

Building a sustainable business

At ROC, we believe sustainability is about driving shareholder value by delivering economic success, environmental stewardship and social responsibility. The long term success of our business requires continuous investment in our technical capabilities, our people, associated communities and the surrounding environment.

0

fatalities

54

% decrease
in LTIFR

3

sponsored
educational
initiatives

0

significant
environmental
incidents

Sustainable business practices have always influenced our Company's policies and have been reflected in ROC's excellent health, safety and environmental record; since listing, ROC has had zero significant environmental incidents, zero fatalities and a Lost Time Injury Frequency Ratio ('LTIFR') that has outperformed the industry average. We are now broadening our reporting to reflect other non-financial areas that underpin our sustainable growth strategy, such as community relations, corporate governance, employee well-being and brand reputation.

This sustainability report will communicate to our external and internal stakeholders our achievements and goals, current position and future plans.

The importance of our stakeholders

Whilst our long term success relies on a business strategy that promotes sustained growth, stakeholder perceptions ultimately determine our credentials and whether we have a licence to operate in the broader community and environment. In order to remain a credible operator, ROC is committed to retaining and attracting a talented workforce. We aim to create strong and lasting relationships with external stakeholder groups. We value the trusted partnerships with the

communities that welcome us, the investors that support us and the governments and regulators that license us. By acting responsibly towards our stakeholders, we are reducing our business risk, minimising our environmental impact, providing a safe and healthy working environment and benefiting the communities where we operate.

Enhancement of shareholder value

ROC is dedicated to building and maintaining a robust and resilient business model to ensure that growth and value creation for our shareholders can be sustained, especially during the recent challenging times.

This year, we established a sustainability framework to enhance our business model. The framework was developed with input from all levels of the business and was approved by the Board. The four attributes we consider fundamental to sustained value creation are:

- ensuring ROC's performance as a reliable and responsible employer;
- continuing our respect for the environment;
- fostering safe and healthy work practices; and
- continuing to be a trusted neighbour in the community.

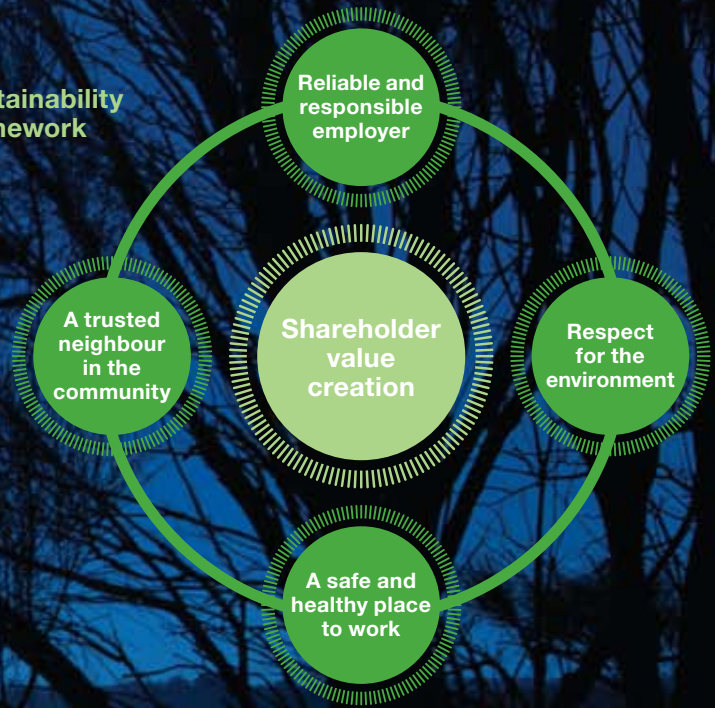
Report methodology

This report was compiled using the GRI G3* and the IPIECA/API* guidelines. The IPIECA/API guidelines are industry specific guidelines that are widely used both within Australia and internationally.

* GRI G3: Global Reporting Initiative, Generation 3

* IPIECA/API: International Petroleum Industry Environmental Conservation Association and the American Petroleum Institute.

Sustainability framework



Achievements and performance

	2009 achievements	2010 objectives	2010 actions
A reliable and responsible employer	<ul style="list-style-type: none"> Developed/rolled out 'Core Values' Developed improved performance-based system of remuneration 	<ul style="list-style-type: none"> Strategically reshape the business; growth in key geographies/assets Improve Corporate Risk Management and Governance Processes Ensure effective capital management and allocation Improve employee satisfaction and capability Achieve correct staff level/expertise to deliver ROC's strategy 	<ul style="list-style-type: none"> Develop Sustainability Policy Complete risk management reviews Conduct employee climate survey Implement Yearly Calendar Training Programme Implement new performance-based remuneration Strengthen team capacities and capabilities
Respect for the environment	<ul style="list-style-type: none"> Zero significant environmental incidents Installed Crystal Ocean FPSO low pressure gas compressor to reduce flaring Conducted Mozambique Channel Environmental Impact Assessment Completed Cliff Head Seagrass and Seabed Monitoring Programme First submission of NGRS reporting on emissions profile 	<ul style="list-style-type: none"> Minimise environmental impact Improve environmental data collection and reporting Reduce greenhouse gas emissions 	<ul style="list-style-type: none"> 10% reduction in reportable/recordable primary containment incidents Report under the Carbon Disclosure Project Utilise first Energy Efficiency Opportunities submission to better understand our carbon footprint and identify ways to improve it Eliminate normal flaring at Zhao Dong with gas sales pipeline project, conserving resources and decreasing greenhouse gas emissions
A safe and healthy place to work	<ul style="list-style-type: none"> Achieved 5% reduction goal in illness/injury rates Completion of Zhao Dong project with one Lost Time Injury Updated HSE management system Continued zero fatalities track record Reduced LTIFR/TRIFR by over 50% Conducted simulation event exercises to test/enhance Emergency Response Procedures 	<ul style="list-style-type: none"> Zero harm to people Improve HSE system reporting Maintain employee health Complete mature asset facility integrity reviews 	<ul style="list-style-type: none"> Continue zero fatalities track record 5% LTIFR/TRIFR reduction versus 2009 Implement new HSE data management system to analyse root causes of near misses and incidents in greater depth Implement new medical screening programme Implement asset integrity reviews and track actions
A trusted neighbour in the community	<ul style="list-style-type: none"> Committed to support Midwest Life Education Centre until 2011 Continued support for Petroleum Club of Western Australia and welcomed Kelmscott High School's competition winners at Cliff Head Continued educational sponsorship of indigenous community 	<ul style="list-style-type: none"> Build on existing relationships with host communities Actively consult with local stakeholders in our operational areas 	<ul style="list-style-type: none"> Review community consultation process to improve local stakeholder engagement Increase frequency of consultation with local fishing communities Continue and expand community sponsorships and investment programmes in education

Key performance indicators

Economic performance	2009	2008	Environmental stewardship	2009	2008
Hydrocarbon production			Greenhouse gas emissions ⁽²⁾		
Total hydrocarbon production from ROC-operated assets ⁽¹⁾ (t)	1,509,941	1,544,658	Tonnes of Carbon Dioxide Equivalent (tCO ₂ -e)	363,370	234,197
Financial performance			Intensity (tCO ₂ -e per t of hydrocarbon production)	0.24	0.15
Market capitalisation at year-end (A\$m)	427.9	205.8	Flared gas		
Sales revenue (US\$m)	205	358	Total flared gas (t)	52,741	50,511
Operating cashflow (US\$m)	98	183	Intensity (t of flared gas per t of hydrocarbon production)	0.03	0.03
Socio-economic distribution			Controlled discharges to water		
Number of employees	160	222	Produced water quantity (m ³)	996,351	732,527
Number of shareholders	26,609	23,740	Total oil in discharged water (t)	53	42
Royalties to government (% of production)	5%	5%	Waste management		
Total income taxes paid (US\$m)	47	40	Total hazardous waste (t)	52	133
Social responsibility	2009	2008	Total non-hazardous waste (t)	5,061	2,235
Health and safety			Energy consumption		
Total man-hours worked ⁽⁶⁾	2,549,973	4,771,213	Total energy consumption (Tj)	4,171	3,514
Medical treatment cases	2	7	Intensity (Tj of energy consumption per t of hydrocarbon production)	0.003	0.002
First aid cases	47	40	Significant environmental incidents		
Lost Time Injury	1	4	Total number of incidents	0	0
Lost Time Injury Frequency Rate	0.39	0.84	Oil spills	0	0
Restricted work cases	0	1	Other spills ⁽³⁾	0	0
Fatalities	0	0	Other incidents ⁽⁴⁾	0	0
Total Recordable Injury Frequency Rate	1.18	2.51	Water usage		
Community			Fresh water use (m ³)	45,056	46,044
Community investment ⁽⁶⁾ (US\$)	219,116	580,274	Fines		
			Total number of fines and penalties	1	0

Glossary:

t = tonne(s)

tCO₂-e = tonne(s) of Carbon Dioxide equivalent

Tj = Tera-joule(s)

m³ = metres cubed

Notes:

- ROC-operated assets include BMG, Zhao Dong and Cliff Head fields. Total hydrocarbon production includes gas that is produced at these assets which is then flared, re-injected or used as feedstock in energy generation activities.
- The increase in reported 2009 figures, such as in greenhouse gas intensity and energy consumption, is largely due to BMG being owned by ROC for a full year in 2009 compared to 2008. Reporting in 2010 will provide more representative comparative performance of the business.
- Other spills refers to non-hydrocarbon spills e.g. chemical spills.
- Other incidents includes dark smoke from flaring and other gas releases.
- The significant decrease in man-hours in 2009 is mostly due to the reduction in construction activity for the facility expansion project at Zhao Dong.
- Community investment decreased in 2009 due to farm-out of Angola and ROC's carry through 2009 activity.

A reliable and responsible employer

We aim to deliver sustained growth in shareholder wealth through continuously improving our operations and creating a business environment that fosters employee development, innovation and good governance.

Economic contribution

A key part of ROC's sustainability strategy is to deliver a strong financial performance which is driven by largely non-financial factors within our business.

The events of the past 12–24 months have resulted in a volatile and extremely challenging operating environment. ROC made a number of changes to its business in 2009, restructuring its asset portfolio, reducing expenditures and implementing new operational and financial risk management practices.

In 2009, ROC delivered US\$204.5 million in revenue, a trading profit of US\$35.4 million and operating cash flow of US\$98.2 million. This was re-invested back into the business through the exploration and development programme of \$72.2 million. ROC also raised US\$77 million in equity and recapitalised its balance sheet, resulting in a net cash position of US\$17.9 million at 31 December 2009.

In 2010, ROC's strategy is to invest in new growth opportunities to increase production, reserves and cash flows for the benefit of our shareholders. Our investment decision-making process will take into account all aspects of our sustainability objectives.

Promotion of integrity

We are committed to upholding our reputation as a company which acts with integrity and honesty. At ROC we are guided by our Code of Business Conduct, our 'Core Values' and our Corporate Governance Policy. All three policies provide the basis for our business approach and our employees' ethos.

Our Core Values

We are a company that:

- cares about and respects our people;
- values honesty and commitment;
- values technical and commercial excellence; and
- respects all its stakeholders

Core Values

This year, ROC formalized its Core Values.

Our Core Values were developed in consultation with our employees, to ensure that they are not just management-instilled words but tangible views reflected by the whole company.

Code of Business Conduct

Our Code of Business Conduct outlines our commitment to ethical behaviour to go beyond basic compliance with laws and regulations. We expect all ROC employees to take personal responsibility for upholding the highest standard of ethical business conduct, no matter the location or situation.

Commitment to good governance

Good governance is the cornerstone of our business. To ensure accountability is embedded in all our actions and decisions, ROC has developed governance structures and established committees to meet the needs of ROC and its stakeholders.

For example, the Board's Remuneration and Nomination Committee sets ROC's remuneration policy according to a merit-based system and is consistent with market expectations. This year, we developed an improved performance-based system of remuneration to include annually agreed goals and objectives for all employees.

The Audit and Risk Committee oversees the risk management system: a structured approach that identifies, monitors and actively manages all risks material to our business and operations.

For more detailed information on these elements of corporate governance, please refer to our corporate governance section on page 32 or visit our website at www.rocoil.com.au.

Our people capability

ROC's goal is to be recognised for its technical and commercial excellence. To achieve this vision, we must retain and foster a skilled workforce and attract future talent.

Annual review process

To ensure our team aligns with corporate objectives, all employees are involved in annual performance reviews to identify areas where an employee has met or exceeded expectations and areas where the employee can develop and improve.

Learning and development

In 2010, we aim to increase our commitment to learning and development by implementing our new 'Yearly Calendar Training Programme'. This programme will identify training opportunities for employees that will assist them in developing and enhancing their skills and technical expertise.

Employee climate survey

ROC is committed to creating a safe work environment, rewarding good performance, fostering personal development and encouraging team spirit. In 2010, we will conduct employee climate surveys to measure the factors contributing to employee retention, well-being, leadership, team spirit, communication, productivity and reputation.



Case study: A word from one of our graduates, Russell Love

During 2007, I worked as an intern for eight months as a Project Engineer Trainee on the Cliff Head field before my final semester of Chemical Engineering at the University of Alberta in Edmonton, Canada. During my internship, I had two substantial projects, both of which were relevant and useful to the business. I was appropriately mentored and enjoyed working with a talented group of professionals. I was also provided the opportunity to complete the projects by applying my own initiative.

Shortly after completing my internship, I was asked to join as a full-time employee following my graduation.

For the past year, I have been working as a Junior Production/Reservoir Engineer on the BMG asset team and studying for my Masters of Petroleum Engineering at University of New South Wales, which ROC has both encouraged and supported.

I genuinely enjoy working here.

In one year, I've learned an immeasurable amount about technical petroleum engineering (both from school and work), offshore/subsea operations, as well as softer skills like presenting, communicating and dealing with joint venture partners.

Development of new talent

Ensuring the future recruitment of skilled employees and the development of existing employees is crucial to our ongoing sustainability. In 2010, we will focus on building team capacity to ensure our resources are efficiently utilised and to develop operational succession planning.

We actively engage with universities to encourage students to consider working at ROC during vacations. These graduates are regularly welcomed onto our teams as full-time employees.

Diversity

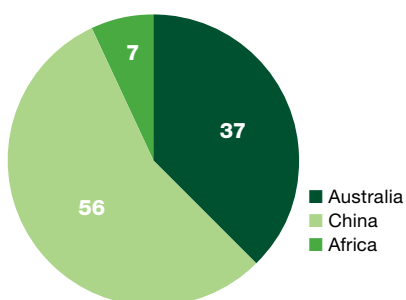
Our policy is to recruit a team based on competence, regardless of sex, age, race or religion. ROC has a diverse workforce and employs locally in the countries in which it operates in an effort to attract the best people in their respective fields.

Diversity encourages diverse ideas, which helps give ROC a competitive advantage in the countries where it operates. Our local staff contribute greatly to ROC's success in challenging environments and provides opportunities for exchanges of ideas within the organisation. We are truly a local operator with an international focus.

Gender breakdown (%)

Location	Male	Female
Australia	57	43
China	72	28
Africa	64	36
Global total	66	34

Geographical breakdown of employees (%)



Respect for the environment

We aim to conserve resources, minimise waste and to enable and support employees and contractors to: adhere to ROC's environmentally responsible work practices; understand and mitigate operational risks and impacts; and minimise these impacts to protect the environment.

Careful attention to the environment

One of our Health, Safety and Environmental ('HSE') Guiding Principles is commitment to responsible environmental stewardship and we strive to ensure that any potential impacts on the environment are minimised and natural resources are conserved where practicable.

We also believe that by paying attention to the environment we are helping to reduce our business risk, decrease costs and enhance productivity.

In 2009, there were six main areas of environmental priority:

- continuing our record of zero significant environmental incidences;
- reducing our greenhouse gas ('GHG') emissions;
- improving our waste management processes;
- improving our resource efficiency;
- contributing to biodiversity conservation; and
- ensuring transparent environmental reporting.

Continuation of our record of zero significant environmental incidents

Throughout 2009, despite conducting major drilling campaigns and development programmes in many remote and challenging settings, we reported another year without any significant environmental incidents. This is an area in which ROC has excelled for over a decade and in which we aim to continue our good track record.



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Case study: Improving our flaring performance in 2009

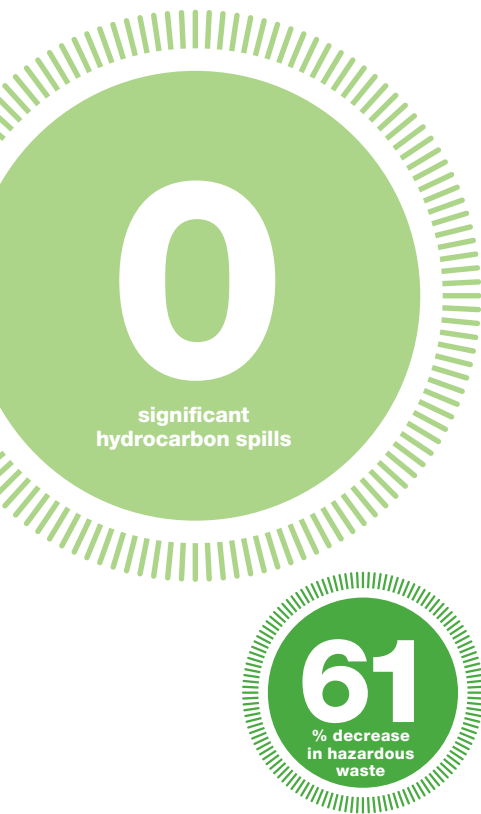
In the energy industry, produced gas can be burned during a process known as 'flaring', either as a means of disposal or as a safety measure to dissipate the build-up of pressure in facilities. Flaring is the most significant source of GHG emissions worldwide from offshore oil and gas installations.

At ROC, we regularly review and track our progress to ensure flaring is minimal and continually assess alternative strategies that can be implemented to lower flaring levels even further.

At the Crystal Ocean FPSO, we recently installed a new low pressure gas compressor that will significantly reduce the need to flare gas. Installation of the compressor will assist us to safely and cost effectively re-inject the gas or use it as fuel in boilers.

In 2010, we will be implementing a second flaring reduction project at our Zhao Dong operations, where we will be installing a gas pipeline for the purpose of gas export sales.

It is anticipated that these two initiatives will help us significantly reduce our carbon footprint in the future.



We take a stringent approach to reporting incidents and near misses no matter what the severity. In 2009, we reported six environmental incidents involving minor losses of primary containment. Despite their negligible impact, we nevertheless took action to implement controls and procedures to prevent such events from happening again.

Hydrocarbon spills

The risks and consequences of oil spills are serious issues for ROC. Despite never having had a significant spill, we are confident the Company is well prepared to deal with such an event. ROC has implemented Emergency Response Procedures across all business units, which have been developed to ensure our employees and contractors are well trained and prepared to mitigate and manage the effects of any spill.

Emergency response

In order to ensure the Company's emergency response capabilities and systems are effective, ROC held three simulated event exercises in 2009. These simulated events (a helicopter accident at the Cliff Head oil field, an accident causing damage at the BMG project, and an explosion and fire at Zhao Dong

facilities) replicated potential events that would warrant rapid and coordinated responses at operational and corporate levels. The Australian real time exercises were conducted by external consultants and required participation by staff at all levels to address issues such as medical evacuation, oil leak containment, damage mitigation and media response. The Zhao Dong exercise was conducted with State Offshore Administration involvement.

Updating of our waste management process

In 2009, we successfully reduced our production of hazardous waste by 61%. Measures that helped ROC achieve this outcome included: preventative maintenance systems to avoid oil and chemical leakage arising from facility malfunction; ongoing training for offshore staff; and careful collection and storage procedures.

This coming year, we will review our handling of hazardous and non-hazardous waste, particularly in the areas of segregation, recycling and disposal and we plan to develop an improvement plan for waste management across all assets.



Case study: China Green Office Programme

In China, our team has been proactively working on updating their 'office greening' offshore, onshore and in the warehouses this year. While at the office we encourage printing on both sides, re-using printed paper for faxes, recycling paper, switching off all electrical equipment, recycling printer cartridges and establishing special collection points for used batteries which are then sent to a specialist waste vendor.

At our Tanggu base, we have taken significant steps to reduce our carbon footprint with the following:

- electric bikes for transport around the base: where previously, employees used fuel intensive vehicles to travel around the facilities, we have purchased three electric bikes. Estimated savings per bike is one gallon of petrol per day – a total saving of 1,095 gallons per annum;

- electric forklifts: in order to cut down on fuel and greatly decrease the cost of using a diesel powered forklift, we now use an electric forklift. Estimated savings: 10 gallons of petrol per day with an annual saving of 3,650 gallons; and
- warehouse curtain: we have also installed a warehouse curtain for cooler months. Estimated savings for six months of usage: 730 gallons.

In total Tanggu saves 5,475 gallons of petrol per year.

Greenhouse gas emissions

Reduction of our greenhouse gas emissions

Climate change is a prominent issue for both governments and businesses globally. In 2007, Australia's ratification of the Kyoto Protocol confirmed the Government's commitment to address climate change and to introduce regulations that constrain the emission of carbon into our environment.

Despite regulatory uncertainty, ROC aims to limit future potential business risks by continuing to monitor our emissions; seeking opportunities to reduce our overall carbon footprint; and continuing to develop our understanding of the physical, regulatory and financial risks and opportunities associated with climate change.

ROC uses two main key performance indicators for monitoring GHG emissions:

- total amount of GHG emissions calculated in tonnes of carbon dioxide equivalent ('tCO₂-e'); and
- GHG emissions intensity calculated in tCO₂-e per tonne of hydrocarbon produced.

Largely due to the acquisition of the BMG project in September 2008, GHG emissions from our operated ventures increased from a total of 234,197 tCO₂-e in 2008 to 363,370 tCO₂-e in 2009.

Produced formation water

As far as possible, we reduce the amount of produced water released into the environment. At our Zhao Dong and Cliff Head operations, the produced water is generally re-injected back into deep underground reservoir formations.

At BMG, treated formation water is discharged in compliance with regulatory standards.

Improvement of our resource efficiency

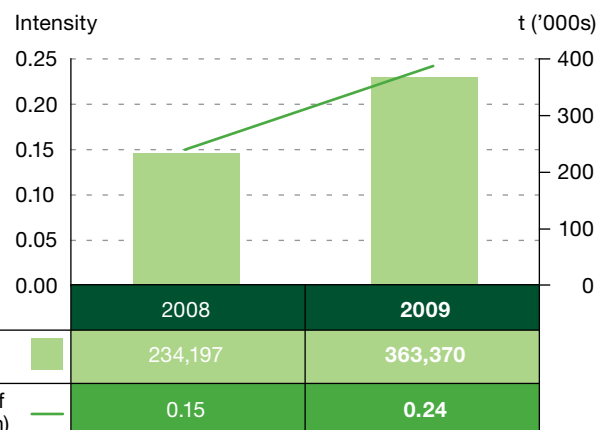
At ROC, we strive to improve our energy efficiency in order to conserve valuable resources and reduce GHG emissions. In addition, we realise the major costs involved in the process of oil and gas exploration and production and we aim to make our operations as energy efficient as possible.

To monitor our energy efficiency, we track our direct energy consumption, including gas, diesel and oil used by operations. This year, our energy consumption increased by 19%. The majority of this increase is due to the inclusion of a full year of operational activity at BMG. Energy consumption decreased at Cliff Head and marginally increased at our China facilities.

A key issue for ROC is to ensure that our employees are aware of their own carbon footprint and the part they can play in the reduction of energy usage.

Contribution to biodiversity conservation

At ROC, we understand that our operations can potentially impact local ecosystems and the surrounding environments. We follow stringent international guidelines and have developed specific policies and procedures for all our operations to ensure all biodiversity considerations are met.



Environmental Impact Assessments ('EIA') are undertaken to evaluate areas of environmental concern associated with an operation and to provide the foundation for ROC's environmental management strategy. In 2009, ROC completed an EIA for the Juan de Nova Block (French Territory) in the Mozambique Channel and also completed a three year project monitoring the rehabilitation of seagrass meadows around the Cliff Head oil field, offshore Western Australia.

Transparent environmental reporting

Wherever we operate we comply with regulations, laws, standards and guidelines that ensure the protection of the environment. We communicate openly with the public, and governmental and non-governmental bodies in a timely and efficient manner.

Greenhouse gas energy reporting

In 2009, we reported our GHG emissions and energy production and consumption under the National Greenhouse and Energy Reporting Act 2007 for the first time. This was useful in helping the Company assess and compare its annual energy efficiency and to identify areas where we can reduce our carbon footprint. While ROC has previously participated in the Carbon Disclosure Project on a non-public basis, in 2010 we look forward to participating fully in this valuable project.



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seagrass meadows
monitored

Case study: Seagrass and Seabed Monitoring Programme

Over the last three years, ROC has dedicated resources to marine habitat rehabilitation at our Cliff Head facilities. The Cliff Head project comprises: an offshore, unmanned oil production platform located in the Commonwealth Waters; an onshore processing plant; and two subsea pipelines that connect the platform and the onshore processing plant. Offshore, the two subsea pipelines run parallel within 5–30 metres of each other and cross extensive seagrass meadows.

Following advice from the Western Australian Environmental Protection Authority, the Western Australian Minister for the Environment established a set of Ministerial conditions for the site. As a result, ROC formulated a Seagrass and Seabed Monitoring Programme, which began in 2007 and was completed in 2009.

During the 2009 survey, 40 seagrass meadows were monitored. A team of three divers was employed to perform survey work to assess:

- the condition of the seabed (signs of sediment build-up or erosion, and scouring); and
- the type, density and cover of macrophytes (seagrass and algal species) along the edge of, and colonising, the impact area.

In addition, other observations were recorded through video footage, photos, mud maps and detailed notes of each site. These records were used in post-survey analysis to provide comparative information regarding changes in appearance and stability of seagrass meadows.

The results showed that the total seagrass loss attributed to the installation of the pipeline to be within the 'best case scenario' and demonstrated a net recovery of seagrass across the project area since 2007. In three years time, ROC intends to conduct a final survey.

A safe and healthy place to work

We aim to ensure our team goes home safely and we trust in our collective ability to work together to create a safe and healthy place to work.

Excellent safety record

At ROC, health and safety is a key element of all our business decisions. Our employees are our most valuable asset and the Company is dedicated to ensuring their safety.

Since inception, we have had a track record of zero fatalities and have achieved safety performance statistics that are better than both the international and Australian industries.

We aim to continue this track record.

Safety performance

The adjacent graphs show our safety performance compared with the Australian industry, as measured by the Australian Petroleum and Exploration Association ('APPEA').

During 2009, ROC's Total Recordable Injury Frequency Rate ('TRIFR') – all fatalities, restricted work cases and medical treatment cases – improved by 53%, falling from 2.51 to 1.18 per million man hours worked, compared to the industry average of 6.39.

With 2,549,973 hours worked in 2009, we only recorded one LTI, which occurred on the Crystal Ocean FPSO during dry docking work. Whilst the injured person was tightening bolts during maintenance work, he was accidentally struck on the hand with a wrench by a fellow colleague who was assisting him. Despite this incident, our overall LTIFR improved by 54%, falling from 0.84 to 0.39 per million man hours worked, compared to the industry average of 1.27.

A year of change in the HSE arena

Improving health and safety is a constant challenge and we continually look to update and innovate our systems to achieve optimum health and safety performance. In 2009, we upgraded our HSE Management System, Incident Reporting System and Crisis Management Team procedures.

A goal for 2010 is to integrate a new data management system that will help us identify and analyse root causes of incidents in greater depth.

Roll out of a new HSE Management System

We updated our HSE Management System to adopt a continuous improvement process model, aimed at improving accountability and standardising reporting across the Company.

Employee and contractor accountability for safety issues is critical at ROC. Every manager is required to incorporate safety issues into their key performance indicators and annual targets. Safety issues are also an accountability item in every employee's position descriptions and annual performance reviews.

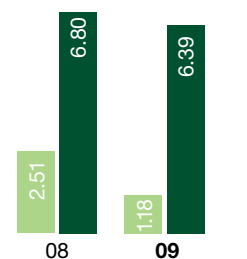
Updated Incident Reporting System

Near misses and high potential incidents are important leading indicators for our business. In 2009, we made improvements to ROC's Incident Reporting System aiming to:

- ensure a consistent and systematic approach to incident reporting, investigation and follow-up to prevent the recurrence of incidents through the prompt implementation of control measures;
- clearly define employee and contractor responsibilities to prepare them to take action at any time so that they can better contribute to the effective performance of operations; and
- ensure that ROC's systems are aligned with the International Association of Oil and Gas Producers standards to provide effective benchmarking of our operational and safety performance.

Safety performance

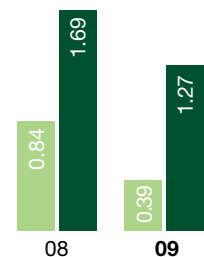
Safety performance	2009	2008
Man-hours	2,549,973	4,771,213
First aid cases	47	40
Medical treatment cases	2	7
Lost Time Injuries	1	4
Restricted work cases	0	1
Fatalities	0	0
TRIFR	1.18	2.51
LTIFR	0.39	0.84



Total recordable injury frequency rate

■ ROC ■ APPEA

* APPEA 2009 data as at 3Q 09. Full year data yet to be released.



Lost time injury frequency rate

■ ROC ■ APPEA

* APPEA 2009 data as at 3Q 09. Full year data yet to be released.



Case study: Fostering talent in China

Roc Oil (Bohai) Company is committed to cultural diversity, performance-based promotion, and support for its 'workforce nationalisation' strategy. ROC achieved all three of these goals with the promotion of Fang Wenyan to the position of Finance Manager. Ms Fang has been a dedicated professional on the Zhao Dong project for over 15 years and now manages five staff.

Employee well-being

At ROC, we aim to look after our employees' well-being to create a more motivated workforce with lower absenteeism and higher productivity.

Every year, employees are encouraged to stay fit and healthy through subsidies for gym membership and other sporting activities.

While at work, we encourage employees to become involved with fitness activities organised during the working week. The Sydney office has a mixed netball team and a mixed soccer team that take part in competitions once a week during the year.

At the Zhao Dong offshore facilities, we initiated a Healthy Eating Programme designed to educate and motivate staff to improve their health.

Health checks

We ensure that all employees have a health check if they are travelling to offshore locations. In China, we have established a system of annual health checks and provide flu vaccines and other inoculations.

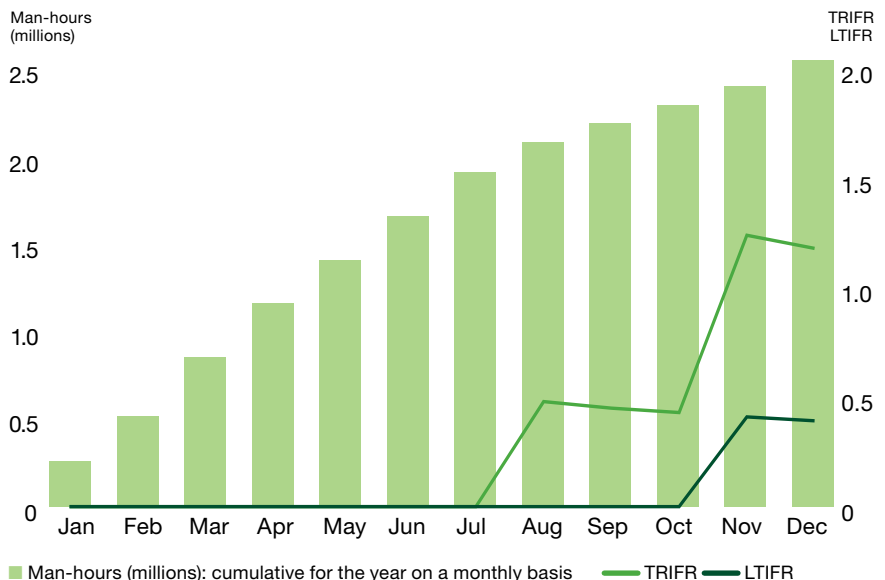
Improving and updating our health policy are goals for 2010. ROC will provide employees the opportunity to undergo a comprehensive medical screening (one every two years between the age of 40–49 and annually for employees aged 50+).

Work-life balance

At ROC, we believe one of the main ways to ensure employee well-being is to provide a work-life balance. One way to encourage this is by accommodating flexible working arrangements where necessary. Beyond the legislative requirements, we have accommodated employees according to their individual circumstances due to child care obligations or illness.

We have several policies that formalise areas where employees typically require help such as: educational sponsorship, maternity leave and salary continuance insurance.

2009 Injury Frequency Rates





35

number of fishing vessels with ROC-upgraded plotters

A trusted neighbour in the community

We aim to leave the community in better shape than before we arrived and help build strong and thriving communities.

Investment in the community

At ROC, we are mindful of the communities in which we operate and endeavour to be a positive force and partner in those communities. In 2009, we made donations to the Blue Sky Healing Home, a charitable organisation for Chinese orphans. We have also donated spare furniture and computers to schools in communities around Beijing and Tanggu.

Although our operational focus has shifted from Africa, ROC is still focused on our community responsibilities and continues to assist social programmes in Equatorial Guinea and Angola.

In 2009, we purchased two ambulances for the Malabo region in Equatorial Guinea. In Angola, in conjunction with joint venture partners, ROC will also sponsor activities associated with World Aids Awareness Day, environmental education for local leaders and the local football club in Chimbuadi.

Development of local relationships

Before we proceed with new projects, ROC engages in dialogue with local communities to understand their concerns and priorities and to develop an understanding of how ROC can partner and assist them.

A strategic objective in 2010 is to improve our community contributions and relationships. This will require a review of our community consultation process to identify areas where we can build on existing local stakeholder engagement.

A focus on education

At ROC, we value the power and benefits of education and it is our main focus for social investment. This year, we participated in several local initiatives, as our case studies show.

Case study: Working with the fishermen

Our facilities at BMG, Cliff Head and Zhao Dong all operate within designated fishing zones. ROC engages with the fishing communities and consults with them on a routine basis. We aim to:

- provide them with updates on production issues and operational activities;
- accommodate their concerns as far as practicable; and
- better educate them on the oil and gas industry and standard industry practices adopted for rehabilitation and decommissioning of facilities.

At the BMG project in Bass Strait, ROC has provided fishing plotter upgrades which incorporate BMG infrastructure locations to assist the fishermen with fishing equipment placement. At Bohai Bay, we support annual shrimp restocking efforts.



Case study: Midwest Life Education Centre

In 2010 and 2011, ROC will be a Gold sponsor of the Midwest Life Education Centre, the largest non-governmental provider of drug and health education programmes. Through their 'Life Education Sessions', they inspire over 750,000 primary and secondary school students each year with the aim to encourage and empower young people to make smart life choices and help develop skills in the areas of effective decision-making, communication, negotiation, peer resistance and refusal in drug related situations in schools across the Midwest Region of Western Australia.

Case study: Petroleum Club of Western Australia

Every year, ROC supports the School Information Programme run by the Petroleum Club – a science-based competition for Year 10 students focusing on the oil and gas industry. The programme is research based and 22 schools take part in producing a study in the areas of exploration, drilling, production, transport, downstream processing and sustainable development.

The winning schools are then awarded prizes and day excursions to on-site locations in order to get first-hand insight into how the petroleum industry works. This year, the winners from Kemlscott High School were awarded an overnight visit to our Cliff Head project.

