

Additional information

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8.1 Bid Implementation Agreement

(a) The agreement

On 4 August 2014, ROC and Fosun entered into a bid implementation agreement (**BIA**) in relation to the Takeover Bid. The key terms of the BIA are summarised below.

(b) Exclusivity arrangements

The BIA contains certain exclusivity arrangements in favour of Fosun. In summary, during the Exclusivity Period:

- **No shop:** ROC must not encourage or solicit a Competing Transaction;
- **No talk:** ROC must not participate in any negotiations or provide any non-public information to a third party in relation to a Competing Transaction (unless the ROC Board has determined, in good faith and acting reasonably that the Competing Transaction could reasonably be considered to become a Superior Proposal and failing to respond to it would be likely to constitute a breach of fiduciary or statutory obligations owed by the ROC Directors); and
- **Notification of approaches:** ROC must promptly inform Fosun if it receives any Competing Transaction and provide the identity of the person making the approach and the material details of the approach (unless the ROC Board has determined, acting in good faith, that this would be likely to constitute a breach of the fiduciary or statutory obligations owed by the ROC Directors).

Under the BIA, ROC must also cease any discussions or negotiations existing as at 4 August 2014 relating to a Competing Transaction or any transaction that is reasonably likely to reduce the likelihood of the success of the Takeover Bid.

(c) Conduct of business

Until 5.00pm (Sydney time) on 19 October 2014, ROC has agreed that neither it nor its Subsidiaries will:

- (1) announce, declare or distribute any dividend, bonus or other share of its profits or assets (except a distribution by a Subsidiary);
- (2) make any constitutional change, pass any special resolution or amend the terms of issue of any securities (other than as permitted by the Bid Implementation Agreement);
- (3) give or agree to give any Security Interest, adverse interest or restrictions on transfer over the whole or a substantial part of its assets;
- (4) borrow or agree to borrow any money;
- (5) enter or agree to enter into any contract of service or vary or agree to vary any existing contract of service with any director or employee;
- (6) make or agree to make any substantial change in the basis or amount of remuneration of any director, employee or consultant;
- (7) pay or agree to pay any retirement benefit or allowance to any director or employee except as provided under any superannuation, provident or retirement scheme or contract in effect on 4 August 2014; or

- (8) acquire, offer to acquire or agree to acquire any businesses, assets, entities or undertakings valued at, or involving a financial commitment of more than US\$15 million (individually or when aggregated), or make an announcement in relation to such an acquisition,

in each case, otherwise than in the ordinary course of business and which is consistent with the plans or budgets of ROC which have been provided to Fosun before 4 August 2014, as disclosed to Fosun prior to 4 August 2014, as agreed between Fosun and ROC or as required or permitted by the Bid Implementation Agreement, the Takeover Bid or the transactions contemplated by them.

(d) Appointment of directors

As soon as practicable after Fosun acquires more than 50% of the ROC Shares and the Offer becomes unconditional, ROC must use its best endeavours to procure the resignation and appointment of ROC Directors such that a majority of the ROC Board are nominated by Fosun in writing.

(e) Fosun to declare Offer wholly unconditional upon the occurrence of certain matters

Under the BIA, Fosun must declare the Offer unconditional (that is, free the Offer from any outstanding conditions) within two Business Days after the date on which the 50% Minimum Acceptance Condition has been fulfilled or freed unless any of the conditions have been or are reasonably likely to be breached or have otherwise become or are reasonably likely to become incapable of satisfaction.

(f) Termination

Either ROC or Fosun may terminate the BIA:

- (1) for material breach of the BIA by the other party (and where capable of remedy, the material breach is not remedied within five Business Days); or
- (2) where Fosun withdraws the Takeover Bid without breach of the BIA or the Takeover Bid lapses.

8.2 Effect of the takeover on ROC's material contracts

The Facility contains change of control provisions which will be triggered as a result of, or as a result of acceptances of, the Offer. ROC (and other members of the ROC Group as guarantors) entered into the Facility on 9 May 2011. The current total undrawn debt Facility limit is US\$60 million. As at the date of this Target's Statement, the Facility has not been utilised.

The Facility provides that, if the control of ROC changes, it will trigger a "Review Event", upon which any financier may, by notice to ROC of not less than 90 days after the "Review Event", cancel the commitments and declare the principal outstanding together with accrued interest and fees and such other amounts owing under a finance document, due and payable on a date no less than 30 days after the date of the notice. ROC must repay all such amounts specified in the notice. As noted above, as at the date of this Target's Statement, the Facility has not been utilised.

8.3 Material litigation

ROC does not believe that it is involved in any litigation or dispute which is material in the context of ROC and its Subsidiaries taken as a whole.

8.4 Capital structure

As at the date of this Target's Statement, ROC's issued securities consist of:

- (a) 687,618,400 ROC Shares; and
- (b) 21,866,894 ROC Options and ROC Rights with the following details:

Plan	Type of ROC incentive	ROC Eligible Right/ROC Ineligible Right (if applicable for the purpose of section 8.6 of this Target's Statement)	Number outstanding	Issue date	Vesting date/end of performance period	Exercise price (if applicable)
Roc Oil Executive Option Scheme	ROC Option	–	150,000	23/12/2008	23/12/2014	\$0.65
	ROC Option	–	45,000	23/12/2008	23/12/2014	\$0.75
	ROC Option	–	45,000	23/12/2008	23/12/2014	\$0.80
	ROC Option	–	60,000	23/12/2008	23/12/2014	\$0.85
Roc Oil Long Term Incentive Plan (2010)	ROC 2010 LTI Right	ROC Eligible Right	4,345,000	16/12/2011	16/12/2014	–
	ROC 2010 LTI Right	ROC Ineligible Right	200,000	01/03/2012	01/03/2015	–
	ROC 2010 LTI Right	ROC Ineligible Right	500,000	13/09/2012	13/09/2015	–
	ROC 2010 LTI Right	ROC Ineligible Right	5,540,000	01/03/2013	01/03/2016	–
Roc Oil Equity Incentive Plan (2013)	ROC EIP LTI Right	ROC Ineligible Right	977,358	15/05/2013	31/12/2015	–
	ROC EIP LTI Right	ROC Ineligible Right	150,000	31/05/2013	24/03/2016	–
	ROC EIP LTI Right	ROC Ineligible Right	150,000	16/09/2013	02/09/2016	–
	ROC EIP LTI Right	ROC Ineligible Right	6,250,000	18/03/2014	31/12/2016	–
	ROC EIP LTI Right	ROC Ineligible Right	1,180,851	14/07/2014	31/12/2016	–
	ROC Deferred STI Right	ROC Eligible Right	142,160	15/05/2013	31/12/2014	–
	ROC Deferred STI Right	ROC Eligible Right	35,540	15/05/2013	31/12/2015	–
	ROC Deferred STI Right	ROC Eligible Right	1,110,702	07/03/2014	31/12/2014	–
	ROC Deferred STI Right	ROC Eligible Right	598,074	07/03/2014	31/12/2015	–
	ROC Deferred STI Right	ROC Eligible Right	193,605	14/07/2014	31/12/2014	–
ROC Deferred STI Right	ROC Eligible Right	154,884	14/07/2014	31/12/2015	–	
ROC Deferred STI Right	ROC Eligible Right	38,720	14/07/2014	31/12/2016	–	

All ROC Shares carry one vote per share and carry the right to dividends. All ROC Options and ROC Rights do not carry any voting rights or rights to dividends.

8.5 Substantial shareholders

As at 10 September 2014, ROC has been notified¹ that the following persons have a Substantial Holding of 5%, or more, of ROC Shares:

Person	Person's votes	Voting power (%)
Allan Gray Australia Pty Ltd (formerly known as Orbis Investment Management (Australia) Pty Ltd)	137,906,663	20.06% ²

8.6 Effect of Offer on ROC Optionholders and ROC Rightholders

The Offer does not extend to ROC Shares that are issued as a result of the exercise of ROC Options or upon the vesting of ROC Rights during the Offer Period.

However, ROC and Fosun International have also agreed that ROC or Fosun will:

- (a) make offers to each ROC Optionholder to have cancelled each of their ROC Options for cash consideration as follows:
 - (1) where the exercise price of the ROC Option is less than the Offer Price under the Takeover Bid, the difference between the Offer Price and the relevant exercise price of the ROC Option; and
 - (2) where the exercise price of the ROC Option is more than the Offer Price under the Takeover Bid, a nominal cash consideration of A\$0.005 cash per ROC Option, conditional only on Fosun acquiring a Relevant Interest in 90% or more of the ROC Shares as at the end of the Offer Period and the Offer under the Takeover Bid becoming, or being declared, unconditional (together, the **Options Offer**);
- (b) make offers to each ROC Eligible Rightholder to have cancelled each of their ROC Eligible Rights for a cash consideration, per ROC Eligible Right, equal to the Offer Price under the Takeover Bid, conditional only on the Offer under the Takeover Bid becoming, or being declared, unconditional (**Eligible Rights Offer**); and
- (c) make offers to each ROC Ineligible Rightholder to have cancelled each of their ROC Ineligible Rights for a replacement right under a replacement plan, with the intention that the replacement right will provide the holder with an equivalent economic interest to the existing ROC Ineligible Right (**Ineligible Rights Offer**). Any ROC Ineligible Rightholder who rejects the Ineligible Rights Offer will be deemed to have agreed to the cancellation of each of their ROC Ineligible Rights for the Offer Price for each ROC Ineligible Right.

In the case of ROC Optionholders and ROC Eligible Rightholders, the Options Offers and Eligible Rights Offers will be sent to the relevant holders on or around the same time as the first share offer is made under the Takeover Bid. In the case of ROC Ineligible Rightholders, ROC or Fosun will make the Ineligible Rights Offers after:

- (a) the terms of the replacement plan and replacement rights are agreed between ROC and Fosun International (or determined by KPMG Australia if required);
- (b) Fosun has acquired a Relevant Interest in 90% or more of the ROC Shares; and
- (c) the Offer under the Takeover Bid becomes, or is declared, unconditional.

ROC Options and ROC Rights have only been issued by ROC to its employees. Accordingly, only employees of ROC can be ROC Optionholders and/or ROC Rightholders.

In the event that a ROC Ineligible Rightholder's employment with ROC ceases for any reason other than resignation or termination for cause, the ROC Board will determine that the vesting of that ROC Ineligible Rightholder's ROC Ineligible Rights occurs immediately. This automatic vesting will only apply, in the case of redundancy or termination, after Fosun's nominees represent a majority of the ROC Board.

If Fosun's nominees represent a majority of the ROC Board, and Fosun has acquired a Relevant Interest in 90% or more of the ROC Shares, then:

- (a) ROC or Fosun (at ROC's election) must immediately offer to acquire; and
- (b) as a condition to vesting, Fosun must have a call option to purchase,

the ROC Shares that result from the vesting at a price per ROC Share equal to the Offer Price. Consideration will be payable within one month or such shorter timeframe as payments are being made under the Offer.

8.7 Consents

Bill Billingsley of ROC has given, and not withdrawn before the lodgement of this Target's Statement with ASIC, his written consent to be named in this Target's Statement in the form and context he is so named. Bill Billingsley takes no responsibility for any part of this Target's Statement other than any reference to his name.

Ernst & Young has given, and not withdrawn before the lodgement of this Target's Statement with ASIC, its written consent to be named in this Target's Statement as ROC's external auditor in the form and context it is so named. Ernst & Young has not caused or authorised the issue of this Target's Statement, does not make or purport to make any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based and takes no responsibility for any part of this Target's Statement other than any reference to its name.

¹ See form 604 lodged 9 September 2011 on ASX.

² As provided in Form 604 lodged 9 September 2011 on ASX, adjusted for increase in share capital since 9 September 2011. The Form 604 lodged on 9 September 2011 on ASX stated voting power of 19.56%.

Grant Samuel & Associates Pty Limited has given, and not withdrawn before the lodgement of this Target's Statement with ASIC, its written consent to be named in this Target's Statement in the form and context it is so named.

Computershare Investor Services Pty Limited has given, and not withdrawn before the lodgement of this Target's Statement with ASIC, its written consent to be named in this Target's Statement as ROC's share registrar in the form and context it is so named. Computershare Investor Services Pty Limited has not caused or authorised the issue of this Target's Statement, does not make or purport to make any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based and takes no responsibility for any part of this Target's Statement other than any reference to its name.

JB North & Co Pty Ltd has given, and not withdrawn before the lodgement of this Target's Statement with ASIC, its written consent to be named in this Target's Statement as ROC's financial adviser in the form and context it is so named. JB North & Co Pty Ltd has not caused or authorised the issue of this Target's Statement, does not make or purport to make any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based and takes no responsibility for any part of this Target's Statement other than any reference to its name.

Herbert Smith Freehills has given, and not withdrawn before the lodgement of this Target's Statement with ASIC, its written consent to be named in this Target's Statement as ROC's Australian legal advisers in the form and context it is so named. Herbert Smith Freehills has not advised on the laws of any foreign jurisdiction. Herbert Smith Freehills has not caused or authorised the issue of this Target's Statement, does not make or purport to make any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based and takes no responsibility for any part of this Target's Statement other than any reference to its name.

As permitted by ASIC Class Order 13/521, this Target's Statement includes statements which are made in, or based on statements made in, documents lodged by Fosun with ASIC or given to ASX, or announced on the Company Announcements Platform of the ASX, by Fosun. Pursuant to the Class Order, the consent of Fosun is not required for the inclusion of such statements in this Target's Statement. Any ROC Shareholder who would like to receive a copy of any of those documents may request a copy (free of charge) during the Offer Period by contacting the ROC shareholder information line on 1300 823 159 (toll free for calls made from within Australia) or +61 2 8022 7902 (for calls made from outside Australia) and will be provided with a copy of any of those documents within two business days of the request. Any telephone calls to these numbers may be taped, recorded, indexed and stored.

As permitted by ASIC Class Order 13/523, this Target's Statement may include or be accompanied by certain statements:

- fairly representing what purports to be a statement by an official person;

- that are a correct and fair copy of, or extract from, what purports to be a public official document; or
- that are a correct and fair copy of, or extract from, statements which have already been published in a book, journal or comparable publication.

In addition, as permitted by ASIC Class Order 07/429, this Target's Statement contains share price trading data sourced from Bloomberg without its consent.

8.8 Listing Rule waiver

Listing Rule 6.23.2 requires that a change which has the effect of cancelling an option for consideration can only be made if shareholders approve the change.

The ASX has granted ROC a waiver from Listing Rule 6.23.2 to the extent necessary to permit ROC to cancel for consideration, and without shareholder approval, the ROC Options and ROC Rights. The waiver is conditional on the Offer being declared unconditional and Fosun acquiring voting power in ROC of at least 50.1%.

8.9 No other material information

This Target's Statement is required to include all the information that ROC Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer, but:

- only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Target's Statement; and
- only if the information is known to any ROC Director.

The ROC Directors are of the opinion that the information that ROC Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer is:

- the information contained in the Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement);
- the information contained in ROC's releases to the ASX, and in the documents lodged by ROC with ASIC before the date of this Target's Statement; and
- the information contained in this Target's Statement.

The ROC Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). However, the ROC Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all statements contained in it.

In deciding what information should be included in this Target's Statement, the ROC Directors have had regard to:

- the nature of the ROC Shares;
- the matters that ROC Shareholders may reasonably be expected to know;
- the fact that certain matters may reasonably be expected to be known to ROC Shareholders' professional advisers; and
- the time available to ROC to prepare this Target's Statement.