

**HD** Australia's Roc **Oil** takes 50% **stake** in 3 offshore Malaysian fields

**WC** 483 words

**PD** 1 April 2014

**SN** Platts Commodity News

**SC** PLATT

**LA** English

**CY** Copyright 2014. Platts. All Rights Reserved.

**LP**

Singapore (Platts)--1Apr2014/501 am EDT/901 GMT

Australia-listed Roc **Oil** said Tuesday it has farmed into a production sharing contract which covers the D35, D21 and J4 fields offshore Malaysia.

**TD**

Under the deal Roc will take a 50% participating interest in the PSC, which is currently 100% owned and operated by Petronas Carigali, the upstream arm of Malaysia's state-owned Petronas.

Roc said it will invest an initial \$25 **million** for the **stake** plus a carry with a 50% participating interest of \$80 **million** spread over the project's first two phases.

The farm-in agreement includes amendments to the existing PSC effective January 1, 2014 through December 2034 which foresee a program of field redevelopment and enhanced **oil** recovery at the fields, Roc said.

Phase 1 aims to enhance the fields' production potential and has a minimum work commitment of \$70 **million** gross and an estimated total capital investment of up to \$250 **million** gross, Roc said.

Phase 2 is subject to a field development plan decision, following the completion of a series of studies. If approved, the second phase will incur a minimum work commitment of \$50 **million** gross, the **company** said.

D35 is the largest of the three fields with the longest production history. Roc said it "represents a significant brownfield redevelopment project" and has further exploration potential. Roc said one well is already under consideration for drilling in 2015.

The J4 and D21 fields are satellite producing assets which Roc said have similar potential to D35.

The three fields, which lie in water depths of some 50 meters (165 feet) produce 10,000 **b/d** of **oil** and 17,000 Mcf/day of gas, Roc said.

As a result of the deal, Roc will book proven and probable (2P) reserves of 8.7 **million** barrels of **oil** equivalent effective January 1 this year. The extra barrels represent a 71% increase from the **company's** end-2013 2P reserves of 12.2 **million** boe.

"We expect the fields to become cornerstone development assets within our growing regional portfolio. 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," Roc CEO Alan Linn said.

Roc said its experience in the redevelopment of the Zhao Dong fields in **China's** Bohai Bay was a good analogy for the redevelopment potential of the three Malaysian fields. Roc has doubled Zhao Dong's recoverable reserves since 2006. Roc also has a **stake** in the Balai **oil** field offshore Sarawak in eastern Malaysia through BC Petroleum, a partnership with Petronas Carigali and Dialog D&P. The field started production late last year.

James Bourne, james.bourne@platts.com

Edited by Deepa Vijiyasingam, deepa.vijiyasingam@platts.com

**CO** rocoil : Roc Oil Company Ltd

**IN** i1 : Energy | i13 : Crude Oil/Natural Gas

**NS** cnatrd : Natural Reserves/Resources Discovery | c24 : Capacity/Facilities | ccat : Corporate/Industrial News

**RE** malay : Malaysia | austr : Australia | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | seasiaz : Southeast Asia

**IPD** 0100

**PUB** Platts, a division of The McGraw-Hill Companies Inc.

**AN** Document PLATT00020140401ea41000gu