

# Roc Oil Company Limited

ASX Small to Mid Caps

## Stock Exchange Listing

ASX:ROC

## Company profile

ROC is one of Australia's leading independent upstream oil and gas companies. Incorporated in Australia, ROC listed on the Australian Stock Exchange (ASX) in 1999. ROC currently has approximately 713 million shares on issue. The Sydney-based company has a strong operating emphasis, an international focus and a global workforce of approximately 160. ROC's value drivers include: proven team with strong technical, operational and financial abilities; balanced and diversified asset portfolio; exploration in established and frontier regions; pipeline of multiple development projects; and six existing production assets. Although ROC's assets are spread across four geographic regions (Australia, China, Africa and UK), the company is predominantly focused on Asia and Australia, with Australian and Chinese assets providing around 75% of production and 2P Reserves.

[Click here to access the company's 2009 Annual Report](#) (PDF 355KB)

## Recent Developments

During 2009, ROC completed a number of initiatives to reduce expenditures, rebalance the asset portfolio and recapitalise the balance sheet. In an uncertain economic environment, a 10% interest in the BMG Project was sold, the farmout of ROC's Angola acreage was completed, an equity capital raising of US\$77 million was completed and exploration expenditure was contained to less than US\$10 million. Production of over 10,000 BOEPD was achieved and operating cash flow of US\$98 million was generated from sales revenue of US\$204 million. At year end the Company was in a net cash position of US\$18 million.

In China, the planned Zhao Dong development drilling programme was completed on schedule and within budget and the technical section of the Beibu Gulf Overall Development Plan ("ODP") was completed.

At Cliff Head, successful workovers of two wells were completed and production performance has been enhanced. Importantly, ROC's 2009 safety and environmental performance was commendable, with a single Lost Time Injury ("LTI") during 2.5 million man-hours worked and no significant environmental incidents. While disappointed with Basker Manta Gummy (BMG) field 2P Reserves downgrade and asset impairment announced in February 2010 and its impact on the 2009 Financial Results and share price,

ROC's Board and Management remain focused on our stated strategy: to exploit existing assets; and to leverage off its relationships and operating capabilities to pursue new growth opportunities, especially in Asia and Australasia.

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## Future Outlook

### 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

## Operations

ROC constantly evaluates the cost effective development and acquisition of new and existing exploration and production assets. ROC's preference is to take meaningful interests of between 30-40% in such assets, preferably as operator. ROC utilises established relationships with partners, governments and national oil companies to identify and develop opportunities: ROC operates for PetroChina, CNOOC and Sinochem. ROC is operator of the following production assets: the Cliff Head Oil Field, offshore Perth Basin, Western Australia; the Basker-Manta-Gummy Oil and Gas Fields, Bass Strait, Australia; the Zhao Dong C&D Oil Fields and C4 Oil Field, Bohai Bay, offshore China. ROC is also the operator of exploration and appraisal assets in : offshore Perth Basin, Australia; Beibu Gulf, offshore China and two offshore blocks in the Mozambique Channel.

## Resources / Reserves Estimates

Remaining 2P Reserves of 13.9 MMBOE as at December 2009.

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