REPORT TO THE AUSTRALIAN STOCK EXCHANGE (ASX)
Activities for the Quarter Ended 31 March 2001

SUMMARY

- Record sales revenue: $26 million
- Record after-tax unaudited operating profit: $7.5 million
- Record cash level: $70 million; nil net debt position maintained

Subsequent to Quarter end:

- Net production boosted by more than 25% (2,200 BOPD) as a result of production start-up at the Kyle Oil Field in the UK North Sea
- Net oil and condensate production up 240% because of Kyle start-up
- Gas:liquids (oil and condensate) production balance improved from 87:13 to 65:35, due to Kyle
- Middle Eastern assets targeted by unsolicited $37 million offer for 40% of Gulfstream Resources Canada Limited (“Gulfstream”)

HIGHLIGHTS

Another revenue record …

Record quarterly gross sales revenue of $26.0 million; up $0.3 million (1%) on the previous quarter, due to higher UK domestic gas prices and continued strong gas production performance from the 100% ROC-owned Saltfleetby Gas Field.

…and record profit …

Unaudited net quarterly operating profit after tax was a record $7.5 million.

…without any contribution from the Kyle Oil Field…

Total production for the Quarter was 7,614 BOEPD; down 7% on the previous quarter as a result of a natural decline in Saltfleetby gas production and the scheduled end of production from the
Kyle Extended Well Test (“EWT”) in November 2000. This decline was more than offset by the commencement of full scale production at Kyle in April 2001.

Total gas production of 3.6 BCF (39.9 MMSCF/D): down 0.2 BCF (5%) on the previous quarter due to forecast natural production decline and the shut-in of the Saltfleetby-5 well until gas compression commences later in the year.

Total oil and condensate production of 86,220 barrels (958 BOPD); down 34,917 barrels (350 BOPD or 29%) on the previous quarter as a result of the scheduled end of the Kyle EWT and the natural decline in condensate production from Saltfleetby.

Subsequent to the end of the Quarter, this production decline was more than offset with the commencement of production from the Kyle Oil Field.

The Chestnut 22/2a-11 appraisal well was drilled to a depth of 2,920 metres during the Quarter. Subsequent to the end of the Quarter, the well was sidetracked and had reached a depth of 2,983 metres by 23 April 2001. The well is being fully funded by Amerada Hess Limited (“Amerada”), which farmed in on 30 March 2001.

A 1,385 sq km 3D seismic survey in deepwater offshore Equatorial Guinea, 100% funded and managed by ROC, was completed on 30 March 2001.

Subsequent to Quarter end:

Chinguetti-1, the first of two deep water exploration wells to be drilled offshore Mauritania, started drilling on 5 April 2001. ROC has an option to acquire a 2.4 to 2.7% free carried interest in the well and surrounding areas.

The Kyle Oil Field commenced production on 7 April 2001 and, during the period to 25 April 2001, production averaged over 17,000 BOPD (net ROC: more than 2,100 BOPD), with individual daily rates in excess of 25,000 BOPD (net ROC: more than 3,100 BOPD).

On 2 April 2001, Roc Oil (Middle East) Limited, a wholly owned subsidiary of ROC, made a $37 million unsolicited offer to acquire 40% of the issued capital of Gulfstream, a Canadian company listed on the Toronto Stock Exchange.
ASX QUARTERLY REPORT 31 MARCH 2001

SUMMARY 1
HIGHLIGHTS 1

CONTENTS

1. STATISTICS 5
   1.1 PRODUCTION 5
   1.2 SALES REVENUE 5
   1.3 EXPENDITURE 5
   1.4 DRILLING 6
   1.5 SEISMIC 6

2. CEO’S REPORT 6

3. PRODUCTION AND RESERVES 8
   3.1 GAS PRODUCTION 8
      3.1.1 UK Onshore – Saltfleetby Gas Field 8
   3.2 OIL & CONDENSATE PRODUCTION 8
      3.2.1 UK Onshore – Keddington Field 8
      3.2.2 UK Onshore – Saltfleetby Gas Field 8
      3.2.3 UK North Sea – Kyle Oil Field 8
      3.2.4 UK North Sea – Claymore Oil Field 8
      3.2.5 Mongolia – East Gobi Basin 8

4. DEVELOPMENT 8
   4.1 UK ONSHORE 9
   4.2 UK NORTH SEA 9
      4.2.1 Kyle Oil Field 9
      4.2.2 Chestnut Oil Field 9
      4.2.3 Blane Oil Field 9

5. EXPLORATION & APPRAISAL 10
   5.1 NICHE AREAS: UK & AUSTRALIA 10
      5.1.1 UK Onshore 10
      5.1.2 Australia 10
5.2 INTERNATIONAL AREAS

5.2.1 Senegal
5.2.2 Mauritania
5.2.3 Equatorial Guinea

6. CORPORATE

6.1 OIL & GAS PRICE HEDGING
6.2 SALTFLEETBY INCREMENTAL RESERVE PAYMENT
6.3 UK NON-CORE PRODUCTION AND OIL PRICE BONUS
6.4 WEBSITE

7. POST-QUARTER EVENTS

7.1 KYLE OIL FIELD: PRODUCTION START-UP
7.2 PERTH BASIN: CLIFF HEAD-1 WELL
7.3 MAURITANIA: CHINGUETTI-1 WELL
7.4 OFFER TO ACQUIRE 40% OF GULFSTREAM RESOURCES CANADA LIMITED
1. STATISTICS

1.1 PRODUCTION

<table>
<thead>
<tr>
<th></th>
<th>Dec '00 Qtr</th>
<th>March '01 Qtr</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OIL &amp; NGL (BBLS)</strong></td>
<td>BBLS</td>
<td>BBLS</td>
<td></td>
</tr>
<tr>
<td>UK – Onshore Oil</td>
<td>6,267</td>
<td>4,635</td>
<td>-26%</td>
</tr>
<tr>
<td>UK – Offshore Oil</td>
<td>40,982</td>
<td>14,039</td>
<td>-66%</td>
</tr>
<tr>
<td>UK – Onshore NGL</td>
<td>73,888</td>
<td>67,546</td>
<td>-9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>121,137</td>
<td>86,220</td>
<td>-29%</td>
</tr>
</tbody>
</table>

| **GAS (MCF)**        |             |               |        |
| UK – Onshore (Saltfleetby) | 3,791,090 | 3,594,330 | -5%   |
| UK – Offshore (Kyle)  | N/A         | N/A           | N/A    |
| **Total**            | 3,791,090   | 3,594,330     | -5%    |

**TOTAL PRODUCTION (BOEPD)**

8,185          7,614          -7%

The above production statistics do not include 12,226 BBLS of Mongolian test oil produced during the Quarter.

1.2 SALES REVENUE

<table>
<thead>
<tr>
<th></th>
<th>Dec '00 Qtr</th>
<th>March '01 Qtr</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK Oil &amp; NGLs</td>
<td>3,996</td>
<td>2,199</td>
<td>-45%</td>
</tr>
<tr>
<td>UK Gas</td>
<td>20,963</td>
<td>23,827</td>
<td>+14%</td>
</tr>
<tr>
<td>Mongolian Test Production</td>
<td>720</td>
<td>-</td>
<td>-100%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>25,679</td>
<td>26,026</td>
<td>+1%</td>
</tr>
</tbody>
</table>

1.3 EXPENDITURE

<table>
<thead>
<tr>
<th></th>
<th>Dec '00 Qtr</th>
<th>March '01 Qtr</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exploration</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>61</td>
<td>247</td>
</tr>
<tr>
<td>UK</td>
<td>62</td>
<td>1,737</td>
</tr>
<tr>
<td>Other International</td>
<td>2,365</td>
<td>9,911</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,339</td>
<td>13,959</td>
</tr>
</tbody>
</table>

| **Development**      |             |              |
| Australia            | -           | -            |
| UK                   | 7,851       | 2,064        |
| Other International  | -           | -            |
| **Total**            | 10,339      | 13,959       |
1.4 DRILLING

<table>
<thead>
<tr>
<th>Well</th>
<th>Location</th>
<th>% Interest</th>
<th>Comment at End of Quarter</th>
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<tbody>
<tr>
<td>Exploration</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eskdale – 13</td>
<td>Humber Basin Onshore UK</td>
<td>5 free carried</td>
<td>Preparing to test</td>
</tr>
<tr>
<td>Chestnut 22/2a-11</td>
<td>UK North Sea</td>
<td>14.9 carried</td>
<td>Side tracking</td>
</tr>
<tr>
<td>Development</td>
<td></td>
<td></td>
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1.5 SEISMIC

<table>
<thead>
<tr>
<th>Size</th>
<th>Location</th>
<th>% Interest</th>
<th>Comment</th>
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</thead>
<tbody>
<tr>
<td>2D 50 km</td>
<td>Humber Basin Onshore UK</td>
<td>100</td>
<td>Completed</td>
</tr>
<tr>
<td>3D 1,385 km</td>
<td>Offshore Equatorial Guinea</td>
<td>60</td>
<td>Completed, 100% funded by ROC</td>
</tr>
</tbody>
</table>

2. CEO’S REPORT

During the first quarter 2001 ROC delivered solid results, including a record sales revenue and record unaudited net after tax operating profit.

The results clearly demonstrate the benefits which ROC enjoys because its production is located in a part of the world where gas prices are strong, the fiscal regime attractive and the petroleum province well established.

Not for the first time in ROC’s relatively short life as a publicly listed company, the record results for the Quarter have been driven largely by robust UK gas prices.

The record sales revenue reported for the Quarter may only be $300,000 above the previous record, but it was achieved against a background of natural decline at the Saltfleetby Gas Field and without any contribution from the Kyle Oil Field.

Within seven days of the end of the Quarter, ROC’s net oil production received a large boost when long term production at the Kyle Oil Field commenced. This is another important milestone in ROC’s development. Not only does Kyle provide a useful addition to the Company’s production profile, but it also diversifies ROC’s production base.

The development of the Kyle Oil Field via the Curlew Field facilities instead of the problematic Banff facility, is a good illustration of the advantages of operating in a well established area which offers a variety of infrastructure options.

In a similar context, the farmout of the Chestnut Oil Field, to US multinational Amerada Hess Ltd (“Amerada”), while an appraisal well was being drilled and funded by a Norwegian contractor, is also something that probably could not have occurred except in an area with a well established industry presence.

ROC’s continuing profitability and balance sheet strength is a testimony to the benefits of generating revenue within a fiscal regime that is both attractive and even-handed. All too often in this business, companies are judged simply and solely on the number of barrels
produced or the number of cubic feet of gas in their reserve base, without reference to the real underlying value of those assets which is usually determined by the nature of the prevailing fiscal system.

Since ROC was established as a privately owned company, just over four years ago, it has been focused on a series of company-building activities that are now coming to fruition.

The first phase of ROC’s corporate construction process was the establishment of a solid and diversified production base in a fiscally friendly, “niche” country with a strong product market and a well established industry presence. This phase, focused on the UK, is now essentially complete. However, continuing exploration in the South Humber Basin, onshore UK, and additional potential field developments in the North Sea, are expected to add more value to this part of the Company’s asset base in the near to medium term.

The second phase of ROC’s company-building effort is the construction of an international exploration portfolio with meaningful upside potential. This process has been underway for some time and it is not yet complete, although good progress has been achieved. In the immediate term, the next step in this process will come from the results of the two deep water exploration wells offshore Mauritania. The first of these back-to-back wells is currently being drilled. As a result of an arrangement announced to ASX in April 2000, ROC has an option to acquire a 2.4 and 2.7% free carried interests in these wells but is not required to consider exercising the option until after the results of the wells are known.

The third phase of corporate construction is referred to within ROC as “the next big thing”. In effect, this is the quest for another core asset. This search is being energetically, but prudently, pursued on several different fronts. Currently, the most obvious expression of this phase of ROC’s growth is the Company’s recent unsolicited $37 million offer to acquire a 40% interest in Gulfstream. The fate of ROC’s bid, announced a month ago, is presently unknown. However, the offer illustrates several of the features that an opportunity needs to display before it is considered by ROC to be a candidate for “the next big thing”. The bid is ‘sensibly contrary’ because, prior to ROC’s bid, Gulfstream was an out of favour stock with a number of challenges which it will need to over come before it can realise the potential value of its assets. Also, the key assets are in Qatar, a country where ROC feels very comfortable and where it has particular insights, in this case because of a local shareholder presence.

Whatever details unfold with regard to ROC’s bid for Gulfstream, ROC shareholders should be assured - and Gulfstream shareholders should be advised - that ROC is a very disciplined buyer. ROC will not let the desire to acquire interfere with its view of fundamental value. In auction rooms you never chase the bid, and in corporate acquisitions you never chase the ask price. As far as ROC is concerned, it made a fair value offer on 2 April 2001 and nothing has happened in the meantime to cause ROC to increase its opinion of the fundamental worth of Gulfstream. In fact, there’s a strong argument that the value of Gulfstream has dropped by about $10 million as a result of the revelation that two of its senior directors are apparently entitled to receive that amount of money as bonuses in the event that a third party acquires more than 15% of Gulfstream.

With one excellent quarter behind us, an exciting quarter underway, and three phases of corporate construction being progressed simultaneously on different fronts, ROC shareholders have every reason to expect that the fundamental value of the Company will continue to grow during the balance of 2001 and beyond.
3. PRODUCTION AND RESERVES

3.1 GAS PRODUCTION

During the Quarter, ROC’s gas production was entirely from the Saltfleetby Gas Field, but that changed in April 2001 when the Kyle Oil Field came on to production.

3.1.1 UK Onshore – Saltfleetby Gas Field (ROC: 100% and Operator)

Gas production for the Quarter from the Saltfleetby Gas Field was 3.594 BCF (39.9 MMSCF/D), 5% lower than the previous quarter. The decrease was mainly due to the Saltfleetby-5 well being shut in with the intention of recovering Namurian reserves once surface compression facilities are started up later in 2001.

3.2 OIL & CONDENSATE PRODUCTION

Total oil and condensate production for the Quarter was 86,220 BBLS (958 BOPD), a reduction of 29% on the previous quarter. This reduction was mainly due to the completion of the Kyle EWT in November 2000. The commencement of Kyle production on 7 April 2001 more than offset this decline (see Section 7.1 for details).

3.2.1 UK Onshore – Keddington Field (ROC: 100% and Operator)

Oil production from the Keddington Field was 4,635 BBLS (52 BOPD), 25% down on the previous quarter. This was attributable to the natural decline of production from Keddington-1 and Keddington-2 being shut in while options for utilising the produced gas are reviewed.

3.2.2 UK Onshore – Saltfleetby Gas Field (ROC: 100% and Operator)

Saltfleetby condensate production was 67,546 BBLS (751 BCPD); 9% down on the previous quarter largely due to lower gas production.

3.2.3 UK North Sea – Kyle Oil Field (ROC: 12.5%)

During the Quarter, final preparations were completed for full Kyle production startup which was achieved on 7 April 2001 (see Section 7.1 for details).

3.2.4 Claymore Oil Field (ROC: 0.4605%)

The Claymore Oil Field produced 14,039 BBLS (net ROC: 156 BOPD), down 2% on the previous quarter.

3.2.5 Mongolia – East Gobi Basin (ROC: 100%)

During the Quarter, a total of 12,226 barrels of oil (136 BOPD) was produced into storage at ROC’s production facility in the East Gobi Basin in southern Mongolia.

4. DEVELOPMENT

Total development expenditure for the Quarter was $2.1 million; comprising $0.2 million onshore UK and $1.9 million in the UK North Sea.
4.1 UK ONSHORE

The $0.2 million UK onshore development expenditure for the Quarter related primarily to minor capital items for Saltfleetby. No major development activities were carried out on the Saltfleetby or Keddington Fields.

4.2 UK NORTH SEA

UK offshore development expenditure for the Quarter totalled $1.9 million, primarily in relation to development activities at the Kyle Oil Field.

4.2.1 Kyle Oil Field (ROC: 12.5%)

The two Kyle horizontal production wells in the Upper Cretaceous Chalk reservoir were tied back to the Curlew FPSO during the Quarter. Production from 29/2c-12z and 29/2c-13 came on stream on 7 April 2001 (see Section 7.1).

4.2.2 Chestnut Oil Field (ROC: 14.875%, carried)

The Chestnut Well 22/2a-11 was spudded on 16 February 2001. By the end of the Quarter, the well had been drilled to 2,970 metres in 12¾" hole and was preparing to run 9 5/8" casing. Operation difficulties at casing depth in early March 2001 necessitated sidetracking in a new 12¼" hole.

The participating interest of Roc Oil (UK) Limited (ROC’s 100% owned UK subsidiary) in the Chestnut Oil Field was reduced by 50% from 29.75% to 14.875% at the end of the Quarter through a farmout arrangement involving all Chestnut Oil Field Joint Venturers and Amerada.

The farmout, which is subject to normal industry terms and conditions and receipt of relevant Government approvals, is designed to ensure that operations, at the currently drilling 22/2a-11 appraisal well, will continue at no cash cost to the Joint Venture, notwithstanding advice from Brovig Productions Services Limited (“Brovig”) that it was unable to meet its contractual obligations in relation to the drilling of that well and the planned EWT.

Participants in the Chestnut Joint Venture will be fully carried by Amerada through the drilling of the 22/2a-11 well and the associated EWT. In consideration for providing this carry, Amerada will become operator of Block 22/2a and the Chestnut Oil Field and will earn from each existing co-venturer, on a pro-rated basis, a 50% interest in the block and the Chestnut Oil Field. Amerada will be able to recover preferentially the cost of the EWT from oil produced by that operation. This is essentially the same as the arrangement which was originally put in place with Brovig.

In the event of success with the 22/2a-11 well, the EWT is planned in the second quarter 2001 to assist in the decision regarding full field development.

4.2.3 Blane Oil Field (ROC: 14.48%)

Activity at the Blane Oil Field during the Quarter continued to focus on field unitisation between the UK Joint Venture (the P 111 Group) and the Norwegian Joint Venture (the PL 143 Group) and cost and data sharing issues.

Technical sub-surface work has continued, resulting in new mapping, volumetrics and a better understanding of the distribution of hydrocarbons within the field.
Finalisation of an appraisal well location requires discussion between the P 111 Group and the PL 143 Group. A draft Memorandum of Understanding regarding the unitisation has been drawn up as the basis for discussions between these two Groups, the UK Department of Trade and Industry and the Norwegian Petroleum Department. Initial meetings between these parties took place during March 2001.

A preliminary review of the pre-tender exercise and the potential development schemes put forward by contractors was carried out by the P 111 Group.

5. EXPLORATION & APPRAISAL

5.1 NICHE AREAS: UK & AUSTRALIA

5.1.1 UK Onshore

UK exploration expenditure for the Quarter totalled $1.7 million, the majority of which was spent in the Humber Basin.

- **Eskdale Gas Field (ROC: 5% free carried interest)**
  
  The Eskdale-13 appraisal well, drilled to a shallow depth in late 2000, was re-entered in February 2001 and drilled to a depth of 2,056 metres. Indications of hydrocarbons were reported in the two Permian limestone reservoir targets and, at the end of the Quarter, plans were being made to test one of these.

- **Humber Basin (ROC: 100% and Operator)**
  
  The 53 km Hogsthorpe 2D seismic survey in PEDL 076 was completed thereby meeting the work commitment for this licence.

  The proposed 400 sq km 3D seismic acquisition in the South Humber Basin, scheduled to start in February 2001, was postponed due to the outbreak of foot and mouth disease.

- **North Yorkshire (ROC: 100% and Operator)**
  
  Planning commenced for a 2D acquisition programme for PEDL 004 and PEDL 031, scheduled for the latter half of 2001.

- **Coalgas Licences (ROC: 97.5% and Operator)**
  
  Interpretation of the 222 km of 2D seismic data purchased in 2000 is continuing in conjunction with a geological review that incorporates these new data.

- **Widmerpool Gulf (ROC: 100% and Operator)**
  
  Evaluation of well and seismic data continued during the Quarter. A number of leads have been identified and planning for a 2D infill programme will shortly commence.

- **Northumberland/Stainmore (ROC: 100% and Operator)**
  
  Some preliminary interpretation of the seismic in PEDL 028 and PEDL 029 has been carried out and further work will be conducted to identify and locate any leads where infill seismic may be beneficial.

5.1.2 Australia

Australian exploration expenditure was $0.25 million, all related to offshore Western Australia.
• **Offshore Western Australia (ROC: 45% to be earned and Operator)**

Planning for the Cliff Head-1 well in WA-286-P continued through the Quarter. The principal issue facing ROC and its co-venturers was to cost efficiently secure a rig during the preferred summer drilling weather window. Subsequent to the end of the Quarter, a Rig Assignment Agreement was executed (see Section 7.2).

5.2 **INTERNATIONAL**

Exploration expenses incurred totalled $9.9 million, 80% of which related to the 3D seismic survey offshore Equatorial Guinea.

5.2.1 **Senegal (ROC: 46.25% and Operator)**

ROC is currently reprocessing 3,000 km of existing seismic data that will be used to determine the forward work programme for the blocks. The firm work commitment for the blocks is 1,500 km of seismic to be acquired before end 2002.

5.2.2 **Mauritania (ROC: Option to acquire 2.0-2.7%)**

During the Quarter, ROC exercised its right to extend its option to acquire all of the share capital of Elixir Corporation Pty Limited (“Elixir”), the company that holds the interests in Mauritania. The consideration for the extension of the option was US$200,000.

A 6,176 km 2D regional seismic programme was acquired over the Dana Petroleum operated Blocks 1, 7 and 8 during the previous quarter. Processing of these data is near completion. Interpretation of this information will determine the next phase of exploration in these blocks.

5.2.3 **Equatorial Guinea (ROC: 60% and Technical Manager)**

The 1,385 sq km 3D seismic survey over its deep water offshore acreage was completed on 30 March 2001. The data from the survey are currently being processed. Processing should be completed during October 2001.

6. **CORPORATE**

6.1 **OIL & GAS PRICE HEDGING**

Prior to ROC’s acquisition of its onshore UK Assets, the previous owner of those assets had entered into a Gas Sales Contract with Northern Electric & Gas Limited (“Northern Electric”), which resulted in approximately 42% of Saltfleetby gas production for the Quarter being sold at a fixed contract price, with the remainder sold at spot prices or under short term forward contracts of up to 90 days. The contract with Northern Electric contains fixed contract prices for the sale of Saltfleetby gas production for the period to 30 September 2002, so that new pricing contract negotiations are expected to start in late 2001.

During December 2000, ROC’s wholly-owned UK subsidiaries entered into oil price and gas price hedging contracts with Barclays Capital plc, covering a relatively small portion (less than one-third of uncontracted production) of the Company’s 2001 oil and gas production. The oil price hedge, covering 383,000 barrels of oil over the period from 1 May to 31 December 2001, was implemented at an average Brent oil price of US$24.54 per barrel. A gas price hedge, covering 1.7 BCF of sales gas over the whole
of 2001, was implemented at an average price of 23.1 pence per therm (equivalent to $7.20/MCF at current foreign exchange rates).

ROC has not entered into any foreign exchange or interest rate hedging arrangements.

6.2 **SALTFLEETBY INCREMENTAL RESERVE PAYMENT**

On 16 March 2001, ROC’s wholly owned UK subsidiaries, ROC Oil (UK) Limited, and ROC Oil (CEL) Limited paid a total of £5.3 million ($15.4 million) to 2M Energy Corp (“2M”). This payment represented a one time deferred purchase consideration for the acquisition of the UK assets from Morrison Middlefield Resources Limited on 29 July 1999. The payment was based on incremental Saltfleetby proved and probable gas reserves being not less than 30 BCF with a cap for payment calculations at 50 BCF plus associated liquids. With Saltfleetby recoverable reserves estimated to be 73 BCF at end 2000 ROC was required to make the maximum payment to 2M - and was very pleased to do so.

6.3 **UK NON-CORE PRODUCTION AND OIL PRICE BONUS**

Consistent with the agreement with Star Energy Limited (“Star”), detailed in ROC’s release to ASX dated 2 May 2000. Star paid Roc Oil (UK) Limited and Roc Oil (CEL) Limited a total of £1.9 million/A$5.5 million on 30 March 2001. This represented the first twelve month “Bonus Payment”, based on production rates and Brent oil prices for the Welton Area fields sold to Star. Subject to Brent oil prices and production rates over the next twelve months, ROC is eligible to receive a second bonus payment, up to a maximum of £3 million, in March 2002.

6.4 **WEBSITE**

During the Quarter, ROC’s website [www.rocoil.com.au](http://www.rocoil.com.au) received 4,120 sessions (sessions being occasions when one or more of the website pages have been opened) which is about average for the site over a three month period.

7. **POST-QUARTER EVENTS**

7.1 **KYLE OIL FIELD: PRODUCTION START-UP**

Start up of full scale oil production from the Kyle Oil Field, via the Curlew floating production facilities, occurred on 7 April 2001. During the first 19 days of production, the Kyle Oil Field flowed at rates in excess of 25,000 BOPD (net ROC: more than 3,100 BOPD) and averaged more than 17,000 BOPD (net ROC: more than 2,100 BOPD). First lifting of Kyle oil is expected to take place by early May 2001.

7.2 **PERTH BASIN: CLIFF HEAD - 1 WELL**

On 11 April 2001, ROC’s wholly owned subsidiary, Roc Oil (WA) Pty Limited (“ROC WA”) executed a Rig Assignment Agreement with Apache and Ensco. Under the Rig Assignment Agreement, the drilling contract between Apache and Ensco will be assigned to ROC WA for a drilling slot between November 2001 and February 2002. This will enable the Cliff Head-1 well to be drilled sometime during that period. ROC WA has applied to the Department of Minerals and Energy to extend the time by which it is required to drill the Cliff Head-1 well from 21 June 2001 to 28 February 2002.
7.3 MAURITANIA: CHINGUETTI-1 WELL

The Operator of Blocks A and B offshore Mauritania is Woodside Mauritania Pty Limited, a wholly owned subsidiary of Woodside Petroleum Limited. On 5 April 2001, the Chinguetti-1 exploration well was spudded in Block B. The Mauritanian Government has agreed that, although located in Block B, the well is a minimum work programme well for Block A. The well is located in 794 metres of water, 80 km offshore. At 19 April 2001, the well was drilling ahead at 1,505 metres in 17½” hole. The well will test potential stacked oil and gas reservoirs over a buried salt dome.

7.4 OFFER TO ACQUIRE 40% OF GULFSTREAM RESOURCES CANADA LIMITED (“GULFSTREAM”)

On 2 April 2001, Roc Oil (Middle East) Pty Limited (“Roc Middle East”), a wholly owned subsidiary of ROC, made a A$37 million cash offer to acquire 25.75 million shares of Toronto-listed Gulfstream, representing 40% of the issued share capital of that company. The offer price is C$1.10 per share which was, on 2 April 2001, equivalent to A$1.43 per share and represented a 51% premium to the pre-bid 10 day weighted average share price. As of late April 2001, Gulfstream’s share price had risen to C$1.80, more than 140% above the pre-bid price. The offer was not solicited by Gulfstream’s board and is subject to 17 conditions, all of which will need to be satisfied or waived at Roc Middle East’s sole discretion, in order for the offer to be consummated. These conditions reflect the fact that ROC’s analysis of Gulfstream has been based entirely on data in the public domain. Among other conditions, Roc Middle East acknowledges the presence of a Shareholders’ Rights Plan which will need to be rescinded by Gulfstream’s board or otherwise removed prior to Roc Middle East agreeing to accept shares tendered to it by Gulfstream’s shareholders.

If the offer is successful, the cash outlay by Roc Middle East will be approximately C$30 million/$39 million, including transaction fees. If the offer is successful, Roc Middle East intends to propose that the Board of Gulfstream be reduced and restructured so that it will consist of five directors, composed of three Roc Middle East nominees and two independent Canadian residents with impeccable standing within the Canadian business community.

The offer will be open for acceptance until 6 pm (Calgary time) on Tuesday 8 May 2001, unless withdrawn or extended.

FURTHER INFORMATION

For further information please contact ROC’s Chief Executive Officer, Dr John Doran on:

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### Definitions:

- **“BBLS”** means barrels
- **“BCF”** means billion cubic feet
- **“BCPD”** means barrels of condensate per day
- **“BOE”** means barrels of oil equivalent
- **“BOPD”** means barrels of oil per day
- **“BOEPD”** means barrels of oil equivalent per day
- **“BCPD”** means barrels of condensate per day
- **“EWT”** means extended well test
- **“FPSO”** means floating production, storage and offtake facility
- **“MCF”** means thousand cubic feet
- **“MMSCF”** means million standard cubic feet
- **“MMSCF/D”** means million standard cubic feet per day
- **“MMBO”** means one million barrels of oil
- **“MMBOE”** means one million barrels of oil equivalent
- **“NGL”** means natural gas liquids
- **“OWC”** means oil-water contact
- **“Quarter”** means the period 1 January 2001 to 31 March 2001
- **“ROC”** means Roc Oil Company Limited
- **“SCF”** means standard cubic feet