ROC OIL COMPANY LIMITED (ABN 32 075 965 856)



REPORT TO SHAREHOLDERS Activities for the Quarter Ended 30 September 2007

CEO COMMENTS

- The Quarter provided record oil production at a time of record global oil prices; a happy coincidence.
- In terms of US dollars, which is the Company's main currency of receipts and expenditures, quarterly sales revenues also set a new record.
- The Quarter provided the Company with its sixth currently producing field, Blane, in the North Sea; a heavy oil discovery with its first well onshore Angola at Massambala -1, which is subject to further appraisal and large new exploration areas offshore Perth, Western Australia and in the Mozambique Channel offshore Madagascar.
- Subsequent to Quarter end, Cevada-1 and Soja-1 wells, ROC's second and third exploration wells onshore Angola, both encountered hydrocarbon shows while drilling but in both cases they are judged to be non-commercial. See section 8.1 Post Quarter Events.
- As ROC heads towards the end of 2007 and into 2008, its aggressive drilling programme will
 continue onshore Angola while a new multi-well programme will start up in the Beibu Gulf,
 offshore China and subject to rig availability, possibly also in the northern offshore Perth Basin.

KEY ACTIVITIES

1. CONSOLIDATED REVENUE & PRODUCTION

- **1.1** Oil Production hit a record level of 862,454 BBLS with total working interest oil and gas production of 881,209 BOE (9,578 BOEPD); up 13% compared to 782,322 BOE (8,597 BOEPD) in the previous quarter.
- 1.2 Total sales revenue of \$60.8 million was essentially flat compared to \$60.4 million in the previous quarter, despite the quarter-on-quarter increase in production. This reflected stronger US dollar oil prices, offset by an increase in underlift by 63,193 BBLS to 115,959 BBLS and a stronger Australian dollar. In fact, in terms of US dollars, which is largely the company's currency of expenditure, the 3Q 2007 quarterly sales revenue was also a record.
- **1.3** Sales volumes of 758,560 BBLS, down 1.1% compared to the previous quarter of 769,789, due to timing of cargo liftings.
- **1.4** The average realised oil price across all of ROC's production assets was \$81.39/BBL (US\$69.46/BBL), up 3% from 2Q 2007.

2. PRODUCTION ASSETS

2.1 Cliff Head Oil Field, WA-31-L, Offshore Western Australia (ROC: 37.5% & Operator)

Gross oil production averaged 8,790 BOPD (ROC: 3,295 BOPD), up 4% on the previous quarter. In early September 2007, 16 months after production start-up, gross oil production from the field passed 4 MMBO without any Lost Time Injuries. The annual maintenance and inspection shutdown at the Arrowsmith Separation Plant was successfully completed in September, on schedule and on budget. No major maintenance issues were identified during the inspection. Concurrent with the inspections, one well was subject to a chemical soak with positive results and production following the start-up averaged in excess of 11,000 BOPD for the balance of September 2007.

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

Gross oil production averaged 17,320 BOPD (ROC: 4,244 BOPD) 8% lower than the previous quarter. Field production has been constrained by down hole equipment failures and a degree of reservoir complexity. Subsequent to the end of the Quarter, successful drilling results and well optimisation work had seen the field production increased to approximately 22,000 BOPD by mid October. ROC continued to build on its strong record of operational performance in the area of Health, Safety and Environment and on 30 September 2007, Zhao Dong operations achieved an important milestone: two years, representing more than 1.6 million man-hours, without a Lost Time Injury.

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

The Quarter marked the first full quarter of production for the Enoch Oil and Gas Field. Gross production averaged 8,400 BOPD and 10 MMSCFD (ROC: 1,011 BOPD and 1.2 MMSCFD). The production data quoted is based on the Forties Pipeline System reporting, and Enoch production volumes have not yet been finalised, and may be subject to upward revision.

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

The Blane Oil Field, brought on-stream on 12 September 2007, averaged 15,000 BOPD and 4 MMSCFD (ROC: 1,875 BOPD and 0.5 MMSCFD) for the balance of the month, in line with pre-production expectations.

2.5 Chinquetti Oil and Gas Field, PSC Area B, Offshore Mauritania (ROC: 3.25%)

Gross oil production averaged 13,310 BOPD (ROC: 433 BOPD); down 15% on the previous quarter's rate of 15,600 BOPD (ROC: 507 BOPD). Processing and interpretation of the 4D seismic acquired in 1Q 2007 is assisting in defining the Phase 2b forward work programme which will consist of infill wells.

3. DEVELOPMENT ASSETS

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

Detailed design work is progressing well for the planned expansion of the existing platform and production facilities and all major contracts have been placed. During the Quarter, five designated oil producing wells were drilled, designed to probe various different parts of the fields spread over more than five square kilometres. Overall, the results were mixed: three wells provided disappointing results, while two yielded results that were considerably above the high end of pre-drill expectations.

3.2 Zhao Dong C4 Oil Field, Bohai Bay, Offshore China (ROC: 11.575% unitised & Operator)

Project execution for the C4 field development is progressing with the fabrication of the piling templates for the C4 pipeline terminal and conductor pod now completed.

4. EXPLORATION AND APPRAISAL ASSETS

4.1 North Perth Basin, Offshore Western Australia (ROC: 20% - 37.5% & Operator)

Following a successful exploration drilling programme during the previous quarter, a review of prospects and leads in the vicinity of the Dunsborough and Frankland discoveries in WA-286-P was initiated and was continuing at quarter-end.

4.2 WA-351-P, Carnarvon Basin, Offshore Western Australia (ROC: 20%)

Technical work undertaken during the Quarter has highlighted a number of large prospective features and planning is underway for a 3D seismic survey expected to take place in 2008.

4.3 Block 22/12, Beibu Gulf, Offshore China (ROC: 40% & Operator - Subject to Government participation in developments for up to 51%)

Further progress has been made on the FEED studies and Overall Development Programme for the Wei 6-12 South and Wei 6-12 oil fields. Final preparations were also underway for a planned four well exploration/appraisal programme starting in December 2007 with targets in the vicinity of the Wei 6-12 and Wei 6-12 South discoveries.

4.4 Cabinda South Block, Onshore Angola (ROC: 60% Working Interest & 75% Contributing Interest & Operator)

The first exploration well in the Cabinda South Block, Massambala-1, discovered a shallow, heavy oil accumulation and feasibility studies are being undertaken with reference to techniques used in countries which currently produce similar quality oil. Subject to the results of these ongoing studies, it is planned that a horizontal appraisal well will be drilled to further define the accumulation, the provisional resource of which is estimated to be in the order of 170 million barrels of oil in-place.

The 2007 202 sq km 3D seismic acquisition programme was successfully completed ahead of schedule, on budget and without any Lost Time Injuries. The completion of the 2007 seismic programme marks the end of ROC's block-wide seismic acquisition which spanned 2005 to 2007 and represented 135,000 man days on the ground in Cabinda with only one minor Lost Time Injury in July 2005.

The exploration wells, Cevada-1 and Soja-1 commenced drilling in the Quarter, (see section 8.1 Post – Quarter Events).

4.5 Offshore Mauritania (ROC: 2 - 5%)

During the Quarter exploration activity was largely focused on interpreting the Tiof high resolution 3D seismic survey. One or more exploration wells may be drilled in 2008 dependent on re-evaluation of the prospect inventory and rig availability.

4.6 Blocks H15 & H16 Equatorial Guinea (ROC: 18.75% & Technical Manager)

The Republic of Equatorial Guinea has granted a one year extension (until February 2009) to the current exploration period. Pioneer Natural Resources (Equatorial Guinea) Limited and the other joint venturers, including ROC, continue to be subject to arbitration proceedings which are expected to conclude during 2008.

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

The PSC was formally approved effective 30 July 2007. Review and purchase of seismic and well data has been completed. Planning is continuing for a seismic survey and a geological review is also progressing.

5. NEW VENTURES

On 4 September 2007, ROC announced that it had signed a Farmin Agreement with Lempika Pty Limited, Emphazise Pty Limited and Westralian Petroleum Limited with regard to WA-381-P and WA-382-P in the Vlaming Sub-Basin, offshore Perth. As a result, subject to government approval, ROC has acquired an initial 20% operated interest in the two permits by agreeing to fund \$2 million pre-seismic exploration activity. As part of this Farmin Agreement, ROC has been granted two further options whereby by funding further work programmes ROC's interest would increase to a maximum of 80%.

6. CORPORATE

During the Quarter two new directors joined ROC's board. Mr Bruce Clement, the Company's Chief Operating Officer, was appointed as an Executive Director on 1 July 2007 and Dr Doug Schwebel was appointed as a Non-Executive Director of the Company on 1 September 2007.

On 29 August 2007, Ms Leanne Nolan, ROC's Senior Lawyer, was appointed as Assistant Company Secretary.

During the Quarter, the refinancing of ROC's US\$137.5 million Bridge Loan Facility was successfully completed with a new four year US\$200 million debt facility to support future growth opportunities and provide a general working capital facility for the Company.

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

7. FINANCIAL

At Quarter-end ROC had approximately \$28.8 million in cash and debt of \$177.0 million.

7.1 Production

7.1 Floudction				
	3Q 2007	2Q 2007	YTD	% Change(3Q 07 to 2Q07)
Oil Production (BBLS)				
Cliff Head	303,130	289,233	857,721	5
Zhao Dong C&D Fields	390,455	418,497	1,271,866	(7)
Chinguetti	39,803	45,599	139,025	(13)
Blane	35,717	-	35,717	N/A
Enoch*	93,002	22,389	115,391	315
Other	347	500	1,496	(31)
Total Oil Production	862,454	776,218	2,421,216	11
Gas Production (MSCF)				
Blane	10,381	-	10,381	N/A
Enoch	102,149	36,625	138,774	179
Total Gas (MSCF)	112,530	36,625	149,155	207
Total BOE	881,209	782,322	2,446,075	13
BOEPD	9,578	8,597	8,960	11

Note: Production quoted is ROC's working interest share of total production. ROC's net entitlement production for the period was 821,753 (2Q 2007: 749,213; YTD: 2,320,286) after taking out governments' share of profit oil.

^{*} The production data for Enoch is based on the Forties Pipeline System production, which has not yet been finalized and may be subject to upwards revision. 2Q production for Enoch has been retrospectively decreased by 7,221 BBLS (0.3% of ROC's total year to date production) as a result of metering and allocation adjustments post-start-up.

7.2 Sales

	3Q 2	2007	2Q 2007		YTD	
Oil Sales (BBLS)	BBLS	\$`000	BBLS	\$`000	BBLS	\$'000
Cliff Head	302,181	26,356	296,192	24,322	857,890	69,802
Zhao Dong C&D Fields	299,951	21,543	406,224	31,222	1,020,417	72,487
Chinguetti	32,394	2,835	60,769	4,731	93,163	7,566
Enoch	104,932	9,459	-	-	104,932	9,459
Other	347	21	500	43	1,496	111
Total Oil Sales	739,805	60,214	763,685	60,317	2,077,898	159,425
Gas Sales (MSCF)						
Blane	10,381	13	-	-	10,381	13
Enoch	102,149	566	36,625	126	138,774	692
Total Gas Sales						
(MSCF)	112,530	579	36,625	126	149,155	705
Total Sales (BOE)	758,560	60,793	769,789	60,443	2,102,757	160,130

Note: ROC's net entitlement crude stock position increased by 63,193 BBLS during the period so that at the end of 3Q 2007 ROC was in an underlift position of 115,959 BBLS compared to a 52,766 BBLS underlift at the end of the previous quarter.

7.3 Expenditure Incurred

	3Q 2007 \$'000	2Q 2007 \$'000	YTD
Exploration			
Angola	31,795	18,474	57,847
China	1,283	320	2,217
Mauritania	86	460	691
Australia	389	21,149	21,668
UK	56	68	229
Equatorial Guinea	5	192	299
Madagascar	441	2,161	2,602
Other	198	562	1,011
Total Exploration	34,253	43,386	86,564

Development			
Zhao Dong C & D Fields	8,746	6,235	16,177
Zhao Dong C4	1,900	144	2,049
Blane	5,051	5,608	21,707
Enoch	1,103	3,726	10,712
Chinguetti	412	701	3,575
Total Development	17,212	16,414	54,220

TOTAL EXPLORATION	&	51.465	E0 000	140.784
DEVELOPMENT		51,405	59,800	140,704

7.4 Hedging

At 30 September 2007, the company's hedge position for the period through to December 2011 is summarised below.

	BRENT OIL PRICE SWAPS		BRENT OIL PRICE PUTS		
		Weighted Average		Weighted Average	
	Volume	Brent Price	Volume	Brent Price	
		USD/BBL		USD/BBL	
2007	351,000	67.68	75,000	50.00	
2008	1,177,987	71.40	-	-	
2009	851,998	70.01	-	-	
2010	686,994	68.46	-	-	
2011	455,997	66.31	-	-	
	3,523,976	69.46	75,000	50.00	

8. POST QUARTER EVENTS

Following discussions with the relevant government authorities, ROC has now obtained approval to release the following information on its recently completed drilling activities onshore Angola. ROC's second exploration well in the Cabinda South Block, onshore Angola, Cevada-1, was drilled to a Total Depth of 1,358 metres. The third exploration well, Soja-1, was drilled to a Total Depth of 2,856 metres. Both wells had good hydrocarbon shows but neither is judged to be commercial. Cevada-1 was plugged and abandoned and Soja-1 is being plugged and abandoned. The *Simmons* rig will now continue the drilling programme with Trigo-1, which is due to start drilling by end-November, which will be immediately followed at the beginning of January by Milho-1.

9. FURTHER INFORMATION

For further information please contact ROC's Chief Executive Officer, John Doran, Chief Operating Officer, Bruce Clement or General Manager, External Affairs & Investor Relations, Damian Fisher on:

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DEFINITIONS

BBL(S) means barrel(s)
BCF means billion cubic feet

BOE means barrels of oil equivalent (6 MSCF = 1 BOE)

BOPD means barrels of oil per day

BOEPD means barrels of oil equivalent per day BCPD means barrels of condensate per day

GWC means gas-water contact
MCF means thousand cubic feet
mBRT means metres below rotary table

mMDRT means measured depth below rotary table mTVDSS means metres true vertical depth below sea level

MSCF means thousand standard cubic feet

MMSCF means million standard cubic feet

MMSCFD means million standard cubic feet per day

MMBO means million barrels of oil

MMBOE means million barrels of oil equivalent

OWC means oil-water contact

PSC means Production Sharing Contract

Quarter means the period 1 July 2007 to 30 September 2007

ROC means Roc Oil Company Limited and includes, where the context requires, its subsidiaries

SCF means standard cubic feet
TCF means trillion cubic feet
US\$ means US dollars
\$ means Australian dollars

In accordance with ASX and AIM Rules, the information in this Release has been reviewed and approved by Dr John Doran, Chief Executive Officer, Roc Oil Company Limited, BSc (Hons) Geology, MSc and PhD. Dr Doran, who is a member of the Society of Petroleum Engineers, has more than 30 years relevant experience within the industry and consents to the information in the form and context in which it appears.