ROC OIL COMPANY LIMITED

(ABN 32 075 965 856)

REPORT TO THE AUSTRALIAN STOCK EXCHANGE (ASX)
Activities for the Quarter Ended 30 June 2000

SUMMARY

Robust sales revenue topping $20 million – driven by Saltfleetby's outperformance, high UK gas prices and first production from Kyle – combined with an after tax, abnormal profit of at least $18 million from the sale of non-core assets, deliver a record month and a landmark quarter.

HIGHLIGHTS

$9.1 million June sales revenue sets new record…

June was ROC's best ever month for revenue, with sales revenue hitting $9.1 million. This result is all the more noteworthy because it was achieved subsequent to the 1 March 2000 sale of oil production associated with the Welton Oil Field (the "Welton Sale"), which was previously 100% owned by ROC.

… while quarterly sales revenue tops $20 million …

Even without the Welton assets - which generated $5.7 million of ROC's $25 million previous quarter's sales revenue - the Company was still able to record $20.8 million sales revenue for the Quarter under review.

… due to Kyle EWT start-up, high UK gas prices…

ROC has been able to set a new monthly sales revenue record and maintain its robust quarterly sales revenue performance because of a number of factors including the successful start-up of the Extended Well Test ("EWT") at the Kyle Oil Field in the North Sea and unseasonably strong gas prices in the UK.

…and Saltfleetby continuing to outperform expectations…

The other important factor which has driven ROC's revenue performance this Quarter is the Saltfleetby Gas Field which stayed on production plateau rates throughout the Quarter despite the expectation that natural field decline would occur before the end of the previous quarter.

…all against a backdrop of an abnormal after-tax profit of at least $18 million…

The Welton Sale allowed ROC to realise a minimum abnormal $18 million after tax profit on the sale of non-core production assets, which effectively had been held for only seven months. Importantly, the sale was structured so that ROC continues to be exposed to the benefits of strong oil prices over the next two years, subject to the Welton Field meeting realistic production targets, due to the provision for the payment to ROC of up to £5.2 million ($13.2 million at current exchange rates) as additional bonus payments.

…which puts ROC on course for almost doubling the year 2000 $13.1 million profit forecast in the Prospectus.

The profit from the Welton Sale puts ROC on a trajectory that suggests that it will outperform the 2000 profit forecast contained in its mid-1999 Prospectus. Importantly, ROC's revenue performance during the second quarter of 2000 suggests that, even without the benefits of the Welton production and without reference to the profit from the Welton Sale, the Company's 2000 after tax profit before abnormals will still approach Prospectus forecast, providing that Saltfleetby continues to outperform and UK gas prices remain strong.

High potential, deep water, exploration acreage acquired along Africa's Atlantic coastline…

ROC's acquisition of interests in the deep water Rio Muni Basin, offshore Equatorial Guinea, and areas covering most of the deep water plays offshore Mauritania, provides shareholders with the opportunity to participate in the exploration of a regional hydrocarbon trend that, during the last few years, has been identified as one of the world's great exploration arenas.

…and (subsequent to quarter end) the execution of a HOA for the Kyle development in the UK North Sea…

On 18 July 2000 ROC announced that the Kyle Joint Venture had signed a Heads of Agreement ("HOA") for a full, life-of-field, development of the Kyle Oil Field in the North Sea via the nearby Curlew Production Facility. This announcement partly reflects the Joint Venture's satisfaction with the initial results of the Kyle EWT, which commenced on 24 May 2000. The early EWT results also prompted the Joint Venture to start drilling another appraisal well on the Kyle Oil Field after the end of the Quarter.

… augur well for the future of the Company and its shareholders.

ROC's high activity level since publicly listing and the tangible progress it has made on many fronts, ranging from strong UK revenue growth to the acquisition of high potential international exploration acreage, ensures that the Company and its shareholders will be exposed to a number of opportunities, any one of which could have a significant and very positive impact upon the value of the Company.

FURTHER INFORMATION

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ASX QUARTERLY REPORT JUNE 2000

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1. SUMMARY STATISTICS

1.1 PRODUCTION (NET)

	Mar '00 Qtr	June '00 Qtr
OIL & NGL	BBLS	BBLS
UK – Onshore Oil	136,418	6,301
UK – Offshore Oil	15,416	71,257
UK – Onshore NGL	92,302	78,110
Total Oil & NGL	244,136	155,668
GAS (MCF)	4,452,560	4,375,660
Average Production (BOE/day)	10,838	9,725

The above production statistics do not include 9,852 BBLS of test oil production during the Quarter in Mongolia.

1.2 SALES REVENUE

	Mar '00 Qtr	June '00 Qtr
Sales Revenue	$'000	$'000
UK Oil & NGLs[1]	7,968	2,434
UK Gas	16,637	18,035
Other UK Revenue	453	-
Mongolian Test Oil Production	-	325
Total	25,058	20,794

1.3 EXPENDITURE

	Mar '00 Qtr	June '00 Qtr
Exploration	$'000	$'000
Australia & International	1,821	13,306
UK	562	962
	2,383	14,268
Development	1,665	4,400
Total	4,048	18,668

NOTE: ***The March 2000 Quarter results presented above have been restated from the March 2000 Quarter results reported in ROC's March 2000 Quarterly Report to ASX to reflect the sale of the non-core UK assets effective 1 March 2000.***

1.4 DRILLING

ROC drilled one well during the Quarter, Keddington-2.

1 *1,000 BOPD of UK 2000 oil production was hedged at US$14.35 per barrel prior to the acquisition by ROC. The reported UK sales revenue for each of the March and June Quarters include $0.4 million recognised as a reversal of the liability for the hedging in the Morrison Middlefield Resources Limited acquisition accounting.*

1.4.1 Keddington-2

The Keddington-2 well, ROC's first appraisal well on the Keddington Oil Field, was drilled and completed during the Quarter. The reservoir was encountered five metres high to prognosis and slightly thinner than in the Keddington-1 well. A sidetrack, Keddington-2Y, was drilled to achieve optimum contact with the reservoir and was completed for production through a combination of perforation and open-hole.

1.5 SEISMIC

The Company did not undertake any seismic acquisition during the Quarter.

2. CEO'S REPORT

During the period under review ROC quickened its corporate pace and achieved significant progress on a number of fronts. As a result, by the end of the Quarter ROC was beginning to fulfill its Prospectus potential.

Perhaps, because of specific achievements – or, maybe, simply because of a general improvement in sector sentiment – ROC's share price improved by 35% during the Quarter. Subsequent to the end of the Quarter ROC's share price continued to improve so that by 28 July 2000 the share price was 55% above the 31 March 2000 share price. Everybody associated with ROC is pleased to see the share price turnaround in this manner but the view of the Company's Board and Management remains unchanged: any share price less than the initial issue price of $2.00 is unsatisfactory.

It is possible that the market's perception of ROC during the first six months of its publicly listed life was coloured more by the downward movement of its share price than by its fundamental asset value and future potential. During this period ROC's management consistently advised shareholders – and the market in general – that these two elements should not be confused. The Welton Sale demonstrated that ROC's comments regarding the fundamental value of assets such as Welton were based on more than management rhetoric.

At the time of the Welton Sale ROC stated that the real challenge was only just beginning and that the real value of the substantial profit from the sale was dependent upon the Company investing the sale proceeds wisely. In this context, ROC has looked at numerous asset acquisition opportunities but, despite acquiring deep water exploration acreage offshore Equatorial Guinea and Mauritania, it has not yet identified an appropriate new core project. Therefore, the asset search continues unabated with a focus on the acquisition of a sensibly-contrary, under-appreciated, production and/or development property with substantial upside potential.

ROC's acquisition of a significant interest in Blocks H15 and H16 in the Rio Muni Basin, offshore Equatorial Guinea, is a clear indication that ROC is intent on offering its shareholders exposure to world-class petroliferous basins. This is consistent with the Company's belief that people should only invest in the independent upstream oil sector in order to make a great deal of money through successful exploration, production and development activities. In the latter part of 1999 the Rio Muni Basin provided the industry and the market with a classic example of this type of potential when the market capitalisation of Triton Energy Limited ("Triton") increased by more than A$1 billion coincident with that company's announcement of the discovery of the Ceiba Oil Field, 90 km on trend to the south of ROC's Rio Muni blocks. Within six months of the Ceiba Field being discovered elements of the international oil industry moved quickly to wrap up all the remaining available acreage in the Rio Muni Basin and, in this context, ROC is pleased to be a player in this particular arena.

It is not in ROC's corporate nature to be in any way complacent, indeed, we spend a great deal of our time focusing on the many parts of the Company's business that need to be improved. However, because the end of the Quarter under review approximates to ROC's eleven-month anniversary as a publicly listed company it might be appropriate to take a quick glance at the Company as it stands at the moment:

- With quarterly revenue hovering just above the $20 million mark; daily production nudging 10,000 BOEPD, even after the sale of some production assets; no net debt; new deep water exploration plays offshore West Africa and a significant, high potential, multi-well exploration and appraisal drilling program underway, the second half of 2000 should prove to be an interesting time for ROC shareholders.

3. PRODUCTION

3.1 OIL & CONDENSATE PRODUCTION

3.1.1 UK Onshore (ROC: 100%)

During the Quarter UK onshore oil production totalled 6,301 BBLS (69 BOPD) and condensate production from the Saltfleetby Gas Field totalled 78,110 BBLS (858 BCPD).

The 15% decline in Saltfleetby condensate production compared to the previous quarter was primarily due to a lower condensate yield, which often characterises a gas field which is producing at a prolific rate.

As a result of the Welton Sale, which was effective 1 March 2000, there was a 95% decline in onshore oil production on the previous quarter.

3.1.2 UK North Sea – Kyle (ROC:12.5%), Claymore (ROC: 0.4605%) and Blenheim (ROC: 0.3410%)

UK offshore oil production totalled 71,257 BBLS (783 BOPD), up over 360% on the first quarter production as a result of the commencement of the Kyle EWT on 24 May 2000. ROC's share of production from the Kyle EWT totalled 56,310 BBLS (619 BOPD) for the Quarter.

ROC's share of production from the Claymore and Blenheim Oil Fields totalled 14,948 BBLS (164 BOPD), down 3% on the previous quarter. The Blenheim Field was abandoned on 1 May 2000 at which time the Petrojarl-1 vessel was moved to the Kyle Oil Field for the EWT.

3.1.3 Mongolia (ROC: 100%)

During the Quarter ROC produced 9,852 barrels of oil (108 BOPD) from three wells in the East Gobi Basin.

On 18 May 2000 the Company also executed an agreement with Sinochem International Oil Co, the Chinese government-owned oil importing company, for the sale of 30,000 BBLS of test oil production from Mongolia at prices tied to international spot crude prices. The first rail shipment of 6,877 BBLS was delivered to Sinochem during the Quarter. At the end of the Quarter ROC had approximately 28,492 BBLS of oil in its storage facility at its base camp in the Gobi Desert awaiting export shipment to China.

3.2 GAS PRODUCTION

During the Quarter the 100% ROC owned and operated Saltfleetby Gas Field continued its strong production performance. Production totalled 4,376 MMSCF (48.1 MMSCF/D), essentially the same as the first quarter's production. Production from the field continued to exceed ROC's Prospectus forecast with plateau production extending through to the seventh month following production start-up, compared with ROC's mid-1999 Prospectus forecast of a three month production plateau.

3.3 RESERVES

There were no formal revisions to estimates of reserves in any field during the Quarter but a formal review will be undertaken towards year-end. Analysis of pressure data obtained from the Saltfleetby Gas Field in March 2000 was consistent with earlier estimates of gas-in-place.

4. DEVELOPMENT

4.1 UK ONSHORE

UK Onshore development expenditures of $3.8 million were related mainly to Keddington drilling activity.

4.1.1 Saltfleetby Gas Field (ROC: 100%)

Development activities at the Saltfleetby Gas Field involved site preparations and materials purchase for the post-Quarter drilling of the Saltfleetby-5 well.

4.1.2 Keddington Oil Field (ROC: 100%)

Development activities at the Keddington Oil Field during the Quarter involved the drilling and completion of the Keddington-2Y oil well. Installation and hook-up of the pump for the well is expected to be completed in the first part of the third quarter.

4.2 UK NORTH SEA

UK Offshore development expenditures of $0.6 million were primarily related to preparations for the Kyle Oil Field development.

4.2.1 Kyle Oil Field (ROC: 12.5%)

The Extended Well Test ("EWT") of the 29/2C-12Z horizontal well on the Kyle Oil Field commenced on 24 May 2000 using the Petrojarl-1 floating production storage and offloading ("FPSO") vessel. Initial flow rates from the well were in the order of 19,000 BOPD before the well was choked back to approximately 13,000 BOPD to stay within UK Department of Trade and Industry (DTI) approved oil and gas volumes over the planned 130-day life of the EWT.

On 7 June the Kyle Joint Venture sold its first cargo of crude oil produced during the EWT. This sale shipment of 167,793 barrels (net ROC: 21,224 BBLS) was sold at a modest premium to the prevailing Brent spot price.

During the Quarter the Kyle Joint Venture's development plans for the field were progressed and a Heads of Agreement for a full life-of-field development through the nearby Curlew FPSO was executed subsequent to the end of the Quarter.

4.2.2 Chestnut Oil Field (ROC: 17.75%)

On 6 April 2000 ROC advised ASX that Brovig Production Services Limited ("Brovig") had issued an announcement regarding the proposed development of the Chestnut Oil Field, the essence of which was that the subsidiary of the company, together with Premier Oil Exploration Limited, acting on behalf of itself and the co-venturers in the Chestnut Oil Field had signed a Letter of Intent for the provision of services for the development and production of the field. The announcement also stated that the parties were proceeding to negotiate a full agreement.

In the event that the field development proceeds, it is expected to occur in two phases. The first phase will comprise a production test via a horizontal well. The second phase will involve the drilling of a water injection well to further enhance production. Phase Two will only be undertaken if the results of the first phase are satisfactory. Both development phases are subject to receipt of regulatory consents and approvals from relevant government authorities.

4.2.3 Blane Oil Field (ROC: 14.48%)

Reprocessing of a 3D seismic survey over the field has been agreed as a precursor to the selection of an appropriate well location for a Blane appraisal/development well, which is expected to be drilled during 2001 to determine whether or not the oil-water contact is tilted. ROC's mid-1999 Prospectus did not predict any development activity at the Blane Oil Field until 2005.

The development of the Blane Oil Field will require unitisation because the field straddles the international boundary between the UK and Norway. ROC's preliminary view of the unitisation situation is reflected in the equity figure quoted in this Report. The relevant operators have initiated a dialogue aimed at unitising the field in a reasonable manner to all parties. While these discussions are in progress it is expected that the Blane participants will continue to progress the project and this may involve the execution of a Pre-Development Agreement with the initial cost sharing between the relevant Joint Ventures being based upon a mutually agreed initial split which will be subject to redetermination when further information is available.

A pre-qualification questionnaire has been issued to a broad spread of industry contractors and a good response has been received, which implies that there are a number of different development options by which Blane could be developed subject to whether or not the oil-water contact is tilted.

5. EXPLORATION

5.1 UK ONSHORE (ROC: 77% TO 100%, GENERALLY 100%)

Following the Welton Sale to Star Energy Ltd and the relinquishment of a single, non-core exploration permit, the Company retains 13 licences onshore UK comprising key exploration areas close to the UK east coast of England. Areas around the Humber Basin received the main focus of evaluation during the Quarter, whilst databases are being built for licences more removed from the Saltfleetby producing asset.

5.1.1 Humber Basin (ROC: 100%)

A final interpretation of the merged Saltfleetby-Southeast 3D seismic survey was nearing completion at Quarter end. The result will be integrated with the drilling and production testing results as part of a reserve review to be conducted nearer year end when all the relevant information is available.

ROC continues to take a positive view of the exploration potential of the Humber Basin and the Company's plan is to delineate the more prospective areas with further seismic in late 2000 and/or early 2001.

Applications for two, relatively small, exploration permits near PEDL005, which contains the Saltfleetby and Keddington Fields, were submitted by ROC to the DTI during the Quarter (see Post-Quarter Events).

5.1.2 North Yorkshire (ROC: 100%)

Initial seismic interpretation of ROC's licence areas in North Yorkshire progressed during the Quarter and various-sized leads at Permian and Carboniferous levels were identified. The forward program for the area will be to consider acquiring further seismic to evaluate these leads.

5.2 INTERNATIONAL AREAS OTHER THAN UK

5.2.1 Morocco (ROC: 100%)

Technical studies were completed including the Pre-Stack Depth Migration of 1,400 km of seismic data in the Cap Juby area. The term of ROC's current Reconnaissance Licence expires at the end of July 2000 and discussions are being held with the relevant Government authorities in order to devise an optimum forward strategy for the area.

5.2.2 Mongolia (ROC: 100%)

During the Quarter the Company committed to the drilling of two exploration wells, Irwes-1 and Temee-1, in the East Gobi Basin of southern Mongolia. The wells will be drilled on a back-to-back basis starting with Irwes-1 in August 2000.

5.2.3 Australia, Perth Basin (ROC: 45% by paying 60% of well cost)

Activity during the Quarter was focused on the planning for the Cliff Head-1 exploration well. The Joint Venture submitted an Application to Drill Cliff Head-1 to the Department of Minerals and Energy, Western Australia, which was subsequently approved on 14 July 2000. The well is expected to be drilled during late 2000 or early 2001, subject to rig availability.

5.2.4 Senegal (ROC: 92.5%)

ROC opened a representative office in the Senegalese capital of Dakar in late June 2000. Technical studies continued during the Quarter in advance of a planned 3000 km seismic reprocessing programme in the second half of 2000 and the possible acquisition of 3D seismic in the first half 2001.

5.2.5 Mauritania (ROC: 2.0% to 2.7%)

On 14 April 2000 ROC announced to ASX that it and all of the shareholders of the privately-owned Elixir Corporation Pty Ltd ("Elixir") had executed an Option Agreement ("the Option") whereby ROC is entitled to purchase all of the issued capital of Elixir, the sole asset of which is its 2.0% to 2.7% interest in exploration acreage offshore Mauritania.

The area is mainly deep water, and covers virtually all of offshore Mauritania. Elixir's interests are subject to a variety of free carries. Large upside exploration potential has been identified by the Joint Venture operator, a subsidiary of Woodside Petroleum Limited, which is processing approximately 3520 sq km of 1999 3D seismic with the expectation that the first well will be drilled in the first half of 2001.

The essence of the Option is:

- In consideration for the Option, ROC has agreed to pay Elixir shareholders an initial option fee of US$200,000 cash.
- The initial option period ends on 1 March 2001 or when the first well starts drilling in Elixir's acreage, whichever event is the earlier.
- The initial option period can be extended at ROC's discretion for a further two twelve-month periods by ROC paying additional option fees.

5.2.6 Equatorial Guinea (ROC: 60%)

On 14 April 2000 ROC announced that it had executed a Farmin Agreement with Atlas Petroleum International Limited and Osborne Resources Limited (collectively "the Atlas Group") with regard to Blocks H15 and H16 ("the Blocks") in the Rio Muni Basin, offshore Equatorial Guinea.

The essential elements of the Farmin Agreement include:

- The Atlas Group, which owns 100% of the Blocks, will assign to ROC a 60% interest in consideration for which ROC will reimburse the Atlas Group's past costs to a total cash amount of US$4 million.
- ROC will also provide the Atlas Group with a work-programme carry through 100% of the cost of the pre-drill seismic and 70% of the cost of the first exploration well, together with 100% of the cost of other, relatively minor, statutory fees that will fall due during the carry period. In the event that commercial production is established in the Blocks, these carries will be repaid to ROC out of 50% of the Atlas Group's share of production revenue.
- In certain beneficial circumstances, it is anticipated that ROC will reduce its equity to a level between 60% and 35%, with the exact magnitude of the reduction being related to details that are yet to be finalised.

- Of particular interest to ROC and The Atlas Group is the Ceiba Oil Field discovered by Triton in October 1999, approximately 90 km along regional geological trend to the south of the Blocks. The discovery well for the Ceiba Field was reported by Triton to have flowed 12,400 BOPD, constrained by surface equipment. The field has been successfully delineated by four wells, some of which have discovered new oil reservoirs. It has been reported in the industry media that commercial production is expected to commence from the Ceiba Field prior to end 2000. Industry media reports also suggest that reserves estimates for the Ceiba Field are in the range of 100 to 500 MMBO. Since mid-1999 Triton's market capitalisation has increased by more than A$1 billion and industry analysts have suggested that this increase is not entirely unrelated to the discovery of the Ceiba Field.

6. CORPORATE

6.1 DEBT REDUCTION

Following the Welton Sale ROC's UK subsidiaries applied US$12.5 million of the consideration from the sale to repayment of part of the Syndicated Loan Facility. At the end of the Quarter the Facility was drawn to US$30.5 million, with the next loan repayment forecast to be required after June 2001.

6.2 PATRIA RESOURCES LIMITED

The final instalments of the £76,000 settlement payment due from Patria Resources Limited were received by ROC during the Quarter.

6.3 WEBSITE

During the Quarter ROC's website www.rocoil.com.au recorded 4,600 sessions. Sessions being occasions where one or more of the website pages have been opened.

7. POST QUARTER EVENTS

7.1 SALTFLEETBY GAS FIELD (ROC: 100%)

On 8 July 2000 the Saltfleetby-5 well commenced drilling. The well is designed to test the gas potential of the previously untested Namurian sequence, which underlies the main Westphalian gas reservoir at Saltfleetby. The expected well duration is 80 days, including testing and completion.

7.2 KEDDINGTON OIL FIELD (ROC: 100%)

During July 2000 the Keddington-2Y well was brought on to free flowing production at an initial rate of about 275 BOPD, significantly better than Keddington-1. A pump will be installed at Keddington-2Y in early August.

7.3 KYLE OIL FIELD (ROC: 12.5%)

On 16 July 2000 the Kyle 29/2C-13 appraisal well – also known as the Kyle Northeast Well – started drilling. The well is being drilled to evaluate the reserve potential of the northeast flank of the Kyle structure.

On 18 July 2000 ROC announced that a Heads of Agreement was signed for the full, life-of-field, development of the Kyle Oil Field via existing infrastructure associated with the nearby Curlew Field, jointly owned by Shell UK Limited and Esso Exploration and Production UK Limited.

Under the development plan proposed by the Kyle Joint Venture, first oil from the full field development is expected to go through the Curlew Facility at the end of the first quarter 2001.

7.4 AWARD ON NEW EXPLORATION AREAS, ONSHORE UK

On 28 July ROC announced that its wholly owned subsidiary, Roc Oil (UK) Limited, had been advised by the DTI that its applications for PEDL075 and PEDL076, offered as part of the Ninth Round of Landward Petroleum Licensing in the UK, had been successful. The initial term of both areas is six years with a collective mandatory work program which requires the Company to purchase 56 km of existing 2D seismic data and acquire 50 km of new 2D seismic within the first two or three years. Both areas are close to PEDL005, which contains the Saltfleetby and Keddington fields.

FURTHER INFORMATION

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Definitions:

"BBLS	means barrels
"BOE"	means barrels of oil equivalent[(1)]
"BOEPD"	means barrels of oil equivalent per day
"BOPD"	means barrels of oil per day
"BCPD"	means barrels of condensate per day
"MCF"	means thousand cubic feet per day
"MMSCF/D"	means million standard cubic feet per day
"MMBO"	means one million barrels of oil
"NGL"	means natural gas liquids
"OWC"	means oil-water contact
"Quarter"	means the period 1 April 2000 to 30 June 2000
"ROC"	means Roc Oil Company Limited

[(1)] The factor used to convert gas to oil equivalent is based on an approximate energy value of 6,000 standard cubic feet of gas per barrel of oil and not price equivalence at the time.