Roc Oil Limited (ASX: ROC)

Company Description:
Roc Oil Company Limited (ROC) is one of Australia's leading independent upstream oil and gas companies. Incorporated in Australia, ROC listed on the Australian Securities Exchange (ASX) in 1999. The company has a workforce of approximately 180 people located in Sydney, Beijing and Kuala Lumpur offices. ROC’s strategy for growth and providing positive shareholder returns is based on leveraging its unique set of competitive advantages and distinctive industry position to generate opportunities, capture value, deliver excellence and enhance effectiveness.

Click here for the link to the latest annual report

Operations:
ROC's assets are located in China, Australia, Malaysia and the UK. Chinese and Australian assets provide around 90% of production and revenue, as well as almost 90% of 2P Reserves (at 31 December 2012).

ROC is the operator of the following production assets:
- Cliff Head Oil Field, offshore Perth Basin, Western Australia (42.5%); and
- Zhao Dong Oil Fields, Bohai Bay, offshore China (C&D Oil Fields 24.5%; C4 Oil Field 11.75% unlisted; Zhanghai 39.2%).

ROC has production interests in the following assets:
- Beibu Gulf, offshore China (ZW 6-12 and WZ 12-8 West, 19.6%);
- Blane Oil Fields, North Sea (12.5%); and
- Enoch Oil Field, North Sea (12.0%).

ROC is participating in the following development, appraisal and exploration assets:
- Balai Cluster, offshore Sarawak, Malaysia (holding a 48% equity investment in BC Petroleum);
- Block 09/05, Bohai Bay, offshore China (100% & Operator);
- WZ 12-8 East, Beibu Gulf, China (40% & Operator pre CNOOC back in of up-to 51%); and
- Block H, Offshore Equatorial Guinea (20%).

Recent Developments:
In 2013, ROC has continued to deliver against strategic milestones that are designed to deliver a regionally focused growth strategy in China, South East Asia and Australia.

ROC’s relationships with our partners are considered a key pillar to capture this growth. In May 2012 ROC was awarded the exploration block 09/05 located 15 kilometres north from Zhao Dong oil fields, substantially increasing our acreage position in the region. Seismic acquisition has commenced in Block 09/05, focusing on high grading exploration prospects in the licence and finalising the initial drilling locations.

In March 2013 trial production and first oil sales commenced in Beibu Gulf. The 15 well development program was completed safely and within budget. Ramp-up to full peak production is expected by the end of 3Q13. Additionally, the feasibility study on the adjacent filed WZ 12-8 East is expected to be completed in early 2014.
In Malaysia, ROC was awarded a Risk Service Contract (‘RSC’) for the Balai Cluster fields, offshore Sarawak – only the second such contract awarded in the country. The RSC award demonstrated ROC’s capabilities as an experienced operator and our technical capabilities to deliver on the development of marginal fields. The Balai Cluster RSC pre-development activity is nearing completion with all four offshore platforms and five wells drilled. The Early Production Vessel (EPV) is expected to commence the Extended Well Tests (EWT) in 3Q13, and subject to outcomes of the EWT and commercial viability, BC Petroleum plans to submit a field development plan and move towards a final investment decision by December 2013.

In Australia, a solid contribution from our Cliff Head asset helped to underpin production, with work being undertaken to review further acreage opportunities to complement our existing Australian portfolio.

ROC delivered a strong first half result with net profit of US$20.5 million, underpinned by competitive operating costs (US$15.15/BBL). ROC delivered first half production of 6,478 BOEPD and remains on track to deliver our full year production target of 6,500 – 7,500 BOEPD.

ROC had a net cash position of US$58.1 million at 30 June and this, combined with undrawn debt facilities of US$76.3 million, provides capacity to fund current projects and targeted opportunities.

We continue to build on our reputation as a responsible and capable operator. ROC will always seek to improve on our market leading performance with regard to the safety of ROC’s people and contractors, the environment and surrounding communities.

Resources / Reserves Estimates:
Please refer to the company website for the latest quarterly report: www.rocoil.com.au

Outlook:

The second half of 2013 will be one of the most active operational periods at ROC for a number of years with extensive exploration, development and production offshore activities planned including:

- 09/05 Block seismic acquisition;
- Beibu feasibility study;
- Finalisation of BCP pre development activity and testing via EPV;
- Prequalification of the Offshore and Onshore licensing rounds in Myanmar;
- Reviewing further value growth opportunities to complement our existing portfolio in our focus region.

ROC continues to gain traction in securing growth opportunities in our focus areas, and our ongoing drive to deliver current projects is providing a foundation for future value.

Presentation by:

Alan Linn
Chief Executive Officer

Alan Linn (Eng MChemE) joined ROC in January 2008 as Asset Manager - Africa and in October 2008 was appointed Chief Operating Officer. Mr Linn was appointed as Acting Chief Executive Officer on 29 October 2010. Mr Linn was appointed as Chief Executive Officer on 23 February 2011. Mr Linn is a chartered chemical engineer with 30 years of international operational and joint venture management experience in both the upstream and downstream oil sectors. Mr Linn spent 15 years working with EXXON/Mobil in both downstream and upstream assignments in the UK and USA before moving into the independent E&P oil sector working internationally for LASMO, Cairn Energy and Tullow in senior operational and business management roles. Before joining ROC, Mr Linn was Operations Director for African Arabian Petroleum, a privately owned E&P company headquartered in Dubai. Based in Tunisia, Alan was responsible for all operational and engineering activities within the business' African focused portfolio.

Contact Details:

Correspondence Address: PO Box Q1496, Queen Victoria Building, NSW 1230, Australia
Phone Number: +61 2 8023 2096
Email Address: rjacob@rocoil.com.au
Website: www.rocoil.com.au

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