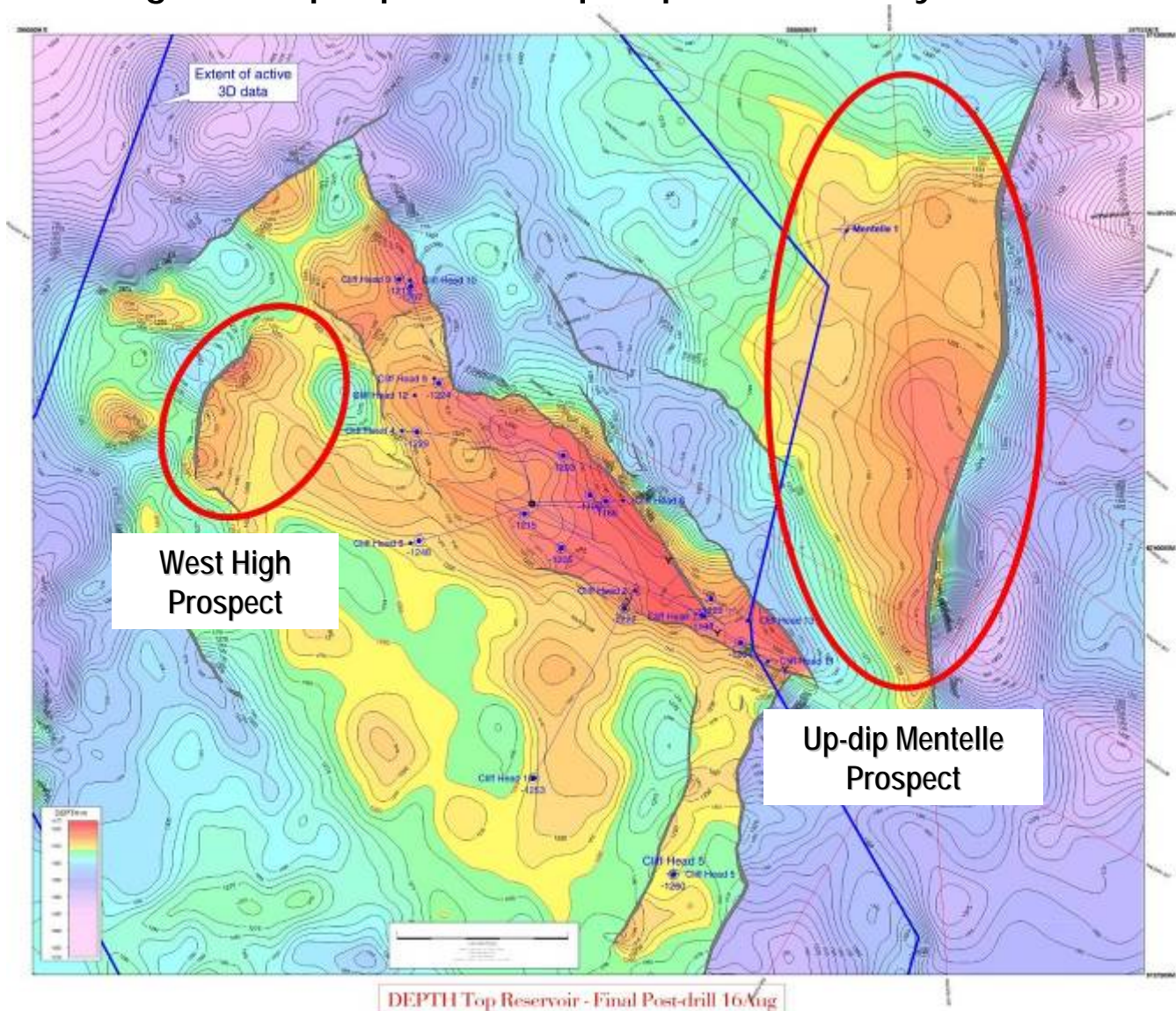
# CLIFF HEAD PLATFORM



Capacity for Expansion

# CLIFF HEAD NEAR FIELD POTENTIAL

West High and Up-dip Mentelle prospects currently under review





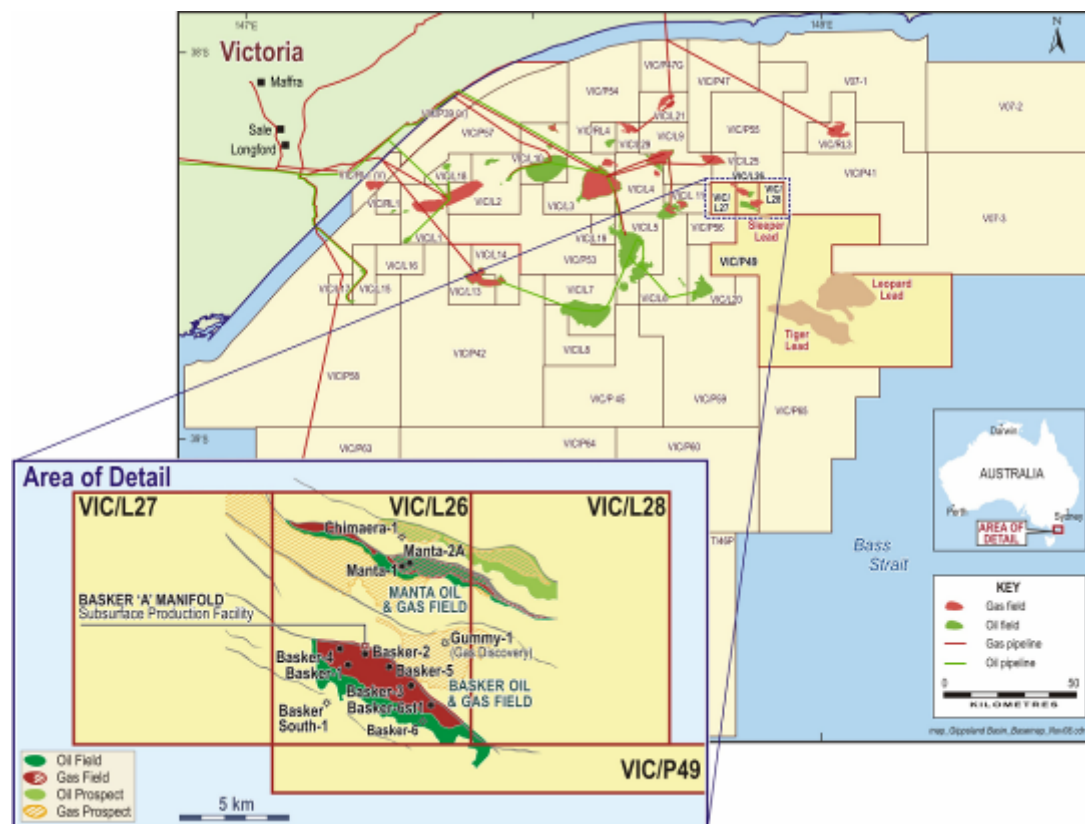
# Basker Manta Gummy (BMG)

# BMG FIELDS OFFSHORE GIPPSLAND BASIN



# BMG FIELD SUMMARY

## ROC 40% and Operator



### Development:

- Six subsea wells connected to FPSO
- Shuttle tanker deliveries

### Net Production:

8,186 BOPD (for 1Q09)

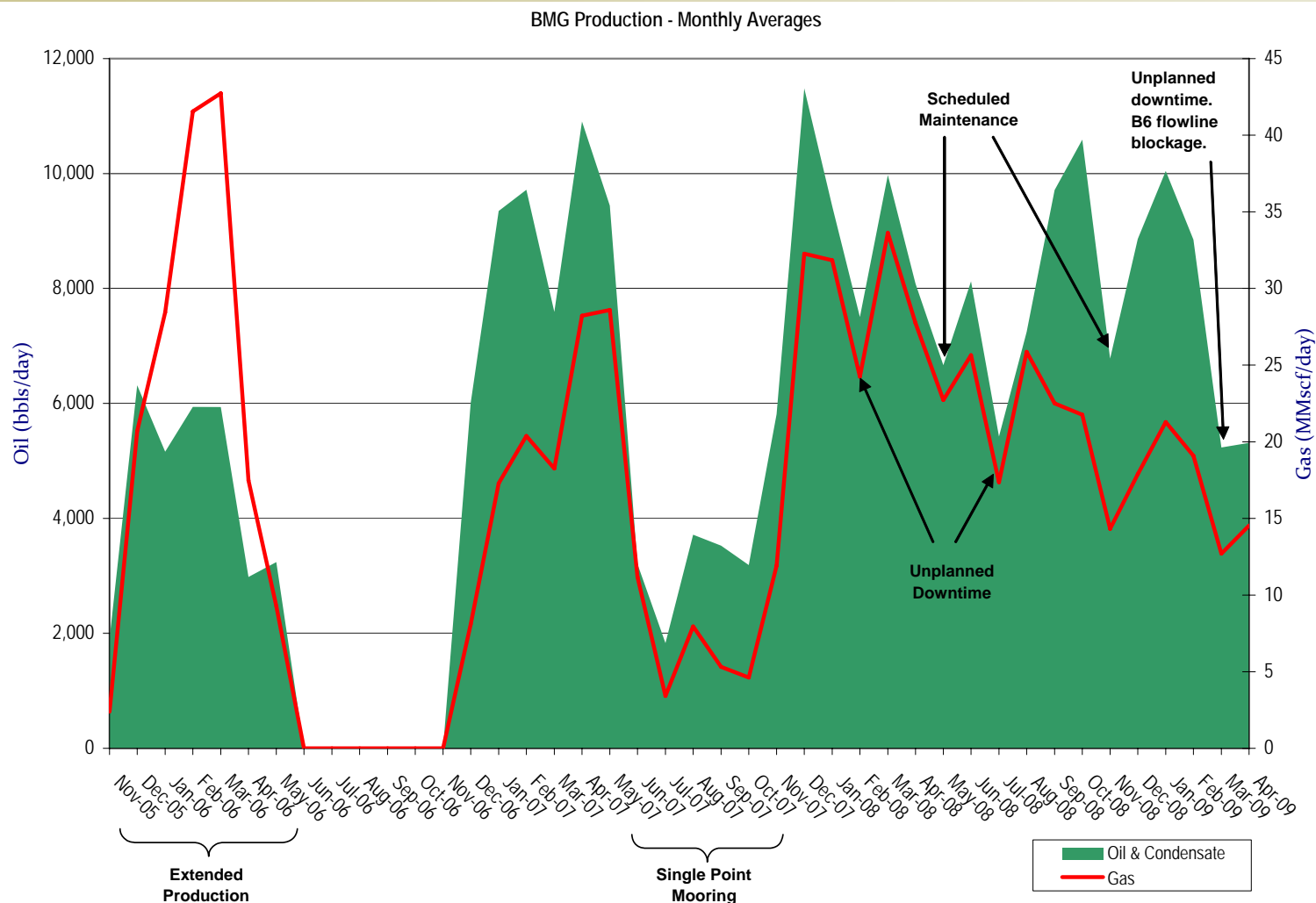
### Remaining Net 2P Reserves:

7.7 MMBOE (as at 31 December 2008)

### 2C Resources:

18.7 MMBOE (as at 31 December 2008)

# FIELD PRODUCTION



- 3 MMBBL produced in 2008
- 8,186 BOPD (3,275 BOPD Net) Q1 2009
- 2 planned shutdowns for facility maintenance, modifications and improvements



# BMG PROJECT UPDATE

## Production

- Oil production being maximised within facility constraints
- Limited opportunity to increase production (facility operational limitations)

## Development

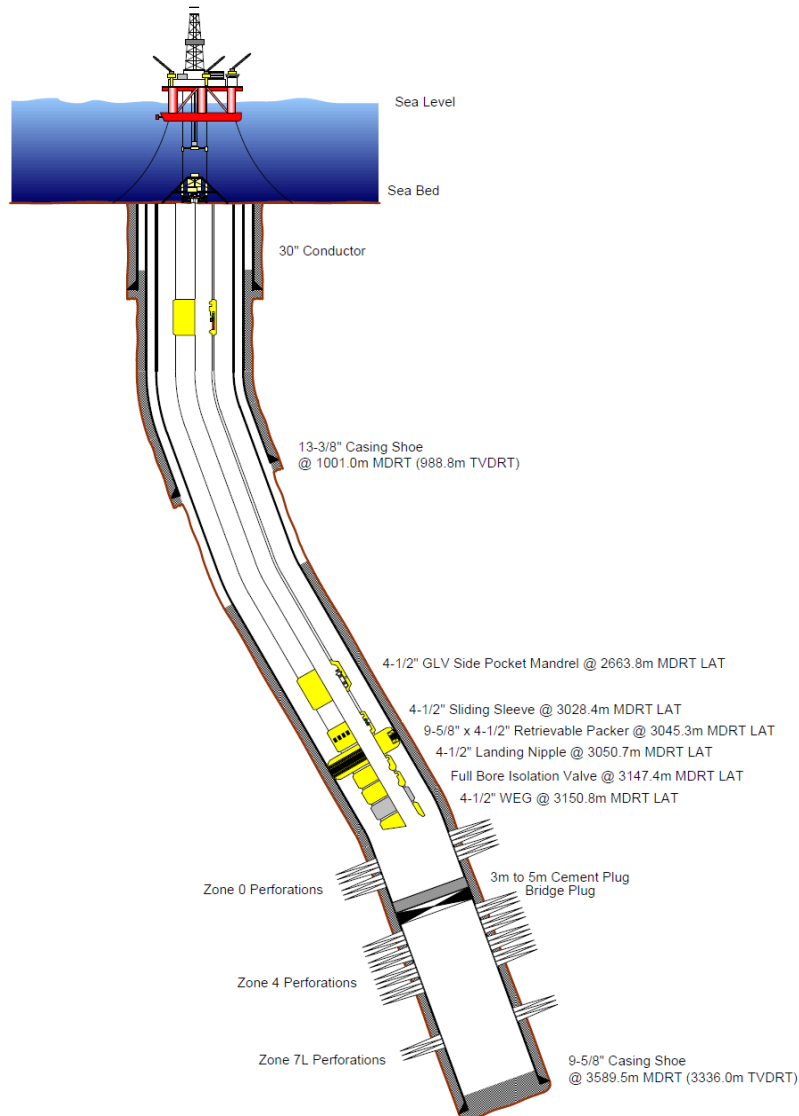
- Phased Oil and Gas developments
- Oil development programme recommencing June 2009
- Gas development engineering is progressing
- Focus on “fit for purpose” leverage from competitive market conditions



## 2009 PROPOSED OIL DEVELOPMENT PROGRAMME

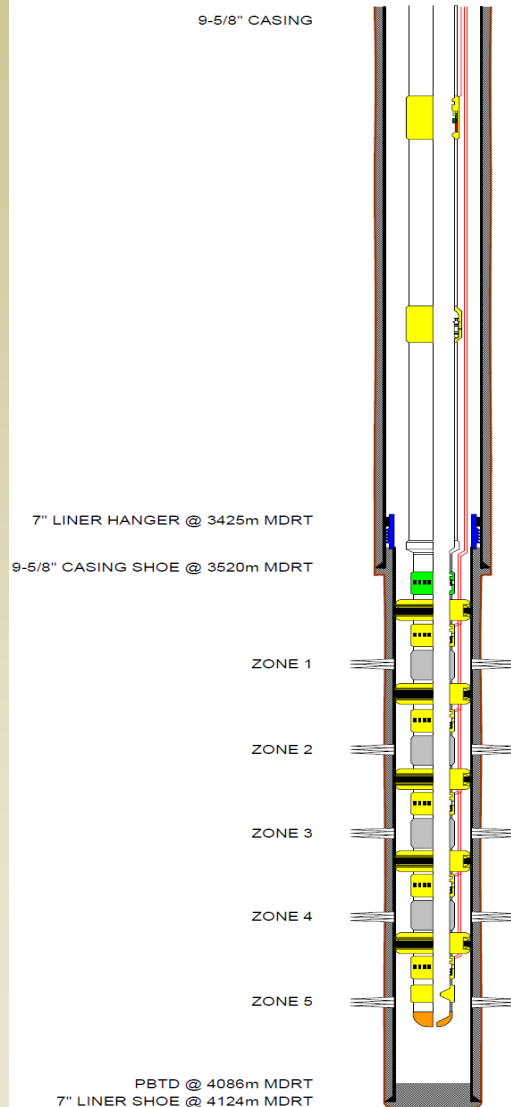
Basker 3 Work over	<ul style="list-style-type: none"><li>• Tubing Pull to install SMART completion allowing dry oil production or selective gas injection</li></ul>
Basker 5 Work over	<ul style="list-style-type: none"><li>• Through Tubing to isolate bottom water</li><li>• Cost effective solution, careful isolation of water zones required</li></ul>
Low Pressure Compression	<ul style="list-style-type: none"><li>• Compress minor gas volumes from low pressure separator for re-injection</li><li>• Regulatory compliance and early alignment with expected environmental legislation changes</li></ul>
Gas Project Engineering	<ul style="list-style-type: none"><li>• Engineering of Phase 2 Gas Development project.</li><li>• Finalise FPSO facilities required for gas project</li><li>• Finalise sub sea production and sales pipeline installation plan</li></ul>

# B5 THRU TUBING WORKOVER



- 6.3 Days
- Production enhancement  
800 to 1,200 BOPD bopd  
(320 to 480 BOPD net)

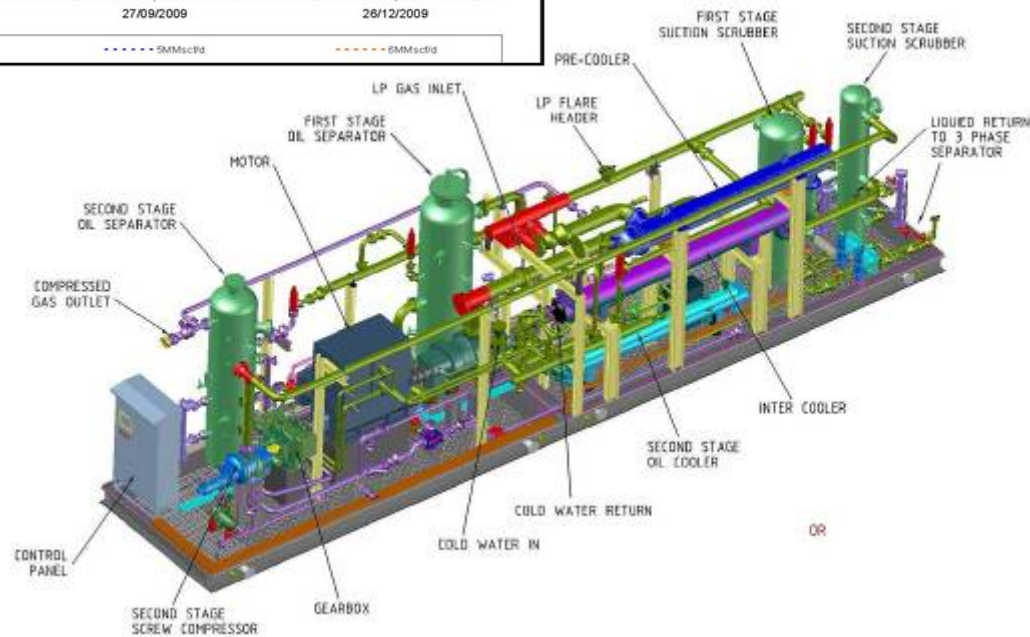
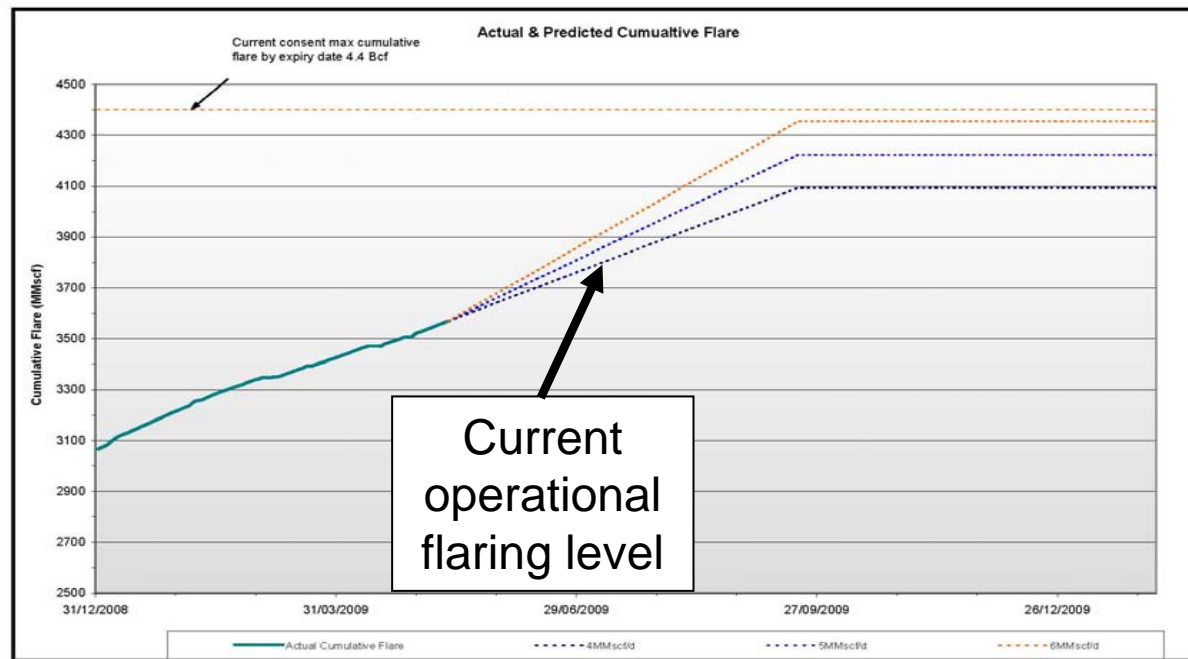
# B3 TUBING PULL WORKOVER



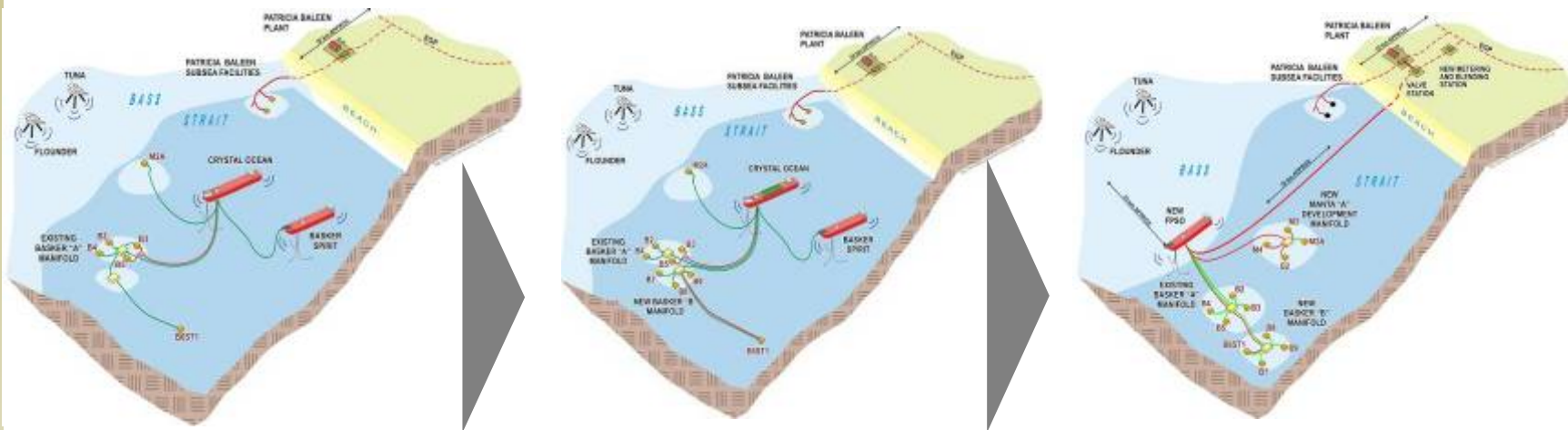
- 24.1 Days
- Production enhancement  
2,000 to 4,000 BOPD



# LP FLARE RECOVERY COMPRESSOR



# OIL AND GAS DEVELOPMENT – PROJECT PHASING



## EXISTING SUBSEA STRUCTURE

- 6 Development wells
  - 5 in Basker and 1 in Manta
- Subsea facilities installed in 150-350m of water manifold

## EXPANDING OIL DEVELOPMENT

- Phase 1 Oil
- Add Basker-B Manifold
- Add Basker-7, Basker-8 and Basker-9 oil wells
- Tie in Basker-6 Gaslift

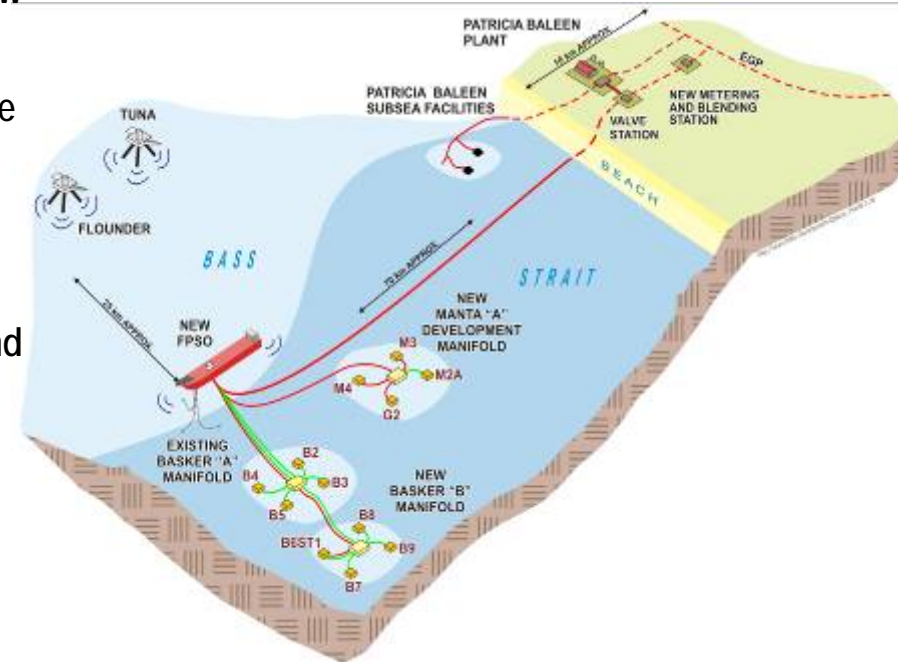
## FULL FIELD OIL AND GAS DEVELOPMENT

- Phase 2 Gas
- Add Manta-A Manifold
- Add 2 Manta gas wells
- Add 1 Gummy gas well
- New FPSO
- Pipeline to shore

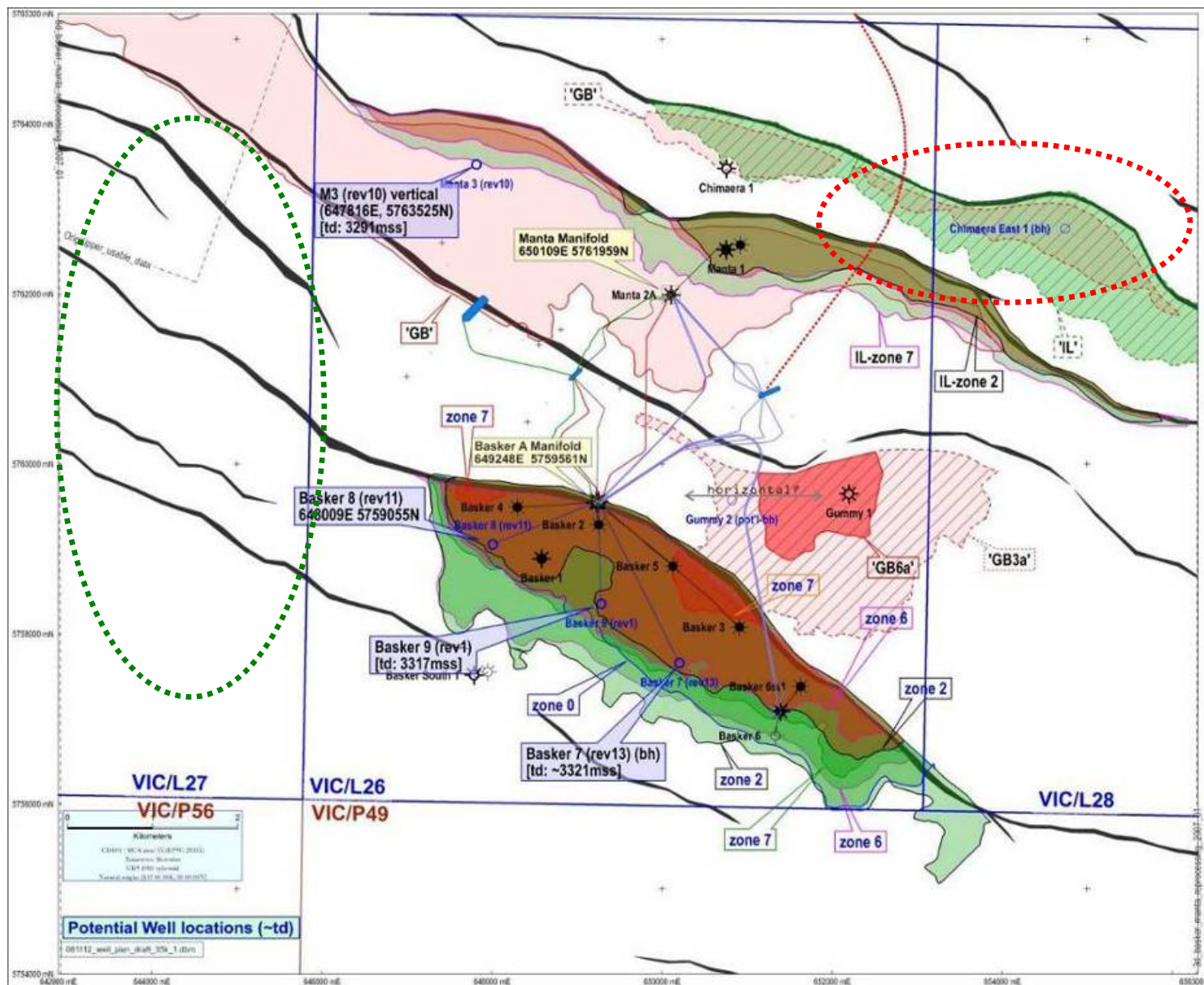
# FINALISING OIL AND GAS DEVELOPMENT

## Full Field Development

- Field layouts with proposed locations for Basker B Manifold, Manta A Manifold and a new FPSO complete
- Network of flexible flowline interconnecting the subsea infrastructure designed
- Wellheads procured for all wells, including three gas wells
- Gas export pipeline offshore route selected and engineered
- Gas export pipeline onshore route selected an approval requested
- Basker B Manifold and Manta A Manifold fabrication in progress
- Basker 6 gas lift flexible flowline close to completion
- 8" offshore section of the gas export pipeline procured and in storage
- Work underway to secure low cost installation vessels for oil and gas hook up campaigns



# BMG NEAR FIELD POTENTIAL

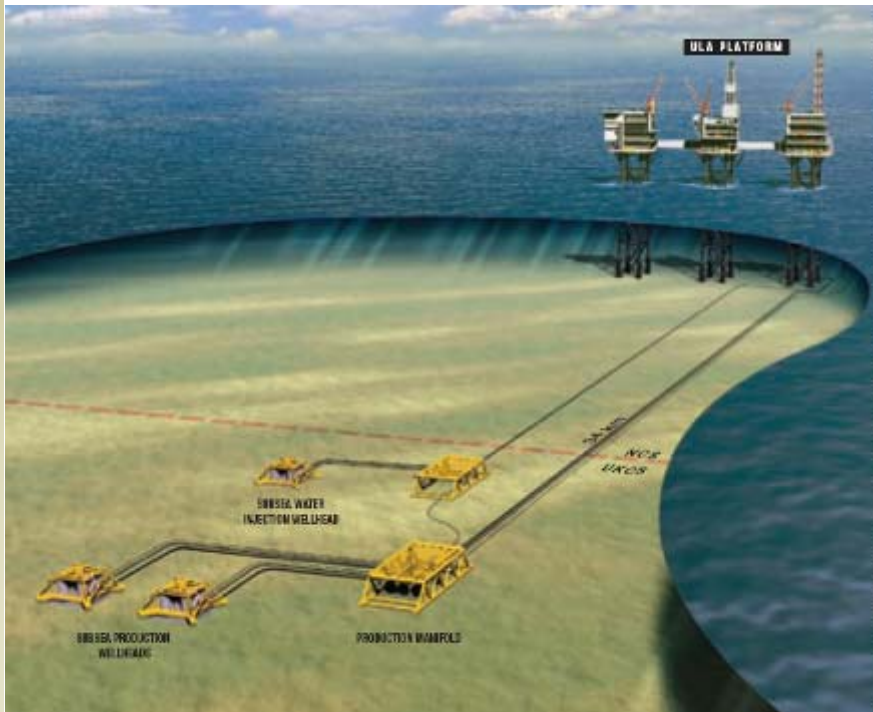


# Blane / Enoch and Chinguetti (Non operated)



# UK NORTH SEA ASSETS

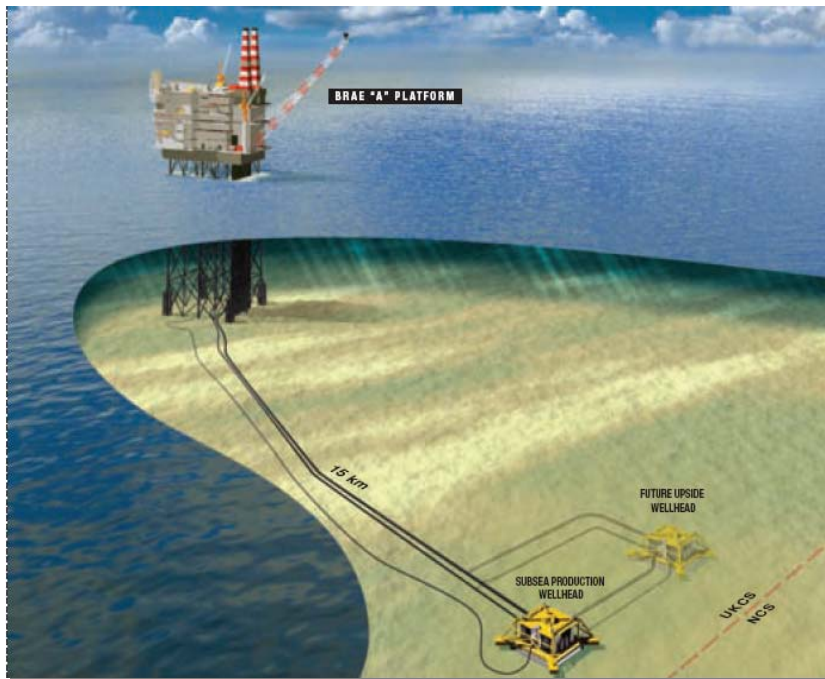
## BLANE OIL FIELD



<b>Development:</b>	Two production wells with gas lift Subsea tie-back to Ula platform
<b>Net Production:</b>	1,507 BOPD (for 1Q09)
<b>Remaining Net 2P Reserves:</b>	2.8 MMBO (as at 31 December 2008)

Production targets being exceeded

# UK NORTH SEA ASSETS ENOCH OIL & GAS FIELD



<b>Development:</b>	Single production well with gas lift Subsea tie-back to Brae-A platform
<b>Net Production:</b>	758 BOPD 0.43 MMSCFD (for 1Q09)
<b>Remaining Net 2P Reserves:</b>	1.0 MMBOE (as at 31 December 2008)

Production on schedule and managing gas lift supply issue

# CHINGUETTI OIL FIELD, OFFSHORE MAURITANIA



## Development:

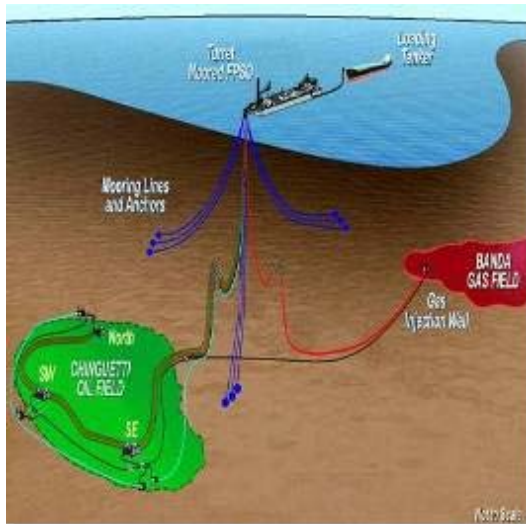
- FPSO development with production from 3 subsea manifolds
- Shuttle tankers transport the oil
- Gas re-injected into undeveloped Banda field

## Net Production:

481 BOPD  
(for 1Q09)

## Activity:

Production increased following two infill wells in 2008 as part of phase 2b development



Production on target





# KEY TARGETS FOR 2009 OPERATIONS

- **Maintain a healthy operation**
  - consistent HSEC performance
  - environmental compliance
  - improving facilities integrity
  - good neighbour
- **Maximise production and reserves**
  - workover opportunities at BMG and Cliff Head
  - enhanced recovery from gas lift and water injection at UK assets
- **Reduce costs**
  - capture benefits of lower industry costs (rig rates, services, materials)
  - tight cost management
- **Address near field potential**

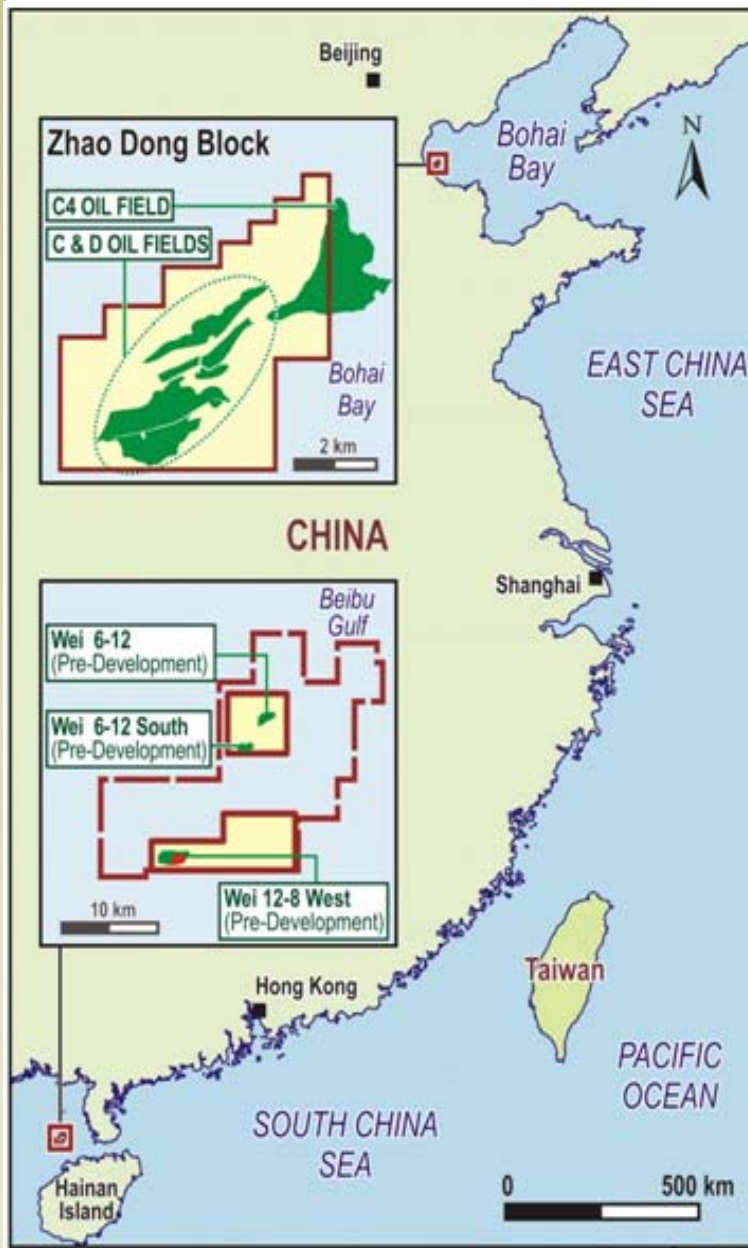


**Dennis Paterson**  
**Executive Director and**  
**President – Roc Oil (Bohai)**

# CHINA ACTIVITY UPDATE



# LOCATION MAP



- Good progress in both projects
- Project work progressing on schedule in Zhao Dong
- Pre-development studies continuing in Beibu
- Expect good progress to continue in both areas in 2009



## ZHAO DONG BLOCK 2008 HIGHLIGHTS

- 2008 - a year of significant activities and record achievement
- An excellent environment and safety record
  - 2 recordable injuries in over 2.8 million man hours
  - No oil spills
- Drilling simultaneously at ODA and CP2 marked the first occurrence of multiple programmes
- Record number of wells drilled (22) – all producers
- New field production record (35,340 BOPD) established on 26 November 2008
- Gross production achieved 7.095 MMBBL (net 1.7 MMBBL) for an average daily rate of 19,385 BOPD (net 4,655 BOPD)



# CP 2 & PT1 FULLY COMMISSIONED OCTOBER 2008





## ZHAO DONG BLOCK DEVELOPMENT ACHIEVEMENTS

- Installed Conductor Pod (CP2) in March and began drilling operations in April
- Began laying pipelines in June and completed in September
- Pipeline Terminal (PT1) installed in July
- Pipelines and power cables successfully commissioned in October
- C4 Field commenced production and achieved first oil from ERA on schedule - 20 October 2008
- ODB installed and since fully commissioned
- OPB being prepared for sail-away late May/early June
- Commissioning in July/August will mark the successful completion of the construction project

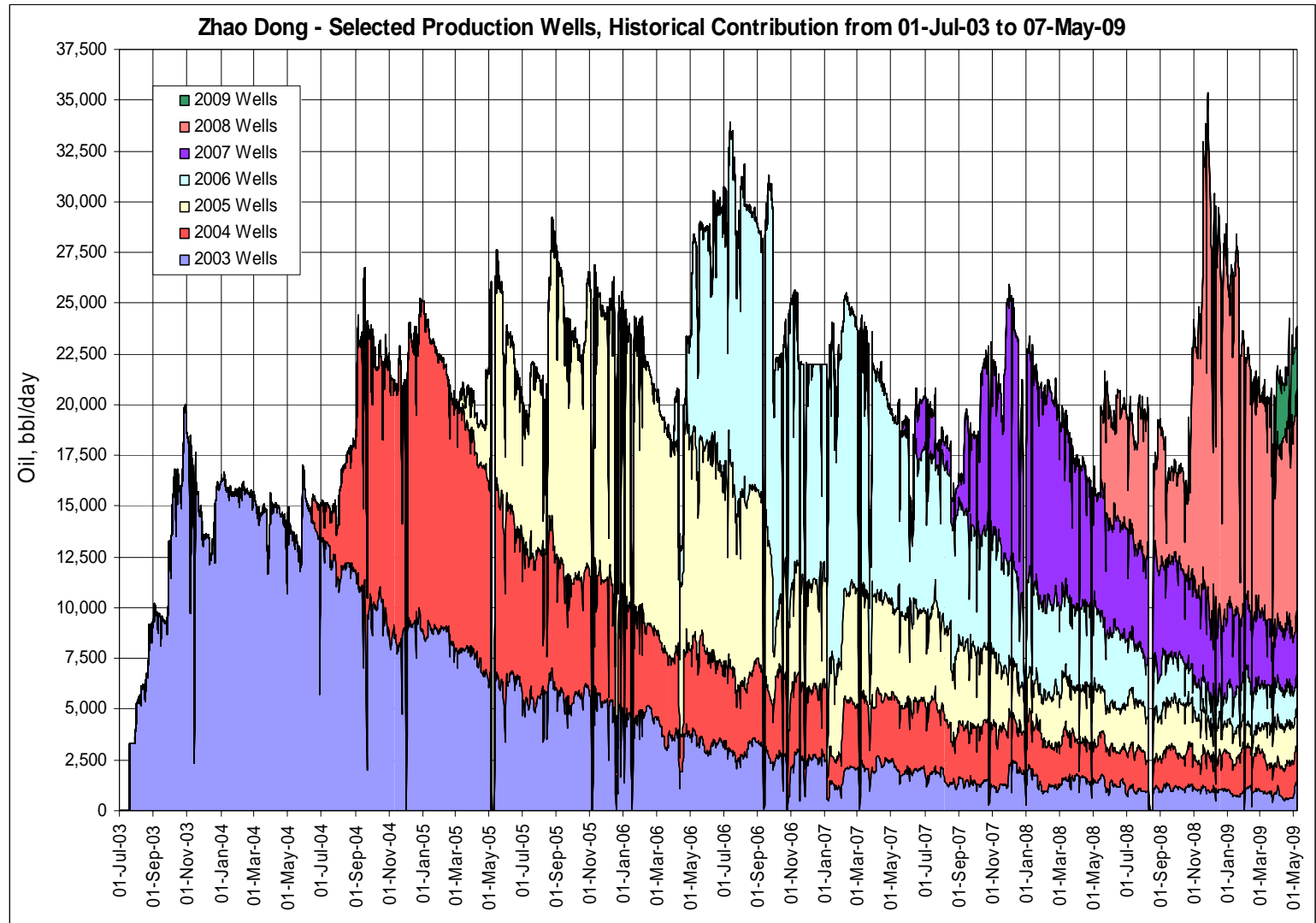
# ZHAO DONG DRILLING & PROCESSING FACILITIES







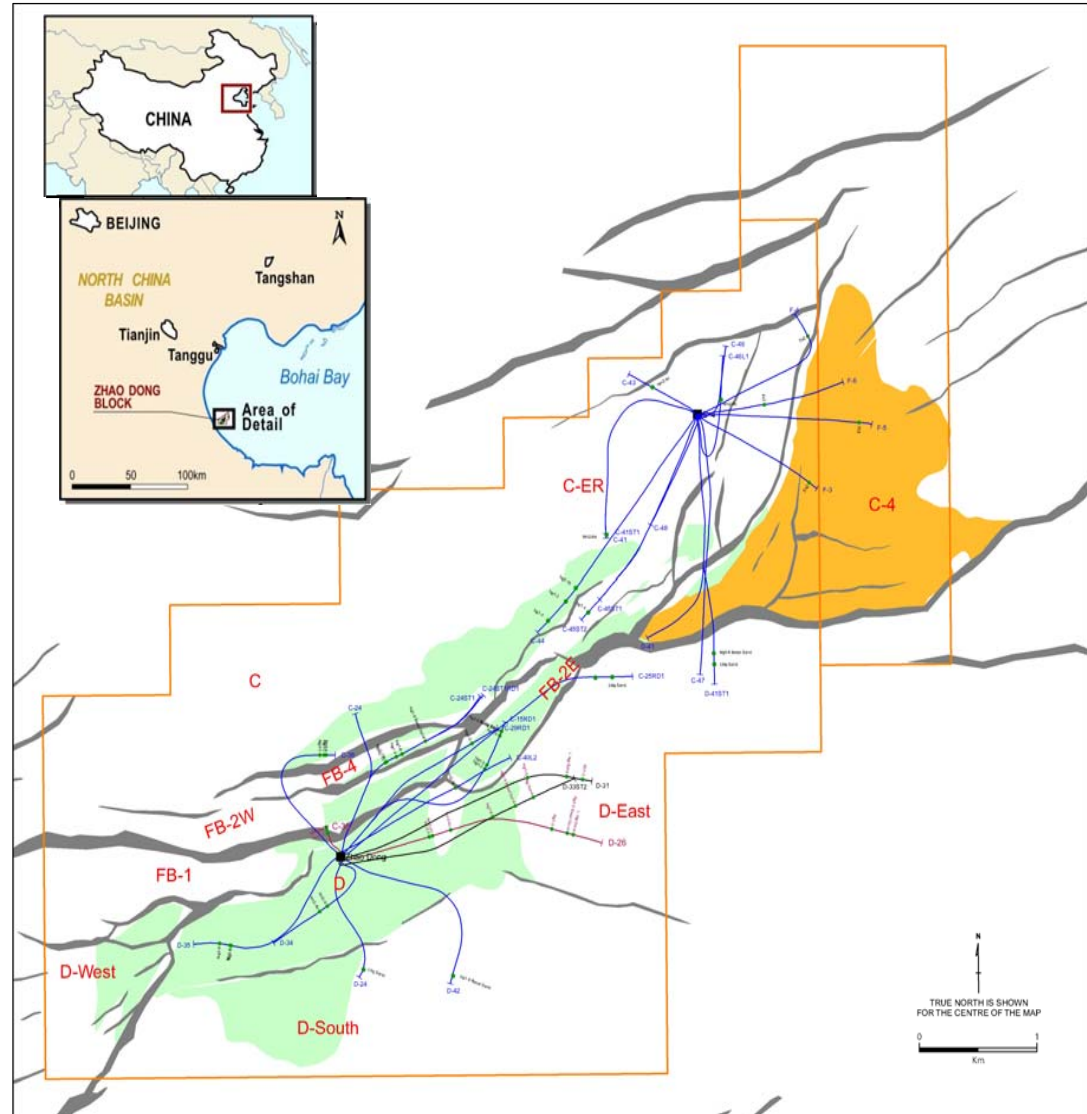
# ZHAO DONG FIELD NEW PRODUCTION RECORD – NOVEMBER 2008



Record production of 35,340 BOPD – 26 November 2008 (Previous record 31,830 BOPD)

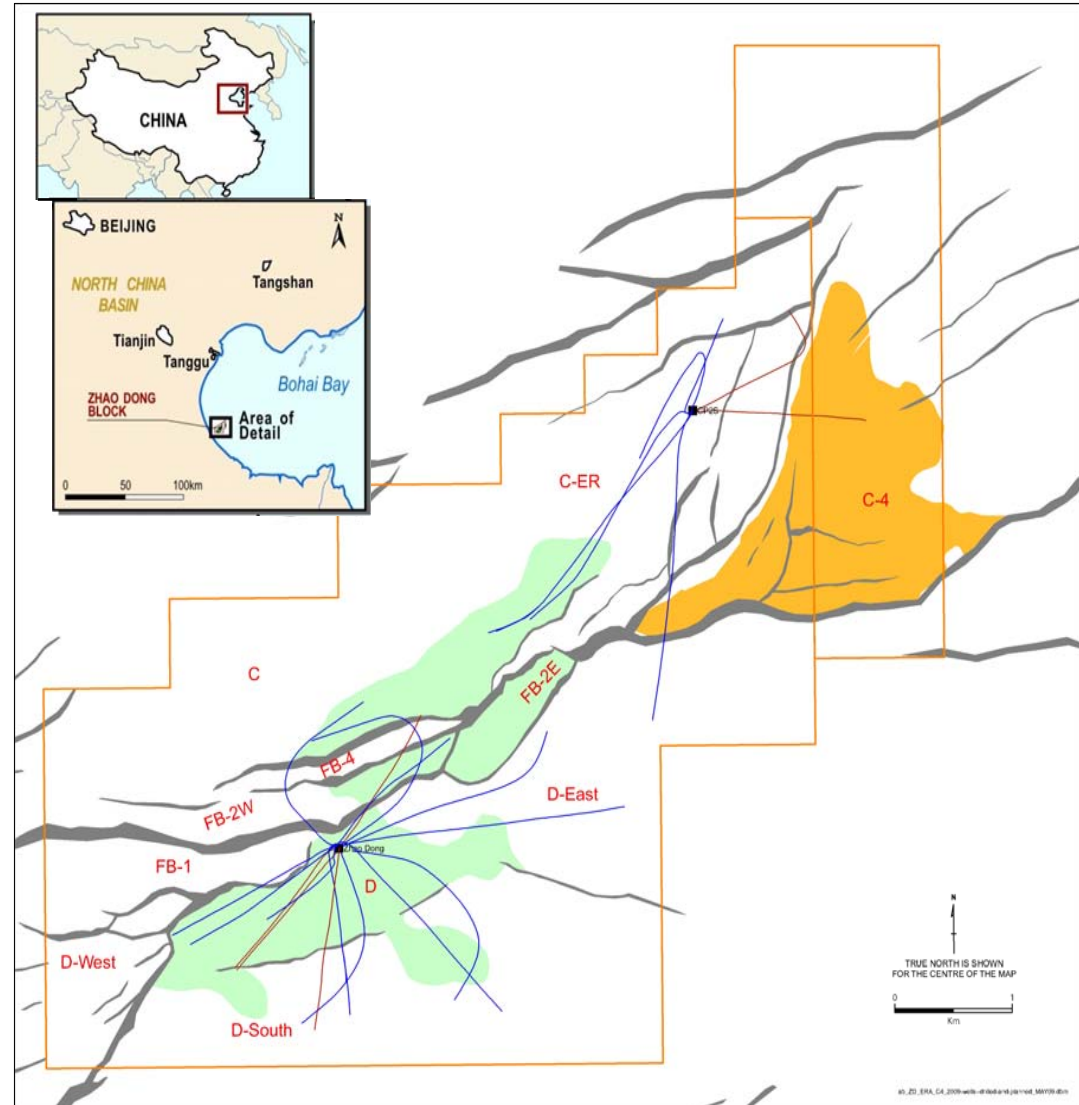
# ZHAO DONG C & D FIELDS 2008 DRILLING PROGRAM

- 10 producers drilled and 4 recompletions on ODA
- 8 wells drilled in ERA area of Zhao Dong Field and
- 4 producers drilled in C4 Field
- First month incremental oil production of 28,862 BOPD
- Annual gross platform production of 7.095 MMBBL



# ZHAO DONG C & D and C4 FIELDS 2009 DRILLING PROGRAM

- Earliest ever start
- Up to 17 wells will be drilled (11 producers & 6 injectors) from which 13,000 BOPD first month incremental production estimated
- 5 ERA wells drilled & 2 C-4 wells worked over
- Rig 3 demobilised and unmanned operations from PT1 began on 13 May
- Drilling operations on ODB started in April
- Currently completing first batch of 4 wells
- First new oil from ODB on 15 May
- Production currently running ahead of schedule





## ZHAO DONG BLOCK 2009 OBJECTIVES

- Reduce development expenditure and focus on maximising commercial return from development drilling. **Drilling programme reduced**
- Increase fluid handling and production capacity from 90,000 BFPD to 145,000 BFPD from Zhao Dong and C4. **On Schedule**
- Produce a minimum of 6.89 MMBBL of oil at an average daily rate of approximately 18,900 BOPD. **2.7 MMBBL produced to 1 May at average daily rate of ~ 21,500 BOPD**
- Drill at least 17 wells of which
  - 4 producers and 1 injector in the ERA **Rig Released – 13 May**
  - 7 producers and 5 injectors in the C & D fields **~30 days ahead of schedule**
- Conclude a Gas Sales and Purchase Agreement to enable gas sales to PetroChina. **Negotiations underway**



# CHINA BEIBU BLOCK 22/12







## BEIBU BLOCK 22/12 ACTIVITY UPDATE

- Block 22/12 contains a number of small oil fields awaiting development
- A valuable development project which will deliver 5.2 MMBBL of 2C Contingent Resources to 2P Reserves upon FID
- Exploration upside in the 6-12 development area to be tested from production facilities
- Additional development opportunities at 12-8E and 12-3 oil discoveries
- A recent market transaction values ROC's 40% share at ~US\$64 million
- A significant challenge to develop these fields in a high cost environment
- The key to success is to share costs and facilities with CNOOC
- Joint development and sharing facilities significantly reduces capex and makes commercial development viable in current economic conditions



Wei 6-12: 3.1 MMBBL

**Wei 6-12S: 15.5 MMBBL**

**Wei 12-8W: 7.9 MMBBL**

**Total: 26.5 MMBBL**

(ROC Net: 5.2 MMBBL)



## BEIBU BLOCK 22/12 DEVELOPMENT PROJECT MILESTONES

### 2008

- Exploration period ended and development rights for 5 fields confirmed
- CNOOC Joint Feasibility Study started

### 2009

- 6-12 and 12-8 oil field development areas confirmed & agreed
- Joint Feasibility Study completed in April
- Anticipate completion of Overall Development Plan (ODP) – Q3
- Anticipate Final Investment Decision (FID) – Q4

### Late 2011 / Early 2012

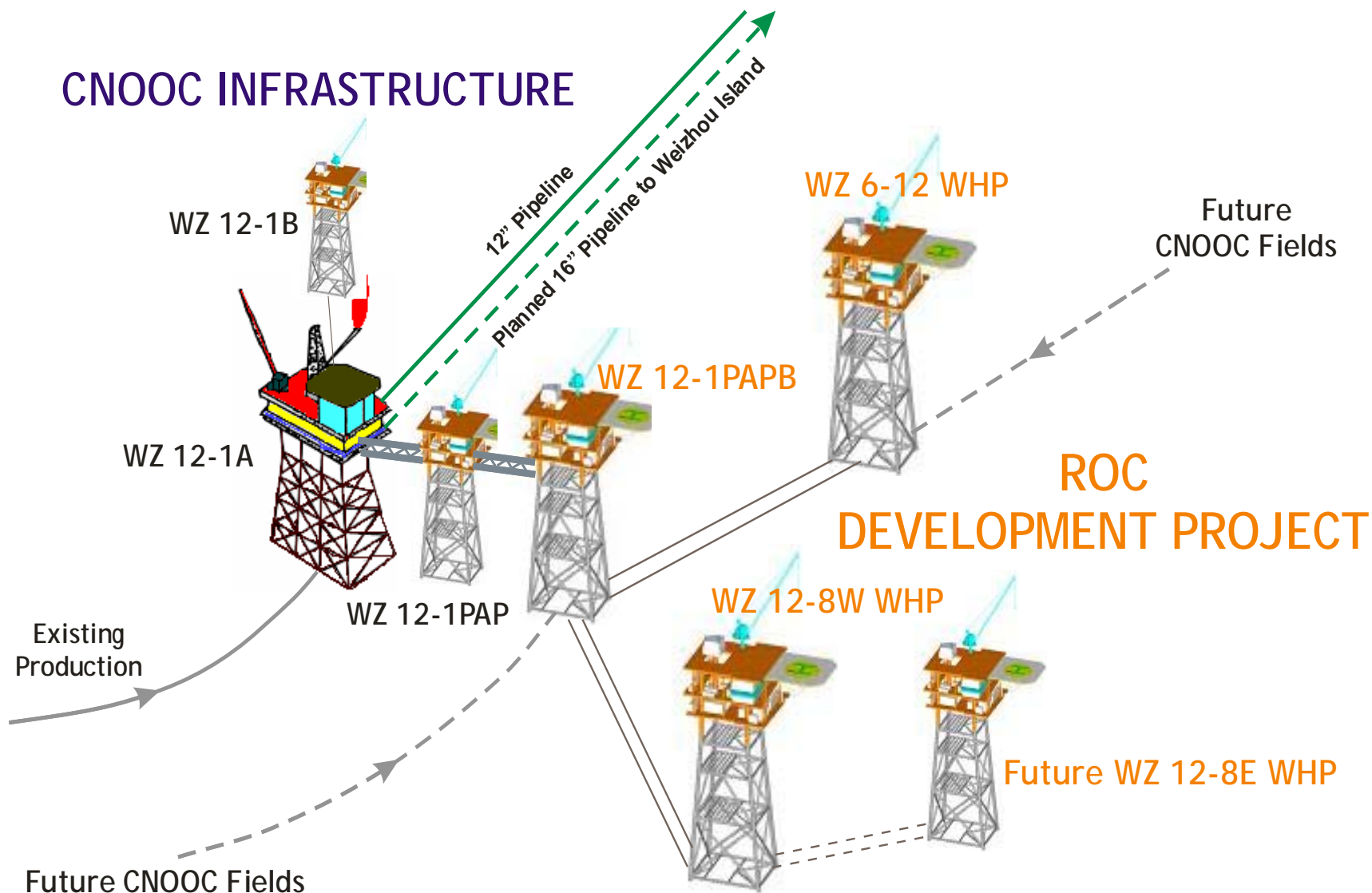
- Anticipate first production from three new oil fields





# BEIBU BLOCK 22/12

## PAPB CONCEPTUAL DEVELOPMENT PLAN

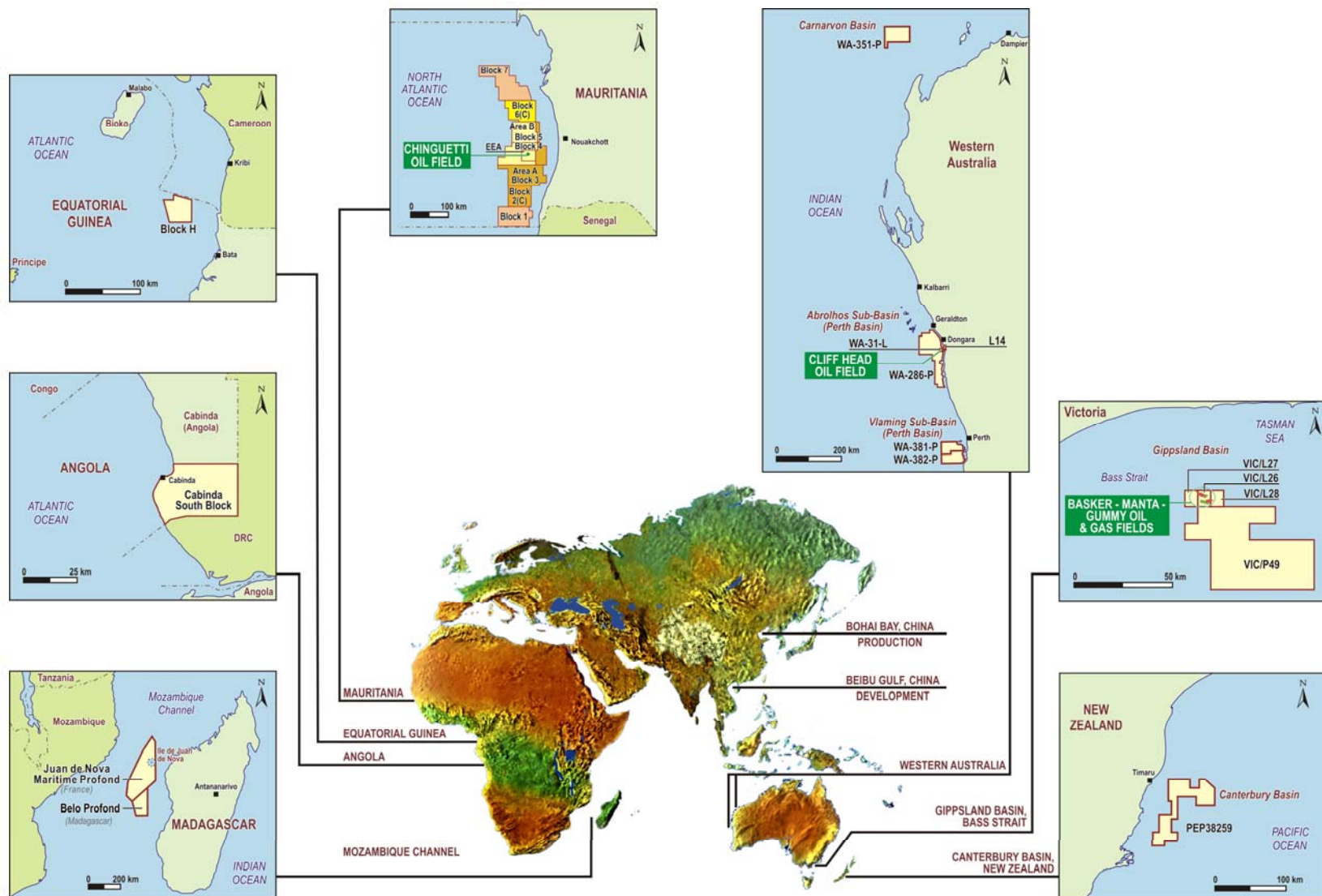




# John Mebberson

## General Manager – Exploration

# EXPLORATION PORTFOLIO – 2009



# MAURITANIA

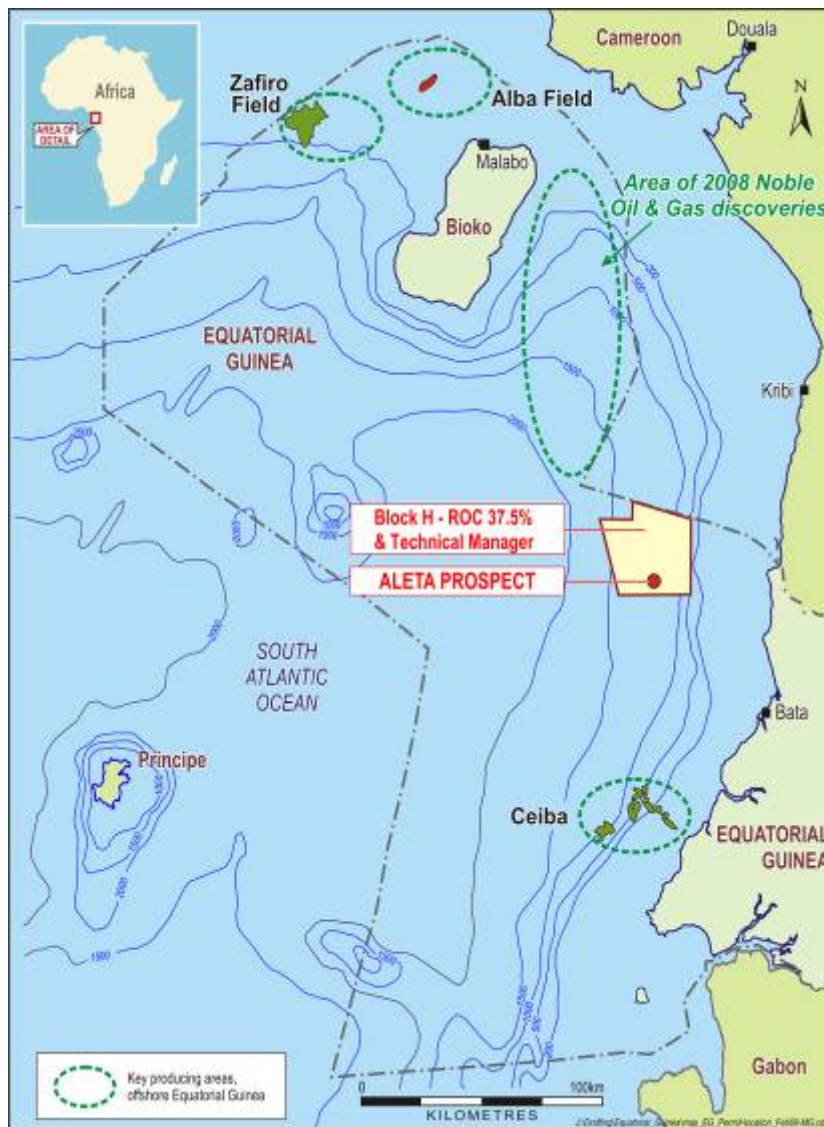
2.5% - 5.1% (Operators Petronas, Tullow & Dana)



- PSCs A & B exploration and appraisal areas are in the final stages of negotiation with GoM for extensions of exploration terms
- Blocks 1, 6 and 7 are also being extended
- Exploration and appraisal of static resources will continue, with the first well likely to be the Cormoran prospect in southern Block 7 in 1H 2010

# EQUATORIAL GUINEA

## BLOCK H (37.5% & Technical Manager)



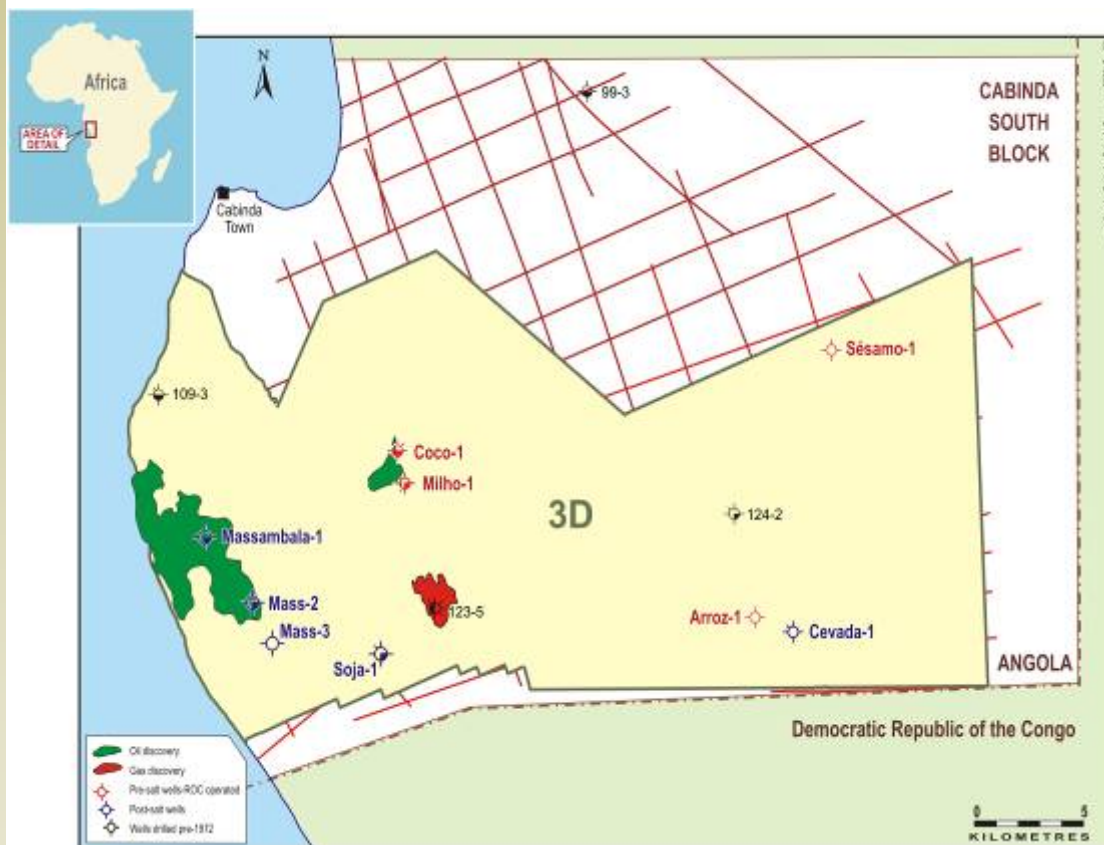
- The Joint Venture is considering the timing of drilling Aleta-1 with respect to rig availability
- Aleta is a 170-500 MMBBL prospect



# ONSHORE ANGOLA

## CABINDA SOUTH BLOCK (15%)

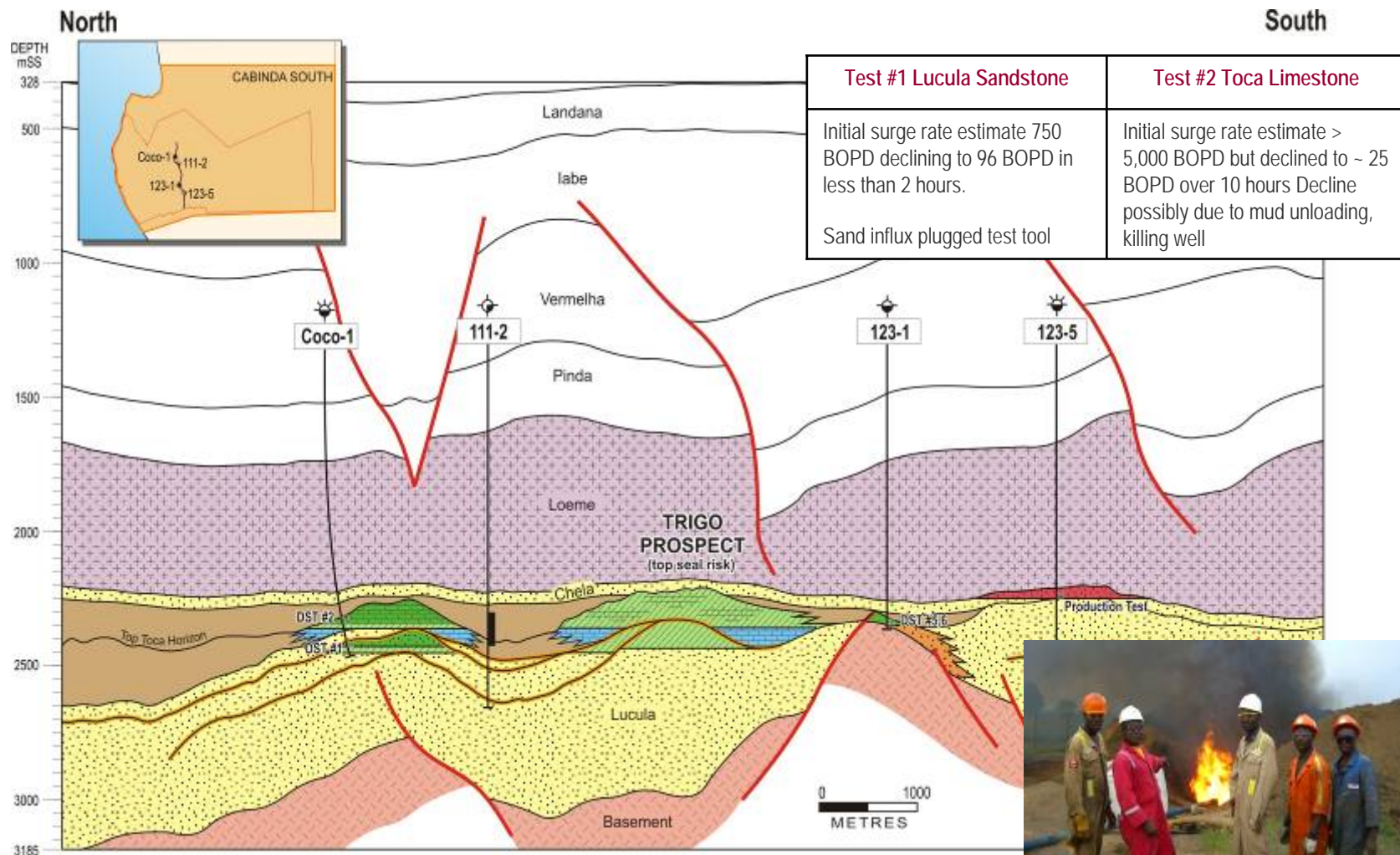
### Location of Seismic & Exploration Wells



- Three salt and four pre-salt wells were drilled in 2007-2008
- Two discoveries – Massambala heavy oil in place ~120 MMBBLs of 12° API. Two 2008 appraisal wells reduced its size significantly
- Coco tested oil and gas in two zones. The discovery requires further testing as the initial tests were equipment constrained
- Full 3D seismic PSDM reprocessing has highlighted further prospectivity

# EXPLORATION POTENTIAL

## Coco Discovery



## EXPLORATION - 2009

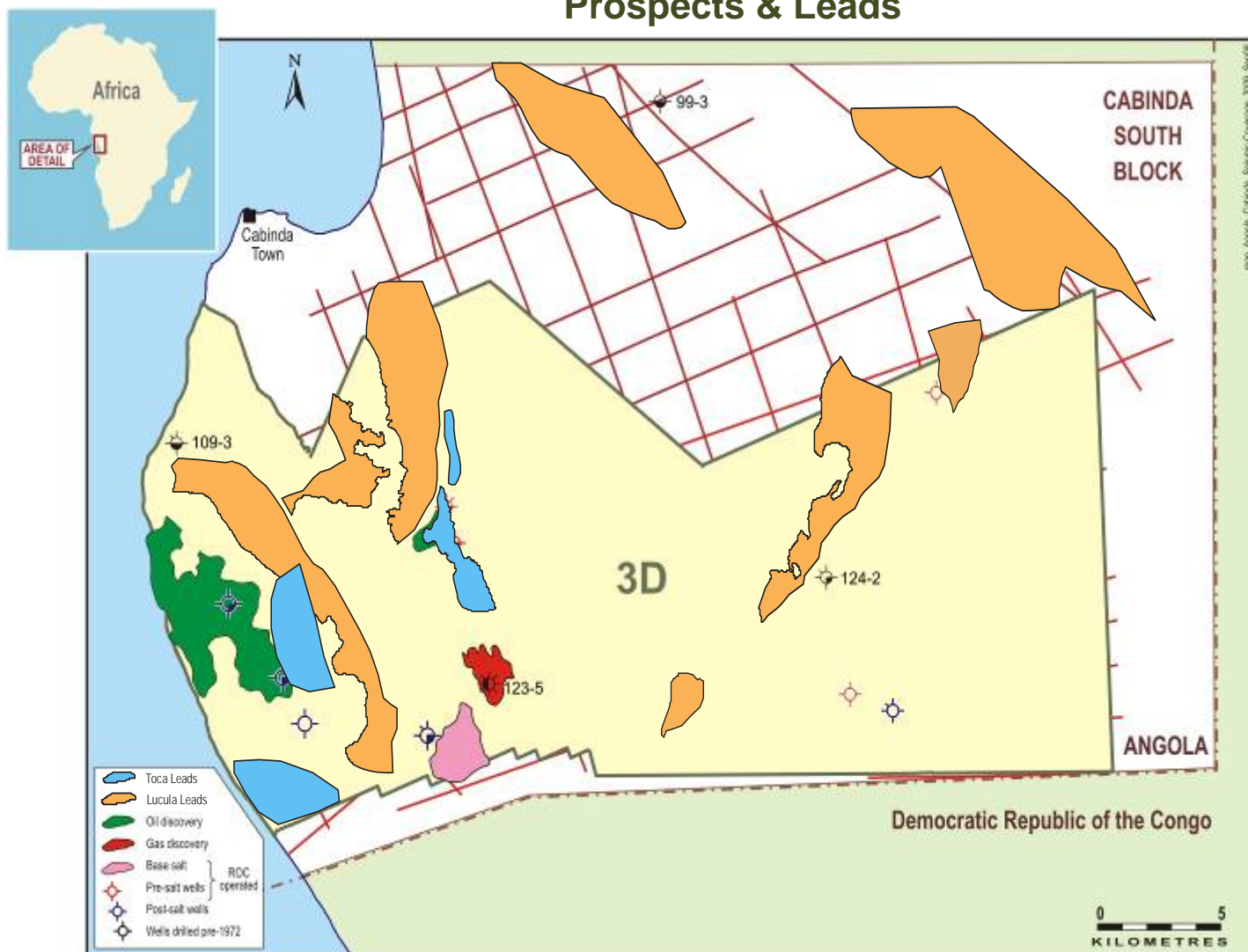
- Roc Oil (Cabinda) Company has executed an agreement with Pluspetrol Angola Corporation, for the farmout of a 45% interest (56.25% paying interest) in the Cabinda South Block, Angola
- Pluspetrol will also become operator
- ROC will retain a 15% interest in the block through its wholly-owned subsidiary, Lacula Oil Company Limited, which will be free-carried through the full US\$39 million 2009 work programme, planned to include the testing of the Coco discovery
- ROC will also be reimbursed for its share of the Joint Venture's working capital effective 31 December 2008, including its share of drilling inventory to be used during the 2009 drilling programme





# CABINDA SOUTH BLOCK Onshore Angola (ROC 15%)

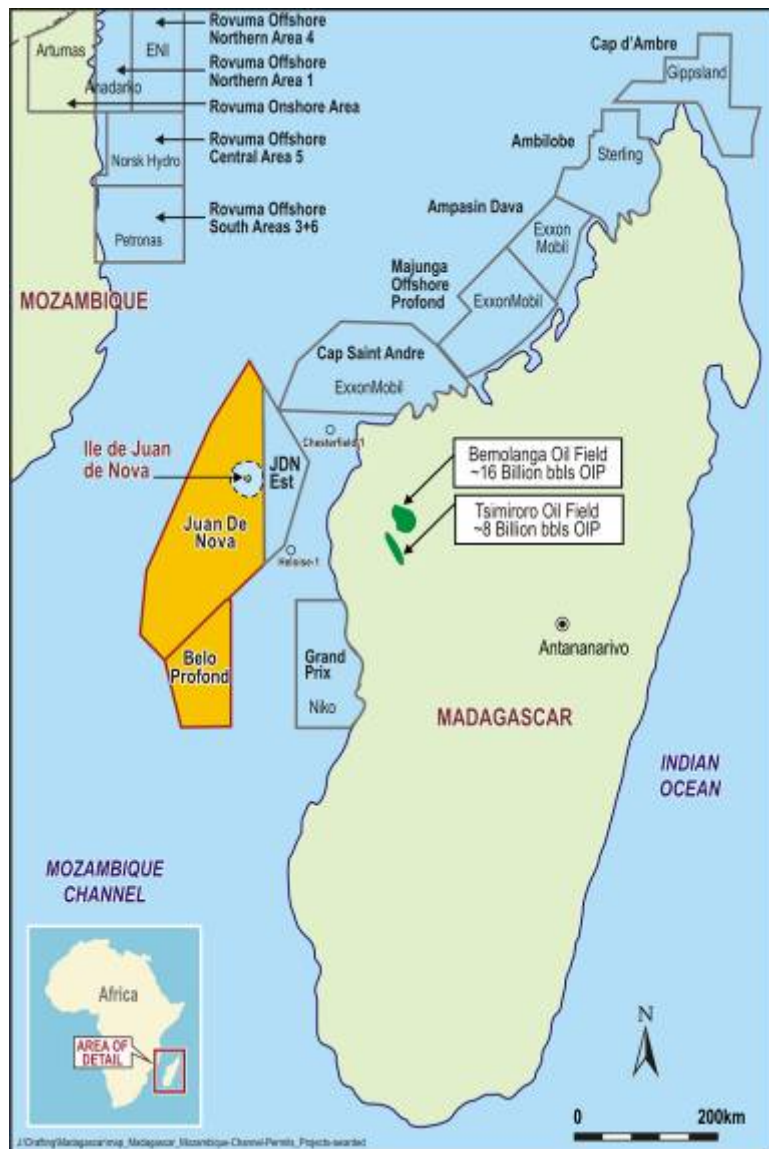
## Prospects & Leads



Best new leads are within the Lacula Sandstone play in the pre-salt on and around the Lele High

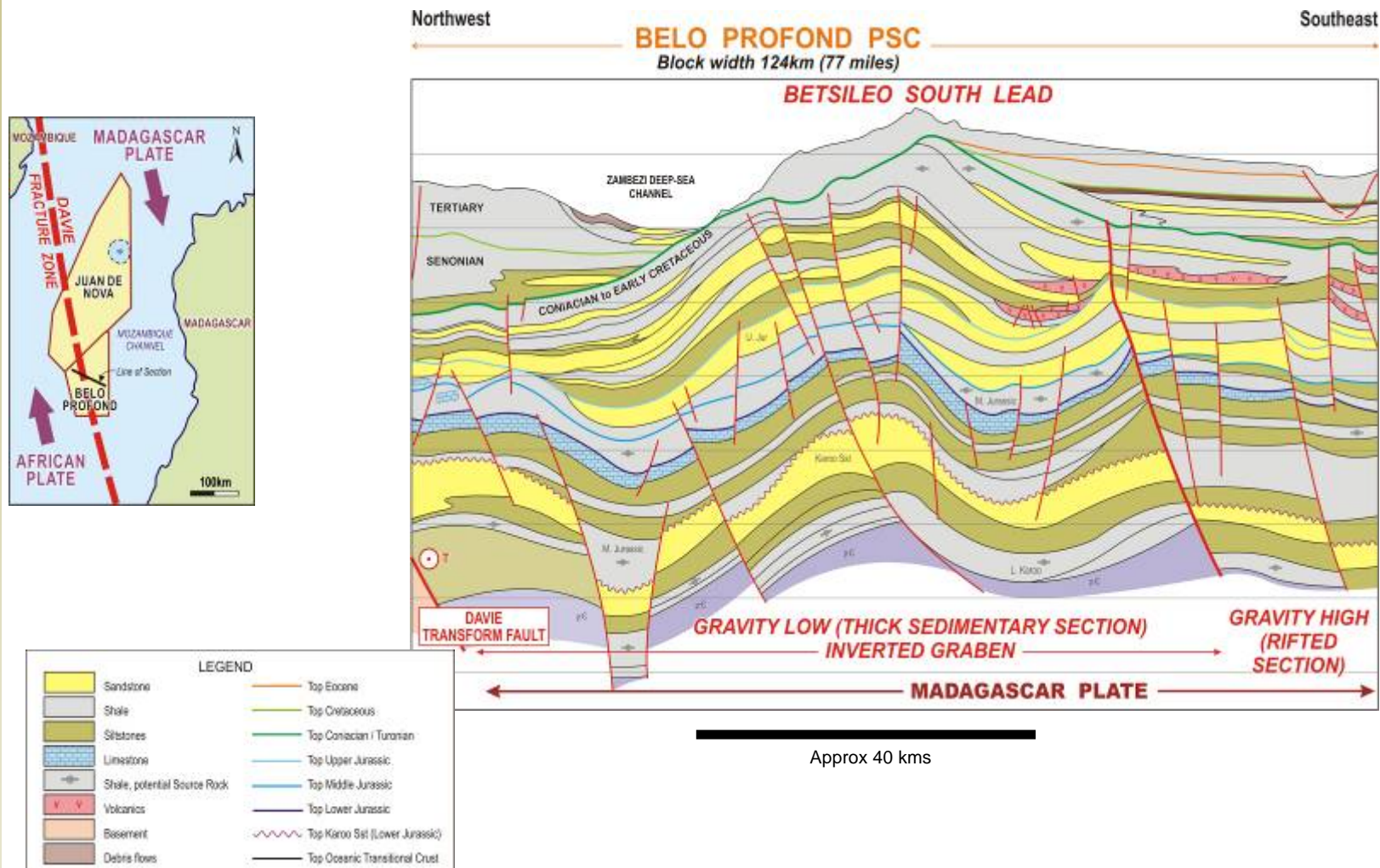
# MOZAMBIQUE CHANNEL

## BELO PROFOND & JUAN de NOVA (75% & Operator)



- ROC's preliminary interpretation of recent 2D seismic and aeromagnetic data indicates the possibility of very large structures in the centre of the Channel
- We plan to acquire a large 2D seismic grid over both Blocks in 2010
- Madagascar remains very politically unstable which may affect operations planning
- Interest increases to 90% on completion of initial work programme

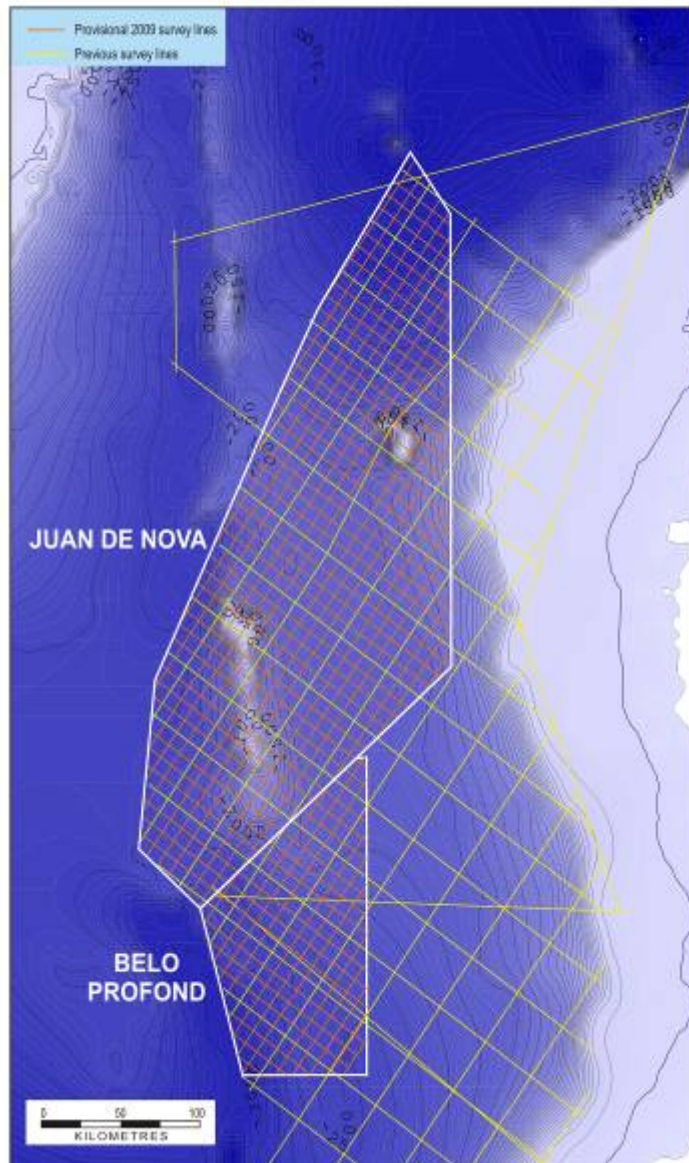
# GEOSEISMIC SECTION



Recent ROC-acquired aeromagnetic data over Belo Profond indicates the strong possibility of a thick, structured reservoir/seal section along the Davie Fracture Zone

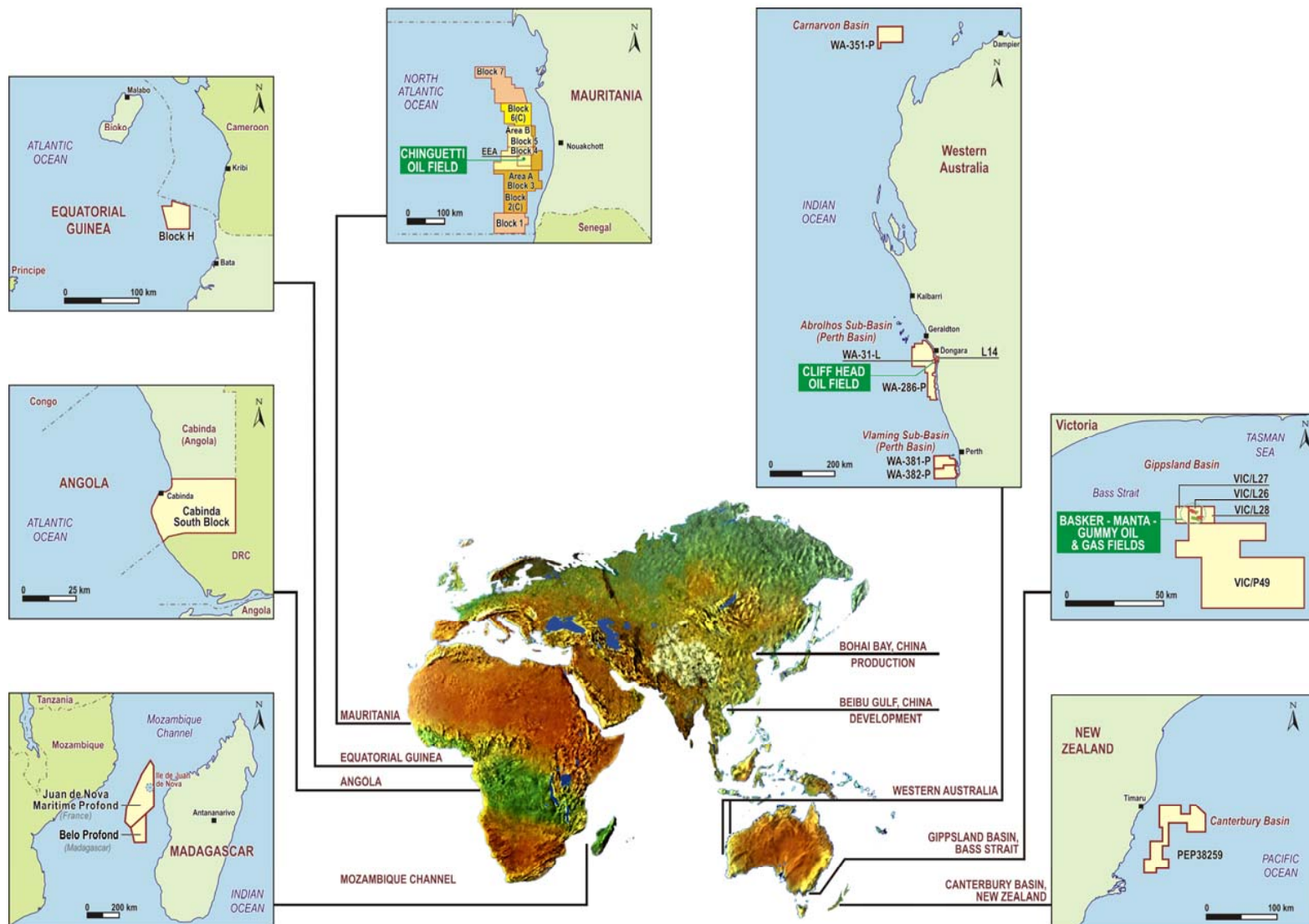


# SEISMIC ACQUISITION 2010



- Belo Profond 2350 line kms
- Juan De Nova 8200 line kms
- TOTAL 10550 line kms
- Seafloor coring and data purchase also possible in Juan De Nova permit.

# EXPLORATION PORTFOLIO - 2009



# EXPLORATION ACREAGE

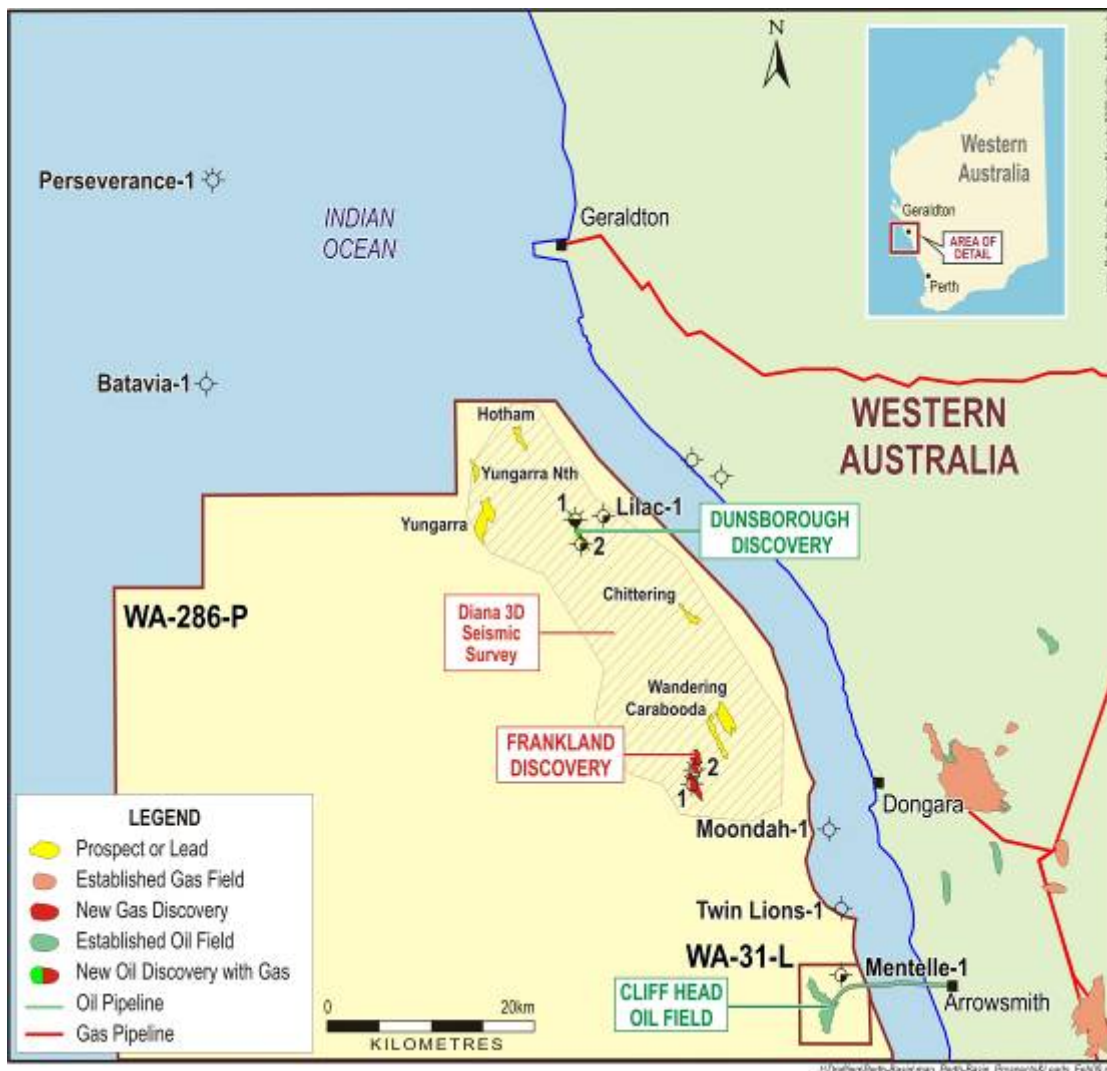
## Western Australia



- **Carnarvon Basin**
  - large Triassic gas play
  - much industry interest
- **Abrolhos Sub-basin, North Perth**
  - oil and gas
  - Cliff Head analogies
  - Yungarra best prospect
  - volumes are generally modest
- **Vlaming Sub-basin, South Perth**
  - fault block play
  - oil prone
  - some seal risk

# ABROLHOS SUB-BASIN

## North Perth, Western Australia (37.5% and Operator)

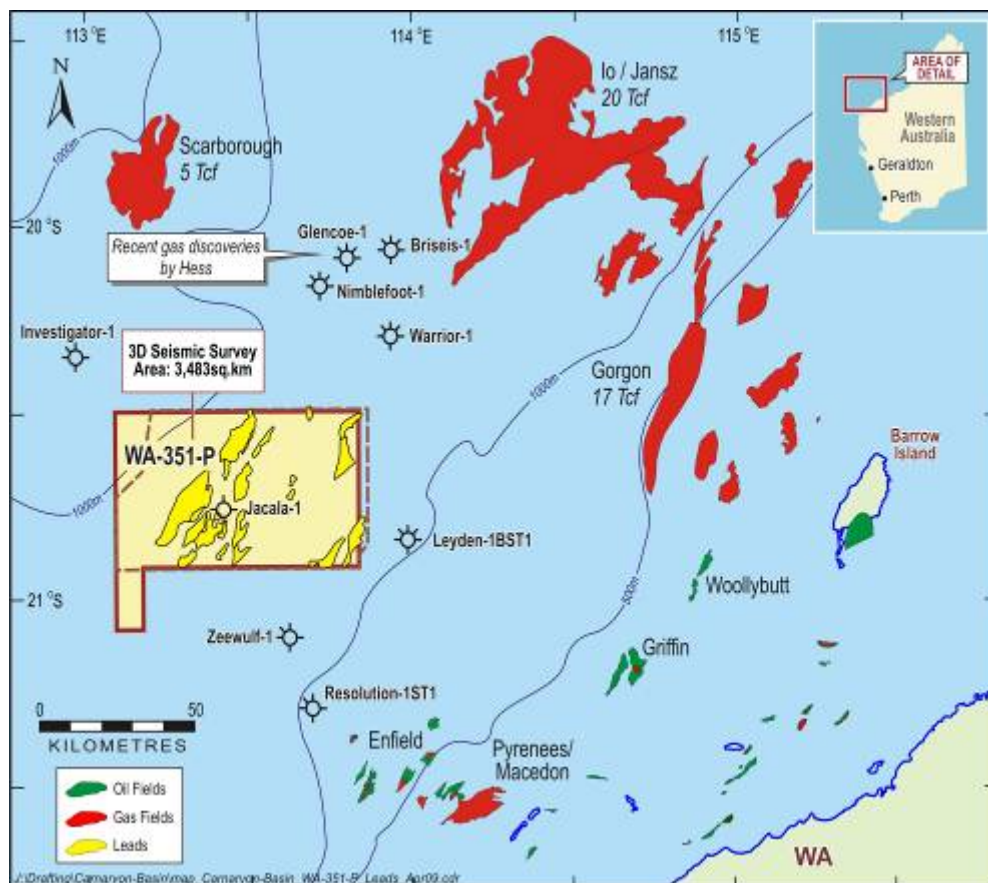


- Three wells followed 2007 Frankland and Dunsborough discoveries: Lilac wildcat and two appraisals
- Appraisals showed less hydrocarbons than initially thought in both discoveries
- Lilac had good oil shows but was wet
- Key prospects for 2010 consideration are Yungarra (Cliff Head look-alike) and gas prospects east of Frankland



# WA-351-P

## North West Shelf (20%; BHPB Operator)



- Acquired Aragon 3,483km<sup>2</sup> 3D survey in November 2008
- Likely renewal of the Permit with drilling planned for 2010-2011 targeting a major Triassic gas play

# VLAMING SUB-BASIN

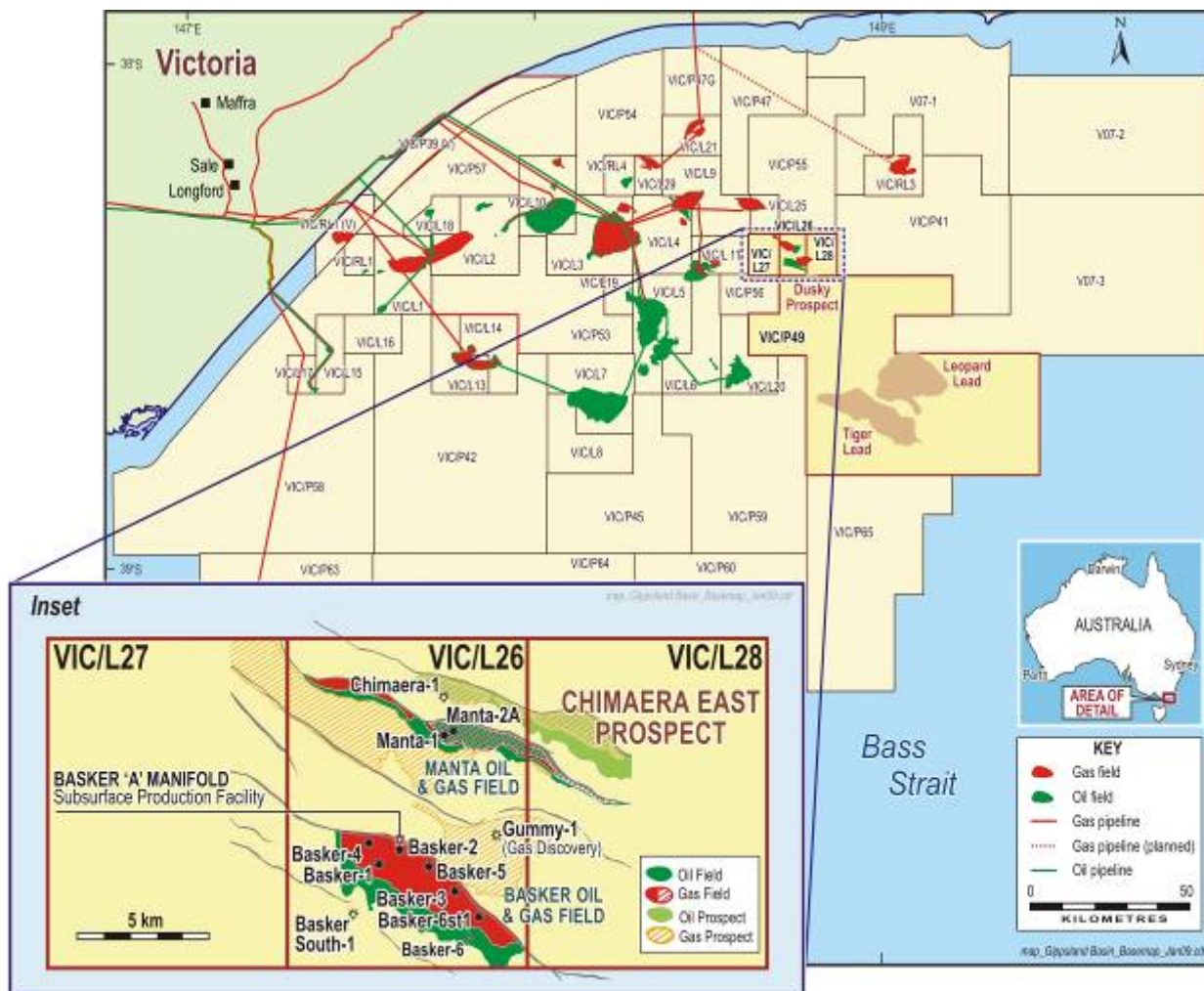
## Offshore Western Australia (20% and Operator)



- ROC has completed its prospectivity assessment of Permits WA-381-P and WA-382-P based on ~2700km 2D seismic reprocessed in 2008 plus all relevant well data.
- There is potential for 50 MMBBL and 150 BCF fields in these permits
- ROC assesses the main risks to be migration and charge mechanism, adequate seal
- Work in progress to de-risk prospects

# GIPPSLAND BASIN

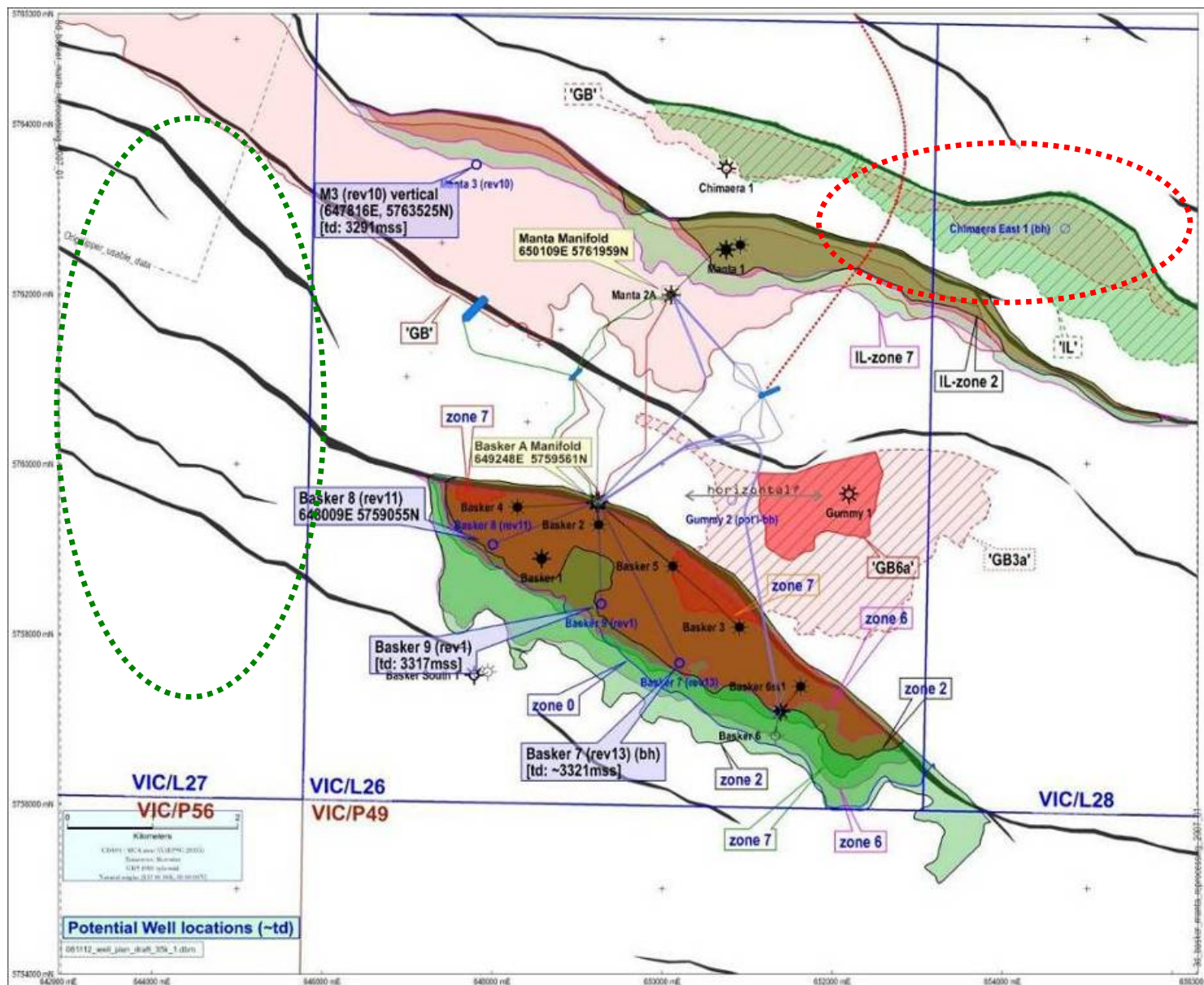
## Offshore Victoria (40% and Operator)



- Chimaera East possible for 2010
- Dusky possible in 2010 in Vic/P49 (20%; Nexus operator)
- Near field potential in Vic/L27

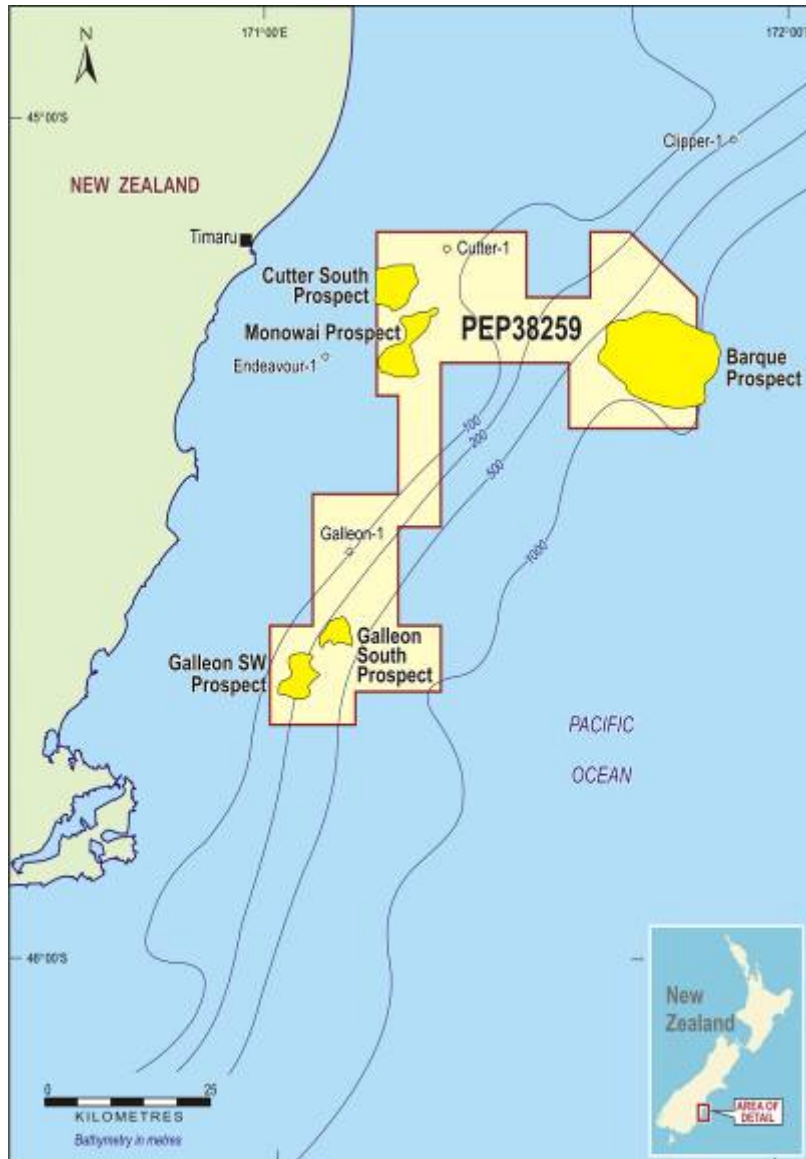


# GIPPSLAND BASIN FIELD POTENTIAL



# CANTERBURY BASIN

## Offshore South Island, New Zealand (15%; AWE Operator)



- Barque is the largest prospect
- 480 kms of 2D seismic data were acquired in the 1Q 2009
- Drilling possible in 2010-11

# 2009 EXPLORATION – NEW VENTURES FOCUS

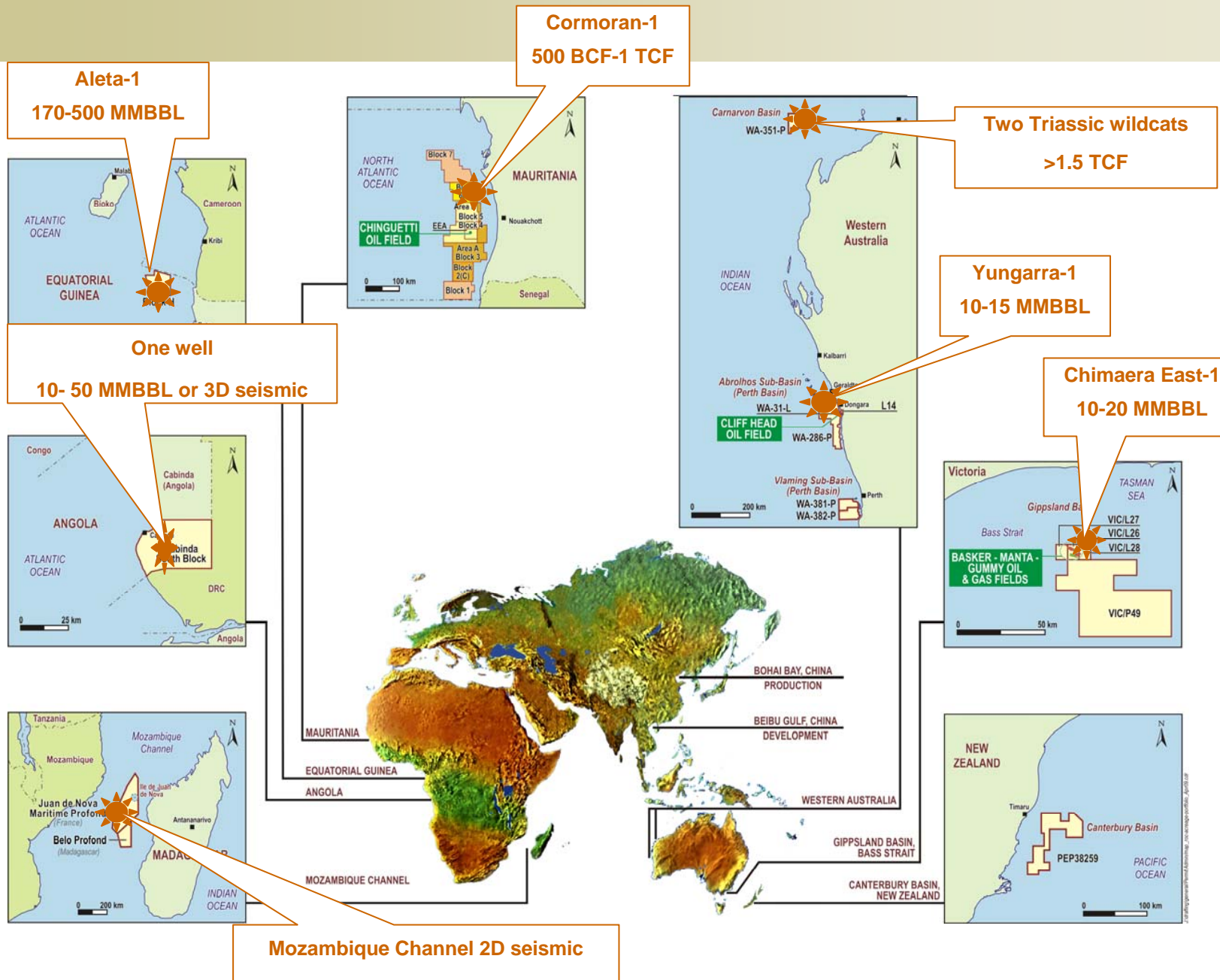


What are we looking for ?

- Opportunities to capitalise on existing experience, knowledge, credibility and operating capacity
- in selected regions and basins (building further experience along the way) close to ROC's major operating centres
- with active petroleum systems
- company-making potential (albeit below the threshold of Majors)
- possibly where access was previously limited (tightly held or political/physical constraints)
- where we have the ability to apply new technology
- and all the time remain opportunistic



# POTENTIAL OPERATIONS 2009-2010







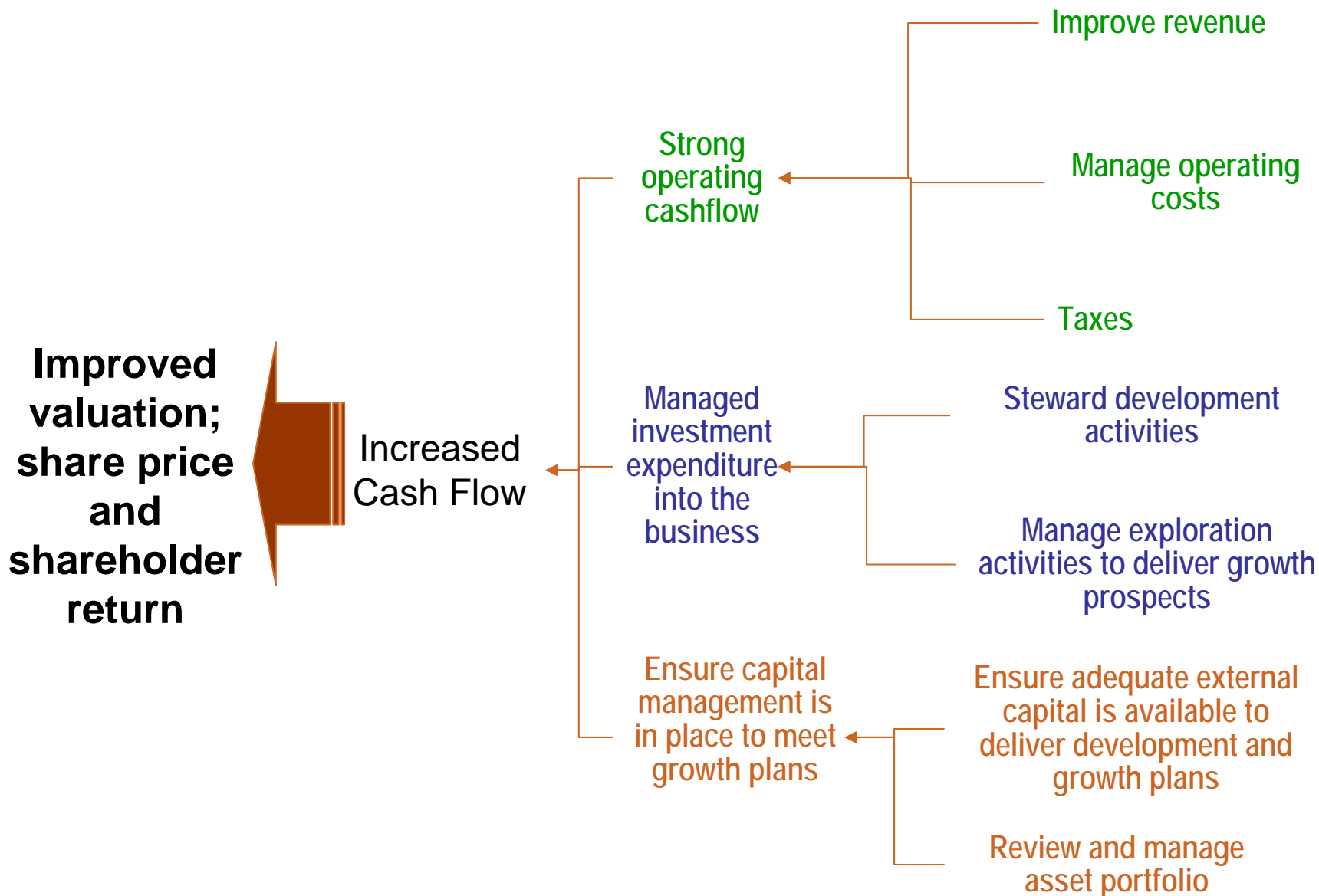
# **Anthony Neilson**

## **Chief Financial Officer**



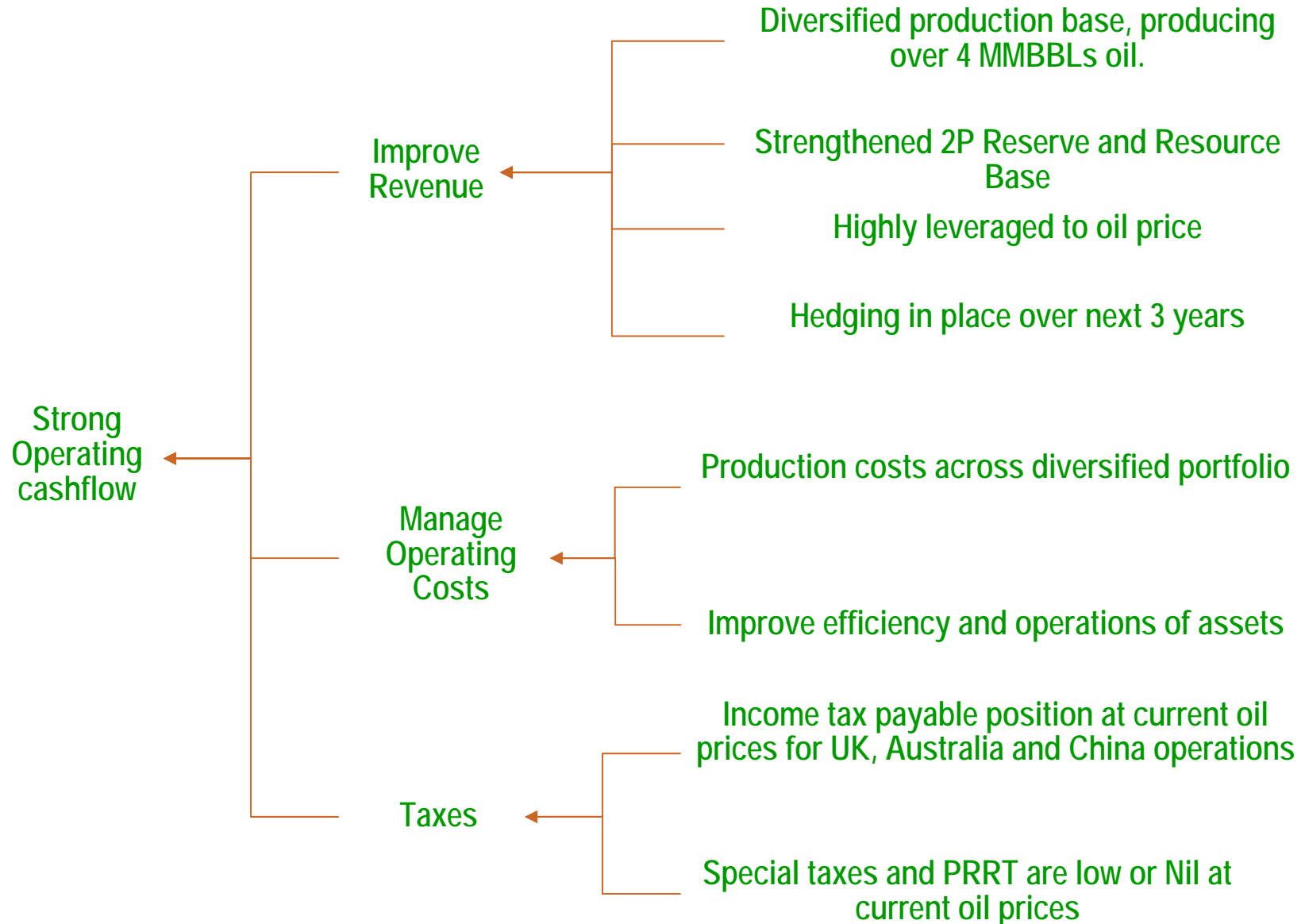
# Value Drivers

# ANALYSIS ON CASHFLOW BASIS





# STRONG OPERATING CASHFLOWS





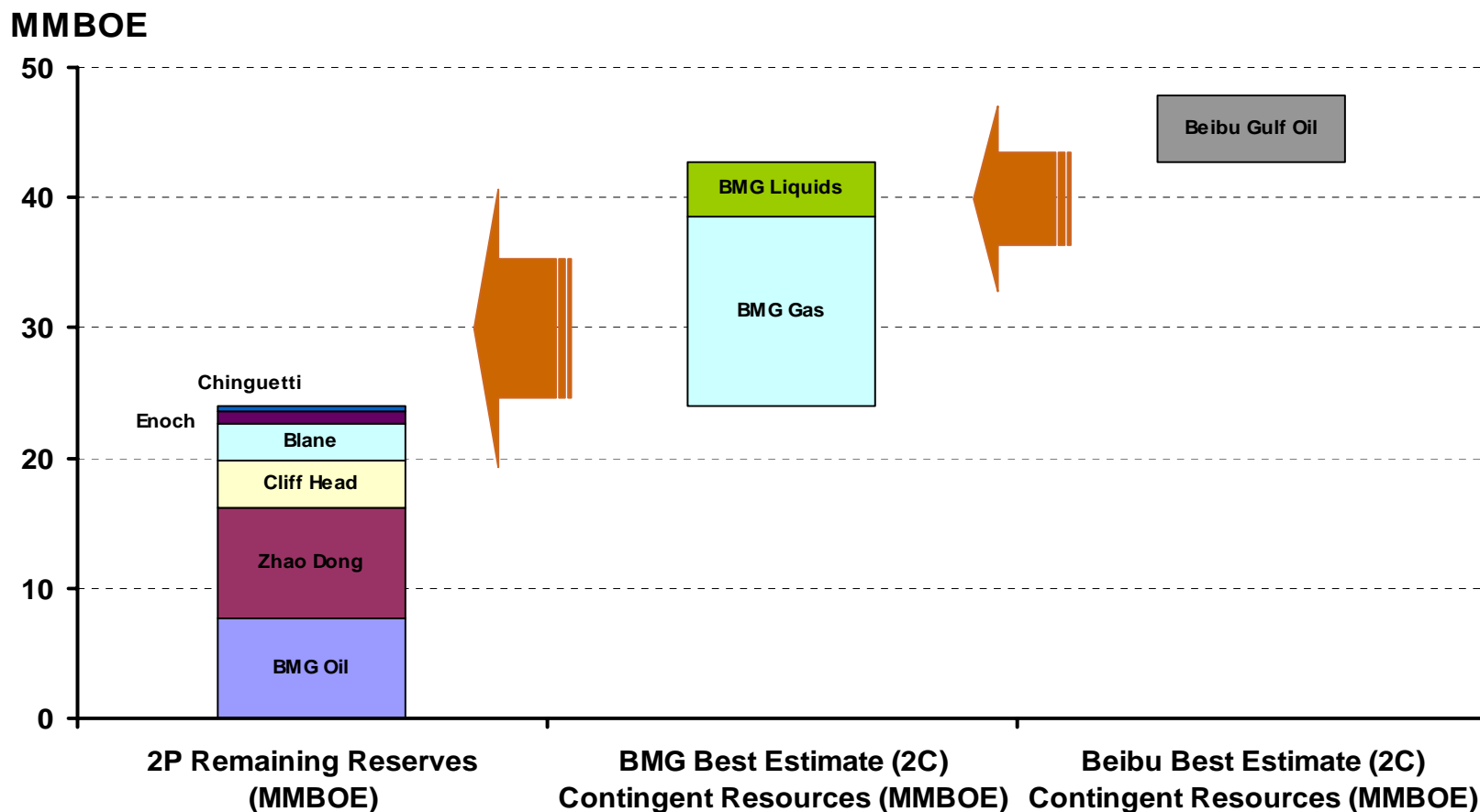
# PRODUCTION

- Well balanced and diversified production base
- Approximately 4 MMBBLs of production per annum sustained over the next 2-3 years
  - predominantly oil
- Growth prospects with resources adding substantial production potential from 2012 onwards
  - BMG Gas and incremental liquids
  - Beibu Gulf oil



# STRENGTHENED 2P RESERVES & RESOURCE BASE

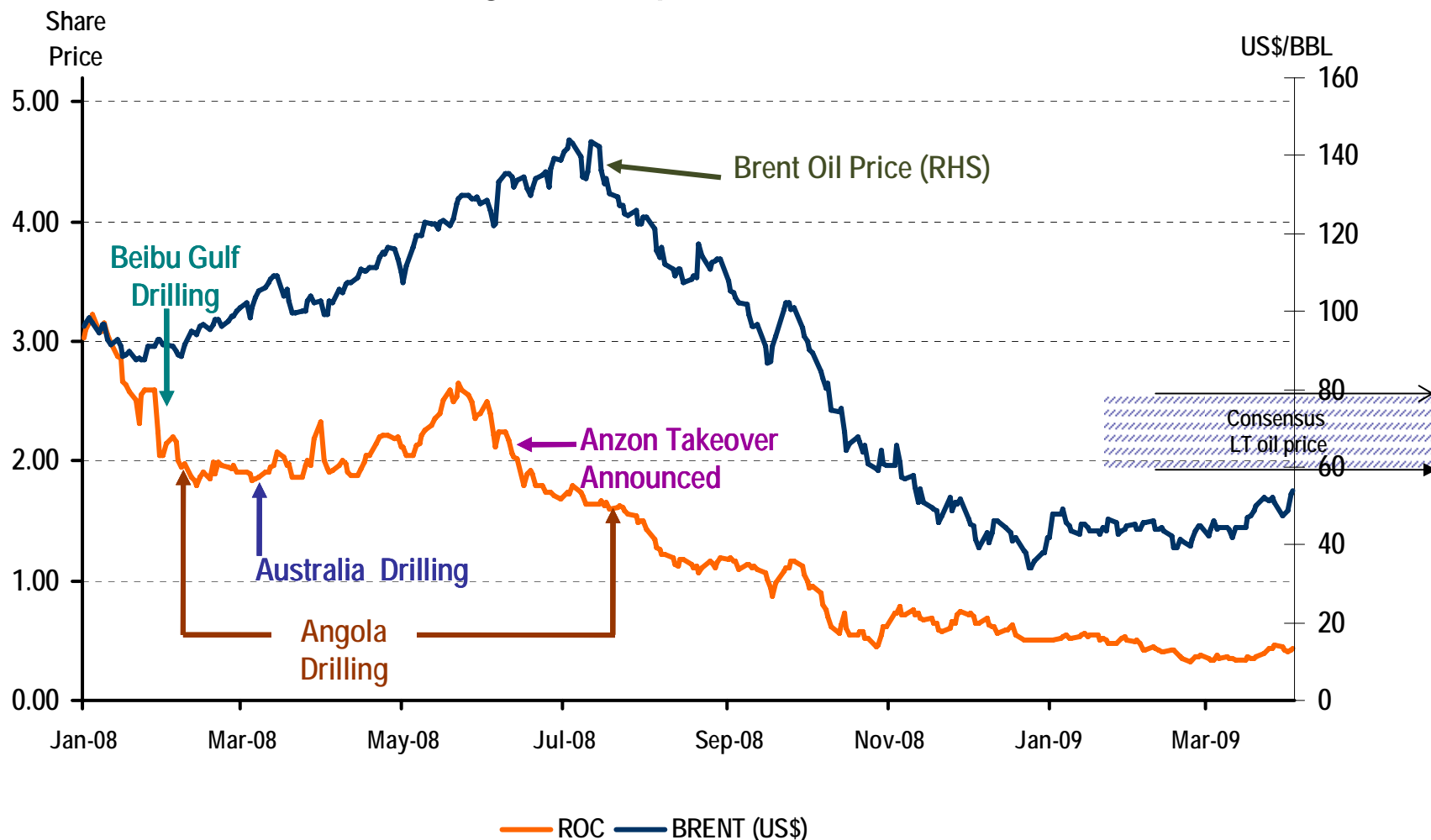
- 2P Reserves at year end of 24.0 MMBOE (over 99% oil)
- 2C Resources of 23.9 MMBOE (61% gas)
- Additional 3P Reserves and near field exploration potential:
  - Cliff Head, BMG and Zhao Dong



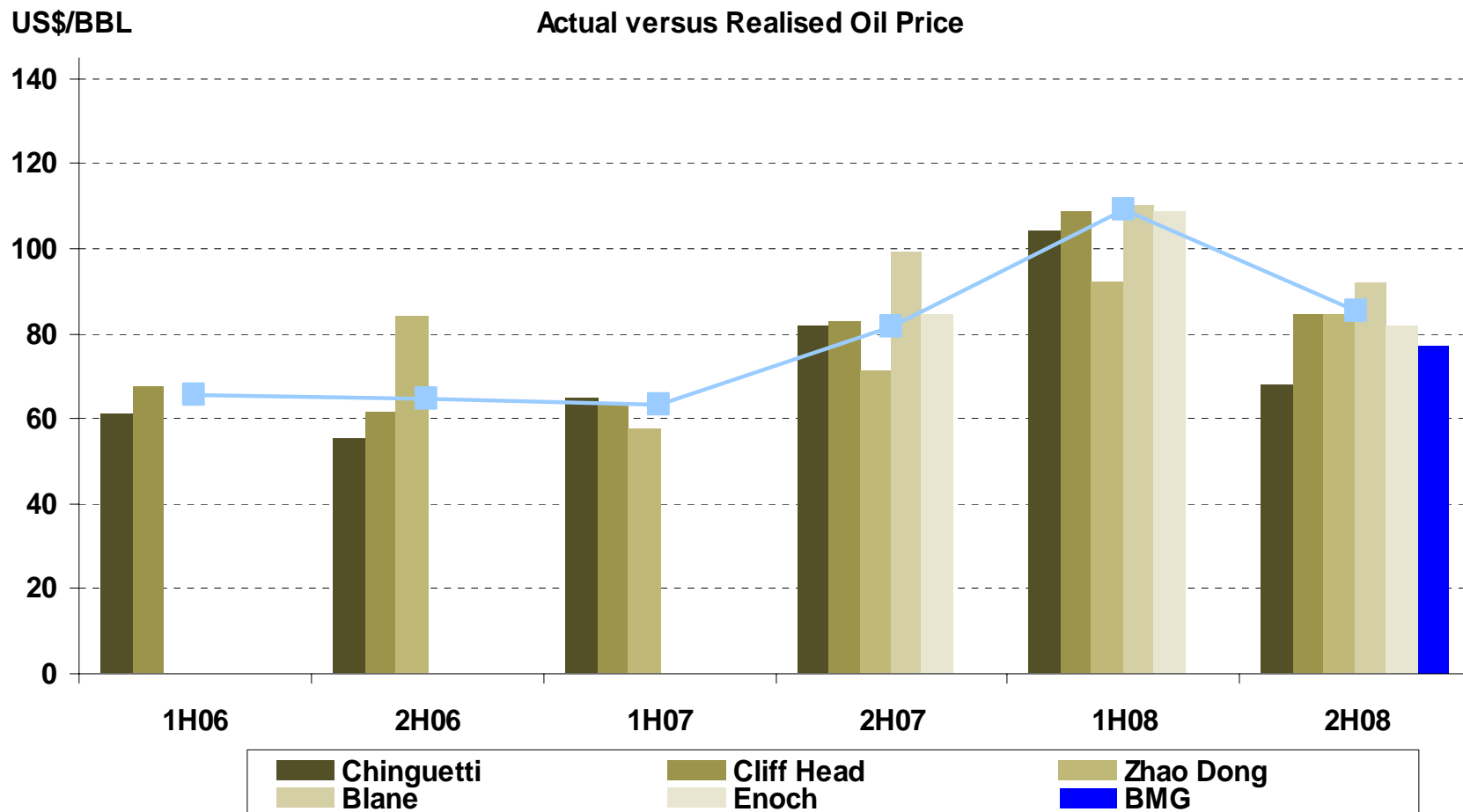


# PERFORMANCE VS OIL PRICE

- Recent share price closely correlated to oil price movement
- Consensus mid-long term oil price between US\$60-80/BBL



# REALISED PRICE



- Benchmark pricing for Zhao Dong crude is Duri
- Benchmark pricing for BMG is Tapis (+ small premium)
- Benchmark pricing for all other assets is Brent

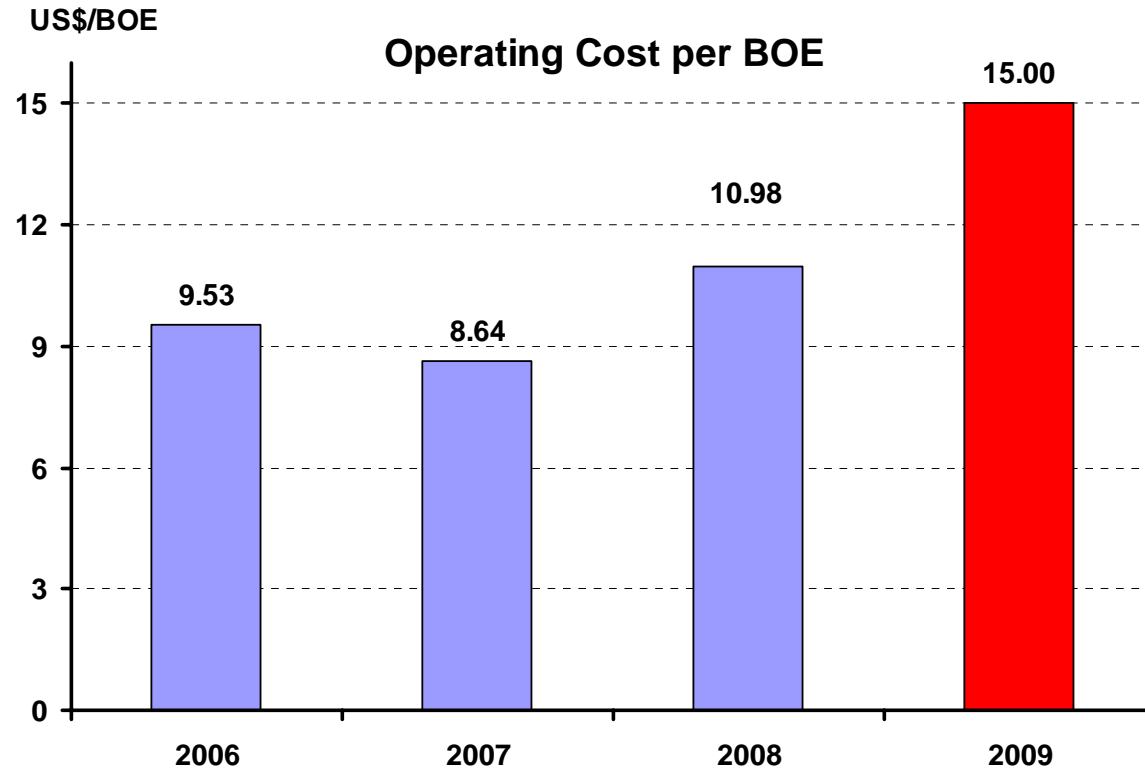
## HEDGING POSITION – 31 March 2009

BRENT OIL PRICE SWAPS		
	Volume	Weighted Average Brent Price USD/BBL
2009	630,999	69.78
2010	966,990	66.27
2011	875,997	63.71
	2,473,986	66.26

- Hedging strategy consistent with prior periods and regularly reviewed:
  - majority of production remains exposed to oil price changes; and
  - executed for specific transactions, development projects and periods of high capex
- At 31 March 2009 the hedge book has 2,473,986 MMBBL of Brent oil price swap contracts at a weighted average price of US\$66.62/BBL
- 11% of total 2P Reserves hedged
  - ~20% of production hedged per annum for 3 years
- Mark-to-market position at 31 March 2009 was a US\$14.2 million asset



# OPERATING COSTS

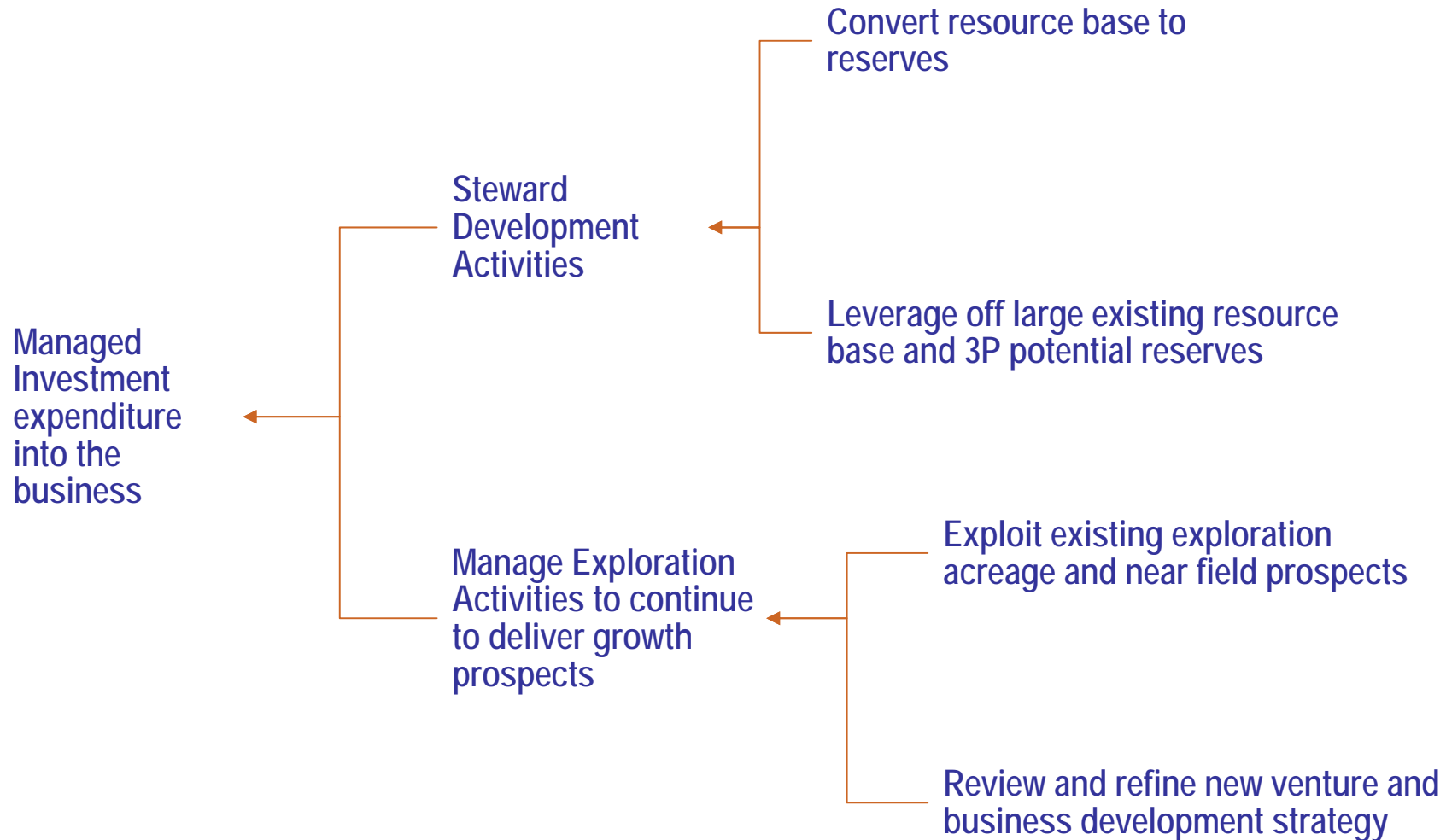


- Direct operating costs of approximately US\$10/BBL for non-FPSO fields
- Direct operating costs of US\$25/BBL for FPSO fields
  - leased FPSO facility
    - anticipate the BMG costs/BBL to reduce with Phase 2 Gas
  - actively pursuing cost reduction initiatives

- No material income tax losses brought forward to 2009 for production assets
- Taxes are dependant on future oil price assumptions

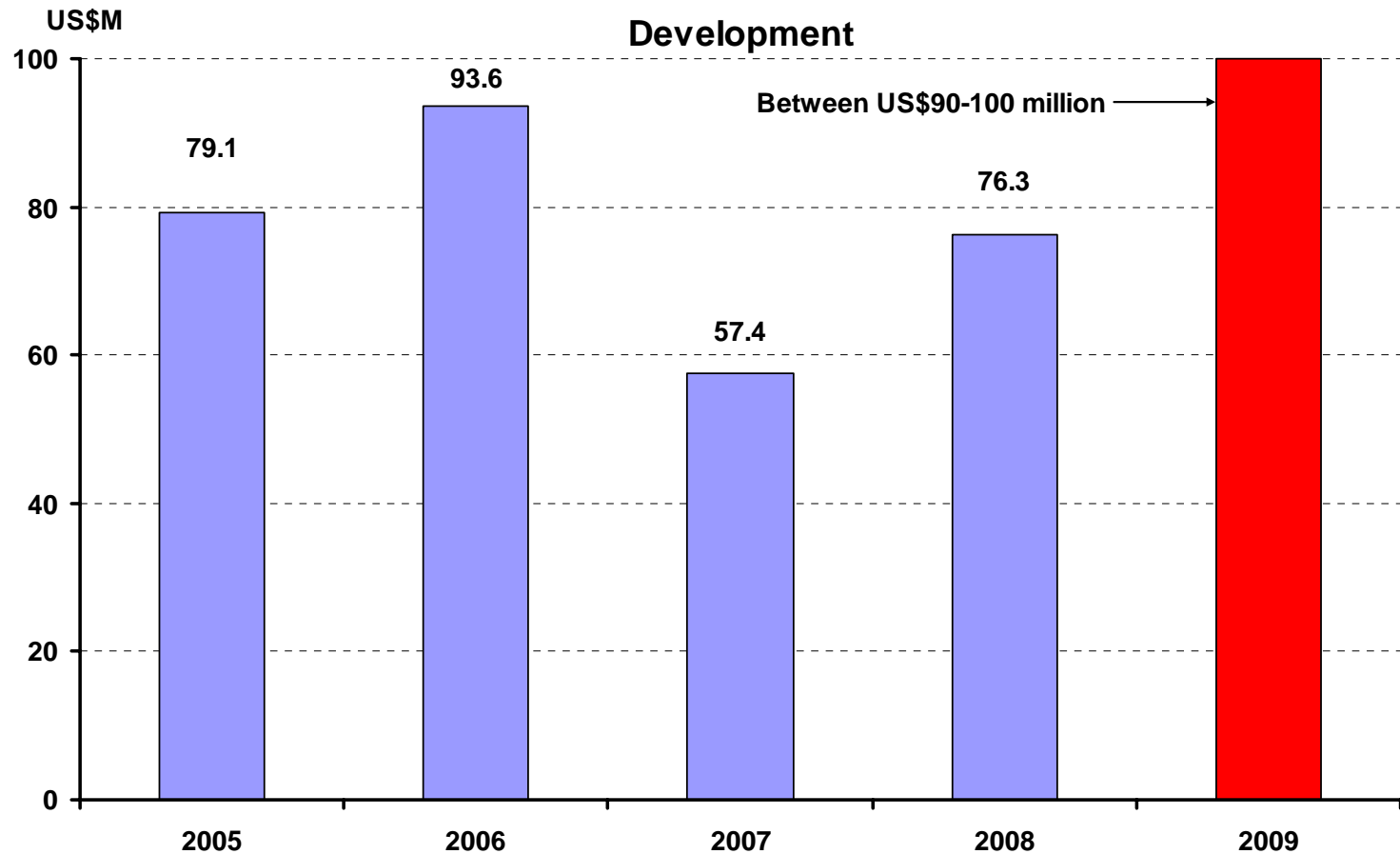
Assets	Income Tax		PRRT/Special taxes		Comments
	Rate	Expected date of First payment	Rate	Expected date of First payment	
UK assets	50%	2009	N/A	N/A	- Calculated based on Sales revenue less direct opex (All development costs are expensed for tax purposes when incurred).
Cliff Head	30%	2009	40%	2011	- Effective 1 April 2009 all Australian assets are part of the Australian tax consolidation group. - Tax is calculated on a group bases after deducting allowable corporate costs
BMG	30%	Currently paying	40%	Unlikely	- Small timing differences result because of the differences between tax depreciation and accounting depreciation
Zhao Dong	25%	Currently paying	Sliding Scale starting at <US\$40/BBI	Currenty paying	- Small timing differences result because of the differences between tax depreciation and accounting depreciation - Recent legislation has resulted in development costs being written off over 8 years for tax purposes as opposed to 6 years - Special taxes are small at current low oil prices - Government share is approximately 11% of ZD annual production

# INVESTMENT ACTIVITIES





# DEVELOPMENT COSTS



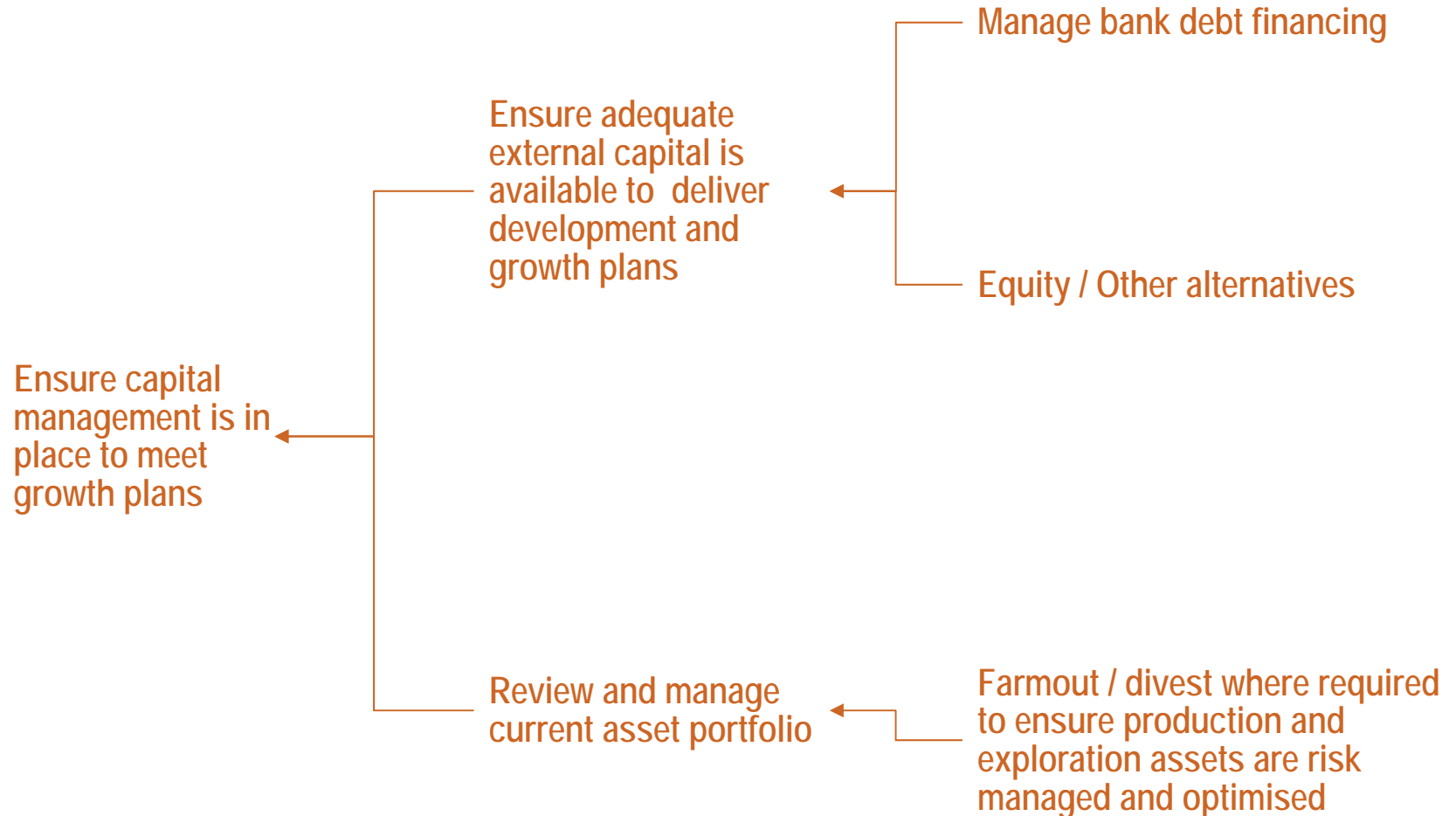
- Forecast is based on current approved budgets
- Joint Venture is considering the potential for additional drilling in the BMG field in 2009



## EXPLORATION COMMITMENTS

- 2009 US\$10 million
- 2010 and beyond there is potential in our existing portfolio
- New venture opportunities exist in current market
- Large African exploration acreage interests will be farmed down for carries, minimising cost but retaining upside potential

# CAPITAL MANAGEMENT



# DEBT FUNDING

- **Traditional debt/equity ratio does not reflect true debt funding capacity**
  - Balance Sheet does not fully reflect the market value of all assets
  - Balance Sheet is distorted by variations through hedge book
- **External debt funding in place to largely underpin the 2009 programme:**
  1. **Borrowing Base Facility**
    - Amortising reserve based lending facility with CBA, BOSI and SocGen;
    - Currently drawn to US\$140 million with US\$50 million of repayment in 2009;
    - Remaining US\$90 million due between 2010 and maturity in 3Q 2011
  2. **Working Capital Facility**
    - CBA has provided a US\$30 million facility which matures at 30 June 2010 for working capital requirements
  3. **Bridging Facility**
    - CBA has also provided a US\$35 million facility which matures at 31 March 2010
    - Requirement for US\$15 million of cash management initiatives by 15 June. Currently on track to achieve this target.
- **Development of contingent resource base may require additional funding**



# Profit & Loss



# PROFIT AND LOSS REVIEW

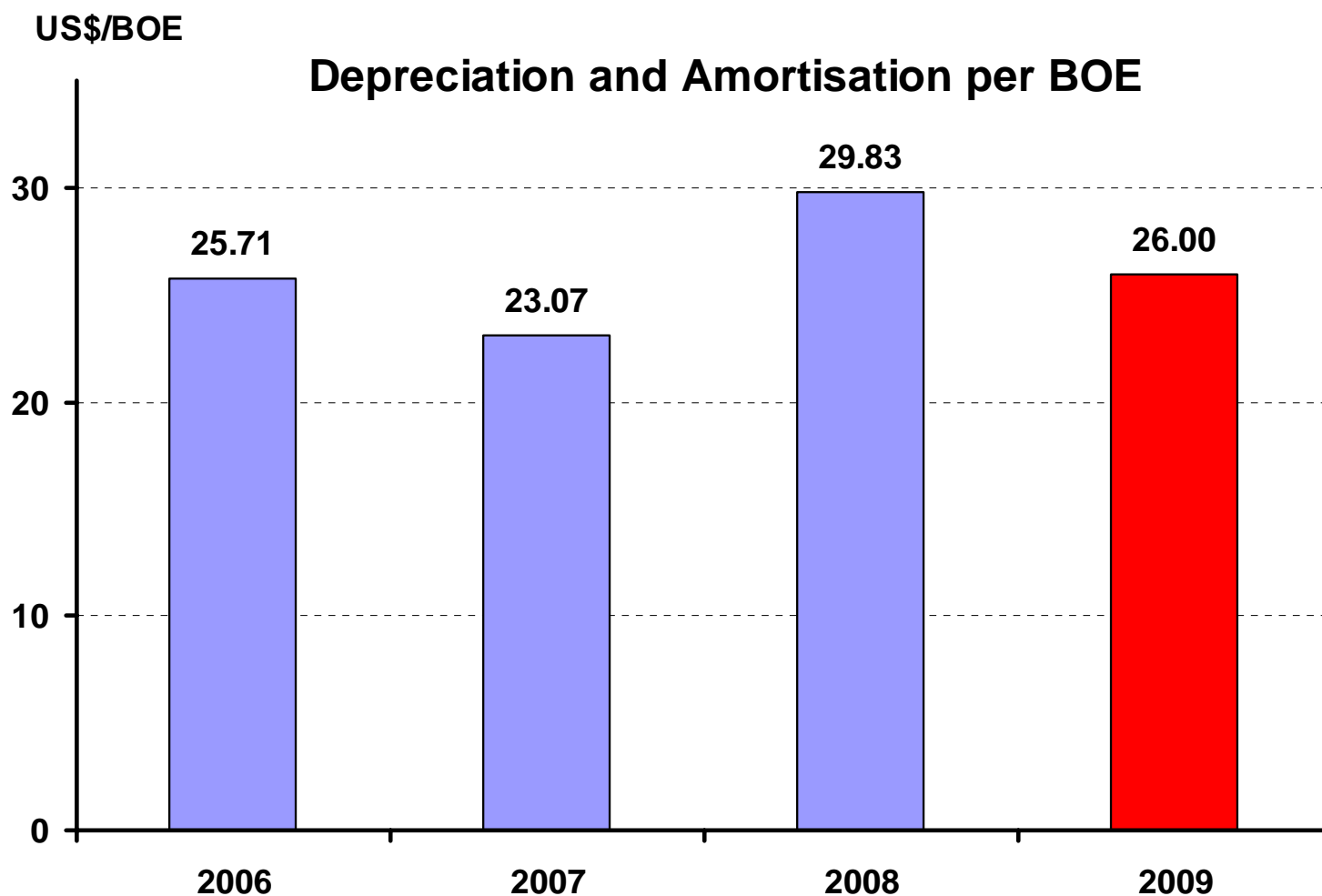
- **P&L often distorted by factors that occur with movements in oil price and in accordance with accounting standards**
  - Unrealised hedging gains and losses
    - movement in MTM of remaining hedge book between balance dates is the P&L impact
  - Non-cash asset impairments
- **Areas which are often difficult to understand from an external perspective:**
  - Amortisation: currently approx US\$25/BBL based on an estimate of current and future costs over the expected life and 2P Reserves of a field
    - subject to changes in development plans and oil prices
  - Taxes: heavily impacted by oil prices and vary by asset
    - need to be calculated at asset level
  - Exploration expense: ROC uses a successful efforts accounting policy and will expense
    - dry holes
    - non-commercial discoveries
    - seismic
    - other exploration preparatory activities





# AMORTISATION

Amortisation decreasing as a result of asset impairments booked in 2008



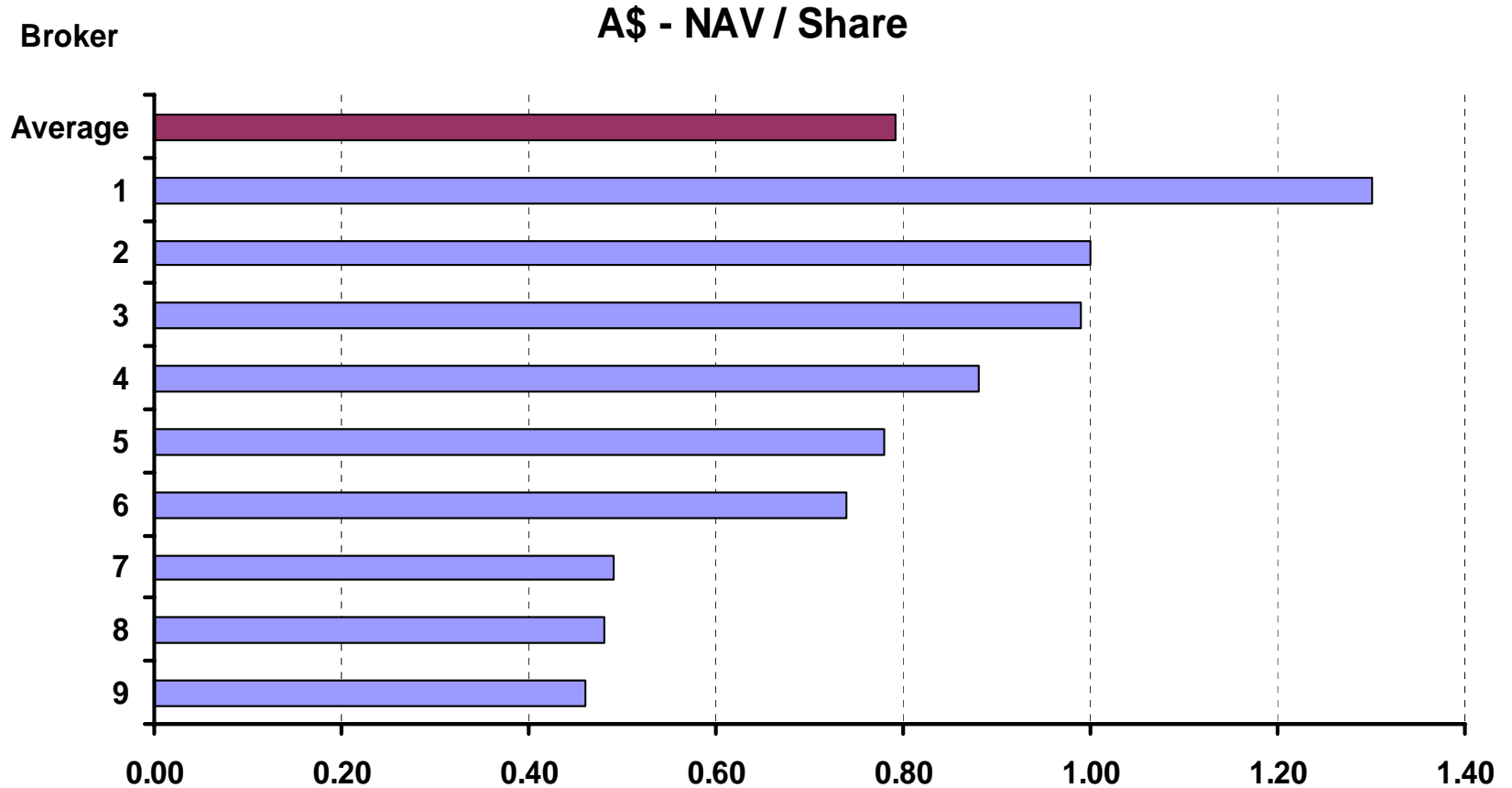
# ANALYST CONSENSUS

- **Analysts' consensus view on ROC for 2009:**
  - small profit
  - solid operating cashflow for low oil price environment

	2009 Average Consensus
Production (Mmbbls)	4.4
Revenue (US\$m)	225
Exploration Expensed (US\$m)	8
Depreciation US\$/bbl	25
EBITDA (US\$m)	135
NPAT (US\$m)	14
Operating Cash flow (US\$m)	119
Development Expenditure (US\$m)	95
Oil Price (US\$/bbl)	49

Source: Average from selection of latest analyst reports received from ROC

# NET ASSET VALUE per SHARE



**Average NAV is A\$0.78/share**

Source: Average from selection of latest analyst reports received from ROC

## SUMMARY

- Industry and financial markets have changed significantly over last 6-12 months
- ROC has repositioned itself to operate in this new environment
- Funding in place for 2009
- Significant development opportunities in 2010 and 2011
- Restructured exploration program
- Flexibility in funding alternatives exist



STEWARD FINANCIAL RESOURCES AND FOCUS ON  
FINANCIAL PERFORMANCE WITHOUT LIMITING GROWTH  
OPPORTUNITIES



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In accordance with ASX and AIM Rules, the reserves and resources information in this presentation has been reviewed and approved by John Mebberson, General Manager, Exploration, Roc Oil Company Limited, BSc Geology. Mr Mebberson, who is a member of the American Association of Petroleum Geologists, has more than 30 years relevant experience within the industry and consents to the information in the form and context in which it appears.



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