29 August 2003

ROC OIL COMPANY LIMITED ("ROC")
RELEASE TO
AUSTRALIAN STOCK EXCHANGE ("ASX")

SUMMARY OF ROC'S FINANCIAL RESULTS FOR FIRST HALF 2003 ("1H03")

SUMMARY

The half year was characterised by robust operating results, real progress on potential new field developments and a consolidation of interests in core areas. Strong UK gas prices, low operating costs and continuing good performance from the Saltfleetby Gas Field, generated $31.9 million sales revenue; $23.2 million cash flow from operating activities and a $17.3 million trading profit; respectively up 19%, 21% and 42% on the corresponding period last year. An after tax profit of $0.9 million represents a $6.7 million turnaround on the same period last year and was achieved despite the adverse impact of net foreign currency losses of $3.7 million and exploration expenditure expensed and written off of $4.4 million. The adjusted profit after income tax expense was $6.5 million; up $4.2 million (182%) on the corresponding period last year.

The detailed technical review which followed the successful 1Q03 appraisal drilling at the Cliff Head Oil Field, offshore, Western Australia, triggered a call for bids for Front End Engineering and Design work during August 2003. Interpretation of 3D seismic in the Beibu Gulf, offshore China, provided positive results which led to a commitment to drill at least two and perhaps as many as four wells during 4Q03. Portfolio interests were increased in core areas onshore Angola and in the Perth Basin, Western Australia.

HIGHLIGHTS

$23.2 million cash flow from operating activities

$23.2 million cash flow from operating activities; up $4.1 million (21%) from the $19.2 million comparable cash flow for the corresponding period last year.

$71.2 million cash assets

ROC holds $71.2 million in cash assets as at 30 June 2003; down $16.3 million (19%) from $87.5 million in cash assets as at 30 June 2002, largely as a result of debt reduction. This cash is unencumbered, because the Company's borrowings are effectively secured against the Saltfleetby Gas Field, with almost 90 BCF of proved and probable initial recoverable gas reserves, which leaves the Company well positioned ahead of development planning for its recent discoveries.

Modest debt level further reduced to US$17.3 million

ROC's already modest debt level continues to be reduced, with external borrowings of US$17.3 million as at 30 June 2003; a US$9.5 million (35%) reduction on the US$26.8 million in borrowings as at 30 June 2002.

The Saltfleetby Gas Field continues to perform strongly

The Saltfleetby Gas Field, onshore UK, continues to perform strongly. At 30 June 2003, the field, with almost 90 BCF proved and probable initial recoverable gas reserves, had produced 44.1 BCF of those reserves during the first 42 months of production.

$28.33/BOE before tax cash margin on Saltfleetby production, equivalent to 82% of Saltfleetby sales revenue	1H03 cash operating costs averaged $6.22/BOE on average sales price of $34.55/BOE, representing a cash margin of $28.33/BOE or 82% of field sales revenue. Satlfleetby's realised gas price of $5.85/MCF compares very well with typical Australian, year round, gas sales prices of between $2.00/MCF and $3.00/MCF.
Trading profit $17.3 million	$17.3 million trading profit; up $5.1 million (42%) from $12.2 million for the corresponding period last year.
$4.6 million profit before tax	$4.6 million profit before tax; down $0.4 million (8%) from the comparable $5.0 million figure for the corresponding period last year.
$0.9 million after tax profit	$0.9 million after tax profit; up $6.7 million on the $5.8 million after tax loss for the corresponding period last year.
$6.5 million adjusted profit after income tax expense	$6.5 million adjusted profit after income tax expense, adjusted for net foreign currency losses, exploration expenditure expensed and written off, and release of income tax and deferred tax provisions no longer required; up $4.2 million (182%) on the corresponding period last year.
$31.9 million sales revenue	Sales revenue of $31.9 million; up $5.1 million (19%) from the $26.8 million comparable revenue for the corresponding period last year.
0.9 MMBOE production	Production of 0.9 million barrels of oil equivalent (MMBOE), corresponding to 5,213 BOEPD, of which over 90% was gas, marginally up from the corresponding period last year. This result is mainly due to continuing strong production from the Saltfleetby Gas Field.
$13.1 million EBITDA	$13.1 million EBITDA; down $1.0 million (7%) from the $14.1 million comparable EBITDA for the corresponding period last year.

CEO'S COMMENTS

Commenting on the results, ROC's Chief Executive Officer, Dr John Doran, stated:

> *"ROC's financial result speaks for itself.*
>
> *If cash is king, ROC had a very good first half. If the crucial ingredient for achieving a good result is having several potential new field developments in the pipeline, ROC certainly had a very good half year.*
>
> *Operations at the Saltfleetby Gas Field in the UK continue to be low key, low cost and high cash margin. According to ROC's calculations, if the Company was to achieve a similar cash flow from operations in Australia, even with similar low operating costs, it would need to produce more than 80 MMSCFD.*
>
> *During 2H03 ROC expects to focus increasingly on the best way of financing its three potential development projects without curtailing its high activity level in other areas. Any small company in this position – with three potential new field developments all moving forward essentially in the same time frame – would be optimistic about its future production profile. ROC, however, realises the importance of ensuring that the most appropriate financial structure is in place ahead of major development costs being incurred. Fortunately, all three potential developments are expected to be project financeable because of their nature and location.*

ROC is starting out on its journey towards new field production from a very sound financial base evidenced by its relatively strong cash position, good operating cash flow and a balance sheet which is under leveraged. While factors such as these do not remove the challenge of achieving the appropriate funding, they certainly make the process much more manageable."

Dr John Doran
Chief Executive Officer

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Directors' Report and Financial Report for the Financial Half Year Ended 30 June 2003

ROC OIL COMPANY LIMITED

ABN 32 075 965 856

DIRECTORS' REPORT

The Directors of Roc Oil Company Limited ("ROC" or the "Company") have pleasure in submitting the financial report and Directors' Report for the financial half year ended 30 June 2003. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

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

Mr Andrew J Love (Non-Executive Director, Chairman)

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

Dr R John P Doran (Executive Director and Chief Executive Officer)

Mr Richard J Burgess (Non-Executive Director)

Mr Ross Dobinson (Non-Executive Director)

Mr Sidney J Jansma Jr (Non-Executive Director)

Mr Adam C Jolliffe (Non-Executive Director).

All directors held office for the whole financial half year.

Review and Results of Operations

The principal activities of the consolidated entity during the financial half year were oil and gas exploration, development and production.

A review of the consolidated entity's operations during the financial half year and the results of those operations are included in the half year financial report on pages 2 to 4.

Rounding

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

This Directors' Report is made in accordance with a resolution of the Board of Directors made on 28 August 2003.

On behalf of the Directors:

Mr A J Love
Chairman

Sydney, 28 August 2003

DISCUSSION AND ANALYSIS OF FINANCIAL STATEMENTS

This discussion and analysis is provided to assist readers in understanding the half year financial report.

Key Points

The consolidated entity recorded a net profit after income tax expense of $0.9 million (compared with a net loss after income tax expense of $5.8 million for the corresponding prior financial half year). The result included net foreign currency losses of $3.7 million, exploration expenditure expensed and written off of $4.4 million and income tax expense of $3.7 million on a profit before tax of $4.6 million.

At 30 June 2003, the consolidated entity was in a sound financial position with net cash assets of $45.3 million, after accounting for cash assets of $71.2 million and interest bearing liabilities of $25.9 million.

Importantly, the $23.2 million cash flow from operating activities for the financial half year represented an increase of 21% over the corresponding prior financial half year and continues to provide a strong funding source for the Company's exploration and development activities.

Sales revenue for the financial half year was $31.9 million, with the majority received from Saltfleetby Gas Field gas and condensate sales. Sales revenue was up from $26.8 million in the corresponding prior financial half year as a result of higher gas prices from the Saltfleetby Gas Field.

Total production for the financial half year was 943,523 BOE (5,213 BOEPD). Gas production from the Saltfleetby Gas Field was 5.1 BCF of gas or 28.3 MMSCFD, in line with the prior corresponding financial half year production of 5.1 BCF (28.2 MMSCFD). The average price received from gas sales from Saltfleetby (including hedging) was $5.85 per MCF compared with $4.75 per MCF in the corresponding prior financial half year. During the financial half year, approximately 37% of gas was sold under the contract with Innogy plc ("Innogy"), with the remainder sold to Innogy under spot and forward block contracts. During the financial half year, the contract sales price for Saltfleetby gas was renegotiated with Innogy and the new gas price agreed for the year from 1 October 2003 to 30 September 2004 represented an increase of approximately 5% on the existing contract gas.

Gas production from the field remains strong during the third quarter of 2003, with production capacity at approximately 25 MMSCFD.

During the financial half year, ROC participated in the drilling of five exploration and appraisal wells in the Perth Basin, offshore Western Australia. Two successful appraisal wells were drilled on the Cliff Head Oil Field (ROC: 30%) with one of the wells undergoing a production test and both wells being cored through the main part of the reservoir interval. The CH-3-ch1 appraisal well flowed oil at stabilised rates up to 3,000 BOPD, constrained by surface facilities, during a production test conducted via a down hole electric submersible pump. This was the first flow of oil to surface in the offshore Perth Basin and represents a significant step in the field's journey towards commerciality. The unsuccessful exploration wells were drilled on the Twin Lions-1 prospect (ROC: 20%), Mentelle-1 prospect (ROC: 30%) and Vindara-1 prospect (ROC: 30%).

Also during the financial half year, ROC acquired ARC Energy NL's ("ARC") 7.5% interest in WA-286-P, which contains the Cliff Head Oil Field. The consideration to be paid by ROC consists of an initial payment of $9.0 million cash and additional payments up to a maximum of $3.75 million, subject to certain 2P reserve levels being achieved. The effective date of the agreement was 1 April 2003 and the transaction was completed on 4 July 2003. Following completion, ROC has a 37.5% interest in WA-286-P.

In the UK, the consolidated entity participated in the drilling of the UK North Sea Block 20/7a exploration well (Squirrel prospect), which was unsuccessful.

Consolidated Statement of Financial Performance

The consolidated entity recorded a net profit after income tax expense of $0.9 million for the financial half year, from a trading profit of $17.3 million, a profit before tax of $4.6 million and income tax expense of $3.7 million.

The trading profit of $17.3 million was achieved from sales revenue of $31.9 million. Operating costs totalled $14.6 million for the financial half year, comprising production costs of $6.0 million and amortisation and restoration expenses of $8.6 million.

A summary of the key items contributing to the result is provided as follows:

	30 June 2003 $ million	30 June 2002 $ million
Sales revenue	31.9	26.8
Trading profit	17.3	12.2
Sundry income	0.3	0.2
Net interest income/(expense)	0.5	(0.2)
Net foreign currency losses	(3.5)	(1.4)
Exploration expenditure expensed	(4.7)	(0.2)
Exploration expenditure written off	(0.3)	–
Profit (loss) on sale of non-core UK assets	0.3	(0.3)
Other (including administration costs and other provisions)	(5.3)	(5.3)
Profit before Income Tax Expense	4.6	5.0
Income tax expense	(6.2)	(4.9)
Provision for income tax no longer required	1.5	0.5
Provision for deferred income tax no longer required	1.0	–
Restatement of UK deferred income tax liability	–	(4.7)
Additional capital gains tax on non-core UK asset sales	–	(1.7)
Total Income Tax Expense	(3.7)	(10.8)
Net Profit (Loss) after Income Tax Expense	0.9	(5.8)

Consolidated Statement of Financial Performance *(continued)*

A net foreign currency loss before income tax expense of $3.5 million was recorded, which was primarily attributable to net foreign currency losses of $4.4 million on foreign currency cash assets, receivables and payables; partially offset by a foreign currency gain of $0.9 million on the revaluation of the US$ syndicated bank loan in the UK resulting from the favourable movement in the British pound against the United States dollar (from £1:US$1.6031 as at 31 December 2002 to £1:US$1.6528 as at 30 June 2003).

Exploration expenditure expensed primarily related to expenditure incurred during 2003 on unsuccessful exploration wells drilled in the UK ($1.1 million) and the Perth Basin ($3.2 million).

Income tax expense relates exclusively to income tax on UK operations. Whilst the trading profit generated in the UK is subject to UK income tax (30% UK Corporation Tax plus the supplementary tax of 10% on UK oil company profits), the majority of other costs, provisions and write offs included in the statement of financial performance are not immediately tax deductible as they were incurred in, or relate to, jurisdictions other than the UK, where the consolidated entity has no income against which to offset the expenditure.

Provisions for income tax and deferred tax totalling $2.5 million were released during the financial half year. These provisions were originally made in relation to the disposal of non-core UK assets. Following finalisation of relevant income tax returns these provisions are no longer required.

The profit after income tax expense of $0.9 million was impacted by a number of one-off items which were recorded during the financial half year. Following is a calculation of an adjusted profit after income tax expense, after removing the effect of these one-off items.

	30 June 2003 $ million	30 June 2002 $ million
Net Profit (Loss) after Income Tax Expense	0.9	(5.8)
Adjusted for after tax effect of:		
Net foreign currency losses	3.7	2.0
Exploration expenditure expensed and written off	4.4	0.2
Provision for income tax no longer required	(1.5)	(0.5)
Provision for deferred income tax no longer required	(1.0)	–
Restatement of UK deferred income tax liability	–	4.7
One-off capital gains tax provision on Kyle and Chestnut asset sales	–	1.7
Adjusted Profit after Income Tax Expense	6.5	2.3

Consolidated Statement of Financial Position

During the financial half year, total assets decreased from $270.9 million to $253.9 million, total liabilities decreased from $89.0 million to $81.4 million and total equity decreased from $181.9 million to $172.5 million. In addition to the changes resulting from production operations, the major net changes in the statement of financial position resulted from development and exploration expenditure, foreign currency movements and the part repayment of the US$ syndicated bank loan in the UK.

ROC acquired an additional 7.5% interest in WA-286-P from ARC for a purchase price of $9.0 million. In addition, ROC acquired a 0.25% interest in EP 413 for $0.2 million. Those purchase prices have been included in exploration expenditure capitalised.

ROC also acquired an additional 15% participating interest and 18.75% working interest in the Cabinda South Block onshore Angola production sharing contract via the acquisition of 100% of the issued and outstanding shares in Baker Hughes NG Limited and its wholly owned controlled entity Lacula Oil Company Limited. The prime consideration was a cash payment of US$125,000 ($188,031). This purchase price was included in exploration expenditure expensed.

Further exploration expenditure of $13.5 million was incurred during the financial half year, with major expenditure in the following areas of interest:

- the United Kingdom ($2.7 million), the consolidated entity participated in the drilling of the UK North Sea Block 20/7a (Squirrel prospect), undertook preparatory work and planning for the second half 2003 multi-well drilling programme and ongoing processing and interpretation of acquired seismic;
- China ($0.3 million), the consolidated entity continued interpretation of 3D seismic acquired during 2003 and proceeded with the evaluation of development concepts for the 12-8 Oil Field in Block 22/12 in the Beibu Gulf, offshore China;
- Mauritania ($0.6 million), primarily the consolidated entity's share of costs associated with preparatory work and planning for the second half 2003 multi-well drilling programme and ongoing processing and interpretation of acquired seismic;
- the Perth Basin offshore Western Australia ($9.2 million), the consolidated entity undertook drilling of the Cliff Head-3 and Cliff Head-4 appraisal wells and Twin Lions-1, Mentelle-1 and Vindara-1 exploration wells. In addition, the consolidated entity began engineering work on development concepts and reservoir evaluation of the Cliff Head Oil Field, as well as completing processing and beginning interpretation of 2D seismic surveys recorded in the previous financial year; and
- Equatorial Guinea ($0.6 million), the consolidated entity completed geophysical studies and commenced drilling planning studies.

Additions to development expenditure of $0.4 million were incurred during the financial half year in the UK. This expenditure relates primarily to development activities at the Saltfleetby Gas Field.

DISCUSSION AND ANALYSIS OF FINANCIAL STATEMENTS

Consolidated Statement of Financial Position *(continued)*

The following production and development areas of interest were capitalised as at 30 June 2003:

	30 June 2003 $ million	31 December 2002 $ million
Saltfleetby	58.8	75.8
Blane	3.6	4.2
Ettrick	2.7	3.2
Enoch	2.5	2.8
J1	1.3	1.5
TOTAL	68.9	87.5

The following exploration areas of interest were capitalised as at 30 June 2003:

	30 June 2003 $ million	31 December 2002 $ million
United Kingdom	33.1	36.4
Perth Basin	22.0	6.8
Equatorial Guinea	21.4	20.9
Mauritania	14.0	13.4
China	6.3	6.0
TOTAL	96.8	83.5

Interest bearing liabilities of $25.9 million as at 30 June 2003 relates to the US$ syndicated bank loan in the UK (US$17.3 million) which is secured against the UK assets.

The market capitalisation of the Company was $125.9 million as at 30 June 2003, based on the financial half year end closing market price of $1.16 per fully paid ordinary share and 108,526,056 fully paid ordinary shares on issue.

Consolidated Statement of Cash Flows

Cash flow from operating activities was $23.2 million. The major cash flows from operating activities included gross receipts from the sale of oil, NGLs and gas in the UK of $39.4 million and payments to suppliers and employees of $12.1 million.

Cash assets decreased by $10.3 million over the financial half year and as at 30 June 2003 the consolidated entity held a cash and short term deposit balance of $71.2 million.

The consolidated entity's cash flow was primarily used to fund exploration and development activities, servicing and repayment of interest bearing liabilities.

Net cash used in investing activities was $19.8 million. The major investments during the financial half year were the payments for plant and equipment ($1.0 million), development expenditure ($0.6 million) and payments for exploration expenditure ($14.4 million).

Net cash used in financing activities was represented by bank loan repayments of $6.4 million (US$3.7 million) during the financial half year.

Financial Ratios

Basic earnings per share for the financial half year were 0.8 cents, based on a weighted average number of fully paid ordinary shares on issue of 108,526,056.

Cash flow from operating activities for the financial half year was $23.2 million, or 21.4 cents per share, up $4.1 million on the prior financial half year.

The debt to equity ratio as at 30 June 2003 was 15%. Based on cash assets of $71.2 million and interest bearing liabilities of $25.9 million, the consolidated entity held net cash assets of $45.3 million as at 30 June 2003.

Hedging

Oil price

As at 30 June 2003, the consolidated entity did not have any oil price hedging in place.

Gas price

The UK subsidiaries of ROC sell gas production from the Saltfleetby Gas Field under a fixed price, take or pay contract with Innogy and as spot and forward market sales into the UK domestic gas market.

The contract with Innogy fixes the contract price for the period to 30 September 2004 and provides the consolidated entity with a gas price hedge over that period. Approximately 37% of the consolidated entity's gas production during the financial half year was sold under the contract at the contract price.

In addition to the Innogy contract, the consolidated entity entered into gas price hedging contracts and forward block contracts for the financial half year for a total volume of 1.6 BCF of gas. The hedging contracts and forward block contracts were settled monthly and receipts under the contracts totalled $626,555 during the financial half year.

The consolidated entity has gas hedging in place at 30 June 2003 covering 0.21 BCF of 2003 gas sales from the Saltfleetby Gas Field.

Foreign exchange

The consolidated entity's foreign exchange hedging strategy is to hedge against specific future commitments and identified cash flow exposures. As at 30 June 2003, the consolidated entity did not have any currency hedge instruments in place.

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INDEPENDENT REVIEW REPORT TO THE MEMBERS OF ROC OIL COMPANY LIMITED

Scope

We have reviewed the financial report of Roc Oil Company Limited for the half year ended 30 June 2003 as set out on pages 6 to 20. The financial report includes the consolidated financial statements of the consolidated entity comprising the disclosing entity and the entities it controlled at the end of the half year or from time to time during the half year. The disclosing entity's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

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

(a) the Corporations Act 2001, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2003 and of its performance for the half year ended on that date; and

  (ii) complying with Accounting Standard AASB1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.

Deloitte Touche Tohmatsu.

DELOITTE TOUCHE TOHMATSU

J Duivenvoorde
Partner
Chartered Accountants

Sydney, 28 August 2003

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

DIRECTORS' DECLARATION

The Directors declare that:

(a) The attached financial statements and notes thereto comply with relevant Australian Accounting Standards;

(b) The attached financial statements and notes thereto give a true and fair view of the financial position and performance of the consolidated entity; and

(c) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This Directors' Declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Directors:

Mr A J Love
Chairman

Sydney, 28 August 2003

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

For the financial half year ended 30 June 2003

	Note	CONSOLIDATED 30 June 2003 $'000	CONSOLIDATED 30 June 2002 $'000
Revenue from Ordinary Activities			
Revenue from operating activities	*2(a)*	33,233	27,744
Revenue from non-operating activities	*2(a)*	287	33,072
		33,520	60,816
Expenses from ordinary activities	*2(b)*	(28,455)	(54,892)
Borrowing costs expensed	*2(c)*	(471)	(953)
Profit from Ordinary Activities before Income Tax Expense		**4,594**	**4,971**
Income tax expense relating to ordinary activities	*3*	(3,683)	(10,766)
Net Profit (Loss) after Income Tax Expense		**911**	**(5,795)**
Decrease in foreign currency translation reserve arising on translation of foreign self-sustaining controlled operations		(10,279)	(5,536)
Total Revenue and Expense Adjustments Attributable to Members of Roc Oil Company Limited and Recognised Directly in Equity		(10,279)	(5,536)
Total Changes in Equity other than Those Resulting from Transactions with Owners as Owners		**(9,368)**	**(11,331)**
Basic earnings per share (cents per share)	*6*	**0.8**	**(5.3)**
Diluted earnings per share (cents per share)	*6*	**0.8**	**(5.3)**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2003

	Note	CONSOLIDATED 30 June 2003 $'000	CONSOLIDATED 31 December 2002 $'000
Current Assets			
Cash assets		71,204	81,538
Inventories		2,143	1,619
Receivables		11,298	11,476
Other financial assets		15	17
Other		655	2,676
Total Current Assets		85,315	97,326
Non-Current Assets			
Development expenditure	*4*	68,890	87,476
Exploration expenditure	*5*	96,787	83,513
Receivables		216	141
Other financial assets		184	295
Inventories		43	50
Property, plant and equipment		2,455	2,103
Total Non-Current Assets		168,575	173,578
Total Assets		253,890	270,904
Current Liabilities			
Payables		18,954	13,284
Interest bearing liabilities		12,457	18,676
Current tax liabilities		10,026	6,082
Provisions		634	567
Total Current Liabilities		42,071	38,609
Non-Current Liabilities			
Interest bearing liabilities		13,451	18,447
Deferred tax liabilities		21,032	26,821
Provisions		4,808	5,131
Total Non-Current Liabilities		39,291	50,399
Total Liabilities		81,362	89,008
Net Assets		**172,528**	**181,896**
Equity			
Contributed equity		201,234	201,234
Accumulated losses		(39,233)	(40,144)
Reserves		10,527	20,806
Total Parent Entity Interest and Total Equity		**172,528**	**181,896**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial half year ended 30 June 2003

	CONSOLIDATED	
	Inflows (Outflows) 30 June 2003 $'000	Inflows (Outflows) 30 June 2002 $'000
Cash Flows from Operating Activities		
Receipts from customers	39,377	38,258
Payments to suppliers and employees	(12,112)	(14,963)
Tariffs and other receipts	43	–
Interest received	1,021	767
Interest paid (net of capitalised amounts)	(364)	(818)
Bank charges	(105)	(114)
Income taxes paid	(1,045)	(1,300)
Other taxes paid	(3,574)	(2,643)
Net cash provided by operating activities	23,241	19,187
Cash Flows from Investing Activities		
Payment for plant and equipment	(1,025)	(155)
Payment for development expenditure	(636)	(5,985)
Payment for exploration expenditure	(14,413)	(15,893)
Payment for development studies	(327)	(210)
Payment for operated joint venture exploration expenditure	(5,636)	(1,114)
Reimbursement from operated joint venture operations	2,646	1,406
Amounts paid to associate company	–	(28)
Amounts received from associate company	–	178
Payment for materials inventory	(282)	–
Proceeds from sale of development assets held for sale	–	22,675
Proceeds on sale of current assets	–	99
Proceeds from sale of non-core onshore UK assets	–	2,750
Proceeds from disposal of other non-current assets	27	–
Payment for security deposits on operating leases	(2)	(69)
Loan to other entities	–	(30)
Payment for unlisted shares	(198)	–
Net cash (used in) provided by investing activities	(19,846)	3,624
Cash Flows from Financing Activities		
Bank loan repayments	(6,401)	(7,098)
Net cash used in financing activities	(6,401)	(7,098)
Net (Decrease) Increase in Cash Held	(3,006)	15,713
Cash at Beginning of Financial Period	81,538	76,123
Effect of exchange rate changes on the balance of cash held in foreign currencies	(7,328)	(4,307)
Cash at End of Financial Period	**71,204**	**87,529**

The accompanying notes form an integral part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2003

Note 1. Statement of Accounting Policies

The principal accounting policies adopted by ROC and its controlled entities are stated below to assist in a general understanding of the half year financial report. The half year financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001 and AASB1029 'Interim Financial Reporting'. The half year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the 2002 Annual Financial Report.

(a) Historical cost

Unless otherwise stated in the notes to the financial statements, 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 ('parent entity') 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 financial 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 goods and services tax ('GST') or value added taxes, in respect of sales to purchasers.

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

(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 statement of financial performance is represented by the tax on accounting 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 financial 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 statement of financial performance in the financial 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 statement of financial performance in the financial period 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 statement of financial position 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.

Note 1. Statement of Accounting Policies

(continued)

(g) Exploration and development expenditure

The consolidated entity adopts the area of interest method whereby all exploration and evaluation expenditure is charged against the statement of financial performance 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 that 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 financial period in which such a decision is made.

Proceeds on sale or farm-out 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 farm-out proceeds is brought to account as non-operating activities 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 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 on a prospective basis.

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.

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

• Plant and equipment	2 – 10 years;
• Motor vehicles under finance leases	2 – 5 years; and
• Leasehold improvements	Term of the respective operating leases.

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.

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 statement of financial performance in equal instalments over the term of the lease.

(i) Oil and gas stock and materials inventory

Oil and gas 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 are carried at cost or, where the Directors believe the carrying amount of an investment is greater than its recoverable amount, then that investment is written down, via a provision, to its recoverable amount.

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

(k) Recoverable amount of non-current assets

The statement of financial position categories of development expenditure, exploration expenditure, receivables, other financial assets, materials inventory, property, plant and equipment and deferred tax asset 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.

Deferred tax assets are carried forward in accordance with AASB1020 'Accounting for Income Tax (Tax-Effect Accounting)' as detailed in Note 1(d) above.

In accordance with AASB1010 'Recoverable Amount 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 and long service leave is provided for when it is probable that settlement will be required and they are capable of being measured reliably. 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 expected to be settled within 12 months, is measured using remuneration levels expected to apply at the time of settlement.

Provision for long service leave which is not expected to be settled within 12 months is measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to balance date.

In accordance with AASB1028 'Employee Benefits', on 1 January 2003 the consolidated entity changed its policy for recognising provision for annual leave. Under the new policy the amount of provision is calculated using the remuneration rate expected to apply at the time of settlement, rather than the remuneration rate that applies at balance date. The effect of this change in accounting policy was to decrease net profit after income tax expense by $24,838.

(m) Provision for restoration

A provision for significant abandonment and restoration is accumulated by charging to the statement of financial performance 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 the restoration of 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 joint venture operations, 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. All other receivables are recorded at amounts due. Receivables are recognised inclusive of applicable GST and value added taxes.

The net amount of GST and value added taxes recoverable from the relevant taxation authority is included as part of receivables.

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 payables are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services, whether or not invoiced. Payables are recognised inclusive of applicable GST and value added taxes.

The net amount of GST and value added taxes payable to the relevant taxation authority is included as part of payables.

(q) Financial instruments included in equity

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

Contributed equity is recorded at the value of consideration paid. The costs of issuing shares are offset against contributed equity.

(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 are included in the statement of cash flows on a gross basis.

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

		CONSOLIDATED	
		30 June 2003 $'000	30 June 2002 $'000

Note 2. Revenue, Expenses and Losses by Function

Profit (loss) from ordinary activities before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance:

		30 June 2003 $'000	30 June 2002 $'000
(a) Revenue from Ordinary Activities			
Revenue from operating activities			
Sales revenue	– Oil	364	783
	– NGLs	2,311	1,913
	– Gas	29,216	24,152
	– EP 413 test oil	8	–
		31,899	26,848
Other revenue		340	106
Interest income: other entities		994	790
Total revenue from operating activities		**33,233**	**27,744**
Revenue from non-operating activities			
Proceeds on sale of development assets held for sale (refer Note 2(e))		261	32,973
Proceeds on sale of current assets		–	99
Proceeds on disposal of other non-current assets		26	–
Total revenue from non-operating activities		**287**	**33,072**
Total Revenue from Ordinary Activities		**33,520**	**60,816**
(b) Expenses			
Operating costs (Cost of sales)			
Production costs		6,049	6,098
Amortisation expense		8,473	8,518
Restoration expense		61	23
EP 413 test oil production costs (refer (i) below)		8	–
Total operating costs		14,591	14,639
Depreciation of non-current assets			
Plant and equipment		464	376
Leasehold improvements		7	3
Motor vehicles under finance lease		5	9
Total depreciation of non-current assets		476	388

Note:

(i) Revenue from sale of test oil production from the well in EP 413 pending a development decision had been credited to sales revenue and an amount based on such revenue had been charged to cost of sales and credited against exploration expenditure expensed, so as to record a zero net margin on such production.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2003

	CONSOLIDATED	
	30 June 2003 $'000	30 June 2002 $'000
Note 2. Revenue, Expenses and Losses by Function *(continued)*		
(b) Expenses *(continued)*		
Exploration expenditure expensed		
Australia	3,374	–
United Kingdom	1,195	46
Other	149	165
Transfer of test oil sales revenue to exploration expenditure expensed (refer (i) above)	(8)	–
Total exploration expenditure expensed	4,710	211
Exploration expenditure written off		
United Kingdom	306	–
Total exploration expenditure written off	306	–
Operating lease rental expenses	321	286
Transfer to provision: employee entitlements	292	66
Cost of development assets sold and associated transaction costs (refer Note 2(e))	–	33,300
Provision for write down on shares in unlisted entity to recoverable amount	72	–
Net foreign currency losses (refer Note 2(d))	3,479	1,365
General and administrative costs	4,208	4,637
Total Expenses from Ordinary Activities	**28,455**	**54,892**
(c) Borrowing Costs Expensed		
Interest expense – on bank loan	369	798
Other borrowing costs	102	155
Total borrowing costs expensed	**471**	**953**
(d) Gains (Losses)		
Net foreign currency gains (losses)		
US$ syndicated bank loan in the UK	879	2,362
Other (including cash and short term deposits)	(4,358)	(3,727)
Total net foreign currency losses	**(3,479)**	**(1,365)**
Profit (loss) on sale of development assets held for sale (refer Note 2(e))	261	(327)
Net profit (loss) on disposal of other non-current assets	17	–
Net profit (loss) on sale of current assets	–	52
(e) Significant Items		
Sale of development assets held for sale (refer (i) below)		
Proceeds on sale	261	32,973
Cost of development assets sold	–	(32,133)
Associated transaction costs	–	(1,167)
Profit (loss) on sale of development assets held for sale	**261**	**(327)**

Note 2. Revenue, Expenses and Losses by Function *(continued)*

Notes:

(i) During the early part of the 2002 financial year, Roc Oil (UK) Limited entered into agreements with third parties to sell its interests in two development assets: its 12.5% interest in the Kyle Oil and Gas Field and its 14.875% interest in the Chestnut Oil Field. The sales were effective 1 January 2002 and the consideration for the sales totalled $32,973,280. As part of the review of the carrying value of development assets at 31 December 2001, the Directors decided to write down the carrying value of these two development assets to their net realisable value based on these sale agreements.

(f) Revision of Accounting Estimates

During the financial half year, the proved and probable reserves estimate for the Saltfleetby Gas Field remained the same but the forecast future capital expenditure necessary to develop the proved and probable reserves was revised upwards. The net financial effect of these revisions was to increase consolidated amortisation expense in the financial half year by $7,550 or $0.01 per BOE from the original estimate of $8,463,947 or $9.08 per BOE.

Assuming the Saltfleetby Gas Field production asset is held until the end of its estimated economic life, on a unit-of-production basis amortisation expense in future financial periods will be $9.09 per BOE.

During the prior financial half year, the proved and probable reserves estimate for the Saltfleetby Gas Field remained the same but the forecast future capital expenditure necessary to develop the proved and probable reserves was revised upwards. The net financial effect of this revision was to increase consolidated amortisation expense in the prior financial half year by $656,138 or $0.69 BOE from the original estimate of $7,835,769 or $8.42 per BOE.

	CONSOLIDATED	
	30 June 2003 $'000	30 June 2002 $'000
Note 3. Income Tax Expense		
The prima facie income tax expense on pre-tax accounting profit reconciles to income tax expense in the financial statements as follows:		
Profit from ordinary activities	4,594	4,971
Prima facie income tax expense calculated as 30% of profit from ordinary activities	1,378	1,491
Tax effect of permanent and other differences		
Non-deductible expenses	54	37
Non-deductible amortisation	366	395
Overseas tax rate differential	1,545	1,152
Capital gains tax on sale of UK North Sea assets	–	1,737
Provision for income tax no longer required	(1,503)	(473)
Provision for deferred income tax no longer required	(976)	–
Adjustment to deferred tax liability for tax rate change (UK supplementary tax)	–	4,672
Other	(307)	(149)
Quarantined expenditure	(77)	89
Timing differences and tax losses not brought to account as a future income tax benefit	3,203	1,815
Income tax expense relating to ordinary activities	**3,683**	**10,766**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2003

	CONSOLIDATED 30 June 2003 $'000	CONSOLIDATED 31 December 2002 $'000
Note 4. Development Expenditure		
Areas in which production has commenced		
Balance at beginning of financial period	113,801	111,429
Expenditure incurred	568	3,098
Net foreign exchange losses arising on translation of foreign self-sustaining controlled operations	(9,062)	(726)
	105,307	113,801
Accumulated amortisation	(46,543)	(38,046)
	58,764	75,755
Areas in development stage		
Balance at beginning of financial period	11,721	15,435
Expenditure incurred	(130)	1,411
Provision for write down to recoverable amount (refer note (a))	–	(5,080)
Net foreign exchange losses arising on translation of foreign self-sustaining controlled operations	(1,465)	(45)
	10,126	11,721
Balance at end of financial period	**68,890**	**87,476**

Note:

(a) A provision for a write down of $5,080,020 in the carrying value of ROC's UK North Sea development assets as at 31 December 2002, to the recoverable amount of the assets, has previously been made by the Directors. The recoverable amount used represented an offer to acquire the assets, received by ROC during the 2002 financial half year, which was not accepted by the Company. The Directors considered that the provision for write down to recoverable amount was appropriate, given the status of development activities on these assets as at 31 December 2002.

	CONSOLIDATED 30 June 2003 $'000	CONSOLIDATED 31 December 2002 $'000
Note 5. Exploration Expenditure		
Deferred expenditure in exploration and evaluation stages		
Balance at beginning of financial period	83,513	66,946
Acquisitions	9,342	–
Expenditure incurred	8,876	27,692
Expenditure written off	(306)	(11,440)
Net foreign exchange (losses) gains arising on translation of foreign self-sustaining controlled operations	(4,638)	315
Balance at end of financial period	**96,787**	**83,513**

	CONSOLIDATED	
	30 June 2003	30 June 2002
Note 6. Earnings Per Share		
Basic earnings per share (cents per share)	0.8	(5.3)
Diluted earnings per share (cents per share)	0.8	(5.3)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	108,526,056	108,526,056
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	refer note (a)	refer note (b)

Note:

(a) No options are potential ordinary shares as they have an exercise price in excess of market value.

(b) As at 30 June 2002 there were 1,782,000 options that were potential ordinary shares which were not dilutive and therefore not used in the calculation of diluted earnings per share. Additionally, all other options as at 30 June 2002 were not potential ordinary shares as they had an exercise price in excess of market value.

Note 7. Segment Information

Primary Reporting – Geographical Segments

The consolidated entity's risks and returns are affected predominantly by differences in the geographical areas in which it operates: therefore, geographical segments is considered its primary reporting format.

Secondary Reporting – Business Segments

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

Segment Accounting Policies

Segment accounting policies are the same as the consolidated entity's policies.

Composition of Each Geographical Segment

East Asia comprises areas of interest in China (30 June 2002: China and Mongolia).

West Africa comprises areas of interest in Equatorial Guinea, Mauritania and Angola (30 June 2002: Equatorial Guinea, Mauritania, Angola and Senegal).

Segment Revenue	United Kingdom $'000	Australia $'000	East Asia $'000	West Africa $'000	Unallocated $'000	Total $'000
30 June 2003						
Sales to customers outside the consolidated entity	31,891	8	–	–	–	31,899
Other revenue from entities outside the consolidated entity	261	271	40	17	1,032	1,621
Total segment revenue	**32,152**	**279**	**40**	**17**	**1,032**	**33,520**
30 June 2002						
Sales to customers outside the consolidated entity	26,848	–	–	–	–	26,848
Other revenue from entities outside the consolidated entity	32,973	38	15	53	889	33,968
Total segment revenue	**59,821**	**38**	**15**	**53**	**889**	**60,816**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2003

Note 7. Segment Information *(continued)*

Segment Results	United Kingdom $'000	Australia $'000	East Asia $'000	West Africa $'000	Unallocated $'000	Total $'000
30 June 2003						
Segment Results	16,032	(3,364)	247	(357)	–	12,558
Interest income	–	–	–	–	994	994
Borrowing costs expensed	–	–	–	–	(471)	(471)
Net foreign currency (losses) gains	–	–	–	–	(3,479)	(3,479)
Other expenditure (including general and administrative costs)	–	–	–	–	(5,008)	(5,008)
Consolidated entity profit (loss) from ordinary activities before income tax expense	**16,032**	**(3,364)**	**247**	**(357)**	**(7,964)**	**4,594**
Income tax expense	–	–	–	–	(3,683)	(3,683)
Consolidated entity profit (loss) from ordinary activities after income tax expense	**16,032**	**(3,364)**	**247**	**(357)**	**(11,647)**	**911**
Extraordinary items	–	–	–	–	–	–
Net profit (loss)	**16,032**	**(3,364)**	**247**	**(357)**	**(11,647)**	**911**
30 June 2002						
Segment Results	12,144	(808)	(137)	(1)	–	11,198
Interest income	–	–	–	–	790	790
Borrowing costs expensed	–	–	–	–	(953)	(953)
Net foreign currency (losses) gains	–	–	–	–	(1,365)	(1,365)
Other expenditure (including general and administrative costs)	–	–	–	–	(4,699)	(4,699)
Consolidated entity profit (loss) from ordinary activities before income tax expense	12,144	(808)	(137)	(1)	(6,227)	4,971
Income tax expense	–	–	–	–	(10,766)	(10,766)
Consolidated entity (loss) profit from ordinary activities after income tax expense	12,144	(808)	(137)	(1)	(16,993)	(5,795)
Extraordinary items	–	–	–	–	–	–
Net (loss) profit	**12,144**	**(808)**	**(137)**	**(1)**	**(16,993)**	**(5,795)**

Note 8. Changes in the Composition of the Consolidated Entity

On 5 June 2003, Roc Oil (Cabinda) Company acquired 100% of the issued and outstanding shares in Baker Hughes NG Limited and its wholly owned controlled entity Lacula Oil Company Limited. The acquisition was settled on 18 August 2003. The prime consideration was a cash payment of US$125,000 ($188,031).

	CONSOLIDATED	
	30 June 2003 $'000	31 December 2002 $'000
Note 9. Contingent Liabilities		
Under the terms of the Cabinda South Block production sharing contract to which Roc Oil (Cabinda) Company is a party, a signature bonus of US$4.5 million (31 December 2002: US$3.375 million) is payable to the Angolan Government by the company upon agreement between the joint venture and the Government that it is appropriate to commence on-the-ground exploration activities in the production sharing contract area:	6,743	5,961
Roc Oil (Cabinda) Company acquired the 15% participating interest held via Lacula Oil Company Limited in the Cabinda South Block onshore Angola production sharing contract during the financial half year. The prime consideration was a cash payment of US$125,000 at completion. A further payment of US$100,000 will be made to the vendor if approval is received for the first development plan submitted under the production sharing contract:	150	–
Under an Option and Purchase Agreement dated 20 June 2003 between Roc Oil (Cabinda) Company and private parties in North America, the private parties have agreed to transfer and convey an overriding royalty attaching to the 15% participating interest held via Lacula Oil Company Limited to Roc Oil (Cabinda) Company upon the payment of US$100,000 within 14 days of the Cabinda South Block production sharing contract being triggered and a further US$250,000 within six months from the date of commercial production under the production sharing contract:	524	–
Under the terms of a production sharing contract to which Roc Oil (Equatorial Guinea) Company is a party, a discovery bonus of US$1.5 million is payable to the Equatorial Guinea Government on declaration of a commercial discovery within the production sharing contract area. Roc Oil (Equatorial Guinea) Company's share is:	1,798	2,119
Upon the first flow of oil at a rate in excess of 2,000 BOPD, or the declaration of a commercial gas discovery/commercial field, within acreage held by Elixir Corporation Pty Ltd at the time of acquisition of that company by Roc Oil International Holdings Pty Limited, a discovery bonus will be payable to the vendors of Elixir Corporation Pty Ltd. The discovery bonus represents an amount of US$2.03 million and is payable as 50% cash and 50% as Roc Oil Company Limited fully paid ordinary shares, based on the value of Roc Oil Company Limited fully paid ordinary shares at the time the bonus is paid:	3,041	3,585
Effective 1 April 2003, Roc Oil (WA) Pty Limited acquired ARC Energy NL's ("ARC") 7.5% interest in WA-286-P. In addition to the initial consideration paid, additional payments up to a maximum of $3.75 million are payable to ARC subject to certain 2P reserve levels being achieved:	3,750	–
Roc Oil (WA) Pty Limited agreed with Norwest Energy NL ("Norwest") to acquire an option over that company's 7.5% working interest in WA-226-P in the Perth Basin, in consideration for funding its share of the Macallan 3D seismic survey and permit fees up to a maximum net cost of $525,000. In the event Roc Oil (WA) Pty Limited chooses to exercise its option, it will be required to pay Norwest a further cash payment of $200,000 prior to the drilling of the next well in that permit. If a discovery is declared commercial, ROC will make a final payment to Norwest of $375,000:	575	–
Under a Sale and Purchase Agreement with Conoco (U.K.) Theta Limited, Roc Oil (UK) Limited has a contingent liability to Conoco (U.K.) Theta Limited to make a payment of up to US$1.75 million (approximately $2.62 million at 30 June 2003 exchange rates) on production of the 9 millionth barrel of oil from the Chestnut Oil Field:	2,622	3,091

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2003

Note 9. Contingent Liabilities *(continued)*	CONSOLIDATED 30 June 2003 $'000	31 December 2002 $'000
Roc Oil Company Limited provided a parent company guarantee to a maximum of US$5.2 million to Ensco Australia Pty Limited ('Ensco') guaranteeing the performance of its wholly owned subsidiary, Roc Oil (WA) Pty Limited, under the drilling contract between Roc Oil (WA) Pty Limited and Ensco during the first quarter of 2003:	–	9,184
Roc Oil Company Limited received parent company guarantees or cash provided in lieu of guarantee of US$2.97 million as at 31 December 2002 from its co-venturers in the WA-286-P joint venture and TP/15 joint venture with respect to the above drilling contract between Roc Oil (WA) Pty Limited and Ensco.		

In accordance with normal oil and gas 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.

Note 10. Contingent Assets

Roc Oil (UK) Limited will receive a £750,000 (approximately $1.86 million at 30 June 2003 exchange rates) production payment, subject to the further development of the Chestnut Oil Field, from the purchaser of its interest in that field. No part of the £750,000 production payment has been included in the statement of financial performance at this time, given it is contingent on the development of the Chestnut Oil Field. Roc Oil (UK) Limited will also potentially receive up to US$1.7 million (approximately $2.55 million at 30 June 2003 exchange rates) on production of the 9 millionth barrel of oil from the Chestnut Oil Field, increasing up to US$1.75 million (approximately $2.62 million at 30 June 2003 exchange rates) on production of 9.2 million barrels of oil from the Chestnut Oil Field.

Note 11. Subsequent Events

Since the end of June 2003, the following material events have occurred:

Saltfleetby Gas Field

The Saltfleetby-7 appraisal/development well in the Saltfleetby Gas Field commenced drilling on 11 July 2003. The well is designed as a horizontal production well for recovery of gas from the potential Namurian gas reservoir and as an extra drainage point in the overlying main Westphalian gas reservoir. The well will also test an oil play concept in the Brinsley Abdy Sands, some 250 metres above the main gas zone.

UK Onshore: PEDL 127

Roc Oil (UK) Limited was awarded a new exploration licence in the UK's 11th onshore licensing round. The new licence, PEDL 127, is 828 sq km in area and is located in the northeastern part of East Anglia, onshore and regionally updip from the Hewett Gas Field, 25 km offshore. The licence carries a work commitment of 20 km of new 2D seismic data acquisition and has a three year initial period.

Offshore China

The Block 22/12 (ROC 40% and Operator) Joint Venture has approved a 2003 drilling programme of two firm wells and two contingent exploration/appraisal wells. The firm wells consist of one appraisal well of the 12-8 Oil Field and one exploration well to be drilled on the 12-7 prospect. Subject to tendering for, and signing a drilling contract for this drilling programme, it is expected to be carried out during the second half of 2003.

The financial effect of these events has not been recognised in the financial statements for the financial half year ended 30 June 2003.

GLOSSARY AND DEFINITIONS

$ or cents	Australian currency.
acre	Unit of land measurement, 1 sq km is equivalent to 247.105 acres.
Adjusted Profit After Income Tax Expense	Profit (loss) after income tax expense after excluding net foreign currency losses, exploration expenditure expensed and written off and one-off adjustment to income tax provision and deferred income tax liability.
ASX	Australian Stock Exchange Limited.
BBLS	Barrels, equivalent to 0.159 cubic metres.
BCF	One billion 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.
EBITDA	Earnings before interest, tax, depreciation and amortisation. Calculated as profit from ordinary activities before income tax expense, net interest expense, depreciation, amortisation and restoration expense.
GST	Goods and Services Tax.
implied resources	Oil and gas volumes which have been discovered, but for which a decision on commercial development has not yet been made and which have not yet been classified as proved or probable reserves.
Innogy	Innogy plc.
km	Kilometres.
m	Metre.
MCF	One thousand cubic feet of natural gas.
MM	Millions.
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.
pence	UK pence (£0.01).
pound or £	UK pounds.
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	Production sharing contract.
therm	Calorific heating value of gas.
trading profit	Sales revenue net of production costs, amortisation expense and restoration expense.
TVD	True vertical depth.
sq km	Square kilometres.
UK	United Kingdom.
US$	United States dollars.
2D	Two dimensional.
3D	Three dimensional.
2P	Proved and probable reserves.

Rules 4.2A.3

Appendix 4D

Half Year Report
Period ended 30 June 2003

Introduced 1/1/2003

1. Name of Entity:

Name of Entity:	**ROC OIL COMPANY LIMITED**
ABN:	32 075 965 856
Half year ended ('reporting period')	30 June 2003
Half year ended ('previous corresponding period')	30 June 2002

2. Results for announcement to the market

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

					$A'000
2.1	Revenues from ordinary activities	down	45%	to	33,520
2.2	Profit (loss) from ordinary activities after tax attributable to members	up	N/A%	to	911
2.3	Net profit (loss) for the reporting period attributable to members	up	N/A%	to	911

2.4 Dividends (distributions)

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

It is not proposed to pay dividends.

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

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

A review of the consolidated entity's operations during the half year ended 30 June 2003 and the results of those operations are included in the Roc Oil Company Limited 30 June 2003 Half Year Financial Report on pages 2 to 4.

3. Net tangible assets per security

	Reporting period	Previous corresponding period
Net tangible asset backing per ordinary security	N/A	N/A

4. Control gained over entities having material effect

4.1	Name of entity	Baker Hughes NG Limited and its wholly owned subsidiary Lacula Oil Company Limited
4.2	The date of the gain of control	5 June 2003
4.3	The contribution of such entities to the reporting entity's profit from ordinary activities during the reporting period and the profit or loss of such entities during the whole of the previous corresponding period.	$Nil

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

5. Dividends

There were no dividends paid or declared during the period ended on or after 1 January 2003.

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

N/A

7. Details of associates and joint venture entities

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

Compliance statement

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

9. The Roc Oil Company Limited Financial Report for the financial half year ended 30 June 2003 has been subject to review. A copy of the independent review report to the members of Roc Oil Company Limited is attached.