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ASX RELEASE

COMMENCEMENT OF FIELD OPERATIONS - BEIBU GULF PROJECT, OFFSHORE CHINA

Roc Oil (China) Company, a wholly owned subsidiary of ROC, advises that following the successful installation, hook-up and commissioning of offshore facilities for the Beibu Gulf Project, first production has been achieved from two development wells, A5H and A2, on the WZ 6-12 wellhead platform.

Both onshore and offshore construction and drilling activities have been undertaken safely to date together with exemplary environmental stewardship. The project has expended approximately 3.76 million man hours worked without a Lost Time Injury (LTI) or environmental incident.

The trial production period will continue until the next batch of three production wells, as envisaged within the scope of the original Overall Development Plan (ODP), are completed and brought on line in the next few weeks. On completion of the ongoing completions campaign, the HYSY 931 jack-up drilling rig will drill three additional development wells (A8, A9 and A10) designed to maximise returns from recent exploration success. The successful A6 and A7 wells drilled late 2012 will also be equipped for production. A number of completion activities relating to hook-up and commissioning are still in progress. The WZ 6-12 operations will be constrained by simultaneous activities for a numbers of weeks whilst both drilling and commissioning works are finalised. On completion, 10 wells will have been drilled from the WZ 6-12 platform and connected to the production system, five more wells than originally contemplated in the ODP.

The drilling rig is expected to move to WZ12-8 West wellhead platform for the final phase of development drilling during the third quarter. Production from the Beibu fields will progressively ramp up through the year as batches of development wells are drilled, completed and brought on line.

Commenting on the achievement, ROC's CEO Mr Alan Linn said:

"ROC is delighted that we have achieved such an important project milestone. Safe and cost efficient project delivery, combined with the opportunity to convert exploration success into early production potential is an outstanding result for the joint venture partnership.

The integrated Beibu Gulf exploration and development plan, delivered by the project management team under CNOOC's and its subsidiaries capable direction, will exceed project expectations. Congratulations and thanks to CNOOC on behalf of ROC and our partners."

Participating interests in the Beibu Gulf Development Project have now been confirmed as:

CNOOC	51.0%
Roc Oil (China) Company	19.6%
Horizon Oil (Beibu) Ltd and Horizon Oil (Nanhai) LLC ¹	26.95%
Oil Australia Pty Ltd (Majuko Corp)	2.45%

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¹ Including 12.25% previously held by Petsec Petroleum LLC



Beibu Gulf WZ 6-12

Figure 1: Newly Installed PUQB Processing Platform



Figure 2: COSL HYSY 931 Rig at WZ6-12 WHP Platform for Development Operations

