



# QUARTERLY ACTIVITY REPORT

## ACTIVITIES FOR THE FIRST QUARTER ENDING 31 MARCH 2013

### HIGHLIGHTS

- Continuing strong HSE performance
- Production of 6,263 BOEPD up 4% from 4Q12
- Revenue of US\$57.3 million up 24% from 4Q12
- Commencement of the trial oil production period in Beibu Gulf Project
- Balai Cluster pre-development programmes continue to plan

### CEO COMMENTS

ROC has had a safe, productive and profitable first Quarter with key highlights including the commencement of oil production trials from our Beibu Gulf project. In addition to the originally planned development wells, three additional wells, designed to accelerate production following the 2012 exploration success, are being drilled and are expected to increase overall production potential from the fields within the development. Project costs remain within budget and the fields are expected to deliver plateau production during Q3 2013.

Work to appraise the four marginal fields within the Balai Cluster remains on track. An appraisal well has now been completed within each field and the Ensco 53 rig is presently moving to commence the Bentara-3 appraisal well. Studies are underway to optimise the next stage of the appraisal campaign to efficiently progress the extended testing programme using the early production vessel (EPV Balai Mutiara). The vessel is expected on location in June. The pre-development phase is scheduled to complete during September 2013.

Overall Group production was in line with expectations following the return of Blane field (UK) production to normal levels. Zhao Dong field (China) experienced a modest decline in production following the routine suspension of drilling and workovers during the winter months.

Production levels from Zhao Dong are recovering following the recommencement of development drilling and workover activities during February. Additionally, the recently commissioned expanded

water injection facilities now offer more flexible reservoir management and the potential for further production enhancement.

ROC's continuing focus on HSEC and asset integrity management has helped in producing another quarter without a lost time injury or any significant process safety events.

**Alan Linn**  
CEO and Executive Director

### FINANCIAL SUMMARY

- Sales volumes of 0.519 MMBOE; up 19% from 4Q12 (0.435 MMBOE) mainly due to inventory movements at Blane.
- Total sales revenue of US\$57.3 million; compared to US\$46.1 million in 4Q12 mainly due to higher sales volume from Blane and a higher realised oil price.
- Average realised oil price (excluding hedging) of US\$110.43/BBL, a 2% discount to Brent (Brent oil price averaged US\$112.60/BBL during 1Q); compared to US\$106.04/BBL in 4Q12.
- At 31 March, ROC had net cash of US\$51.3 million with cash of US\$60.3 million, offset by debt of US\$9.0 million.
- ROC had no hedge positions at 31 March 2013.

# QUARTERLY ACTIVITY REPORT



## Summary of oil sales

	1Q 2013		4Q 2012		YTD 2013	
	BBL	US\$'000	BBL	US\$'000	BBL	US\$'000
Beibu	-	-	-	-	-	-
Blane	75,121	8,563	-	(27)	75,121	8,563
Cliff Head	100,648	11,273	108,812	11,829	100,648	11,273
Enoch	-	-	-	-	-	-
Zhao Dong	343,315	37,485	325,460	34,248	343,315	37,485
Other	3	-	29	3	3	-
<b>Total Oil Sales</b>	<b>519,087</b>	<b>57,321</b>	<b>434,301</b>	<b>46,053</b>	<b>519,087</b>	<b>57,321</b>
Blane (NGL's)	-	-	584	3	-	-
<b>Total Sales (BOE)</b>	<b>519,087</b>	<b>57,321</b>	<b>434,885</b>	<b>46,056</b>	<b>519,087</b>	<b>57,321</b>

## Exploration and development expenditure incurred

	1Q 2013 US\$'000	4Q 2012 US\$'000	YTD 2013 US\$'000
<b>Exploration</b>			
China	283	21,295	283
Other (includes New Ventures)	1,934	2,170	1,934
<b>Total Exploration</b>	<b>2,217</b>	<b>23,465</b>	<b>2,217</b>
<b>Development</b>			
Zhao Dong	5,551	9,175	5,551
Beibu	9,057	10,139	9,057
<b>Total Development</b>	<b>14,608</b>	<b>19,314</b>	<b>14,608</b>
<b>Total Exploration &amp; Development</b>	<b>16,825</b>	<b>42,779</b>	<b>16,825</b>

## PRODUCTION

Oil Production (working interest; BBL)	1Q 2013	4Q 2012	YTD 2013	% Change (4Q12 to 1Q13)
Beibu	4,474	-	4,474	n/a
Blane	78,035	27,245	78,035	186%
Cliff Head	101,539	111,055	101,539	(9%)
Enoch	-	-	-	-
Zhao Dong	376,155	417,020	376,155	(10%)
Other	3	29	3	(90%)
<b>Total Oil Production</b>	<b>560,206</b>	<b>555,349</b>	<b>560,206</b>	<b>0.9%</b>
Blane (NGL Production)	3,489	1,129	3,489	209%
<b>Total Production (BOE)</b>	<b>563,695</b>	<b>556,478</b>	<b>563,695</b>	<b>1%</b>
<b>Average Rate (BOEPD)</b>	<b>6,263</b>	<b>6,049</b>	<b>6,263</b>	<b>4%</b>

# QUARTERLY ACTIVITY REPORT



Total working interest production for the first Quarter of 0.564 MMBOE (6,263 BOEPD); compared to 0.556 MMBOE (6,049 BOEPD) in 4Q12.

## **Beibu Gulf, offshore China (ROC: 19.6%)**

On completion of the successful hook-up and commissioning of the Beibu development offshore facilities, first trial production was delivered from the A5H and A2 development wells on the WZ 6-12 well head platform. At the end of April, five development wells were completed and online.

Building upon the 2012 exploration success, the on location drilling rig was contracted to drill three additional development wells (A8, A9, and A10). The successful A6 and A7 exploration wells drilled in 2012 will also be completed within the currently approved overall development plan. The development plan will now deliver a total of ten development wells on the WZ 6-12 platform, following which the drilling rig will move to the WZ 12-8 platform to drill five more development wells.

Plateau production from the combined Beibu Gulf producing fields is expected during 3Q13.

## **Zhao Dong Oil Fields, Bohai Bay, Offshore China (C & D Oil Fields ROC: 24.5% & Operator, C4 Oil Field ROC: 11.575% unitised & Operator, Zhenghai ROC: 39.2% & Operator)**

Zhao Dong gross oil production averaged 18,245 BOPD (ROC: 4,180 BOPD); down 10% versus 4Q12. The lower production figure is the result of natural decline during the planned winter shutdown of drilling activities. Production rates improved towards the end of the Quarter following the resumption of drilling and workover activity in February and the expansion of the water injection facilities.

The recently drilled H2 well in the Zhenghai area of Zhao Dong was completed and fracture stimulated. Results of this stimulation confirmed the reservoir to be water wet and production has been suspended pending further evaluation.

## **Cliff Head Oil Field, WA-31-L, Offshore Western Australia (ROC: 42.5% & Operator)**

Gross oil production averaged 2,655 BOPD (ROC: 1,128 BOPD); down 7% from the previous quarter due to natural decline.

## **Blane Oil Field, North Sea (ROC: 12.5%)**

Gross oil production averaged 6,936 BOPD (ROC: 867 BOPD); up from 2,369 BOPD in 4Q12 following significant improvement in host platform facility reliability.

## **Enoch Oil and Gas Field, North Sea (ROC: 12%)**

The Enoch field remains shut-in awaiting reinstatement of the production tree. The remedial activity required to reinstate production is planned for later in 2013 with production expected to restart late 2013/early 2014.

## **DEVELOPMENT**

### **Basker-Manta-Gummy (BMG) Oil and Gas Fields (ROC 37.5% and operator)**

BMG remains in a non-production phase (NPP). ROC continues to pursue a farm-down or divestment process for BMG.

## **EXPLORATION AND APPRAISAL**

### **Balai Cluster Risk Service Contract (RSC), offshore Sarawak, Malaysia (ROC: 48%)**

Balai Cluster RSC pre-development activities continued, with the drilling of the Balai-2 and Spaoh-2 wells during the first Quarter. The drilling of the West Acis-2 well also commenced during the Quarter.

Balai-2 was completed in mid-January and logging results confirmed a net hydrocarbon pay of approximately 47 metres across seven reservoirs in the primary reservoir sandstone target; and an estimated net gas pay of approximately 40 metres across one reservoir in the shallower secondary reservoir limestone target.

Spaoh-2 was completed in mid-March and logging results confirmed a net hydrocarbon pay of approximately 30 metres across six sandstone reservoirs. The well intersected the reservoirs approximately 200 metres down-dip from Spaoh-1 and confirmed the eastern extent of hydrocarbons in the Spaoh field.

Both wells were cased and completed in preparation for extended well testing with the Early Production Vessel (EPV) later this year.

West Acis-2 drilling was completed during April. Initial assessment, based on preliminary logging results, indicates an estimated net hydrocarbon pay of approximately 20 metres across three sandstone reservoir intervals. The well intersected reservoirs approximately 70 metres downdip from West Acis-1ST and confirmed the western extent of hydrocarbons in the West Acis field.

The Ensco 53 drilling rig is currently moving back to the Bentara field to drill a follow up appraisal well (Bentara-3) on the field.

# QUARTERLY ACTIVITY REPORT



The early production vessel (EPV Balai Mutiara) is expected on location to commence extended well testing in June 2013.

PETRONAS has granted BC Petroleum a 7.5 month extension, until 30 September 2013, to complete pre-development phase activities.

## **Block 09/05, Bohai Bay, offshore China (ROC: 100% & Operator)**

Geo-technical work is progressing and 3D seismic acquisition is planned during 2013.

## **Juan de Nova (Africa)**

The sale by ROC of its offshore Juan de Nova Mozambique Channels interest is nearing completion with final government approval required by the French authorities expected mid 2013.

## **Myanmar**

During the Quarter ROC pre-qualified to participate in the recently announced Myanmar onshore licensing round which comprises 18 onshore blocks. The review of the various appraisal, development and exploration licences is aligned with ROC's strategic objective to identify and secure value adding opportunities in SE Asia.

---

## **CORPORATE**

The ROC AGM will be held on 10 May 2013 at 11.00am at the Australian National Maritime Museum, Darling Harbour, Sydney.

---

## **DEFINITIONS**

BBL(S)	barrel(s)
BCP	BC Petroleum Sdn Bhd
BOE	barrels of oil equivalent (6 MSCF = 1 BOE)
BOPD	barrels of oil per day
BOEPD	barrels of oil equivalent per day
CNOOC	China National Offshore Oil Company Ltd
LTI	lost time injury
MMBOE	million of barrels of oil equivalent
NGL	natural gas liquids
Quarter	the period 1 January 2013 to 31 March 2013
ROC	Roc Oil Company Limited and includes, where the context requires, its subsidiaries
RSC	Risk Service Contract
YTD	year to date

---

*In accordance with ASX Listing Rules, the information in this report has been reviewed and approved by Dr Pierre Eliet, General Manager - Exploration, Geoscience & Business Development, Roc Oil Company Limited, BA (Earth Science) PhD (Geology). Dr Eliet, who is a Fellow of the Geological Society London (FGS), has more than 17 years relevant experience within the industry and consents to the information in the form and context in which it appears.*

---

## **FURTHER INFORMATION**

### **David Slack-Smith**

General Manager Investor Relations & Corporate Affairs  
Tel: +61 2 8023 2096

### **Roc Oil Company Limited ABN 32 075 965 856**

Tel: +61 2 8023 2000 Fax: +61 2 8023 2222  
Mail: PO Box Q1496, Queen Victoria Building, NSW 1230 Australia  
Office: Level 18, 321 Kent Street, Sydney NSW 2000 Australia  
[www.rocoil.com.au](http://www.rocoil.com.au)