



# Company Overview March 2010





# COMPANY PROFILE

- Upstream oil and gas company
- Listed on the ASX
- Market capitalisation of ~A\$250 million (@ \$0.35/share)
- ~713 million shares on issue
- Net production of 10,034 BOEPD for FY09
  - FY10 target of 8,000-9,000 BOEPD
- Net Cash of US\$18 million @ 31 December 2009
- FY09 net operating cashflow US\$98 million
- Proven technical and operational capabilities and experience
  - Operating ~27,000 BOEPD of production
  - Operating major projects in Australia and China
- 2P Reserves of 13.9 MMBOE
- Production, development and exploration upside
- Asia-Australasia Focus



# IMPRESSIVE OPERATING CREDENTIALS

## **Development**

- Cliff Head: discovered, appraised, developed and now operated
- Zhao Dong: ongoing development drilling programme
- BMG: project intensively reviewed

## **Production**

- Operating ~27,000 BOEPD of production from 4 assets in 2 countries

## **Exploration**

- Offshore programmes operated in Australia, Africa and China

## **HSEC**

- 0.39 LTI Frequency Rate for FY09
  - LTI rates in 2009, 2008 and 2007 well below the industry average
- No significant environmental incidents
- Engage and build relationships with communities in which we operate



# GLOBAL PRODUCTION PORTFOLIO



## Production

- Cliff Head oil field
- Basker Manta oil fields
- Zhao Dong oil fields
- Blane oil field
- Enoch oil & gas field
- Chinguetti oil field

● Non-Operated

▲ Operated



# ZHAO DONG PRODUCING OIL FIELDS

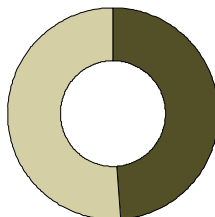
<b>Location:</b>	Offshore Bohai Bay
<b>Working Interest:</b>	<ul style="list-style-type: none"> <li>• C&amp;D (+ERA) 24.5%</li> <li>• C4 Field 11.6% (unitised)</li> </ul>
<b>Operator:</b>	ROC
<b>Development:</b>	<ul style="list-style-type: none"> <li>• 4 linked platforms: 2 for drilling &amp; accommodation; 2 for production &amp; processing</li> <li>• C4 platforms connected by pipelines</li> <li>• Oil barged to Tanggu Port</li> </ul>



**% of ROC  
2P Reserves:**

ROC Net: 6.8 MMBBL

Other  
51%



C&D +  
C4  
49%

**Gross 2P Reserves:**

- C&D (+ERA) 24.9 MMBOE
- C4 Field 6.0 MMBOE

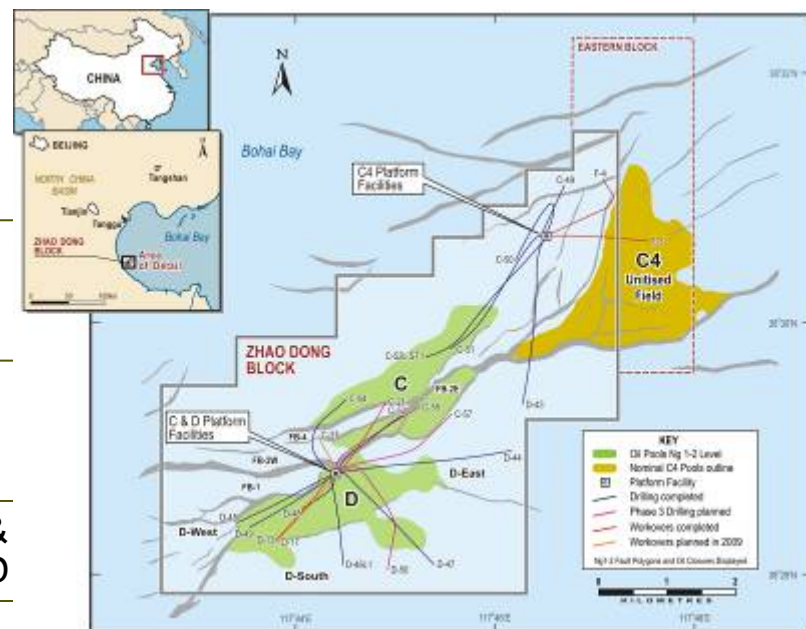
(as at 31 December 2009)

**Gross Production:**

- C&D (+ERA) 17,845 BOPD
- C4 Field 1,661 BOPD

(for FY09)

**Activity:** 2010 drilling programme started & current production ~20,000 BOPD



**Future production upside from continued development drilling**

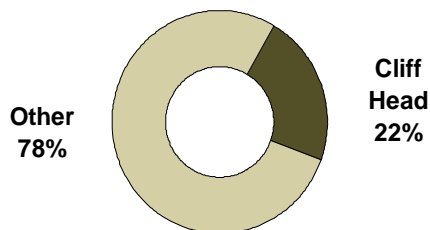
# CLIFF HEAD PRODUCING OIL FIELD

Location:	Offshore Perth Basin
Working Interest:	37.5%
Operator:	ROC
Development:	<ul style="list-style-type: none"> <li>• Unmanned platform</li> <li>• Pipeline to onshore stabilisation plant</li> <li>• Oil trucked to BP Kwinana Refinery</li> </ul>



Platform 11km offshore

% of ROC  
2P Reserves:  
ROC Net: 3.1 MMBBL



Onshore Stabilisation Plant

Gross 2P Reserves:	8.3 MMBBL (as at 31 December 2009)
Gross Production:	3,888 BOPD (for FY09)
Activity:	Recent well workovers from the unmanned platform have enhanced production, which is presently ~5,500 BOPD

**Established production with potential enhancement from workovers**

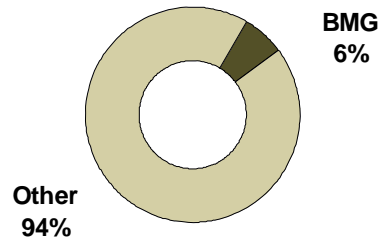


# BASKER MANTA PRODUCING OIL FIELDS

<b>Location:</b>	Offshore Gippsland Basin
<b>Working Interest:</b>	30%
<b>Operator:</b>	ROC
<b>Development:</b>	<ul style="list-style-type: none"> <li>• 6 subsea wells connect to FPSO (Crystal Ocean)</li> <li>• Shuttle tanker deliveries</li> </ul>

**% of ROC  
2P Reserves:**

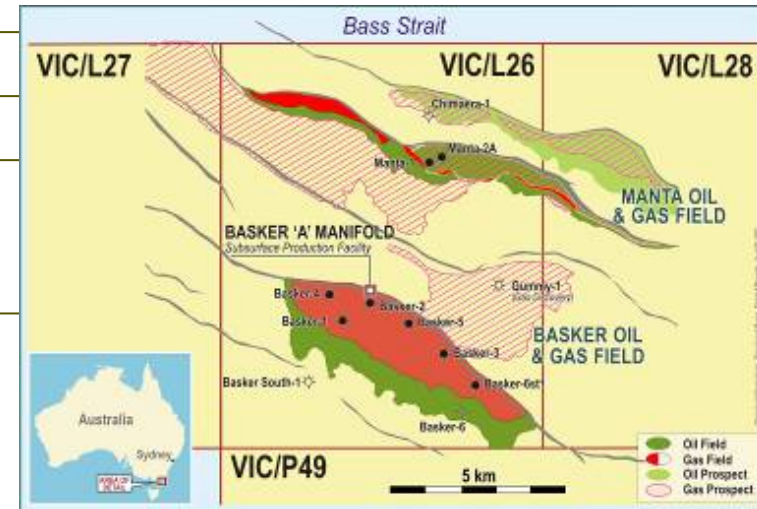
ROC Net: 0.9 MMBBL



**Gross 2P Reserves:** 3.0 MMBBL  
(as at 31 December 2009)

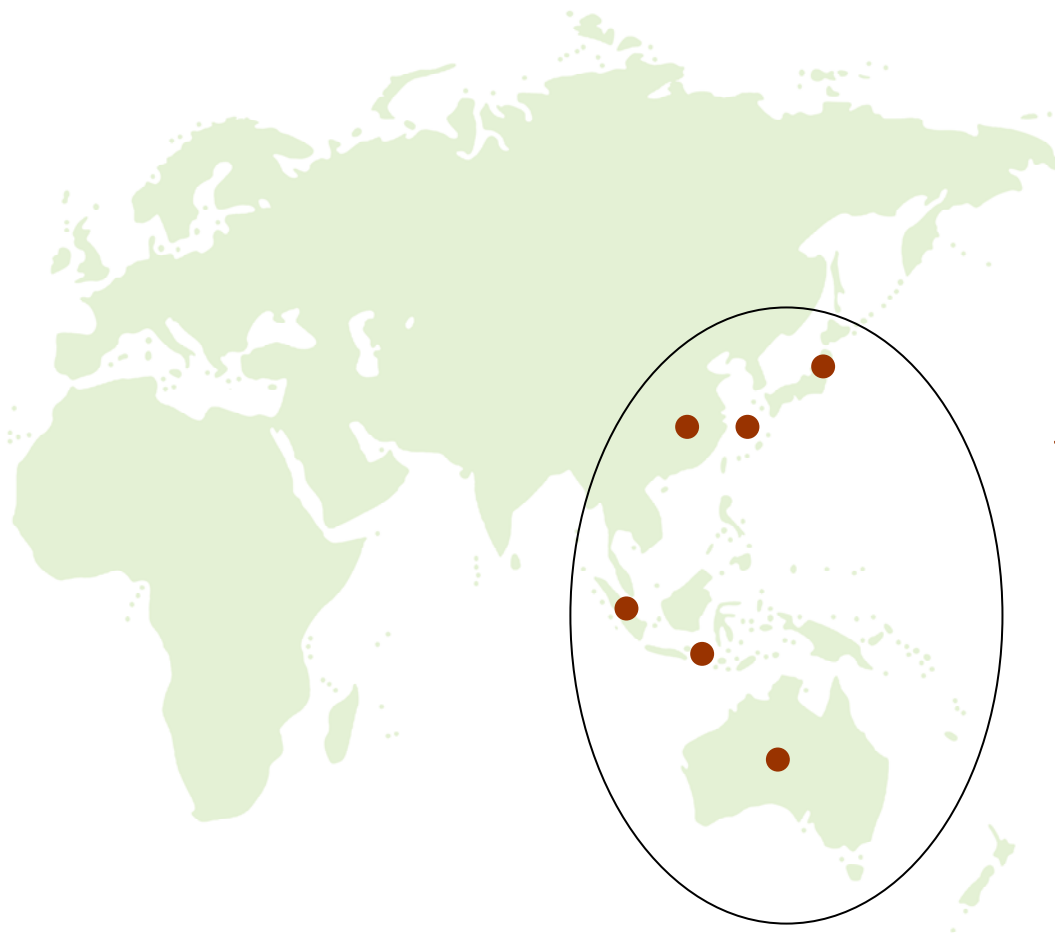
**Gross Production:** 3,854 BOPD  
(for FY09)

**Activity:** Future development options under review following 2P Reserve downgrade in February 2010.  
Current production ~6,000 BOPD



**Future development options under review**

# RELATIONSHIP BUILDING



**Focus Region**

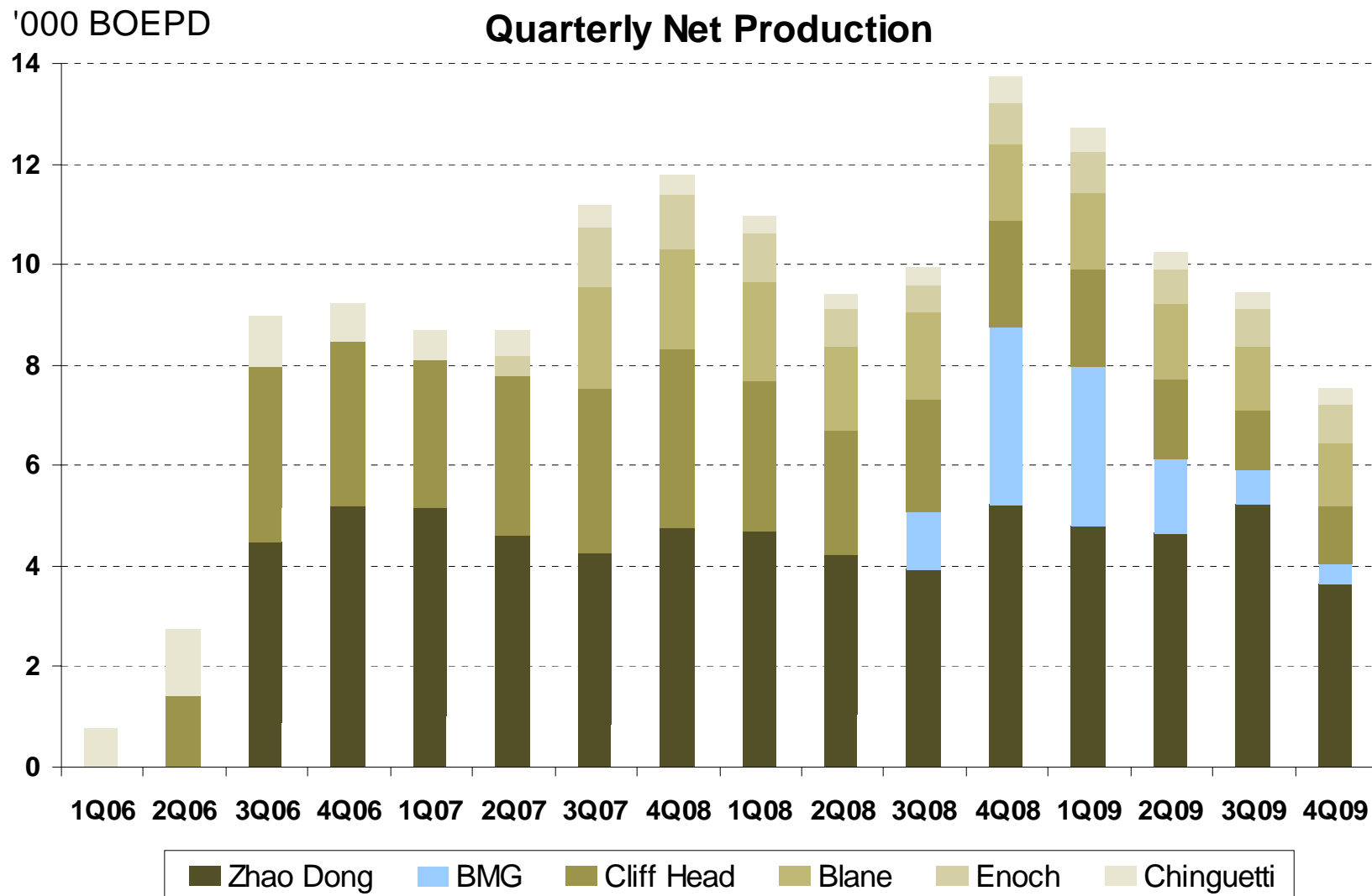
## Operating and Joint Venture Relationships

- Several Australian JV partners
- Pertamina (Indonesian NOC)
- Petronas (Malaysian NOC)
- CNOOC (China offshore NOC)
- Petrochina (China onshore NOC)
- Sinochem
- Several Japanese JV partners

**Operational capabilities have helped to build relationships in Asia-Australasia**



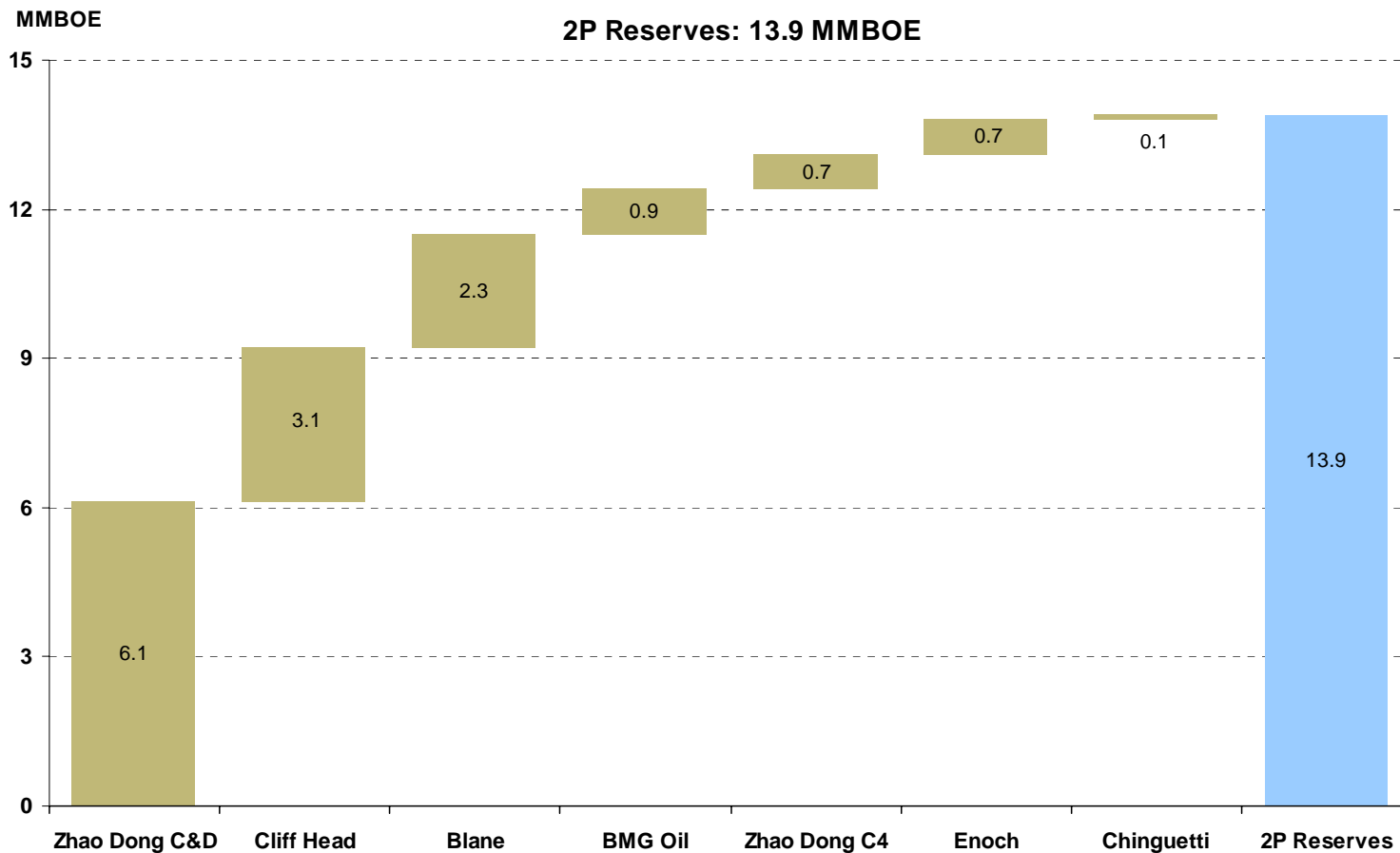
# PRODUCTION HISTORY



FY09 Production = 10,034 BOEPD



# 2P RESERVES



- 2P Reserves of 13.9 MMBOE (over 99% oil) at 31 December 2009
  - 49% located in China; 29% located in Australia
- 2P Reserves downgraded by 4.7 MMBOE mainly due to BMG
- 5.2 MMBBL to be booked as 2P Reserves on Beibu Gulf FID approval



# GROWTH STRATEGY

## **Exploit existing reserve and resource base for near term growth**

- Continue development activity at mature fields
  - Zhao Dong development drilling to continue for several years
  - Further potential Cliff Head workovers to accelerate production
- Progress new development project
  - Beibu Gulf oil project: FID expected in 1H10

## **Add to the reserve/asset base**

- Leverage operating capabilities and relationships to acquire growth assets in Asia-Australasia
  - Target pre-development, appraisal and exploration assets

## **Exploration**

- Angola: Castanha-1 discovery in 2010
- Equatorial Guinea: Aleta prospect: plan farm-out from 37.5%
- Mozambique Channel: plan farm-out
- Australasia
  - WA-351-P potential drilling programme to target gas in 2011 or earlier
  - Offshore NZ potential drilling programme in 2011



# COMMERCIALISE 2C RESOURCES

## **Beibu Gulf Oil Project**

- 2C Resource of 5.2 MMBBL of oil
- Exploration upside in the 6-12 development area
  - To be tested from production facilities
- Development opportunities at 12-8E and 12-3 oil discoveries
- Facilities sharing with CNOOC potentially reduces capex
- April 2009 market transaction values ROC's interest at US\$64 million

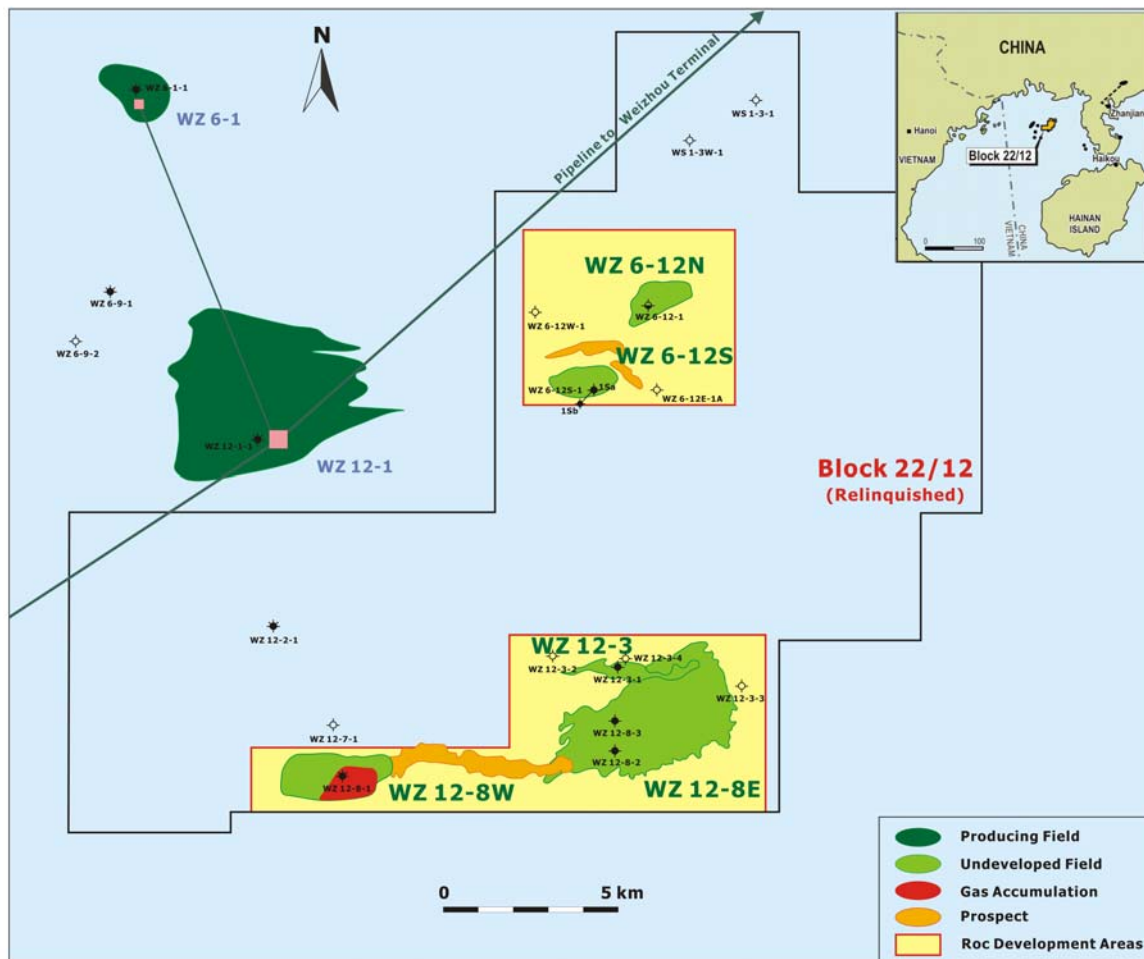
## **BMG**

- Continue to safely produce field at optimum production rate
- Evaluate development opportunities to improve commercial oil recovery
  - Potential Basker-5 workover during 2010
- Evaluate opportunities to develop gas resource



# BEIBU GULF DEVELOPMENT

## ROC OIL (CHINA) BEIBU PROJECT DEVELOPMENT AREAS



### Gross 2C Resources

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)\*

### Exploration Potential

6-12 Footwall

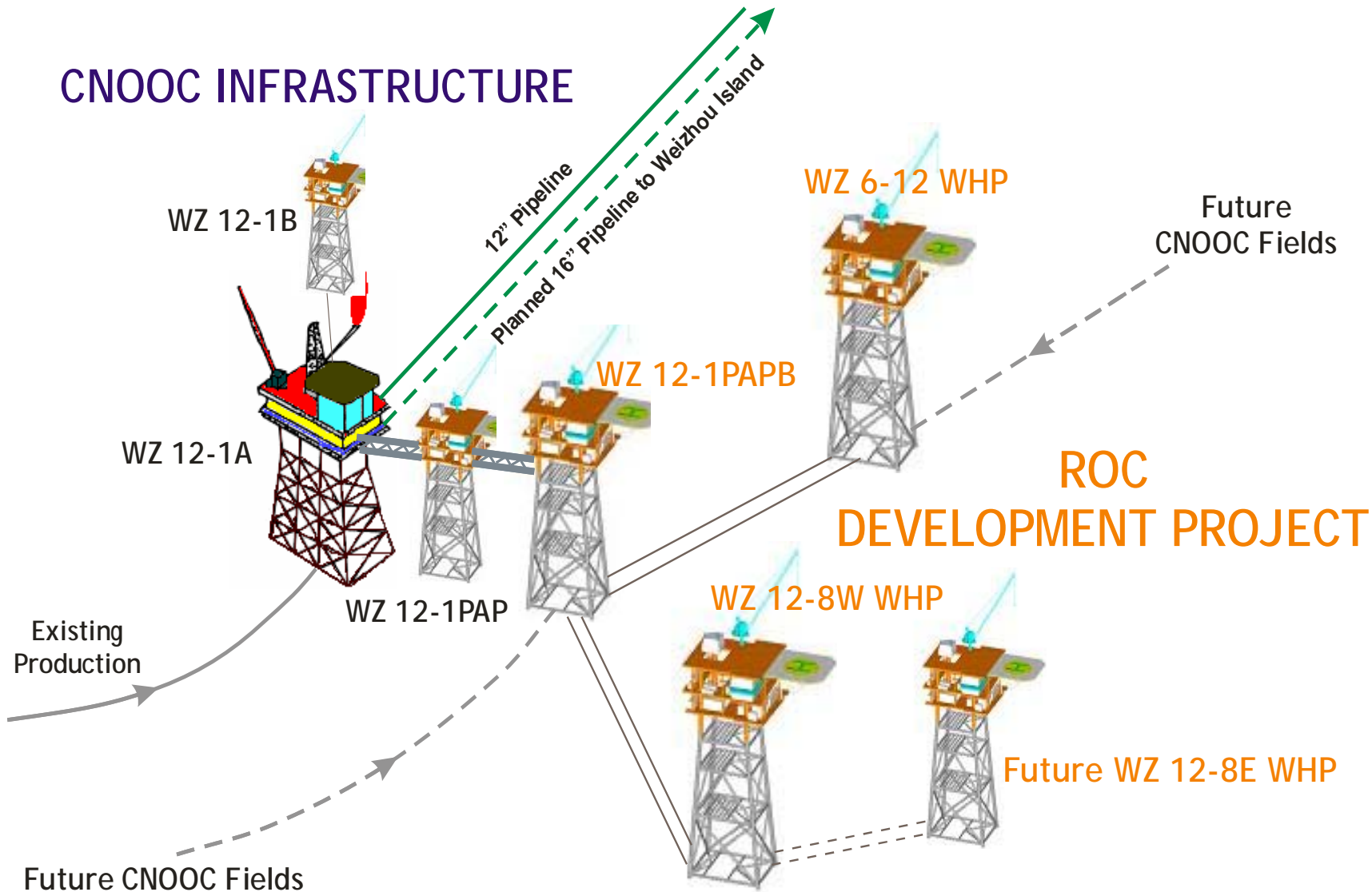
6-12 Sliver

6-12 Deep

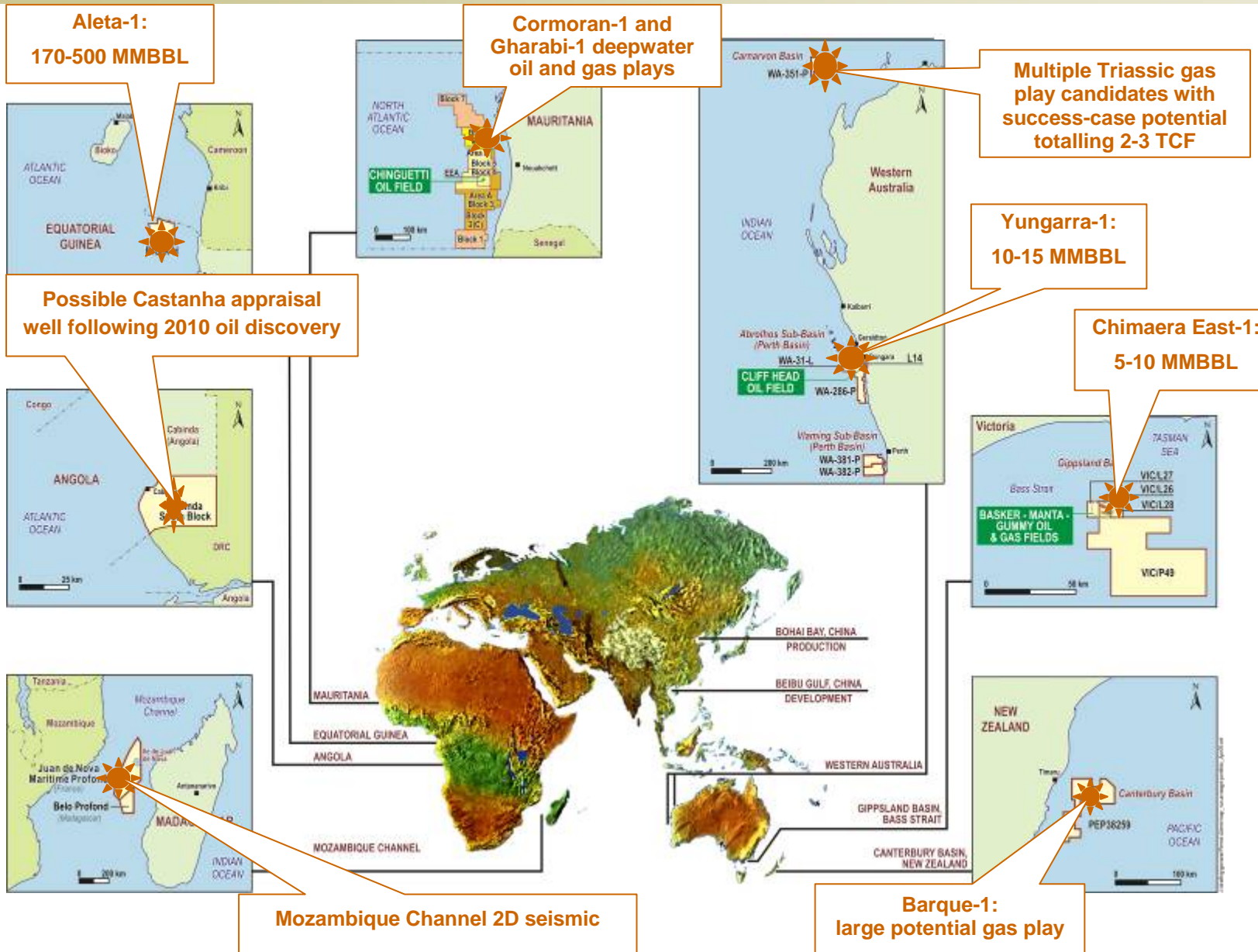
\*Assumes ROC interest of 19.6% after a Government back-in of 51%

# BEIBU GULF OIL DEVELOPMENT CONCEPT

## CNOOC INFRASTRUCTURE



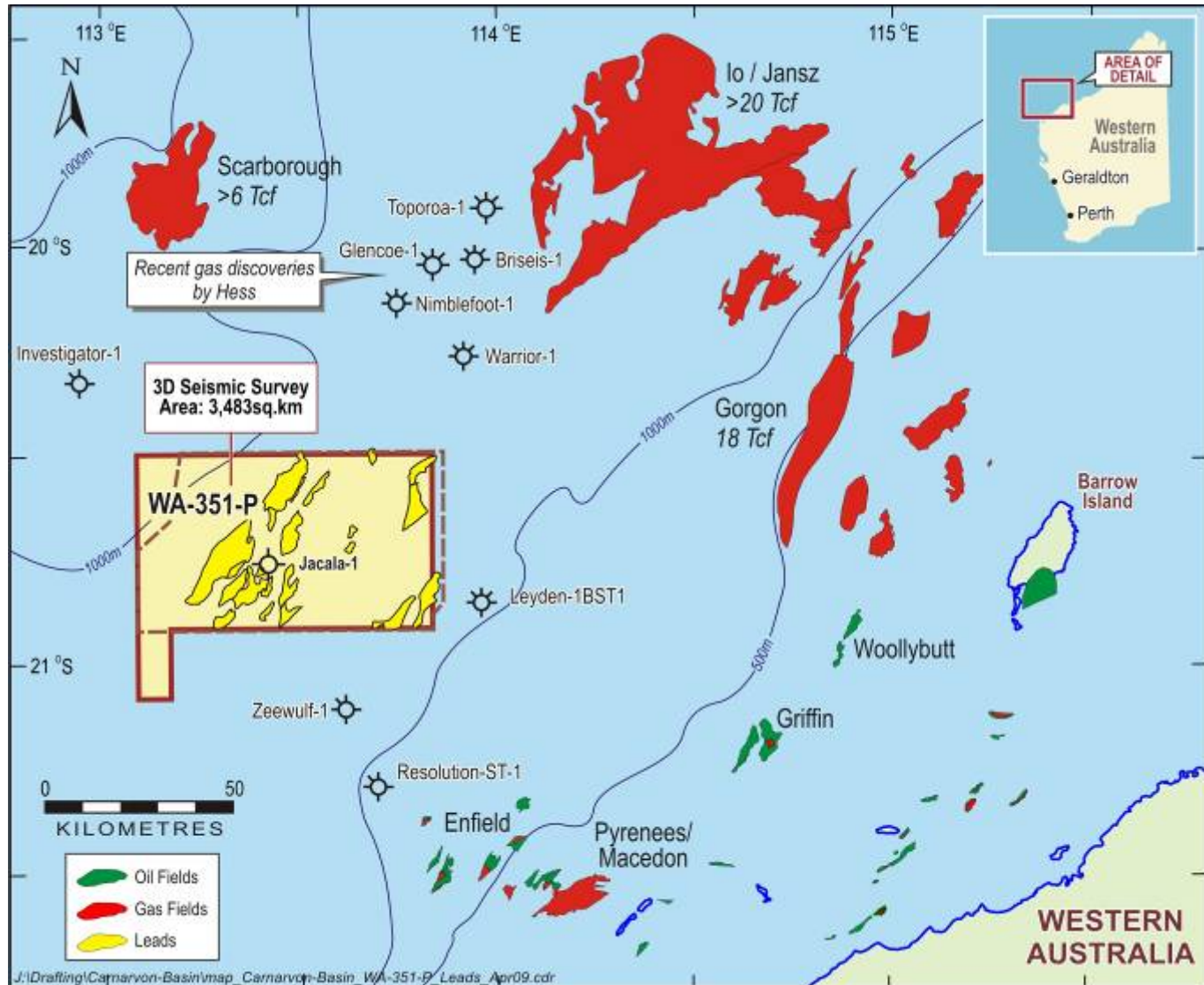
# POTENTIAL EXPLORATION 2010-2012





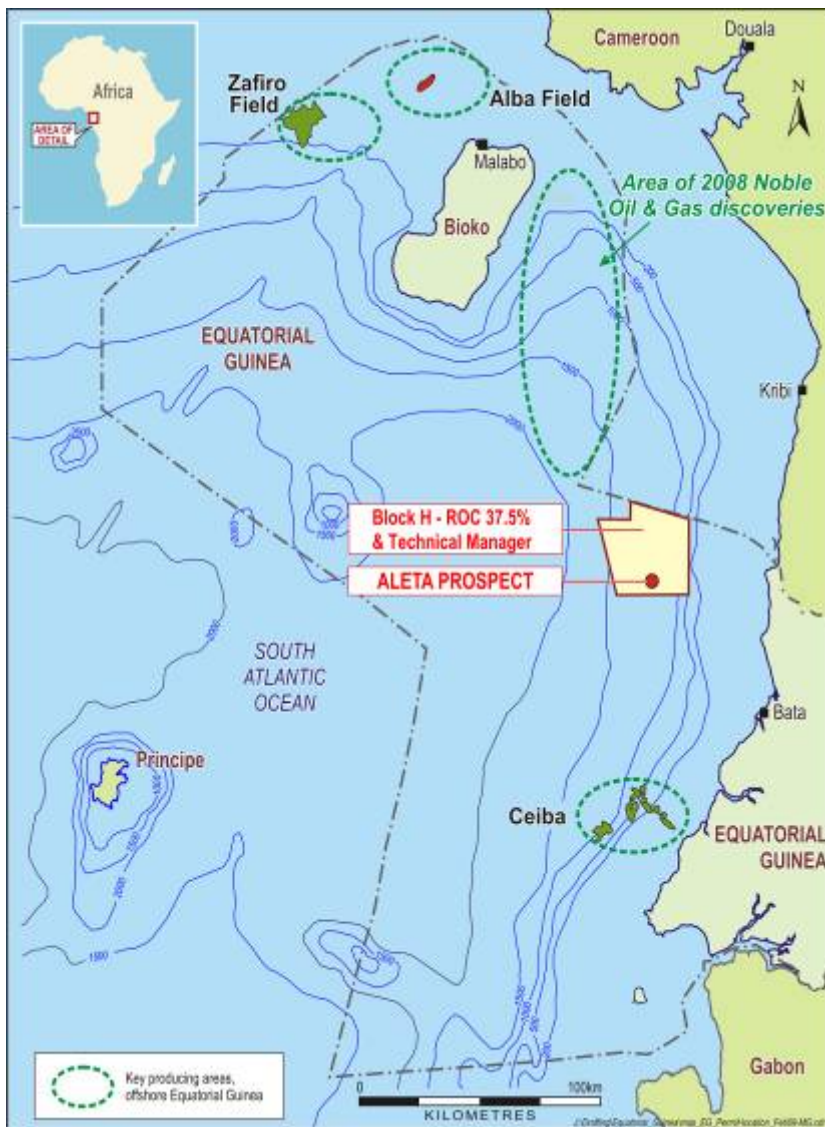
# WA-351-P EXPLORATION POTENTIAL

Potential drilling programme to target gas in 2011 or earlier



# 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
- Deep water area north of Amerada Hess's Ceiba fields (450 MMBBL) and south of Noble Energy's Aseng project (100-120 MMBBL)



# 2009 SCORECARD

Deliver Operating Budget	<ul style="list-style-type: none"><li>✓ Production within guidance (lower end of range)</li><li>✓ Control development and exploration expenditure</li><li>~ Operating costs contained (per BOE increased due to BMG)</li></ul>
Exploit Existing Reserve Base	<ul style="list-style-type: none"><li>✓ Zhao Dong facilities installation and drilling programme</li><li>✓ Cliff Head workovers (CH-10 and CH-6)</li><li>✗ BMG Phase-1 oil project production</li></ul>
Pursue Growth Opportunities	<ul style="list-style-type: none"><li>✓ Beibu Gulf project ODP technical section completed</li><li>~ Beibu Gulf project commercial negotiations: ONGOING</li><li>✗ BMG Phase-2 gas project progressed: UNDER REVIEW</li></ul>
Strengthen Balance Sheet	<ul style="list-style-type: none"><li>✓ Successful equity capital raising</li><li>✓ Net cash position at year end</li></ul>
Rebalance Asset Portfolio	<ul style="list-style-type: none"><li>✓ Sale of 10% participating interest in BMG</li><li>✓ Angola farm out</li><li>✓ Assessing opportunities in SE Asia-Australasia</li><li>~ Reduce exposure in African permits: ONGOING</li></ul>



# 2010 STRATEGY

## **Board and Management remain focused on the existing strategy**

- Increase value of the business
  - Increase reserves and resource base
  - New business development
- Exploit reserve and resource base
  - Maximise production
  - Commercialise resources
- Leverage operating and technical capabilities
  - Business process improvement
  - Focused portfolio management
- Balance and manage risk
  - Financial
  - Operating
  - Resource
- Steward resources and focus on financial performance
  - Pro-active capital management



# 2010 OBJECTIVES

## Deliver Operating Budget

- Production of between 8,000-9,000 BOEPD
- Development and exploration expenditure <US\$80 million (excluding further BMG development)
- Contain and control operating costs
- Maintain excellent HSEC record (aim for zero LTI in 2010)

## Exploit Existing Reserve Base

- Zhao Dong drilling to maintain production at 2009 levels
- Pursue further Cliff Head workover opportunities

## Pursue Growth Opportunities

- Beibu Gulf project FID and commencement of development
- Conclude BMG review
- Reserve replacement opportunities

## Increase Exploration Activity

- Finalise drillable prospects in WA-351-P, Carnarvon Basin
- Farm out and drill Aleta-1 prospect offshore Equatorial Guinea
- Potential Castanha appraisal well & acquire seismic in Angola
- Acquire seismic in offshore Mozambique Channel permits

## Rebalance Asset Portfolio

- Reduce exposure to Africa through farm outs
- Increase presence in SE Asia-Australasia focus area



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