



REPORT TO SHAREHOLDERS
Activities for the Quarter Ended 31 March 2010

CEO COMMENTS

Production during the Quarter averaged 8,667 BOEPD, 14% above the average production rate in the previous quarter despite losing around 35 days production from the Zhao Dong project in China due to extreme winter weather conditions. ROC's operations have continued to perform well with no Lost Time Injuries or significant environmental incidents during the Quarter.

The commencement of the 2010 Zhao Dong development drilling programme has resulted in gross production at the fields achieving unconstrained daily rates above 24,000 BOPD during April. ROC's production assets at Cliff Head and the UK are also performing well and the Company is on target to meet the 2010 production guidance of 8,000 to 9,000 BOEPD.

On 3 February, ROC announced the downgrade of 2P reserves for the Basker-Manta-Gummy ("BMG") Project in Bass Strait. Following the announcement, ROC has undertaken an independent review of BMG reserves, which has confirmed ROC's reserves estimate, and the BMG Joint Venture is continuing to evaluate potential development opportunities for the remaining undeveloped gas and oil resources.

The Board and Management remain focused on implementing the Company's stated strategy to: continue exploiting existing reserves and resources; and pursue growth through leveraging ROC's technical and operating capabilities and strong government and partner relationships in the industry. During the Quarter, the development approval process for the Beibu Gulf project in China advanced and planning progressed for the potential appraisal of the Castanha-1 oil discovery, onshore Angola. ROC is also continuing to assess exploration and business development opportunities, particularly continental shelf opportunities in China and South East Asia, which have the potential to generate growth beyond 2012.

KEY ACTIVITIES

1. CONSOLIDATED REVENUE & PRODUCTION

- 1.1** Total working interest production of 0.780 MMBOE (8,667 BOEPD); up 11% compared to 0.702 MMBOE (7,634 BOEPD) in the previous quarter.
- 1.2** Sales volumes of 0.675 MMBOE; down 4% compared to 0.703 MMBOE in the previous quarter. ROC's net crude oil underlift position at Quarter-end increased by 0.1 MMBOE to 0.3 MMBOE.
- 1.3** Total sales revenue of US\$49.3 million; down 3% compared to US\$51.1 million in the previous quarter.

- 1.4 Average realised oil price (excluding hedging) in the Quarter of US\$74.82/BBL; up 2% compared to US\$73.10/BBL in the previous quarter. The Brent crude oil price averaged US\$76.37/BBL in the Quarter.

2. PRODUCTION ASSETS

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

Gross oil production averaged 12,499 BOPD (ROC: 3,062 BOPD); down 15% compared to the previous quarter. Lower production during the Quarter was caused by significant sea-ice build up around offshore facilities in January and February – winter weather conditions in Northern China were the worst experienced for over 40 years. While sea-ice restricted tanker loading capabilities and caused periodic reductions in production, the use of specialist ice breaking vessels allowed limited operations and crude oil shipments to continue. Around 35 days of production were lost due to these extreme winter weather conditions, which improved towards the end of February.

March production averaged 18,858 BOPD compared to an average of 9,157 BOPD in January and February. The commencement of the 2010 Zhao Dong development drilling programme is now contributing significantly to gross production from both the C & D and C4 fields, which delivered unconstrained daily rates above 24,000 BOPD during April.

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

Gross oil production averaged 287 BOPD (ROC: 33 BOPD); down 35% compared to the previous quarter due to the failure of a power cable from the Zhao Dong facilities to the C4 and Extended Reach Area ("ERA") facilities on 6 December 2009. Use of a temporary generator allowed restricted production to commence during March. Power cable repairs were completed in mid-April and production levels have returned to over 2,000 BOPD.

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

Gross oil production averaged 4,519 BOPD (ROC: 1,695 BOPD); up 50% compared to the previous quarter following the successful completion of workovers to replace electric submersible pumps ("ESP") at the CH-10 and CH-6 production wells. A bush fire threat caused the evacuation of the Arrowsmith processing site and the suspension of production between 28 February and 3 March. Cliff Head's first "black start up" since the field began production in May 2006 successfully brought production and processing operations back online without incident after the bush fire threat had passed.

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

Gross oil production averaged 5,103 BOPD (ROC: 1,531 BOPD); up 291% compared to the previous quarter (significant downtime was experienced in 4Q 2009 due to the dry dock maintenance and vessel survey programme).

During the Quarter, well performance and Crystal Ocean FPSO availability (92.5%) exceeded expectations.

The Crystal Ocean FPSO was offline for just over three weeks during April for planned thruster repairs, which are expected to improve the vessel's availability during adverse weather conditions anticipated during upcoming winter months.

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

Gross oil production averaged 10,105 BOPD (ROC: 1,263 BOPD); down 1% compared to the previous quarter due to natural decline. Repair work on the gas lift pipeline has been re-scheduled for 3Q 2010. A planned maintenance shutdown during June 2010 of the

production system downstream of the Blane facilities is already factored into ROC's 2010 production guidance.

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

Gross oil production averaged 5,969 BOPD (ROC: 716 BOPD); down 6% compared to the previous quarter due to facility limitations and an increase in water cut. Gross gas production averaged 2.6 MMSCFD (ROC: 0.32 MMSCFD).

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

Gross oil production averaged 8,546 BOPD (ROC: 278 BOPD); down 6% from the previous quarter due to natural field decline.

3. DEVELOPMENT ASSETS

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

During the Quarter, integrated reservoir simulation modelling was completed, having incorporated well data from the 2009 drilling and workover programme and historical data from the earlier field development. The results indicated that the combination of poorer than expected well and reservoir performance from the 2009 drilling and workover programme, limited facility capacity with high water and gas production, and an increase in operating costs combined to severely limit the economic oil recovery available from the fields.

Based upon the integrated modelling results, the remaining economically recoverable 2P reserves were estimated to be 3.0 MMBBL (ROC: 0.9 MMBBL) at year end 2009. An independent review of BMG reserves was completed by RISC, which has confirmed ROC's revised reserves estimate. BMG field development feasibility work to identify future potential development opportunities is continuing with the BMG Joint Venture. This work includes the assessment of potential 2010 well workover and drilling opportunities.

Commissioning of the recently installed flare gas compressor is planned for 2Q 2010.

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 the temporary suspension of the 2010 24-well drilling programme in January due to extreme weather conditions, the campaign recommenced in late February with four production wells drilled under budget and ahead of schedule in the C4 and ERA areas.

A gas sales agreement was finalised and executed with PetroChina on 5 February. All equipment and pipeline material has been procured and gas export sales are planned to begin in 4Q 2010, eliminating the need for gas flaring during normal operations.

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

Following completion of the technical section of the Overall Development Plan ("ODP") in December 2009, commercial negotiations intensified during the Quarter. Nine of the 11 commercial terms had been agreed at Quarter-end and remaining issues are expected to be resolved during April. ODP completion is planned to be closely followed by formal Chinese Government approvals and the Final Investment Decision for the project. First oil production is still anticipated in 1H 2012.

4. EXPLORATION AND APPRAISAL ASSETS

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

The Joint Venture agreed to a WA-286-P permit renewal programme during the Quarter and a 50% block relinquishment pattern has been devised to preserve the best leads and prospects in the renewed permit. The Renewal Application is expected to be submitted during 2Q 2010.

Approximately 150km² of the Diana 3D seismic survey in WA-286-P is being processed to better image structures in the vicinity of the Frankland gas discovery that could potentially mature into future drillable prospects.

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.

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

Permit success case potential of between 2–3 TCF (ROC: 0.4–0.6 TCF) has been identified, with over ten leads defined on the Aragon 3D seismic survey. Maturation of leads is ongoing for a potential drilling programme in 2011.

The permit renewal programme, which included a 50% relinquishment and best leads preservation proposal, was submitted on 1 April.

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

The Operator (Nexus Energy Services Pty Ltd) has applied for a six month permit extension from 15 April to allow completion of technical work on deep water leads, prior to a 50% relinquishment and renewal decision.

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

During the Quarter, the Operator (AWE New Zealand Pty Limited) reviewed the interpretation of the Barque structure using the most recent 2D seismic data. The Barque prospect is a potentially large gas and condensate play.

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

The documentation relating to ROC's withdrawal from both WA-381-P and WA-382-P was lodged on 15 March.

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

During the Quarter, production testing on the Castanha-1 exploration well was completed. The production test recovered 33° API to surface from the pre-salt Chela Formation, with a maximum flow rate of 2,275 BOPD through a 5/8 inch choke. The potential of the discovery is being evaluated.

The extended well test on Coco-1 was concluded and the well suspended. None of the five zones tested exhibited natural hydrocarbon flow.

Planning continues for a 3D seismic acquisition programme in the north of the Cabinda Onshore South Block and also for a potential Castanha appraisal well. Both activities are expected to take place in 2H 2010.

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

Geological and geophysical work continued. Planning continues for a 2D seismic acquisition programme in 2H 2010. The farm-in opportunity continues to be promoted.

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

Drill planning activities continued during the Quarter. Work continues on the planned farm-out of the block.

4.9 Offshore Mauritania (ROC: 2 – 5.49%)

Preparations continued for the possible drilling of the Gharabi-1 exploration well in Block C6 and the Cormoran-1 exploration well in Block 7 during 2H 2010.

The sale of ROC's Mauritanian Assets continues to be actively promoted.

5. CORPORATE

5.1 Application for Exploration Licence, Taranaki Basin, Offshore New Zealand

At the end of the Quarter, an outcome was still pending in regard to the ROC-led consortium's acreage application in the Offshore Taranaki Basin, New Zealand.

5.2 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.

6. FINANCIAL

At Quarter-end ROC had net cash of US\$24.6 million: US\$73.9 million of cash offset by gross debt of US\$49.3 million.

6.1 Production (Working Interest)

	1Q 2010	4Q 2009	YTD	% Change (4Q09 to 1Q10)
Oil Production (BBL)				
Zhao Dong C&D Fields	275,597	330,815	275,597	(17)
Cliff Head	152,514	104,159	152,514	46
BMG	137,778	36,050	137,778	282
Blane	113,677	117,565	113,677	(3)
Enoch	64,460	69,840	64,460	(8)
Chinguetti	24,996	27,215	24,996	(8)
Zhao Dong C4 Field	2,987	4,647	2,987	(36)
Other	113	138	113	(18)
Total Oil Production	772,122	690,429	772,122	12
Gas Production (MSCF)				
Enoch	28,456	47,534	28,456	(40)
NGL Production (BOE)				
Blane	3,169	3,968	3,169	(20)
Total BOE	780,034	702,319	780,034	11
BOEPD	8,667	7,634	8,667	14

6.2 Sales

	1Q 2010		4Q 2009		YTD	
	BOE	US\$'000	BOE	US\$'000	BOE	US\$'000
Oil Sales (BBLs)						
Zhao Dong C&D Fields	208,461	15,018	373,457	26,875	208,461	15,018
Cliff Head	153,195	11,566	104,223	7,664	153,195	11,566
Blane	107,636	8,409	107,555	8,177	107,636	8,409
Enoch	74,344	5,703	65,031	4,871	74,344	5,703
BMG	75,130	5,543	-	-	75,130	5,543
Chinguetti	18,657	1,450	27,798	2,001	18,657	1,450
Zhao Dong C4 Field	262	19	16,376	1,174	262	19
Other	113	9	138	10	113	9
Total Oil Sales	637,798	47,717	694,578	50,772	637,798	47,717
Gas Sales (MSCF)						
Enoch	28,456	149	47,534	305	28,456	149
NGL Sales (BOE)						
Blane	31,970	1,481	-	-	31,970	1,481
Total Sales	674,511	49,347	702,500	51,077	674,511	49,347

6.3 Expenditure Incurred

	1Q 2010 US\$'000	4Q 2009 US\$'000	YTD US\$'000
Exploration			
Mozambique Channel	539	1,698	539
Australia	459	371	459
China	379	1,375	379
Other	18	305	18
Equatorial Guinea	136	251	136
Mauritania	133	234	133
Angola	(999)	44	(999)
Total Exploration	665	4,278	665
Development			
Zhao Dong C&D Fields	1,373	405	1,373
Zhao Dong C4	661	224	661
BMG	(226)	(2,393)	(226)
Chinguetti	(22)	4	(22)
Blane	-	(311)	-
Enoch	3	9	3
Total Development	1,789	(2,062)	1,789
TOTAL EXPLORATION & DEVELOPMENT	2,454	2,216	2,454

6.4 Hedging

Remaining hedge positions for the period from 31 March 2010 to 31 December 2011 are:

Brent Oil Price Swaps		
	Volume	Weighted Average Brent Price USD/BBL
2010	880,988	67.42
2011	875,997	63.71
	1,756,985	65.57

Hedge book mark-to-market valuation at 31 March 2010 was a liability of US\$32.0 million.

7 Post Quarter Events

7.1 BMG Project Litigation Update

On 9 April 2010, orders were delivered by Justice Ryan in respect of the proceedings issued by BW Offshore Limited ("BWO") against Roc Oil (VIC) Pty Limited (formerly Anzon Australia Pty Limited) and the other respondents ("the Respondents") including orders that the commencement of the trial be 30 August 2010.

In addition, on 12 April BWO formally reduced its notice of claim against the Respondents. Costs claimed are now in the order of US\$55 million: the original statement of claim was for US\$90.1 million. ROC and the Respondents continue to vigorously defend the claim and pursue the Cross Claim seeking recovery of drilling related costs.

7.2 Annual General Meeting

ROC's Annual General Meeting will be held at 11.00am on Thursday 13 May 2010 at the Maritime Museum, 2 Murray Street, Darling Harbour, Sydney.

8 FURTHER INFORMATION

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

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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
LTI	Lost time injury
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 January 2010 to 31 March 2010
ROC	Roc Oil Company Limited and includes, where the context requires, its subsidiaries
TCF	trillion cubic feet
US\$	US dollars
YTD	year to date