

25 August 2010



ROC OIL COMPANY LIMITED ("ROC")

STOCK EXCHANGE RELEASE

2010 HALF YEARLY RESULTS PRESENTATION

Attached is ROC's 2010 Half Yearly Results Presentation. A copy is also available on ROC's website at: www.rocoil.com.au

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



First Half 2010 Financial Results



25 August 2010



RESULTS SUMMARY

Underlying business continues to perform well in 1H10

- Production of 1.5 MMBOE (8,436 BOEPD) net to ROC for the period
- Sales of US\$100.2 million at average realised oil price of US\$76.76/BBL
- Net profit of US\$6.7 million (after tax)
- Normalised profit of US\$1.3 million (after tax)
- Net operating cashflow of US\$40.3 million

Stewarding financial resources

- Exploration expenditure incurred of US\$3.4 million
- Development expenditure incurred of US\$11.7 million
 - Zhao Dong: 9 of 24 wells completed in 1H10 on schedule and budget

Asset portfolio rebalancing

- New Zealand acreage acquired
- Farm out of African acreage continues
- Beibu Gulf Supplemental Development Agreement signed



1H10 OPERATIONAL HIGHLIGHTS

Optimise production at existing assets

- Cliff Head workover to enhance production planned for 2H10
- Zhao Dong drilling program commenced late due to weather but will be completed during 2H10
- Blane and Enoch gas lift repairs/upgrades were successfully completed

Health, Safety, Environment and Community

- Safety performance for the Period
 - Lost Time Injury Rate per million man hours: 2.3
 - Total Recordable Injury Frequency Rate per million man hours: 10.3
- Environment
 - One significant environmental incident during the Period
 - Final commissioning phase of Flare Gas Compressor at BMG
 - Zhao Dong gas sales agreement signed and gas pipeline installed
- Community Engagement
 - Partnership with Clontarf Foundation to support activities in WA and Victoria
 - Increased engagement with communities around Zhao Dong



1H10 FINANCIAL HIGHLIGHTS

	Result (US\$M)	Comment
Sales Revenue	100.2	<ul style="list-style-type: none"> Sales of 1.3 MMBOE Average realised oil price of US\$76.76/BBL; 1% discount to Brent
Trading Profit	30.6	<ul style="list-style-type: none"> Production costs of US\$32.6 million (US\$21.33/BOE) Amortisation of US\$36.8 million (US\$24.10/BOE)
Net Profit (After Tax)	6.7	<p>Including:</p> <ul style="list-style-type: none"> Exploration expense of US\$2.7 million (before tax) Tax expense of US\$15.0 million
Normalised Net Profit (After Tax)	1.3	<p>Excludes significant items:</p> <ul style="list-style-type: none"> Unrealised hedging gains of US\$14.6 million Impairment of BMG asset of US\$9.2 million
Net Cash	52.7	<ul style="list-style-type: none"> Debt of US\$49.5 million Offset by cash of US\$102.2 million Total loan facilities available was US\$70 million
Net Operating Cashflow	40.3	<p>Gross cash flow from operating assets of US\$54.7 million offset by:</p> <ul style="list-style-type: none"> Income taxes US\$9.0 million; Net finance income US\$0.8 million; and Outflow from derivatives of US\$6.2 million
Exploration & Development Expenditure Paid	5.5	<p>Cash flow reinvested:</p> <ul style="list-style-type: none"> Exploration expenditure paid of US\$4.4 million (incurred US\$3.4 million) Development expenditure paid of US\$1.1 million (incurred US\$11.7million)

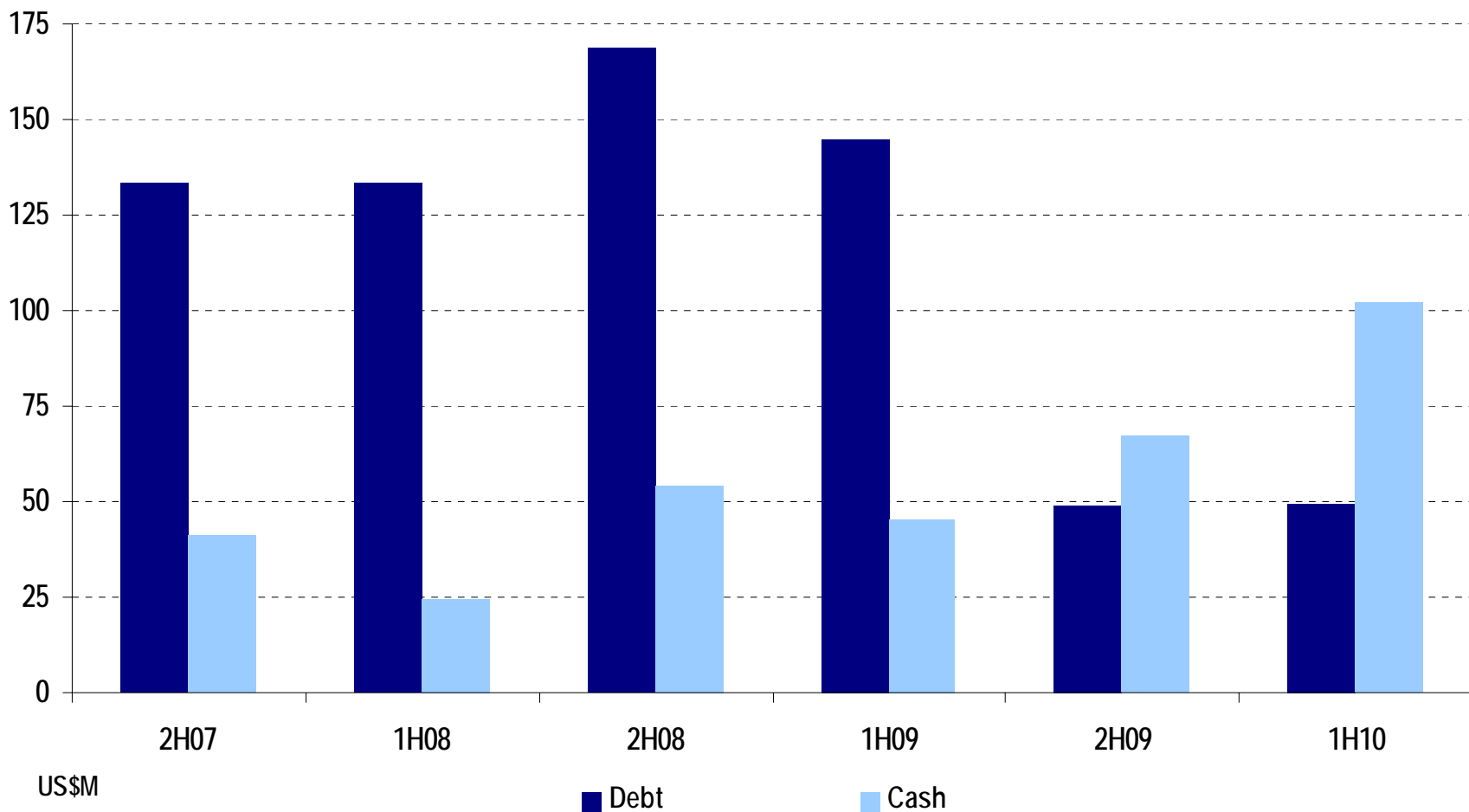


1H10 KEY RESULTS SUMMARY

	1H10	2H09	1H09
Production – working interest (MMBOE)	1.5	1.6	2.1
Government Share of Production (%)	4.6	6.6	3.3
Sales Volume (MMBOE)	1.3	1.5	2.1
Oil & Gas Sales Revenue (US\$M)	100.2	102.3	102.1
Operating Cash Flow (US\$M)	40.3	50.0	48.2
Averaged Realised Oil Price (US\$/BBL)	76.76	70.28	47.79
Production Costs (US\$/BOE)	21.33	21.53	14.86
Amortisation (US\$/BOE)	24.10	22.17	26.84
Exploration & Development Expenditure Incurred (US\$M)	15.1	31.2	41.0



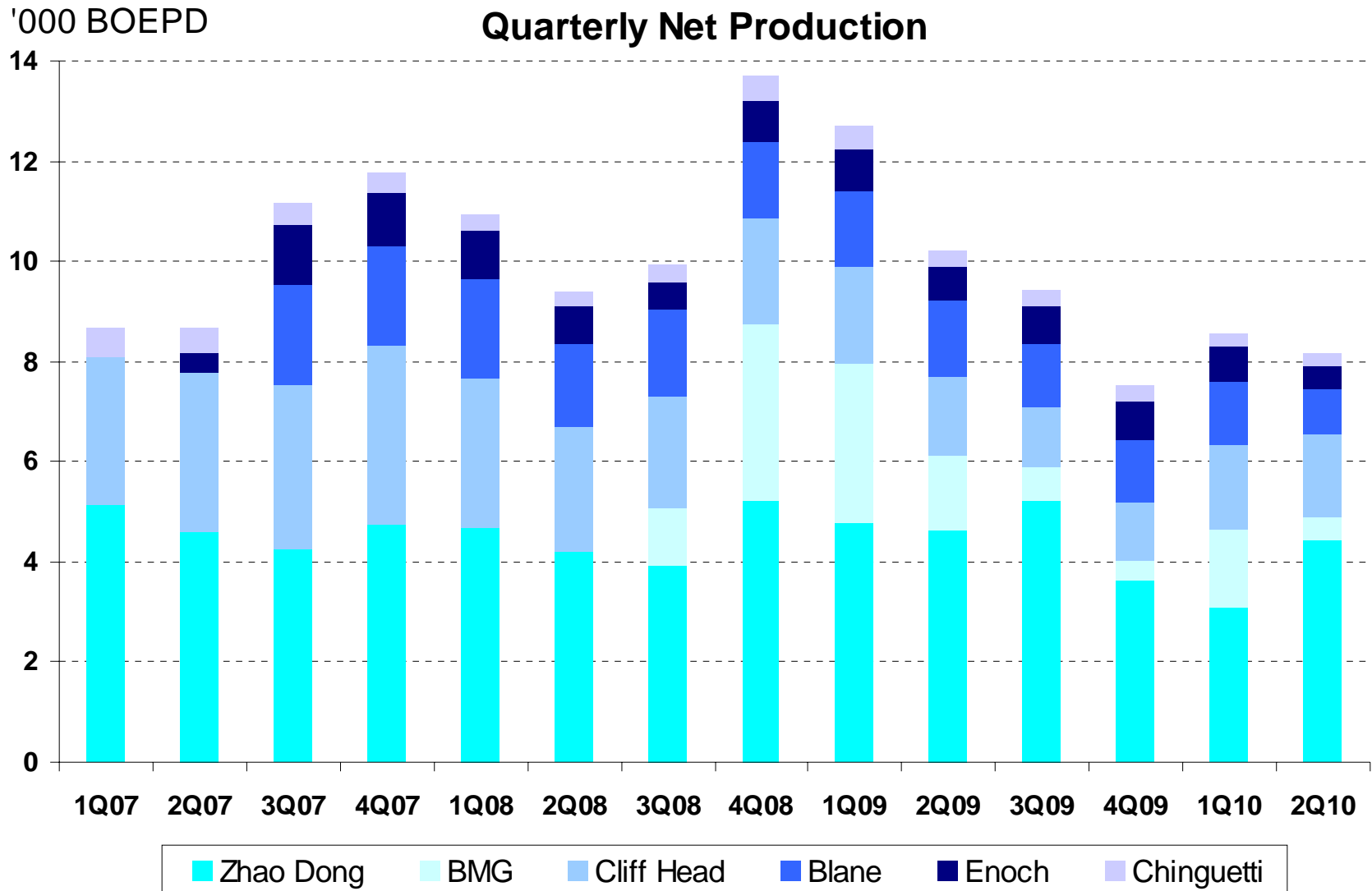
DEBT & CASH POSITION



- Net cash was US\$52.7 million at 30 June 2010
 - increased cash position for the period driven by net operating cashflow
- Net cash at Year-end is expected to be lower
 - Most FY10 exploration & development expenditure will be incurred in 2H10



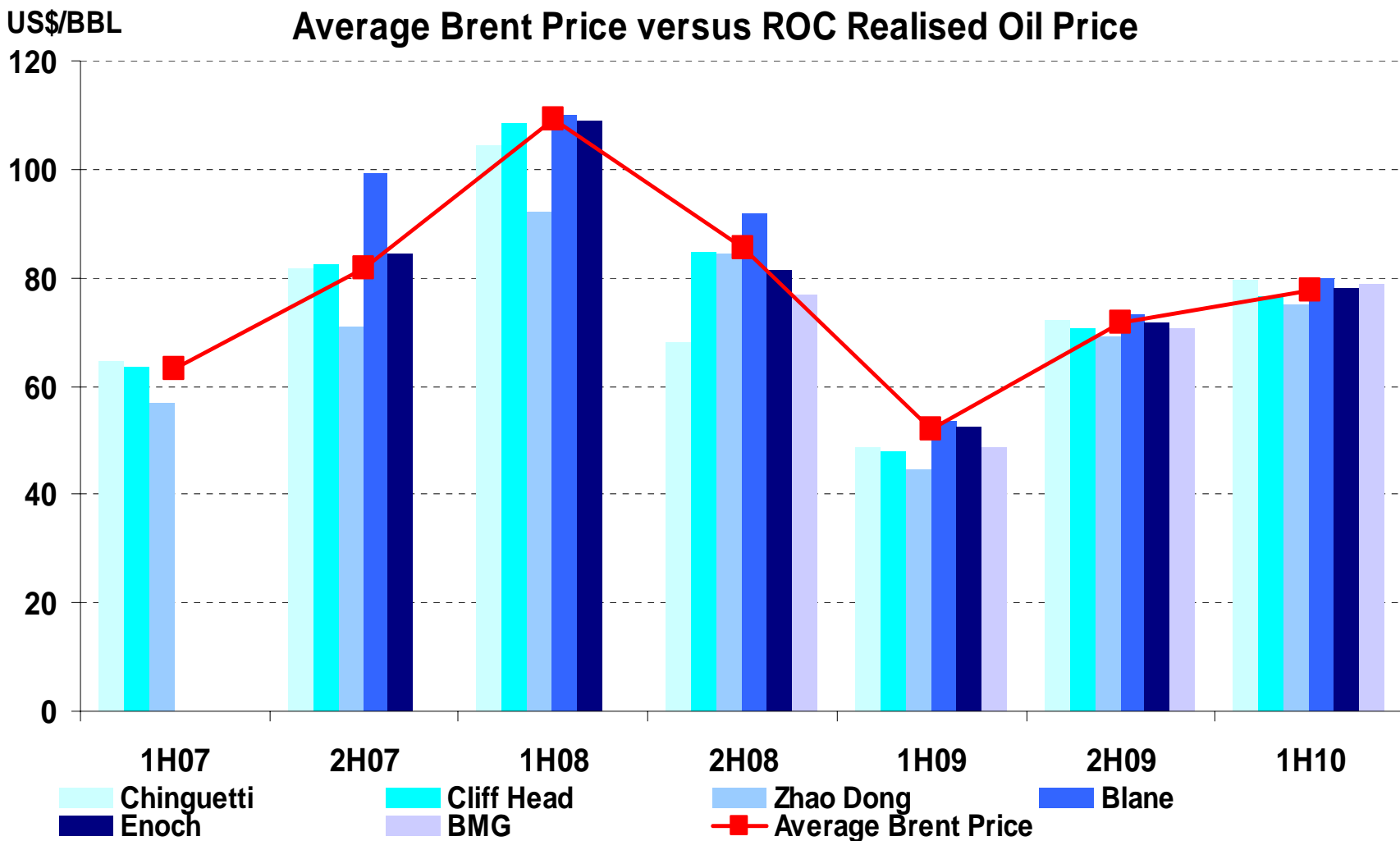
DIVERSE PRODUCTION BASE



- FY10 production on target to average between 8,000-9,000 BOEPD



REALISED OIL PRICE



- Realised oil price (excluding Hedging) was US\$76.76/BBL
- Realised oil price (including Hedging) was US\$71.94/BBL



HEDGING POSITION at 30 June 2010

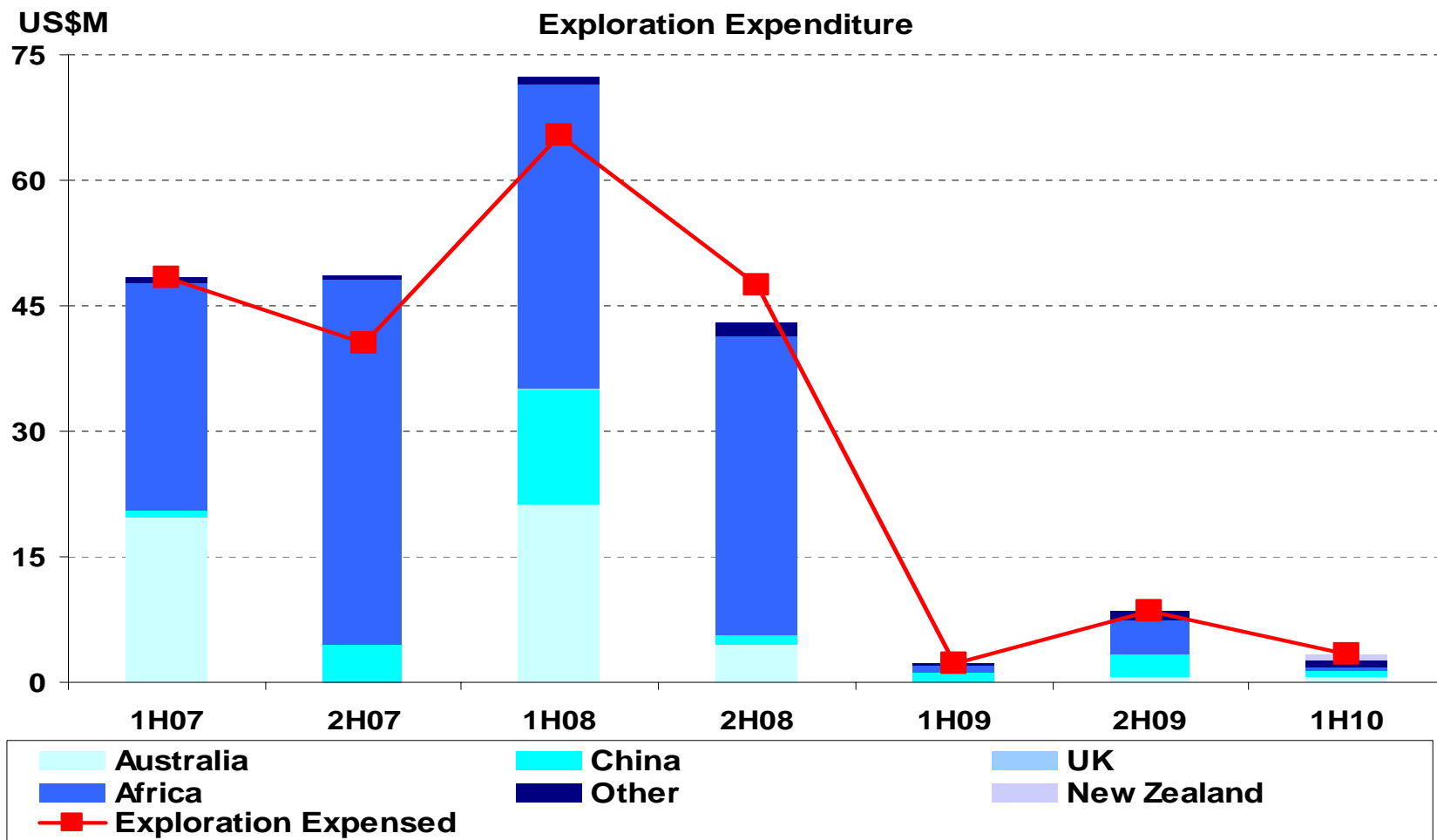
BRENT OIL PRICE SWAPS

	Volume	Weighted Average Brent US\$/BBL
2010	561,993	67.03
2011	875,997	63.71
	1,437,990	65.01

- Oil price hedging strategy is consistent with prior periods:
 - For specific transactions, developments and high capex periods
 - Majority of production remains exposed to oil price changes; and
- 1.4 MMBBL of Brent oil swap contracts at a weighted average price of US\$65.01/BBL
- 12% of remaining 2P reserves hedged
- US\$14.6 million unrealised hedging gain
 - US\$8.4 million total gain through P&L
 - US\$6.2 million realised cash flow loss
- Mark-to-market position at period end was a US\$17.8 million liability



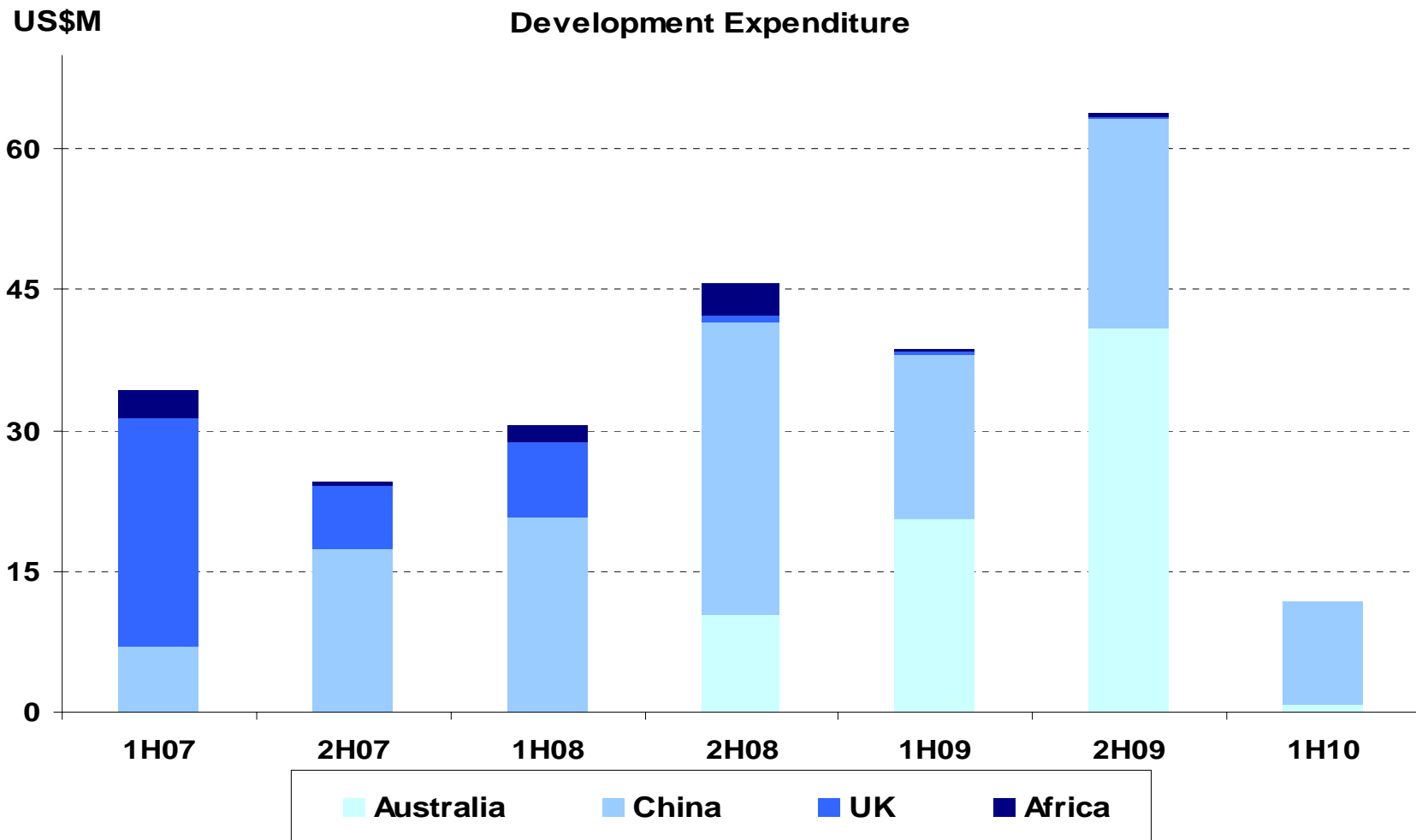
EXPLORATION EXPENDITURE INCURRED



- Exploration expenditure incurred was US\$3.4 million
 - US\$2.7 million was expensed
- FY10 forecast of ~US\$30 million incurred



DEVELOPMENT EXPENDITURE INCURRED



- Development expenditure incurred of US\$11.7 million
 - US\$10.9 million attributed to Zhao Dong
- FY10 forecast of ~US\$50 million incurred



1H10 SEGMENT RESULTS

US\$M	Zhao Dong	Cliff Head	BMG	Blane	Enoch	Chinguetti	TOTAL
Sales Revenue	37.0	23.2	14.3	12.3	9.7	3.7	100.2
Production Costs	(7.0)	(5.0)	(15.7)	(2.6)	(0.6)	(1.7)	(32.6)
Amortisation	(19.0)	(5.5)	(5.2)	(4.4)	(2.0)	(0.7)	(36.8)
Segment Profit/(Loss)	10.5	12.8	(7.0)	6.8	6.5	1.0	30.6
US\$/BOE							
Production Costs	10.18	16.45	87.75	12.92	5.37	34.89	21.33
Amortisation	27.86	18.03	28.83	21.61	18.10	15.80	24.10
Realised Oil Price	74.93	76.41	78.59	79.77	77.91	79.63	76.76



PROFIT & LOSS

	1H10 (US\$m)	2H09 (US\$m)	1H09 (US\$m)
Sales	100.2	102.4	102.1
Trading Profit	30.6	28.0	7.4
EBITDAX + impairments	71.6	49.9	36.7
Exploration Expense	(2.7)	(4.9)	(2.2)
EBITDA + impairments	68.9	45.0	34.5
Impairments (before tax)	(9.2)	(82.2)	-
EBIT	22.6	(72.4)	(21.9)
Profit Before Tax (PBT)	21.7	(73.9)	(29.8)
Adjustment for significant items (before tax)			
Unrealised Derivative (Gains)/Losses	(14.6)	15.3	34.4
Impairment of Assets	9.2	82.2	-
Loss on sale of Nexus shares	-	-	5.6
Profit on sale of 10% of BMG	-	0.5	(6.2)
Normalised PBT	16.3	24.1	4.0
NPAT	6.7	(101.2)	(14.2)
Normalised NPAT	1.3	3.3	19.6



CASH FLOW

	1H10 (US\$m)	2H09 (US\$m)	1H09 (US\$m)
Opening Cash	67.1	45.1	54.3
Net Cash from Operating Activities	40.3	50.0	48.2
Bank Loan Repayments	-	(96.0)	(24.0)
Net Proceeds from Share Issue	-	74.3	-
INVESTMENT ACTIVITIES			
Development Expenditure	(1.1)	(39.7)	(48.1)
Exploration Expenditure	(4.4)	(6.0)	(5.4)
Proceeds from 10% Sale of BMG	-	32.3	-
Sale of Nexus Shares	-	-	18.5
Other	0.3	7.1	1.6
Closing Cash	102.2	67.1	45.1

- Due to exploration and development expenditure to be incurred during 2H10, cash balance at end of FY10 is expected to be lower than at 30 June 2010



BALANCE SHEET

	1H10 (US\$m)	2H09 (US\$m)	1H09 (US\$m)
Cash Assets	102.2	67.1	45.1
Capitalised Exploration Expenditure	16.8	16.1	14.9
Oil and Gas Assets	219.7	244.6	325.8
Bank Loans	(49.5)	(49.2)	(145.0)
Net Deferred Tax Liability	(28.5)	(26.9)	(19.5)
Derivative Liability	(17.8)	(32.8)	(18.8)
Provisions	(56.4)	(46.5)	(34.3)
Net Other Assets/(Liabilities)	(11.6)	(4.6)	79.5
Total Equity	174.9	167.8	247.7



BEIBU GULF JOINT DEVELOPMENT WITH CNOOC

Cooperation / Integration / Sharing

- Share new processing platform
- Agreed common technical and technology standards
- Use existing CNOOC facilities
 - Oil and gas export
 - Produced water injection (zero environmental discharge)
- Shared boats, helicopters and services
- Share new CNOOC export pipeline and terminal
- CNOOC to operate development and production
 - ROC staff to participate in development team

Commercial

- Pipeline, terminal and water injection tariffs



BEIBU GULF

ANOTHER DEVELOPMENT MILESTONE ACHIEVED

2009

- March Development Areas confirmed and agreed
- April Majuko Corporation of Korea new 5% JV partner
- 3Q ROC/CNOOC Integrated Facilities Feasibility Study
- 4Q Preparation of Overall Development Plan (ODP)

2010

- 2Q Commercial negotiations with CNOOC completed

24 August PSC Supplemental Development Agreement Signed

3Q Formal CNOOC ODP Approval

JV Final Investment Decision (FID)

4Q Formal Chinese Government Approval

2010-2012 Engineering, Construction and Field Development Implementation

2H 2012 Planned First Production



2010 PLANS and OBJECTIVES

HSEC	<ul style="list-style-type: none">● Maintain and improve safety and environmental performances● Build upon existing relationships with host communities
Deliver Operating Budget	<ul style="list-style-type: none">● Production of between 8,000-9,000 BOEPD● Development and exploration expenditure <US\$80 million● Contain and control operating costs
Exploit Existing Reserve Base	<ul style="list-style-type: none">● Zhao Dong development drilling● Pursue further Cliff Head workover opportunities
Pursue Growth Opportunities	<ul style="list-style-type: none">● Beibu Gulf project FID and commencement of development● Conclude BMG review● Reserve replacement opportunities
Increase Exploration Activity	<ul style="list-style-type: none">● Castanha appraisal well and 3D seismic in Angola● Finalise drillable prospects in WA-351-P, Carnarvon Basin● Farm out and drill Aleta-1 prospect offshore Equatorial Guinea● Acquire seismic in offshore Mozambique Channel permits
Build on Existing Relationships	<ul style="list-style-type: none">● Petrochina and CNOOC in China● Existing joint venture partners (domestic and international)
Rebalance Asset Portfolio	<ul style="list-style-type: none">● Reduce exposure to Africa through farm outs● Increase presence in SE Asia-Australasia focus area



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The reserve and resource information contained in this announcement is based on information compiled by Neil Seage (Chief Reservoir and Planning Engineer). Mr Seage (BA, BEng (Hons), MBA and Dip App Fin), who is a member of the Society of Petroleum Engineers, has more than 30 years relevant experience within the industry and consents to the information in the form and context in which it appears.



www.rocoil.com.au

For further information contact:

Matthew Gerber
Manager, Investor Relations and External Affairs
+61 2 8023 2096
mgerber@rocoil.com.au