



3 July 2018

ROC AWARDED JOINT OPERATOR OF DEVELOPMENT OF WEIZHOU 10-3W OILFIELD AND EXPLORATION BLOCK 22/04 IN CHINA

Roc Oil (Bohai) Company (**ROC**), a wholly owned subsidiary of Roc Oil Company Limited, together with its partner, Smart Oil Investment Limited (**Smart Oil**), has signed a Petroleum Contract with the China National Offshore Oil Corporation (**CNOOC**) for:

- (a) the development of the Weizhou 10-3W oilfield (**WZ10-3W**); and
- (b) exploration operations of Block 22/04, both in the Beibu Gulf, offshore China.

ROC and Smart Oil have been appointed joint operator for exploration, development and production operations under the Petroleum Contract.

WZ10-3W Oilfield

The WZ10-3W oilfield is located in the Beibu Gulf Basin, with an area of 18 square kilometres. The WZ10-3W oilfield is approximately 60km southwest of the Weizhou Terminal and 120km Northwest of Hainan Island, adjacent to the existing Beibu Gulf production infrastructures.

ROC holds a participating interest of 35%, Smart Oil holds a participating interest of 25% and CNOOC holds the remaining 40% during the development period and production period.

ROC will be the Operator for exploration and development operations relating to the WZ10-3W oilfield.

Exploration Block 22/04

The 80 square kilometres exploration Block 22/04 is also located in the Beibu Gulf Basin, approximately 10km Northeast of the WZ10-3W oilfield.

ROC holds a participating interest of 35% with Smart Oil holding a participating interest of 65%. Upon a successful discovery, CNOOC has the right to participate in up to 51% of any development.

Smart Oil will be the Operator for Block 22/04.

The minimum work commitment for the first phase of the exploration period includes drilling of one exploration well. On completion of the first phase of the exploration period, there are two further optional two-year exploration periods with additional commitments.

Commenting on the signing of the Petroleum Contract, ROC's Chief Executive Officer, Yuanlin Jiang Ph.D., said:

"This is another positive step in delivering ROC's strategy of growing its business in China. The award of operator represents a vote of confidence in the Company's long term plans and proven abilities in China as an offshore operator, and also continues to build upon our established and strong relationship with CNOOC."

Roc Oil Company Limited (ROC)

The international joint venture partners are proud of the cooperation achieved with CNOOC and look forward to further strengthening the relationship as the WZ10-3W oilfield is fully developed over the next several years.

Exploration remains an important component within ROC's growth plans and we continue working to secure exploration acreage in commercially proven oil basins with access to existing infrastructure where ROC operates. The exploration Block 22/04 satisfies these criteria.

The award is an exciting addition to ROC's portfolio. With success, we expect to leverage our existing operating strengths within China to accelerate the development and production of any commercially attractive discoveries."