

QUARTERLY ACTIVITY REPORT



ACTIVITIES FOR THE FOURTH QUARTER ENDING 31 DECEMBER 2013

HIGHLIGHTS

- Full year production of 7,263 BOEPD – an increase of 12% from 2012 and in line with 2013 guidance
- 2013 revenue of US\$251.0 million up 4% from 2012
- Net cash position at year end of US\$65.1 million
- Balai Cluster extended well testing commenced and Field Development Plan (FDP) for Bentara submitted
- 3D seismic processing underway on Block 09/05, Bohai Bay China
- Completion of sale of Juan de Nova (Africa) for US\$8.0 million
- Exit from Equatorial Guinea completes ROC's exit from Africa

CEO COMMENTS

This Quarter concluded another successful year for ROC, with production performance in line with guidance and continued profit delivery. Highlights for the Quarter include the successful finalisation of the Beibu Gulf development with all works completed and production reaching forecast rates. Additionally, BC Petroleum (BCP) commenced the Extended Well Testing (EWT) on the Balai field and submitted the FDP for the Bentara field in December.

Overall production increased in the Quarter to 8,853 BOEPD with year to date production in line with expectations at 7,263 BOEPD. The core production assets performed reliably throughout the year, ensuring strong cash flow from operations, underpinning the capacity of the business to fund future growth projects.

The Beibu Gulf development project is now complete. Performance of the asset continues to be very positive, with the fields achieving average production of 14,816 BOPD during the Quarter.

ROC received approval via CNOOC from the Beijing Administration for Industry and Commerce for its business licence (licence to operate as a foreign oil company in China) extension until 2030. This is another positive endorsement of our long-term strategy to pursue business growth in China.

Work on Block 09/05 exploration licence is progressing ahead of plan and seismic processing of the 3D data nearing completion. Data quality is good and planning for exploration drilling in 2H14 is in progress.

Balai Cluster Risk Service Contract (RSC) pre-development activities completed in the Quarter, with final commissioning of the Early Production Vessel (EPV), "Balai Mutiara" and initial EWT on the Balai field undertaken. In line with the revised schedule, BCP has submitted for approval an FDP to PETRONAS for the development of the Bentara field.

ROC continues to pursue business development opportunities in Myanmar. As previously announced, ROC prequalified to participate in the offshore bidding round and submitted bids for two shallow water offshore blocks in November 2013. We anticipate a decision from the Ministry of Energy on the offshore round during 1Q14. ROC also continues to actively pursue attractive

farm-in opportunities for onshore acreage proximal to existing infrastructure.

The sale of ROC's interest in the Juan de Nova Block (Africa) to SAPETRO has now completed following the approval by the French government on 14 November 2013. The interest was sold for a total consideration (and after tax profit) of US\$8.0m. In addition, ROC has received a notice that the Equatorial Guinea Block H PSC will terminate in February 2014. This will mark ROC's exit from Africa.

One lost time injury occurred during the Quarter during drilling operations at Zhao Dong. No significant environmental incidents were reported this Quarter from ROC's operated assets.

Finally, we close the financial year having delivered a significant reduction in the number of injuries sustained in our operations compared with the previous five years; additionally hydrocarbon loss of containment incidents were reduced to their lowest frequency. ROC continues working to create and maintain the safest possible working environment for our teams and building long term beneficial relationships within the communities in which we work.

Alan Linn
CEO and Executive Director

FINANCIAL SUMMARY

- Total working interest production for 4Q13 of 0.815 MMBOE (8,853 BOEPD); up 23% compared to 0.664 MMBOE (7,215 BOEPD) in 3Q13 mainly attributed to increased Beibu and Blane oil production.
- Of the total working interest production in the Quarter 0.07 MMBBL (8%) was delivered to host governments (3Q13: 0.06 MMBBL).
- The increase in production was offset by a movement in crude stock position and overlift positions from the previous quarter, which resulted in the sales volumes of 0.657 MMBOE, in line with 3Q13 (0.647 MMBOE).
- Total sales revenue of US\$69.0 million; compared to US\$67.9 million in 3Q13.
- Average realised oil price of US\$104.90/BBL, in line with 3Q13. Brent averaged \$109.24/bbl for 4Q13.

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- At 31 December 2013 ROC had net cash of US\$65.1 million (3Q13: US\$44.3 million) with undrawn debt facilities of US\$67.0 million.
- Exploration and development expenditure was US\$11.8 million (3Q13: US\$27.6m) plus additional BCP equity funding of US\$5.3 million (3Q13: US\$14.8m).

Production

| Oil Production (working interest; BBL) | 4Q 2013 | 3Q 2013 | YTD 2013 | % Change (3Q13 to 4Q13) |
|--|----------------|----------------|------------------|-------------------------|
| Beibu | 267,188 | 195,538 | 591,654 | 37% |
| Blane | 81,204 | 8,586 | 196,955 | 846% |
| Cliff Head | 89,373 | 94,767 | 387,090 | (6%) |
| Enoch | - | - | - | N/A |
| Zhao Dong | 373,188 | 364,493 | 1,466,033 | 2% |
| Other | - | - | 3 | n/a |
| Total Oil Production | 810,953 | 663,384 | 2,641,735 | 22% |
| Blane (NGL Production) | 3,554 | 426 | 9,187 | 734% |
| Total Production (BOE) | 814,507 | 663,810 | 2,650,922 | 23% |
| Average Rate (BOEPD) | 8,853 | 7,215 | 7,263 | 23% |

Summary of oil sales

| | 4Q 2013 | | 3Q 2013 | | YTD 2013 | |
|--------------------------|----------------|---------------|----------------|---------------|------------------|----------------|
| | BBL | US\$'000 | BBL | US\$'000 | BBL | US\$'000 |
| Beibu | 249,487 | 26,074 | 182,584 | 19,307 | 552,457 | 57,177 |
| Blane | - | (33) | 51,537 | 5,742 | 163,280 | 18,052 |
| Cliff Head | 86,737 | 9,379 | 95,664 | 10,167 | 386,301 | 41,104 |
| Enoch | - | - | - | - | - | - |
| Zhao Dong | 321,126 | 33,533 | 316,958 | 32,696 | 1,297,201 | 134,662 |
| Other | - | - | - | - | 3 | - |
| Total Oil Sales | 657,350 | 68,953 | 646,743 | 67,912 | 2,399,242 | 250,995 |
| Blane (NGL's) | - | - | - | - | - | - |
| Total Sales (BOE) | 657,350 | 68,953 | 646,743 | 67,912 | 2,399,242 | 250,995 |

Exploration and development expenditure incurred

| | 4Q 2013 US\$'000 | 3Q 2013 US\$'000 | YTD 2013 US\$'000 |
|--|---------------------|---------------------|-------------------------|
| Exploration | | | |
| China ⁽¹⁾ | (3,629) | 10,473 | 7,443 |
| Other (includes New Ventures) | 2,628 | 1,879 | 8,587 |
| Total Exploration | (1,001) | 12,352 | 16,030 |
| Development | | | |
| Zhao Dong | 12,868 | 9,720 | 33,913 |
| Beibu | (44) | 5,486 | 26,769 |
| Total Development | 12,824 | 15,206 | 60,682 |
| Total Exploration & Development | 11,823 | 27,558 | 76,712 |

Note 1: Included in exploration incurred is US\$5.2 million which Horizon Oil Limited has paid ROC for past costs pursuant to the Block 09/05 farm out option agreement. See ASX release issued on 10 October 2013 – "Completion of 09/05 3D Seismic and Licence Farmdown Option" for further details.

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PRODUCTION

Beibu Gulf, offshore China (ROC: 19.6%)

Gross oil production averaged 14,816 BOPD (ROC: 2,904 BOPD) up 37% from the previous quarter with all 15 wells on line for the full period. Five of the 15 wells continue to flow naturally whilst 10 of the wells are being produced with artificial lift by electric submersible pumps. During the Quarter, Beibu development was finalised with the permanent tie-in of the three ZW6-12 field wells being completed.

Zhao Dong Oil Fields, Bohai Bay, Offshore China (C & D Oil Fields ROC: 24.5% & Operator, C4 Oil Field ROC: 11.667% unitised & Operator, Zhenghai ROC: 39.2% & Operator)

Gross oil production averaged 17,944 BOPD (ROC: 4,056 BOPD); up 2% from 3Q13. During the Quarter Zhao Dong development drilling continued to ramp up utilising two rigs simultaneously for part of the Quarter. A total of 18 wells were drilled in 2013 and the annual production target was achieved.

ROC submitted a five year incremental development plan (IDP) to PetroChina which included activities for 2013 to 2018 and includes continuous economic development activities for the period 2018 to 2023, this requires a PSC extension beyond 2018 to 2023.

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

Gross oil production averaged 2,286 BOPD (ROC 971 BOPD); down 6% from the previous quarter as a result of scheduled critical function testing of key equipment and pipeline intelligent pig operations.

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

Gross oil production averaged 7,061 BOPD (ROC: 883 BOPD); up 846% from the previous quarter following resolution of the Ula platform repairs. Production through the Quarter has had minimal interruption.

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

The rig for Enoch restoration completed operations with the new tree deployed and production testing completed in December. Due to severe weather in the region the rig was held at location during the second half of December and demobilised in early January 2014. Production is expected to resume in the early part of 2014.

DEVELOPMENT

Basker-Manta-Gummy (BMG) Oil and Gas Fields (ROC 50% and operator)

BMG remains in a non-production phase (NPP). ROC continues to pursue farm down or divestment opportunities, while evaluating options for the asset given the improving east coast gas market pricing.

EXPLORATION AND APPRAISAL

Block 09/05, Bohai Bay, offshore China (ROC: 100% & Operator¹)

As previously announced the ocean bottom cable 3D seismic acquisition programme was completed on 12 September ahead of schedule, within budget and without incident. Seismic processing of the 3D data is nearing completion and interpretation on a fast track 3D volume is progressing well. Data quality is good and planning for a 2014 exploration drilling programme in the 2H14 is underway.

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

The "Balai Mutiara" EPV commenced EWT on the Balai-2 well on 6 November 2013 and flowed for an initial flow period for approximately 24 hours before shutting in to obtain reservoir pressure data. The initial average production rate from two perforated intervals in the Balai Z-5 upper reservoir sands (1,895 – 1,901m MDRT and 1,906 - 1,912m MDRT) was in the range 4,000 to 4,200 BOPD and the oil gravity was measured at 39 deg API. EWT was then conducted for approximately two weeks, during which time well performance was recorded through three flow periods and three shut-in periods. The test met the defined objectives and good volumes and quality of pressure and production data collected to enable further studies.

A FDP for the Bentara field, within the Balai Cluster RSC, was submitted to PETRONAS in December. This FDP proposes the development of the Bentara field, in two phases. At this stage, approval is being sought for Phase I, which is designed to deliver early production utilising the existing wells and facilities established during the Pre development phase, including Bentara-2 and Bentara-3 wells, Bentara well head platform and the EPV. We anticipate approval from PETRONAS in relation to the FDP submission during 1Q14.

During the Quarter, ROC contributed an additional US\$5.3 million in equity to fund the pre-development work.

Juan de Nova (Africa)

The sale of ROC's interest in the Juan de Nova Block to South Atlantic Petroleum JDN SAS (SAPETRO) has been successfully completed following the approval by the French government of the transfer to SAPETRO on 14 November 2013. SAPETRO agreed to acquire the interest in the licence from ROC on 1 July 2011. The interest was sold for a total consideration (and after tax profit) of US\$8.0 million.

Equatorial Guinea (ROC: 20%)

The Minister of Mines, Industry and Energy of Equatorial Guinea has advised the Block H Joint Ventures, that it

¹ Farm out option agreement for Block 09/05 signed with Horizon Oil Limited

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has decided not to grant a further extension to the Permit. Accordingly the PSC will terminate on 2 February 2014.

Myanmar

ROC submitted bids for two offshore shallow water blocks in the 2013 offshore licensing round. ROC continues to actively pursue attractive farm-in opportunities for onshore acreage near to existing infrastructure. Entry into Myanmar remains aligned with ROC's wider strategic objective to identify and secure material exploration, appraisal and field re-development

opportunities in established petroleum provinces across South East Asia.

CORPORATE

ROC will announce its results for the full year ended 31 December 2013 on Wednesday 26 February 2014. The full year report (incorporating Appendix 4E, Directors' Report and Annual Financial Report) and associated investor briefing presentation will be available on ROC website at www.rocoil.com.au

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

DEFINITIONS

| | |
|---------|--|
| BBL(S) | barrel(s) |
| BCP | BC Petroleum Sdn Bhd |
| BOE | barrels of oil equivalent (6 MSCF = 1 BOE) |
| BOPD | barrels of oil per day |
| BOEPD | barrels of oil equivalent per day |
| CNOOC | China National Offshore Oil Company Ltd |
| EPV | Early Production Vessel |
| EWT | Extended Well Tests |
| FDP | Field Development Plan |
| FID | Final Investment Decision |
| HSEC | Health, Safety, Environment, Communities |
| LTI | lost time injury |
| MMBBL | million barrels |
| MMBOE | million of barrels of oil equivalent |
| NGL | natural gas liquids |
| NPP | non-production phase |
| PSC | Production Sharing Contracts |
| PUQB | Processing, Utility and Quarters |
| Quarter | the period 1 October to 31 December 2013 |
| ROC | Roc Oil Company Limited and includes, where the context requires, its subsidiaries |
| RSC | Risk Service Contract |
| YTD | year to date |

In accordance with ASX Listing Rules, the information in this report has been reviewed and approved by Mr Bill Billingsley, Chief Reservoir Engineer, Roc Oil Company Limited, BSc (Chem), MSc (Petroleum Engineering), DIC (Imperial College). Mr Billingsley is a member of the Society of Petroleum Engineers and has more than 18 years relevant experience within the industry and consents to the information in the form and context in which it appears.

FURTHER INFORMATION

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