26 August 2005

ROC OIL COMPANY LIMITED ("ROC")

STOCK EXCHANGE RELEASE

STRONG FIRST-HALF 2005 RESULT

KEY FINANCIAL POINTS

- **Record $61.3 million net profit after income tax, largely due to the sale of Saltfleetby Gas Field, effective 31 December 2004, which resulted in a first-half (1H2005) profit after tax of $80.7 million. The result, which represents a $74.2 million turnaround compared to the $12.9 million loss for 1H2004, includes $13.4 million exploration expenditure expensed and written off.**

- **Final investment decisions made for the Cliff Head Oil Field, offshore Western Australia and immediately after half year end, the Blane and Enoch fields in the North Sea.**

- **Development of the Cliff Head and Chinguetti oilfields progressed on schedule with first oil expected during 1Q2006 at combined production rates of 5,000-8,000 BOPD net to ROC.**

- **Strong financial position maintained with cash and receivables of $154.9 million and no debt, compared to 30 June 2004 cash and receivables of $139.3 million and debt of $20.1 million.**

- **As a result of the $109 million Saltfleetby Gas Field sale, 1H2005 production and sales revenue were substantially lower compared to 1H2004: 38 BOEPD compared to 3,072 BOEPD and $0.4 million compared to $19.0 million, respectively.**

- **Development expenditure for the half year of $30 million, primarily relating to the Cliff Head and Chinguetti oilfields, was substantially higher than the $0.7 million expended in the corresponding period last year.**

- **Exploration expenditure for 1H2005 was moderately higher than the corresponding period last year: $14.9 million compared to $12.4 million.**

KEY ACTIVITIES

Australia

- **Development – Cliff Head Oil Field (ROC: 37.5% and Operator)**

  The Final Investment Decision was made by the WA-286-P Joint Venture in March 2005. The budgeted cost to develop the 14 MMBO field is $227 million including contingencies. At the end of 1H2005 the project remained on budget and schedule for first oil in 1Q2006.

- **Exploration – Carnarvon and Perth Basins**

  ROC acquired a 20% interest in the BHP Billiton-operated WA-351-P, located in the deepwater Carnarvon Basin where the high risk/high reward Jacala-1 exploration well is planned to be drilled during 4Q 2005.

  Two exploration/appraisal wells were drilled in 1H2005 in the Perth Basin offshore Western Australia; both were plugged and abandoned as dry holes.

WEST AFRICA

- **Development – Chinguetti Oil Field, PSC B (Exclusive Exploitation Authorisation), Offshore Mauritania (ROC: 3.25%, Operator: Woodside)**

  The project remains on schedule for start up in 1Q2006 with good progress achieved on the drilling and completion programme and fit out of the Floating Production, Storage and Offloading ("FPSO") facility. Due to changes in the scope of drilling operations Phase 1 project costs are expected to be in the order of 10% higher than the US$625 million budget.

- **Appraisal – Tiof Oil Field, PSC B, Offshore Mauritania (ROC: 3.693%, Operator: Woodside)**

  The Tiof-6 appraisal well was drilled and production tested, and flowed at rates up to 12,400 BOPD before being suspended as a potential future oil producer.

- **Exploration – Cabinda South Block, Onshore Angola (ROC: 60% and Operator)**

  The combined 2D and 3D seismic survey commenced; the first onshore exploration activity in Angola for more than 30 years.

UK

- **Development – Blane Oil Field and Enoch Oil and Gas Field, North Sea (ROC unitised interests 12.5% and 12.0% respectively, Operator: Paladin)**

  Immediately after end 1H2005, the Blane and Enoch fields in the North Sea were approved for development with gross costs budgeted to be in the order of £165 million and £75 million respectively.

- **Exploration – Onshore (ROC: 100% and Operator)**

  In January, the Errington-1 exploration well was suspended as a tight gas discovery. After further evaluation of well data a decision was made to plug and abandon the well.

CHINA

- **Pre-development - Wei-12-8 West Oil Field, Block 22/12, Beibu Gulf (ROC:19.6% after Government back-in and Operator)**

Work continued with regard to the possible development of the field and commercial negotiations with the relevant government authorities.

CORPORATE

Hedging

Two oil price hedging contracts were entered into covering approximately 25% of ROC's share of the total forecast production from Chinguetti and Cliff Head fields for the relevant periods:

1. Swap arrangement for the 21-month period from 1 April 2006 to 31 December 2007 in relation to 0.9 MMBO at a weighed average Brent oil price of US$49.58 per barrel.
2. Put Options over 200,000 barrels at US$40 per barrel Brent for the period 1 March 2006 to 31 December 2006.

A-IFRS

Consistent with Australian Accounting Standards ROC adopted A-IFRS. The change has no effect on ROC's cash flow and business practices or activities.

Ardmore

During 1Q2005, ROC invested $4.3 million in the Ardmore Project in the UK North Sea through the provision of secured funds to Acorn North Sea Limited ("ANSL"). On 1 June 2005, without any further investment ROC requested that an Administrative Receiver be appointed to ANSL due to concerns about the future viability of the Ardmore project. As a result, ROC expects to recover towards $3 million of its total investment of $11 million of which $1.8 million had been received by 30 June 2005. The balance is anticipated to be received during 2H2005.

CEO's COMMENTS

Commenting on the financial results, Dr John Doran stated that,

> "*As a consequence of the strong 1H2005 financial result, largely driven by the very profitable sale of the Saltfleetby Gas Field at the end of 2004, ROC was able to self-fund, with a considerable degree of comfort, substantial development expenditure at Chinguetti and Cliff Head as well as a global exploration and appraisal drilling programme which will continue well into 2006.*
>
> *ROC's activities during 1H2005 illustrate the breadth and depth of the Company's portfolio and the benefits of the balanced strategy that it is implementing with regard to its four core areas: Australia, West Africa, UK and China. With four oilfields being developed in three of those areas and an active exploration programme, which includes a number of potential company-makers, underway in all four areas, the scene has been set for a very interesting future.*"

Michelle Manook
General Manager – Corporate Affairs

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Financial Report
for the Half-Year ended 30 June 2005

ROC OIL COMPANY LIMITED

ABN 32 075 965 856

DIRECTORS' REPORT

The Directors of Roc Oil Company Limited ("ROC" or the "Company") have pleasure in submitting the financial report and Directors' Report for the financial half-year ended 30 June 2005. In order to comply with the provisions of the Corporations Act 2001, the Directors' Report is as follows:

Directors

The names of the Directors of the Company during or since the end of the financial half-year are:

Mr Andrew J Love (Non-Executive Director, Chairman)

Mr William G Jephcott (Non-Executive Director, Deputy Chairman)

Dr R John P Doran (Executive Director and Chief Executive Officer)

Mr Richard J Burgess (Non-Executive Director)

Mr Ross Dobinson (Non-Executive Director)

Mr Sidney J Jansma Jr (Non-Executive Director)

Mr Adam C Jolliffe (Non-Executive Director).

All directors held office for the whole of the financial period.

Review and Results of Operations

The consolidated entity's principal activities in the course of the financial period were oil and gas exploration, development and production. There were no significant changes in the nature of those activities during the financial period.

A review of the consolidated entity's operations during the financial period and the results of those operations are included in the Half-Year Financial Report on pages 2 to 5.

Rounding

The Company is a company of the kind referred to in Australian Securities and Investments Commission Class Order 98/0100, dated 10 July 1998 and, in accordance with that Class Order, amounts in the annual financial statements have been rounded off to the nearest thousand dollars, unless otherwise indicated.

Auditor

The Auditor's Independence Declaration is included in page 6 of the Financial Report.

This Directors' Report is made in accordance with a resolution of the Board of Directors made on 24 August 2005 pursuant to section 306(3) of the Corporations Act 2001.

On behalf of the Directors:

Mr A J Love
Chairman

Sydney, 24 August 2005

DISCUSSION AND ANALYSIS OF FINANCIAL STATEMENTS

This discussion and analysis is provided to assist readers in understanding the Financial Report for the half-year ended 30 June 2005.

Key Points

- **Financial**

  The consolidated entity recorded a net profit after income tax of $61.3 million (compared with a loss after income tax of $12.9 million for the prior corresponding financial half-year). The result included a profit before tax on the sale of the Saltfleetby Gas Field of $63.2 million (refer to Note 8), exploration expenditure expensed and written off of $13.4 million, and an income tax benefit of $20.9 million on a profit before tax of $40.4 million.

  After inclusion of the release of the deferred tax liability in relation to the transaction, the sale of the Saltfleetby Gas Field realised a profit after tax of $80.7 million.

  At 30 June 2005, the consolidated entity was in a sound financial position with cash assets and current receivables of $154.9 million and no interest bearing debt.

  Total production for the period was 6,818 barrels of oil (38 BOPD). This is significantly below the level of production in the prior corresponding financial half-year of 3,072 BOEPD due to the sale of Saltfleetby Gas Field effective 31 December 2004. Sales revenue for the period was $0.4 million, a decrease of $18.6 million compared with the prior corresponding financial half-year.

  Cash flow from operating activities for the period of $0.6 million represents a decrease of 92% from the prior corresponding financial half-year, again primarily as a result of the sale of the Saltfleetby Gas Field.

- **Activity**

  <u>Exploration</u>

  Australia

  During the financial half-year ROC drilled two exploration wells in the Perth Basin offshore Western Australia. The Cliff Head-5 appraisal well in WA–286–P (ROC: 37.5% and Operator) was plugged and abandoned after encountering the top of the reservoir target 56 metres low to prognosis. The Hadda-1 well in WA-325-P (ROC: 37.5% and Operator) was also plugged and abandoned as a dry well.

  A 275km 2D Transition Zone seismic survey was also completed during the financial half-year. The survey, which was undertaken to firm up near shore exploration prospects, was acquired predominantly in TP/15 (ROC: 20% and Operator).

  In May 2005 ROC acquired a 20% interest in the BHP Billiton operated permit WA-351-P. The permit is located in the deepwater Carnarvon Basin where the high risk/high reward Jacala-1 exploration well is planned to be drilled during the fourth quarter of 2005.

  Mauritania

  During the financial half-year ROC participated in drilling the Tiof-6 appraisal well on the Tiof Oil Field in the Woodside operated PSC Area B, offshore Mauritania (ROC: 3.693%). The well was completed and production tested, flowing at rates of up to 12,400 BOPD before being suspended as a potential future oil production well.

  ROC also participated in the 2,975 sq km Atar 3D seismic survey in the Woodside operated PSC Area C Block 6 (ROC: 5.0%), and in the 1,541 sq km 3D seismic survey in the Dana operated PSC Area D Block 7 (ROC: 4.95%).

  Angola

  On 15 June 2005, ROC commenced a combined 2D and 3D seismic survey in the Cabinda South Block, onshore Angola (ROC: 60% interest, 75% contributing and Operator). This survey marks the resumption of onshore exploration activity in Angola after a hiatus of more than 30 years.

  United Kingdom

  The Errington-1 exploration well in PEDL 028 onshore UK (ROC: 100%), reached total depth during the financial half-year and was initially suspended as a tight gas discovery. After evaluation of well data a decision has now been made to plug and abandon the well.

  China

  During the financial half-year ROC continued to review the remaining potential in the Beibu Gulf Block 22/12 (ROC: 40% and Operator). Planning continued for the Wei 6-12 South-1 exploration well, which ROC expects to drill in late 2005. ROC also continued to work with the regional subsidiary of CNOOC on the potential development of the Wei 12-8 West Oil Field and a decision as to whether or not the field should be developed is expected during the third quarter of 2005.

<u>Development</u>

Cliff-Head Oil Field

The final investment decision for the Cliff Head Oil Field development (ROC: 37.5% and Operator) was made by the WA–286–P Joint Venture on 11 March 2005, following the drilling of the Cliff Head-6 early production well and completion of FEED. The budgeted cost to develop the 14 MMBO field is $227 million. At the end of the financial half-year, 75% of the Budget expenditure had been committed and 40% of the non-drilling activity had been completed.

Chinguetti Oil Field

There was significant activity during the financial half-year on the Woodside-operated Chinguetti Oil Field Development (ROC: 3.25%). The final development well was drilled bringing the total number of development wells to 12: six oil producers, five water injectors and one gas injector well at Banda. During the current financial period two oil producers and the gas injector well were drilled and completed, while a further five water injectors and two oil producers, which were drilled during 2004, were completed. Work has also continued on the fabrication of the subsea facilities and the conversion of the Berge Helene to a Floating Production Storage and Offloading vessel.

Blane and Enoch Fields

Following receipt of development approvals from the Governments of the UK and Norway, the Blane Oil Field (ROC: 12.5%) and the Enoch Oil and Gas Field (ROC: 12.0%) both operated by Paladin Expro Ltd, a wholly owned subsidiary of Paladin Resources plc ('Paladin') in the North Sea were approved for commercial development with gross costs budgeted to be in the order of £165 million/ A$391 million and £75 million/A$178 million respectively.

- **Australian Equivalents of International Financial Reporting Standards (A-IFRS)**

  Consistent with Australian Accounting Standards ROC has adopted A-IFRS from 1 January 2005. The change has no effect on ROC's cash flow, business practices or activities. A reconciliation between financial results previously reported under A-GAAP to A-IFRS is provided in Note 1(w) to the Financial Statements.

- **Share Placement**

  During the reporting period ROC completed a placement of shares to two European-based institutions, which raised $19.8 million, by the issue of 9,900,990 fully paid ordinary shares at a price of $2.00 per share. This price represented an approximate 11% premium to the previous 10 day average trading price for ROC shares. The shares issued represented approximately 5.3% of the enlarged issued share capital of the Company.

- **Ardmore**

  During the period, ROC invested a further $4.3 million in the Ardmore Project in the UK North Sea through the provision of a senior secured loan facility to Acorn North Sea Limited ('ANSL'). This brought the total secured loan investment in the project to $11 million. On 1 June 2005, ROC requested that an Administrative Receiver be appointed to ANSL due to concerns about the future viability of the Ardmore project.

- **Hedging**

  During the financial half-year the Company entered into two oil price hedging contracts. The first contract was a swap arrangement for the 21-month period from 1 April 2006 to 31 December 2007 over 0.9 MMBO with a weighed average Brent oil price for the swap of US$49.58 per barrel. The second contract was a purchase of put options over 200,000 barrels at US$40 per barrel Brent for the period 1 March 2006 to 31 December 2006. These oil price hedges cover approximately 25 % of the total forecast production of the Company for the period to the end of 2007.

- **Market capitalisation**

  As at 30 June 2005, the market capitalisation of the Company was $360.3 million, based on the period end closing share price of $1.93 per fully paid ordinary share and 186,679,093 fully paid ordinary shares on issue.

DISCUSSION AND ANALYSIS OF FINANCIAL STATEMENTS

Income Statement

The consolidated entity recorded a net profit after income tax of $61.3 million for the financial half-year, from a trading loss of $0.1 million, a profit before tax of $40.4 million and an income tax benefit of $20.9 million.

The trading loss of $0.1 million was achieved from sales revenue of $0.4 million. Operating costs totalled $0.5 million comprising production costs of $0.3 million and amortisation and hedging losses of $0.2 million.

Exploration expenditure expensed and written off during the period of $13.4 million related primarily to the unsuccessful exploration well drilled in the Perth Basin ($2.0 million) and the decision to plug and abandon the Errington well and relinquish a number of permits in the UK ($10.8 million).

An income tax benefit of $20.9 million related mainly to the release of deferred tax as a result of the sale of the Saltfleetby Gas field in the UK and the writing-off of other UK exploration expenditure.

Following the appointment of an Administrative Receiver, a provision of $9.1 million has been made against the recovery of the senior secured debt of $11 million provided to Acorn North Sea Limited in relation to the Ardmore project. No further material recovery of the senior secured debt is expected.

Balance Sheet

During the financial half-year, total assets increased from $265.1 million to $304.7 million, total liabilities decreased from $55.7 million to $34.9 million and total equity increased from $209.4 million to $269.8 million.

Property, Plant and Equipment, including development expenditure, reflected in the consolidated Balance Sheet increased from $26.1 million to $78.5 million as a result of $30 million in development expenditure being incurred during the period and following the transfer of $23.2 million from exploration expenditure to development after the Cliff Head Oil Field was declared commercial. These additions were offset by depreciation of $0.6 million and other costs of $0.2 million.

The majority of the development expenditure was incurred on the following projects:

Project	June 2005 A$million	June 2004 A$million
Blane and Enoch	0.8	-
Chinguetti	12.3	-
Cliff Head	16.4	-
Other	0.5	0.7
Total	30.0	0.7

Capitalised exploration expenditure decreased from $91.4 million to $70.4 million. Exploration expenditure incurred in the current financial period was $14.9 million, while $13.4 million was expensed and written off and $23.2 million was transferred to development. A $0.7 million increase resulted from foreign exchange adjustments.

The majority of the exploration expenditure was incurred in the following areas of interest.

Project	June 2005 A$million	June 2004 A$million
Perth Basin	4.4	2.0
Mauritania	2.6	1.7
Angola	1.7	0.5
China	0.6	5.2
United Kingdom	4.6	2.4
Equatorial Guinea	0.2	0.2
Other	0.8	0.4
Total	14.9	12.4

Cash Flow Statement

Cash increased by $59.9 million over the financial period and as at 30 June 2005 the consolidated entity held cash of $135.9 million.

Cash flow from operations was $0.6 million.

Net cash generated from investing activities was $44.0 million. Of this, $97.4 million was received from the sale of the Saltfleetby Gas Field while development expenditure of $28.2 million and exploration expenditure of $24.8 million was incurred. A final working capital and escrow payment of $10.7 million in relation to the sale of the Saltfleetby Gas Field is expected to be received in the second half of 2005.

Financial Ratios

Basic earnings per share for the period were 33.2 cents based on a weighted average number of fully paid ordinary shares on issue of 184,744,473.

Hedging

Oil Price

At 30 June 2005 ROC had entered into two oil price hedge contracts to manage the Company's exposure to movements in the oil price for the Company's forecast oil production during 2006 and 2007. These oil price hedges cover approximately 25% of the total forecast production of the Company for the period to end 2007.

A swap contract for 909,000 barrels for the period 1 April 2006 to 31 December 2007 at a weighted average Brent oil price of US$49.58 was entered into. At 30 June there was an unrealised market value loss of $8.2 million on the contract, which has been taken directly to equity as the Group has determined this to be an effective oil price hedge.

A put option for 200,000 barrels was purchased for the period 1 March 2006 to 31 December 2006 at a Brent oil price of US$40 per barrel. At 30 June there was an unrealised loss of $0.2 million on this contract. This has not been hedge accounted and the Company has taken the loss directly to the Income Statement.

Foreign Exchange/Interest Rate

Hedging of foreign exchange and interest rate risk is undertaken only against specific future commitments and identified cash flow exposures. The consolidated entity did not have any foreign exchange or interest rate hedging in place at the end of the financial half-year.

Deloitte.

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The Directors
Roc Oil Company Limited
14 Market Street
SYDNEY NSW 2000

22 August 2005

Dear Directors

Roc Oil Company Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Roc Oil Company Limited.

As lead audit partner for the review of the financial statements of Roc Oil Company Limited for the financial half-year ended 30 June 2005, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the audit review.

Yours sincerely

DELOITTE TOUCHE TOHMATSU

J Riddell
Partner

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INDEPENDENT REVIEW REPORT TO THE MEMBERS OF ROC OIL COMPANY LIMITED

Scope

The Financial Report and Directors' responsibility

The financial report comprises the Balance Sheet, Income Statement, Cash Flow Statement, Statement of Changes in Equity, accompanying notes to the Financial Statements and the Directors' Declaration for the consolidated entity for the half-year ended 30 June 2005 as set out on pages 9 to 26. The consolidated entity comprises both Roc Oil Company Limited (the Company) and the entities it controlled at the end of the half-year or from time to time during the half-year.

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review Approach

We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the Corporations Act 2001, Accounting Standards AASB 134 'Interim Financial Reporting' and AASB 1 "First-time Adoption of Australian Equivalents to International Financial Reporting Standards" and other mandatory professional reporting requirements in Australia, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Roc Oil Company Limited is not in accordance with:

(a) the Corporations Act 2001, including:

 (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2005 and of its performance for the half–year ended on that date; and

 (ii) complying with Accounting Standards AASB 134 'Interim Financial Reporting' and AASB 1 "First-time Adoption of Australian Equivalents to International Financial Reporting Standards" and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

J Riddell
Partner
Chartered Accountants
Sydney, 24 August 2005

DIRECTORS' DECLARATION

The Directors declare that:

(a) the attached financial statements and notes thereto comply with relevant Australian Accounting Standards;

(b) the attached financial statements and notes thereto give a true and fair view of the financial position and performance of the Company and the consolidated entity;

(c) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001; and

(d) in the Directors' opinion, there are reasonable grounds to believe that the disclosing entity will be able to pay its debts as and when they become due and payable.

This Directors' Declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Directors:

Mr A J Love
Chairman

Sydney, 24 August 2005

INCOME STATEMENT
For the half-year ended 30 June 2005

		CONSOLIDATED	
	Note	2005 $'000	2004 $'000
Revenue	*2*	408	18,986
Operating Costs	*3*	(531)	(11,562)
Gross (Loss)/Profit		(123)	7,424
Other Income	*4*	67,646	2,111
Exploration expensed and written off	*5*	(13,434)	(20,272)
Net administration expenses		(3,763)	(5,045)
Finance costs	*6*	(172)	(522)
Other expenses		(9,725)	(950)
Profit/(Loss) before income tax		40,429	(17,254)
Income tax benefit		20,863	4,375
Profit/(Loss) after income tax		61,292	(12,879)
Basic earnings/(loss) per share (cents)		33.2	(8.7)
Diluted earnings/(loss) per share (cents)		33.0	(8.7)

BALANCE SHEET
As at 30 June 2005

		CONSOLIDATED	
	Note	As at 30-Jun-2005 $'000	As at 31-Dec-2004 $'000
Current Assets			
Cash		135,936	76,035
Inventories		886	1,033
Trade and other receivables		18,946	16,164
Non-current assets held for sale		–	54,401
Total Current Assets		155,768	147,633
Non-Current Assets			
Property, Plant and Equipment	*9*	78,522	26,054
Exploration expenditure	*10*	70,398	91,396
Other financial assets		28	28
Total Non-Current Assets		148,948	117,478
Total Assets		304,716	265,111
Current Liabilities			
Trade and other payables		12,909	21,032
Current tax liabilities		4,751	5,228
Short term Provisions		886	925
Liabilities directly associated with non-current assets held for sale		–	656
Short term financial liabilities		1,391	–
Total Current Liabilities		19,937	27,841
Non-Current Liabilities			
Other long term liabilities		841	932
Deferred tax liabilities		4,086	24,865
Provisions		3,434	2,076
Long term financial liabilities		6,648	–
Total Non-Current Liabilities		15,009	27,873
Total Liabilities		34,946	55,714
Net Assets		**269,770**	**209,397**
Equity			
Share capital	*11*	311,424	291,357
Accumulated losses		(16,986)	(78,278)
Other Reserves		(24,668)	(3,682)
Total Equity		**269,770**	**209,397**

CASH FLOW STATEMENT
For the half-year ended 30 June 2005

		CONSOLIDATED	
	Note	Inflow/ (Outflow) 2005 $'000	Inflow/ (Outflow) 2004 $'000
Cash Flows from Operating Activities			
Receipts from customers		315	25,357
Payments to suppliers and employees		(3,405)	(12,266)
Interest received		3,392	939
Interest paid and other costs of finance paid		(173)	(245)
Income taxes paid		–	(4,118)
Other taxes (paid)/refunded		508	(1,864)
Net cash provided by operating activities		**637**	**7,803**
Cash Flows from Investing Activities			
Payments for plant and equipment		(474)	(1,287)
Payments for development expenditure		(28,199)	(4,927)
Payments for exploration expenditure		(24,751)	(18,136)
Proceeds from sale of assets		97,434	3,908
Net cash generated by/(used in) investing activities		44,010	(20,442)
Cash Flows from Financing Activities			
Proceeds from share issues		20,649	92,414
Share issue expenses		(582)	(4,423)
Reimbursement of funds from entities		–	429
Provision of funds to entities		(4,326)	–
Net cash generated from financing activities		**15,741**	**88,420**
Net Increase in Cash Held		**60,388**	**75,781**
Cash at beginning of period		76,035	41,553
Effect of exchange rate changes on the balance of cash held in foreign currencies		(487)	2,507
Cash at End of Financial Period		**135,936**	**119,841**

STATEMENT OF CHANGES IN EQUITY

For the half-year ended 30 June 2005

Consolidated	Ordinary Share Capital $'000	(Accumulated Loss)/ Retained Earning $'000	Other Reserves $'000	Total $'000
Balance at 1 January 2004	203,192	(46,684)	(4,567)	151,941
Issue of share capital	92,340	–	–	92,340
Share issue costs	(4,423)	–	–	(4,423)
Exercise of share options	75	–	–	75
Profit for the year	–	(12,879)	–	(12,879)
Share based payments	–	–	161	161
Foreign currency translation differences	–	–	10,666	10,666
Balance at 30 June 2004	**291,184**	**(59,563)**	**6,260**	**237,881**

Consolidated	Ordinary Share Capital $'000	(Accumulated Loss)/ Retained Earning $'000	Other Reserves $'000	Total $'000
Balance at 1 January 2005	291,357	(78,278)	(3,682)	209,397
Transfer to Income Statement of functional currency translation differences on sale of subsidiaries	–	–	(8,966)	(8,966)
Issue of share capital	19,802	–	–	19,802
Share issued costs	(582)	–	–	(582)
Exercise of share options	847	–	–	847
Profit for the year	–	61,292	–	61,292
Loss on hedge	–	–	(8,241)	(8,241)
Share based payments	–	–	455	455
Foreign currency translation differences	–	–	(4,234)	(4,234)
Balance at 30 June 2005	**311,424**	**(16,986)**	**(24,668)**	**269,770**

Note 1. Summary of Significant Accounting Policies

(a) Basis of preparation

The half-year financial report does not include all notes of the type normally included within the Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of ROC as at 31 December 2004, which was prepared based on Australian Accounting Standards applicable before 1 January 2005 ('A-GAAP').

It is also recommended that the half-year financial report be considered together with any public announcements made by ROC and its controlled entities during the half-year ended 30 June 2005 in accordance with the continuous disclosure obligations arising under the Corporation Act 2001.

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 'Interim Financial Reporting' and other mandatory professional reporting requirements The financial report has been prepared on the historical cost basis except for financial instruments that have been measured at fair value.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Statement of Compliance

The half-year financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the half-year financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

This is the first half-year financial report prepared based on A-IFRS and comparatives for the half-year ended 30 June 2004 and full-year ended 31 December 2004 have been restated accordingly.

Reconciliations of:

- A-IFRS equity as at 1 January 2004, 30 June 2004 and 31 December 2004; and
- A-IFRS loss for the half-year 30 June 2004 and full year 31 December 2004

to the balances reported in the 30 June 2004 half-year report and 31 December 2004 full-year financial report prepared under A-GAAP are detailed in Note 1(w) below.

(c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of ROC ('parent entity') and its subsidiaries ('the Group'). The consolidated financial statements include the information and results of each controlled entity from the date on which the Company obtains control and until such time as the Company ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits and losses arising within the consolidated entity are eliminated in full.

(d) Exploration and evaluation expenditure

The consolidated entity adopts the area of interest method whereby all exploration and evaluation expenditure is expensed in the Income Statement, except in the case of areas of interest where rights to tenure are current and where:

- the carrying amount is expected to be recouped through the successful development and exploitation of the area or by farming out or selling all or part of the consolidated entity's interest; or
- at the reporting date, exploration and evaluation activities in, or in relation to, the area of interest have not reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant exploration activity for the area is continuing.

Note 1. Summary of Significant Accounting Policies *(continued)*

(d) Exploration and evaluation expenditure *(continued)*

In these cases, the expenditure is capitalised.

When an area of interest is abandoned or if the Directors consider the expenditure to be of reduced or of no further value, capitalised exploration expenditure is written off in the financial period in which such a decision is made.

Proceeds on sale or farm-out of an area within an exploration area of interest are offset against the carrying value of the particular area involved. Where the total carrying value of an area has been recouped in this manner, the balance of farm-out proceeds is brought to account as non-operating activities revenue.

Where it is established that economically recoverable reserves exist in a particular area of interest, the carrying amount attributable to that discovery is reclassified as a development.

(e) Property, plant and equipment

Property, Plant and Equipment, including development expenditure, is stated at cost less accumulated depletion and any impairment in value. Where commercial production in an area of interest has commenced, the associated costs together with any forecast future capital expenditure necessary to develop proved and probable reserves are amortised over the estimated economic life of the field, on a unit-of-production basis. Subject to the Directors' satisfaction that economically recoverable reserves exist and where commercial production has not yet commenced, costs incurred in relation to those reserves are accumulated and amortised when commercial operations begin.

Changes in factors such as estimates of proved and probable reserves that affect unit-of-production calculations do not give rise to prior financial period adjustments and are dealt with on a prospective basis.

Where there has been a change in economic conditions that indicates a possible impairment in the value of an asset, the recoverability of the net book value relating to that asset is assessed by comparison with the estimated discounted future cash flows based on management's expectations of future oil and gas prices and future costs. Any impairment identified is expensed in the Income Statement as additional depletion. Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit to the Income Statement, net of any amortisation that would have been charged since the impairment.

Plant and Equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is provided on Plant and Equipment, including freehold buildings but excluding land. Plant and equipment is depreciated on a straight line basis so as to write down these assets to their estimated residual values over their estimated useful lives to the consolidated entity.

The following estimated useful lives are used in the calculation of depreciation:

- Plant and Equipment 2–10 years;
- Leasehold improvements 2–10 years; and
- Motor vehicles under finance leases 2–5 years.

Leases of plant and equipment, under which the consolidated entity assumes substantially all the risks and benefits of ownership, are classified as finance leases. Finance leases are capitalised and depreciated over their estimated useful lives to the consolidated entity.

Operating leases are not capitalised. Payments made under operating leases are charged to the Income Statement in equal instalments over the term of the lease.

(f) Oil and gas stock and materials inventory

Oil and gas stock is valued at the lower of cost and net realisable value. Cost comprises a relevant proportion of all fixed and variable production, overhead, decommissioning and amortisation costs. Net realisable value is determined on the basis of selling prices less expenses to be incurred in transport, pipeline tariffs, handling and royalties, to the point in time where product passes to the purchaser.

Stocks of materials and spare parts are carried at the lower of cost and net realisable value, with cost primarily determined by the first-in-first-out method and the remainder utilising an average cost basis.

(g) Investments

Investments (including investments in subsidiaries) are carried at cost less any impairment in value.

(h) Provision for decommissioning

Provision for decommissioning is recognised when there is a legal or constructive commitment to do so. A corresponding tangible fixed asset of an amount equivalent to the provision is also created. The amount recognised is the estimated cost of decommissioning, discounted to its net present value and is reassessed each year in accordance with local conditions and requirements. This asset is subsequently depleted on a unit of production basis. Changes in the estimates of commercial reserves or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision and a corresponding adjustment to the decommissioning asset. The unwinding of the discount on the decommissioning provision is included with interest expense.

(i) Cash

Cash is defined as cash at bank and on hand and money market investments readily convertible to cash.

(j) Investment in associate

The Group's investment in its associates are accounted for under the equity method of accounting in the consolidated financial statements. This is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture.

The financial statements of the associates are used by the Group to apply the equity method. The reporting dates of the associate and the Group are identical and both use consistent accounting policies.

The investment in the associates are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate, less any impairment in value. The consolidated income statement reflects the Group's share of the results of operations of the associates.

(k) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

(l) Recoverable amount of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes an estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

(m) Provisions

Provisions are recognised when the Company has a present obligation, the future sacrifice of economic benefits are probable and the provision can be reliably measured. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date.

(n) Revenue

Sales

Sales are recognised in the financial period during which hydrocarbons are produced, provided they are either sold or delivered in the normal course of business in accordance with agreements with purchasers.

Sales revenue represents amounts invoiced, excluding goods and services tax ('GST') or value added taxes, in respect of sales to purchasers.

Sales revenue is stated net of the impact of oil and gas price hedge contracts entered into by the consolidated entity to reduce future oil and gas price exposure.

Interest

Interest is recognised as the interest accrues to the net carrying amount of the financial asset.

Dividends

Revenue is recognised when the shareholders' right to receive the payment is established.

Note 1. Summary of Significant Accounting Policies *(continued)*

(o) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

(p) Share-based payment transactions

The Group provides benefits to employees of the Group in the form of share options.

There are currently two share option plans in place to provide these benefits:

(i) the Executive Share Option Plan; and

(ii) the Employee Share Option Plan.

The costs of these equity-settled transactions with employees are measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a Monte Carlo simulation.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of ROC ('market conditions').

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

The Group has applied for optional exemption of AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' in respect of equity-settled awards and has applied AASB 2 'Share-Based Payments' only to equity instruments granted after 7 November 2002 that had not vested on or before 1 January 2005.

(q) Income tax

Deferred tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liability is recognised for all taxable temporary differences except where:

- The deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associated companies and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Where deferred tax arises from the initial accounting for a business combination, it is taken into account in the determination of goodwill or excess.

Current tax

Current tax is calculated by reference to the amount of income taxes payable in respect of taxable profits. It is calculated by using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for the current and prior periods is recognised as a liability to the extent that it is unpaid.

Tax Consolidation

The Company and all its wholly owned Australian resident entities are part of a tax consolidation group under Australian taxation law. ROC is the head entity in the tax consolidation group.

(r) Goods and Services Tax

Revenue, expenses and assets are recognised net of amounts of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority in which case the GST is recognised as part of the item of expenditure.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable or payable to the taxation authority is classified as operating cash flows.

(s) Derivative Financial Instruments

Derivative contracts are entered into to limit the financial exposure of the entity in relation to commodity prices. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts deferred in equity are transferred to the profit or loss in the periods when the hedged item is recognised in profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss deferred in equity is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in profit or loss.

Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

The Group has elected not to restate comparative information for financial instruments as permitted on the first time adoption of A-IFRS. The impact of not restating comparative information is immaterial.

(t) Foreign currency

Foreign currency transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign exchange monetary items at reporting date are translated at the exchange rate existing at reporting date. Non monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Note 1. Summary of Significant Accounting Policies *(continued*

(t) Foreign currency *(continued)***)**

Exchange differences are recognised in profit or loss in the period in which they arise except that:

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

Foreign operations

On consolidation, the assets and liabilities of the consolidated entity's overseas operations are translated at exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are recognised in the foreign currency translation reserve, and recognised in profit or loss on disposal of the foreign operation.

(u) Employee benefits

Liability to employees for annual leave and long service leave is provided for when it is probable that settlement will be required and it is capable of being measured reliably. All employment-related on-costs (including payroll tax and superannuation contributions) are included in the calculation of the required provision. Provisions for annual leave in respect of services provided by employees up to the reporting date expected to be settled within 12 months, are measured using remuneration levels expected to apply at the time of settlement.

Provisions for annual leave and long service leave which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to the reporting date.

(v) Interest in Joint Venture Operations

Interests in joint venture operations have been reported in the financial statements by including the consolidated entity's share of assets and liabilities of the joint venture and its share of any income and expenses incurred.

(w) Impact of adoption of A-IFRS

The impact of adopting A-IFRS on the total equity and loss after tax as reported under previous Australian Generally Accepted Accounting Principles ('A-GAAP') is illustrated below.

(i) Reconciliation of total equity as presented under previous A-GAAP to that under A-IFRS

		CONSOLIDATED		
	Note	**31-Dec-2004 $'000**	**30-Jun-2004 $'000**	**01-Jan-2004 $'000**
Total equity under previous A-GAAP		226,790	254,252	173,655
Adjustments to retained earnings				
Restatement of provision for restoration	A	1,804	1,914	1,926
Recognition of restoration asset	B	543	584	625
De-recognition of general and administration costs included in development assets	C	(479)	(378)	(351)
Recognition of deferred tax liability	D	(6,507)	(9,221)	(11,708)
Share based payment expensed	E	(330)	(169)	(8)
Restatement of exploration write-off	F	2,655	30	–
Adjustments to other reserves				
Employee Equity Benefit Reserve	E	330	169	8
Restatement of foreign currency translation reserve	F	(15,409)	(9,300)	(12,206)
Total equity under A-IFRS		**209,397**	**237,881**	**151,941**

A - Provision for restoration is recognised under AASB 137 'Provisions, Contingent Liabilities and Contingent Assets'. This requires the decommissioning to be measured at the amount required to settle the present obligation at the balance sheet date. Under the previous A-GAAP accounts the liability was recognised over the life of the asset on a unit of production basis.

B - AASB 116 'Property, Plant and Equipment' requires the obligation to decommission an asset to be included in the cost of the asset. This asset is then depreciated over its expected useful life.

C - AASB 116 'Property, Plant and Equipment' requires general and administration costs to be expensed when incurred.

D - AASB 112 'Income Taxes' requires deferred income tax to be determined using the balance sheet liability method in respect of temporary differences arising from the differences between the carrying amount of the assets and liabilities in the financial statements and their corresponding tax base. Under the previous A-GAAP deferred tax was brought into account using the liability method of tax effect accounting whereby income tax expense was calculated on pre-tax accounting profits after adjustments for permanent differences.

E - AASB 2 'Share Based Payments' requires share based payments to be expensed over the vesting period of the options based on market value of the option at the date of issue.

F - AASB 121 'The Effects of Changes in Foreign Exchange Rates' requires that each subsidiary records its transactions in its functional currency. When converting from the functional currency to the presentational currency, the revenue and expenses are converted at the date of transaction (weighted average exchange rate for the year is used as an approximation) and the balance sheet is converted at the closing rate. Any difference is taken to the foreign currency translation reserve. The restatement of the exploration write-off arises as a result of a change in the functional currency of a subsidiary from Australian dollars to United States dollars. Therefore, under A-GAAP no functional currency translation reserve arose in relation to the subsidiary because the functional currency was Australian dollars.

(ii) Reconciliation of loss after tax under previous A-GAAP to that under A-IFRS

		CONSOLIDATED	
		31-Dec-2004 $'000	**30-Jun-2004 $'000**
Prior year loss after tax as previously reported		(38,798)	(15,155)
Unwinding of discount	A	(450)	(223)
Reversal of A-GAAP restoration costs	A	329	211
Amortisation of restoration asset	B	(81)	(40)
Share based payments	E	(322)	(161)
De-recognition of general and administration costs included in development assets	C	(128)	(27)
Restatement of exploration written-off	F	2,655	30
Deferred tax	D	5,201	2,486
Revised loss after tax under A-IFRS		(31,594)	(12,879)

(iii) Explanation of material adjustments to the Cash Flow Statement

There are no material differences between the cash flow statements presented under A-GAAP and A-IFRS.

(iv) Reclassifications

The Saltfleetby assets and liabilities have been reclassified from non-current assets/liabilities to current assets/liabilities as at 31 December 2004. It was the Directors' intention to sell the asset within the next 12 months.

NOTES TO FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2005

	CONSOLIDATED	
	2005 $'000	2004 $'000
Note 2. Sales Revenue		
Oil	408	420
NGLs	–	1,331
Gas	–	17,235
	408	18,986
Note 3. Operating Costs		
Production costs	350	6,419
Amortisation	2	5,143
Hedging loss	179	–
	531	11,562
Note 4. Other Income		
Profit on sale of Saltfleetby (see Note 8)	63,165	–
Interest income: external	3,634	1,032
Net gain from sale of assets	–	32
Foreign exchange gains	316	1,047
Sundry	531	–
	67,646	2,111
Note 5. Exploration Expenditure Expensed and Written Off		
Mauritania	186	–
China	–	2,812
United Kingdom	10,780	16,595
Australia	1,979	–
Other	489	865
	13,434	20,272
Note 6. Financing Costs		
Interest expensed on bank loans	–	231
Unwinding of discount - Restoration	150	223
Other borrowing costs	22	68
	172	522

	CONSOLIDATED	
	2005 **$'000**	**2004** **$'000**

Note 7. Other Costs

	2005 $'000	2004 $'000
Included in costs are the following expenses:		
Share based payments	455	161
Provision for bad debts	9,146	–
Operating lease expenses	518	408
Depreciation	586	575

Note 8. Sale of Saltfleetby

The sale of the shares in Roc Oil (UK) Limited and Roc Oil (CEL) Limited, whose only asset was the Saltfleetby Gas Field, for a cash consideration of $109 million was completed on 21 January 2005. The calculation of the profit after tax in respect of the sale of Saltfleetby is presented below.

	A$'000
Proceeds on sale of assets	108,830
Less non-current assets held for sale	(54,401)
Less other assets sold	(158)
Less transaction costs	(728)
Add liabilities directly associated with non-current assets held for sale	656
Add transfer of foreign currency translation reserve relating to subsidiaries sold	8,966
Profit before tax	63,165
Release of deferred tax	17,564
Profit after tax	80,729

	CONSOLIDATED			
	Producing assets $'000	Assets under development $'000	Other assets $'000	Total $'000
Note 9. Property, Plant and Equipment				
Costs				
Balance at 1 January 2005	498	21,577	9,372	31,447
Additions	18	29,555	474	30,047
Disposals	–	–	(178)	(178)
Exchange gains/(losses)	(22)	30	(171)	(163)
Transfers from Exploration	–	23,184	–	23,184
Costs at 30 June 2005	494	74,346	9,497	84,337
Accumulated Depreciation				
Balance at 1 January 2005	(387)	–	(5,006)	(5,393)
Charge for the year	(2)	–	(585)	(587)
Disposals	–	–	63	63
Exchange gains	19	–	83	102
Accumulated Depreciation at 30 June 2005	(370)	–	(5,445)	(5,815)
NBV at 30 June 2005	124	74,346	4,052	78,522
NBV at 31 December 2004	111	21,577	4,366	26,054

	CONSOLIDATED	
	30-Jun-2005 $'000	31-Dec-2004 $'000
Note 10. Exploration		
Balance at beginning of period	91,396	102,823
Additions	14,903	39,616
Exchange gains	717	328
Transfers to Property, Plant and Equipment	(23,184)	(7,222)
Amounts written off and expensed	(13,434)	(44,149)
Costs at end of period	70,398	91,396

The ultimate recovery of the capitalised exploration is dependant on the successful development and commercial exploitation of the exploration area or the commercial sale of the relevant petroleum prospecting areas.

	30-Jun-2005 Number of Shares	31-Dec-2004 Number of Shares	30-Jun-2005 $'000	31-Dec-2004 $'000
Note 11. Share Capital				
Balance at beginning of period	176,038,703	109,889,439	291,357	203,192
Issue of shares under the employee share option plans	739,400	192,200	847	226
Shares issued	9,900,990	65,957,064	19,220	87,939
Balance at end of period	186,679,093	176,038,703	311,424	291,357

All issued fully paid ordinary shares carry one vote per share and carry the right to dividends.

Note 12. Segment Information

The following table presents the revenue and results information regarding business segments for the half-year periods ended 30 June 2005 and 30 June 2004.

30 June 2005	United Kingdom $'000	Australia/ New Zealand $'000	Asia/Other $'000	West Africa $'000	Unallocated $'000	Total $'000
Segment revenue						
Sales revenue	323	85	–	–	–	408
Other revenue	63,696	–	–	–	3,950	67,646
Total revenue	64,019	85	–	–	3,950	68,054
Segment result						
Profit/(Loss) from ordinary activities before income tax	52,831	(2,343)	(12)	(22)	(10,025)	40,429
Income tax benefit	–	–	–	–	20,863	20,863
Net Profit/(Loss)	52,831	(2,343)	(12)	(22)	10,838	61,292

30 June 2004	United Kingdom $'000	Australia/ New Zealand $'000	Asia/Other $'000	West Africa $'000	Unallocated $'000	Total $'000
Segment revenue:						
Sales revenue	18,957	29	–	–	–	18,986
Other revenue	–	–	–	–	2,080	2,080
Total revenue	18,957	29	–	–	2,080	21,066
Segment result						
(Loss)/Profit from ordinary activities before income tax	(9,516)	(169)	(3,158)	(522)	(3,889)	(17,254)
Income tax expense	–	–	–	–	4,375	4,375
Net (Loss)/Profit	(9,516)	(169)	(3,158)	(522)	486	(12,879)

Note 13. Contingent Liabilities

	CONSOLIDATED	
	30-Jun-2005 $'000	31-Dec-2004 $'000
Roc Oil (Cabinda) Company acquired a 45% interest in the Cabinda South Block from Fina Oil and Gas Cabinda BV, an affiliate of TotalFinaElf ('TFE'). Under the terms of the agreement with TFE, Roc Oil (Cabinda) Company will be liable for a payment of approximately US$0.7 million once production from the Block commences:	917	899
Roc Oil (Cabinda) Company acquired the 15% participating interest held via Lacula Oil Company Limited in the Cabinda South Block onshore Angola production sharing agreement during the 2003 financial year. A payment of US$100,000 will be made to the vendor if approval is received for the first development plan submitted under the production sharing agreement:	131	128
Under an option and purchase agreement dated 20 June 2003 between Roc Oil (Cabinda) Company and private parties in North America, the private parties have agreed to transfer and convey an overriding royalty attaching to the 15% participating interest held via Lacula Oil Company Limited to Roc Oil (Cabinda) Company upon the payment of US$250,000 within six months from the date of commercial production under the production sharing agreement:	327	321
Effective 1 April 2003, Roc Oil (WA) Pty Limited acquired ARC Energy NL's ('ARC') 7.5% interest in exploration permit WA-286-P. In addition to the initial consideration paid an additional payment up to a maximum of $1.75 million is payable to ARC should a new field (other than at Cliff Head) be discovered in the permit:	1,750	3,750
Roc Oil (WA) Pty Limited agreed with Norwest Energy NL ('Norwest') to acquire that company's 7.5% working interest in exploration permit WA-226-P in the Perth Basin. If a discovery is declared commercial, ROC will make a payment to Norwest of $375,000:	375	375
Under a sale and purchase agreement with Conoco (UK) Theta Limited, Roc Oil (GB) Limited has a contingent liability to Conoco (UK) Theta Limited to make a payment of up to US$1.75 million on production of the nine millionth barrel of oil from the Chestnut Oil Field:	2,291	2,246
Pursuant to the purchase agreements under which Roc Oil (Chinguetti) BV increased its interests in the Mauritanian assets following the Agip pre-emption, ROC may be required to make additional payments of up to US$568,029. This payment would be triggered in three equal increments upon commerciality being declared on a new discovery (other than the Chinguetti Field), the granting of an Exclusive Exploitation Authorisation ('EEA') by the Mauritanian Government, and when sustained production at a rate of 40,000 BOEPD (gross) over a 30 day period from the EEA is obtained:	744	729

In accordance with normal oil and gas industry practice, the consolidated entity has entered into joint venture operations and farm-in agreements with other parties for the purpose of exploring and developing its licence interests. If a party to a joint venture operation defaults and does not contribute its share of joint venture operation obligations, then the other joint venturers are liable to meet those obligations. In this event, the interest in the licence held by the defaulting party may be redistributed to the remaining joint venturers.

	CONSOLIDATED	
	30-Jun-2005 $'000	31-Dec-2004 $'000
Note 14. Contingent Assets		
Roc Oil (GB) Limited will receive a £750,000 production payment, subject to the further development of the Chestnut Oil Field, from the purchaser of its interest in that field. Roc Oil (GB) Limited will also potentially receive up to US$1.7 million on production of the nine millionth barrel of oil from the Chestnut Oil Field, increasing up to US$1.75 million on production of 9.2 million barrels of oil from the Chestnut Oil Field:	4,002	4,102

Note 15. Financial Instruments

Cash Flow Hedges

At 30 June 2005 the Group held a crude oil swap contract for a total of 909,000 barrels to be exercised over a 21 month period. Of this a total of 171,000 will be settled between April 2006 and June 2006, with the balance being settled during the period to December 2007. The weighted average price of the Brent oil crude swaps is US$49.58/BBL.

This crude oil swap contract has been designated as a hedge of the expected future oil revenue from the Cliff Head Oil Field. The swap is being used to reduce the exposure to oil price risk.

At 30 June 2005, a net unrealised loss of $8,241,000 as a result of the increase in oil price is included in equity in respect of this contract.

At 30 June 2005, the Group also held put options relating to 200,000 BBLS at US$40/BBL for the period March 2006 to December 2006, giving the Company the right, but not the obligation, to sell this volume of oil at US$40/BBL. At 30 June 2005, a net unrealised loss of $179,000 has been included in the Income Statement as a result of the increase in oil price.

Note 16. Subsequent Events

Since the end of the financial period the following material event has occurred:

Blane and Enoch

Following the receipt of the development approvals from the Governments of the UK and Norway, the Blane Oil Field (ROC: 12.5%) and the Enoch Oil and Gas Field (ROC: 12.0%) were approved to commercial development. With gross costs budgeted to be in the order of £165 million/$391 million and £75 million/$178 million respectively, production from both these fields is scheduled to start in late 2006 at gross rates of 14,000 BOPD for Blane and 12,000 BOPD for Enoch.

Sotto-1 ST1 Exploration Well

On 22 August 2005 the Sotto-1 ST1 exploration well in PSC Area A offshore Mauritania (ROC: 4.155%) reached total depth of 3,279 metres. Logs and other data acquired while drilling suggest that the well did not encounter any significant hydrocarbons. Following completion of wireline logging, the well will be plugged and abandoned.

GLOSSARY AND DEFINITIONS

$ or **cents**	Australian currency.
A-GAAP	Australian Generally Accepted Accounting Practice.
A-IFRS	Australian equivalent of the International Financial Reporting Standards.
AIM	Alternative Investment Market of the London Stock Exchange.
ASX	Australian Stock Exchange Limited.
BBLS	Barrels, equivalent to 0.159 cubic metres.
BCF	One billion cubic feet of natural gas.
BOE	Barrel of oil equivalent. The factor used to convert gas to oil equivalent is based upon an approximate energy value of 6,000 cubic feet per barrel and not price equivalence at the time.
BOEPD	Barrel of oil equivalent per day.
BOPD	Barrel of oil per day.
BWPD	Barrel of water per day.
GST	Goods and services tax.
km	Kilometres.
m	Metre.
MCF	One thousand cubic feet of natural gas.
MM	Millions.
MMBO	One million barrels of oil.
MMBOE	One million barrels of oil equivalent.
MMSCFD	One million standard cubic feet of natural gas per day.
pound or **£**	UK pounds.
probable reserves	Probable reserves are less certain than proved reserves and can be estimated with a degree of certainty sufficient to indicate they are more likely to be recovered than not. Note that probable reserves have not been risked.
proved reserves	Proved reserves can be estimated with reasonable certainty to be recoverable under current economic conditions. Current economic conditions include prices and costs prevailing at the time of the estimate. Proved reserves may be developed or undeveloped.
PSA	Production sharing agreement.
PSC	Production sharing contract.
ROC	Roc Oil Company Limited
trading profit	Sales revenue net of production costs, amortisation expense and hedging expense.
sq km	Square kilometres.
UK	United Kingdom.
US$	United States dollars.
3D	Three dimensional.
2P	Proved and probable reserves.

Rules 4.2A.3

Appendix 4D

Half-year Report
Period ended 30 June 2005

Introduced 1/1/2003

1. Name of Entity:	**ROC OIL COMPANY LIMITED**
ABN:	32 075 965 856
Half-year ended ('reporting period')	30 June 2005
Half-year ended ('previous corresponding period')	30 June 2004

2. Results for announcement to the market

(Amount and percentage change up or down from the previous corresponding period)

					$A'000
2.1	Revenues from ordinary activities	down	98%	to	408
2.2	Profit (loss) from ordinary activities after tax attributable to members	up	476%	to	61,292
2.3	Net profit (loss) for the reporting period attributable to members	up	476%	to	61,292

2.4 Dividends (distributions)

	Amount per security	Franked amount per security
Final dividend Interim dividend	Nil	N/A
Previous corresponding period	Nil	N/A

It is not proposed to pay dividends.

2.5	Record date for determining entitlements to the dividends.	N/A

2.6 Brief explanation of any of the figures reported above (see 2.1 to 2.4) to enable the figures to be understood:

A review of the consolidated entity's operations during the half-year ended 30 June 2005 and the results of those operations are included in the Roc Oil Company Limited 30 June 2005 Half-Year Financial Report on pages 2 to 5.

3. Net tangible assets per security

	Reporting period	Previous corresponding period
Net tangible asset backing per ordinary security	N/A	N/A

4. Control lost over entities having material effect

4.1	Name of entities	Roc Oil (UK) Limited Roc Oil (CEL) Limited	
4.2	The date of the loss of control	21 January 2005	
		Current Period $A'000	Previous Corresponding Period A$'000
4.3	The contribution of such entities to the reporting entity's profit loss from ordinary activities during the reporting period and the profit or loss of such entities during the whole of the previous corresponding period.	Nil	(6,304)

There was no gain of control of entities during the current period having a material effect.

5. Dividends

There were no dividends paid or declared during the period ended on or after 1 January 2005.

6. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.

N/A

7. Details of associates and joint venture entities

Name of entity		Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) after income tax expense	
7.1	**Associate entities**	Current period	Previous corresponding period	Current period $A'000	Previous corresponding period $A'000
	Croft (UK) Limited and its controlled entities	50%	50%	Nil	Nil
	China Oil Shale Development Company	50%	Nil	Nil	Nil
7.2	**Total**	**50%**	**50%**	**Nil**	**Nil**
7.3	Joint venture entities	N/A	N/A	N/A	N/A
7.4	**Total**	**50%**	**50%**	**Nil**	**Nil**

Compliance statement

8. The information in this report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.

9. The Roc Oil Company Limited Financial Report for the financial half-year ended 30 June 2005 has been subject to review. A copy of the independent review report to the members of Roc Oil Company Limited is attached.