



**REPORT TO SHAREHOLDERS**  
**Activities for the Quarter Ended 30 June 2009**

**CEO COMMENTS**

ROC presently remains on target to achieve its operating budget of approximately 11,000 BOEPD (4 MMBOE) of production. Production for 1H09 averaged 11,535 BOEPD and sales revenue was US\$102.1 million.

Production for the Quarter averaged 10,293 BOEPD, down 20% on the previous quarter primarily due to a combination of planned and unplanned downtime at the Basker-Manta-Gummy ("BMG") and Cliff Head fields. The successful completion of planned workovers at Cliff Head and the current development drilling and workover programme at BMG are expected to improve ROC's production performance during 2H09.

During the Quarter a number of important actions were taken by the Board and management to further balance ROC's asset portfolio and to strengthen the Company's financial position. The Company announced the sale of a 10% participating interest in the BMG Project for US\$31.5 million to a subsidiary of Pertamina, the Indonesian national oil company. ROC also completed a successful share placement at A\$0.78 per share to raise A\$68.8 million and announced a share purchase plan for eligible shareholders.

ROC's strengthened financial position will enable the Company to move forward with development planning for the BMG Phase 2 Gas Project and the Beibu Gulf Oil Project. ROC is focused on achieving approval for both of these projects before the end of 2009. Importantly, the feasibility study for the Beibu Gulf Oil Project was completed during the Quarter and the basis for the planned development, involving the sharing of production facilities, was agreed in principle with CNOOC.

Significant progress was also made during the Quarter on ROC's ongoing development activities. The BMG Phase 1 Oil Project drilling and workover programme on the Basker Field commenced. Subsequent to the end of the Quarter, the Basker-3 workover was completed and production from the well is planned to recommence in early August. At Zhao Dong, installation of platform facilities was completed and development drilling continued, with production averaging above 21,000 BOPD during the final week of the Quarter.

Despite industry volatility and global financial uncertainty, oil prices continued to strengthen during the Quarter. With the Brent oil price in excess of US\$60/bbl in July and with ROC's strengthened financial position, the Board and management are confident that the Company is well positioned to meet development objectives over coming years.

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**KEY ACTIVITIES**

**1. CONSOLIDATED REVENUE & PRODUCTION**

- 1.1** Total working interest production of 0.937 MMBOE (10,293 BOEPD); down 19% compared to 1.151 MMBOE (12,789 BOEPD) in the previous quarter.
- 1.2** Sales volumes of 0.930 MMBOE; down 23% compared to 1.214 MMBOE in the previous quarter. ROC's net crude oil underlift position at Quarter-end was 0.2 MMBOE.
- 1.3** Total sales revenue of US\$49.9 million; down 4% compared to US\$52.2 million in the previous quarter.

- 1.4 Average realised oil price (excluding hedging) in the Quarter of US\$53.90/BBL; up 25% compared to US\$43.12/BBL in the previous quarter. The Brent crude oil price averaged US\$59.13/BBL in the Quarter.

## 2. PRODUCTION ASSETS

### 2.1 Cliff Head Oil Field, WA-31-L, Offshore Western Australia (ROC: 37.5% & Operator)

Gross oil production averaged 4,213 BOPD (ROC: 1,580 BOPD); down 18% compared to the previous quarter due to maintenance downtime to remove and replace electric submersible pumps ("ESPs") associated with the Cliff Head-10 ("CH10") and Cliff Head-6 ("CH6") production wells, which were both offline at the end of the Quarter.

Workover operations to replace the ESPs at CH10 and CH6 were initiated from the Cliff Head platform and will continue during 3Q09.

A major 10-day plant inspection programme was completed during June without interrupting production.

### 2.2 Basker-Manta-Gummy Oil and Gas Fields, VIC/L26, VIC/L27 & VIC/L28, Offshore Victoria (ROC: 30% & Operator - subject to closing of the sale of a 10% interest to Pertamina)

Gross oil production averaged 3,974 BOPD (ROC: 1,504 BOPD); down 50% compared to the previous quarter due a blockage in the Basker-6ST1 ("B6ST1") production well, downtime caused by unexpectedly severe weather and interruptions as a result of the commencement of the drilling and workover programme. (see Section 3.1)

B6ST1 remained offline during the Quarter due to a subsea flowline blockage. While operations to clear the blockage have indicated communication across the flowline was established in late May, the well cannot be fully tested until after the current drilling and workover programme is completed.

The commencement of the drilling and workover programme reduced production volumes from 13 June and provided an opportunity to conduct necessary repairs and maintenance operations on the Crystal Ocean FPSO. Further planned production interruptions are expected as the drilling and workover programme continues during 3Q09.

### 2.3 Zhao Dong C & D Oil Fields, Bohai Bay, Offshore China (ROC: 24.5% & Operator)

Gross oil production averaged 18,081 BOPD (ROC: 4,430 BOPD); consistent with the previous quarter.

In the Extended Reach Area ("ERA") of the C & D Oil Fields, production from the third well drilled for the year was brought online and the final production well for the year was drilled and completed. The total 2009 drilling programme in the ERA, which included four production wells and one injector well, has now been completed.

In the C & D Oil Fields during the Quarter, eight wells (six producers and two injectors) were successfully completed and brought online.

Combined production from the C & D and C4 Oil Fields averaged over 21,000 BOPD during the final week of the Quarter.

### 2.4 Zhao Dong C4 Oil Fields, Bohai Bay, Offshore China (ROC: 11.575% unitised & Operator)

Gross oil production averaged 1,700 BOPD (ROC: 197 BOPD); down 48% compared to the previous quarter due to natural reservoir decline.

### 2.5 Enoch Oil and Gas Field, North Sea (ROC: 12.0%)

Gross oil production averaged 5,526 BOPD (ROC: 663 BOPD); down 13% compared to the previous quarter due to gas lift interruptions caused by compression problems on the host platform. Repairs to the compression system are ongoing and expected to be completed during 3Q09. Gross gas production averaged 1.6 MMSCFD (ROC: 0.19 MMSCFD).

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

Gross oil production averaged 11,954 BOPD (ROC: 1,494 BOPD); down 1% compared to the previous quarter.

**2.7 Chinguetti Oil Field, PSC Area B, Offshore Mauritania (ROC: 3.25%)**

Gross oil production averaged 10,112 BOPD (ROC: 329 BOPD); down 32% to the previous quarter due to natural field decline and a planned maintenance shutdown at the end of June.

**3. DEVELOPMENT ASSETS****3.1 Basker-Manta-Gummy Oil and Gas Fields, VIC/L26, VIC/L27 & VIC/L28, Offshore Victoria (ROC: 30% & Operator - subject to closing of the sale of a 10% interest to Pertamina)**

The drilling and workover programme commenced during the Quarter with the Basker-5 ("B5") well workover, which was designed to isolate water production within the well through the installation of a cement plug to isolate lower reservoir sands. The production log acquired during the workover to confirm the source of water inflow showed a more complex combination of water and gas flowing within the well. The workover was suspended and the isolation procedure is under review. Subject to further assessment of the log results, a revised B5 workover may be undertaken at the end of the current drilling campaign.

The Basker-3 ("B3") workover commenced on 19 June. Subsequent to the end of the Quarter the multi-zone recompletion was successfully installed with production from the well planned to commence in August. The workover is targeted to improve production capacity by approximately 2,000 BOPD (ROC: 600 BOPD).

Work on the planned upgrade of the Crystal Ocean FPSO facilities to include a new gas compressor package continued during the Quarter on schedule. Installation of the compressor package and a planned inspection and maintenance programme are anticipated to take place in October 2009 and dry-dock options for these operations are currently being reviewed.

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

Following successful installation in late 2008 and commissioning work during 1Q09, drilling operations commenced from the second drilling platform ("ODB") at the C & D Fields on 12 April. (see Section 2.3)

The final batch of wells in the 2009 drilling programme is currently being drilled from ODB, consisting of two production wells and one injector well. The 2009 drilling programme is anticipated to be completed by mid-August.

The second processing platform ("OPB") at the C & D Fields was successfully installed on schedule during the Quarter. Commissioning operations continue and OPB is anticipated to be operational by the end of July. OPB will increase fluid handling capabilities of the Zhao Dong field from the 90,000 BFPD to 145,000 BFPD.

The OPB commissioning will represent the completion of facility development activities that started in early 2007. Only one Lost Time Injury (LTI) was recorded during the three million man-hours required to complete, install and commission the facilities: a significant achievement.

**3.3 Wei 6-12 and Wei 12-8 Oil Field Development Areas (Block 22/12 Petroleum Contract), Beibu Gulf, Offshore China (ROC: 40% & Operator - subject to Government participation in developments for up to 51%)**

During the Quarter development feasibility work was completed and the CNOOC Experts Review Committee accepted the planned integration and sharing of CNOOC and joint venture facilities as the preferred development option. CNOOC also confirmed that the new export pipeline project to service multiple offshore fields in the area is progressing and is expected to be operational in mid-2010.

Preparation of the Overall Development Plan ("ODP") is in initial stages and completion is anticipated in 3Q09. At this early stage, the development plan incorporates two remote wellhead platforms and one joint processing platform, which will be connected by bridge to the CNOOC WZ 12-1A platform complex and will utilize existing water injection and gas processing facilities. Negotiations with CNOOC regarding commercial terms for the integrated development are ongoing in parallel with ODP preparation.

The target date for first oil remains late 2011/ early 2012.

#### 4. EXPLORATION AND APPRAISAL ASSETS

##### 4.1 WA-286-P & WA-31-L, Perth Basin, Offshore Western Australia (ROC: 37.5% & Operator)

A prospects and leads inventory was completed during the Quarter. The Yungarra Prospect (approximately 10 kilometres west of the Dunsborough oil and gas discovery) was identified as a possible candidate for future drilling in WA-286-P. The Updip Mentelle Prospect and the West High Extension to the Cliff Head Oil Field were identified as exploration/appraisal opportunities in WA-31-L, with the potential to tie-back to the Cliff Head platform.

##### 4.2 WA-351-P, Carnarvon Basin, Offshore Western Australia (ROC: 20%)

Interpretation of the Aragon 3D seismic survey continues.

##### 4.3 WA-381-P and WA-382-P, Vlaming Basin, Offshore Western Australia (ROC: 20% & Operator)

There was no material exploration activity during the Quarter.

##### 4.4 Cabinda Onshore South Block, Angola (ROC: 15% - subject to approvals)

On 28 April Roc Oil (Cabinda) Company announced the execution of a farmout agreement with Pluspetrol Angola Corporation ("Pluspetrol"), a wholly owned subsidiary of Pluspetrol Resources Corporation, for the farmout of a 45% interest (56.25% paying interest) in the Cabinda Onshore South Block. Pluspetrol will become operator of the block. Completion of the agreement remains subject to government and joint venture approvals.

ROC will be free-carried through the full 2009 work programme and budget, which is planned to include testing of the Coco discovery and an exploration well.

##### 4.5 Offshore Mauritania (ROC: 2 – 5.49%)

There was no material exploration activity during the Quarter.

##### 4.6 Belo Profond Block, Offshore Madagascar, Mozambique Channel (ROC: 75% & Operator)

Geological and geophysical work continued.

Authorities granted a one year extension for the initial exploration period to 30 July 2010. The total eight year exploration period remains unchanged and expires on 30 July 2015.

##### 4.7 Juan de Nova Maritime Profond Block, Mozambique Channel (ROC: 75% & Operator)

Geological and geophysical work continued.

As part of the planning process for future 2D seismic acquisition, a *Notice of Impact* environmental report is being prepared.

##### 4.8 Block H, Offshore Equatorial Guinea (ROC: 37.5% & Technical Manager)

Delays associated with the Aban Abraham rig's mobilisation have caused the deadline for exercise of the optional drilling slot for the Aleta-1 well to be extended.

##### 4.9 VIC/P49, Gippsland Basin, Offshore Victoria (ROC: 20%)

Planning continued for the possible drilling of the Dusky prospect in 2010.

##### 4.10 PEP38259, Canterbury Basin, Offshore New Zealand (ROC: 15%)

Processing of the 480km 2D Barque seismic survey continued.

#### 5. CORPORATE

##### 5.1 Shareholding in Nexus Energy Limited ("NXS")

During the Quarter ROC ceased to be a NXS shareholder. The average price received for the sale of approximately 65.7 million NXS shares was A\$0.38 per share.

## 5.2 Sale of 10% Interest in BMG Project to Pertamina

On 27 May ROC announced sale of a 10% participating interest in Production Licences VIC/L26, VIC/L27 and VIC/L28, offshore Victoria, which include the BMG project, to PT Pertamina Hulu Energi, a subsidiary of the Indonesian National Oil Company ("Pertamina"). Total cash consideration for the sale is US\$31.5 million including working capital. ROC will retain a 30% participating interest and remain operator of the BMG project.

The effective date of the sale is 1 April 2009 and completion is expected in 3Q09, subject to satisfaction of industry standard conditions precedent. On 10 July notice of no objection was received from the Foreign Investment Review Board.

## 5.3 Equity Capital Raising

On 26 June ROC successfully raised approximately A\$68.8 million through a fully underwritten placement of approximately 88 million new ordinary shares at an issue price of A\$0.78 per share. The placement was oversubscribed.

On 26 June ROC also announced it was offering eligible shareholders the opportunity to purchase up to A\$15,000 worth of ROC ordinary shares via a share purchase plan ("SPP"). Details of the SPP were announced to the ASX and despatched to eligible shareholders on 8 July. Details of the SPP can be obtained from ROC's website ([www.rocoil.com.au](http://www.rocoil.com.au)).

Participation in the SPP is optional and the right to participate is not transferable. The offer to participate in the SPP closes at 5.00pm (Sydney time) on 7 August 2009 ("Closing Date").

The issue price per share under the SPP will be the lower of:

- A\$0.78; and
- a 5% discount to the volume weighted average price ("VWAP") of ROC shares traded on the ASX during the five days up to and including the Closing Date.

## 6. FINANCIAL

At Quarter-end ROC had approximately US\$45.1 million in cash and gross debt of US\$145.0 million.

Funds from the equity capital raising (see Section 5.3) and cash consideration for the sale of 10% interest in BMG to Pertamina (see Section 5.2) are not included in the above figures.

### 6.1 Production (Working Interest)

	2Q 2009	1Q 2009	YTD	% Change (1Q09 to 2Q09)
<b>Oil Production (BBL)</b>				
BMG*	136,858	285,786	422,644	(52)
Cliff Head	143,759	174,275	318,034	(18)
Zhao Dong C&D Fields	403,108	397,001	800,109	2
Zhao Dong C4 Field	17,899	33,752	51,651	(47)
Chinguetti	29,907	43,335	73,242	(31)
Enoch	60,341	68,233	128,574	(12)
Blane	135,980	135,646	271,626	0
Other	119	112	231	6
<b>Total Oil Production</b>	<b>927,971</b>	<b>1,138,140</b>	<b>2,066,111</b>	<b>(18)</b>
<b>Gas Production (MSCF)</b>				
Enoch	17,586	38,339	55,925	(54)
<b>NGL Production (BOE)</b>				
Blane	5,797	6,522	12,319	(11)
<b>Total BOE</b>	<b>936,699</b>	<b>1,151,052</b>	<b>2,087,751</b>	<b>(19)</b>
<b>BOEPD</b>	<b>10,293</b>	<b>12,789</b>	<b>11,535</b>	<b>(20)</b>

\*For accounting and reporting purposes, ROC's share of BMG oil production is recorded at 30% effective 1 June 2009, assuming the sale of a 10% interest to Pertamina is completed as planned. (see Section 5.2)

**6.2 Sales**

	2Q 2009		1Q 2009		YTD	
	BOE	US\$'000	BOE	US\$'000	BOE	US\$'000
<b>Oil Sales (BBLs)</b>						
BMG	139,110	7,520	388,726	18,072	527,836	25,592
Cliff Head	142,363	8,026	173,543	7,129	315,906	15,155
Zhao Dong C&D Fields	369,343	18,036	326,179	13,028	695,522	31,064
Zhao Dong C4 Field	35,607	1,729	64,294	2,568	99,901	4,297
Chinguetti	30,899	2,062	56,384	2,192	87,283	4,254
Enoch	80,870	4,800	75,192	3,347	156,062	8,147
Blane	125,305	7,603	123,431	5,743	248,736	13,346
Other	119	9	112	3	231	12
<b>Total Oil Sales</b>	<b>923,616</b>	<b>49,785</b>	<b>1,207,861</b>	<b>52,082</b>	<b>2,131,477</b>	<b>101,867</b>
<b>Gas Sales (MSCF)</b>						
Enoch	17,586	67	38,339	115	55,925	182
<b>NGL Sales (BOE)</b>						
Blane	3,546	17	27	0	3,572	17
<b>Total Sales</b>	<b>930,093</b>	<b>49,869</b>	<b>1,214,278</b>	<b>52,197</b>	<b>2,144,371</b>	<b>102,066</b>

\*For accounting and reporting purposes, ROC's share of BMG oil production is recorded at 30% effective 1 June 2009, assuming the sale of a 10% interest to Pertamina is completed as planned. (see Section 5.2)

**6.3 Expenditure Incurred**

	2Q 2009 US\$'000	1Q 2009 US\$'000	YTD US\$'000
<b>Exploration</b>			
Angola	586	(563)	23
China	579	485	1,064
Mauritania	175	630	805
Australia	(663)	224	(439)
Equatorial Guinea	184	24	208
Other	726	(56)	670
<b>Total Exploration</b>	<b>1,587</b>	<b>744</b>	<b>2,331</b>
<b>Development</b>			
BMG*	11,030	9,427	20,457
Zhao Dong C&D Fields	11,029	6,789	17,818
Zhao Dong C4	77	(284)	(207)
Blane	246	213	459
Enoch	(74)	54	(20)
Chinguetti	(96)	324	228
<b>Total Development</b>	<b>22,212</b>	<b>16,523</b>	<b>38,735</b>
<b>TOTAL EXPLORATION &amp; DEVELOPMENT</b>	<b>23,799</b>	<b>17,267</b>	<b>41,066</b>

\*For accounting and reporting purposes, ROC's share of BMG oil production is recorded at 30% effective 1 June 2009, assuming the sale of a 10% interest to Pertamina is completed as planned. (see Section 5.2)

**6.4 Hedging**

ROC's remaining hedge positions for the period from 1 July 2009 to 31 December 2011 are summarised below.

Brent Oil Price Swaps		
	Volume	Weighted Average Brent Price USD/BBL
2009	585,995	70.63
2010	1,206,984	67.67
2011	875,997	63.71
	2,668,976	67.02

The hedge book mark-to-market valuation at 30 June 2009 was a liability of US\$18.2 million.

During the Quarter, ROC executed an additional 399,990 BBLs of crude oil price swap contracts at a weighted average Brent oil price of US\$73.32/bbl for the period 1 July 2009 to 30 September 2010. The additional hedging is reflected in the above table.

## 7. POST QUARTER EVENTS

### 7.1 Resignation of Director

Mr Dennis Paterson resigned as President, Roc Oil (Bohai) Company and executive director of Roc Oil Company Limited effective 31 July 2009. Mr Ron Morris was appointed as President, Roc Oil (Bohai) Company effective 1 August 2009.

### 7.2 BMG Drilling and Workover Programme

Subsequent to Quarter-end, the Basker-7 ("B7") development well was spudded on 22 July. B7 is an oil development well designed to selectively produce from a number of stacked intra-Latrobe reservoirs in the Basker field. B7 will also have considerable gas management utility, including production and reinjection capabilities. Oil production capacity from B7 is anticipated to be approximately 3,000 BOPD (ROC: 900 BOPD).

## 8. FURTHER INFORMATION

For further information please contact ROC's Chief Executive Officer, Bruce Clement, on:

Phone: (02) 8023 2000      Email: [bclement@rocoil.com.au](mailto:bclement@rocoil.com.au)  
 Facsimile: (02) 8023 2222      Web Site: [www.rocoil.com.au](http://www.rocoil.com.au)  
 Address: Level 14, 1 Market Street, Sydney, NSW 2000, Australia

#### DEFINITIONS

A\$	Australian dollars
ASX	Australian Stock Exchange
BBL(S)	barrel(s)
BCF	billion cubic feet
BFPD	barrels of fluid per day
BMG	Basker-Manta-Gummy Oil and Gas Fields, Bass Strait, Australia
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 Limited
ERA	Extended Reach Area
FPSO	Floating production, storage and offloading vessel
mBRT	metres below rotary table
MSCF	thousand standard cubic feet
MMSCF	million standard cubic feet
MMSCFD	million standard cubic feet per day
MMBBL	million barrels
MMBO	million barrels of oil
MMBOE	million barrels of oil equivalent
PSC	Production Sharing Contract
Quarter	the period 1 April 2009 to 30 June 2009
ROC	Roc Oil Company Limited and includes, where the context requires, its subsidiaries
SCF	standard cubic feet
TCF	trillion cubic feet
US\$	US dollars
YTD	year to date

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*In accordance with ASX and AIM Rules, the information in this Release has been reviewed and approved by Mr Neil Seage, Chief Reservoir Engineer, Roc Oil Company Limited, BA, BEng (Hons), MBA and Dip App Fin. Mr Seage, who is a member of the Society of Petroleum Engineers, has more than 30 years of relevant experience within the industry and consents to the information in the form and context in which it appears.*

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