25 August 2010

ROC OIL COMPANY LIMITED ("ROC")

STOCK EXCHANGE RELEASE

2010 HALF YEAR REPORT AND RESULTS

ROC today released its Half Year Financial Report and Appendix 4D for the period ended 30 June 2010 ("1H10"). Commenting on the 1H10 financial results, ROC's Chief Executive Officer, Bruce Clement, stated:

> *"ROC remains on target to meet its 2010 production guidance of between 8,000-9,000 BOEPD, with a year-to-date average daily production rate of 8,637 BOEPD to 22 August. After severe winter weather disruptions at the start of the year, ongoing strong production performance at Zhao Dong is especially pleasing. Following the end of the Half, ROC produced the 50 millionth barrel of oil at Zhao Dong and the 10 millionth barrel of oil at Cliff Head: outstanding milestones for both assets.*
>
> *ROC reported a profit of US$6.7 million for the Period from sales revenue of US$100.2 million. Net cashflow from operations of US$40.3 million strengthened the Company's net cash position to US$52.7 million at 30 June 2010. However, development and exploration expenditure is planned to increase during 2H10.*
>
> *Progress continues on the Beibu Gulf project. Following the agreement on commercial terms for sharing facilities with China National Offshore Oil Corporation ("CNOOC") Ltd that was completed during 1H10, the Supplemental Development Agreement ("SDA") to the Petroleum Contract for development of the WZ 6-12 and WZ 12-8 West Oil Fields was signed in Beijing on 24 August. In addition to the commercial terms, the SDA also outlines arrangements regarding facility integration and the sharing of services and personnel. The SDA confirms that CNOOC will take a 51% participating interest in the project. Overall Development Plan ("ODP") documentation has been submitted to CNOOC for expert review and final approval. Following this approval, the joint venture will proceed to its Final Investment Decision and the ODP will be submitted to the Chinese Government. First oil production is anticipated in 2H 2012."*

The key highlights for 1H10 are:

FINANCIALS

- Sales revenue of US$100.2 million; down 2% from US$102.1 million in 1H09.
- Average realised oil price of US$76.76/BBL (before hedging); a 1% discount to Brent.
- Net cash flow from operations of US$40.3 million; down 16% from US$48.2 million in 1H09.
- Trading profit of US$30.6 million; up significantly from US$7.4 million in 1H09.
- Net profit after tax of US$6.7 million (1H09: net loss US$14.2 million) including unrealised hedging gain of US$14.6 million and a US$9.2 million asset impairment for BMG.
- Normalised net profit after tax of US$1.3 million (1H09: profit of US$19.6 million) after excluding unrealised hedging gains and asset impairment.
- Production costs incurred of US$32.6 million (1H09: US$31.0 million); US$21.33/BOE (1H09 US$14.86/BOE).

- Amortisation expense of US$36.8 million (1H09: US$56.0 million); US$24.10/BOE (1H09 US$26.84/BOE).

- Cash at 30 June 2010 was US$102.2 million (31 December 2009: US$67.1 million) and gross debt was US$49.5 million (31 December 2009: US$49.2 million).

OPERATIONS

- Production of 1.5 MMBOE from six production assets in Australia, Africa, China and UK; a decrease of 27% compared to 2.1 MMBOE produced in 1H09.

- Exploration expenditure of US$3.4 million (1H09: US$2.3 million) was incurred.

- Development expenditure of US$11.7 million (1H09: US$38.7 million) was incurred for the period, which included US$10.9 million at Zhao Dong.

Matthew Gerber
Manager
Investor Relations & External Affairs

For further information please contact:
Mr Bruce Clement
Chief Executive Officer
Tel: +61-2-8023-2000
Fax: +61-2-8023-2222
Email: bclement@rocoil.com.au
Or visit ROC's website: www.rocoil.com.au

Rules 4.2A.3

Appendix 4D

Half Year Report
Period ended 30 June 2010

Introduced 1/1/2003

1. Name of Entity:	**ROC OIL COMPANY LIMITED**
ABN:	32 075 965 856
Half year ended ('reporting period')	30 June 2010
Half year ended ('previous corresponding period')	30 June 2009

2. Results for announcement to the market

(Amount and percentage change up or down from the previous corresponding period)

					US$'000
2.1	Revenues from ordinary activities	down	2%	to	100,212
2.2	Profit (loss) from ordinary activities after tax attributable to members	up	N/A	to	6,657
2.3	Net profit (loss) for the reporting period attributable to members	up	N/A	to	6,657

2.4 Dividends (distributions)

	Amount per security	Franked amount per security
Final dividend	Nil	Nil
Interim dividend	Nil	Nil
Previous corresponding period	Nil	Nil

It is not proposed to pay dividends.

2.5 Record date for determining entitlements to the dividends.	N/A

2.6 Brief explanation of any of the figures reported above (see 2.1 to 2.4) to enable the figures to be understood:

A review of the consolidated entity's operations during the half year ended 30 June 2010 and the results of those operations are included in the Roc Oil Company Limited 30 June 2010 Half Year Financial Report on pages 2 to 6.

3. Net tangible assets per security

	Reporting period	Previous corresponding period
Net tangible asset backing per ordinary security	51c	76c

4. Control gained over entities having material effect

4.1	Name of entity	N/A
4.2	The date of the gain of control	N/A
4.3	The contribution of such entities to the reporting entity's profit from ordinary activities during the reporting period and the profit or loss of such entities during the whole of the previous corresponding period.	N/A

There was no loss of control of entities during the current period having a material effect.

5. Dividends

There were no dividends paid or declared during the period ended on or after 30 June 2010.

6. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.

N/A

7. Details of associates and joint venture entities

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) after income tax expense	
7.1 Associate entities	Current period	Previous corresponding period	Current period US$'000	Previous corresponding period US$'000
Croft (UK) Limited and its controlled entities	50%	50%	Nil	Nil
7.2 Joint venture entities			N/A	N/A
7.3 Total			**Nil**	**Nil**

Compliance statement

8. The information in this report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.

9. The Roc Oil Company Limited Financial Report for the financial half year ended 30 June 2010 has been subject to review. A copy of the independent review report to the members of Roc Oil Company Limited is attached.

Directors' Report and Financial Report for the Financial Half Year Ended 30 June 2010

ROC OIL COMPANY LIMITED

ABN 32 075 965 856

DIRECTORS' REPORT

The Directors of Roc Oil Company Limited ("ROC" or the "Company") have pleasure in submitting the Financial Report and Directors' Report for the financial half year ended 30 June 2010. In order to comply with the provisions of the Corporations Act 2001, the Directors' Report is as follows:

Directors

The names of the Directors of the Company during or since the end of the financial half year are:

Mr Andrew Love (Non-Executive Director, Chairman)

Mr William Jephcott (Non-Executive Director, Deputy Chairman)

Mr Bruce Clement (Executive Director)

Mr Sidney Jansma Jr (Non-Executive Director)

Mr Robert Leon (Non-Executive Director)

The above Directors were in office for the entire period unless otherwise stated.

Corporate Information

ROC is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Securities Exchange.

Review and Results of Operations

The consolidated entity's principal activities during the financial period were oil and gas exploration, development and production. There were no significant changes in the nature of those activities during the financial period.

A review of the consolidated entity's operations during the financial period and the results of those operations are included in the Half Year Financial Report on pages 2 to 6.

Rounding

The Company is a company of the kind referred to in Australian Securities and Investments Commission Class Order 98/0100, dated 10 July 1998 and, in accordance with that Class Order, amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise indicated.

Auditor

The Auditor's Independence Declaration is included on page 7 of the Financial Report.

This Directors' Report is made in accordance with a resolution of the Board of Directors on 25 August 2010 pursuant to section 306(3) of the Corporations Act 2001.

On behalf of the Directors

Mr A J Love
Chairman
Sydney, 25 August 2010

DISCUSSION AND ANALYSIS OF FINANCIAL STATEMENTS

This discussion and analysis is provided to assist readers in understanding the Financial Statements for the financial half year ended 30 June 2010.

FINANCIAL PERFORMANCE

Statement of Comprehensive Income

For the six months ended 30 June 2010 (“1H10”), the Group reported a net profit after income tax of US$6.7 million (1H09: net loss of US$14.2 million) from a trading profit of US$30.6 million (1H09: US$7.4 million).

The 1H10 results included significant items relating to: unrealised derivative gains of US$14.6 million and impairment of the BMG asset of US$9.2 million. After excluding these items the Group's normalised net profit after tax was US$1.3 million (1H09: US$19.6 million).

Sales and Production Growth

The Group’s working interest production of 1.5 MMBOE (8,436 BOEPD), a decrease of 27% compared to 1H09 of 2.1 MMBOE (11,535 BOEPD) is mainly as a result of 35 days of lost production at Zhao Dong due to extreme winter weather conditions and eight weeks of shutdowns at the BMG field due to maintenance and repair activities on the Crystal Ocean FPSO. Of this production, 0.1 MMBBLs (1H09: 0.1 MMBBLs) was delivered to host governments in relation to governments’ share of profit oil under the Group’s production sharing contracts.

Oil and gas sales revenue of US$100.2 million (1H09: US$102.1 million) was generated from sales volumes of 1.3 MMBOE (1H09: 2.1 MMBOE), which achieved an average realised oil price of US$76.76/BBL (1H09: US$47.79/BBL) before hedging, a discount of 1% to the average Brent oil price for the Period of US$77.29/BBL.

Operating costs of US$69.6 million (1H09: US$94.8 million) included production costs of US$32.6 million (US$21.33/BOE), amortisation of US$36.8 million (US$24.10/BOE) and Chinese special profits tax levy of US$5.5 million, offset by stock and underlift movements of US$5.2 million.

Exploration Expenditure

Exploration expenditure of US$3.4 million (1H09: US$2.3 million) was incurred during the Period. In accordance with ROC's Successful Efforts accounting policy, US$2.7 million in exploration costs were expensed during the period.

Income Tax

An income tax expense of US$15.0 million (1H09: income tax benefit US$15.6 million) was incurred during the period, which included: an income tax expense of US$13.3 million, prior year under provision of US$0.2 million and deferred tax adjustments of US$1.5 million.

Financial Ratios

Basic earnings per share for the six months was US0.9 cents based on a weighted average number of fully paid ordinary shares on issue of 713.15 million shares.

Hedging

At 30 June 2010, ROC held Brent oil price derivative contracts for 1.4 MMBBL at an average price of US$65.01/BBL for the Period to 31 December 2011. During the Period, 0.6 MMBBL of oil price derivatives were settled, resulting in a cash outflow of US$6.2 million. As a result of the weakening of the forward prices for Brent crude oil as at 30 June 2010, the movement in the mark-to-market value of ROC's derivative contracts from 31 December 2009 has resulted in a derivative gain of US$8.4 million for the Period, of which a gain of US$14.6 million is unrealised partly offset by a realised loss of US$6.2 million. The mark-to-market position at 30 June of ROC’s remaining oil price hedge book was a US$17.8 million liability.

Statement of Financial Position

Oil and gas assets decreased by US$24.9 million to US$219.7 million (2009: US$244.6 million) during the Period mainly as a result of amortisation of US$36.8 million, impairment of the BMG asset of US$9.2 million, partly offset by US$11.7 million of development expenditure and an increase of US$9.4 million in estimated restoration costs.

Capitalised exploration and evaluation expenditure increased by US$0.7 million to US$16.8 million (2009: US$16.1 million).

At 30 June 2010, ROC's gross debt was US$49.4 million (2009: US$49.2 million) with cash assets of US$102.2 million (2009: US$67.1 million). At 30 June 2010, the total loan facilities available were US$70 million.

Statement of Cash Flow

Net cash generated during 1H10 from operating activities was US$40.3 million (1H09: US$48.2 million), a decrease of 16%. The funds were used to increase cash assets by US$36.6 million, development expenditure of US$1.1 million and exploration expenditure of US$4.4 million.

Corporate activity

Health, Safety, Environment and Community ("HSEC") Issues

Safety inspections by government authorities took place at BMG and Zhao Dong during the Period. The inspections did not identify any significant issues at either ROC-operated facility. Chinese authorities commended ROC for the continuing improvement in HSEC management at the Zhao Dong field. Two lost time injuries ("LTI") took place during the Period. The Company compiled and submitted its response for the 2010 Carbon Disclosure Project ("CDP") during the Period.

Appointment of Company Secretary and General Counsel

Mr David Minns was appointed as Company Secretary, effective 7 April 2010. Mr Minns also assumed the role of General Counsel.

OPERATIONAL OVERVIEW

The Group undertook and was involved in a number of exploration, development and production operation activities during 1H10.

Production and Development

The Group incurred US$32.6 million in production expenditure and US$11.7 million in development expenditure during 1H10. Development expenditure was incurred mainly in relation to Zhao Dong (US$10.9 million).

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

Gross oil production for the Period averaged 14,577 BOPD (ROC: 3,571 BOPD); down 19% compared to 1H09 average production of 18,043 BOPD (ROC: 4,420 BOPD).

During January and February, around 35 days of production were lost due to extreme winter weather conditions, in the Bohai Bay, which were the worst conditions experienced for 40 years. Barge transportation of crude oil was interrupted by significant sea-ice build up around the offshore facilities. The use of specialist ice breaking vessels allowed limited operations to continue.

During the Period, nine (seven producers and two injectors) of the planned 24 wells had been completed on schedule and within budget. A gas sales agreement was executed with PetroChina on 5 February. Installation of the gas export pipeline and facilities commenced during the Period and gas deliveries are planned to begin in 4Q 2010, eliminating the need for gas flaring during normal operations.

DISCUSSION AND ANALYSIS OF FINANCIAL STATEMENTS

C4 Oil Field, Bohai Bay, Offshore China (ROC: 11.575% unitised & Operator)

Gross oil production for the period averaged 1,668 BOPD (ROC: 193 BOPD); down 32% compared to 1H09 average production of 2,465 BOPD (ROC: 285 BOPD) due to the severe winter weather conditions and the failure of a power cable from the Zhao Dong facilities to the C4 and Extended Reach Area ("ERA") facilities. Use of a temporary generator allowed restricted production to commence during March. Power cable repairs were completed in mid-April and two new wells and workovers on two existing wells were completed during the Period.

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

Gross oil production for the period averaged 4,475 BOPD (ROC: 1,678 BOPD); down 4% compared to 1H09 average production of 4,686 BOPD (ROC: 1,757 BOPD). The successful completion of workover to replace electric submersible pumps ("ESP") at the CH-10 and CH-6 production wells improved production rates, offsetting natural field decline during the period. A bush fire threat caused the evacuation of the Arrowsmith processing site and the suspension of production between 28 February and 3 March.

Basker Manta Gummy Oil and Gas Fields VIC/L26, VIC/L27, VIC/L28, Offshore Victoria (ROC: 30% & Operator)

Gross oil production for the period averaged 3,298 BOPD (ROC: 989 BOPD); down 58% compared with 1H09 average production of 5,945 BOPD (2,335 BOPD).

During the period, the field was shutdown for approximately eight weeks due to maintenance and repair activities on the Crystal Ocean FPSO. A planned shutdown took place in April, during which the Crystal Ocean FPSO entered dry-dock for thruster repairs and maintenance activities. In early May, production was further disrupted while repairs to the Crystal Ocean FPSO's disconnectable turret mooring and mooring buoy were completed. The field came back online in early June following completion of these repairs.

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

Gross production for the period averaged 8,992 BOEPD (ROC: 1,124 BOEPD); down 28% compared to 1H09 average production of 12,550 BOEPD (ROC: 1,569 BOEPD) due to natural field decline and a planned maintenance shutdown of the production system downstream of the Blane facilities that took place during June. While production was re-established in early July, further planned repair work on the gas lift pipeline has necessitated another shut-in of production for precautionary safety reasons. Production has resumed in mid August.

Enoch Oil & Gas Field, North Sea (ROC: 12.0%)

Gross oil and gas production for the period averaged 5,099 BOEPD (ROC: 612 BOEPD); down 20% compared to 1H09 average production of 6,350 BOEPD (ROC: 762 BOEPD) due to natural field decline and facility limitations that interrupted and restricted gas lift supply from the Brae host platform. Repairs to the Brae host platform's gas lift supply system have been completed in August.

Chinguetti Oil Field, Offshore Mauritania (ROC: 3.25%)

Gross oil production for the period averaged 8,197 BOPD (ROC: 266 BOPD); down 34% compared to 1H09 average production of 12,451 BOPD (ROC: 405 BOPD) due to natural field decline.

WZ 6-12 and WZ 12-8 Oil Field Development (Block 22/12 Petroleum Contract), Beibu Gulf, Offshore China (ROC: 19.6% & Operator)

Following completion of the technical section of the Overall Development Plan ("ODP") in December 2009, negotiations on commercial terms for the sharing of new facilities and the use of existing China National Offshore Oil Company Limited ("CNOOC") facilities were completed during the Period.

The Supplemental Development Agreement ("SDA") to the Petroleum Contract outlining the agreed commercial terms for the joint development of the two fields has been executed by CNOOC. CNOOC has elected to participate for its full 51% share in the development and ROC's share will be 19.6%.

Once the agreed commercial terms have been incorporated into a revised ODP, which is presently subject to Expert Review within CNOOC, the Final Investment Decision and formal Chinese Government approvals for the project are expected. First oil production is anticipated in 2H 2012.

Exploration

The Group incurred US$3.4 million in exploration expenditure during 1H10.

PEP38524, Offshore Taranaki, New Zealand (ROC: 20%)

Roc Oil (Tasman) Pty Limited, a wholly owned subsidiary of ROC, farmed into PEP38524 during the Period. ROC contributed towards the cost of the Tuatara-1 exploration well to earn a 20% participating equity interest in the permit. The well was plugged and abandoned in August.

PEP52181, Offshore Taranaki, New Zealand (ROC: 50% & Operator)

The New Zealand Ministry of Economic Development granted PEP52181 to ROC and its joint venture partners during the period. The Permit contains the Kaheru prospect, which is on trend with the Rimu oil and gas field and Kauri gas and condensate field.

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

The WA-286-P Permit Renewal was approved by the government. Pre-stack Depth Migration processing of 150km2 of the Diana 3D seismic survey in WA-286-P is nearing completion and interpretation of the data over structures in the vicinity of the Frankland gas discovery will be undertaken during 3Q 2010.

In WA-31-L, 220km of reprocessed 2D seismic data is being interpreted in conjunction with the Cliff Head Field 3D survey to assess near-field exploration potential.

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

The Permit Renewal Application, which included a 50% relinquishment preserving the best leads, was submitted on 1 April. The permit was renewed on 28 June for a five-year term.

PEP 38259, Canterbury Basin, Offshore New Zealand (ROC: 15%)

The Barque-1 prospect is currently being considered as a potential candidate to be drilled within the next year.

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

The VIC/P49 permit expired effective 15 April.

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

ROC's withdrawal from both WA-381-P and WA-382-P was effective 27 April.

Cabinda Onshore South Block, Onshore Angola (ROC: 10%)

The Castanha-2 appraisal well commenced drilling on 28 July. Castanha-2 is located in the Cabinda Onshore South Block, Angola and is testing the Castanha-1 oil discovery. The planned target depth of the well is 2,305 metres. Production testing on the Castanha-1 discovery was undertaken during the Period and recovered 33º API to surface from the pre-salt Chela Formation, with a maximum flow rate of 2,275 BOPD through a 5/8 inch choke.

Activities have also commenced on a 169km2 3D seismic acquisition programme (overlapping the north of Castanha-1 discovery) to define new exploration leads and assist with mapping the Castanha-1 discovery.

DISCUSSION AND ANALYSIS OF FINANCIAL STATEMENTS

Block H, Offshore Equatorial Guinea (ROC: 37.5% & Technical Operator)

Drill planning activities for the Aleta-1 prospect continued during the Period. The farmin opportunity continues to be promoted.

Block Belo Profond, Offshore Madagascar and Juan de Nova Maritime Profond Block, Offshore French Territory, Mozambique Channel (ROC: 75% & Operator)

Planning continues for a potential 8,000km 2D seismic survey, which is anticipated to commence during 3Q 2010. The farmin opportunity continues to be promoted.

Offshore Mauritania (ROC: 2.0% - 5.49%)

The Cormoran-1 exploration well in Block 7 is planned to commence during 3Q 2010 and a drill rig has been contracted. Cormoran-1 is planned to be followed by an exploration well in Block C6 (most likely Gharabi-1). The sale of ROC's Mauritanian Assets continues to be promoted.

ERNST & YOUNG

Ernst & Young Centre
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
www.ey.com/au

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ROC OIL COMPANY LIMITED

In relation to our review of the financial report of Roc Oil Company Limited for the half-year ended 30 June 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

M. Elliott

Michael Elliott
Partner
Sydney

25 August 2010

STATEMENT OF COMPREHENSIVE INCOME

For the half year ended 30 June 2010

		CONSOLIDATED	
	Note	30 June 2010 US$'000	30 June 2009 US$'000
Sales revenue	2	100,212	102,141
Operating costs	3	(69,628)	(94,759)
Trading profit		**30,584**	**7,382**
Other income	4	1,048	7,713
Net derivative gains / (losses)		8,439	(21,392)
Impairment of oil and gas assets	9	(9,200)	-
Exploration expensed	5	(2,687)	(2,198)
Other costs	6	(4,549)	(13,430)
Finance costs	7	(1,952)	(7,906)
Profit / (loss) before income tax		**21,683**	**(29,831)**
Income tax (expense) / benefit	8	(15,026)	15,639
Net profit / (loss) for the period		**6,657**	**(14,192)**
Other comprehensive loss			
Cash flow hedges transferred to trading profit		(19)	(75)
Income tax benefit on items of other comprehensive income		-	-
Other comprehensive loss for the period, net of tax		**(19)**	**(75)**
Total comprehensive profit / (loss) for the period		**6,638**	**(14,267)**
Basic earnings / (loss) per share (cents)		0.9	(2.4)
Diluted earnings / (loss) per share (cents)		0.9	(2.4)

STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

	Note	CONSOLIDATED 30 June 2010 US$'000	CONSOLIDATED 31 Dec 2009 US$'000
Current Assets			
Cash assets		102,236	67,079
Trade and other receivables		13,019	16,686
Inventories		6,274	7,045
Total Current Assets		**121,529**	**90,810**
Non-Current Assets			
Oil and gas assets	*9*	219,672	244,630
Exploration and evaluation expenditure	*10*	16,811	16,129
Property, plant and equipment		1,164	1,386
Deferred tax assets		2,268	1,266
Total Non-Current Assets		**239,915**	**263,411**
Total Assets		**361,444**	**354,221**
Current Liabilities			
Bank loans		9,202	-
Trade and other payables		19,637	21,536
Current tax liabilities		12,458	8,054
Derivatives		14,483	15,162
Provisions		1,392	1,363
Total Current Liabilities		**57,172**	**46,115**
Non-Current Liabilities			
Bank loans		40,258	49,229
Long term liabilities		4	72
Deferred tax liabilities		30,786	28,213
Derivatives		3,357	17,668
Provisions		55,011	45,121
Total Non-Current Liabilities		**129,416**	**140,303**
Total Liabilities		**186,588**	**186,418**
Net Assets		**174,856**	**167,803**
Equity			
Share capital	*11*	744,201	744,201
Accumulated losses		(580,129)	(586,786)
Other reserves		10,784	10,388
Total Equity		**174,856**	**167,803**

STATEMENT OF CASH FLOW

For the half year ended 30 June 2010

	CONSOLIDATED	
	Inflow/ (Outflow) 30 June 2010 US$'000	Inflow/ (Outflow) 30 June 2009 US$'000
Cash flows from operating activities		
Cash generated from operations	54,746	67,510
Derivatives (paid) / received	(6,196)	13,135
Interest received	1,195	474
Finance cost paid	(414)	(5,707)
Income taxes paid	(8,994)	(27,234)
Net cash generated from operating activities	**40,337**	**48,178**
Cash flows from investing activities		
Payments for plant and equipment	(124)	(120)
Payments for development expenditure	(1,065)	(48,103)
Payments for exploration expenditure	(4,397)	(5,424)
Proceeds from sale of listed securities	-	18,508
Proceeds from sale of fixed assets	1,860	2
Net cash used in investing activities	**(3,726)**	**(35,137)**
Cash flows from financing activities		
Bank loan advances	-	1,000
Bank loan repayments	-	(25,000)
Net cash used in financing activities	**-**	**(24,000)**
Net increase / (decrease) in cash held	**36,611**	**(10,959)**
Cash at beginning of period	67,079	54,260
Effect of exchange rate changes on the balance of cash held in foreign currencies	(1,454)	1,796
Cash at end of financial half year	**102,236**	**45,097**

	CONSOLIDATED					
	Share Capital US$'000	Accumulated Losses US$'000	Share Equity Reserve US$'000	Foreign Currency Translation Reserve US$'000	Hedge Reserve US$'000	Total US$'000
Balance at 1 January 2009	669,942	(471,396)	8,430	1,183	(899)	207,260
Total comprehensive loss for the period, net of tax	-	(14,192)	-	-	(75)	(14,267)
Transactions with owners						
Shares issued	54,998	-	-	-	-	54,998
Share issue costs	(1,924)	-	-	-	-	(1,924)
Share-based payments	-	-	1,660	-	-	1,660
Total transactions with owners	53,074	-	1,660	-	-	54,734
Balance at 30 June 2009	**723,016**	**(485,588)**	**10,090**	**1,183**	**(974)**	**247,727**
Balance at 1 January 2010	744,201	(586,786)	10,189	1,183	(984)	167,803
Total comprehensive profit for the period, net of tax	-	6,657	-	-	(19)	6,638
Transactions with owners						
Share-based payments	-	-	415	-	-	415
Total transactions with owners	-	-	415	-	-	415
Balance at 30 June 2010	**744,201**	**(580,129)**	**10,604**	**1,183**	**(1,003)**	**174,856**

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

(a) Basis of preparation

The Half Year Financial Report does not include all notes of the type normally included within the Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The Half Year Financial Report should be read in conjunction with the Annual Financial Report of ROC as at 31 December 2009.

The accounting policies and methods of computation are the same as those adopted in the most recent Annual Financial Report.

It is also recommended that the Half Year Financial Report be considered together with public announcements made by ROC and its controlled entities during the half year ended 30 June 2010 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The Half Year Financial Report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, AASB 134 *Interim Financial Reporting* and other mandatory professional reporting requirements. The financial report has been prepared on the historical cost basis except for financial instruments that have been measured at fair value.

For the purpose of preparing the Half Year Financial Report, the half year has been treated as a discrete reporting period.

The financial report is presented in US dollars with all values rounded to the nearest thousand dollars (US$'000) unless otherwise stated under the option available to the Company under the ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

Australian accounting standards and interpretations that have been recently issued or amended but are not yet effective, have not been adopted by the Group for the reporting period ending 30 June 2010 and are not expected to have a material impact.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent entity and its subsidiaries ('Group'). The consolidated financial statements include the information and results of each controlled entity from the date on which the Company obtains control and until such time as the Company ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits and losses arising within the Group are eliminated in full.

	CONSOLIDATED	
	30 June 2010 US$'000	30 June 2009 US$'000
Note 2. Sales Revenue		
Oil	98,577	101,867
Gas	150	182
NGL	1,466	17
Hedging gains	19	75
	100,212	**102,141**

	CONSOLIDATED	
	30 June 2010 US$'000	30 June 2009 US$'000

Note 3. Operating Costs

Production costs	32,564	31,030
Amortisation	36,792	56,043
Movement in stock and (under) / over lift	(5,222)	7,203
Chinese levies and special taxes	5,494	483
	69,628	**94,759**

Note 4. Other Income

Interest income	1,048	474
Profit from sale of 10% of BMG	-	6,167
Sundry	-	1,072
	1,048	**7,713**

Note 5. Exploration Expensed

Angola	(974)	23
Australia	721	(439)
China	-	857
Equatorial Guinea	270	281
Mauritania	-	805
Mozambique Channel	1,166	132
New Zealand	620	160
Other	884	379
	2,687	**2,198**

Note 6. Other Costs

Operating lease expenses	343	1,243
Net foreign currency losses	942	461
Depreciation	346	362
Loss on sale of investment in listed securities	-	5,616
Other administration costs	2,503	4,088
Share-based payments	415	1,660
	4,549	**13,430**

NOTES TO THE FINANCIAL STATEMENTS

Note 7. Finance Costs

	CONSOLIDATED 30 June 2010 US$'000	CONSOLIDATED 30 June 2009 US$'000
Interest expensed on bank loans	349	2,519
Unwinding of discount – restoration provision	1,307	1,042
Other finance costs	296	4,345
	1,952	**7,906**

Note 8. Income Tax

	CONSOLIDATED 30 June 2010 US$'000	CONSOLIDATED 30 June 2009 US$'000
Composition of income tax		
Income tax charge – current period	13,292	12,266
Income tax charge – prior period	163	2,952
Deferred income tax – current period	(4,261)	(14,843)
Deferred tax – PRRT	5,832	(16,014)
Income tax expense / (benefit)	**15,026**	**(15,639)**

Note 9. Oil and Gas Assets

	CONSOLIDATED Producing Assets US$'000	Assets under Development US$'000	Total US$'000
Costs			
Balance at 1 January 2009	862,516	-	862,516
Development expenditure incurred	63,740	-	63,740
Sale of 10% of BMG	(59,673)	-	(59,673)
Increase in restoration asset	15,573	-	15,573
Costs at 31 December 2009	**882,156**	**-**	**882,156**
Expenditure incurred	11,654	-	11,654
Increase in restoration asset	9,380	-	9,380
Costs at 30 June 2010	**903,190**	**-**	**903,190**
Accumulated Amortisation			
Balance at 1 January 2009	(495,959)	-	(495,959)
Charge for the year	(90,959)	-	(90,959)
Sale of 10% of BMG	31,547	-	31,547
Net impairment of assets[a]	(82,155)	-	(82,155)
Accumulated Amortisation at 31 December 2009	**(637,526)**	**-**	**(637,526)**
Charge for the period	(36,792)	-	(36,792)
Impairment of assets[b]	(9,200)	-	(9,200)
Accumulated Amortisation at 30 June 2010	**(683,518)**	**-**	**(683,518)**
Net book value at 30 June 2010	**219,672**	**-**	**219,672**
Net book value at 31 December 2009	244,630	-	244,630

Impairment

Impairment tests are performed when there is an indication of impairment. Each oil and gas producing asset is considered a separate cash generating unit.

The asset valuations are based on cash flow forecasts using 2P reserves. The key assumptions used in the cash flow forecasts include the following:

- oil price: forward market for two years and US$70/BBL thereafter;

- discount rates: the post tax discount rate of 10%.

(a) The net impairment for the year ended 31 December 2009 is attributable to:

  i) a reversal of a prior year impairment of US$26.8 million (US$20.1 million post tax) for the Zhao Dong Oil Field as a result of the discounted cash flow, using a pre-tax discount rate of 14% per annum, improving due to higher oil prices compared to year end 2008. This was as a result of the oil price increasing;

  ii) an impairment of US$98.8 million in the carrying value of the Basker Manta Gummy Fields as a result of the discounted cash flows being lower than the carrying value, using a pre-tax discount rate of 10% per annum. This is as a result of the 2P reserves being reduced by 4.5 MMBBL; and

  iii) an impairment of US$10.1 million in the carrying value of the Chinguetti Oil Field as a result of the discounted cash flow being lower than the carrying value, using a pre-tax discount rate of 13% per annum. This is as a result of an increase in restoration costs and the 2P reserves being reduced by 0.2 MMBBL.

(b) The impairment for the half year ended 30 June 2010 is attributable to:

  i) an impairment of US$9.2 million in the carrying value of the Basker Manta Gummy Fields as a result of the discounted cash flows being lower than the carrying value, using a pre-tax discount rate of 10% per annum.

  Asset valuations, based on cash flow projections, use a range of assumptions that are subject to change. Accordingly, losses are sensitive to reasonable possible changes in key assumptions. The additional impairment loss that would arise from a possible change in key assumptions (all other assumptions remaining the same) is shown below:

  - a 10% decrease in the prevailing oil prices would result in an additional impairment of US$3.3 million

Note 10. Exploration and Evaluation Expenditure

	CONSOLIDATED	
	30 June 2010 US$'000	31 Dec 2009 US$'000
Opening balance	16,129	14,720
Expenditure incurred	3,369	8,524
Amounts expensed	(2,687)	(7,115)
	16,811	**16,129**

The ultimate recovery of the capitalised exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or the commercial sale of the relevant areas of interest.

Note 11. Share Capital

	30 June 2010 Number of Shares	31 Dec 2009 Number of Shares	30 June 2010 US$'000	31 Dec 2009 US$'000
Movement in fully paid ordinary shares				
Balance at beginning of period	713,154,560	588,031,673	744,201	669,942
Shares issued	-	125,122,887	-	74,259
Balance at end of period	**713,154,560**	**713,154,560**	**744,201**	**744,201**

All issued fully paid ordinary shares carry one vote per share and carry the right to dividends.

Note 12. Commitments for Expenditure

		CONSOLIDATED 30 June 2010 US$'000	CONSOLIDATED 31 Dec 2009 US$'000
(a)	**Capital commitments**		
	Not longer than one year		
	Joint ventures	21,746	20,257
	Longer than one year but not longer than five years		
	Joint ventures	5,369	11,458
		27,115	**31,715**
(b)	**Operating expenditure commitments**		
	Not longer than one year	6,830	11,762
	Longer than one year but not longer than five years	3,124	6,260
		9,954	**18,022**

Note 13. Segment Information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Chief Executive Officer in assessing performance and in determining the allocation of resources.

The operating segments identified by management are based on each individual oil and gas field. Discrete pre-tax financial information about each of these fields is reported to the Chief Executive Officer on a monthly basis.

The following items and associated assets and liabilities are not allocated to segments as they are not considered part of the core operations of any segment. These have been classified as "other" in the segment reporting table.

- Derivative gains and losses
- Gains and losses on the sale of investments
- Finance costs
- General and administration expenditure
- Share issues and related expenses
- Income tax expense.

NOTES TO THE FINANCIAL STATEMENTS

For the financial half year ended 30 June 2010

In Thousands of US$	BMG	Cliff Head	Blane	Enoch	Chinguetti	Zhao Dong	Exploration	Other	Total
Sales revenue	14,280	23,237	12,272	9,651	3,756	36,981	-	35	100,212
Production costs	15,715	4,995	2,629	595	1,683	6,940	-	7	32,564
Amortisation	5,162	5,477	4,397	2,005	762	18,987	-	2	36,792
Segment results (*)	(7,008)	12,765	6,798	6,492	984	10,527	-	26	30,584
Impairment of oil and gas assets	9,200	-	-	-	-	-	-	-	9,200
Segment assets	7,608	53,804	50,054	11,492	2,028	111,597	16,811	108,050	361,444
Production cost (US$) / BOE	87.75	16.45	12.92	5.37	34.89	10.18	-	-	21.33
Amortisation cost (US$) / BOE	28.83	18.03	21.61	18.10	15.80	27.86	-	-	24.10

* Total segment results (“Trading Profit”) is reconciled to the net profit before tax on the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS

For the financial half year ended 30 June 2009

In Thousands of US$	BMG	Cliff Head	Blane	Enoch	Chinguetti	Zhao Dong	Exploration	Other	Total
Sales revenue	25,592	15,155	13,363	8,329	4,254	35,361	-	87	102,141
Production Costs	15,578	3,644	1,856	869	1,505	7,578	-	-	31,030
Amortisation	15,250	5,822	6,175	2,555	1,855	24,384	-	2	56,043
Segment results (*)	(9,166)	5,698	6,250	3,210	(465)	1,855	-	-	7,382
Segment assets	100,447	63,347	59,164	16,163	12,696	100,032	14,853	149,610	516,312
Production cost (US$) / BOE	36.86	11.46	6.54	6.30	20.55	8.90	-	-	14.86
Amortisation cost (US$) / BOE	36.08	18.31	21.75	18.53	25.33	28.63	-	-	26.84

* Total segment results (“Trading Profit”) is reconciled to the net loss before tax on the Statement of Comprehensive Income.

Note 14. Contingent Liabilities

Under a sale and purchase agreement dated 29 December 1997, by which Roc Oil (GB) Limited acquired an interest in the Blane Oil Field (Block 30/3a), a royalty of 22% of the company's share of production from the field is payable. No royalty becomes payable on any oil produced from the field until the total cumulative production has reached 15 MMBBL (produced to date 12.2 MMBBL) of oil and thereafter royalty is due on the company's share of oil produced in excess of 2,000 BOPD (gross). The company is not yet liable to pay this royalty due to the contingent nature of production reaching the threshold rates in the future; however, the company has estimated a potential contingent liability of US$11.7 million at 30 June 2010 (31 December 2009: US$10.6 million).

Roc Oil (VIC) Pty Limited (formerly Anzon Australia Pty Limited) ("Roc VIC"), a wholly owned subsidiary of ROC, together with the other participants in the BMG project are currently in dispute in the Federal Court of Australia with BW Offshore ("BW") in relation to the termination of a Letter of Intent ("LOI") for the supply of a floating production and storage and offloading vessel ("FPSO") for the proposed BMG Phase 2 Project. BW is seeking recovery of costs, including costs of terminating third party vendor contracts, in relation to the performance of the initial activities under the LOI. BW has lowered its costs claimed from an initial US$90.1 million (Roc VIC: US$36.0 million) to US$55.0 million (Roc VIC: US$22 million). As part of the sale and purchase agreement for the sale of a 10% participating interest in the BMG Project to PT Pertamina Hulu Energi, Roc VIC will retain a 40% liability for the BW dispute and receive the benefit of any successful Cross Claim.

Roc VIC, on behalf of the BMG Joint Venture, filed a Cross Claim against BW due to the reliance by the BMG Joint Venture on the supply of the FPSO pursuant to the LOI, seeking recovery of drilling related costs of approximately US$51.2 million (Roc Vic: US$20.5 million). A court ordered mediation was held on 9/10 August 2010 and the matter was not resolved. The matter is set down to commence before Justice Ryan of the Federal Court on 30 August 2010.

In accordance with normal oil and gas industry practice, the Group has entered into joint venture operations and farmin agreements with other parties for the purpose of exploring and developing its licence interests. If a party to a joint venture operation defaults and does not contribute its share of joint venture operation obligations, then the other joint venturers are liable to meet those obligations. In this event, the interest in the licence held by the defaulting party may be redistributed to the remaining joint venturers.

The Company's present intention is to provide the necessary financial support for all Australian incorporated controlled entities, whilst they remain controlled entities, as is necessary for each company to pay all debts as and when they become due.

Note 15. Subsequent Events

Subsequent to 30 June 2010, no events have arisen that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity.

Note 16. Additional Company Information

Roc Oil Company Limited is a public company listed in Australia on the ASX and incorporated in Australia and operating in Australia and overseas.

The registered office and principal place of business is:

Level 14, 1 Market Street
Sydney NSW 2000
Australia.

DIRECTORS' DECLARATION

In the opinion of the Directors:

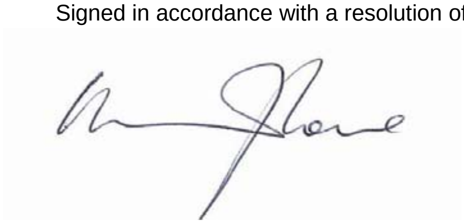
(a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

 (i) giving a true and fair view of the financial position of the consolidated entity as at 30 June 2010 and of its performance for the half year ended on that date; and

 (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Mr A J Love
Chairman
Sydney, 25 August 2010

Ernst & Young Centre
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
www.ey.com/au

To the members of Roc Oil Company Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Roc Oil Company Limited, which comprises the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Roc Oil Company Limited and the entities it controlled during the period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

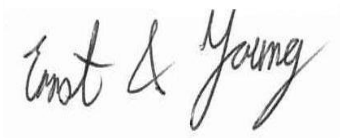
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

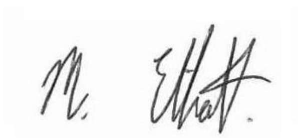
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Roc Oil Company Limited is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



Michael Elliott
Partner
Sydney

25 August 2010

GLOSSARY

A$, $ or **cents**	Australian currency.
ASIC	Australian Securities and Investments Commission.
ASX	Australian Securities Exchange.
BBLs	Barrels, equivalent to 0.159 cubic metres.
BCF	One billion cubic feet of natural gas.
BFPD	Barrel of fluid per day.
BOE	Barrel of oil equivalent. The factor used to convert gas to oil equivalent is based upon an approximate energy value of 6,000 cubic feet per barrel and not price equivalence at the time.
BOEPD	Barrel of oil equivalent per day.
BOPD	Barrel of oil per day inclusive of NGLs.
CNOOC	China National Offshore Oil Company.
FPSO	Floating production, storage and offloading vessel.
km	Kilometres.
m	Metre.
MCF	One thousand cubic feet of natural gas.
MM	Millions.
MMBBL	One million barrels of oil.
MMBOE	One million barrels of oil equivalent.
MSCFD	One thousand standard cubic feet of natural gas per day.
NGL	Natural gas liquid.
pound or **£**	UK pounds.
PRRT	Petroleum Resource Rent Tax
ROC	Roc Oil Company Limited.
sq km	Square kilometres.
UK	United Kingdom.
US$	United States dollars.
2D	Two dimensional.
3D	Three dimensional.
2P	Proved and probable reserves.