

25 February 2010



ROC OIL COMPANY LIMITED ("ROC")

STOCK EXCHANGE RELEASE

2009 ANNUAL FINANCIAL RESULTS SUMMARY

ROC has released its Preliminary Final Report (Appendix 4E), Directors' Report and Annual Financial Report for the Financial Year ended 31 December 2009.

Commenting on the 2009 Financial Results, ROC's Chief Executive Officer, Mr Bruce Clement, stated:

"The Company's overall sound operating performance and expenditure containment over the past year, which should have been the highlights of the 2009 Financial Results, have been recently overshadowed by the Basker-Manta-Gummy ("BMG") 2P Reserve downgrade and resulting asset impairment charge.

During 2009, the Company completed a number of initiatives to reduce expenditures, rebalance the asset portfolio and recapitalise the balance sheet. In an uncertain economic environment, a 10% interest in the BMG Project was sold, the farmout of ROC's Angola acreage was completed, an equity capital raising of US\$77 million was completed and exploration expenditure was contained to less than US\$10 million. Production of over 10,000 BOEPD was achieved and operating cash flow of US\$98 million was generated from sales revenue of US\$204 million. At year end the Company was in a net cash position of US\$18 million.

In China, the planned Zhao Dong development drilling programme was completed on schedule and within budget and the technical section of the Beibu Gulf Overall Development Plan ("ODP") was completed. At Cliff Head, successful workovers of two wells were completed and production performance has been enhanced. Importantly, ROC's 2009 safety and environmental performance was commendable, with a single Lost Time Injury ("LTI") during 2.5 million man-hours worked and no significant environmental incidents.

While disappointed with the BMG set back and its impact on the Company's 2009 Financial Results and share price, ROC's Board and Management remain focused on our stated strategy: to exploit existing assets; and to leverage off its relationships and operating capabilities to pursue new growth opportunities."

FINANCIALS

- Normalised net profit after income tax of US\$3.7 million (2008: loss of US\$38.8 million) after adjusting for significant items.
- Sales revenue of US\$204.5 million (2008: US\$358.2 million); down 43%.
- Net cash flow from operations of US\$98.2 million (2008: US\$182.5 million); down 46%.
- Trading profit of US\$35.4 million (2008: US\$163.8 million); down 78%.

- Net loss after income tax of US\$115.4 million (2008: loss of US\$278.4 million) including:
 - non-cash asset impairments of US\$82.2 million (mainly BMG reserve downgrade);
 - exploration expensed of US\$7.1 million; and
 - hedging loss of US\$36.9 million.
- Average oil sales price of US\$56.88/BBL (before hedging); an 8% discount to the Brent oil average price of US\$61.67/BBL.
- Year end net cash of US\$17.9 million (2008: net debt US\$114.4 million)
 - US\$49.2 million of debt, offset by US\$67.1 million of cash;
 - US\$76.6 million equity capital raised; and
 - US\$32.3 million raised from sale of 10% of BMG.

OPERATIONS

- Production of 3.7 MMBOE from seven producing fields in Australia, Africa, China and UK compared to 4.0 MMBOE produced from seven fields in 2008; down 9%.
- Exploration and appraisal expenditure incurred of US\$8.5 million (2008: US\$115.2 million).
- Development expenditure incurred of US\$63.7 million (2008: US\$76.2 million) relating to:
 - BMG drilling and maintenance programmes of US\$40.9 million; and
 - Zhao Dong facilities expansion and drilling programme of US\$22.3 million.

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