ROC OIL COMPANY LIMITED

ACN 075 965 856

ANNUAL REPORT 1999

CONTENTS

ANNUAL GENERAL MEETING

Date: 4 May 2000 Time: 11:00 hrs

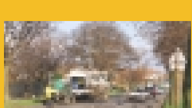
Venue: Museum of Sydney
cnr Phillip and Bridge Streets
Sydney NSW 2000

CORPORATE CULTURE

It is easy to be cynical about corporate culture or merely to pay lip service to it. At ROC, we have a simple and very well defined view of corporate culture: it is the DNA of the Company; it defines ROC's core characteristics which, in turn, determine whether or not the Company will succeed or fail.

With this in mind, ROC's corporate culture may be summarised as follows:

- an open, honest and communicative working environment within which people are valued and achievement recognised
- a no-nonsense, hard working, high energy, proactive, positive (can do) attitude to our business
- an unbiased, fair minded, attitude to all the people with whom we come into contact
- flexible, nimble, lateral and sensibly contrary thought processes
- an organisational structure which allows a decision orientated team to work through delegation and empowerment with strong leadership shown at all levels



THE FRONT COVER

Acquiring seismic onshore UK requires close co-ordination with the local community and a high observance of environmental standards – just like any other part of the world. The front cover illustrates ROC's seismic survey, through the English port town of Grimsby, which utilised personnel and vibroseis equipment contracted from the British company IMC Geophysics Limited.

SYDNEY OFFICE

2100 hrs WEDNESDAY 22 DECEMBER 1999

ROC's Sydney office is located on the city's eastern fringe: the low profile, mid rent district. This is part of a consistent pattern: ROC's other offices are a little removed from regional epicentres. ROC's UK office is not in London but near the cathedral city of Lincoln. Qatar is an important centre of commerce in its own right but most people would regard Dubai as the higher profile regional centre while Ulaanbaatar certainly receives less regional focus than Beijing.

ROC's geographical spread of offices is augmented by its network of independent consultants who are located in the regional oil centres of Calgary, Houston and London.

ROC's international representation is further enhanced by the extraordinary advances which have been made in global connectivity: not only the development of e-mail and the Internet but also improvements and cost reductions in airline travel and conventional telecommunications. The end result is that ROC is able to conduct its business on a 24 hour basis because everywhere is accessible and distance is dead.

ACTIVITIES

LINCOLNSHIRE

ULAANBAATAR
& ZUUNBAYAN

DOHA

SYDNEY

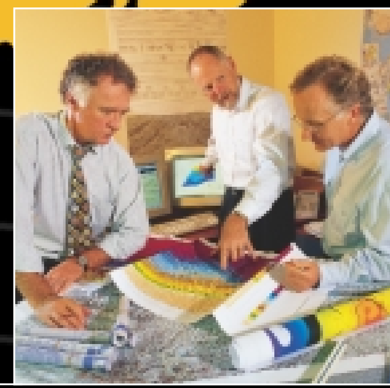
U N I T E D
K I N G D O M

Drilling onshore UK

M O N G O L I A

Moving oil to the export sales point

M O R O C C O



Moroccan seismic data being studied in Sydney

Q A T A R

ROC Advisor, Mr Ahmed E Seddiqi Al-Emadi, in ROC's representative office in Doha

S E N E G A L

Signing the Senegal PSC in Dakar

A U S T R A L I A

Acquiring seismic offshore Perth Basin

ACTIVITY TIMELINE

1999

PRIVATELY OWNED

J
- 27 Industry contact alerts ROC to MMRL opportnity

F
- 12 ROC initiates discussions with MMRL
- 23 ROC and Moroccan Government agree to extension of ROC's Reconnaissance Licence offshore Morocco

M
- 15 Commenced upgrade of Tank Farm in Mongolia
- 26 MMRL announces intention to sell UK assets to ROC via Plan of Arrangement

A
- 7 ROC and Woodside execute AMI covering offshore Senegal
- 21 Commenced 829 km seismic survey offshore Morocco

M
- 6 Completed seismic survey offshore Morocco
- 25 ROC signs new oil sale contract with Chinese refinery

J
- 12 Binding IPO Underwriting Agreement executed
- 12 Completed Mongolian Tank Farm upgrade
- 14 Commenced first Mongolian oil sale export to China (12,200 bbls)
- 21 ROC issues IPO Prospectus

J
- 2 Commenced second Mongolian oil sale export to China (14,400 bbls)
- 6 ROC signs MOU with Government of Senegal regarding Casamance Block
- 16 ROC's IPO closes over-subscribed raising $150 million
- 18 Saltfleetby-3 completed as gas producer

PUBLICLY LISTED

A
- 5 ROC's debut as a publicly listed company on the Australian Stock Exchange
- 16 Commenced third Mongolian oil sale export to China (14,900 bbls)
- 19 Commenced 1,035 km seismic survey in Mongolia

S
- 6 Commenced fourth Mongolian oil sale export to China (12,400 bbls)
- 6 Saltfleetby-4 completed as a gas producer
- 12 Commenced 55 sq km 3D seismic survey east of Saltfleetby
- 24 Completed 55 sq km 3D seismic survey east of Saltfleetby
- 25 Commenced 32 km Bag Enderby seismic survey in UK

O
- 2 Completed Bag Enderby seismic survey
- 10 Completed seismic survey in Mongolia
- 11 Executed offshore Perth Basin farmin option
- 20 Com-menced 586 km seismic survey offshore Perth Basin
- 22 Executed PSC over Casamance Area offshore Senegal
- 25 Completed seismic survey offshore Perth Basin
- 27 Agreed terms of farmout of part of Perth Basin to Woodside and Arc

N
- 5 Maltese Study Agreement allowed to lapse
- 9 Commenced 23 km Grimsby Seismic Survey in UK
- 17 Completed Grimsby Seismic Survey

D
- 14 Saltfleetby Gas Field brought onto production
- 20 1,000 calendar days in ROC Oil (UK) with no lost time accident
- 22 Moroccan Government approved four month extension to ROC's Reconnaissance Licence offshore Morocco
- 31 Casamance PSC ratified by President of Senegal

2000

J
- 6 Contract signed for extended well test at Kyle Field offshore UK North Sea to start June 2000
- 7 1 billionth cubic foot of gas produced from Saltfleetby

F
- 17 3 billionth cubic foot of gas produced from Saltfleetby
- 24 Perth Basin farmin option exercised

This is the first Annual Report of Roc Oil Company Limited (“ROC”) since its Initial Public Offering (IPO) Prospectus was issued on 21 June 1999.

Chairman’s Report

On 5 August 1999 ROC listed on the Australian Stock Exchange following a capital raising which resulted in the acquisition of a suite of onshore United Kingdom assets which were being explored, developed and/or already producing, together with some undeveloped fields in the UK North Sea. Through the IPO process, these UK assets were combined with a range of other, bigger potential, exploration opportunities in Mongolia and Morocco, which ROC had acquired during its two and a half years as a privately-owned oil company.

From the outset, ROC’s stated objective was to develop all of these projects to their full potential in a timely manner and to add new projects to ROC’s portfolio as and when appropriate. The acquisition, in late 1999, of new exploration areas offshore Senegal and Western Australia are very much part of this strategy of continually high grading our shareholders’ asset base.

ROC’s specific near term strategic objectives are also very clear: bring the core asset – the 100%-owned and operated Saltfleetby Gas Field – onto production safely and in a timely manner; evaluate the potential of all the other UK and international assets, ensure cost efficient field operations and work with our North Sea joint ventures to bring ROC’s undeveloped offshore fields onto production as soon as practical. As our shareholders would expect, the Company continues to be focussed on achieving these specific strategic objectives. However, in the international oil business, worthwhile achievements take time, certainly longer than the 24 weeks which have elapsed between ROC’s IPO and the end of 1999.

Since December 1999, we have started to see positive results. In particular, the Saltfleetby Gas Field was brought onto production with only a relatively minor delay due to events beyond the Company’s control. We have also received recent advice that the Kyle Oil Field is expected to be subject to a 130 day Extended Well Test, starting in June 2000.

Since ROC’s listing, the share price has declined as a broad reflection of sector trends. It is the view of the Board that ROC’s recent share price does not reflect the fundamental value of the Company nor its future potential. However, the Board acknowledges that, together with management, it has a responsibility to structure the Company in a manner that will enable it to outperform the index regardless of the present lacklustre state of the global oil and gas sector.

Satisfactory corporate results can only be achieved by having excellent people. That is why ROC regards its workforce as being the Company’s key asset. In ROC’s corporate mind, its workforce consists of not only its employees and consultants in Australia, the UK and Mongolia, but also its Directors and Advisors based in Australia, Qatar, the UK and the USA.

The Company’s ultimate success is entirely dependent upon how this workforce performs because, in the final analysis, ROC’s more tangible assets, such as oil fields, exploration permits, etc are simply the product and reflection of the quality of its workforce. In the lead-up to the IPO and in dealing with the new challenges that have faced the Company since then, ROC’s diverse, multi-cultural workforce has demonstrated that it possesses all the necessary qualities required to enhance shareholder value in an international industry that is notoriously volatile and currently unfashionable. This is why your Board is looking forward to the Year 2000 with optimism, but without any illusion as to the work that will be required to achieve the Company’s primary goal: enhancing shareholder value.

Andrew Love
CHAIRMAN

Chief Executive Officer's Report

I would also like to take this opportunity to thank a group of people who rarely receive any overt appreciation in a company's annual report: the shareholders.

Writing a CEO's report which focusses on the first 21 weeks of a company's publicly listed life is an interesting experience, comparable to a marathon runner trying to describe how the race is going after running the first 500 metres: some conclusions may be drawn but they are not necessarily indicative of the final outcome.

During its first 21 weeks in the public arena, ROC experienced its fair share of good, bad and indifferent events. In such circumstances, many industry and market watchers, understandably, focus more on the negative issues and less on the positive events. This tends to create an over-reaction in the sharemarket. In response, managers and directors are often tempted to overcompensate by trying to put a positive spin on everything, usually through the medium of the annual report. ROC does not think that this is the best approach because investors in the oil and gas sector generally take their own counsel and are reluctant to abandon a negative or neutral view until confronted with a set of compellingly positive results flowing from a greatly improved corporate performance.

Until those results start appearing, all the rhetoric in the world is of little relevance.

ROC's view is that, regardless whether they are good or bad or indifferent, facts are always friendly. A company is better off facing all the facts head on rather than pushing the less palatable ones to the periphery of its corporate thinking. In this context, ROC is quick to acknowledge that during its first 21 weeks as a publicly listed company and for a couple of months thereafter, we have underperformed; we have failed to live up to shareholder expectations.

Yes, there are global sector trends that have moved against the industry and, yes, some of the specific negative events which affected ROC have been in the realm normally described as "bad luck", well beyond the Company's sphere of influence, but it would be wrong to dwell on these issues lest we obscure the key fact: ROC has got to roll up its corporate sleeves and perform much better in the future than it has in the recent past.

Everybody at ROC understands that the shareholders actually own the Company. In this sense, all of us at ROC have about 6,500 bosses, none of whom have any reason to hold their shares other than the belief that, sooner or later, they will make money out of their investment. ROC's management is acutely aware of this. This is why, while our attitude towards running the business, is very objective, we consider the challenge of enhancing shareholder value to be personal.

In this report the Chairman has referred to the quality of ROC's staff, and I would very much like to echo that view and thank them for all their hard work during the year under review. Anybody who has been through a start-up IPO will realise that when you list a new company, there is no place for half-heartedness: you have to be fully engaged and all your resources must go into the effort because failure is not a viable option. ROC's workforce has already demonstrated that it possesses the necessary level of tenacity to achieve its targeted goal regardless of prevailing circumstances. In fact, ROC's IPO is, to the best of our knowledge, one of only two start-up IPOs in the oil and gas sector to raise in the order of US$100 million or more, anywhere in the world, since mid 1997. Now the same singleminded qualities have got to be applied in order to make sure that the Company hits its next target: making money for shareholders.

Dr John Doran
CHIEF EXECUTIVE OFFICER

HIGHLIGHTS

1999

- On 5 August 1999, ROC became a publicly listed company on the Australian Stock Exchange following a successful Initial Public Offering (IPO) which was heavily oversubscribed.
- As a result of the IPO, ROC raised $150 million of which, $117 million was used to purchase the United Kingdom assets of the Toronto-listed Morrison Middlefield Resources Limited (MMRL) and to cover transaction costs and related IPO fees.
- As a result of the MMRL acquisition, ROC's production increased from zero to approximately 2,500 BOPD, almost all from ROC's 100%-owned and operated fields onshore UK.
- On 14 December 1999, ROC completed the development of the 50 BCF Saltfleetby Gas Field in Lincolnshire, UK. As a result, ROC's production increased further to approximately 11,500 BOEPD, 70% gas, 30% liquids, as of end 1999.
- Similarly, ROC's Proved and Probable Reserves increased from zero, prior to the aquisition, to 38 MMBOE immediately subsequent to the MMRL transaction. At 31 December 1999, these reserves stood at about 34 MMBOE following continuing production activities, an upward revision of the Saltfleetby Gas Reserves and a re-classification of the gas accumulation in the Eskdale structure.
- ROC exported approximately 54,000 bbls of oil from Mongolia to China for which it received timely payment in US Dollars. Also, for the first time, ROC continued its oil production operations through the Mongolian winter.
- In October 1999, ROC acquired an offshore exploration area in Senegal and an option over an area offshore Western Australia.
- As part of the process of identifying attractive drill targets, during 1999 ROC undertook six seismic surveys, totalling 2,510 km of 2D line data, and 55 sq km of 3D data, in Mongolia, Morocco, Australia and the UK.
- By year end, the Kyle Joint Venture in the North Sea was preparing to execute a contract for a 130 day Extended Well Test (EWT) to be conducted in June 2000.
- An operating loss after income expense for 1999 of $6.0 million was $3.6 million better than forecast in the Prospectus.
- Sale revenue for 1999 of $16.6 million was $8.0 million (33%) less than Prospectus forecast.
- Total revenues for 1999 of $19.7 million compares to a 1998 figure of $1.1 million reflecting the growth of ROC's business as a result of the IPO and the aquisition of the UK petroleum assets.

SALES REVENUE

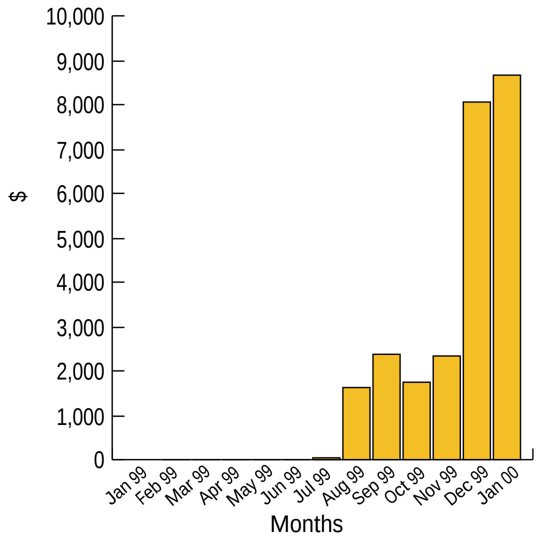
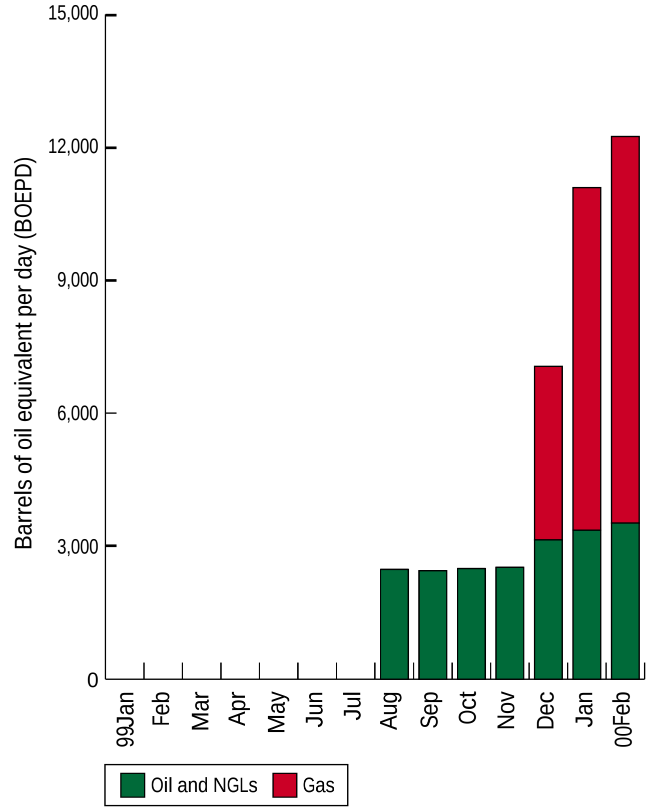
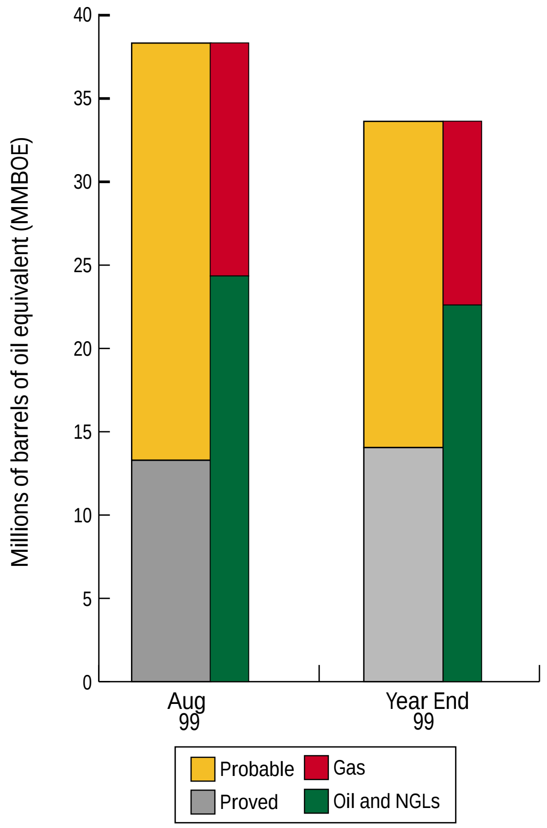


Illustration: 'Mann auf einer Leiter'
© Quint Buchholz

PRODUCTION



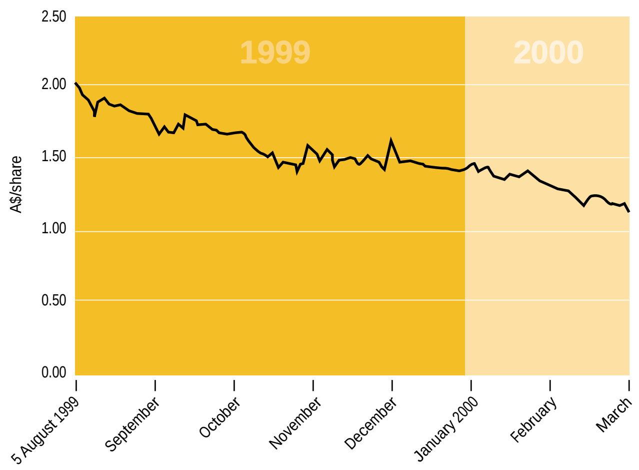
PROVED AND PROBABLE RESERVES



Approximately 0.6 MMBOE of probable NGL reserves are subject to field and plant verification.

The Prospectus which ROC published as the basis of its IPO necessarily represents a moment in time, albeit with a forecast to end 2000. During late 1999, the Company added new properties to its portfolio and, as ROC moves through 2000, its Directors, Managers and Shareholders will be increasingly well positioned to look at the future of the Company which lies beyond the pages of the Prospectus.

ROC SHARE PRICE HISTORY



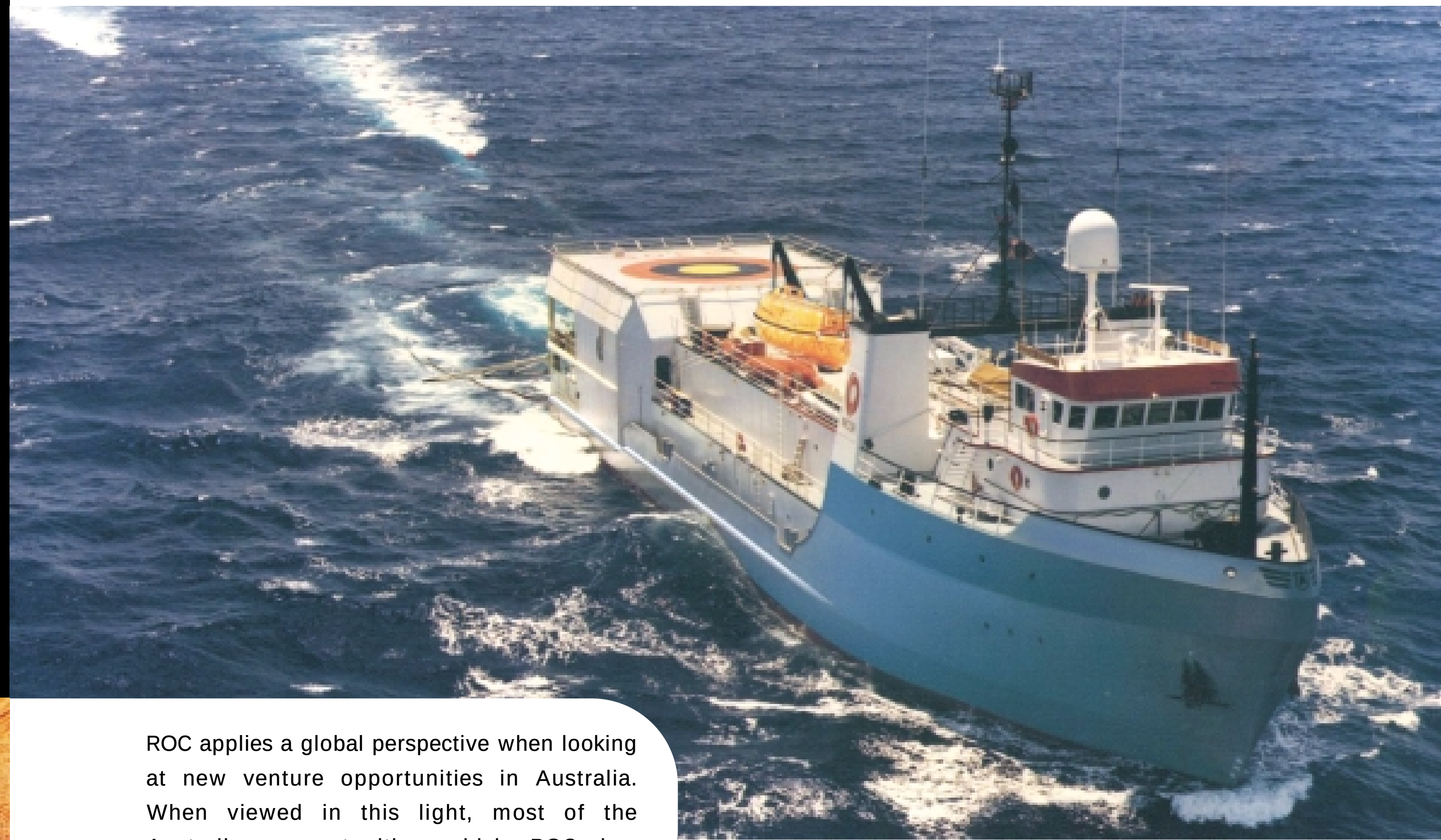
AUSTRALIA

PERTH

1800 hrs SATURDAY 23 OCTOBER 1999

Seismic acquisition, processing and interpretation have all benefitted greatly from recent advances in information technology. Tasks which previously required an enormous work effort by many geoscientists can now be accomplished in a fraction of the time, by a single individual, using specialist computer software and appropriate hardware – plus years of hard-won experience.

Seismic acquired in the offshore Perth Basin in October 1999 has enhanced the prospectivity of WA-286-P.



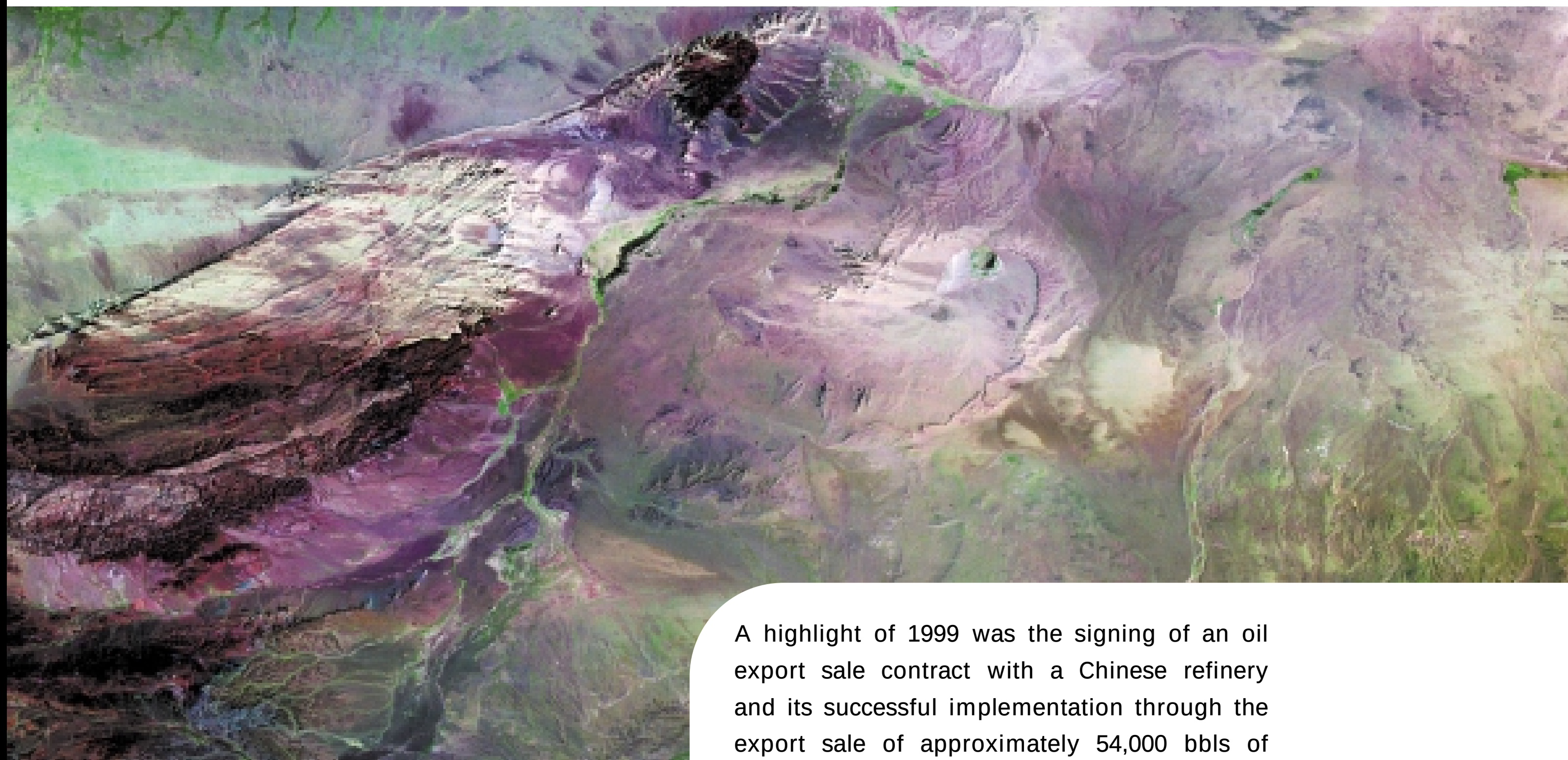
ROC applies a global perspective when looking at new venture opportunities in Australia. When viewed in this light, most of the Australian opportunities which ROC has reviewed have been judged to be too risky or too expensive, and sometimes both. However, the Farmin Option which ROC acquired from Premier Oil (Australia) Pty Ltd over the offshore Perth Basin exploration permits WA-286-P and TP/15 falls into a different category for a number of reasons. Firstly, while the normal level of exploration risk attaches to the play concept being pursued by ROC and its Perth Basin co-venturers, that risk is not judged to be prohibitive. Secondly, in this part of Australia, exploration, appraisal and development operations can be conducted very cost effectively due to the presence of infrastructure and shallow water depths. Finally, and most importantly, the transaction was structured as a flexible farmin option which, if exercised, would involve only a modest promote. The attractiveness of the arrangement was evidenced by the fact that ROC was able to subsequently introduce two other parties into the transaction – Woodside Petroleum Ltd ("Woodside") and Arc Energy Limited ("ARC").

Interpretation of the available seismic data, including the 586 km acquired by the Michelle Seismic Survey in October 1999, was completed in February 2000. The results are judged to be sufficiently encouraging to cause ROC to exercise its option as a result of which it will acquire a 45% interest in WA-286-P and become operator of that permit, by funding 60% of the cost of a well to be drilled in late 2000.

The offshore Perth Basin does not have any commercial oil or gas production so the somewhat novel play concept being pursued by ROC and its co-venturers has the potential to radically alter the industry's perception of this area – if a discovery is made.

MONGOLIA

Because of the exposed nature of the terrain, ROC has been able to use state-of-the-art satellite imagery to great effect as part of its oil exploration program in Mongolia.



2000 hrs THURSDAY 18 MARCH 1999

One of the more surprising aspects of ROC's operations in Mongolia is the ease with which the Company can access its field area in the Gobi Desert. Once a week or once a fortnight, according to demand, a rail carriage leased by ROC is hooked onto the Trans-Mongolian Express for the 10 hour journey from the country's capital of Ulaanbaatar to ROC's field camp at Zuunbayan where it remains through the day, prior to making the return journey to Ulaanbaatar. This is, quite literally, a door to door service.

2

For more than two years, ROC has been dealing directly with the reality of Mongolia as opposed to the myth which seems to exist in some western minds.

As a result, ROC's enthusiasm for the country and its petroleum potential is undiminished.

There is a low level of government bureaucracy and a high level of government pragmatism. Access is surprisingly easy, not only to the capital Ulaanbaatar but also to ROC's field area in the Gobi Desert.

The geology of southern Mongolia is not dissimilar to some parts of onshore China where significant hydrocarbon reserves and production are well established. Until a couple of years ago, ROC's 16 million acres/65,000 sq km land holding in the East Gobi Basin had not been explored with modern techniques despite the presence of two oil fields from which the Russians produced almost four million barrels.

A highlight of 1999 was the signing of an oil export sale contract with a Chinese refinery and its successful implementation through the export sale of approximately 54,000 bbls of Mongolian oil to China. The oil was transported by ROC-owned rail cars to the sale point at the border and the sale proceeds, which were tied to international parity prices, were received in a timely manner in US Dollars. Although the volume of oil produced and sold is small, the successful export process demonstrates that the commercial and logistical framework within which ROC operates in Mongolia clearly works very well.

Another notable achievement for ROC's staff in Mongolia was the continuation of oil production through the winter months when temperatures fall to -40˚C.

By end 1999, ROC was beginning to interpret seismic data acquired by the 1,035 km Jochi Seismic Survey which was undertaken during the period August – October 1999. Preliminary interpretation is viewed as being encouraging although ROC never loses sight of the fact that frontier exploration requires good risk management in order to optimise the Company's use of its discretionary dollars and this consideration will continue to influence the pace and direction of ROC's activities in Mongolia.

MOROCCO

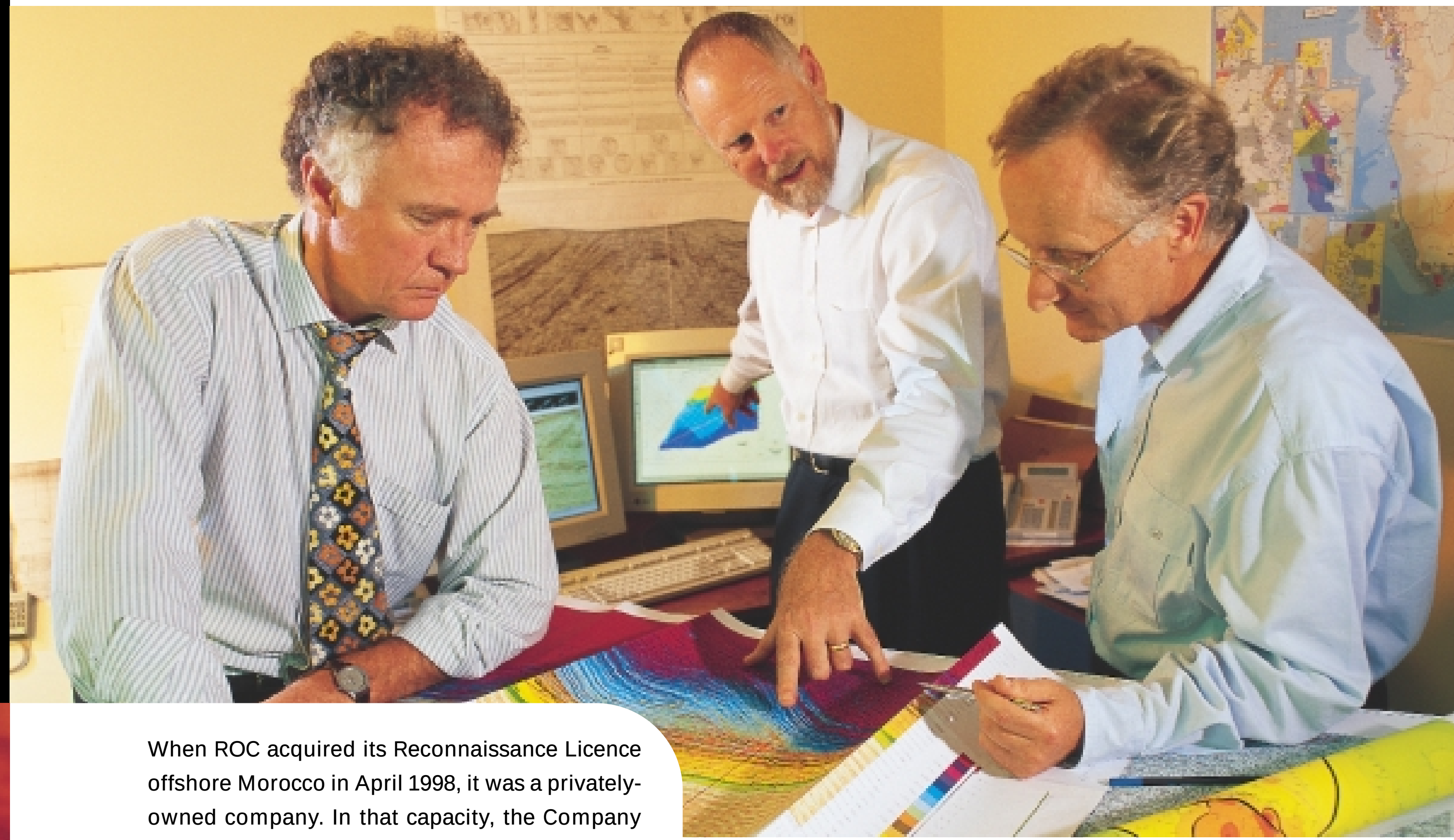
1000 hrs THURSDAY 4 NOVEMBER 1999

In May 1998, ROC, as a privately-owned company, operated its first ever seismic survey, offshore Morocco within six weeks of the Company being awarded its Reconnaissance Licence by the Moroccan Government.

3

When most oil companies were reducing their personnel as the oil price fell between late 1997 and early 1999, ROC, as a privately-owned company, saw this as a sensibly contrary opportunity to build up its technical team in the belief that oil is first found in the minds of men and women.

Left to right:
Mr Wes Jamieson – Chief Explorationist;
Mr John Mebberson – Senior Explorationist;
Mr Neil Seage – Senior Reservoir Engineer.



When ROC acquired its Reconnaissance Licence offshore Morocco in April 1998, it was a privately-owned company. In that capacity, the Company acquired a total of 1,448 km of seismic through two seismic surveys, the final results of which were being interpreted at end 1999.

Compared to many of its neighbours and peer nations elsewhere in North and West Africa, Morocco's oil and gas industry is rather low profile. In fact, the country's only offshore oil discovery, the Cap Juby Field, lies within ROC's 6,000 sq km/1.48 million acres Reconnaissance Licence.

Since ROC acquired its acreage in Morocco, there has been an increase in industry interest in the country and now most or all of Morocco's offshore area is under licence of one form or another. This re-rating of Morocco by international oil companies is partly due to the Moroccan Government continuing to demonstrate that it is keen to develop its oil and gas resources by enacting legislation that encourages exploration activity.

There are a number of different play concepts to be pursued in ROC's Moroccan acreage and at end 1999 ROC was busily mapping the various prospects and leads identified by the seismic acquired during the last two years. Results are considered to be very encouraging. However, as with Mongolia, ROC holds fast to the view that frontier exploration demands good risk management and it is in this context that the Company will manage its future exploration strategy for Morocco.

SENEGAL

1000 hrs TUESDAY 6 JULY 1999

ROC's area offshore Senegal has not witnessed any recent exploration activity and, therefore, the Company's first task has been to establish a new database.

4

The signing of the Production Sharing Contract between ROC and the Government of Senegal marked ROC's debut in offshore West Africa.

Left to right:
Mr Baidy Diene – Representative of the Government of Senegal;
Mr Antonio Vieira – Consultant Advisor to ROC;
Mr Bun Hung – Executive Director ROC;
Dr Kevin Hird – General Manager Business Development ROC.

Offshore West Africa, particularly the deep-water areas towards the southern part of the continent, has been one of the true hot-spots for the oil and gas industry during the nineties.

Unlike other parts of the world which became fashionable with the industry, particularly after the collapse of Communism at the beginning of the nineties, West Africa has been the scene of some very large discoveries. As a result, many large companies have taken up acreage positions along the West African coastline. ROC, therefore, considers itself fortunate to have been able to acquire, in October 1999, the 8,187 sq km/2 million acre Casamance Area, offshore southern Senegal. This acquisition was part of a ROC-operated Area of Mutual Interest arrangement which the Company has with Woodside.

The southern boundary of the Casamance Area is 20 km north of known, albeit apparently uncommercial, oil accumulations in an area which is jointly administered by Senegal and Guinea Bissau. The geology of the two areas is similar, being characterised by well developed salt tectonics, which are believed to offer considerable potential for the entrapment of hydrocarbons.

At year end, ROC was at the early stage of collating all the data relevant to its area in Senegal.

UNITED KINGDOM
ONSHORE

2200 hrs WEDNESDAY 10 NOVEMBER 1999

When operating in a relatively densely populated part of the world, such as onshore UK, ROC acquires some of its seismic at night so as to minimise the inconvenience that its seismic surveys might otherwise cause. This photograph is of vibroseis trucks near the town of Grimsby, on the Humber estuary.

5

ROC owns a significant amount of plant and equipment in the UK including a drilling rig.

Almost all of ROC's oil and gas production comes from its properties onshore UK, specifically from under the flat, green, fields of the English county of Lincolnshire.

Oil and gas exploration and production has a surprisingly long history in this part of England with early activities predating the Second World War. Traditionally, production and reserve levels in this part of the world are generally modest with the Welton Oil Field, 100%-owned and operated by ROC, being the *tallest dwarf* with remaining Proved and Probable Reserves of approximately 3.6 MMBO.

In December 1999, the production profile for this part of the UK changed dramatically. That was when ROC successfully completed the development of the 50 BCF Saltfleetby Gas Field in the Humber Basin. By year end, Saltfleetby was producing 50 MMCFD plus condensate. As a result of this development, ROC's onshore UK production rose towards 12,000 BOEPD, making the Company the largest gas producer onshore UK and one of that country's top two or three onshore oil/condensate producers.

Together with the producing onshore UK assets which ROC acquired from MMRL, the Company also acquired exploration areas covering approximately 5,260 sq km/1.3 million acres mainly in Lincolnshire and the adjacent county of Yorkshire, in eastern England. At year end, ROC was conducting a review of its entire onshore UK portfolio designed to high grade the most prospective areas in the belief that another Saltfleetby-sized field may be awaiting discovery, particularly in the under-explored Humber Basin.

UNITED KINGDOM

NORTH SEA

For reasons beyond the control of the Kyle Joint Venture, the Kyle Field in the North Sea has been a source of considerable frustration to ROC and its co-venturers. However, by end 1999, the Joint Venture was preparing to execute a contract for a 130 day Extended Well Test to be conducted by the Petrojaal FPSO vessel.

1300 hrs MONDAY 6 SEPTEMBER 1999

For much of the time since its IPO, ROC's efforts have been focussed on developing the Saltfleetby Gas Field and acquiring, processing and interpreting seismic. However, in the final analysis, the Company's ability to enhance shareholder value will rest upon the results of its drillling activities.

6

When ROC acquired MMRL's portfolio of UK assets, the portfolio included interests in a number of undeveloped North Sea fields. At the time, these areas were generally viewed as being peripheral to the main transaction, with the arguable exception of the Kyle Field.

Since the MMRL acquisition, ROC has continued to review the potential of these fields and by year end it was inclined to the view that further work was merited. ROC now considers these fields to be less peripheral than when they were acquired, although ROC is not under any illusion as to the numerous issues that are yet to be resolved prior to bringing any of the fields onto production.

Although ROC only owns 12.5% of the Kyle Field, it has been the source of the greatest disappointment that ROC has experienced during the 21 weeks between its public listing and the end of the period covered by this Annual Report.

Relevant details have been well documented in ROC's releases to ASX; therefore, there is little to be gained by regurgitating them in this Annual Report. It is probably sufficient to say that the reason why the development of the Kyle Field was delayed related to operational problems experienced by the owners and managers of the nearby Banff Ramform Floating Production Storage and Offloading system (FPSO) which were well beyond ROC's tiny sphere of North Sea influence. Fortunately, by end 1999 the Kyle situation looked a little bit brighter with the expectation that a 130 day EWT would be starting in June 2000.

INTERNATIONAL CONTEXT

ROC believes that an oil company cannot *become* international as a result of a corporate decision but rather *is* international as a result of the natural outlook and ethnic diversity of its workforce.

ENGLISH

ROC IN THE WORLD

ROC works in a number of different countries spread through Asia, Europe and Africa. In several of these places, such as Mongolia, Morocco and Senegal, English is not the spoken language. Because of this, ROC believes it is appropriate to include comments in this Annual Report in the language of those countries. This attitude is consistent with ROC's view that it is privileged to be a guest in these countries – and that with this privilege comes a responsibility to act in an appropriate manner.

ROC particularly appreciates the attitude of the relevant government authorities of Mongolia, Morocco and Senegal, all of whom have consistently demonstrated that they wish to develop their upstream oil and gas industries. ROC very much wants to be part of this process. Nothing would give the Company more satisfaction than discovering a commercial oil or gas field in any, or all, of those countries, thereby providing a cornerstone for a new oil and gas industry in each of them.

FRENCH

ROC DANS LE MONDE

ROC travaille dans un certain nombre de pays d'Asie, d'Europe et d'Afrique. Dans plusieurs de ces pays, tels que la Mongolie, le Maroc et le Sénégal, l'Anglais n'est pas la langue parlée. Pour cette raison, ROC a jugé opportun d'inclure dans ce Rapport Annuel des commentaires écrits dans la langue de ces pays. C'est une initiative qui va de pair avec le sentiment de privilège qu'éprouve ROC à être l'hôte de ces pays, et c'est ce sentiment de privilège qui l'incite à agir de manière appropriée.

ROC apprécie particulièrement l'attitude des autorités gouvernementales compétentes de la Mongolie, du Maroc et du Sénégal, qui ont toutes constamment manifesté leur souhait de développer leur secteur en amont des industries pétrolière et gazière. ROC désire ardemment participer à ce processus. Rien ne saurait satisfaire davantage l'entreprise que de découvrir, dans l'un de ces pays ou dans les trois, un champ pétrolifère ou de gaz naturel exploitable, ce qui représenterait la pierre angulaire d'une nouvelle industrie pétrolière et gazière pour chacun de ces pays.

MONGOLIAN

ROC Дэлхийд

ROC Ази, Европ болон Африкийн хэд хэдэн улсад өөрийн салбартай. Эдгээр улсын заримд нь, тухайлбал Монгол, Морокко, Синегал зэрэг улсуудад англи хэл өргөн тархсан ярианы хэл биш билээ. Тиймээс дээрх улсуудын эх хэл дээр энэхүү Жилийн Тайлан-д тайлбар оруулах нь зүйтэй гэж үзлээ. Энэ нь ROC эдгээр улсад зочны эрхийг эдэлж байгаагийн хувьд уг эрхтэй хамт хариуцлага ирдэг гэдгийг ойлгон хүндэтгэж байгаатай холбоотой.

ROC, ялангуяа газрын тосны болоод хийн зурвасны үйлдвэрийг хөгжүүлэхийг хүсч буйгаа удаа дараа илэрхийлсэн Монгол, Морокко, Синегал улсуудын Засгийн Газрын холбогдох төлөөлөгчдөд талархаж байна. ROC энэхүү үйлдвэрийг хөгжүүлэх үйл явцын нэг хэсэг байхыг ихэд хүсч байгаа билээ. Уг компанид эдгээр улсын аль нэгт эсвэл бүгдэд нь арилжааны газрын тосны эсвэл хийн зурвас олж нээх, түүнчлэн газрын тосны болон хийн үйлдвэрийг хэгжүүлэхэд гол баганыг нь тавилцахаас илүү эрхэм таашаал үгүй юм.

ENVIRONMENT

HEALTH, SAFETY AND SOCIAL RESPONSIBILITY

The pipeline connecting the Saltfleetby Gas Field to one of Britain's largest gas processing plants at Theddlethorpe traverses the Lincolnshire countryside with minimum disruption to local communities.

HEALTH AND SAFETY

As an operating oil and gas exploration and production company, ROC is involved in a complex business where health and safety issues are of paramount importance.

The working environment for ROC employees and consultants can vary greatly from onshore seismic and drilling operations in the Gobi Desert and rural Lincolnshire, to operations offshore West and North Africa and Western Australia.

ROC's office based staff, particularly those concerned with new ventures, can also sometimes find themselves in parts of the world where health and safety issues can be described as representing interesting challenges.

Wherever a member of ROC's workforce is located, their health and safety is of vital concern to the Company.

In the above context, it is particularly noteworthy that on 20 December 1999 ROC's wholly-owned subsidiary ROC Oil (UK) Limited (ROC UK) completed a thousand calendar days without a lost time accident. This statistic is all the more impressive because ROC UK is a very active company with multi-faceted operations. This safety record also provides clear evidence of the health and safety regimes that existed within the culture of the Company's UK subsidiary prior to it being acquired by ROC, indeed this was one of many reasons why ROC chose to proceed with the MMRL transaction.

SOCIAL RESPONSIBILITY

Many companies sponsor social and cultural events ranging from art exhibitions and concerts to sporting fixtures. The usual motivation – or sometimes the corporate excuse – is to foster client relationships. ROC does not have a mandate from its shareholders to act in this manner and, because it does not have any clients in the traditional sense of that word, it does not have any need to be involved with such activities.

However, as an Australian company working in various parts of the world, ROC is sensitive to the needs of local communities and, wherever possible, it tries to address these, often acute, social issues, in an appropriate manner according to the Company's abilities.

ROC believes that the most valuable contribution it can make to any community with which it works is to discover and develop oil and/or gas fields, the commercial impact of which can flow through to the mutual benefit of the host national government, the indigenous communities and ROC shareholders.

ENVIRONMENT

Most oil companies rely heavily upon their geoscientists, many of whom chose their profession because of a love for, and an affinity with, nature and the environment. In this sense, many oil industry employees and consultants were environmentalists long before that cause became fashionable.

Anecdotal evidence suggests that a lot of people believe that oil companies only pay lip service to good environmental practices and are devoid of any genuine desire to protect and improve the environment. ROC cannot speak for other oil companies but it knows that its positive attitude to environmental, health and safety issues is deep-rooted and genuine.

Quite simply, the Company seeks to implement the highest environmental, health and safety standards. To achieve this the Company has a full time Environmental Health and Safety Officer, Mr Bill Grant, based in ROC's UK office in Lincolnshire and ROC's Board has established an Occupational Health, Safety and Environment Committee.

INDUSTRY
OVERVIEW

ROC's gas and condensate production is closely monitored as it enters the Theddlethorpe Gas Processing Plant.

Global business is undergoing a caterpillar-to-butterfly transformation and the oil industry is very much part of this process.

A CHANGING INDUSTRY

If we had to use one word to characterise the environment within which the international oil industry has been operating for the last several years it would be: *change.*

The decline in the oil price from late 1997 to early 1999 resulted in record low prices in real terms. The tripling of the oil price during the 12 months since March 1999 was, arguably, unprecedented, certainly unexpected. The mega mergers which we have seen in recent years cannot be compared with anything we have seen before. The disconnection between oil price trends and investor sentiment – as the former firmed, the latter faded – represents yet another radical departure from a previously reliable rationale.

To make matters even more interesting all of these changes occurred against a backdrop of a global business environment that is undergoing a caterpillar-to-butterfly metamorphosis which, when complete, will create a business attitude which will be utterly different from that to which we are accustomed.

Some industries do not like change, and may even try to resist it, but, contrary to some popular opinion, the international oil industry has a wonderful track record of overcoming the challenge of change and powering onwards.

Quite frankly, ROC is excited by change. We firmly believe that change creates an environment in which sensibly contrary thinking can flourish a lot more readily than if the industry's form and structure were inert and its future entirely predictable in every detail.

As the industry radically realigns its business attitudes in response to previously reliable logic being pulled apart and reassembled in different ways, ROC sees a world of new opportunities – although only time will tell whether the Company can successfully capture them and add value to them.

WHY LOOK BEYOND AUSTRALIA?

Forty six years after the birth of the modern Australian oil industry at Rough Range in Western Australia, there are only two publicly listed Australian oil companies with a market capitalisation consistently in excess of US$1 billion: Woodside and Santos Limited. A third, unlisted, oil company, BHP Petroleum Ltd, wholly owned by the large Australian conglomerate Broken Hill Proprietary Ltd ("BHP") would also fit into this size category if it were publicly listed. The success of all three companies has been built upon a common factor: all acquired their core acreage more than 30 years ago and have held it tightly ever since.

There is no Australian oil company with a market capitalisation consistently in excess of US$1 billion, which has been built upon Australian acreage acquired within the last 30 years.

OIL AND GAS PRICES

Commodity prices, particularly oil prices, are traditionally volatile. This is why they offer oil and gas companies and their shareholders, opportunities for value creation.

Predicting oil price trends in detail is notoriously difficult. No matter how large the historical database nor how logical the thought process, price predictions, like all forecasts, are subject to the *"asteroid factor"*. This is the unpredictable event that comes out of nowhere to impact upon a price trend to send it spinning off in a completely different direction. With this in mind, ROC takes the view that regardless of the current spot price, the annually averaged West Texas Intermediate ("WTI") oil price will remain between US$12 and US$20/bbl and that ROC's activities should be structured so its business remains viable at the low end of this range.

CORPORATE GOVERNANCE

Good corporate governance relies heavily upon appropriate regulations and procedures but in the end it all comes down to the collective attitude of a company's work force, particularly the Board of Directors.

THE BOARD OF DIRECTORS

The Board is responsible for the strategic direction of the Company, the identification and implementation of corporate policies and goals, and the monitoring of the business and affairs of the Company on behalf of its shareholders. The Board delegates responsibility for the day to day management of ROC to the Chief Executive Officer. In addition, the Board has established a number of committees to support it in matters which require more detailed consideration. All Directors have unrestricted access to Company records and information and receive detailed financial and operational reports from senior management during the year on a monthly basis.

The Board is comprised of two Executive Directors and six Non-Executive Directors including the Chairman. In accordance with the Company's Constitution and the ASX Listing Rules, the Directors (other than the Chief Executive Officer) are subject to re-election by shareholders every three years.

Details of attendance at 1999 Board meetings are set out in the Directors' Report on pages 34 and 35. The Board usually meets on a monthly basis and, where appropriate, hears presentations from senior staff who may be questioned directly by Board members on operational and commercial issues.

BOARD COMMITTEES

The Board has established five committees: an Audit Committee, a Remuneration Committee, a Finance and Risk Management Committee, an Occupational Health, Safety and Environment Committee and a Continuous Disclosure Committee.

Audit Committee

The Audit Committee comprises Mr A J Love (Chairman), Mr W G Jephcott and Mr R Dobinson.

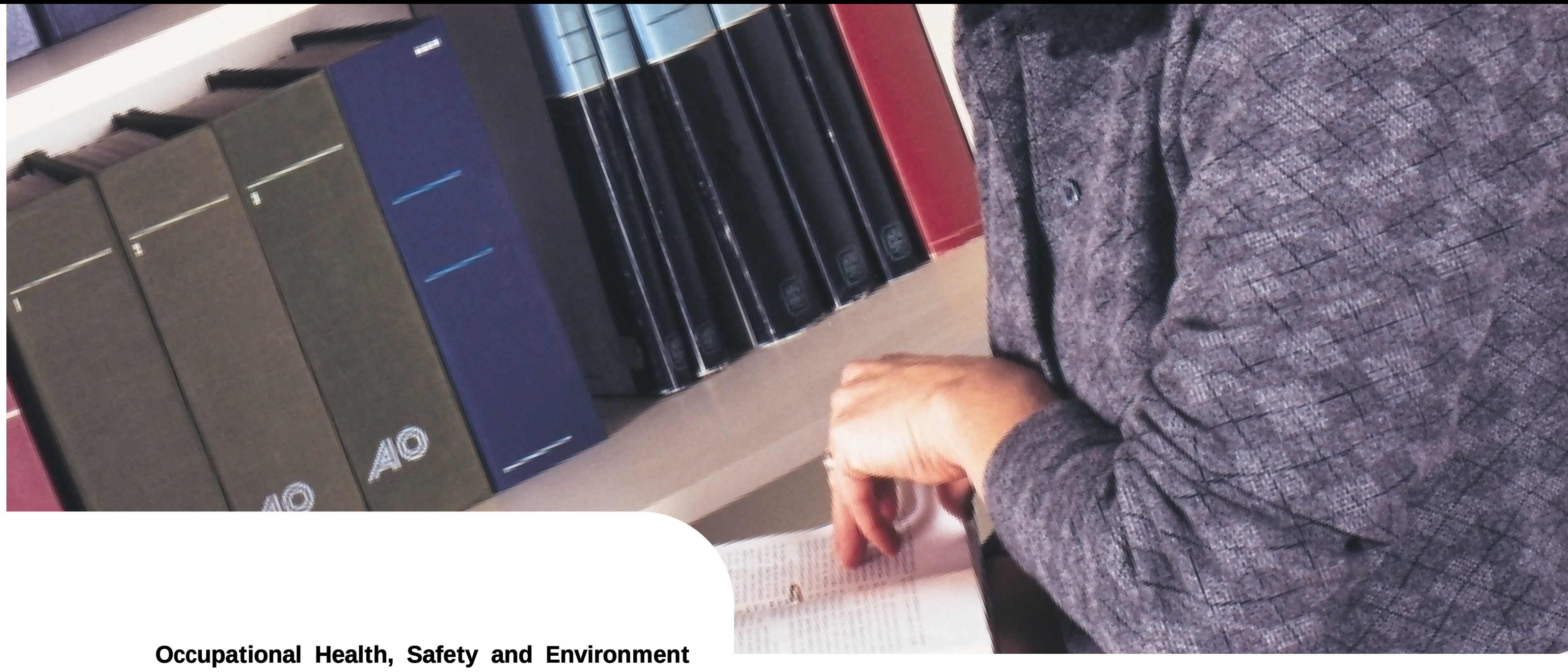
The Committee has direct access to the Company's auditors. It determines the appropriateness and effectiveness of internal and external audit procedures, reviews compliance with statutory financial requirements, and ensures that the system of control safeguards is effective and that financial information provided to shareholders and regulatory authorities is accurate and reliable. The Committee generally invites the Chief Executive Officer, General Manager Finance and external auditors to attend Committee meetings.

Remuneration Committee

The Remuneration Committee comprises Mr W G Jephcott (Chairman) and Mr A J Love. The Committee considers and sets the remuneration of the Chief Executive Officer and reviews the remuneration of other key executives. It also administers the Company's Cash Bonus Plan and the issue of options under the Company's Employee Share Option Plan. The aggregate annual maximum fees of the Non-Executive Directors is set by shareholders.

Finance and Risk Management Committee

The Committee comprises Mr W G Jephcott (Chairman), Mr A J Love, Mr R J Burgess and Mr A Jolliffe. It is responsible for monitoring the operational and financial aspects of the Company's activities and considers the recommendations and advice of internal and external advisors on the operational and financial risks of ROC. The Committee evaluates management's assessment of risk and it's recommendations in relation to the management of that risk including hedging policies and the nature and level of insurance cover.



Occupational Health, Safety and Environment Committee

The Committee was established in September 1999 to ensure that occupational health, safety and environmental standards of the Company's operations are maintained at a level equal to, or above, accepted industry standards and that the Company complies with all relevant governmental requirements in the areas in which it operates.

The current members of the Committee are: Mr S J Jansma Jr. (Chairman) and Mr R Dobinson. Mr S J Jansma Jr. is currently Chairman of the Environmental Committee of the Independent Petroleum Association of America.

Continuous Disclosure Committee

The Committee was established in November 1999 and is comprised of the Chief Executive Officer (who is the Chairman of the Committee), the other Executive Director and the Company Secretary, together with such other persons who may be nominated by the Chairman of the Company. The purpose of the Committee is to ensure that the Company complies with the continuous disclosure requirements of the Corporations Law and the ASX Listing Rules.

COMPANY POLICIES

Since listing, the Company has adopted guidelines and policies on a number of issues relating to corporate governance and ethical standards, including:

Share Trading

ROC's share trading policy prohibits ROC personnel buying and selling shares in ROC other than in the two weeks immediately after a quarterly, half yearly or annual report has been released to ASX. This policy extends to immediate family and close relatives.

Anti-Corruption

ROC has adopted a policy to ensure its operations are conducted with honesty and integrity and with a commitment to ethical business standards. In particular, this policy is aimed to ensure compliance with the Criminal Code Amendment (Bribery of Foreign Officials) Act 1999.

Equal Opportunity and Harassment

ROC has adopted a policy to ensure it maintains an equal employment opportunity environment and does not tolerate any discrimination or harassment in the work place.

BOARD OF DIRECTORS

Mr Andrew J Love, Chairman
Mr William G Jephcott, Deputy Chairman
Dr R John P Doran, Chief Executive Officer & Director
Mr Richard J Burgess, Director
Mr Ross Dobinson, Director
Mr Bun C Hung, Executive Director
Mr Sidney J Jansma Jr, Director
Mr Adam C Jolliffe, Director

SENIOR EXECUTIVES

Mr Edgar Baines, Managing Director (ROC Oil (UK) Limited)
Mr Bruce Clement, General Manager Finance & Company Secretary
Mr Bill Grant, Health, Safety & Environmental Manager
Dr Kevin Hird, General Manager Business Development
Mr Wes Jamieson, Chief Explorationist
Mr Stewart Reast, Operations Manager (UK)
Mr Neil Seage, Senior Reservoir Engineer
Ms Ros Stevenson, Administration Director (UK)

Design & Production by Cherry Design, Sydney

CORPORATE DIRECTORY

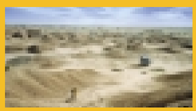
Registered Office
Level 16, 100 William Street
Sydney NSW 2011
Australia

Company Secretary
Mr Bruce Clement

Share Registrar
Computershare Registry Services
Level 3, 60 Carrington Street
Sydney NSW 2000
Australia

Stock Exchange
Australian Stock Exchange
20 Bridge Street
Sydney NSW 2000
Australia

Acknowledgements
Photographs – Mr Chris Knapton; Mr David Ioconno;
and Mr Mike Walcott.
Translation (Mongolian) – Ms Sarantuya Baatar.
Translation (French) – All Language Typesetters & Printers.



THE BACK COVER

The physical and logistical challenges posed by ROC's operations in the Gobi Desert in Mongolia are quite different to those which face the Company as it operates onshore UK – but the requirement to respect the environment and local community remains unchanged. The back cover illustrates ROC's 1,035 km Jochi Seismic Survey which utilised personnel and vibroseis equipment contracted from a joint venture between the French company, Compagnie Generale de Geophysique (CGG) and the Mongolian based company, Mint Gold Trading Ltd.

CONCISE FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 1999

ROC OIL COMPANY LIMITED

Contents

SHAREHOLDER INFORMATION

The Concise Financial Report has been derived from the Annual Financial Report of Roc Oil Company Limited for the financial year ended 31 December 1999. The Concise Financial Report has been prepared in accordance with Australian Accounting Standard AASB1039 'Concise Financial Reports' and the relevant provisions of the Corporations Law. The financial statements included in the Concise Financial Report cannot be expected to provide as full an understanding of the consolidated entity's performance, financial position and financial and investing activities, as provided by the 1999 Annual Financial Report.

1999 ANNUAL FINANCIAL REPORT

Further financial information can be obtained from the Annual Financial Report which is available, free of charge, on request from the Company. A copy of the Annual Financial Report may be requested by calling (02) 8356 2013 or faxing (02) 9380 2066. It can also be accessed at www.rocoil.com.au via the Internet.

DIRECTORS' REPORT

The Directors of Roc Oil Company Limited ("ROC" or "Company") have pleasure in submitting the Concise Financial Report for the financial year ended 31 December 1999.

Directors

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

Mr Andrew J Love, BCom, FCA, MAICD (Chairman), 46

Mr Love is Chairman of the Board of ROC, a Fellow of The Institute of Chartered Accountants in Australia and a Senior Partner in the firm of Ferrier Hodgson, Chartered Accountants. Mr Love is also a non-executive director of a number of other public companies.

Mr William G Jephcott, BCom, FCPA, FAICD (Non-Executive Director, Deputy Chairman), 49

Mr Jephcott is an investment banker who has provided merger and acquisition advice to a number of leading Australian companies. He has particular experience in the financing and structuring of major resource projects, including in the oil and gas industry. Mr Jephcott is currently a senior advisor to Merrill Lynch International (Australia) Limited and also a non-executive chairman and a director of several Australian public companies.

Dr R John P Doran, BSc, MSc, PhD, FAICD (Executive Director and Chief Executive Officer), 53

Dr Doran is Chief Executive Officer and a Director of ROC. He has over 27 years' experience in international oil exploration and development in many countries, including Libya, Iran, Norway as well as, during the past 19 years, Australia, Papua New Guinea, New Zealand and India. Dr Doran has been directly involved with - and responsible for - several significant corporate expansions and a number of commercial discoveries and developments in various parts of the world.

Mr Richard J Burgess, BSc (Non-Executive Director), 68

Mr Burgess is a geologist by training and was, until his retirement, President and Chief Executive Officer of CMS Nomeco Oil & Gas Co, a North American-based oil and gas exploration and production company. He has extensive exploration experience in North and South America, Australasia, East Asia and China.

Mr Ross Dobinson, BBus, CA (Non-Executive Director), 47

Mr Dobinson has extensive corporate advisory and investment banking experience, most recently as director of corporate advisory at Dresdner Australia Limited. In early 1999, Mr Dobinson became Managing Director of Technology Structuring Limited, a corporate advisory company specialising in establishing and advising biotechnology companies. Mr Dobinson is also a director of Starpharma Pooled Development Limited and Acrux Limited.

Mr Sidney J Jansma Jr., MBA (Non-Executive Director), 56

Mr Jansma began his career in oil in 1959 working for his father's private oil company. In 1978, Mr Jansma purchased the entire company from his father and during the ensuing 19 years, the company grew to become the third largest gas producer in the state of Michigan. During 1997, Mr Jansma merged his company with Dominion Resources, Inc. In addition to dealing with broad industry issues at both state and the national levels, Mr Jansma is also President and Chief Executive Officer of Dominion Midwest Energy, Inc., a wholly-owned subsidiary of Dominion Resources, Inc. Mr Jansma is also a member of the Board of Governors of the Independent Petroleum Association of America and chairman of its Environmental Committee.

Mr Adam C Jolliffe (Non-Executive Director), 43

Prior to joining Cargill Financial Markets plc ("Cargill"), Mr Jolliffe worked for Consolidated Gold Fields trading non-ferrous materials. At Cargill, Mr Jolliffe joined the non-ferrous metals department as Manager – Aluminium Trading, where he was responsible for East and West Europe, Asia and Africa. In 1986, he transferred to the rubber trading business as Manager of the London office. In 1990, Mr Jolliffe joined Cargill's financial trading unit and is currently the Manager of Western European Equity Trading.

Mr Bun C Hung, BA, LLB, MInstP (Executive Director), 49

Mr Hung, a lawyer by training, graduated from Sydney University in 1974. Since 1982, Mr Hung has worked exclusively within the Australian and international oil and gas industry, holding senior executive positions with Nomeco Oil & Gas and Command Petroleum Limited and, most recently, Cairn Energy Asia Limited where he was Managing Director.

Mr Robert A Boyson, BSc, MSc (Executive Director), 59

Since the early nineties, Mr Boyson has been an independent consultant specialising in innovative development systems for offshore fields. In 1981, Mr Boyson joined BHP Petroleum Limited ("BHPP") where he was responsible for the development of innovative floating production technology in the Timor Sea. Subsequently, as Managing Director of BHP Petroleum (UK) Limited, Mr Boyson was responsible for that company's petroleum activities in Europe, Africa and the Middle East.

Mr Douglas G Manner, BSc (Non-Executive Director), 45

Mr Manner is the Chief Operating Officer of Gulf Canada Resources Limited. Since 1977, he has followed a technical and management career in reservoir engineering with the large consulting firm Ryder Scott prior to joining Gulf Canada Resources Limited in 1997.

The abovenamed Directors held office during and since the end of the financial year, except for:

- Mr B C Hung – appointed 23 September 1999;
- Mr R A Boyson – resigned 23 September 1999; and
- Mr D G Manner – resigned 23 September 1999.

Directors' Meetings

The following table sets out the number of Directors' meetings and meetings of committees of Directors held during the financial year and the number of meetings attended by each Director (while they were a Director).

Name	Directors	Audit Committee	Remuneration Committee	Due Diligence Committee
	Number of Meetings Held			
	13	1	3	11
	Number of Meetings Attended			
Mr A J Love	12	1	3	
Mr W G Jephcott	12	1	3	10
Dr R J P Doran	13			11
Mr R J Burgess	12			
Mr R Dobinson	12	1		9
Mr S J Jansma Jr.	12			
Mr A C Jolliffe	12			
Mr B C Hung *	3			
Mr R A Boyson **	11			8
Mr D G Manner **	4			

* Mr Hung was appointed as a Director on 23 September 1999.

** Mr Boyson and Mr Manner resigned as Directors on 23 September 1999.

In 1999, the Company also formed a Finance and Risk Management Committee and Occupational Health, Safety and Environment Committee. Both committees are yet to formally meet.

Changes in State of Affairs

On 5 August 1999, the Company was admitted to the Official List of the Australian Stock Exchange after raising $150,000,000 from its Initial Public Offering ("IPO").

Principal Activities

Funds raised from the IPO were utilised for the acquisition of Morrison Middlefield Resources Limited's UK-based portfolio of production, development and exploration assets and to provide working capital. The consolidated entity's principal activities in the course of the financial year were oil and gas exploration, development and production.

Results

The net operating loss of the consolidated entity for the financial year after income tax was $5,963,028 (1998: $17,851,405). The result for the financial year included an abnormal item after income tax expense amounting to $1,658,280 (1998: $15,603,489).

Dividends

No dividends have been paid or declared since the prior financial year and no dividends have been recommended by the Directors in respect of the financial year ended 31 December 1999.

Review of Operations

A review of the consolidated entity's operations during the financial year and the results of those operations is included in the Concise Financial Report on pages 44 to 45.

Subsequent Events

Since the end of the financial year, the significant events referred to in Note 12 to the Concise Financial Report have occurred.

Except for the matters referred to in Note 12, there has not been any matter or circumstance that has arisen since the end of the financial year, that has 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, in financial years subsequent to 31 December 1999.

Future Developments

Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations, is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this Concise Financial Report.

Corporate Governance

The Board of Directors is committed to the principles of good corporate governance. The Company's corporate governance statement is included in the 1999 Annual Report.

Environmental Regulations

The consolidated entity is a party to various Production Sharing Contracts and exploration and development licences. In most cases, these contracts and licences specify the environmental regulations applicable to oil and gas operations in the respective jurisdictions. The consolidated entity aims to ensure that it complies with the identified regulatory requirements in each jurisdiction in which it operates. There have been no known material breaches of the environmental obligations of the consolidated entity's contracts or licences.

Indemnification of Directors and Officers

An indemnity agreement has been entered into between an insurance company and the current Directors of the Company named earlier in this Directors' Report and with the full time executive officers, directors and secretaries of all Australian group companies. Under this agreement, the Company has agreed to indemnify these directors and officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an auditor of the Company or of any related body corporate against a liability incurred as such by an auditor.

Directors' Remuneration

Details of the nature and amount of each element of the emolument for the financial year of each Director of the Company are:

	Directors' Fees $	Salary, Bonus and Other Related Benefits including Fringe Benefits Tax $	Superannuation Contributions $	Total $
Non-Executive Directors				
Mr A J Love	41,563	-	-	41,563
Mr W G Jephcott	27,438	-	1,400	28,838
Mr R J Burgess	23,271	-	-	23,271
Mr R Dobinson #	23,271	-	1,108	24,379
Mr S J Jansma Jr.	23,271	-	-	23,271
Mr A C Jolliffe *	23,271	-	-	23,271
Mr D G Manner *+	13,743	-	-	13,743
Executive Directors				
Dr R J P Doran	-	361,891	22,579	384,470
Mr B C Hung +#	-	111,891	7,736	119,627
Mr R A Boyson +#	13,743	21,879	441	36,063

* These Directors waived their respective entitlement to directors' fees and fully paid ordinary shares/cash were issued in lieu of directors' fees to the companies the Directors represented.

+ Mr Hung was appointed as a Director on 23 September 1999. Mr Boyson and Mr Manner resigned as Directors on 23 September 1999.

Refer also Note 10(iii) 'Related Party Disclosure – Directors' on page 52 of the Concise Financial Report.

For the period 1 January 1999 to 30 June 1999, Directors elected to receive fully paid ordinary shares in lieu of directors' fees. For the period 1 July 1999 to 31 December 1999, directors' fees were paid in cash.

The total emoluments disclosed above do not include a value attributed to the options granted during the financial year (any benefit arising on grant of the options not being quantifiable) as disclosed later in this Concise Financial Report.

The rates of directors' fees currently being paid are as follows:

Chairman	-	$65,000 per annum;
Deputy Chairman	-	$45,000 per annum; and
Non-Executive Director	-	$35,000 per annum.

In accordance with Australian Accounting Standard AASB1017 'Related Party Disclosures', any person required to be a director of a wholly-owned controlled entity in order to discharge his or her duties as an 'executive officer' of the chief entity is excluded from the determination of directors' remuneration.

Directors' Interests

As at the date of this Concise Financial Report the following Directors hold the number of ordinary shares and shareholder options shown in the table below:

Director	Ordinary Shares (Fully Paid)		Shareholder Options
Mr A J Love	545,690	(1)	25,231
Mr W G Jephcott	644,930	(2)	54,691
Dr R J P Doran	4,763,960	(3)	20,829
Mr R J Burgess	589,870	(4)	25,150
Mr R Dobinson	759,092	(5)	143,102
Mr S J Jansma Jr.	3,875,380	(6)	999,640
Mr A C Jolliffe	127,860	(7)	47,671
Mr B C Hung	50,000	(8)	-

DIRECTORS' REPORT (continued)

Darcy Petroleum Pty Limited, a company associated with, amongst others, Mr A J Love, Dr R J P Doran and Messrs R A Boyson, R J Burgess and W G Jephcott, is a shareholder in the Company. It was issued with 3,734,140 fully paid ordinary shares at $0.001 per share during the financial year, of which 3,439,300 fully paid ordinary shares are held in trust for the abovementioned Directors.

Notes:

1 468,480 Darcy Petroleum Pty Limited in trust for Tangarr Pty Ltd (Mr A J Love – director)
22,810 Tangarr Pty Ltd as trustee for Love Family Trust (Mr A J Love – director)
40,980 Love Superannuation Pty Ltd (Mr A J Love – director)
13,420 Ferrier Hodgson – Partner.

2 468,480 Darcy Petroleum Pty Limited in trust for En-Dev Finance Consultants Pty Limited (Mr W G Jephcott – director)
168,400 Amadan Pty Limited (Mr W G Jephcott – director)
8,050 Mr W G Jephcott.

3 4,685,010 Darcy Petroleum Pty Limited in trust for Celtic Energy Pty Ltd (Dr R J P Doran – director)
63,700 Celtic Energy Pty Ltd (Dr R J P Doran – director)
15,250 J Doran Superannuation Fund.

4 76,390 Burgess Investments Inc. (Mr R J Burgess – director)
468,480 Darcy Petroleum Pty Limited in trust for Burgess Investments Inc. (Mr R J Burgess – director)
45,000 Mr R J Burgess.

5 759,092 Espasia Pty Ltd (Mr R Dobinson – director).

6 3,125,380 Wolverine Global Energy LLC (Mr S J Jansma Jr. – director)
500,000 Mr S J Jansma Jr.
250,000 Mr S J Jansma III.

7 127,860 Jass Investments Limited as trustee for Mr A C Jolliffe.

8 50,000 Mr B C Hung.

Officers

Remuneration levels are competitively set to attract, retain and motivate appropriately qualified and experienced senior executives capable of discharging their respective responsibilities.

Remuneration packages of senior executives include performance-based components in the form of bonuses.

Details of the nature and amount of each element of the emolument for the financial year of each of the five officers of the Company receiving the highest emolument are:

Name	Position	Base (1) Remuneration $	Other (2) Benefits $	Superannuation $	Total $
Mr M Temple	Operations Manager	150,000	170,973	10,850	331,823
Mr G MacFarlane	Exploration Geologist	124,130	155,159	9,040	288,329
Mr B F Clement	General Manager Finance/Company Secretary	198,560	53,629	16,980	269,169
Mr W Jamieson	Chief Explorationist	170,560	34,592	13,550	218,702
Dr K Hird (3)	General Manager Business Development	172,000	23,198	13,580	208,778

Notes:

1 Base remuneration includes base salary.

2 Other benefits are non-base remuneration benefits including bonus, packaged benefits and fringe benefits tax (where applicable) and the cost to the Company of cars (including applicable fringe benefits tax).

3 Darcy Petroleum Pty Limited, a company with which Dr K Hird is associated, is a shareholder in the Company. It was issued with 3,734,140 fully paid ordinary shares at $0.001 per share during the financial year, of which 245,660 fully paid ordinary shares are held in trust for Dr K Hird.

The total emoluments disclosed above do not include a value attributed to the options granted during the financial year (any benefit arising on grant of the options not being quantifiable) as disclosed later in this Concise Financial Report.

Employee Options

During the financial year an aggregate of 949,910 employee options were issued to the following Directors and officers of the Company:

Directors and Officers	Number of Options Issued during 1999 (1)	Issuing Entity	Total Number of Options Held at Date of this Report
Mr B C Hung (Executive Director) (2)	350,000	ROC	350,000
Mr R A Boyson (Executive Director)	164,910	ROC	524,910
Mr B F Clement	250,000	ROC	450,000
Mr W Jamieson	130,000	ROC	250,000
Mr G MacFarlane	20,000	ROC	60,000
Mr M Temple	20,000	ROC	80,000
Dr K Hird	15,000	ROC	30,000

Notes:

1 These figures do not include additional employee options issued in relation to the 10 for 1 ordinary share split approved on 2 June 1999 for existing employee options issued in the prior financial year. The number of employee options issued reflects the number of ordinary shares under option.

2 Employee options issued to Mr B C Hung were issued prior to his appointment as an Executive Director of the Company.

As at the date of this Directors' Report, there were 2,999,910 employee options (representing 2.83% of the issued capital of the Company) granted over unissued ordinary shares of ROC under the Employee Share Option Plan ("ESOP") at the following exercise prices:

Number of Options	Exercise Price	Expiry Date
525,000	$1.85	17 March 2003
465,000	$3.33	10 June 2003
110,000	$3.33	2 September 2003
16,740	$3.33	15 January 2004
5,320	$3.48	15 January 2004
60,000	$2.00	15 July 2004
1,685,000	$2.00	19 July 2004
82,850	$3.48	29 July 2004
50,000 *	$1.16	1 March 2005

* 50,000 employee options were issued to Mr E Baines on his appointment as Managing Director of Roc Oil (UK) Limited on 1 March 2000.

2,299,793 employee options remain available for issue under the ESOP.

Optionholders do not have any right, by virtue of the employee option, to participate in any share issues of the Company or any related body corporate or in the interest issue of any other registered scheme.

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 Concise Financial Report have been rounded off to the nearest thousand dollars, unless otherwise indicated.

This Directors' Report is made in accordance with a resolution of the Board of Directors.

On behalf of the Directors:

Mr A J Love
CHAIRMAN

Dr R J P Doran
DIRECTOR

Sydney, 10 March 2000

Deloitte Touche Tohmatsu

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ROC OIL COMPANY LIMITED

Scope

We have audited the concise financial report of Roc Oil Company Limited for the financial year ended 31 December 1999 as set out on pages 41 to 53 , in order to express an opinion on it to the members of the Company. The concise financial report includes the consolidated financial statements of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year. The Company's Directors are responsible for the concise financial report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of Roc Oil Company Limited for the year ended 31 December 1999. Our audit report on the full financial report was signed on 10 March 2000, and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039 "Concise Financial Reports".

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the concise financial report of Roc Oil Company Limited complies with Accounting Standard AASB 1039 "Concise Financial Reports".

Deloitte Touche Tohmatsu

Johan Duivenvoorde
Partner
Chartered Accountants
Sydney, 10 March 2000

The liability of Deloitte Touche Tohmatsu is limited by, and to the extent of, the Accountants' Scheme under the Professional Standards Act 1994 (NSW).

PROFIT AND LOSS STATEMENT

For the Financial Year Ended 31 December 1999

	Note	Consolidated 1999 $'000	Consolidated 1998 $'000
Operating loss before abnormal items	2	3,722	2,248
Abnormal items before income tax expense	3	1,721	15,603
Operating loss		5,443	17,851
Income tax expense attributable to operating loss		520	-
Operating loss after income tax expense		5,963	17,851
Accumulated losses at beginning of financial year		19,114	1,263
Accumulated losses at end of financial year		**25,077**	**19,114**

The above Profit and Loss Statement should be read in conjunction with the accompanying notes.

BALANCE SHEET

As at 31 December 1999

	Note	Consolidated 1999 $'000	Consolidated 1998 $'000
Current Assets			
Cash		2,768	727
Short term deposits		23,095	21,939
Inventories		1,677	53
Receivables		7,860	4,230
Investments		15	-
Prepayments		727	180
Total Current Assets		36,142	27,129
Non-Current Assets			
Development expenditure	7	190,870	-
Exploration expenditure	8	34,955	8,580
Receivables		1,800	81
Materials inventory		2,329	753
Property, plant and equipment		13,505	874
Future income tax benefit		1,230	-
Total Non-Current Assets		244,689	10,288
Total Assets		280,831	37,417
Current Liabilities			
Accounts payable		14,733	4,789
Borrowings		8,861	-
Provisions		246	106
Total Current Liabilities		23,840	4,895
Non-Current Liabilities			
Borrowings		61,690	-
Provisions		10,819	37
Deferred purchase consideration	11	13,246	-
Total Non-Current Liabilities		85,755	37
Total Liabilities		109,595	4,932
Net Assets		**171,236**	**32,485**
Shareholders' Equity			
Share capital		197,597	51,599
Accumulated losses		(25,077)	(19,114)
Foreign currency translation reserve		(1,284)	-
Total Shareholders' Equity		**171,236**	**32,485**

The above Balance Sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 December 1999

	Consolidated Inflows (Outflows) 1999 $'000	Consolidated Inflows (Outflows) 1998 $'000
Cash Flows From Operating Activities		
Receipts from customers	17,668	128
Payments to suppliers and employees	(21,431)	(2,043)
Tariffs and other receipts	1,519	-
Interest received	1,580	979
Interest paid (net of capitalised amounts)	(2,219)	-
Bank charges	(72)	(39)
Net cash used in operating activities	(2,955)	(975)
Cash Flows From Investing Activities		
Payment for plant and equipment	(1,450)	(466)
Payment for development expenditure	(20,091)	-
Payment for exploration expenditure	(15,557)	(13,657)
Recoupment of exploration expenditure	2,249	1,390
Payments for operated joint venture exploration expenditure	(785)	(6,309)
Payment for development studies	(97)	(484)
Reimbursement from operated joint venture operations	1,636	5,324
Payment for acquisition of controlled entities	(104,395)	(4,864)
Payment for materials inventory	(789)	(203)
Proceeds from sale of non-current assets	1	2
Payment (refund) for security deposits on operating leases	71	(91)
Net cash used in investing activities	(139,207)	(19,358)
Cash Flows From Financing Activities		
Proceeds from share issues	156,674	39,278
Share issue expenses	(9,902)	-
Other payments	(32)	-
Net cash provided by financing activities	146,740	39,278
Net Increase in Cash Held	4,578	18,945
Cash at Beginning of Financial Year	22,666	3,228
Effect of exchange rate changes on the balance of cash held in foreign currencies	(1,381)	493
Cash at End of Financial Year	**25,863**	**22,666**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

DISCUSSION AND ANALYSIS OF FINANCIAL STATEMENTS

This discussion and analysis is provided to assist readers in understanding the Concise Financial Report.

Key Points

Business activities changed substantially during the financial year following the acquisition for $120.3 million (comprising cash consideration, deferred purchase consideration and incidental acquisition costs) on 29 July 1999 of the petroleum assets in the UK which included onshore and offshore oil and gas development and production assets.

The Company completed its IPO in July 1999, raising $140.1 million after share issue costs, and was admitted to the Australian Stock Exchange on 5 August 1999.

Production from the UK operations was 526,000 barrels of oil equivalent and averaged 3,393 barrels of oil equivalent per day for the financial period from 29 July 1999 to 31 December 1999. By 31 December 1999, the daily production rate had increased to over 11,000 barrels of oil equivalent following the successful commissioning and commencement of production from the Saltfleetby Gas Field development.

Operating revenue for the financial year was $19.7 million compared to $1.1 million in 1998, reflecting the growth in business operations to include oil and gas production from the UK.

The consolidated entity recorded an operating loss after income tax expense of $6.0 million compared with a loss of $17.9 million in 1998. The loss compares with the Company's Prospectus forecast loss of $9.6 million for 1999.

Profit and Loss Statement

The consolidated entity recorded an operating loss before abnormal items and income tax expense of $3.7 million.

Sales revenue from the Company's UK operations was $15.2 million with sales revenue from test oil sales in Mongolia of $1.3 million, compared to test oil sales revenue of $0.1 million in 1998. Production from the UK operations comprised 0.4 million barrels of oil and NGLs and 0.73 billion cubic feet of gas. UK sales revenue for the financial period was constrained by a pre-existing 2,000 barrels of oil per day hedging arrangement at a Brent oil price of US$13.00 bbls, which terminated on 31 December 1999, the effect of which was offset to some extent by an average of US$22.70 per barrel received for non-hedged oil production. Gas prices received averaged $3.98 per thousand cubic feet. During 2000, 1,000 bbls of oil per day is hedged through a pre-existing arrangement at a Brent oil price of US$14.35 bbls.

Sales revenue from the UK operations increased by over 300% in mid-December 1999 following the successful development, commissioning and commencement of production and gas sales from the Saltfleetby Gas Field development. In January 2000, daily UK production had increased to over 11,000 barrels of oil equivalent and sales revenue for the month was $8.7 million.

Other revenue totalled $1.5 million and included $1.1 million in revenue from electricity generation and sales from the processing of third party crude oil in the UK.

Net interest expense for the financial year was $0.3 million, including interest income of $1.6 million.

Exploration expenditure of $5.1 million written off and expensed during the financial year, in accordance with ROC's accounting policy, included Mongolia ($3.1 million), Yemen ($0.6 million), Malta ($0.4 million) and Iran ($0.5 million) areas of interest.

UK operating costs for the financial period were $6.0 million and amortisation/restoration/ depreciation costs were $5.1 million for the financial year. Other costs, including general and administrative costs, were $5.1 million for the financial year.

The consolidated entity recorded abnormal net foreign exchange losses of $1.7 million, primarily resulting from the revaluation of the US$ cash balances held during the financial year. The Australian dollar strengthened against the United States dollar from $1:US$0.6135 as at 31 December 1998 to $1:US$0.6537 as at 31 December 1999. This item, included as an abnormal item because of its size and effect on the profit and loss statement, compares to net foreign currency gains of $1.1 million in the prior financial year.

Income tax expense for the financial year was $0.5 million, relating to the UK operations.

Balance Sheet

During the financial year, total assets increased from $37.4 million to $280.8 million, total liabilities increased from $4.9 million to $109.6 million and total shareholders' equity increased from $32.5 million to $171.2 million. The changes in the balance sheet resulted primarily from the acquisition of the UK assets and the equity subscriptions received through the IPO.

The share capital of the Company increased from $51.6 million to $197.6 million during the financial year. Share proceeds of $146.0 million, net of share issue expenses of $9.9 million, were received by the Company through the issue of 1.7 million shares (as adjusted for the 10 for 1 split on 2 June 1999) prior to the IPO ($5.9 million) and 75 million ordinary shares through the IPO ($140.1 million).

The UK petroleum assets were acquired for $120.3 million plus the assumption of a US$46.0 million bank loan. Amongst other assets and liabilities, development expenditure of $177.2 million, exploration expenditure of $17.3 million and property, plant and equipment of $12.5 million were added as non-current assets and borrowings of $70.7 million and provision for abandonment and restoration of $8.2 million were added as liabilities.

Further additions to development expenditure of $18.3 million were made during the financial year in the UK, primarily in relation to the completion of the Saltfleetby Gas Field development.

Additions to exploration expenditure of $10.0 million were also made during the financial year, with major expenditures in the following geographical areas:

- in the Perth Basin offshore Western Australia, the consolidated entity participated in a 586 km 2D seismic survey over the WA-286-P and TP/15 permits at a cost of $0.5 million;
- in Mongolia, the consolidated entity completed the acquisition, processing and initial interpretation of a 1,035 km 2D onshore seismic survey over areas within the four Production Sharing Contracts at a cost of $4.2 million;
- in Morocco, the Company completed the acquisition, processing and interpretation of a 829 km 2D offshore seismic survey over part of ROC's Reconnaissance Licence area at a cost of $1.3 million; and
- in the UK, the consolidated entity completed 55 km of 2D seismic programmes and a 55sq km 3D seismic programme over parts of its onshore acreage at a total cost of $2.4 million.

Of the debt outstanding as at 31 December 1999, $8.8 million relates to a bank loan which is recorded as a current liability and is expected to be repaid during the second half of 2000. The debt to equity ratio as at 31 December 1999 was 41%.

Statement of Cash Flows

Net cash increased by $3.2 million over the financial year and as at 31 December 1999 the Company held a cash balance of $25.9 million.

Net cash used in operating activities was $3.0 million. The major cash flows from operating activities included gross receipts from sale of oil and gas in the UK and Mongolia of $17.7 million and payments to suppliers and employees of $21.4 million.

Net cash used in investing activities was $139.2 million. The major investments during the financial year were the acquisition of the UK petroleum assets ($104.4 million), payments for development expenditure ($20.1 million) and payments for exploration expenditure ($15.6 million).

A net total of $146.7 million was provided by financing activities. Proceeds received from shares issued were $156.7 million and share issue expenses relating to the IPO were $9.9 million. The majority of these expenses related to underwriting commissions and other fees paid to the underwriters to the IPO.

Financial Ratios

Cash flow from operations(1) for the financial year was $(1.4) million which included exploration expenditure expensed and written off of $5.1 million. The UK cashflow from operations for the financial period was $3.9 million.

EBITDA(2) for the financial year was $0.1 million which included exploration expenditure written off and expensed of $5.1 million. The UK EBITDA for the financial period was $8.4 million.

Basic earnings were (10.0) cents per share, based on a weighted average number of ordinary shares of 59,806,988.

Notes:

1 Cash flow from operations is calculated as profit before income tax expense plus depreciation, amortisation, restoration and other non-cash items less income tax paid.

2 EBITDA is calculated as profit before income tax expense, net interest expense, depreciation, amortisation and restoration.

NOTES TO THE CONCISE FINANCIAL REPORT

1 SUMMARY OF ACCOUNTING POLICIES

The principal accounting policies adopted by Roc Oil Company Limited ("ROC" or "Company") and its controlled entities are stated below to assist in a general understanding of the Concise Financial Report.

(a) Historical cost

Unless otherwise stated in the notes, the financial statements have been prepared in accordance with the historical cost convention and do not take into account changing money values.

(b) Consolidation

The consolidated financial statements have been prepared by combining the financial statements of all entities that comprise the consolidated entity, being ROC and its controlled entities as defined by AASB1024 'Consolidated Accounts'. 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 consolidated entity are eliminated in full.

(c) Sales

Sales are recognised in the period during which hydrocarbons are produced, provided they are either sold or delivered in the normal course of business in accordance with agreements with purchasers.

Sales revenue represents amounts invoiced, excluding value-added taxes, in respect of sales to purchasers.

Sales revenue is stated net of the impact of oil price hedge contracts entered into by the consolidated entity to reduce future oil price exposure.

Resale of crude oil purchased is excluded from sales revenue, and the corresponding purchase of crude oil excluded from cost of sales. The net profit from crude oil trading is included as part of other revenue.

(d) Income tax

Income tax has been brought to account using the liability method of tax effect accounting. The income tax expense or credit shown in the profit and loss statement is represented by the tax on operating profit or loss after allowing for permanent differences between accounting profit or loss and taxable income or tax loss.

The tax effect of unrecouped exploration expenditure and timing differences, which occur when items are included or allowed for income tax purposes in a different period than for accounting purposes, is retained in the deferred income tax liability and future income tax benefit accounts calculated at the tax rates expected to be applied when the expenditure is recouped and/or the differences reverse.

Future income tax benefits relating to timing differences and tax losses are only brought to account where realisation of the benefit can be regarded as being assured beyond reasonable doubt and for tax losses when their realisation is virtually certain.

(e) Foreign currencies

Transactions denominated in foreign currencies have been brought to account at the exchange rates ruling at the time of the transactions. At balance date, foreign currency receivables and payables are converted to Australian currency at exchange rates ruling at balance date.

Exchange differences are brought to account in the profit and loss statement in the period in which they arise.

Financial statements of foreign self-sustaining controlled operations are translated into Australian currency using the current rate method, whereby assets and liabilities are translated at rates of exchange current at balance date. Profit and loss accounts are translated at a weighted average rate of exchange. Exchange differences arising on translation are taken directly to the foreign currency translation reserve.

Financial statements of foreign integrated controlled entity operations are translated at balance date using the temporal method and resulting exchange differences are brought to account by entries made directly to the profit and loss statement in the financial year in which the exchange rate changes.

(f) Acquisitions

Where assets including oil and gas reserves are acquired from a third party, the cost of acquiring those assets (being the fair value) is included in the balance sheet as development expenditure, exploration expenditure, other assets and liabilities.

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined at the date of acquisition plus costs incidental to the acquisition.

In the event that settlement of all or part of the cash consideration given in the acquisition is deferred, the fair value of the purchase consideration is determined by discounting the amounts payable in the future to their present value at the date of acquisition.

(g) Petroleum exploration and development expenditure

The consolidated entity adopts the area of interest method whereby all exploration and evaluation expenditure is charged against the profit and loss statement as incurred, except in the case of areas of interest where rights to tenure are current and where:

(i) the carrying amount is expected to be recouped through the successful development and exploitation of the area or by farming out or selling all or part of the consolidated entity's interest; or

(ii) at balance date, exploration and evaluation activities in, or in relation to, the area of interest have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant exploration activity for the area is continuing.

In these cases, the expenditure is capitalised.

When an area of interest is abandoned or if the Directors consider the expenditure to be of reduced or no further value, capitalised exploration expenditure is written down or written off in the period in which such a decision is made.

Proceeds on sale or farmout of an area within an exploration area of interest are offset against the carrying value of the particular area involved. Where the total carrying value of an area has been recouped in this manner, the balance of farmout proceeds is brought to account as non-operating revenue.

Where it is established that economically recoverable reserves exist in a particular area of interest, the carrying amount attributable to that area is classified as a petroleum development and production interest. Where commercial production in an area of interest has commenced, the associated costs together with any forecast future capital expenditure necessary to develop proved and probable reserves are amortised over the estimated economic life of the field in each area of interest, on a unit-of-production basis. Subject to the Directors' satisfaction that economically recoverable reserves exist and where commercial production has not yet commenced, costs incurred in an area in relation to those reserves are accumulated and amortised when commercial operations begin.

Changes in factors such as estimates of proved and probable reserves that affect unit-of-production calculations do not give rise to prior financial period adjustments and are dealt with prospectively.

Costs of borrowing for major development projects are capitalised in accordance with AASB1036 'Borrowing Costs' until the commencement of production and are then amortised over the life of the field on a unit-of-production basis.

(h) Property, plant and equipment

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Plant and equipment is depreciated on a straight line basis so as to write down these assets to their estimated residual values over their estimated useful lives to the consolidated entity. Depreciation of onshore facilities is calculated using a unit-of-production basis, which will proportionately amortise the assets over the life of the reserves of the area of interest.

1 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

The following estimated useful lives are used in the calculation of depreciation:

- Buildings — 20 years;
- Plant and equipment — 2-10 years;
- Leasehold improvements — Term of the respective operating leases; and
- Motor vehicles under finance leases — 2-5 years.

Leases of plant and equipment, under which the consolidated entity assumes substantially all the risks and benefits of ownership, are classified as finance leases. Finance leases are capitalised and depreciated over their estimated useful lives to the consolidated entity.

Operating leases are not capitalised. Payments made under operating leases are charged to the profit and loss statement in equal instalments over the term of the lease.

(i) Oil stock and materials

Oil stock is valued at the lower of cost and net realisable value. Cost comprises a relevant proportion of all fixed and variable production, overhead, restoration and amortisation costs. Net realisable value is determined on the basis of selling prices less expenses to be incurred in transport, pipeline tariffs, handling and royalties, to the point in time where product passes to the purchaser.

Stocks of materials and spare parts are carried at the lower of cost and net realisable value, with cost primarily determined by the first-in-first-out method and the remainder utilising an average cost basis.

(j) Investments

Investments in associates have been accounted for using the equity method in the consolidated financial statements.

(k) Recoverable amount of non-current assets

The balance sheet categories of development expenditure, exploration expenditure, receivables, materials inventory, property, plant and equipment, future income tax benefit are each considered separate classes of non-current assets.

Exploration expenditure is capitalised and carried forward in accordance with AASB1022 ‘Accounting for the Extractive Industries’ as detailed in Note 1(g) above.

Future income tax benefit is carried forward in accordance with AASB1020 ‘Accounting for Income Tax (Tax-Effect Accounting)’ as detailed in Note 1(d) above.

In accordance with AASB1010 ‘Accounting for the Revaluation of Non-Current Assets’, the carrying value of each asset in each of the non-current classes of assets, except for exploration expenditure, is reviewed by the Directors every six months to determine whether it is in excess of its recoverable amount. Where the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The net cash inflows from the continued use and subsequent disposal of each such asset have been used in determining the recoverable amount of each non-current asset. The relevant cash flows have not been discounted to their present values.

(l) Employee entitlements

Liability to employees for annual leave is provided for. All employment related on-costs (including payroll tax and superannuation contributions) are included in the calculation of the required provision. Provision for annual leave in respect of services provided by employees up to balance date is measured using remuneration levels current at balance date.

(m) Provision for abandonment and restoration

A provision for significant abandonment and restoration is accumulated by charging to the profit and loss statement the expected expenditure to be incurred on cessation of each area of interest. The provision is calculated so that at the end of operations the provision will be adequate to meet net abandonment and restoration costs, including the required removal of facilities, the abandonment of wells and restoring affected areas. Such provision recognises the estimated future abandonment and restoration obligations incrementally over the life of the proved and probable reserves on a unit-of-production basis. Estimates of the future restoration obligation are based on current legal requirements and technology and are determined in current dollars on an undiscounted basis. The adequacy of the provision for abandonment and restoration is reassessed every six months. Changes in cost estimates do not give rise to prior financial period adjustments and are dealt with on a prospective basis.

(n) Joint ventures

Interests in joint venture operations have been reported in the financial statements by including the consolidated entity’s share of assets employed in the joint venture operation, the share of liabilities incurred in relation to joint venture operations and the share of any expenses incurred in relation to joint venture operations in their respective classification categories.

(o) Financial instruments included in assets

Trade receivables are initially recorded at the amount of contracted sale proceeds. Receivables and other receivables are recorded as amounts due.

Marketable securities are carried at the lower of cost and net realisable value.

(p) Financial instruments included in liabilities

Borrowings are recorded at their principal amount. Interest is charged as an expense as it accrues at the contracted rate.

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services, whether or not invoiced.

(q) Financial instruments included in equity

Equity instruments are classified as equity in accordance with the substance of the contractual arrangement.

Share capital is recorded at the value of consideration paid. The costs of issuing shares are offset against share capital.

(r) Statement of cash flows

Cash is defined as cash at bank and on hand and money market investments readily convertible to cash.

Cash flows have been allocated among operating, investing and financing activities. These categories appropriately classify the consolidated entity’s activities.

	Consolidated	
	1999	1998
	$’000	$’000
2 OPERATING PROFIT AND LOSS		
The operating loss before income tax includes the following items of revenue and expense:		
Revenue		
Operating revenue		
Sales revenue – sale of goods (refer (a) below)	16,557	128
Other revenue	1,519	-
Interest income: Other entities	1,593	978
Non-operating revenue		
Proceeds from sale of non-current assets	1	2
Total revenue	19,670	1,108

2 OPERATING PROFIT AND LOSS (CONTINUED)

	Consolidated 1999 $'000	1998 $'000
Expense		
Amortisation of development expenditure	3,186	-
Depreciation of plant and equipment	1,275	153
Provision for abandonment and restoration	472	37
Operating lease rental expenses	858	152
Exploration expenditure written off	447	-
Exploration expenditure expensed	3,321	-
Transfer of test oil sales revenue to exploration (refer Note 6)	1,321	128
Interest paid or due and payable to:		
Other entities:		
on loans	2,031	-
on finance leases	6	-
Less interest capitalised	(151)	-
	1,886	-

(a) 2,000 barrels of oil per day of UK 1999 oil production was hedged at US$13.00 barrel prior to the acquisition of Morrison Middlefield Resources Limited. Sales revenue includes $2,895,000 recognised on part reversal of the liability for the hedging in the acquisition balance sheet.

3 ABNORMAL ITEMS

	1999	1998
Net foreign currency losses (gains)	1,721	(1,098)
Exploration expenditure written off and expensed	-	16,701
Abnormal items before income tax expense	**1,721**	**15,603**
The income tax (credit) expense applicable to each abnormal item was:		
Net foreign currency losses (gains)	(63)	-
Exploration expenditure written off and expensed	-	-
	(63)	-

4 EARNINGS PER SHARE

	Consolidated 1999
Basic earnings per share (cents per share)	(10.0)
Diluted earnings per share (cents per share)	refer note (a)
Weighted average number of ordinary shares used in the calculation of basic earnings per share (refer note (b) below)	59,806,988

(a) Diluted earnings per share has not been disclosed, as the amount does not reflect a less favourable result than basic earnings per share.

(b) Weighted average number of ordinary shares on issue prior to 2 June 1999 has been adjusted to reflect the 10 for 1 split in fully paid ordinary shares on 2 June 1999.

5 DIVIDENDS

No dividends have been paid or declared since the prior financial year and no dividends have been recommended by the Directors in respect of the financial year ended 31 December 1999.

6 SEGMENT INFORMATION

(i) Industry segments

The consolidated entity operates predominantly in one industry, namely exploration, evaluation, development and production of hydrocarbons.

(ii) Geographic segments

	Sales Revenue (1)		Segment Revenue		Result (3)		Total Assets	
Geographic segments	1999 $'000	1998 $'000	1999 $'000	1998 $'000	1999 $'000	1998 $'000	1999 $'000	1998 $'000
United Kingdom	15,236	-	16,482	-	1,888	-	238,459	-
Australia	-	-	1,565	963	(3,596)	(1,022)	25,630	24,407
Middle East/other	-	-	-	-	(1,758)	(658)	-	320
Falkland Islands	-	-	-	-	(127)	(10,410)	-	-
Africa	-	-	-	-	(160)	(411)	3,132	3,098
Mongolia (2)	1,321	128	1,623	145	(1,690)	(5,350)	13,610	9,592
	16,557	128	19,670	1,108	(5,443)	(17,851)	280,831	37,417

Notes:

1 Sales revenue arises from sales outside the consolidated entity.

2 Revenue from sale of test production from wells in Mongolia pending a development decision has been credited to sales revenue, but an amount based on such revenue has been charged to cost of sales and credited against exploration expenditure expensed, so as to record a zero net margin on such production.

3 Operating profit (loss) before income tax expense.

7 DEVELOPMENT EXPENDITURE

	Consolidated 1999 $'000	1998 $'000
Areas in which production has commenced		
Balance at beginning of financial year	-	-
Acquisitions	109,329	-
Expenditure incurred during financial year	17,394	-
Capitalised interest	151	-
Foreign exchange (losses) gains	(1,009)	-
Balance at end of financial year	125,865	-
Accumulated amortisation	(3,186)	-
	122,679	-
Areas in development stage		
Balance at beginning of financial year	-	-
Acquisitions	67,899	-
Expenditure incurred during financial year	908	-
Foreign exchange (losses) gains	(616)	-
Balance at end of financial year	68,191	-
Balance sheet value	**190,870**	**-**

	Consolidated 1999 $'000	1998 $'000

8 EXPLORATION EXPENDITURE

Deferred expenditure in exploration and evaluation stages		
Balance at beginning of financial year	8,580	5,120
Acquisitions	17,286	-
Expenditure incurred during financial year	10,026	22,506
Recoupment	(322)	(3,223)
Expenditure written off	(447)	(15,823)
Foreign exchange (losses) gains	(168)	-
Balance sheet value	**34,955**	**8,580**

9 CONTINGENT LIABILITIES

In accordance with normal industry practice, the consolidated entity has entered into joint venture operations and farm in 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.

10 RELATED PARTY DISCLOSURES – DIRECTORS

(i) Directors' shareholding, interest in shareholder options and employee options have been disclosed separately in the Directors' Report.

(ii) There were no loans to Directors entered into during the financial year and there were no loans to Directors outstanding as at 31 December 1999, except for an advance amount of $15,579 (1998: $39,968) owing by Dr R J P Doran to the Company for the purpose of meeting business expenses incurred in connection with performing services as the Chief Executive Officer. No interest is being charged on the amount.

	Consolidated 1999	1998
Advance repayments received	$47,059	$1,396

(iii) Other transactions of Directors of the Company and director-related entities:

- Mr R A Boyson is a director of Boyson Consulting Pty Ltd. During the period of the financial year Mr R A Boyson was a Director, Boyson Consulting Pty Ltd received $404,000 (1998: $234,000) for consulting services provided to the consolidated entity on normal commercial terms and conditions. For the financial year ended 31 December 1999, Boyson Consulting Pty Ltd received a total of $528,000 (1998: $234,000) for consulting services provided to the consolidated entity on normal commercial terms and conditions.
- The $200,000 due and payable at 31 December 1998 to Boyson Investments Pty Ltd, of which Mr R A Boyson is a director, was paid during the financial year.
- Mr R Dobinson is a director of Technology Structuring Limited which entered into a contract for services with the Company for services provided during the course of the Company's IPO on normal commercial terms and conditions. The amount paid under the contract was $200,000.
- Prior to Mr B C Hung becoming a full time employee on 18 July 1999, Upstream Petroleum Services Pty Ltd, of which he is a director, received $250,672 during the financial year for consulting services provided to the consolidated entity on normal commercial terms and conditions.

11 CONTROLLED ENTITIES ACQUIRED

Morrison Middlefield Resources Limited was acquired on 29 July 1999. The purchase consideration comprised a cash element of $103,103,902 and a deferred purchase consideration element assigned a fair value of $13,245,723. Incidental costs associated with the acquisition were $3,922,216. Assets and liabilities of Morrison Middlefield Resources Limited at acquisition were: cash $2,631,114, development expenditure $177,228,327, exploration expenditure $17,286,477, property, plant and equipment $12,542,583, future income tax benefit $1,401,618, borrowings $70,714,835, deferred income tax liability $1,831,177, provision for abandonment and restoration $8,206,252 and other net liabilities $10,066,014.

The deferred purchase consideration is payable based on the "excess reserves" of the Saltfleetby Gas Field as determined by an independent engineer. The excess reserves are to be determined as at 14 December 2000 and an amount representing the deferred purchase consideration is expected to be paid in the first quarter of 2001.

12 SUBSEQUENT EVENTS

Since the end of the financial year, the following material event has occurred:

- ROC has completed its interpretation of data obtained from the 586 km Michelle Seismic Survey conducted in the offshore Perth Basin permits WA-286-P and TP/15 in October 1999. ROC considers the results to be encouraging. On this basis, ROC has exercised its option to acquire a 45% interest in WA-286-P by paying 60% of the cost of a well, for which there is a government commitment to drill in 2000 and which the joint venture is scheduling to drill during the second half of 2000.

SHAREHOLDER INFORMATION

1 ORDINARY SHARE CAPITAL

As at 24 February 2000, the Company had on issue 105,994,060 fully paid ordinary shares held by 6,529 shareholders.

All issued fully paid ordinary shares carry one vote per share.

2 OPTIONS

As at 24 February 2000, the Company had the following options on issue:

- 3,049,910 employee options held by 35 optionholders; and
- 7,698,830 shareholder options held by 46 optionholders.

3 DISTRIBUTION OF SHAREHOLDINGS AS AT 24 FEBRUARY 2000

Holding	Shareholders
1 - 1,000	2,477
1,001 - 5,000	2,655
5,001 - 10,000	778
10,001 - 100,000	522
Over 100,000	97
Total	6,529
Holding less than a marketable parcel	416

4 RESTRICTED SECURITIES AS AT 24 FEBRUARY 2000

- 8,636,500 fully paid ordinary shares
- 7,698,830 shareholder options
- 524,910 employee options

The above “Restricted Securities” cease to be “Restricted Securities” on 5 August 2001.

5 SUBSTANTIAL SHAREHOLDERS AS AT 24 FEBRUARY 2000

The following shareholders have advised that they are a substantial shareholder:

Shareholder	Number Held (Fully Paid Ordinary Shares)	% of Class Held
Colonial Limited	16,569,149	15.63
Macquarie Bank Limited	5,830,000	5.50
N M Rothschild Australia Holdings Pty Limited	5,598,788	5.28
AMP Limited	5,564,841	5.25

6 TWENTY LARGEST SHAREHOLDERS AS AT 24 FEBRUARY 2000

Shareholder	Number Held	%	Rank
Chase Manhattan Nominees Limited	7,587,122	7.16	1
Citicorp Nominees Pty Limited	6,743,465	6.36	2
Permanent Trustee Australia Limited	4,902,159	4.62	3
National Nominees Limited	4,760,946	4.49	4
Darcy Petroleum Pty Limited (Celtic Energy Pty Ltd A/C) *	4,685,010	4.42	5
Wolverine Global Energy LLC	3,125,380	2.95	6
HE Sheikh Hamad Bin Jassim Bin Jabor Al-Thani	2,600,000	2.45	7
Perpetual Trustees Nominees Limited	2,472,825	2.33	8
GIO Personal Investment Services Limited	2,419,440	2.28	9
AMP Life Limited	2,255,301	2.13	10
Cargill Financial Markets plc	2,190,510	2.07	11
Westpac Custodian Nominees Limited	1,675,213	1.58	12
Queensland Investment Corporation	1,591,000	1.50	13
Gulf Canada Resources Limited	1,454,140	1.37	14
The National Mutual Life Association of Australasia Limited	1,429,810	1.35	15
LGSS Pty Limited	1,214,898	1.15	16
Mango Bay Enterprises Inc.	950,000	0.90	17
Suncorp Life & Superannuation Limited	949,200	0.90	18
Macquarie Life Limited	765,170	0.72	19
Espasia Pty Ltd	759,092	0.72	20
Top 20 Subtotal	**54,530,681**	**51.45**	

* Celtic Energy Pty Ltd’s fully paid ordinary shares are held in trust by Darcy Petroleum Pty Limited. Dr R J P Doran is a director of both Celtic Energy Pty Ltd and Darcy Petroleum Pty Limited. Dr R J P Doran’s total shareholding in ROC of 4,763,960 fully paid ordinary shares is disclosed in the Directors’ Report.

ROC PERMIT SUMMARY AS OF 1 MARCH 2000

ROC OIL COMPANY ("ROC") – EXPLORATION ASSETS OUTSIDE OF THE UNITED KINGDOM

LISTING OF PROPERTIES

Country	Block	Gross Area (acres)	ROC Interest (%)	Agreement Type
Australia	WA-286-P	3,583,022	45	Exploration
	TP/15	298,255	–	Option to acquire (1)
Morocco	Foum Draa Maritime	1,482,632	100	Reconnaissance Licence (2)
Mongolia	93 PSC (Onshore)	5,230,233	100	Production Sharing Contract
	97 PSC (Onshore)	1,306,199	100	Production Sharing Contract
	Block XV (Onshore)	3,732,527	100	Production Sharing Contract
	Block X(N) (Onshore) (3)	5,737,293	100	Production Sharing Contract
	Total Mongolia	16,006,252	100	
Senegal	Offshore PSC	2,023,048	92.5	Production Sharing Contract
Total		**23,393,209**		

Note: 1 Option to acquire between 10-20% at 2:1 promote
2 Application to renew licence for four month period until 31 July 2000
3 Subject to Government approval, Block X (North) may be exchanged for Block XII

UK ONSHORE – ALL OPERATED BY ROC (UK)

Licence	ROC Working Interest (%)	Gross Area (sq km)	ROC Net Area (sq km)
AL 009	100.0	8.75	8.75
EXL 226	77.0	31.75	24.45
EXL 251	97.5	265.22	258.60
EXL 252	97.5	166.00	161.85
EXL 255	97.5	100.00	97.50
PEDL 002	100.0	483.65	483.65
PEDL 003	100.0	344.50	344.50
PEDL 004	100.0	209.49	209.49
PEDL 005	100.0	769.61	769.61
PEDL 006	100.0	239.52	239.52
PEDL 022	100.0	94.70	94.70
PEDL 028	100.0	400.00	400.00
PEDL 029	100.0	500.00	500.00
PEDL 030	100.0	407.10	407.10
PEDL 031	100.0	353.29	353.29
PEDL 032	100.0	339.26	339.26
PEDL 033	100.0	490.00	490.00
PL 179b	100.0	103.50	103.50
PL 199a	77.0	8.00	3.08 (1)
PL 256	100.0	15.00	15.00
PL215a	77.0	9.11	4.95 (1)
Total		**5,338.45**	**5,308.80**

Note: 1 Some parts of the gross areas are excluded from the net areas.

UK NORTH SEA

Licence	ROC Working Interest (%)	Gross Area (sq km)	ROC Net Area (sq km)	Operator
P249 (Blk 14/19)	0.4605	62.00	0.29	Elf
P735 (Blk 15/25c)	1.2500	4.80	0.06	Talisman
P748 (Blk 29/2c)	12.5000	56.30	7.04	Ranger
P354 (Blk 22/2a)	17.7500	29.30	5.20	Premier
P317 (Blk 20/2a)	14.2810	73.00	10.42	Petrobras
P273 (Blk 20/3a)	4.1667	73.00	3.04	Amoco
P272 (Blk 20/7a)	12.4020	20.00	2.48	Amoco
P111 (Blk 30/3a) (1)	15.2446	46.60	7.10	Petrobras
P219 (Blk 16/13a)	15.0000	65.20	9.78	Petrobras
P614 (Blk 47/14b)	5.0000	49.20	2.46	Amerada Hess
P755 (Blk 30/22b)	1.1250	115.00	1.29	Kerr McGee
P026 (Blk 49/7a)	3.0000	123.00	3.69	Wintershall UK
P899 (Blk 49/6b)	3.0000	159.10	4.77	Wintershall UK

Note: 1 Excludes pre Tertiary sequences

Total		**876.50**	**57.62**	
ORRI & NPI BLOCKS				
P240 (Blk 14/30a)	0.2114% ORRI	71.60		
P240 (Blk 16/22)	1.057% NPI	217.99		

STATEMENT AND CONSENT REGARDING HYDROCARBON RESERVES REFERRED TO IN THIS REPORT

The evaluation of Roc Oil Company Limited's onshore United Kingdom hydrocarbon reserves for this Annual Report was performed by RDS Resource Limited ("RDS"), an independent international energy consultancy based in Aberdeen, Scotland and is based on and accurately reflects information compiled by or under the supervision of Mr Russ M Gilbert of RDS. Mr Gilbert is a Member of the Society of Petroleum Engineers and has 17 years of various petroleum engineering experience. Mr Gilbert has the appropriate qualifications to be considered as an expert under the VALMIN code of the Australian Institute of Mining and Metallurgy. RDS is accredited by the London Stock Exchange as having competent persons available to perform independent valuations.

The evaluation of Roc Oil Company Limited's offshore United Kingdom (North Sea) hydrocarbon reserves for this Annual Report was performed by Adams Pearson Associates Inc. ("APA") and is based on and accurately reflects information compiled under the supervision of Mr Hank Baird.

The actual work was performed by Mr Hank Baird. Mr Baird is a Petroleum Engineer employed by APA. He attended the University of Alberta and graduated with a Bachelor of Science Degree Geology (Honours 1973) and a Master of Science Degree Petroleum Engineering in 1978. Mr Baird is a registered Professional Engineer and Professional Geologist in the Province of Alberta, Canada. Mr Baird has in excess of 23 years experience in petroleum engineering studies relating to Canadian and international oil and gas properties. APA has considerable experience in the valuation of both producing and undeveloped reserves.

Each of RDS and APA and Messrs R M Gilbert and H Baird have consented to the inclusion in this Annual Report of the hydrocarbon reserves evaluations based on the information compiled by them in the form and context in which they appear.

GLOSSARY AND DEFINITIONS

APA
Adams Pearson Associates Inc., is a firm of independent engineering consultants, based in Calgary, Canada.

ASX
Australian Stock Exchange Limited (ACN 008 624 691).

bbls
Barrel of oil inclusive of NGLs.

bcf
1,000,000,000 cubic feet of natural gas.

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.

FPSO
Floating production storage and off-loading facilities.

km
Kilometre.

m
Metre.

mbbl
One thousand barrels.

mmbbl
One million barrels.

MMBO
One million barrels of oil.

MMBOE
One million barrels of oil equivalent.

MMSCFD
One million standard cubic feet of natural gas per day.

NGLs
Natural gas liquids.

NPI
Net Profit Interest.

ORRI
Overriding Royalty Interest.

Probable Reserves
Probable reserves are less certain than proved reserves and can be estimated with a degree of certainty sufficient to indicate they are more likely to be recovered than not. Note that probable reserves have not been risked.

Proved Reserves
Proved reserves can be estimated with reasonable certainty to be recoverable under current economic conditions. Current economic conditions include prices and costs prevailing at the time of the estimate. Proved reserves may be developed or undeveloped.

PSC(s)
Production sharing contract(s).

RDS
RDS Resources Limited is an independent international energy consultancy based in Aberdeen, UK.

Sq km
Square kilometre, equal to 247.1 acres.

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