



3 September 2018

ZHAO DONG PSC EXTENSION AGREEMENT SIGNED BETWEEN ROC OIL & PETROCHINA

On 28 August 2018, Roc Oil (Bohai) Company (**Roc Oil**), a wholly owned subsidiary of Roc Oil Company Limited (**ROC**), has signed the Seventh Modification and Supplementary (Production Period Extension) Agreement for the Zhao Dong Production Sharing Contract (**PSC**) with PetroChina Company Limited (**PetroChina**), extending the production period to 2023.

The PSC is due to expire in early September 2018 following 15 years of operation and the parties have reached agreement to extend the partnership for another five years until 2023. During the extended production period, PetroChina will hold a participating interest of 75.5% and Roc Oil will hold the remaining 24.5%.

The Zhao Dong Oil Field consists of six offshore platforms and as of today, the cumulative oil production from the field has reached over 13.9 million tonnes (94.8 million barrels). With innovative management concepts and cost control and high efficiency measures, the Zhao Dong project has been a great oil field development and operational success.

Commenting on the execution of the Zhao Dong PSC Extension Agreement, ROC's CEO Dr. Jiang, Yuanlin said:

"The Zhao Dong project has maintained excellent performance with annual production of over one million tonnes (6.82 million barrels) for a consecutive eight years - this is as a result of great cooperation with PetroChina.

With 12 years of amicable cooperation with PetroChina, a strong and capable joint working team has been forged between ROC and PetroChina allowing us to overcome the most severe ice disaster in the Bohai Bay and the great challenges of the low oil price environment. Furthermore, with innovative and proactive management and effective measures to reduce cost and increase efficiency, the Zhao Dong project remains profitable even during the low oil price environment when the oil price was as low as 40USD/barrel. This is an extraordinary achievement.

Going forward, we have full confidence in the Operator, Dagang Zhao Dong Oil Company of PetroChina, to continue to deliver operationally and on production.

We remain actively seeking for more opportunities within China based on the success of the Zhao Dong project."

Roc Oil Company Limited (ROC)

