



REPORT TO SHAREHOLDERS
Activities for the Quarter Ended 31 December 2009

CEO COMMENTS

ROC achieved an average daily production rate of 10,034 BOEPD in 2009 despite operational interruptions that restricted production to 7,634 BOEPD during 4Q 2009. Production during the Quarter was affected by the dry docking of the Crystal Ocean FPSO from the Basker-Manta-Gummy ("BMG") Project, weather restrictions and well maintenance work at Zhao Dong and well workovers at Cliff Head.

Despite the lower production, quarterly sales revenue remained steady at US\$51.1 million for 4Q 2009. Total sales revenue for 2009 was US\$204.4 million and ROC had a net cash balance of US\$17.9 million at 31 December 2009.

Underpinned by a sound production base, operating cash flow and a net cash position, ROC remains well positioned to pursue development growth opportunities in Australia and China. In particular, the draft Overall Development Plan ("ODP") for the Beibu Project was prepared in conjunction with CNOOC during the Quarter and commercial negotiations regarding the tie-in of the project to existing CNOOC production facilities are in the final stages.

ROC also plans to increase exploration activities in 2010 from 2009 levels. Exploration activities were in progress onshore Angola at Quarter-end, with the drilling of the Castanha-1 exploration well and testing of the Coco discovery.

KEY ACTIVITIES

1. CONSOLIDATED REVENUE & PRODUCTION

- 1.1** Total working interest production of 0.702 MMBOE (7,634 BOEPD); down 19% compared to 0.872 MMBOE (9,481 BOEPD) in the previous quarter.
- 1.2** Sales volumes of 0.703 MMBOE; down 8% compared to 0.761 MMBOE in the previous quarter. ROC's net crude oil underlift position at Quarter-end was 0.2 MMBOE.
- 1.3** Total sales revenue of US\$51.1 million; steady compared to US\$51.3 million in the previous quarter.
- 1.4** Average realised oil price (excluding hedging) in the Quarter of US\$73.10/BBL; up 8% compared to US\$67.68/BBL in the previous quarter. The Brent crude oil price averaged US\$74.53/BBL in the Quarter.

2. PRODUCTION ASSETS

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

Gross oil production averaged 3,019 BOPD (ROC: 1,132 BOPD); down 5% compared to the previous quarter due to ongoing workover operations to replace electric submersible pumps ("ESP") at the CH-10 and CH-6 production wells. Following the installation of a larger ESP, production from CH-10 restarted on 16 December, albeit at restricted rates in order to manage reservoir performance. Workover operations at CH-6 are nearing completion.

2.2 Basker-Manta-Gummy ("BMG") Oil and Gas Fields, VIC/L26, VIC/L27 & VIC/L28, Offshore Victoria (ROC: 30% & Operator)

Gross oil production averaged 1,307 BOPD (ROC: 392 BOPD); down 43% compared to the previous quarter. The main reasons for lower production were:

- The BMG field was offline between 1 October and 25 November, as the Crystal Ocean FPSO and the Basker Spirit tanker were in dry dock completing maintenance and vessel survey programmes;
- Production optimisation from the four production wells was ongoing during December; and
- The failure of a newly replaced thruster on the Crystal Ocean FPSO following the dry dock programme increased weather related downtime during the Quarter: ROC estimates that an additional five shutdown days were experienced in December due to this problem. The vessel will require a dry dock programme to rectify the thruster problem and this is expected to result in field production being offline for approximately three weeks during 1H 2010.

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

Gross oil production averaged 14,678 BOPD (ROC: 3,596 BOPD); down 29% compared to the previous quarter. Lower production during the Quarter, particularly in December, was due to: intensive well maintenance activities; a requirement to adjust production to comply with the revised 2009 annual production plan; and restrictions on tanker loading capabilities affecting crude oil shipments due to extreme winter weather. Recent winter weather conditions have been the worst experienced for several decades and have included record low temperatures, iceflows and strong winds.

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

Gross oil production averaged 441 BOPD (ROC: 51 BOPD); down 67% compared to the previous quarter primarily due to the failure of a power cable from the Zhao Dong facilities to the C4 and ERA facilities on 6 December. While repairs to the power cable were started during the Quarter, these have been temporarily suspended due to current extreme weather.

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

Gross oil production averaged 6,325 BOPD (ROC: 759 BOPD); steady compared to the previous quarter. A nine day production shutdown occurred in October to undertake repairs on the host Brae platform. Gross gas production averaged 4.3 MMSCFD (ROC: 0.52 MMSCFD).

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

Gross oil production averaged 10,224 BOPD (ROC: 1,278 BOPD); steady compared to the previous quarter. Gas lift remained unavailable during the Quarter. Repair work on the gas lift pipeline is scheduled for 2Q 2010. Water injection was re-instated in November.

2.7 Chinguetti Oil Field, PSC Area B, Offshore Mauritania (ROC: 3.25%)

Gross oil production averaged 9,108 BOPD (ROC: 296 BOPD); down 3% compared to the previous quarter due to natural field decline.

3. DEVELOPMENT ASSETS**3.1 Basker-Manta-Gummy Oil and Gas Fields, VIC/L26, VIC/L27 & VIC/L28, Offshore Victoria (ROC: 30% & Operator)**

During the Quarter, the Basker-7 ("B7") development well was tied into the Basker-A manifold, production testing was completed and the well was successfully brought online. The optimisation of production configurations from four wells (B2, B3, B7 and Manta-2A) continues.

The flare gas compressor ("FGC") was installed on the Crystal Ocean FPSO during the dry dock programme. Final FGC commissioning is due in 1Q 2010.

Subsea integrity inspections and maintenance activities, including Basker-2 ("B2") repairs, were completed on schedule and within budget while the BMG field was offline.

Potential well workover and drilling programme options for 2010 are being assessed.

3.2 Zhao Dong C & D Oil Fields, (ROC: 24.5% & Operator) and C4 Oil Field (ROC: 11.575% unitised & Operator), Bohai Bay, Offshore China

Planning and preparation for the 2010 drilling campaign progressed during the Quarter. The proposed 2010 drilling programme includes 24 wells comprising: nine producers and four injectors at the C & D Oil Fields; seven producers and one injector at the Extended Reach Area ("ERA") of the C & D Oil Fields; and three producers at the C4 Oil Field.

Plans for 2010 also include the installation of a gas pipeline and the initiation of gas export sales that will eliminate the need for gas flaring during normal operations.

3.3 Wei 6-12 and Wei 12-8 West Oil Field Development Areas (Block 22/12 Petroleum Contract), Beibu Gulf, Offshore China (ROC: 40% & Operator - subject to Government participation in developments for up to 51%)

The technical section of the Overall Development Plan ("ODP") was completed as scheduled on 20 December. The economic section of the ODP is pending completion of commercial negotiations, which are in the final stages with the majority of commercial terms agreed with CNOOC. Completion of the ODP is planned for 1Q 2010. ODP completion is planned to be followed by formal Chinese Government approvals and the Final Investment Decision for the project. First oil production is anticipated in 1H 2012.

4. EXPLORATION AND APPRAISAL ASSETS**4.1 WA-286-P & WA-31-L, Perth Basin, Offshore Western Australia (ROC: 37.5% & Operator)**

A prospectivity evaluation of WA-286-P is being finalised in conjunction with a permit renewal proposal (including a 50% relinquishment). A seismic reprocessing programme has commenced within the WA-31-L license to evaluate additional structures in the vicinity of the Cliff Head Field.

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

Interpretation of the Aragon 3D seismic survey has been completed, confirming the presence of a large number of leads representing several different play types. The leads inventory is planned to be reviewed by Joint Venture partners during 1Q 2010. A three month permit suspension has been granted to 5 April to enable the completion of the permit's technical assessment and determination of the 50% relinquishment pattern.

4.3 WA-381-P and WA-382-P, Vlaming Basin, Offshore Western Australia (ROC: 20%)

ROC resigned as operator of both WA-381-P and WA-382-P effective 31 December.

4.4 Cabinda Onshore South Block, Angola (ROC: 10%)

During the Quarter, the Coco-1 well re-entry and workover operations commenced for the extended well test. Formation testing continues.

The Castanha-1 exploration well commenced drilling on 13 November and at Quarter-end the well was cementing casing at 2,215 mBRT. Castanha-1 is targeting a primary objective in the pre-salt sequence.

Planning continues for a 3D seismic acquisition programme for 2010.

4.5 Offshore Mauritania (ROC: 2 – 5.49%)

Preparations continued for the possible drilling of the Gharabi-1 exploration well in Block C6 and the Cormoran-1 exploration well in Block 7 during 2Q 2010.

4.6 Belo Profond Block, Offshore Madagascar, Mozambique Channel (ROC: 75% & Operator) and Juan de Nova Maritime Profond Block, Mozambique Channel (ROC: 75% & Operator)

Geological and geophysical work continued. Expressions of Interest were sent to ten contractors for a potential 2D seismic acquisition programme in 2010.

Work continues on the planned farmout of the blocks.

4.7 Block H, Offshore Equatorial Guinea (ROC: 37.5% & Technical Manager)

The 2010 work programme and budget was approved by Equatorial Guinea authorities. The process of searching for a suitable rig to drill the Aleta prospect in 2H 2010 continues and two potential rig opportunities have been identified. Drill planning activities continued during the Quarter.

Work continues on the planned farmout of the block.

4.8 VIC/P49, Gippsland Basin, Offshore Victoria (ROC: 20%)

The Operator (Nexus Energy Services Pty Ltd) has been analysing the possible extension of the established Gippsland Basin petroleum system into the deep water area in the south of VIC/P49, where three possible leads have been identified on the basis of 2D seismic data acquired in 2007.

4.9 PEP38259, Canterbury Basin, Offshore New Zealand (ROC: 15%)

There was no material exploration activity during the Quarter.

5. CORPORATE

5.1 Farmout of Cabinda Onshore South Block, Angola

Lacula Oil Company Limited, a wholly owned subsidiary of ROC, farmed-out a 5% interest (6.25% paying interest) in the Cabinda Onshore South Block, Angola to Cuba Petroleo ("Cupet"), Cuba's national oil company. The assignment was on similar terms to the farm-out by Roc Oil (Cabinda) Company to Pluspetrol Angola Corporation announced on 28 April 2009.

ROC retains a 10% interest (12.5% paying interest) in the block and has been free-carried by Pluspetrol and Cupet through the full 2009 work programme and budget, including the testing of the Coco-1 discovery and the drilling of the Castanha-1 exploration well.

5.2 Application for Exploration Licence, Taranaki Basin, Offshore New Zealand

During the Quarter, ROC and its study group partners submitted a "Priority in Time" application for 232km² of acreage in the Offshore Taranaki Basin, New Zealand. The area contains the Kaheru prospect, which is on trend with the Rimu oil and gas field and Kauri gas and condensate field. The proposed work programme for the five-year term includes an exploration well (Kaheru-1) in year three. If granted, ROC will operate the licence with a 50% interest. An overlapping and competing acreage bid was made during November 2009. The result of the application process is expected during 1Q 2010.

5.3 Cancellation of Admission to Trading on AIM

The admission and trading of ordinary ROC shares on AIM was cancelled with effect from 8:00am on 2 November 2009. The last trading day on AIM was 30 October 2009.

6. FINANCIAL

At Quarter-end ROC had US\$67.1 million in cash and gross debt of US\$49.2 million.

6.1 Production (Working Interest)

	4Q 2009	3Q 2009	YTD	% Change (3Q09 to 4Q09)
Oil Production (BBL)				
BMG	36,050	63,094	521,788	(43)
Cliff Head	104,159	109,879	532,072	(5)
Zhao Dong C&D Fields	330,815	464,736	1,595,660	(29)
Zhao Dong C4 Field	4,647	13,869	70,167	(66)
Chinguetti	27,215	28,171	128,628	(3)
Enoch	69,840	69,879	268,293	-
Blane	117,565	116,558	505,749	1
Other	138	78	447	77
Total Oil Production	690,429	866,264	3,622,804	(20)
Gas Production (MSCF)				
Enoch	47,534	13,318	116,777	257
NGL Production (BOE)				
Blane	3,968	3,795	20,082	5
Total BOE	702,319	872,279	3,662,349	(19)
BOEPD	7,634	9,481	10,034	(19)

6.2 Sales

	4Q 2009		3Q 2009		YTD	
	BOE	US\$'000	BOE	US\$'000	BOE	US\$'000
Oil Sales (BBLs)						
BMG	-	-	70,559	4,976	598,395	30,569
Cliff Head	104,223	7,664	110,507	7,454	530,636	30,273
Zhao Dong C&D Fields	373,457	26,875	375,161	24,907	1,444,140	82,846
Zhao Dong C4 Field	16,376	1,174	29,157	1,926	145,434	7,397
Chinguetti	27,798	2,001	-	-	115,081	6,254
Enoch	65,031	4,871	41,377	2,759	262,470	15,777
Blane	107,555	8,177	129,807	9,184	486,098	30,707
Other	138	10	78	6	447	29
Total Oil Sales	694,578	50,772	756,646	51,212	3,582,701	203,852
Gas Sales (MSCF)						
Enoch	47,534	305	13,318	26	116,777	513
NGL Sales (BOE)						
Blane	-	-	2,592	16	6,164	33
Total Sales	702,500	51,077	761,457	51,254	3,608,329	204,398

6.3 Expenditure Incurred

	4Q 2009 US\$'000	3Q 2009 US\$'000	YTD US\$'000
Exploration			
Angola	44	(468)	(401)
China	1,375	262	2,701
Mauritania	234	568	1,607
Australia	371	815	747
Equatorial Guinea	251	65	524
Other	2,003	674	3,346
Total Exploration	4,278	1,916	8,524
Development			
BMG	(2,393)	22,795	40,859
Zhao Dong C&D Fields	405	3,419	21,643
Zhao Dong C4	224	647	664
Blane	(311)	146	294
Enoch	9	7	(4)
Chinguetti	4	52	284
Total Development	(2,062)	27,066	63,740
TOTAL EXPLORATION & DEVELOPMENT	2,216	28,982	72,264

6.4 Hedging

Remaining hedge positions for the period from 1 January 2010 to 31 December 2011 are:

Brent Oil Price Swaps		
	Volume	Weighted Average Brent Price USD/BBL
2010	1,206,984	67.67
2011	875,997	63.71
	2,082,981	66.00

Hedge book mark-to-market valuation at 31 December 2009 was a liability of US\$32.8 million.

7. FURTHER INFORMATION

For further information please contact ROC's Chief Executive Officer, Bruce Clement, on:

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DEFINITIONS

A\$	Australian dollars
ASX	Australian Stock Exchange
BBL(S)	barrel(s)
BCF	billion cubic feet
BFPD	barrels of fluid per day
BMG	Basker-Manta-Gummy Oil and Gas Fields, Bass Strait, Australia
BOE	barrels of oil equivalent (6 MSCF = 1 BOE)
BOPD	barrels of oil per day
BOEPD	barrels of oil equivalent per day
CNOOC	China National Offshore Oil Company Limited
ERA	Extended Reach Area
FPSO	Floating production, storage and offloading vessel
LTI	Lost time injury
mBRT	metres below rotary table
MSCF	thousand standard cubic feet
MMSCF	million standard cubic feet
MMSCFD	million standard cubic feet per day
MMBBL	million barrels
MMBO	million barrels of oil
MMBOE	million barrels of oil equivalent
PSC	Production Sharing Contract
Quarter	the period 1 October 2009 to 31 December 2009
ROC	Roc Oil Company Limited and includes, where the context requires, its subsidiaries
TCF	trillion cubic feet
US\$	US dollars
YTD	year to date