



**ROC OIL COMPANY LIMITED**

# Equity Issue



26 June 2009



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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 Mr Neil Seage, Chief Reservoir Engineer, Roc Oil Company Limited, BA, BEng (Hons), MBA and Dip App Fin. Mr Seage, who is a member of the Society of Petroleum Engineers, has at least 30 years of relevant experience within the industry and consents to the information in the form and context in which it appears.

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# ROC INVESTMENT OVERVIEW

## Strong core operating business

- Balanced and diversified production base with focus on Australia and China
- Low average operating cost ~ US\$15/boe
- Net production of ~4.0 mmboe\*
- 2009 business plans fully funded with operating cash flow of >US\$100m# at US\$50 / bbl Brent oil price



## Substantial reserve and resource base

- Net 2P reserves of 24.0 mmboe\*
- Net 2C contingent resources of 23.9 mmboe\*
- Strong capital position to pursue development opportunities and resource commercialisation



## Leverage to oil price

- Improving oil price and outlook
- >99% of 2P reserves are oil
- Limited hedging in place



## Near term increased production and resource commercialisation

- BMG Phase 1 oil expansion and BMG Phase 2 gas project
- Beibu Gulf and Zhao Dong oil developments



## Experienced management team

- ROC operates the assets that contribute 75% of production, 83% of reserves and 100% of contingent resources
- As operator, ROC can influence development costs and timeframes



## Equity raising

- Equity raising now appropriate to reduce debt, strengthen balance sheet and provide flexibility to fund future developments and commercialise contingent resources
- Opportunity to invest in ROC at a discount



\* At 31 December 2008. Does not include impact of 10% BMG sale to Pertamina

# Does not include impact of 10% BMG sale to Pertamina



# EQUITY RAISING DETAILS

## Institutional Placement

- ~88m new ordinary shares to be issued representing ~15% of ROC's issued share capital
- Issue price to be determined under an institutional bookbuild
- Offer to be made to selected institutional investors and sophisticated investors
- New shares will rank equally with existing ROC ordinary shares

## Share Purchase Plan (SPP)

- Eligible ROC shareholders to have opportunity to purchase up to A\$15,000 worth of ROC shares (subject to ASX approval)
- Offer price at lower of placement price or 5% discount to 5 day VWAP prior to offer close
- New shares will rank equally with existing ROC ordinary shares
- No brokerage charges
- Full details of SPP to be subsequently released to ASX and documentation distributed to eligible shareholders



# WHY IS ROC UNDERTAKING AN EQUITY RAISING?

## Offer Rationale

- Enhance balance sheet strength and provide financial flexibility to implement development projects
- Consistent with capital management activities undertaken by ROC over last 6 months:
  - Substantial cost reductions across entire business
  - Negotiated new debt facilities
  - Portfolio right sizing through Angola farm out and BMG selldown
- Position company to pursue development opportunities within existing portfolio.

## Use of Proceeds

- Debt reduction
- Fund ongoing development of core operations:
  - Development drilling in Zhao Dong – will continue for several years
  - Complete BMG oil 2009/10 drilling program
  - Cliff Head workovers
- Commercialise 2C contingent resources:
  - BMG Phase 2 Gas Project
  - Beibu Gulf Oil Project



# Review of ROC

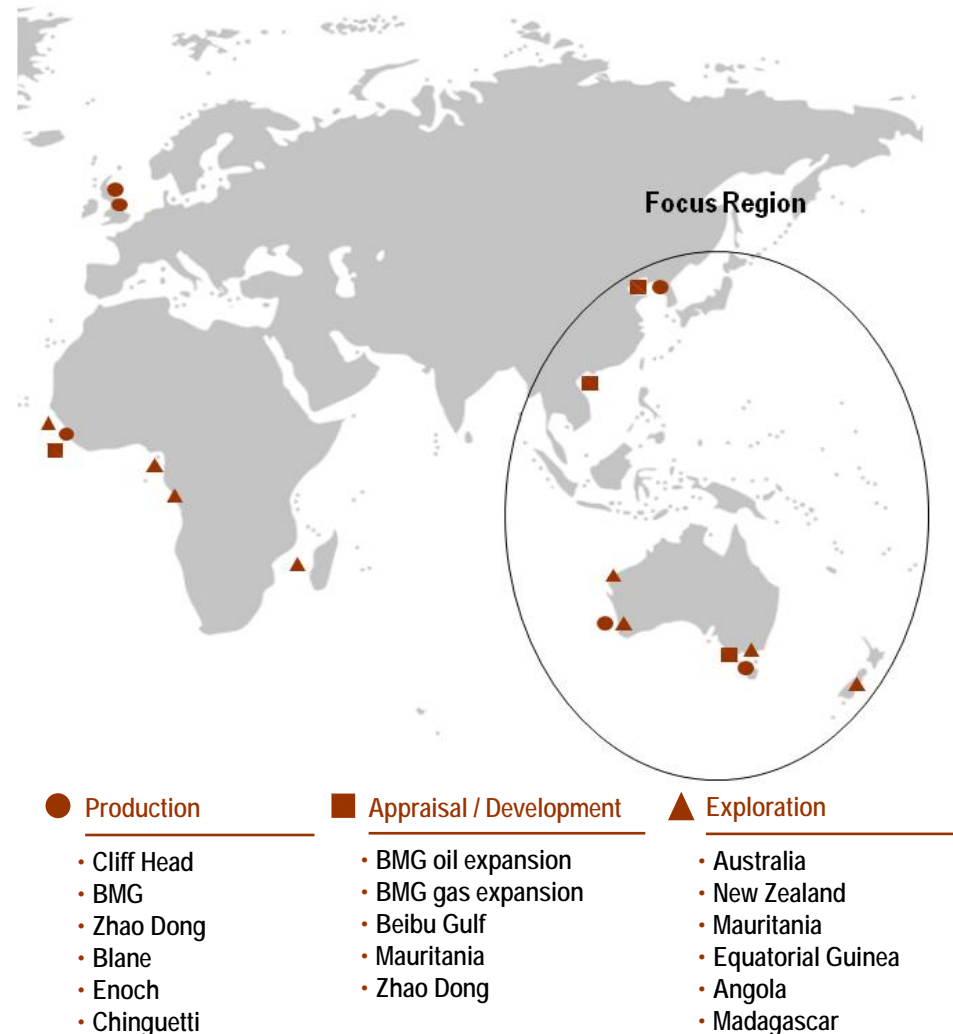


# ROC CORPORATE PROFILE

## Snapshot of ROC

- Upstream oil and gas company with Asia-Pacific focus
- Balanced global portfolio with production from 6 projects, in 4 countries; 3 with operatorship
- Substantial 2P Reserves and 2C Contingent Resource base
- Production, development & near-field exploration upside
- Proven management, technical and operational capabilities and experience

## ROC Global Portfolio



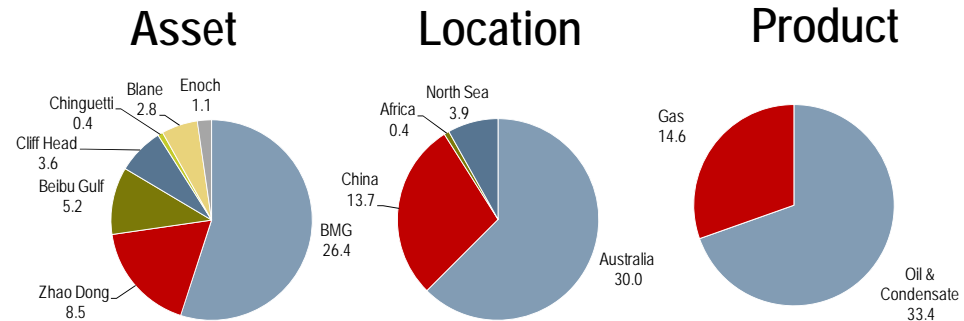
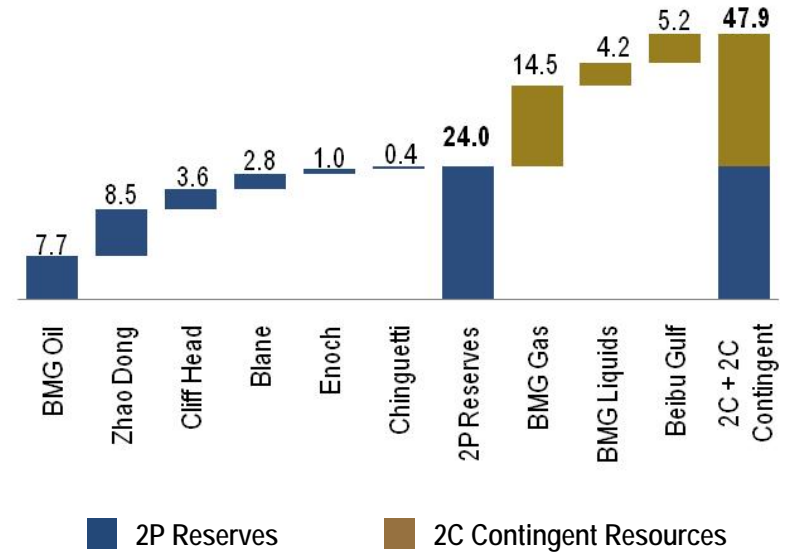


# RESERVES AND RESOURCES\*

- 2P Reserves of 24.0 mmboe\*:
  - 47% in Australia
  - >99% oil
- Additional Contingent 2C Resources of 23.9 mmboe\*:
  - BMG Phase 2 Gas and Beibu Oil projects
  - c.60% gas
- Additional exploration potential

## 2P Reserve + 2C Contingent Resources

(mmboe\*)



\* At 31 December 2008 and assuming 40% interest in BMG. ROC's attributable reserves and resources in BMG will reduce by 25% upon completion of the sale of a 10% interest in BMG to Pertamina

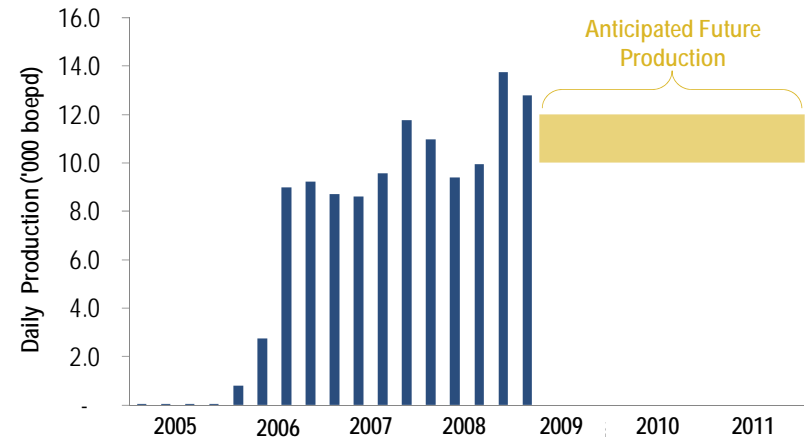


# CURRENT PRODUCTION

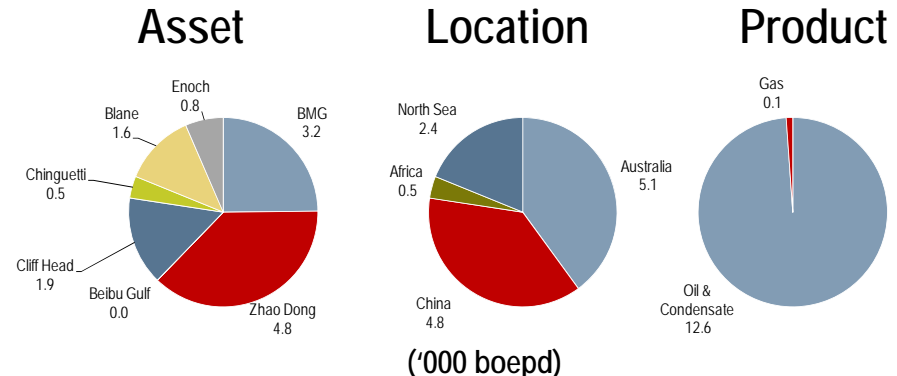
## Current Production Update

Asset	Current Status / 2009 Program
Zhao Dong	<ul style="list-style-type: none"> <li>17 well development program ongoing</li> <li>Additional platform facility installation completed</li> </ul>
Basker Manta Gummy (BMG)	<ul style="list-style-type: none"> <li>Phase-1 Oil Project maximisation</li> <li>2009 drilling programme includes B3 and B5 well workovers and B7 development well</li> </ul>
Cliff Head	<ul style="list-style-type: none"> <li>Well workovers planned for 2H09 to increase production</li> </ul>
Blane	<ul style="list-style-type: none"> <li>Mature field, producing in line with expectations</li> </ul>
Enoch	<ul style="list-style-type: none"> <li>Mature field, producing in line with expectations</li> </ul>
Chinguetti	<ul style="list-style-type: none"> <li>Mature field, producing in line with expectations</li> </ul>

## ROC Quarterly Production Profile\*



1Q09 Production: 12,800 boepd



\* Forecast assumes 40% interest in BMG. ROC's attributable production in BMG will reduce by 25% upon completion of the sale of a 10% interest in BMG to Pertamina



# STRATEGY

## Core 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
- Core business delivering:
  - ~11,500 boepd current production attributable to ROC
  - development on track
- Currently operating within financial capacity:
  - pro-active capital management
  - reduced 2009 expenditure
  - established funding for 2009 plans
- Exploiting reserves and resources:
  - near term focus on development drilling at Zhao Dong and BMG, and well workovers at Cliff Head
  - medium term focus on commercialising 2C Contingent Resources

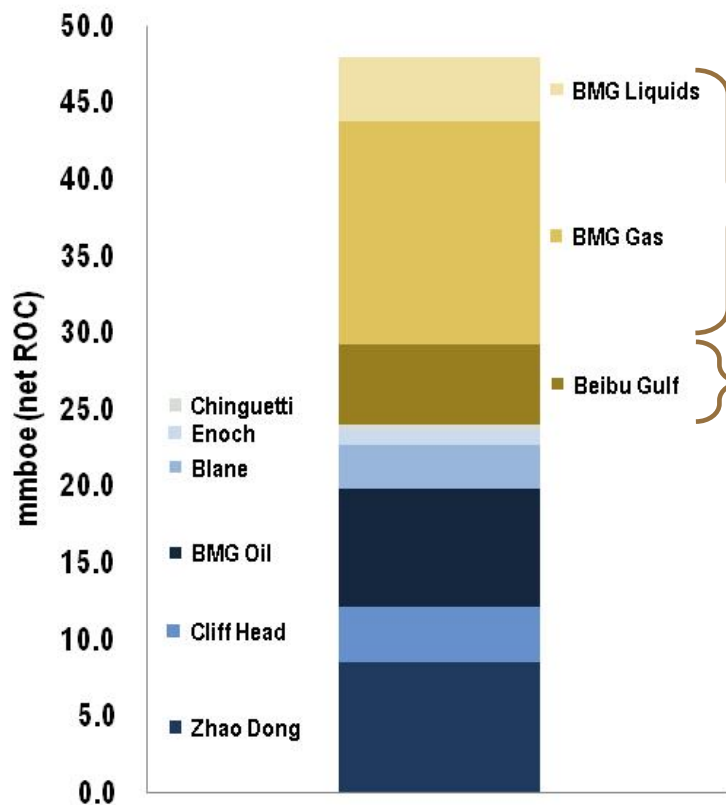


**Balance and Manage Risk**



# FUTURE GROWTH: COMMERCIALISATION OF 2C RESOURCES

ROC 2P Reserve / 2C Contingent Resource Base\*



## BMG Phase 2

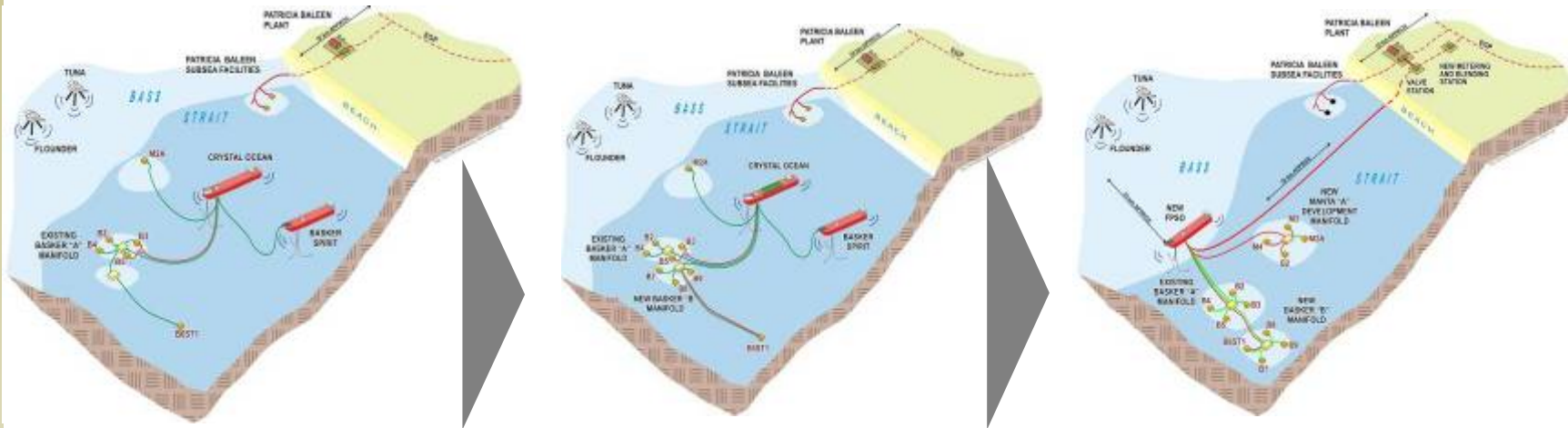
- 2C Contingent Resource of 18.7 mmboe\*:
  - ~100 bcf of gas
  - 4.2 mmbbl of liquids
- Additional 3P Reserve upside
- Focus on "fit for purpose" lower cost development
- Exploration upside

## Beibu Gulf Oil

- 2C Contingent Resource of 5.2 mmbbl oil
- Development through unmanned platforms and facilities sharing with CNOOC
- Exploration upside in the 6-12 development area
- April 09 market transaction values ROC's interest at US\$64m

\* At 31 December 2008 and assuming 40% interest in BMG. ROC's attributable reserves and resources in BMG will reduce by 25% upon completion of the sale of a 10% interest in BMG to Pertamina

# ADVANCING BMG: OIL AND GAS DEVELOPMENT



## 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: Basker-3 and Basker-5 workovers, and Basker-7 well
- Basker-8 and Basker-9 oil wells, and Basker-B Manifold

## 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

# BEIBU GULF OIL DEVELOPMENT

**Location:** Offshore Beibu Gulf

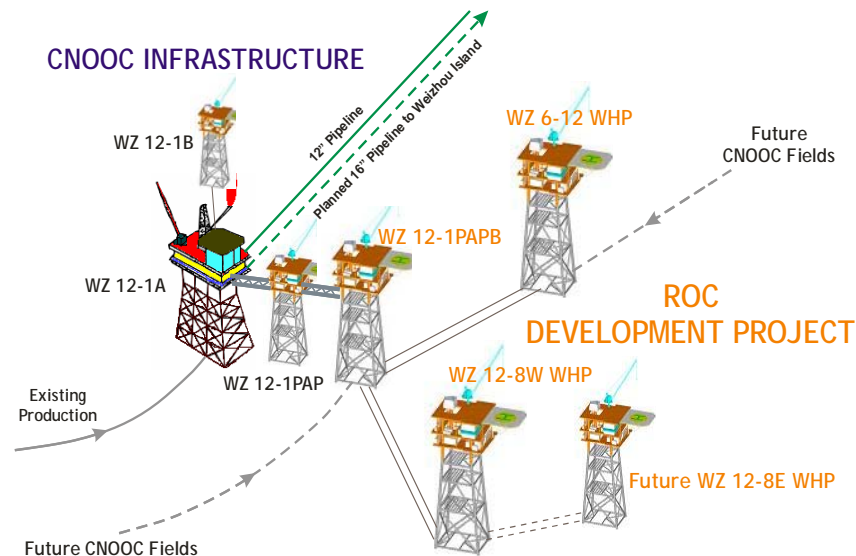
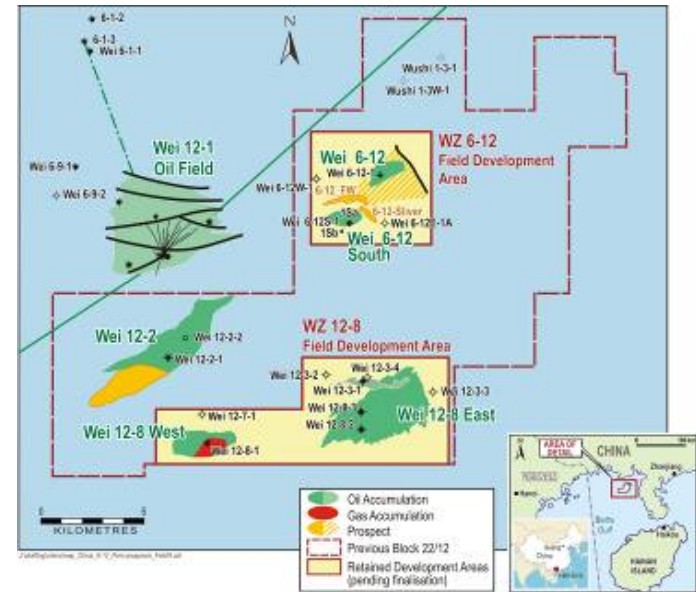
**Working Interest:** 40%\*  
19.6% in development

**Operator:** ROC

- Development:**
- Field development areas declared over Wei 6-12 and Wei 12-8 oil fields
  - Completion of the overall development plan (ODP) with CNOOC is progressing
  - ODP approval and Final Investment Decision expected during 2H 2009
  - First oil expected end 2011

**Gross 2C Resources:** 26.5 mmbœ  
(as at 31 December 2008)

\* Subject to up to 51% Government participation in developments





# EXPLORATION

	Project	% Interest	Activity
Africa	Offshore Mauritania	2.0 - 5.5%	• Tiof and Banda being reviewed for appraisal
	Offshore Equatorial Guinea	37.5%*	• Aleta-1 prospect (unrisked mean recoverable reserve potential between 170-500 mmbbl)
	Onshore Angola	15%	• Evaluation of exploration and appraisal results from 2008 program • Carried through 2009 program including testing of Coco discovery and an exploration well
	Offshore Mozambique Channel	75%**	• Seismic acquisition planning under way for Belo Profound block (offshore Madagascar) • Initial data analysis progressing for Juan de Nova block (offshore, French Territorial waters)
China	Beibu Gulf, Offshore China	40%**	• Exploration prospects at Beibu Gulf to be tested from development facilities in 2011/12
Australia	Carnarvon Basin	20%	• Triassic gas prospects planned to be drilled in 2010 • Leverage from successful exploration program in neighbouring block
	Perth Basin	37.5%**	• Ongoing evaluation of seismic data to mature leads and prospects for possible drilling from 2010 onwards
	Bass Strait	40%***	• Chimaera prospect to be tested as part of BMG Phase 2 development

\* ROC is Technical Manager

\*\* ROC is Operator

\*\*\* Subject to 10% sale to Pertamina

**Exciting exploration portfolio – measured approach to activity.**



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