

ROC OIL COMPANY LIMITED
(ABN 32 075 965 856)



REPORT TO SHAREHOLDERS
Activities for the Quarter Ended 30 September 2008

CEO COMMENTS

During the Quarter and subsequent to the end of the Quarter, ROC continued to meet and achieve its operational and production goals. YTD production continues at greater than 10,000 BOEPD and the successful commencement of production from the new C4 Field development at Zhao Dong in October has added to the Company's production base.

Despite the fall in oil prices during the Quarter and in an environment with a significantly lower share price, the Company's financial performance continued strongly. Sales revenue increased compared with the prior quarter, with sales revenue of US\$97 million for the Quarter bringing total sales revenue for the nine months to US\$275 million.

During the Quarter, ROC's merger with Anzon Energy Limited ("AEL") was completed. The takeover of Anzon Australia Limited ("AZA") progressed rapidly and, after the end of the Quarter, the Company reached 90% acceptance of its takeover offer and the compulsory acquisition of the remaining shares in AZA commenced. Following completion of the merger with AEL on 8 September, ROC now consolidates the reporting of AZA's 40% interest in the Basker-Manta-Gummy ("BMG") project. Production from the fields net to ROC averaged 4,800 BOPD for the remainder of September and has increased ROC's current production to over 13,000 BOEPD.

Significant progress was achieved on a number of the Company's development and pre-development projects during the Quarter. In addition to the installation and commissioning of the new C4 Field facilities, fabrication and offshore preparation work was completed for the new drilling platform at the Zhao Dong Oil Fields, Bohai Bay, offshore China and the platform was successfully installed immediately after the end of the Quarter on 8 October. In the Beibu Gulf, offshore China, the China National Offshore Oil Company confirmed that the Wei 6-12, Wei 6-12S, and Wei 12-8 Oil Fields have been declared development areas: a significant step in the process towards final development approval for the project. In the BMG project, the Basker-6ST1 well was successfully tied in and commissioned during the Quarter, increasing gross production from the fields to the current rate of approximately 11,500 BOPD.

ROC's recent share price performance has been disappointing and the Company's Board and Management shares the concerns expressed by our shareholders. There is no doubt that the current global financial turmoil has had an enormous effect on equity markets, which has seen ROC's share price fall to A\$0.45 on 27 October. Despite the fall in spot oil prices to less than US\$70/BBL, the Company does not believe that the current share price accurately reflects the underlying value of the business. With 2P reserves of 47 MMBOE and current production of over 13,000 BOEPD from its portfolio of production assets, ROC continues to generate good cash flow while achieving its operational goals. There is very little we can do about the oil price market or the global financial environment, however, we can, and will, continue to focus on operating the business and meeting our operational goals, particularly in relation to the production and development activities of the Company.

KEY ACTIVITIES

1. CONSOLIDATED REVENUE & PRODUCTION

- 1.1** Total working interest production of 0.916 MMBOE (9,952 BOEPD); up 6% compared to 0.855 MMBOE (9,399 BOEPD) in the previous quarter. This increase was due to the contribution from ROC's 40% interest in BMG production from 8 September (when the AEL merger became effective).
- 1.2** Sales volumes of 0.821 MMBOE; up 29% compared to 0.634 MMBOE in the previous quarter. The increase in sales volume was primarily due to the timing of crude oil liftings. ROC's net crude oil underlift position at Quarter end was 0.416 MMBOE.
- 1.3** Total sales revenue of US\$96.7 million; up 25% compared to US\$77.1 million in the previous quarter.
- 1.4** Average realised oil price in the Quarter of US\$118.69/BBL; down 3% compared to US\$122.64/BBL in the previous quarter. The Brent crude oil price averaged US\$115.08/BBL in the Quarter; down 5% compared to US\$121.18/BBL in the previous quarter.

2. PRODUCTION ASSETS

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

Gross oil production averaged 5,958 BOPD (ROC: 2,234 BOPD); down 10% compared to the previous quarter due to planned well workover activity, unplanned downtime and natural reservoir decline.

In September, the Cliff Head Oil Field achieved 7 MMBO of cumulative production since first oil on 1 May 2006.

2.2 Basker-Manta-Gummy Oil and Gas Fields, VIC/L26, VIC/L27 & VIC/L28, Offshore Victoria (ROC: 40% & Operator)

Following the successful completion of the merger of ROC and AEL, production and revenue from the BMG project was consolidated into ROC accounts from 8 September. Gross oil production between 8 and 30 September was 263,852 BBL (ROC: 105,541 BBL). Production from the Basker 6ST1 well commenced on 5 September and has stabilized at over 5,000 BOPD, with a favourable gas oil ratio and zero water. Gross oil production from the BMG project is currently around 11,500 BOPD.

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

Gross oil production averaged 16,053 BOPD (ROC: 3,933 BOPD); down 6% compared to the previous quarter largely due to a planned production shutdown during August to allow for the installation of expanded drilling and processing capacity.

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

Gross oil production averaged 4,275 BOPD (ROC: 513 BOPD); down 24% compared to the previous quarter. Gross gas production averaged 1.9 MMSCFD (ROC: 0.23 MMSCFD); down 34% compared to the previous quarter. The reduced production was primarily due to the planned one month shutdown of the Brae A platform for tri-annual maintenance.

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

Gross oil production averaged 13,160 BOPD (ROC: 1,645 BOPD); up 2% compared to the previous quarter. There were no major shutdowns on the Ula platform during the Quarter, despite ongoing gas compression upgrade works.

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

Gross oil production averaged 11,361 BOPD (ROC: 369 BOPD); up 29% compared to the previous quarter following the completion of the Chinguetti-19 ("C-19") infill development well, which started production on 25 August. C-19 is currently producing over 3,000 BOPD. The drilling of the Chinguetti-20 ("C-20") infill development well commenced during the Quarter.

3. DEVELOPMENT ASSETS

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

Upgrade and expansion work on the offshore drilling and production facilities continued during the Quarter. First oil production from the C4 and Extended Reach Area commenced in October – see *Post Quarter Events*.

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

On 27 September, CNOOC confirmed that the Wei 6-12, Wei 6-12S, and Wei 12-8 Oil Fields have been declared development areas: a significant step in the process towards final development approval.

A comprehensive study of the development options for the areas was presented to CNOOC for review in late September. Prior to agreeing the final development plan with CNOOC, further studies to optimize the economics for both the foreign joint venture and CNOOC will be conducted. Following completion of the studies it is planned that an overall development plan will be submitted in 4Q 2008 or early 2009 for Chinese Government approval.

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

Work on the Ula gas compression upgrade project continued, with commissioning expected during 4Q 2008.

4. EXPLORATION AND APPRAISAL ASSETS

4.1 WA-286-P, Perth Basin, Offshore Western Australia (ROC: 37.5% & Operator)

Interpretation of Diana 3D seismic data was completed. Work is focused on Frankland, Dunsborough and Lilac post-drill assessment and prospects and leads generation.

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

Acquisition of the 3,484km² Aragon 3D seismic survey commenced on 13 August and is expected to be completed by early November. The survey will cover most of the permit and is focusing on Triassic gas potential.

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

Reprocessing of historical 2D seismic data commenced in late June and was continuing at Quarter end. Results will be used in planning for a 350 km² 3D seismic programme in 2009.

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

During the Quarter, Sesamo-1 exploration well was drilled to a total depth of 3,013 mBRT. Although confirming the existence of the pre-salt target reservoir sands, no hydrocarbon shows were observed and the well was plugged and abandoned.

During the Quarter, Arroz-1 exploration well was drilled to a total depth of 2,217 mBRT. The well encountered minor hydrocarbon shows, interpreted to be residual, and was plugged and abandoned.

Appraisal drilling on the Massambala heavy oil discovery commenced during the Quarter. The MAW-1 well confirmed a 9.5 metre gross heavy oil column and oil-water contact as expected.

Further evaluation and planning for the potential re-entry and re-testing of the Coco-1 oil discovery in 2009 were undertaken during the Quarter.

See also Post Quarter Events.

4.5 Offshore Mauritania (ROC: 2 – 5.49%)

Processing and/or reprocessing of seismic data in Area C, Block 2, Block 1 and Block 7 progressed.

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

The Tropicbird aeromagnetic survey was completed on 17 July, ahead of schedule and within budget. A total of 43,102 line kilometres of data were acquired.

Planning progressed for a 2,000km 2D seismic acquisition programme in 2009. An Environmental Impact Statement for future operations has been completed and is awaiting approval by the Government of Madagascar.

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

ROC and its co-venturers in Blocks H15 & H16 (Atlas Petroleum International Limited and Osborne Resources Limited) entered into an agreement to settle the dispute with Pioneer Natural Resources (Equatorial Guinea) Limited, relating to Pioneer's 2004 farm-in to the Blocks. As a result of the agreement, subject to regulatory approvals and satisfaction of conditions in the rig contract relating to assignment of the rig, ROC's interest in Blocks H15 & H16 will increase to 37.5%.

Planning progressed to drill the Aleta-1 exploration well and an option to use the Aban Abraham rig to drill the well in 2H 2009 is being negotiated.

5. CORPORATE

The Board announced that Mr Bruce Clement had been appointed as ROC's Chief Executive Officer, effective 24 September. Mr Clement is an Executive Director of ROC and was appointed Acting CEO in June 2008. He joined the Company in 1997 and has held a number of positions including Chief Operating Officer, Chief Financial Officer, Company Secretary and Commercial Manager.

ROC's merger with AEL by Scheme of Arrangement became effective on 8 September 2008. The off-market takeover of AZA progressed rapidly and, after the end of the Quarter, the Company reached 90% acceptance of its takeover offer and the compulsory acquisition of the remaining shares in AZA commenced.

The Block 8, offshore Mauritania Joint Venture sent formal notification to the Mauritanian government of the intention to surrender the Block at the end of the second exploration period on 21 January 2009.

6. FINANCIAL

At Quarter end, ROC had approximately US\$64.5 million in cash and gross debt of US\$148.6million.

6.1 Production

	3Q 2008	2Q 2008	YTD	% Change (2Q08 to 3Q08)
Oil Production (BBL)				
BMG (from 8 September 2008)	105,541	-	105,541	N/A
Cliff Head	205,555	226,620	706,367	(9)
Zhao Dong C&D Fields	361,843	382,474	1,168,476	(5)
Chinguetti	33,970	26,157	92,565	30
Blane	151,339	146,777	471,314	3
Enoch	47,205	61,247	186,492	(23)
Other	201	222	734	(10)
Total Oil Production	905,654	843,497	2,731,489	7
Gas Production (MSCF)				
Enoch	20,964	31,206	98,486	(33)
NGL Production (BOE)				
Blane	6,398	6,589	20,347	(3)
Total BOE	915,546	855,287	2,768,250	7
BOEPD	9,952	9,399	10,103	6

Note: Production quoted is ROC's working interest share of total production. ROC's net entitlement production for the period was 867,990 BOE (2Q 2008: 812,268 BOE; YTD: 2,625,849 BOE) after taking out governments' share of profit oil.

6.2 Sales

Oil Sales (BBLs)	3Q 2008		2Q 2008		YTD	
	BOE	US\$'000	BOE	US\$'000	BOE	US\$'000
BMG*	-	-	-	-	-	-
Cliff Head	204,502	23,713	225,149	27,586	703,135	77,896
Zhao Dong C&D Fields	410,295	49,301	148,604	17,560	1,067,225	109,801
Chinguetti	26,993	2,486	24,799	2,947	78,113	7,819
Enoch	46,390	5,228	77,083	9,303	198,898	21,825
Blane	124,531	15,729	149,497	19,269	494,687	56,450
Other	201	24	222	30	734	84
Total Oil Sales	812,912	96,481	625,354	76,695	2,542,792	273,875
Gas Sales (MSCF)						
Enoch	20,964	194	31,206	141	98,486	604
NGL Sales (BOE)						
Blane	4,443	36	3,386	254	17,742	981
Total Sales	820,849	96,711	633,941	77,090	2,576,949	275,460

* Due to the timing of liftings there was no sales revenue generated since 8 September, the date from which BMG was consolidated into ROC accounts.

6.3 Stock

ROC's net entitlement crude stock position increased by 47,141 BBLs during the period, so that at Quarter end ROC was in an underlift position of 416,348 BBLs. This included 123,876 BBLs of crude stock purchased as a result of the AZA takeover.

6.4 Expenditure Incurred

	3Q 2008 US\$'000	2Q 2008 US\$'000	YTD US\$'000
Exploration			
Angola	17,471	18,190	49,569
China	1,536	(101)	15,291
Mauritania	447	1,858	3,575
Australia	2,677	(1,225)	23,911
UK	-	106	156
Equatorial Guinea	105	126	342
Madagascar	1,208	791	2,095
Other	363	376	1,103
Total Exploration	23,807	20,121	96,042
Development			
BMG	6,107	-	6,107
Zhao Dong C&D Fields	8,423	14,327	25,475
Zhao Dong C4	2,713	2,865	6,388
Blane	783	3,411	8,304
Enoch	55	285	498
Chinguetti	2,828	1,538	4,749
Total Development	20,909	22,426	51,521
TOTAL EXPLORATION & DEVELOPMENT	44,716	42,547	147,563

6.5 Hedging

The Company's remaining hedge positions for the period from 1 October 2008 to December 2011 are summarised below.

Brent Oil Price Swaps		
	Volume	Weighted Average Brent Price USD/BBL
2008	242,998	71.38
2009	851,998	70.01
2010	686,994	68.46
2011	455,997	66.31
	2,237,987	68.93

As a result of the weakening Brent crude oil price, the mark-to-market valuation of ROC's hedge book as at 30 September 2008 has resulted in a liability of US\$78.9 million; compared with a liability of US\$176.4 million at 30 June 2008.

A net derivative loss of US\$59.1 million (of which US\$19 million is unrealised) will be reflected in the income statement for the YTD to 30 September 2008; compared with a loss of US\$142.4 million for the YTD to 30 June 2008.

7. POST QUARTER EVENTS

7.1 Corporate

ROC's off-market takeover offer for AZA closed on 6 October with acceptances of over 95% and compulsory acquisition of the remaining AZA shares commenced. AZA was suspended from trading on the ASX on 17 October.

Mr Alan Linn was appointed Chief Operating Officer of the Company. Mr Linn joined ROC in January 2008 as Asset Manager – Africa and in August 2008 was appointed Acting COO. Before joining ROC, Mr Linn was Operations Director for African Arabian Petroleum, a privately owned exploration and production company headquartered in Dubai. Mr Linn is a chartered chemical engineer with 27 years of international operational and joint venture management experience in both the upstream and downstream oil sectors.

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

Following the end of the Quarter, successful completion of development activities at the Zhao Dong project in Bohai Bay, offshore China, has seen the new conductor pod, pipeline terminal and pipeline connections for the C4 Field, approved under the Unit Development Plan, become operational. Oil production from the C4 Field and the Extended Reach Areas ("ERA") of the Zhao Dong C and D Fields began in October, increasing production from the project towards 20,000 BOPD.

During the first phase of commissioning, oil production will be established from seven wells: three from the C Field (ROC: 24.5%), one from the D Field of the ERA (ROC: 24.5%); and three wells in the unitised C4 Oil Field (ROC: 11.575%). Three more ERA wells and one more C4 well are planned to be brought into production before the end of 4Q.

Expansion work at the existing Zhao Dong platforms approved under the Incremental Development Plan also progressed, with the successful installation of the ODB drilling platform on 8 October. Commissioning work is continuing and drilling from the platform is expected to commence on schedule during 4Q. Construction on OPB, the second processing platform at the Zhao Dong field, continues on schedule.

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

Offshore Mauritania, the Chinguetti-20 infill development well (the second and final well in the Phase 2B drilling programme) began production on 12 October at rates of 3,000-4,000 BOPD and an initial indicated water cut of approximately 12%. Following further optimization and gas lift application work after the end of the Quarter, the C-20 production rate has improved and Chinguetti Oil Field gross production is now approaching 18,000 BOPD. The Banda East

appraisal well in PSC Area A commenced drilling on 4 October and is expected to take approximately eight weeks to complete.

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

The second Massambala appraisal well, MAW-4, in the Cabinda South Block, onshore Angola was plugged and abandoned in October. The primary target was encountered deep to prediction and below the oil-water contact as determined from Massambala-1 and MAW-1.

8. FURTHER INFORMATION

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

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DEFINITIONS

AEL	Anzon Energy Limited
ASX	Australian Stock Exchange
AZA	Anzon Australia Limited
BBL(S)	barrel(s)
BCF	billion cubic feet
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
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 July to 30 September 2008
ROC	Roc Oil Company Limited and includes, where the context requires, its subsidiaries
SCF	standard cubic feet
TCF	trillion cubic feet
US\$	US dollars
YTD	year to date
\$	Australian dollars

In accordance with ASX and AIM Rules, the information in this Release has been reviewed and approved by Mr Neil Seage, Chief Reservoir Engineer, Roc Oil Company Limited, BA, BEng (Hons), MBA and Dip App Fin. Mr Seage, who is a member of the Society of Petroleum Engineers, has more than 30 years of relevant experience within the industry and consents to the information in the form and context in which it appears.
