30 August 2007

ROC OIL COMPANY LIMITED ("ROC")

STOCK EXCHANGE RELEASE

2007 HALF YEAR FINANCIAL RESULTS SUMARY

Today, ROC releases its half year financial report and appendix 4D for the period ended 30 June 2007. In the accompanying Financial Statements, ROC is required to compare its 1H2007 results with the equivalent figures for the corresponding period last year. However, the rapid organic and acquisitive growth of the Company in the last twelve months generated several near record results during 1H2007 that render comparisons between the two periods largely meaningless. The key points pertaining to the 1H2007 results include:

- Production of 1.6 MMBOE from five fields, compared to 0.3 MMBOE from two fields in 1H2006.
- Net Sales Revenue of $100.8 million, up $83.2 million on $17.6 million in 1H2006.
- Trading Profit of $45.0 million, up $40.9 million on $4.1 million profit in 1H2006.
- Cash Flow from operating activities $58.9 million, up $61.8 million, a significant improvement on a negative $2.9 million cash flow in 1H2006.
- Net Loss after income tax of $8.8 million, a $13.4 million improvement on the loss of $22.2 million in 1H2006.
- EBITDAX of $67.3 million, up $63.7 million on $3.6 million in 1H2006.
- Per barrel production costs of $10.19/BOE ($16.0 million), a $1.29/BOE (11%) improvement on $11.48/BOE in 1H2006.
- Amortisation of $27.76/BOE ($43.6 million) in 1H2007 compared to $22.89/BOE in 1H2006.
- Exploration and appraisal expenditure of $52.3 million was incurred mainly in relation to drilling four exploration wells, the pre-drill preparatory work, including rig mobilisation, for the Angolan drilling and seismic programmes and the acquisition of potentially high impact exploration acreage in offshore Madagascar. Exploration drilling resulted in four discoveries from four wells, three of which, are considered to have commercial potential: Frankland and Dunsborough, offshore Australia and Massambala, onshore Angola.
- All of the $52.3 million in exploration costs has been expensed in accordance with ROC's "successful efforts" accounting policy because the three discoveries require appraisal work and therefore cannot presently be demonstrated to be commercial on a stand alone basis.

- Development expenditure of $37.0 million incurred, reflecting the completion and commissioning of the Enoch Oil and Gas Field and progress towards completion of the Blane Oil Field, both in the North Sea, as well as the commencement of work on the Incremental Development Plan for the Zhao Dong C & D Oil Fields, Bohai Bay, Offshore China.

- A cash flow gain of $5.0 million was realised as a result of hedge contracts being settled. However, during 1H2007 ROC ceased hedge accounting on the majority of its hedge book in order to maintain compliance with the technical requirements of the Australian accounting standards. This resulted in a reported hedge-related loss of $18 million being expensed due to the movement in the mark to market value of the hedges that do not qualify for hedge accounting, partly offset by a gain of $1.5 million for the remaining swap contracts that do qualify for hedge accounting.

- During the period the Chinese Government announced that it would reduce the income tax rate from 33% to 25% effective from 1 January 2008, which resulted in a non-cash deferred tax benefit of $26.5 million in the Income Statement.

- Net debt position at 30 June 2007 of $126.8 million compared to $113.1 million at 31 December 2006, which was in the form of a 12 month Bridge Facility which was refinanced with a four year US$200 million facility on 20 August 2007.

Commenting on the 2007 Half Year financial results, ROC's Chief Executive Officer, John Doran stated that:

> *"Compared to the corresponding period last year, ROC's 1H2007 results represent a big step up. This achievement, however, should not be over emphasised because it says more about where the Company was last year than where it is today. During the interim period, ROC has become a significant Australian oil producing company and further enhanced its exploration track record. As always, ROC is looking to the future where challenges lie, not to the past where achievements reside.*
>
> *The half yearly accounts highlight some interesting aspects as to how ROC's reporting and regulatory framework can provide a perspective which differs from the underlying economic and commercial reality of running the business. There are three keys areas which give rise to these circumstances:*
>
> - *Firstly, exploration expenditure is accounted for under a "successful efforts" accounting policy. This means that ROC is required to expense the four exploration wells it drilled during 1H2007, all of which discovered hydrocarbons, including the three which are regarded as being potentially commercial. Quite frankly, there are relatively few recent regional examples of Australian oil companies drilling discovery wells that would meet the "successful efforts" definition as applied by ROC. On this basis, shareholders should expect that ROC's exploration drilling costs will continue to be expensed rather than capitalised, unless a field is found that is considered to be probably commercial, more or less immediately after the discovery well has been drilled.*
>
>   *This conservative accounting practice has not been universally adopted by ROC's peer group, but it is the policy that governs the Company's financial reporting and, therefore, it is important that shareholders understand its conservative nature and the impact it has on the Company's published accounts.*

- *Secondly, because of accounting standards beyond its control, ROC's oil price hedge accounting treatment changed during the period, driven by the volatility in the differential between the Brent oil price and the underlying realised price of ROC's sales. Consequently, it became inappropriate for ROC to hedge account under the technical requirements of the Australian accounting standards. This situation has impacted on the Company's Income Statement with a reported $16.5 million net hedging loss, despite the Company's hedges providing a real cash flow benefit of $5 million during the period and remaining economically effective. In this context, it is important to emphasise that in terms of volume hedged the Company's hedging policy continues to be conservative with only about 16% of the Company's proved and probable reserves being hedged.*

- *Thirdly, ROC has also experienced a one-off, non-cash, tax benefit of $26.5 million due to the Chinese Government announcing that the corporate tax rates would change from 33% to 25%, effective 1 January 2008 - despite the fact that the cash benefit of these adjustments are yet to be realised.*

In relative ROC terms, the numbers referred to above are big. Therefore, it is particularly important for shareholders and potential investors to be aware of the underlying accounting rationale that generated them and the fact that the Company's exploration and hedging accounting treatments will continue to deliver volatility to future Income Statements. An example of this volatility is that if the accounts were presented as of late August 2007 instead of 30 June 2007, the marked to market position of ROC's hedge book would have improved by approximately $7.0 million.

Perhaps, the most important point to highlight from the sum of the above, is that shareholders and potential investors might be well advised to look through the 1H2007 profit and loss details and focus on the real value of the Company as expressed in terms of its cash flow, asset value and exploration success: a 1H2007 $59 million Cash Flow from operating activities; a $45 million Trading Profit and three new exploration discoveries which merit further appraisal. On this basis, ROC has clearly had a reasonable six months."

Damian Fisher
General Manager
External Affairs & Investor Relations

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Rules 4.2A.3

Appendix 4D

Half Year Report
Period ended 30 June 2007

Introduced 1/1/2003

1. Name of Entity:	**ROC OIL COMPANY LIMITED**
ABN:	32 075 965 856
Half year ended ('reporting period')	30 June 2007
Half year ended ('previous corresponding period')	30 June 2006

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	up	472%	to	100,836
2.2	Profit (loss) from ordinary activities after tax attributable to members	up	60%	to	(8,812)
2.3	Net profit (loss) for the reporting period attributable to members	up	60%	to	(8,812)

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 2007 and the results of those operations are included in the Roc Oil Company Limited 30 June 2007 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	N/A
4.2	The date of the gain of control	N/A
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.	N/A

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 30 June 2007.

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
China Oil Shale Development Company	50%	50%	Nil	Nil
7.2 Total			**Nil**	**Nil**
7.3 Joint venture entities			N/A	N/A
7.4 Total			**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 2007 has been subject to review. A copy of the independent review report to the members of Roc Oil Company Limited is attached.

Directors' Report and Financial Report for the Financial Half Year Ended 30 June 2007

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 2007. In order to comply with the provisions of the Corporations Act 2001, the Directors' Report is 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), (retired 10 May 2007)

Mr Ross Dobinson (Non-Executive Director)

Mr Sidney J Jansma Jr (Non-Executive Director)

Mr Adam C Jolliffe (Non-Executive Director)

Mr Dennis Paterson (Executive Director), (appointed 23 March 2007)

Mr Bruce Clement (Executive Director), (appointed 1 July 2007).

The above Directors were in office for the entire period unless otherwise stated.

Corporate Information

The ROC financial report for the half year ended 30 June 2007 was authorised for issue in accordance with a resolution of the Directors on 29 August 2007. ROC is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Securities Exchange and Alternative Investment Market of the London Stock Exchange.

Review and Results of Operations

The consolidated entity's principal activities during the financial period were oil and gas exploration, development and production. There were no significant changes in the nature of those activities during the financial period.

A review of the consolidated entity's operations during the financial period 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 annual financial statements have been rounded off to the nearest thousand dollars, unless otherwise indicated.

Auditor

The Auditor's Independence Declaration is included in page 5 of the Financial Report.

This Directors' Report is made in accordance with a resolution of the Board of Directors made on 29 August 2007 pursuant to section 306(3) of the Corporations Act 2001.

On behalf of the Directors:

Mr A J Love

Chairman

Sydney, 29 August 2007

DISCUSSION AND ANALYSIS OF FINANCIAL STATEMENTS

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

FINANCIAL PERFORMANCE

Income Statement

The Group reported a net loss after income tax of $8.8 million (1H2006: $22.2 million loss) from a trading profit of $45.0 million (1H2006: $4.1 million).

Sales and Production Growth

The Group's overall performance was characterised by production growth with working interest production of 1,572,087 BOE (1H2006: 321,727 BOE) markedly increased due to the acquisition of Zhao Dong in 2H2006, a full period of Cliff Head production (which commenced 1 May 2006) and the commencement of production from Enoch Oil and Gas Field. Of this production, 67,715 BBLs was delivered to host governments in relation to respective governments' share of profit oil under the Group's production sharing contracts.

Oil and gas sales revenue of $99.3 million (1H2006: $17.6 million) was generated from sales volumes of 1,344,197 BOE, which achieved an average realised oil price of $74.14/BBL (US$60.08/BBL) before hedging.

Operating costs of $55.8 million (1H2006: $13.5 million) included production costs of $16.0 million ($10.19/BOE) and amortisation of $43.6 million ($27.76/BOE) offset by stock and overlift movement of $9.1 million.

Exploration Expensed

Exploration expenditure of $52.3 million incurred during the period, included the drilling of four exploration wells and the acquisition of seismic in the Cabinda South Block, onshore Angola.

In accordance with the *Successful Efforts* accounting policy, $52.3 million in exploration costs were expensed and written off during the period. The Frankland gas discovery and the Dunsborough oil discovery in the offshore Perth Basin have been included in exploration expenditure expensed as they are not considered to be commercial on a stand-alone basis at this time.

Financing Costs

Finance cost of $8.2 million (1H2006: $0.5 million) was incurred in the period. The increase is due to the loan facility established as part of the acquisition of ROC's interest in the Zhao Dong Block, Bohai Bay, offshore China.

Income Tax

An income tax benefit of $28.5 million (1H2006: $9.2 million benefit) was realised during the period with current year income tax of $9.3 million in relation to taxable income generated by the Zhao Dong asset offset by a deferred tax credit of $37.8 million ($26.5 million arising from a change in the income tax rate in China from 33% to 25%).

Financial Ratios

Basic loss per share for the six months was 3.0 cents based on a weighted average number of fully paid ordinary shares on issue of 298,241,324.

At 30 June 2007, the market capitalisation of the Company was $981.7 million, based on a closing share price of $3.29 per fully paid ordinary shares and 298,389,906 fully paid ordinary shares on issue.

Hedging

Consistent with ROC's oil price hedging strategy, as at 30 June 2007 ROC held Brent oil price derivative contracts for 4.1 MMBBL at an average price of US$68.53 for the period to 31 December 2011. During the period, 1.1 MMBBL of oil price derivatives were settled, providing a cash flow benefit of $5.0 million. At the end of the period, the mark-to-market position of ROC's remaining oil price hedge book was a $13.9 million liability.

During the period, it was determined that a portion of ROC's oil price swap hedge book no longer met the technical requirements of the Australian Accounting Standards and did not qualify for hedge accounting . As a result, ROC reported a net derivative loss of $18.0 million in its Income Statement because of the movement in the mark-to-market value of these contracts during the period. Of the remaining oil price swap contracts that qualify for hedge accounting, a gain of $1.5 million was included in sales revenue for the period. The net result to Profit and Loss for the period is a loss of $16.5 million.

Balance Sheet

Oil and gas assets decreased to $541.1 million (2006: $576.2 million) during the period resulting from amortisation of $43.6 million and foreign exchange losses of $28.5 million offset by $37.0 million development expenditure incurred.

Capitalised exploration and evaluation expenditure decreased to $102.4 million (2006: $109.9 million) as a result of movement in the exchange rate.

At 30 June 2007, ROC's debt was $161.9 million under a 12 month loan facility maturing in August 2007. This facility was refinanced with a four year debt facility for US$200 million.

At 30 June 2007 the Group held cash assets of $35.1 million.

Cash Flow Statement

Net cash generated from operating activities was $58.9 million. The funds were used for development expenditure of $45.3 million and exploration expenditure of $38.8 million.

OPERATIONAL OVERVIEW

The Group undertook and was involved in a number of significant exploration, development and production operation activities during the half year.

Production and Development

The Group incurred $16.0 million in production expenditure and $37.0 million in development expenditure during the half year. Total production for the period was 1,565,983 BBLs and 36,625 MCF at an average of 8,686 BOEPD.

Cliff Head Oil Field, WA-31-L, Perth Basin, Offshore Western Australia (ROC: 37.5% and Operator)

Gross production for the period was 1,478,909 BBLs (8,171 BOPD) (ROC: 554,591 BBLs). During the period workovers were completed on two wells and at the end of the period a further workover on the CH-7 well to repair an electrical submersible pump was being planned.

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

Total gross production for the period was 3,597,595 BBLs (ROC: 881,411 BBLs). Gross production averaged 19,876 BOPD for the period.

Development work on the Incremental Development Plan for the Zhao Dong C & D Oil Fields commenced during the period. Development expenditure of $7.5 million was incurred, primarily in relation to development drilling from the existing facilities and engineering work in relation to the planned expansion of the existing facilities.

Zhao Dong C4 Oil Field, Bohai Bay, Offshore China (ROC: 11.58% unitised and Operator)

Development work commenced on the Zhao Dong C4 Oil Field development during the period. Front End Engineering and Design work was commenced and orders were placed for piling, structural steel and long lead equipment.

Chinguetti Oil Field, Offshore Mauritania (ROC: 3.25%)

Total gross production was 3,052,969 BBLs (16,867 BOPD) (ROC: 99,221 BBLs) during the period.

Development expenditure of $3.2 million was incurred on Phase 2 development drilling, which commenced with the drilling of the Chinguetti-18 infill well.

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

Development expenditure of $9.6 million was incurred in relation to development activities, including the tie in of the single development well, umbilical installation work, rock dumping on pipeline crossings, subsea pipe spool work and pipeline and umbilical pressure testing. On 31 May 2007, production commenced with total gross production of 246,750 BBLs and 305,208 MCF for the period (ROC: 29,610 BBLs and 36,625 MCF). Gross production averaged 7,609 BOPD and 9,958 MSCFD for June 2007.

DISCUSSION AND ANALYSIS OF FINANCIAL STATEMENTS

OPERATIONAL OVERVIEW

Production and Development *(continued)*

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

Development expenditure of $16.7 million was incurred in relation to construction of facilities, umbilical installation work, pipeline trenching and tie in of pipelines to the Ula Platform. First oil production from the field is expected during 3Q2007.

Exploration

The Group incurred $52.3 million in exploration expenditure; including drilling four exploration wells and preparation for a 200 sq km 3D seismic survey in Angola.

Cabinda South Block, Onshore Angola (ROC: 60% and Operator)

Exploration expenditure of $26.1 million was incurred during the period in relation to the exploration drilling programme and the preparation of the 200 sq km 3D seismic acquisition programme in Angola. Extensive work was completed on preparations for the exploration drilling programme which commenced on 9 June 2007 with the Massambala-1 exploration well. Site preparation works, purchase of drilling materials and the mobilisation of the ROC-owned Explorer drill rig were undertaken during the period together with line clearing and survey work for the seismic acquisition programme which commenced recording on 10 July 2007.

West Africa, Offshore Mauritania (ROC: 2.0% - 5.0%)

Exploration expenditure of $0.6 million was mainly incurred in relation to a high resolution 3D survey over Tiof. At the end of the period work was ongoing with regard to processing and interpreting.

Block 22/12, Beibu Gulf, Offshore China (ROC: 40.0% and Operator)

Exploration expenditure of $0.9 million was incurred mainly in relation to preparation work for the four well exploration programme scheduled to commence in 4Q2007 and progressing the development plan for the Wei 6-12 South discovery.

Perth Basin, Offshore Western Australia (ROC: 20.0% - 50.0% and Generally Operator)

Exploration expenditure of $21.3 million was incurred in relation to the drilling of three wells: Dunsborough and Frankland (in WA-286-P) and Perseverance (in WA-325-P), all of which were classified as new field discoveries.

Perseverance has been determined to be sub-commercial and the permit has been relinquished by the Joint Venture, subject to Government approval.

Further evaluation work on the Frankland gas discovery, Dunsborough oil discovery and the exploration potential in the surrounding area is planned to be undertaken by the Joint Venture.

H/15 and H/16, Offshore Equatorial Guinea (ROC: 18.75% and Technical Operator)

Activity associated with the planned drilling of the Aleta-1 well has been put on hold pending the outcome of arbitration hearings with Pioneer Natural Resources (Equatorial Guinea) Limited (''Pioneer"). The arbitration process was initiated in late June 2007 and concerns Pioneer's farm-in obligations and participation in the drilling of the Aleta-1 well previously planned for 2H2007.

Block Belo Profond, Offshore Madagascar (ROC: 75% and Operator)

ROC is awaiting final publication of the Government of Madagascar's Presidential Decree and related mining title in the Official Journal.

ROC purchased a 1,000 sq km 2D seismic survey and data on six offshore wells in order to further assess the exploration potential of the block.

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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ROC OIL COMPANY LIMITED

In relation to our review of the financial report of Roc Oil Company Limited for the half-year ended 30 June 2007, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Michael Elliott
Partner
Sydney

29 August 2007

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INDEPENDENT REVIEW REPORT TO MEMBERS OF ROC OIL COMPANY LIMITED

We have reviewed the accompanying half year financial report of Roc Oil Company Limited and the entities it controlled during the half year which comprises the balance sheet as at 30 June 2007 and the income statement, statement of changes in equity and cash flow statement for the half year ended on that date, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the half year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2007 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory financial reporting requirements in Australia. As the auditor of Roc Oil Company Limited and the entities it controlled during the half year ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report. The Auditor's Independence Declaration would have been expressed in the same terms if it had been given to the directors at the date this auditor's report was signed.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Roc Oil Company Limited and the entities it controlled during the half year 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 2007 and of its performance for the six months ended on that date; and

  (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and

(b) other mandatory financial reporting requirements in Australia.

Ernst & Young

Ernst & Young

M. Elliott

Michael Elliott
Partner
Sydney

29 August 2007

DIRECTORS' DECLARATION

In the opinion of the Directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the financial position of the consolidated entity as at 30 June 2007 and of its performance for the half year ended on that date; and

  (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Mr A J Love

Chairman

Sydney, 29 August 2007

INCOME STATEMENT

For the half year ended 30 June 2007

		CONSOLIDATED	
	Note	30 June 2007 $'000	30 June 2006 $'000
Sales revenue	*2*	100,836	17,635
Operating costs	*3*	(55,797)	(13,509)
Trading profit		**45,039**	**4,126**
Other income	*4*	4,628	1,783
Exploration expensed	*5*	(52,348)	(26,609)
Other costs	*6*	(26,500)	(10,210)
Finance costs	*7*	(8,176)	(470)
Loss before income tax		**(37,357)**	**(31,380)**
Income tax benefit	*8*	28,545	9,218
Net loss		**(8,812)**	**(22,162)**
Basic loss per share (cents)		(3.0)	(9.8)
Diluted loss per share (cents)		(3.0)	(9.8)

BALANCE SHEET

As at 30 June 2007

		CONSOLIDATED	
	Note	30 June 2007 $'000	31 Dec 2006 $'000
Current Assets			
Cash assets		35,094	60,604
Trade and other receivables	*9*	37,183	149,013
Derivatives		2,533	15,056
Inventories		2,947	2,785
Total Current Assets		**77,757**	**227,458**
Non-Current Assets			
Derivatives		–	12,167
Oil and gas assets	*10*	541,064	576,176
Exploration and evaluation expenditure	*11*	102,435	109,866
Property, plant and equipment		2,904	3,285
Deferred tax assets		27,248	18,482
Total Non-Current Assets		**673,651**	**719,976**
Total Assets		**751,408**	**947,434**
Current Liabilities			
Bank loans		161,904	173,747
Trade and other payables		40,885	44,899
Current tax liabilities		5,472	7,157
Derivatives		16,455	7,547
Provisions	*9*	1,706	113,243
Total Current Liabilities		**226,422**	**346,593**
Non-Current Liabilities			
Long term liabilities		481	569
Deferred tax liabilities		76,462	111,644
Provisions		15,494	15,851
Total Non-Current Liabilities		**92,437**	**128,064**
Total Liabilities		**318,859**	**474,657**
Net Assets		**432,549**	**472,777**
Equity			
Share capital	*12*	602,431	602,235
Accumulated losses		(146,593)	(137,781)
Other reserves	*13*	(23,289)	8,323
Total Equity		**432,549**	**472,777**

CASH FLOW STATEMENT

For the half year ended 30 June 2007

	CONSOLIDATED	
	Inflow/ (Outflow) 30 June 2007 $'000	Inflow/ (Outflow) 30 June 2006 $'000
Cash flows from operating activities		
Cash generated from operations	70,338	494
Derivatives received/(paid)	4,994	(4,361)
Interest received	1,056	1,630
Finance cost paid	(6,925)	(124)
Income taxes paid	(10,533)	(526)
Net cash generated from/(used in) operating activities	**58,930**	**(2,887)**
Cash flows from investing activities		
Payments for plant and equipment	(319)	(168)
Payments for development expenditure	(45,298)	(63,947)
Payments for exploration expenditure	(38,788)	(28,335)
Proceeds from sale of assets	805	43
Deposit paid for the acquisition of Apache China Corporation LDC	–	(35,529)
Net cash used in investing activities	**(83,600)**	**(127,936)**
Cash flows from financing activities		
Proceeds from share issues	351	76,044
Share issue expenses	(155)	(2,836)
Bank loan advances	–	35,529
(Provision)/receipt of funds to/from entities	(21)	144
Net cash generated from financing activities	**175**	**108,881**
Net decrease in cash held	**(24,495)**	**(21,942)**
Cash at beginning of period	60,604	66,377
Effect of exchange rate changes on the balance of cash held in foreign currencies	(1,015)	827
Cash at end of financial half year	**35,094**	**45,262**

STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2007

	CONSOLIDATED			
	Share Capital $'000	Accumulated Loss $'000	Other Reserves $'000	Total $'000
Balance at 1 January 2006	312,868	(78,169)	(19,715)	214,984
Transfer from cash flow hedge reserve to the Income Statement	–	–	4,255	4,255
Net unrealised loss on cash flow hedges	–	–	(16,549)	(16,549)
Foreign currency translation differences	–	–	1,552	1,552
Total income and expenses for the period recognised directly in equity	**–**	**–**	**(10,742)**	**(10,742)**
Net loss for the period	–	(22,162)	–	(22,162)
Total income and expenses for the period	**–**	**(22,162)**	**(10,742)**	**(32,904)**
Issue of share capital	75,880	–	–	75,880
Share issue costs	(2,836)	–	–	(2,836)
Exercise of share options	164	–	–	164
Share-based payments	–	–	771	771
Balance at 30 June 2006	**386,076**	**(100,331)**	**(29,686)**	**256,059**

Balance at 1 January 2007	602,235	(137,781)	8,323	472,777
Transfer from cash flow hedge reserve to the Income Statement	–	–	(1,500)	(1,500)
Net unrealised loss on cash flow hedges	–	–	(13,117)	(13,117)
Tax benefit on cash flow hedges	–	–	855	855
Foreign currency translation differences	–	–	(19,602)	(19,602)
Total income and expenses for the period recognised directly in equity	**–**	**–**	**(33,364)**	**(33,364)**
Net loss for the period	–	(8,812)	–	(8,812)
Total income and expenses for the period	**–**	**(8,812)**	**(33,364)**	**(42,176)**
Share issue costs	(155)	–	–	(155)
Exercise of share options	351	–	–	351
Share-based payments	–	–	1,752	1,752
Balance at 30 June 2007	**602,431**	**(146,593)**	**(23,289)**	**432,549**

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

(a) Basis of preparation

The half year financial report does not include all notes of the type normally included within the Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half year financial report should be read in conjunction with the Annual Financial Report of ROC as at 31 December 2006.

The accounting policies and methods of computation are the same as those adopted in the most recent Annual Financial Report.

It is also recommended that the half year financial report be considered together with public announcements made by ROC and its controlled entities during the half year ended 30 June 2007 in accordance with the continuous disclosure obligations arising under the Corporation Act 2001.

The half year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 'Interim Financial Reporting' and other mandatory professional reporting requirements The financial report has been prepared on the historical cost basis except for financial instruments that have been measured at fair value.

For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

The financial report is presented in Australian dollars with all values rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the Company under the ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

Australian accounting standards and interpretations that have been recently issued or amended but are not yet effective, have not been adopted by the Group for the reporting period ending 30 June 2007 and are not expected to have a material impact.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent entity and its subsidiaries ('Group'). 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 Group are eliminated in full.

Note 2. Sales Revenue

	CONSOLIDATED	
	30 June 2007 $'000	30 June 2006 $'000
Oil	99,210	21,890
Gas	126	–
Hedging gains/(losses)	1,500	(4,255)
	100,836	**17,635**

	CONSOLIDATED	
	30 June 2007 $'000	30 June 2006 $'000

Note 3. Operating Costs

	30 June 2007 $'000	30 June 2006 $'000
Production costs	16,017	8,664
Amortisation	43,642	7,364
Movement in stock and overlift	(9,062)	(2,519)
Other	5,200	–
	55,797	**13,509**

Note 4. Other Income

	30 June 2007 $'000	30 June 2006 $'000
Interest income	1,056	1,597
Profit from sale of assets	1,300	42
Sundry	2,272	–
Bad debts recovered	–	144
	4,628	**1,783**

Note 5. Exploration Expensed

	30 June 2007 $'000	30 June 2006 $'000
Angola	26,051	9,469
Australia	21,479	8,064
China	739	449
Equatorial Guinea	294	134
Madagascar	2,196	–
Mauritania	604	1,838
United Kingdom	171	5,752
Other	814	903
	52,348	**26,609**

Note 6. Other Costs

	30 June 2007 $'000	30 June 2006 $'000
Operating lease expenses	565	537
Net foreign currency losses	1,130	91
Depreciation	491	500
Other administration costs	4,611	3,925
Share-based payments	1,752	771
Net derivative losses	17,951	4,386
	26,500	**10,210**

Net derivative loss of $18.0 million were incurred in relation to the movement in the mark-to-market value of some of ROC's oil price derivative instruments. Up to 31 December 2006, all ROC's oil price swap derivative contracts had been reported as hedge instruments. However, as a result of the increased volatility of the price differential between the derivative swap instrument and the underlying product price, the majority of these instruments no longer qualified for hedge accounting.

NOTES TO THE FINANCIAL STATEMENTS

Note 7. Finance Costs

	CONSOLIDATED 30 June 2007 $'000	30 June 2006 $'000
Interest expensed on bank loans	6,377	20
Unwinding of discount – restoration provision	496	326
Other finance costs	1,303	124
	8,176	**470**

Note 8. Income Tax

Composition of income tax		
Income tax charge – current period	(9,273)	–
Deferred income tax – current period	11,335	9,218
Deferred income tax – prior period	26,483	–
Income tax benefit	**28,545**	**9,218**

The prior period deferred tax adjustment arises from the change in tax rates in China from 33% to 25% effective 1 January 2008.

Note 9. Trade and Other Receivables

In 2006 Texaco China BV and New XCL-China LLC made separate claims against Roc Oil (Bohai) Company. These claims were recorded as a provision of $111.9 million offset by a receivable for a corresponding amount as Apache Corporation had indemnified Roc Oil Holdings (Cayman Islands) Company and Roc Oil (Bohai) Company for the liabilities arising in relation to these claims. During the period the majority of these claims were settled and the Company has offset these amounts.

Note 10. Oil and Gas Assets

	CONSOLIDATED		
	Producing Assets $'000	Assets under Development $'000	Total $'000
Costs			
Balance at 1 January 2006	564	150,403	150,967
Acquisition costs	305,533	59,795	365,328
Transfer of assets under development to producing assets	130,361	(130,361)	–
Expenditure incurred	63,387	60,839	124,226
Increase in restoration asset	5,164	4,009	9,173
Exchange loss	(14,497)	(869)	(15,366)
Transfer from exploration and evaluation expenditure	8,167	–	8,167
Costs at 31 December 2006	**498,679**	**143,816**	**642,495**
Expenditure incurred	20,202	16,806	37,008
Transfer from assets under development to producing assets	25,213	(25,213)	–
Disposals	(377)	–	(377)
Exchange loss	(25,437)	(7,556)	(32,993)
Costs at 30 June 2007	**518,280**	**127,853**	**646,133**
Accumulated Amortisation			
Balance at 1 January 2006	(383)	–	(383)
Charge for the year	(60,536)	–	(60,536)
Impairment of assets	(7,693)	–	(7,693)
Exchange gain	2,293	–	2,293
Accumulated Amortisation at 31 December 2006	**(66,319)**	–	**(66,319)**
Charge for the period	(43,642)	–	(43,642)
Disposals	377	–	377
Exchange gain	4,515	–	4,515
Accumulated Amortisation at 30 June 2007	**(105,069)**	**–**	**(105,069)**
Net book value at 30 June 2007	**413,211**	**127,853**	**541,064**
Net book value at 31 December 2006	432,360	143,816	576,176

Note 11. Exploration and Evaluation Expenditure

	CONSOLIDATED 30 June 2007 $'000	CONSOLIDATED 31 Dec 2006 $'000
Opening balance	109,866	26,307
Acquisition costs	–	87,471
Expenditure incurred	52,343	78,455
Exchange loss	(7,426)	(5,457)
Transfer to oil and gas assets	–	(8,167)
Amounts expensed	(52,348)	(68,743)
	102,435	**109,866**

The ultimate recovery of the capitalised exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or the commercial sale of the relevant areas of interest.

Note 12. Share Capital

	30 June 2007 Number of Shares	31 Dec 2006 Number of Shares	30 June 2007 $'000	31 Dec 2006 $'000
Movement in fully paid ordinary shares				
Balance at beginning of period	298,161,006	187,912,493	602,235	312,868
Issue of shares pursuant to exercise of options under the employee and executive share option plans	228,900	1,022,300	196	1,551
Shares issued	–	109,226,213	–	287,816
Balance at end of period	**298,389,906**	**298,161,006**	**602,431**	**602,235**

All issued fully paid ordinary shares carry one vote per share and carry the right to dividends.

Note 13. Other Reserves

	CONSOLIDATED			
	Foreign Currency Translation Reserve $'000	Employee Equity Benefit Reserve $'000	Net Unrealised Oil Price Hedging (Losses)/Gains $'000	Total $'000
Balance at 1 January 2006	(8,802)	1,329	(12,242)	(19,715)
Share-based payments		1,372	–	1,372
Foreign currency translation differences	(5,262)	–	–	(5,262)
Net unrealised gains on cash flow hedges	–	–	24,791	24,791
Tax benefit on cash flow hedges	–	–	1,297	1,297
Transfer from cash flow hedge reserve to Income Statement	–	–	5,840	5,840
Balance at 31 December 2006	**(14,064)**	**2,701**	**19,686**	**8,323**
Share-based payments	–	1,752	–	1,752
Foreign currency translation differences	(19,602)	–	–	(19,602)
Net unrealised loss on cash flow hedges	–	–	(13,117)	(13,117)
Tax benefit on cash flow hedges	–	–	855	855
Transfer from cash flow hedge reserve to Income Statement		–	(1,500)	(1,500)
Balance at 30 June 2007	**(33,666)**	**4,453**	**5,924**	**(23,289)**

Note 14. Commitments for Expenditure

	CONSOLIDATED	
	30 June 2007 $'000	31 Dec 2006 $'000
(a) Capital commitments		
Not longer than one year		
Joint ventures	37,522	70,305
Longer than one year but not longer than five years		
Joint ventures	689	7,901
	38,211	78,206
(b) Operating lease commitments		
Not longer than one year	3,016	3,825
Longer than one year but not longer than five years	8,023	10,479
Longer than five years	–	86
	11,039	14,390

Note 15. Segment Information

Primary reporting – geographical segments

The Group'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 Group operates predominantly in one business, namely exploration, development and production of hydrocarbons.

Segment accounting policies

Segment accounting policies are the same as the Group's policies.

Composition of each geographical segment

Africa comprises areas of interest in Angola, Equatorial Guinea, Mauritania and Madagascar.

	United Kingdom $'000	Australia $'000	China $'000	Africa $'000	Unallocated $'000	Total $'000
For the financial half year ended 30 June 2007						
Sales revenue	**126**	**43,535**	**50,944**	**4,731**	**1,500**	**100,836**
Segment result:						
Profit/(loss) before income tax	2,064	1,637	2,245	(27,026)	(16,277)	(37,357)
Income tax benefit					28,545	28,545
Net loss						**(8,812)**
For the financial half year ended 30 June 2006						
Segment revenue	**159**	**11,517**	**–**	**10,214**	**(4,255)**	**17,635**
Segment result						
Loss before income tax	(6,581)	(899)	(53)	(9,449)	(14,398)	(31,380)
Income tax benefit					9,218	9,218
Net loss						**(22,162)**

Note 16. Contingent Liabilities

Roc Oil (Cabinda) Company is liable to pay to Simmons Drilling (Overseas) Limited, the supplier and operator of the drilling rig to be used in the Angola drilling program, a termination fee of up to $3.23 million (2006: $3.46 million) if the Company terminates the agreement within the first 12 months of the two year term. The termination fee will reduce for each day the operating rates are paid under the agreement.

In accordance with normal oil and gas industry practice, the Group 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.

The Company's present intention is to provide the necessary financial support for all Australian incorporated controlled entities, whilst they remain controlled entities, as is necessary for each company to pay all debts as and when they become due.

Note 17. Subsequent Events

Mr Bruce Clement, the Company's Chief Operating Officer, was appointed as an Executive Director of the Company on 1 July 2007.

The Simmons 80 rig arrived in Angola in late July and commenced drilling on 25 August 2007. Also in Cabinda, 3D seismic data recording started on 10 July 2007.

WA-325-P and WA-327-P Joint ventures gave the WA Government formal notification of surrender of these permits effective 23 July 2007.

On 7 August 2007 ROC announced that the Massambala-1 well in the Cabinda South Block had been drilled to a total depth of 2,192 metres. The well did not encounter hydrocarbons in the pre-drill primary target, however, hydrocarbon shows were seen over the 39 metre interval from 394 mBRT to 433 mBRT. Evaluation of this interval through a sidetrack well is continuing.

On 20 August 2007, the Company completed the refinancing of its 12 month bridge loan facility with a four year US$200 million loan facility.

Note 18. Additional Company Information

Roc Oil Company Limited is a public company listed in Australia on the ASX and in the UK on the Alternative Investment Market of the London Stock Exchange and incorporated in Australia and operating in Australia and overseas.

The registered office and principal place of business is:

Level 14, 1 Market Street
Sydney NSW 2000
Australia.

GLOSSARY

A$, $ or **cents**	Australian currency.
AIM	Alternative Investment Market of the London Stock Exchange.
ASIC	Australian Securities and Investments Commission.
ASX	Australian Securities Exchange.
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.
km	Kilometres.
m	Metre.
mBRT	Metres below rotary table.
MCF	One thousand cubic feet of natural gas.
MM	Millions.
MMBBL	One million barrels of oil.
MMBOE	One million barrels of oil equivalent.
MSCFD	One thousand standard cubic feet of natural gas per day.
pound or **£**	UK pounds.
ROC	Roc Oil Company Limited.
sq km	Square kilometres.
UK	United Kingdom.
US$	United States dollars.
2D	Two dimensional.
3D	Three dimensional.
2P	Proved and probable reserves.