Overview of ROC

4

ROC is an Australian-incorporated independent upstream oil and gas company with a presence in China, South East Asia, Australia and the United Kingdom. ROC operates across the full range of upstream business activities from exploration and appraisal to development and production delivery.

4.1 Overview of ROC

ROC is an Australian-incorporated independent upstream oil and gas company with a presence in China, South East Asia, Australia and the United Kingdom. ROC operates across the full range of upstream business activities from exploration and appraisal to development and production delivery.

ROC was founded by Dr John Doran as a privately-owned company in late 1996 and was publicly listed on the ASX in 1999. As at 10 September 2014, ROC had 687,618,400 shares on issue and a market capitalisation of approximately A$471.0 million.

ROC's total working interest production was 2.7 MMBOE for 2013 with total net 2P Reserves of 17.4[1] MMBOE. For the 12 month period ending 31 December 2013, ROC's net profit after tax was US$45.2 million and net cash at 31 December 2013 totalled US$65.1 million.

ROC's total working interest production for the half year ended 30 June 2014 was 1.717 MMBOE (9,487 BOEPD) with total sales revenue of US$143.4 million.

As at 30 June 2014, ROC had offices and facilities in China, Australia and Malaysia.

ROC's core asset portfolio is based in Australia, South East Asia and China and contains a mix of exploration, development and production assets as summarised in the map and table below.

4.2 ROC Directors

The ROC Directors as at the date of this Target's Statement are as follows.

- Mr Richard ('Mike') Harding
  Independent Non-Executive Director and Chairman
- Mr Alan Linn
  Executive Director
- Mr Nigel Hartley
  Independent Non-Executive Director
- Mr Christopher Hodge
  Independent Non-Executive Director
- Mr Robert Leon
  Independent Non-Executive Director
- Mr Graham Mulligan
  Independent Non-Executive Director

Further information relating to the ROC Directors is contained in section 7 of this Target's Statement.

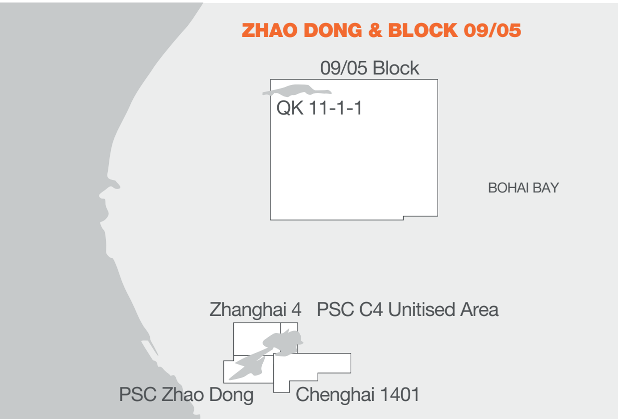
Location	Asset	Field & ROC Interest	Activity	Operator Status	1H2014 Net Production and Work Programme
China	Zhao Dong	C&D Fields 24.5%[2] C4 Fields 11.67%[3] Chenghai and Zhanghai Blocks 39.2%[4]	Production	Operator[5]	0.7 MMBOE
	Block 09/05	60%[6]	Exploration	Operator	Completed seismic processing and first exploration well drilling completed on 7 September 2014
	Beibu Gulf	WZ 6-12 40%/19.6%[7] WZ 12-8 W 40%/19.6%[8]	Production	Non-operator	0.5 MMBOE
Malaysia	D35/D21/J4	30%	Production	Non-operator	ROC farm-in effective 1 January 2014. The Fields are currently in production with redevelopment activities planned
	Balai Cluster	Risk service contractor 48% Bentara	Appraisal, Development	BCP – Operator	Production commenced on 25 May 2014 with a stabilised start up rate of approximately 1,300 BOPD and 0.8 MMscfd
Australia	WA-31-L	Cliff Head 42.5%	Production	Operator	0.2 MMBOE
	L14	Jingemia 0.25%	Shut in	Non-operator	–
UK	Blane Oil Field	Blane 15.24%/12.5%[9]	Production	Non-operator	0.1 MMBOE
	Enoch Oil and Gas Field	Enoch 15%/12%[10]	Production	Non-operator	Offline during 1H14. Production expected to recommence during 2H14
Myanmar	Block M07[11]	59.375%	Exploration	Operator	–

1 As at 1 January 2014, post D35/D21/J4 farm-in and BMG sale.
2 Interest in field development post-government back-in.
3 Unitised interest in producing field (pending final Joint Management Committee approval).
4 Interest in field development post-government back-in.
5 PetroChina has notified ROC of its intention to assume operatorship during 2015 subject to PC terms.
6 Farm-out of 40% participating interest to AWE China Pte Ltd subject to regulatory approval.
7 Interest in field development post-government back-in.
8 Interest in field development post-government back-in.
9 Unitised interest in producing field.
10 Unitised interest in producing field.
11 Subject to ROC Board approval and finalisation of terms with the MOE.

4.3 ROC's principal activities

(a) China

(1) Zhao Dong



ROC acquired its interest in the Zhao Dong Block, Bohai Bay in 2006. The asset now comprises three producing fields (the C, D and C4 Fields).

In March 2011, the existing PC covering the Zhao Dong Block was modified to include the adjacent Zhanghai and Chenghai Blocks with the aim of commercialising previous near field discoveries in the area and encouraging further exploration activity.

Key details of the Zhao Dong Block and Zhanghai and Chenghai Blocks are contained in the table below.

Zhao Dong, Bohai Bay, offshore China

Operator[1]	Roc Oil (Bohai) Company
ROC Interest	24.5%[2] (C&D Fields); 11.667%[3] (C4 Field); 39.2%[4] (Zhanghai and Chenghai Blocks)
Joint venture partners and interests	PetroChina Company Limited: 51%[5] (C&D Fields); 76.666%[6] (C4 Field); 51%[7] (Zhanghai and Chenghai Blocks) New XCL-China LLC (Sinochem): 24.5%[8] (C&D Fields); 11.667%[9] (C4 Field); 9.8%[10] (Zhanghai and Chenghai Blocks)
1H 2014 production rate	Gross: 16,365 BOPD Net to ROC: 3,801 BOPD
Net 2P Reserves as at 1 January 2014	3.7 MMBOE (21% of ROC's net 2P Reserves) (see section 4.4(e))
Production start-up	2003 (C&D Fields); 2008 (C4 unitised Field and extended reach area of C&D Fields)
Field facilities	Four bridge-linked platforms, two of which are for drilling and accommodation and two of which are for production and processing. The C4 Field unit facilities comprise a wellhead platform, utility platform and pipelines to the C&D Field platform for oil and gas processing. Oil and gas production is delivered to onshore refinery and gas sales by pipelines.

The C, D and C4 Fields in the Zhao Dong Block are currently producing and undergoing simultaneous continuous development. Since acquiring the asset, the ROC-led joint venture has drilled over 170 development wells in the Block, installed two platforms adjacent to the existing Zhao Dong platforms and installed new facilities at the C4 Field.

1 PetroChina has notified ROC of its intention to assume operatorship during 2Q 2015 subject to PC terms.
2 Interest in field development post-government back-in.
3 Unitised interest in producing field (pending final Joint Management Committee approval).
4 Interest in field development post-government back-in.
5 Interest in field development post-government back-in.
6 Unitised interest in producing field (pending final Joint Management Committee approval).
7 PetroChina Company Limited exercised option to back-in for 51% on any future commercial development following the successful drilling of H-1 effective 12 August 2011.
8 Interest in field development post-government back-in.
9 Unitised interest in producing field (pending final Joint Management Committee approval).
10 Interest in field development post-government back-in.

In 2013, net production to ROC from Zhao Dong was 1.5 MMBOE (4,017 BOEPD), comprising 55% of ROC's total production for 2013. Revenue from Zhao Dong in 2013 was US$134.7 million with gross profit of US$43.7 million net to ROC.

Development expenditure of US$33.9 million (2012: US$26.7 million) was incurred during the 2013 financial year and a total of 18 wells were drilled during the period.

In the first half of 2014, net production to ROC from Zhao Dong was 0.7 MMBOE (3,801 BOEPD), comprising 40% of ROC's total production for the first half of 2014. Revenue from Zhao Dong in the first half of 2014 was US$65.7 million with gross profit of US$25.0 million net to ROC.

Development expenditure in the first half of 2014 of US$5.4 million was incurred on five wells drilled.

In 2013, ROC submitted an Incremental Development Plan (**IDP**) designed to achieve continuous development beyond 2018, being the end of the current licence term for the blocks. The IDP submitted to PetroChina Company Limited offers continuous economic development activities until 2023. The plan requires a licence extension beyond 2018 to 2023, and the IDP proposes a five-year extension and investment in the development facilities and wells required to maximise oil recovery from the fields.

(2) Block 09/05

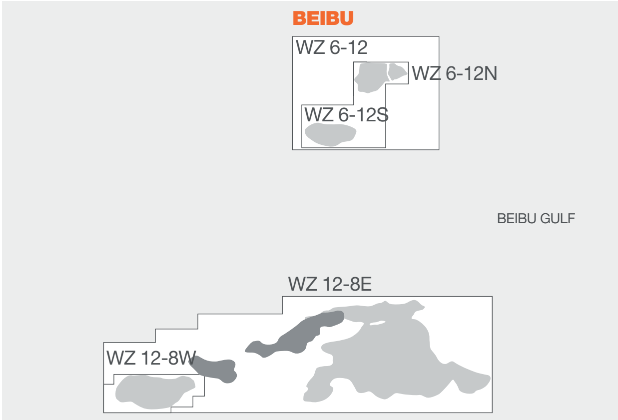
ROC's 60%[1] exploration interest in Block 09/05 in the Bohai Bay in offshore China was awarded in May 2012 and offers a series of significant oil exploration opportunities. Block 09/05 has gross acreage of 335 sq km and is located 15km north of ROC's existing facilities at Zhao Dong.

On 8 August 2014, Roc Oil (Bohai) Company entered into a farm-in agreement with AWE China Pte Ltd (**AWE**) in Block 09/05. Under the terms of the agreement, AWE farmed-in to a 40% working interest in Block 09/05 for US$2 million cash for past costs, 60% of the first exploration well costs and 54% of the second exploration well costs. Initial gross drilling costs per well are estimated at US$14.7 million; should drilling costs exceed the initial estimate, AWE will contribute at a 40% working interest. CNOOC has approved the farm-out and ROC will remain the operator, with a 60% working interest.

The first exploration well was drilled using CNPC Offshore Engineering Co. Ltd's Rig 33 to a total depth of 4,377 metres measured depth (3,862 metres Total Vertical Depth) on 7 September 2014. Logging has been completed and plans for well abandonment are underway. The well did not confirm the presence of commercial hydrocarbons.

The minimum work commitment for the first phase of the exploration period includes 3D seismic acquisition and the drilling of two exploration wells. ROC completed acquisition of 3D ocean bottom cable seismic in October 2013 and has completed drilling the first exploration well in September 2014.

(3) Beibu Gulf



Production in the WZ 6-12 and WZ 12-8 West development areas in the Beibu Gulf in the South China Sea, offshore China commenced in March 2013 and all 15 wells were online by August 2013.

Key details of the Beibu Gulf project are contained in the table below.

WZ 6-12 and WZ 12-8 W, Beibu Gulf, offshore China

Operator	CNOOC Limited (development and production) Roc Oil (China) Company (exploration and appraisal)
ROC Interest	19.6%[2] (development and production); 40% (exploration and appraisal)
Joint venture partners and interests	CNOOC Limited: 51% (development and production) Horizon Oil (Beibu) Limited & Horizon Oil (Nanhai) Limited: 26.95% (development and production); 55% (exploration and appraisal) Oil Australia Pty Ltd (Majuko): 2.45% (development and production); 5% (exploration and appraisal)
1H2014 production rate	Gross: 12,545 BOPD Net to ROC: 2,459 BOPD
Net 2P Reserves as at 1 January 2014	4.7 MMBOE (27% of ROC's net 2P Reserves) (see section 4.4(e))
Production start-up	March 2013
Field facilities	Two wellhead platforms and one joint processing platform, which are connected by bridge to the CNOOC WZ 12-1A platform complex and utilise existing water injection and oil and gas export facilities.

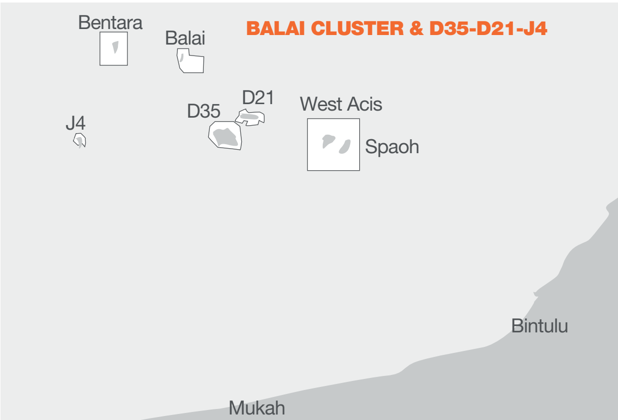
1 Farm-out of 40% participating interest to AWE China Pte Ltd subject to regulatory approval. The Chinese government (**CNOOC**) has the right to participate in up to 51% of any development.
2 Interest in field development post-government back-in.

The Beibu Gulf project produced 0.6 MMBOE net to ROC for the period from start-up in March 2013 to 31 December 2013, contributing 22% of total production in 2013. Revenues from the Beibu Gulf project totalled US$57.2 million in the same period, offset by production costs of US$10.92/BBL, providing an operating profit of US$29.0 million.

In the first half of 2014, the project produced 2,459 BOEPD (gross) and contributed approximately 26% to ROC's first half of 2014 production. Revenue from the Beibu Gulf project totalled US$43.8 million in the same period, offset by production costs of US$9.87/BBL, providing a gross profit of US$22.3 million.

There are two undeveloped oil accumulations in the retained development areas (WZ 12-8 E and WZ 12-3) with development feasibility studies in progress for WZ 12-8 E and an overall development plan under preparation and scheduled to complete by first quarter 2015. ROC has commenced drilling the first of two new exploration wells. Both wells will be drilled in 2H2014 to fully evaluate all near field exploration potential in the recently expanded development area.

(b) Malaysia



(1) D35/D21/J4

The D35/D21/J4 Fields are located on the continental shelf in the Sarawak Basin in offshore Eastern Malaysia, in water depths of approximately 50 metres. In April 2014, ROC announced a farm-in for a 50% participating interest in the D35/D21/J4 Fields which were previously 100% held and operated by PETRONAS Carigali Sdn Bhd. The farm-in agreement included amendments to the existing PSC effective from 1 January 2014 until 31 December 2034. The terms of this PSC are designed for field redevelopment and enhanced oil recovery to commercially encourage progressive incremental oil and associated gas development over the full life of the PSC for the project.

D35 is the largest of the three fields with the longest production history and represents a significant brownfield redevelopment project. Within the D35 Field boundary, there is evidence of significant appraisal and near-field exploration potential. J4 and D21 are satellite producing assets.

The Fields, particularly D35, contain material in-place oil and gas volumes, and overall field recovery is expected to benefit significantly from the introduction of secondary and tertiary recovery technologies. The fields provide a portfolio of Reserves plus Contingent and Prospective Resources, which when combined add to and extend the Reserves and resources life of ROC.

In addition, the project also offers exploration opportunities with one exploration well already under consideration for drilling in 2015.

Key details of the D35/D21/J4 Fields are contained in the table below.

D35/D21/J4, offshore Sarawak Basin, Eastern Malaysia

Operator	PETRONAS Carigali Sdn Bhd
ROC Interest	30%
Joint venture partners and interests	PETRONAS Carigali Sdn Bhd: 40% E&P Malaysia Venture Sdn Bhd: 10% Dialog Resources Sdn Bhd: 20%
Net 2P Reserves as at 1 January 2014	5.2 MMBOE (30% of ROC's net 2P Reserves) (see section 4.4(e))

In May 2014, ROC entered into a Letter of Intent to farm-out a 20% participating interest to Dialog Resources Sdn Bhd. The Dialog farm-in is complete and has reduced ROC's participating interest to 30%. The 20% farm-out has been approved by PETRONAS and existing joint venture partners.

The project is being delivered by an integrated project team comprising personnel from ROC and PETRONAS Carigali Sdn Bhd. PETRONAS Carigali Sdn Bhd continues to be the operator of the relevant PSC and retains responsibility for operations and maintenance of the facilities. ROC has been appointed project development manager, responsible for subsurface management, well engineering, new facilities projects and redevelopment project execution.

The estimates set out in this section 4.3(b)(1) are based on ROC's feasibility study of the fields or development area. Therefore, the estimates should not be construed as being estimates supported or endorsed by PETRONAS.

(2) Balai Cluster

The Balai Cluster Risk Service Contract (**Balai Cluster RSC**) is a cluster of marginal oil and gas fields (Balai, Bentara, West Acis and Spaoh) located in the Sarawak Basin in offshore Malaysia, in water depths of approximately 50-60 metres. PETRONAS entered into the Balai Cluster RSC on 16 August 2011 with a contractor group comprising Roc Oil Malaysia (Holdings) Sdn Bhd, DIALOG Group and PETRONAS Carigali Sdn Bhd. PETRONAS Carigali's interest was subsequently transferred to a wholly owned subsidiary, E&P Malaysia Solutions Co Sdn Bhd. A joint venture company, BC Petroleum Sdn Bhd (**BCP**), was created to appraise and develop the fields within the RSC.

Key details of the Balai Cluster RSC are contained in the table below.

Balai Cluster RSC, offshore Sarawak Basin, Malaysia

Operator	BC Petroleum Sdn Bhd
ROC Interest	48%
Joint venture partners and interests	Dialog D & P Sdn Bhd: 32% E&P Malaysia Solutions Co Sdn Bhd: 20%

An FDP for the Bentara Field, within the Balai Cluster RSC, was approved by PETRONAS in March 2014. The FDP 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 early production vessel (**EPV**).

The field was successfully brought to stream on 25 May 2014 and has achieved the First Oil milestone with a stabilised start-up rate of approximately 1,300 BOPD of oil and 0.8 MMscfd of gas over the period.

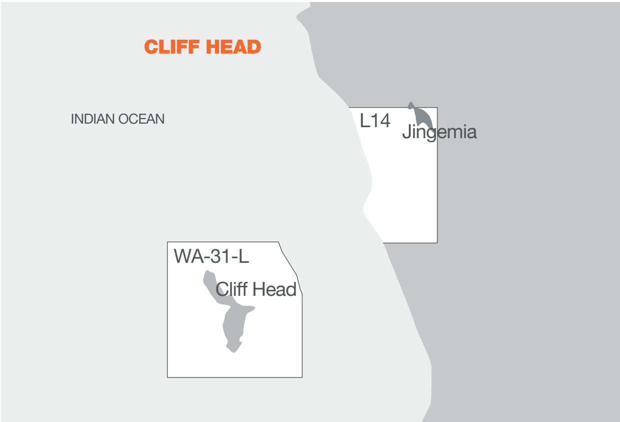
Production from the Field is occurring through the existing platform and two of the drilled wells. Production is being processed through the EPV and transferred to point of sale via a ship-to-ship transfer to a shuttle tanker, with the first transfer of approximately 50,000 barrels completed on 18 July 2014.

Under the terms of the Balai Cluster RSC, BCP (and ROC) do not have title to the oil produced and therefore are not able to book Reserves and resources associated with the Bentara Field. ROC is unable to show Bentara production and revenue within its reported volumes.

BCP has invested approximately US$350 million of which US$162 million was sourced from bank loans and the balance from shareholders. Early production field development is expected to be funded from cash flow and cost reimbursement under the RSC and is anticipated to occur over the period from mid-2014 to the end of 2015.

The estimates set out in this section 4.3(b)(2) are based on ROC's feasibility study of the fields or development area. Therefore, the estimates should not be construed as being estimates supported or endorsed by PETRONAS.

(c) Australia



ROC's only producing asset in Australia is the Cliff Head Oil Field in production licence WA-31-L in the offshore Perth Basin, approximately 10km offshore Western Australia. The Cliff Head Oil Field is currently the only commercial oil discovery in the offshore Perth Basin. The Cliff Head Oil Field, which is in 15-20 metres of water, is operated by ROC and was discovered, appraised and developed by ROC as operator, together with its current and former co-venturers.

Key details of the Cliff Head Oil Field are contained in the table below.

Cliff Head Oil Field, WA-31-L, offshore Perth Basin, Western Australia

Operator	Roc Oil (WA) Pty Limited
ROC Interest	42.5%
Joint venture partners and interests	AWE Limited (via subsidiaries): 57.5%
1H2014 production rate	Gross: 1,988 BOPD Net to ROC: 845 BOPD
Net 2P Reserves as at 1 January 2014	2.2 MMBOE (13% of ROC's net 2P Reserves) (see section 4.4(e))
Production start-up	May 2006
Field facilities	Jack-up installed unmanned platform, connected by two 14km pipelines to an onshore stabilisation plant at Arrowsmith. Production is processed at the onshore crude stabilisation plant and trucked 350km to the BP refinery at Kwinana. The oil is sold to BP under a term contract covering the life of the Field at a price linked to regional crude oil prices.

The Cliff Head Oil Field is now considered to be a mature producing asset and continues to perform in line with expectations. The Field produced 0.4 MMBOE (1,061 BOEPD net to ROC) in the 12 months to 31 December 2013. In the same period, revenue from Cliff Head was US$41.1 million.

In the first half of 2014 the Field produced 0.2 MMBOE (845 BOEPD net to ROC) and revenue of US$16.5 million.

(d) United Kingdom

ROC has non-operated interests in the trans-median (UK-Norway) Blane Oil Field and the Enoch Oil and Gas Field in the North Sea.

(1) Blane Oil Field

ROC purchased a 15.24% interest in the licence containing the UK portion of the undeveloped Blane Oil Field in 1999 and currently holds a 12.5% interest in the unitised field which extends into the Norwegian sector. ROC's annual working interest in oil production from the Blane Oil Field was 0.2 MMBOE to 31 December 2013. The Blane Oil Field contributed 8% of ROC's total production for 2013 and revenue of US$18.1 million.

In the first half of 2014 the Blane Oil Field produced 0.1 MMBOE. The Blane Oil Field contributed 6% of ROC's total production for the first half of 2014 and revenue of US$15.9 million.

Key details of the Blane Oil Field are contained in the table below.

Blane Oil Field, P111-Block 30/3a (Upper), North Sea

Operator	Talisman Energy Norge AS (Field Operator) Talisman Sinopec Energy (UK) Limited (Wells Operator)
ROC Interest	12.5% unitised; 15.24% un-unitised
Joint venture partners and interests	Talisman Energy Norge AS – Field Operator: 18% Talisman Sinopec Energy (UK) Limited – Wells Operator: 25% Dana Petroleum (BVUK) Limited: 12.5% Faroe Petroleum (UK) Limited: 18% JX Nippon Exploration and Production (UK) Limited: 14%
1H2014 production rate	Gross: 4,704 BOPD Net to ROC: 588 BOPD
Net 2P Reserves as at 1 January 2014	1.3 MMBOE (7% of ROC's net 2P Reserves) (see section 4.4(e))
Production start-up	September 2007
Field facilities	Two horizontal production wells with gas lift and one water injection well tied back to BP-operated Ula platform located in the Norwegian continental shelf (approximately 34km to the north-east)

(2) Enoch Oil and Gas Field

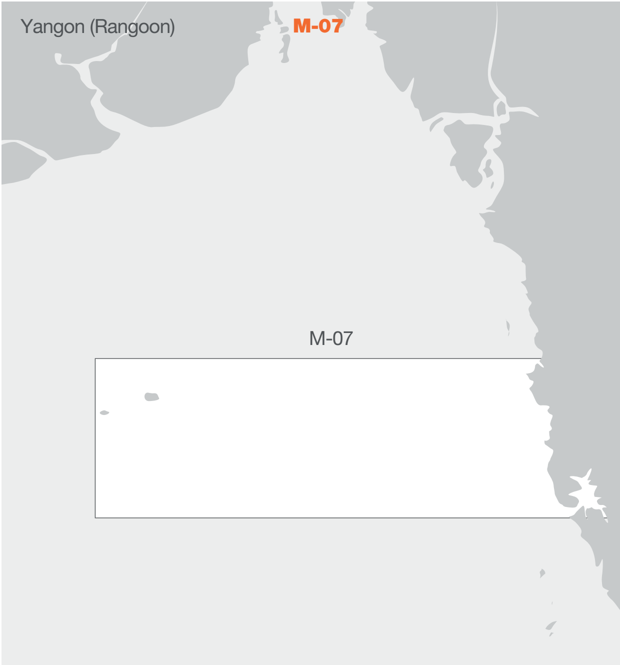
The Enoch Oil and Gas Field has been shut in since 29 January 2012 due to mechanical issues in subsea equipment. Restoration works were completed in the first quarter of 2014 and production is expected to resume in the second half of 2014.

Key details of the Enoch Oil and Gas Field are contained in the table below.

Enoch Oil and Gas Field, P219-Block 16/13a&e, North Sea

Operator	Talisman Sinopec North Sea Limited
ROC Interest	12% unitised; 15% un-unitised
Joint venture partners and interests	Talisman Sinopec North Sea Limited – Operator: 25.2% Dana Petroleum (BVUK) Limited: 20.8% Endeavour Energy UK Limited: 8% First Oil Expro Limited: 14% Statoil Petroleum AS: 11.78% Noreco Oil AS: 4.36% DetNorske AS: 2% Faroe Petroleum AS: 1.86%
1H2014 production rate	–
Net 2P Reserves as at 1 January 2014	0.3 MMBOE (2% of ROC's net 2P Reserves) (see section 4.4(e))
Production start-up	May 2007
Field facilities	One subsea production well with gas lift capability tied back to the Marathon Oil Corporation-operated Brae-A platform located on the United Kingdom continental shelf (approximately 15km to the south-west)

(e) Myanmar



Block M07 is located in the gas and condensate prone Moattama Basin, offshore Myanmar in water depths of between 15-50 metres at the mouth of the Irrawaddy Delta. The block is 13,000 sq km in size and is situated 160km east of the 6.5 Tcf Yadana Field and 110km north-east of the 1.5 Tcf Zawtika Field.

In 2013, after pre-qualifying for the Myanmar offshore licensing round, ROC submitted bids for two offshore shallow water blocks, including Block M07. In March 2014, ROC was notified by the Myanmar Ministry of Energy (**MOE**) of the successful award of a PSC for Block M07.

The PSC award is subject to finalisation of terms with the MOE and ROC Board approval which is anticipated to occur in the second half of 2014. ROC will hold a 59.375% interest and operate the licence on behalf of the joint venture participants, Tap Oil Limited and Smart E&P International Co. Ltd. The block award includes a provision for the joint venture to undertake an 18 month Environmental Impact Assessment and Study Period, following which it has an option to proceed into a three year exploration work programme.

4.4 ROC's Reserves and resources statement

(a) Economic interest Reserves by asset as at 1 January 2014

	1P Dev Oil (MMBBL)	1P Undev Oil (MMBBL)	1P Dev Gas (BCF)	1P Undev Gas (BCF)	1P Total BOE (MMBOE)	2P Dev Oil (MMBBL)	2P Undev Oil (MMBBL)	2P Dev Gas (BCF)	2P Undev Gas (BCF)	2P Total BOE (MMBOE)
Zhao Dong	2.2	0.6	0.5	0.2	2.9	2.4	1.2	0.6	0.3	3.7
Beibu	3.9	0.0	0.0	0.0	3.9	4.7	0.0	0.0	0.0	4.7
Cliff Head	1.4	0.0	0.0	0.0	1.4	2.2	0.0	0.0	0.0	2.2
Blane	0.7	0.0	0.1	0.0	0.7	1.3	0.0	0.1	0.0	1.3
Enoch	0.2	0.0	0.0	0.0	0.2	0.3	0.0	0.0	0.0	0.3
D35/D21/J4[1]	0.9	2.0	2.7	2.0	3.7	1.4	2.6	3.7	3.2	5.2
Closing Balance 1 Jan 14	**9.3**	**2.6**	**3.3**	**2.2**	**12.8**	**12.3**	**3.8**	**4.4**	**3.5**	**17.4**

(b) Economic interest Reserves and resources by region as at 1 January 2014

	2P	2C			Best Estimate Prospective Risked Resource		
	MMBOE	Oil MMBBL	Gas BCF	MMBOE	Oil MMBBL	Gas BCF	MMBOE
Malaysia	5.2	22.1	10.3	23.9	7.2	0.0	7.2
China	8.4	5.5	1.0	5.7	13.1	1.3	13.3
Australia	2.2	2.3	–	2.3	0.5	–	0.5
UK	1.6	0.9	5.6	1.8	0.0	0.0	0.0
Closing Balance 1 Jan 14	**17.4**	**30.8**	**16.9**	**33.7**	**20.8**	**1.3**	**21.0**

The estimated quantities of petroleum that may potentially be recovered by the application of future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further appraisal is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

(c) Reconciliation of economic interest Reserves

	1P Developed and Undeveloped			2P Developed and Undeveloped		
	Oil (MMBBL)	Gas (BCF)	BOE (MMBOE)	Oil (MMBBL)	Gas (BCF)	BOE (MMBOE)
Opening Balance 31 Dec 2013 (economic interest)	9.0	0.8	9.1	12.1	1.0	12.2
D35/D21/J4 (economic interest)	2.9	4.7	3.7	4.1	6.9	5.2
Closing Balance 1 Jan 2014 (economic interest)	**11.9**	**5.5**	**12.8**	**16.2**	**7.9**	**17.4**

(d) Reconciliation of economic interest resources

	2C BOE (MMBOE)	Best Estimate Prospective Risked Resource[2] (MMBOE)
Opening Balance 31 Dec 13	23.6	37.8
D35/D21/J4 (economic interest)	23.9	7.2
Beibu 12-8 East[3]	0.8	0.6[4]
BMG Sale	(14.6)	(6.2)
09/05[5]	–	(18.4)
Closing Balance 1 Jan 2014 (economic interest)	**33.7**	**21.0**

1 Assuming ROC has 30% participating interest following farm-out of 20% participating interest.
2 This is ROC's initial assessment of estimated prospective risked resources and will be revised during phases 1 and 2.
3 Updated as at 30 May 2014.
4 Subject to approval of licence boundary extension.
5 Updated to reflect farm-out of 40% participating interest to AWE (released on 14 August 2014) and incorporating the QK11-1-1 well results (released on 10 September 2014).

(e) Reserves and resources methodology

The deterministic method has been used to compile Reserve and Contingent Resource estimates and the probabilistic method has been used to compile Prospective Resource estimates. The aggregate 1P Reserve may be a very conservative estimate and the aggregate 3P Reserve may be a very optimistic estimate due to the portfolio effects of arithmetic summation. Prospective Resources have been adjusted for risk using the chance of discovery.

Estimates of Reserves are reported net of lease fuel. The reference point used for the purposes of measuring and assessing the estimated Reserves is the sales point.

ROC has put in place an *Estimation and Reporting of Reserves and Resources Guideline* which sets out the governance arrangements and internal controls regarding the reported estimates of petroleum Reserves and resources and the estimation process to apply at ROC. The guideline provides for an annual review of all Reserves and resources by the ROC Chief Reservoir Engineer (**ROC CRE**) and for an annual audit covering all material assets over a rolling three year period.

All audits are undertaken by independent third party resource evaluators and are overseen by the ROC CRE who is a petroleum Reserves and resources evaluator qualified in accordance with Listing Rule requirements. No public reporting of any Reserves or resources estimate is permitted without the sign-off by the ROC CRE and the approval of the ROC Chief Executive Officer. All public reporting of the Reserves or resources estimates is in accordance with the requirements set out in Chapter 5 of the Listing Rules and the ROC Continuous Disclosure Policy.

The ROC Reserves, Contingent Resources and Prospective Resources reported in this section 4.4(e) were estimated, reviewed and audited in accordance with the ROC *Estimation and Reporting of Reserves and Resources Guideline*.

The Reserves, Contingent Resources and Prospective Resources estimates used in this section are supported by Bill Billingsley's (ROC CRE and full-time employee of ROC) statement contained in the Important Notices section of this Target's Statement.

4.5 ROC historical financial information

(a) ROC's 30 June 2014 half yearly financial results (unaudited)

ROC's financial statements (unaudited) for the half year ended 30 June 2014 were released to the ASX on 20 August 2014 and are attached in Annexure A to this Target's Statement.

During the period, ROC reported a net profit after tax of US$53.8 million including a US$32.6 million profit on the sale of BMG relating to the reversal of the provision for abandonment.

At 30 June 2014, ROC had net cash of US$67.2 million and an undrawn debt facility of US$60 million.

(b) Historical financial information of the ROC Group (audited)

The selected statement of comprehensive income, financial position and statement of cash flows information contained below for ROC is extracted from the audited consolidated financial statements of ROC for the years ended 31 December 2013, 31 December 2012 and 31 December 2011.

The financial information has been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act. The financial information also complies with the recognition and measurement requirements of International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. The audit opinions in these financial statements were issued by Ernst & Young and were unqualified.

The financial information presented in the tables below does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements. Where appropriate, adjustments have been made to headings and classifications of historical data to provide a consistent basis of presentation.

Except as set out in section 4.5(a) and Annexure A, in the interval between the end of the year ending 31 December 2013 and the date of this Target's Statement, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the ROC Directors, to significantly affect the operations of the ROC Group, the results of those operations, or the state of affairs of the ROC Group, in future financial years other than as disclosed in the 31 December 2013 full year financial statements and subsequent filings on ASX.

ROC Shareholders may view complete copies of the audited consolidated financial statements of ROC for the years ending 31 December 2013, 31 December 2012 and 31 December 2011 on ASX's website at www.asx.com.au or on the ROC website at www.rocoil.com.au.

(c) ROC consolidated statement of comprehensive income

	2013 US$'000	2012 US$'000	2011 US$'000
Sales revenue	**250,995**	**242,067**	**285,831**
Operating costs	(154,889)	(135,917)	(177,864)
Gross profit	96,106	106,150	107,967
Other income	189	3,967	193
Gain on sale of exploration and development assets	8,000	10,315	40
Net derivative losses	–	(878)	(13,140)
Exploration expensed and written off	(16,537)	(18,081)	(13,548)
Reversal of prior period impairment of oil and gas assets	–	–	18,633
Provision for restoration	–	(3,379)	–
Impairment of investment in associate company	(6,900)	–	–
Foreign currency translation reserve gain on liquidation of subsidiary	36	4,649	–
Impairment of exploration asset	–	–	(484)
Other costs	(15,346)	(13,413)	(12,987)
Finance costs	(3,839)	(6,595)	(6,003)
Profit before income tax	**61,709**	**82,735**	**80,671**
Income tax expense	(16,520)	(21,781)	(52,924)
Net profit	**45,189**	**60,954**	**27,747**
Other comprehensive income			
Foreign currency translation reserve gain on liquidation of subsidiary	(36)	(4,649)	–
Cash flow hedges transferred to trading profit	–	–	946
Other comprehensive loss net of tax	**(36)**	**(4,649)**	**946**
Total comprehensive profit	**45,153**	**56,305**	**28,693**
Basic earnings per share – cents	6.6	8.9	3.9
Diluted earnings per share – cents	6.5	8.8	3.9

(d) ROC consolidated statement of financial position

	2013 US$'000	2012 US$'000	2011 US$'000
Current assets			
Cash assets	65,140	56,783	39,624
Trade and other receivables	32,361	25,474	67,335
Inventories	2,133	658	2,305
Derivatives	–	–	1,318
Total current assets	**99,634**	**82,915**	**110,582**
Non-current assets			
Oil and gas assets	227,158	237,292	218,342
Exploration and evaluation expenditure	587	1,094	1,169
Property, plant and equipment	858	1,080	1,678
Deferred tax assets	20,594	13,021	5,115
Investments in associate companies	67,203	33,422	15,999
Total non-current assets	**316,400**	**285,909**	**242,303**
Total assets	**416,034**	**368,824**	**352,885**
Current liabilities			
Trade and other payables	42,247	36,088	48,136
Current tax liabilities	8,258	9,944	21,195
Provisions	14,235	10,868	13,091
Total current liabilities	**64,740**	**56,900**	**82,422**
Non-current liabilities			
Bank loan	–	–	13,082
Deferred tax liabilities	21,078	26,406	31,777
Provisions	63,961	66,869	63,995
Total non-current liabilities	**85,039**	**93,275**	**108,854**
Total liabilities	**149,779**	**150,175**	**191,276**
Net assets	**266,255**	**218,649**	**161,609**
Equity			
Share capital	734,150	734,150	734,150
Accumulated losses	(488,833)	(534,022)	(594,976)
Other Reserves	20,938	18,521	22,435
Total equity	**266,255**	**218,649**	**161,609**

(e) ROC consolidated statement of cash flows

	Inflow/ (Outflow) 2013 US$'000	Inflow/ (Outflow) 2012 US$'000	Inflow/ (Outflow) 2011 US$'000
Cash flows from operating activities			
Cash generated from operations	154,341	190,336	176,166
Derivatives received/(paid)	68	(676)	(42,792)
Payments for exploration and evaluation expenses	(16,470)	(5,449)	(11,249)
Interest received	189	3,965	151
Finance costs paid	(1,579)	(2,866)	(3,473)
Payments made for abandonment costs	(2,299)	–	–
Payments for non-production phase for BMG	(1,837)	(12,099)	(21,451)
Income taxes and PRRT paid	(30,878)	(46,950)	(53,958)
Net cash generated from operating activities	**101,535**	**126,261**	**43,394**
Cash flows from investing activities			
Payments for plant and equipment	(184)	(104)	(498)
Payments for development expenditure	(59,561)	(59,401)	(35,379)
Payments for exploration and evaluation expenditure initially capitalised	–	(19,404)	(5,711)
Proceeds from sale of exploration and development assets	7,985	1,779	20,518
Adjustments/(payments) for acquisition of additional 5% interest in Cliff Head	–	551	(2,664)
Investment in associate company	(40,680)	(17,423)	(15,999)
Net cash used in investing activities	**(92,440)**	**(94,002)**	**(39,733)**
Cash flows from financing activities			
Share buy-back payments	–	–	(10,051)
Bank loan repayments	–	(15,000)	(50,000)
Bank loan advances	–	–	15,000
Net cash used in financing activities	**–**	**(15,000)**	**(45,051)**
Net increase/(decrease) in cash held	**9,095**	**17,259**	**(41,390)**
Cash at beginning of financial year	56,783	39,624	80,960
Effect of exchange rate changes on the balance of cash held in foreign currencies	(738)	(100)	54
Cash at end of financial year	**65,140**	**56,783**	**39,624**

4.6 Management discussion and analysis in relation to historical financial information

(a) ROC's 30 June 2014 half yearly financial results (unaudited)

The information in this section has been adapted from ROC's discussion and analysis of financial statements for the half year ended 30 June 2014 contained in ROC's 2014 Financial Half Year Report Ended 30 June 2014, attached in Annexure A to this Target's Statement.

For the six months ended 30 June 2014, the ROC Group reported a net profit after income tax of US$53.8 million (1H13: US$20.5 million) from a gross profit of US$56.3 million (1H13: US$49.0 million). Included in the current period result was an after tax profit on the sale of ROC's interest in BMG for US$32.6 million.

Oil and gas sales revenue was US$143.4 million (1H13: US$114.1 million) generated from sales volumes of 1.4 MMBOE (1H13: 1.1 MMBOE), which achieved an average realised oil price of US$105.75/BBL (1H13: US$104.21/BBL).

Operating costs were US$87.1 million (1H13: US$65.1 million) and included production costs of US$25.8 million (US$15.04/BOE), amortisation of US$39.7 million (US$23.11/BOE) and Chinese special oil income levy and royalty of US$25.3 million.

Exploration expenditure of US$2.2 million (1H13: US$4.7 million) was incurred during the period. In accordance with ROC's Successful Efforts accounting policy, US$2.1 million (1H2013: US$4.6 million) in exploration costs were expensed during the period.

An income tax expense of US$19.1 million (1H13: US$14.2 million) was incurred during the period, which included a current income tax expense of US$16.4 million, a prior year under provision of US$2.3 million and PRRT expense of US$4.5 million offset by a favourable movement in deferred income tax of US$4.1 million.

The basic earnings per share for the period was US$0.078 based upon a weighted average number of fully paid ordinary shares on issue of 687,010,999 million shares.

At 30 June 2014, ROC's net cash position was US$67.2 million (2013: US$65.1 million) and the total undrawn debt facility limit available was US$60.0 million.

Net cash generated during the period from operating activities was US$32.1 million and was mainly used to fund development of US$21.7 million and the ongoing investment in BCP of US$8.5 million.

(b) Historical financial information of the ROC Group (audited)

The information in this section has been adapted from ROC's discussion and analysis of financial statements for the year ended 31 December 2013 contained in ROC's 2013 Annual Report.

The ROC Group's net profit after income tax in the 2013 financial year ended 31 December 2013 was US$45.2 million (2012: US$61.0 million) and gross profit was US$96.1 million (2012: US$106.2 million).

Included in the overall result were items relating to:

(1) after-tax profit on the sale of the Juan de Nova Maritime Profond Block of US$8.0 million;

(2) exploration expense of US$16.5 million; and

(3) impairment of the investment in BC Petroleum Sdn Bhd of US$6.9 million.

Basic earnings per share for the year to 31 December 2013 were US$0.066 based on a weighted average number of fully paid ordinary shares on issue of 683,580,268 shares.

Oil and gas sales revenue of US$251.0 million (2012: US$242.1 million) was generated from sale volumes of 2.4 MMBOE (2012: 2.1 MMBOE), which achieved an average realised oil price of US$104.61/BBL (2012: US$113.60/BBL).

Operating costs of US$154.9 million (2012: US$135.9 million) comprised production costs of US$51.0 million (US$19.26/BOE), amortisation costs of US$70.8 million (US$26.71/BOE), and Chinese special oil income levy and royalty of US$35.1 million offset by stock movement of US$2.0 million.

Exploration and evaluation expenditure of US$16.0 million (2012: US$29.0 million) was incurred during the 2013 financial year, attributable to seismic acquisition and processing costs on Block 09/05 and new venture costs. In accordance with ROC's Successful Efforts accounting policy, US$16.5 million (2012: US$18.1 million) in exploration costs were expensed and written-off during the period.

An income tax expense of US$16.5 million (2012: US$21.8 million) was incurred during the financial year ended 31 December 2013, which included an income tax expense of US$18.7 million and current PRRT of US$11.0 million offset by a prior year over-provision of US$0.3 million and an income tax credit of US$12.9 million relating to timing differences.

As at 31 December 2013, ROC's net cash position was US$65.1 million.

4.7 Update on ROC financial performance and financial position

ROC expects that its Quarterly Activity Report for the quarter ending 30 September 2014 will be disclosed to the ASX on or before 31 October 2014. A copy of this report will be available at www.asx.com.au and www.rocoil.com.au.

4.8 Recent ROC share price performance

The graph below shows the ROC share price for the 12 months to 10 September 2014.

As at 10 September 2014:

(a) the last recorded trading price of ROC Shares was A$0.685;

(b) the 10 day VWAP of ROC Shares was A$0.686;

(c) the highest recorded trading price of ROC Shares in the previous three months was A$0.69; and

(d) the lowest recorded trading price of ROC Shares in the previous three months was A$0.538.

As at 1 August 2014, being the last day on which ROC Shares traded prior to announcement of the Takeover Bid:

(a) the last recorded trading price of ROC Shares was A$0.63;

(b) the 10 day VWAP of ROC Shares was A$0.60;

(c) the highest recorded trading price of ROC Shares in the previous three months was A$0.645; and

(d) the lowest recorded trading price of ROC Shares in the previous three months was A$0.455.

4.9 ROC dividend history

No dividends were paid or declared during or since the financial year ended 31 December 2013. No dividends have been recommended by the ROC Directors in respect of or since the financial year ended 31 December 2013.

4.10 Publicly available information about ROC

(a) Continuously disclosing entity

As a company with securities quoted on the ASX and being a disclosing entity under the Corporations Act, ROC is subject to regular reporting and disclosure obligations. These obligations require ROC to announce price sensitive information as soon as it becomes aware of the information, subject to the exceptions for certain confidential information. ROC's recent ASX announcements are available from the ROC website at www.rocoil.com.au and the ASX website at www.asx.com.au. It is intended that further announcements concerning developments at ROC will continue to be made on these websites after the date of this Target's Statement. Historical ASX announcements and copies of half-yearly and annual financial results (and accompanying releases) are also available from the ROC website at www.rocoil.com.au.

Copies of these documents will also be made available free of charge at any time before the end of the Offer Period on a request in writing to ROC's Company Secretary at lnolan@rocoil.com.au.

ROC Share Price

Source: Bloomberg

(b) Recent ROC announcements

The following table summarises announcements made to the ASX by ROC that may have affected share price movements over the period between 1 January 2014 and the date of this Target's Statement.

Date	Event
10/09/14	Exploration Drilling Block 0905 Update
20/08/14	2014 Half Year Financial Results Presentation and Webcast
20/08/14	2014 First Half Financial Results
19/08/14	Webcast – ROC 2014 Half Year Financial Results
14/08/14	Exploration Drilling Commenced on Block 09/05 & Farm-Out
04/08/14	ROC Announces Superior Proposal to Acquire All ROC Shares
31/07/14	Activity Report for the Second Quarter – Ended 30 June 2014
17/07/14	Change of Director's Interest Notice
11/07/14	Results of ROC EGM
11/07/14	ROC EGM Presentation
10/07/14	ROC Receives a Second Non Binding Indicative Proposal
10/07/14	Extraordinary General Meeting Webcast
03/07/14	Approval of Horizon Scheme Booklet
25/06/14	ROC Confirms Receipt of Non Binding Indicative Proposal
23/06/14	Response to Shareholder Queries Relating to the EGM
18/06/14	UBS Conference Presentation
16/06/14	Letter to Shareholders – Independent Expert's Report
16/06/14	Independent Expert's Report
05/06/14	Notice of EGM and Proxy Form
30/05/14	Farm-out of Interest in PSC, offshore Malaysia
27/05/14	Results of ROC Annual General Meeting
27/05/14	ROC 2014 AGM Presentation
26/05/14	2014 Annual General Meeting Webcast
15/05/14	Shareholder Requisition of General Meeting
08/05/14	Letter to Shareholders
08/05/14	Macquarie Australia Conference Presentation
29/04/14	Activities for the First Quarter – Ended 31 March 2014
29/04/14	Merger Announcement – Investor Presentation
29/04/14	ROC and Horizon Proposed Merger Announcement
24/04/14	2013 Annual Report and Sustainability Report
24/04/14	Notice of Annual General Meeting and Proxy Form
24/04/14	Trading Halt
08/04/14	Correction to Appendix 3Y
08/04/14	Change of Director's Interest Notice

Date	Event
08/04/14	Appendix 3B
07/04/14	2014 Annual General Meeting
02/04/14	Webcast – ROC Farms In to PSC, Offshore Malaysia
01/04/14	Reserves Statement – ROC 2P Reserves Increase by 71%
01/04/14	ROC Farms In to PSC, Offshore Malaysia
31/03/14	ROC Exits Basker Manta Gummy (BMG)
27/03/14	Myanmar, Award of Shallow Water Exploration Block M07
25/03/14	Balai Cluster – Bentara Oil Field Development Plan Approval
12/03/14	Excellence in Oil & Gas Conference
07/03/14	Change of Director's Interest Notice
07/03/14	Appendix 3B
06/03/14	Ceasing to be a substantial holder
26/02/14	2013 Full Year Financial Results – Presentation and Webcast
26/02/14	ROC 2013 Full Year Financial Results
26/02/14	Appendix 4E / Full Year Statutory Accounts
24/02/14	Webcast – ROC 2013 Full Year Financial Results
29/01/14	Activities for the Fourth Quarter – Ended 31 December 2013

Copies of the announcements listed above may be obtained from the ASX website at www.asx.com.au.

Further information about ROC is contained in electronic form on the ROC website at www.rocoil.com.au.