SUMMARY

A relatively quiet Quarter, characterised mainly by early stage exploration activity, including the offer, and subsequent acceptance, of two new exploration areas in the northern part of the offshore Perth Basin; completion of a substantial 3D seismic survey onshore UK and the resumption of exploration drilling in Mongolia. Production suffered temporarily because of mechanical constraints at a UK gas processing facility owned by a third party and annual maintenance at the Saltfleetby Gas Field. Coincidentally, revenue for the Quarter was weaker than the previous quarter because of seasonally low gas prices in the UK, which, at times, were less than half of the market forward price and ROC's contract prices for the 2002/2003 northern winter.

HIGHLIGHTS

Significant increase in UK gas sales contract negotiated, starting 4Q02…

ROC’s wholly-owned UK subsidiary, ROC Oil (UK) Limited, and the US$4.5 billion Innogy plc successfully completed gas price negotiations for the sale of gas from ROC’s 100% owned and operated Saltfleetby Gas Field for the twelve months from 1 October 2002. As a result, contract gas prices will increase by 50% or more to reflect the improved market conditions that have developed over the last 2½ years.

... but current Quarter production was down, due to temporary lack of access to third party processing facilities and annual maintenance...

Due to temporary mechanical constraints, which have since been rectified, at the compression facility at the third party-owned Theddlethorpe Gas Processing plant, gas production from the Saltfleetby Gas Field was reduced by approximately 30% to 20 MMSCF/D natural flow for part of the Quarter. This, combined with annual maintenance work at Saltfleetby, was largely responsible for production for the Quarter being reduced to 2.3 BCF, down 19% from the preceding quarter. By the end of the Quarter
production from the Saltfleetby Gas Field was back to 30 MMSCF/D, the same level as the end of the previous quarter.

...with a corresponding decrease in revenue, accentuated by seasonally low UK gas prices.

The decreased production, combined with the seasonally low gas prices, caused a drop in revenue for the Quarter of A$7.1 million (42%) from the previous quarter. Generally stronger production and, certainly, stronger sales revenue, is expected for the latter part of the year as UK winter gas prices are re-established.

Early stage exploration activity continued on several fronts, including onshore UK...

A large 3D seismic survey was completed onshore UK, with the expectation that it will delineate attractive drill targets for the multi-well exploration drilling programme which is scheduled for the area around the Saltfleetby Gas Field during the first part of 2003.

...and offshore Australia, where ROC, as the newly appointed operator of TP/15 and the established operator for WA-286-P,

The appointment of ROC as operator for the TP/15 Joint Venture is an important step for the Company, particularly since it also operates the adjacent permit WA-286-P, which contains the Cliff Head Oil Field, discovered at the end of 2001.

...tendered for a drilling rig ahead of a multi-well offshore Perth Basin drilling programme

In its capacity as operator for both TP/15 and WA-286-P, ROC has tendered for a drilling rig for a multi-well exploration and appraisal drilling programme which is due to start at the beginning of 2003.

...south of two newly offered exploration permits.

The Commonwealth-Western Australian Joint Authority has offered an exploration permit (WO1-24) in the northern part of the offshore Perth Basin to a ROC-led consortium in which ROC has a 55% interest and is designated Operator. In a similar context, a subsidiary of Voyager Energy Limited has been offered a separate, but contiguous, exploration permit (WO1-22) in relation to which ROC has an option to acquire a 55% interest and Operatorship for nil consideration.

In East Asia, ROC was formally approved as an operator in the Beibu Gulf, offshore China...

On 24 April, Roc Oil (China) Company, a wholly owned subsidiary of ROC, received formal government approval for its appointment as operator of Block 22/12 in the Beibu Gulf, offshore China.

...and exploration drilling resumed in Mongolia.

On 11 April, the Mogoi-1 farmout exploration well, being drilled and 100% funded by a Chinese farmee, recommenced after being suspended through the winter. The well was plugged and abandoned as a dry hole in July 2002.
During the month subsequent to Quarter end, the following significant events occurred:

**A 3 to 4 well exploration and appraisal drilling programme commenced offshore Mauritania...**

On 30 July, the Chinguetti-4-2 well commenced drilling at a location on the northern side of the structure associated with the Chinguetti Oil Field, which was discovered in 2001. The well, 2.5km north of Chinguetti-1, is the first of three or four exploration and/or appraisal wells expected to be drilled offshore Mauritania during the next several months.

**...following a dry hole in Mongolia, funded by a farmee.**

On 26 July, the Mogoi-1 exploration well, 100% funded by a Chinese farmee, was plugged and abandoned as a dry hole.

**Discretion exercised at Saltfleetby to temporarily defer production in order to maximise net present value of the field...**

On 15 July, ROC exercised its discretion to temporarily shut-in production at the Saltfleetby Gas Field in response to abnormally low gas prices in the UK due to mechanical problems with the third party owned Interconnector Pipeline which links the UK to Europe. This decision, taken because the then prevailing spot gas prices were less than half of the forward gas price for the northern hemisphere winter, highlights ROC’s strong financial position, the vagaries of UK gas prices in the northern summer and the impact the Interconnector has on those prices.

**...as a 421 sq km 3D seismic survey starts up in the Beibu Gulf, offshore China...**

On 27 July, acquisition of a ROC-operated 421 sq km 3D seismic survey commenced in Block 22/12, in the Beibu Gulf, offshore China.

**...and the newly offered Perth Basin exploration areas are accepted.**

On 19 July, ROC accepted the relevant Government authority’s offer of an exploration permit (WO1-24) in the northern offshore Perth Basin. ROC’s interest in the permit will be 55%. On 8 July, the Company also exercised its option to acquire a 55% interest in the adjacent WO1-22 exploration area. ROC will operate both permits.

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**FURTHER INFORMATION**
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e-mail: jdoran@rocoil.com.au  Web Site: www.rocoil.com.au
Address: Level 16, 100 William Street, Sydney, NSW 2011, Australia.
ASX QUARTERLY REPORT 30 JUNE 2002

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1. CEO'S REPORT

The Quarter can be viewed as a lull between two significant drilling programmes. Most activity related to preparations for ROC's future exploration and appraisal drilling programmes, part of which will follow-up the exploration successes which the Company achieved during the preceding twelve months in Mauritania, Australia and China.

As in any construction process, there are times when you are building the house and other times when you are mixing cement. In this sense, the Quarter saw ROC mixing cement ahead of its next building phase. The main part of the next corporate construction phase started on 30 July 2002 when the Chinguetti-4-2 step-out exploration well commenced drilling in deep water offshore Mauritania.

The closure of the key part of the sale of a significant portion of ROC's UK North Sea portfolio further strengthened the Company's financial position. For all practical purposes, ROC now has towards $100 million in the bank. During the next 12-18 months, the strategic wisdom of monetising ROC's peripheral assets will be put to the test. At the end of that period we will know whether or not the Company was right to weight its activities towards internally grown exploration and appraisal opportunities, generally in areas where it has significant equity and direct influence, instead of marginal and undeveloped fields where the Company is not the operator and has little meaningful input.

The temporary downturn experienced by ROC in the UK with regards to its production and revenue streams is a timely reminder that, even with an out-performing and very productive asset such as the Saltfleetby Gas Field, the Company is still dependent upon facilities owned by third parties and that these facilities, as with any oil field operation, can be expected to have some occasional unscheduled downtime. In the circumstances, ROC was fortunate to have the financial ability to tailor its production so as to maximise the net present value of the asset. This is a direct consequence of the strong cash position which the Company has built up during the last many months. The downturn is also a timely reminder that ROC's reserve base is too small and too slender for its corporate ambitions. This is why the Company's imminent drilling programme is largely focused on appraising the commercial potential of the discoveries it made during the last twelve months, as well as drilling attractive new exploration targets in the vicinities of those discoveries and near ROC's main producing asset, the Saltfleetby Gas Field.

The acquisition of two new areas in the northern offshore Perth Basin, Blocks WO1-22 and WO1-24, means that ROC now has interests between 20% and 55% in four contiguous areas in this region, collectively representing approximately 7 million gross acres/28,000 sq km, all operated by ROC. To a large extent, the ultimate value of this acreage will be determined by the drilling results obtained during late 2002 and early 2003 when between three and seven exploration and appraisal wells will be drilled in the area around the Cliff Head Oil Field in WA-286-P, to the south of the newly acquired blocks, and, reportedly, a third party exploration well which will be drilled to the west of the northernmost block. In approximately two and half years, ROC has gone from not having a presence in the northern part of the offshore Perth Basin to having a dominant operated interest in this region. A modicum of drilling success during the next six months will establish this region as one of the Company’s core growth areas.

The start-up of the 2002 drilling programme in deepwater offshore Mauritania, subsequent to Quarter-end, marked the beginning of a very busy 12-18 months drilling period. The outcome of the wells drilled during this period in the UK, Australia, China and Mauritania will have a profound effect upon the Company. In many ways, this programme can be looked upon as the culmination of several years of patient, preparatory work designed to deliver to ROC shareholders a string of exploration and appraisal wells. Even if only some of these wells realise just part of their technical potential, shareholder value should increase significantly. If nothing else, the next 12-18 or more months will be extremely interesting for all ROC shareholders.
2. STATISTICS

Due to the sale of ROC’s interest in the Kyle Oil and Gas Field, effective 1 January 2002 (see Section 6.3), the production, revenue and expenditure figures provided below for both the March 2002 quarter and the June 2002 quarter do not include ROC’s 12.5% share of production from that field.

2.1 PRODUCTION

<table>
<thead>
<tr>
<th></th>
<th>March '02 Qtr</th>
<th>June '02 Qtr</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OIL &amp; NGL (BBL)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK – Onshore NGL (Saltfleetby)</td>
<td>39,841</td>
<td>32,723</td>
<td>-18%</td>
</tr>
<tr>
<td><strong>GAS (MCF)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK – Onshore (Saltfleetby)</td>
<td>2,815,600</td>
<td>2,280,200</td>
<td>-19%</td>
</tr>
<tr>
<td><strong>TOTAL PRODUCTION (BOEPD)</strong></td>
<td>5,657</td>
<td>4,536</td>
<td>-20%</td>
</tr>
</tbody>
</table>

The reduced production was due to the combination of a 17 day period during which third party compression facilities were not available, requiring the Saltfleetby Gas Field to go back onto free flow, at a reduced production rate, and a planned 7 day shutdown of that field for maintenance and certification of third party gas processing facilities. At the end of the Quarter, the field was producing at 30 MMSCF/D, the same as at the end of the previous quarter.

2.2 SALES REVENUE (Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>March '02 Qtr $'000</th>
<th>June '02 Qtr $'000</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK Oil &amp; NGLs</td>
<td>1,779</td>
<td>917</td>
<td>-48%</td>
</tr>
<tr>
<td>UK Gas</td>
<td>15,194</td>
<td>8,958</td>
<td>-41%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>16,973</td>
<td>9,875</td>
<td>-42%</td>
</tr>
</tbody>
</table>

Sales revenue was down due to reduced production (see Section 2.1 above) and seasonally low summer gas prices in the UK. Sales revenue for the March 2002 quarter included $1.5 million received from gas and oil price hedging while sales revenue for the June 2002 Quarter included $1.0 million received from gas price hedging.
2.3 EXPENDITURE (Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>March '02 Qtr $'000</th>
<th>June '02 Qtr $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exploration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>855(1)</td>
<td>289</td>
</tr>
<tr>
<td>UK</td>
<td>5,438</td>
<td>3,967</td>
</tr>
<tr>
<td>Other International</td>
<td>3,769</td>
<td>1,620</td>
</tr>
<tr>
<td>Development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>UK</td>
<td>1,680</td>
<td>581</td>
</tr>
<tr>
<td>Other International</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>11,742</td>
<td>6,457</td>
</tr>
</tbody>
</table>

Note (1) Australian exploration expenditure for the March 2002 quarter has been revised down by $709,000 to $855,000 to reflect final actual costs.

2.4 DRILLING

<table>
<thead>
<tr>
<th>Category</th>
<th>Well</th>
<th>Location</th>
<th>Operator</th>
<th>Comment at End of Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exploration</td>
<td>Mogoi-1 50%, carried</td>
<td>South East Gobi Basin, Mongolia</td>
<td>The well is being drilled and managed by farmee Dongsheng Jinggong Petroleum Development Group Co. Limited</td>
<td>The well started on 17 October 2001 and was suspended later that month at 100 metres by prior arrangement. Drilling recommenced on 11 April 2002. The well reached a total depth of 2,844 metres on 11 July 2002 and was plugged and abandoned as a dry hole. Further details of the well are in Section 7.1.</td>
</tr>
</tbody>
</table>
2.5 SEISMIC

<table>
<thead>
<tr>
<th>Type</th>
<th>Location</th>
<th>Operator</th>
<th>% Interest</th>
<th>Size</th>
<th>Comment at End of Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>3D</td>
<td>Ouadane 3D Blocks 3 to 5, Offshore Mauritania</td>
<td>Woodside Petroleum Mauritania Pty Ltd</td>
<td>2.4 to 2.7</td>
<td>1,175 sq km</td>
<td>Completed.</td>
</tr>
<tr>
<td>3D</td>
<td>Koumbi Saleh 3D Block 2, Offshore Mauritania</td>
<td>Woodside Petroleum Mauritania Pty Ltd</td>
<td>3.2</td>
<td>1,064 sq km</td>
<td>Progressing. Completed on 10 July 2002.</td>
</tr>
<tr>
<td>3D</td>
<td>Lincs Wolds 3D South Humber Basin, Onshore UK</td>
<td>ROC</td>
<td>100</td>
<td>254 sq km</td>
<td>Completed.</td>
</tr>
<tr>
<td>3D</td>
<td>Bempton 3D Cleveland Basin, Onshore UK</td>
<td>ROC</td>
<td>100</td>
<td>50 sq km</td>
<td>Completed.</td>
</tr>
</tbody>
</table>

3. PRODUCTION

All production for the Quarter was from the onshore Saltfleetby Gas Field in the United Kingdom.

3.1 GAS PRODUCTION

Total gas production for the Quarter was 2.28 BCF (25.1 MMSCF/D), down 19% on the previous quarter. By the end of the Quarter production was back at 30 MMSCF/D, the same as at the end of the previous quarter.

3.2 OIL AND CONDENSATE PRODUCTION

Total condensate production of 32,723 BBL (360 BCPD) was down 18% on the previous quarter, in line with gas production.

3.3 SALES REVENUE

Sales revenue of $9.87 million was down $7.1 million (42%) on the previous quarter as a result of lower gas production and seasonally lower gas prices.

Sales gas prices received, including price hedging, averaged 13.2 pence per therm (approximately $3.87 per MCF), down 26% on sales gas prices received during the previous quarter. The lower prices received were due to lower seasonal summer gas prices in the UK compared with winter gas prices in the previous quarter.

Included in sales revenue was $1.0 million received as proceeds from gas price hedging.

During the previous quarter, ROC's sales revenue included $0.75 million received from gas price hedging and $0.78 million received from oil price hedging.
4. DEVELOPMENT

4.1 UK ONSHORE

UK onshore development expenditure for the quarter was $0.258 million, primarily associated with the Saltfleetby Gas Field.

4.2 UK NORTH SEA

UK offshore development expenditure for the quarter was $0.323 million, primarily associated with work in preparation for the appraisal of the Blane and Ettrick Fields.

Less than a year after acquiring the licence interests and operatorships of both fields by purchasing Petrobras’ equity in those areas, Enterprise Oil plc has itself been taken over by Shell Resources P.L.C. This latest burst of corporate activity is expected to slow the pace of progress in the short term.

5. EXPLORATION AND APPRAISAL

5.1 AUSTRALIA

Australian exploration expenditure for the quarter was $0.289 million, all related to ROC’s activities in the Perth Basin, offshore Western Australia

5.1.1 WA-286-P, Perth Basin, Offshore Western Australia (ROC: 30% and Operator)

The principal activity during the quarter was planning for the exploration and appraisal drilling programme due to commence in January 2003. A tender was issued for a drilling rig to drill up to five wells, two firm and three contingent in WA-286-P, starting January 2003.

5.1.2 TP/15, Perth Basin, Offshore Western Australia (ROC: 20% and Operator)

During the quarter, ROC was appointed Operator of the TP/15 Joint Venture, effective 1 May 2002.

The principal activity during the quarter was planning for the exploration drilling programme due to commence in January 2003. A tender was issued for a drilling rig to drill up to two wells, one firm and one contingent in TP/15, starting January 2003.

5.1.3 Areas WO1-24 and WO1-22, Perth Basin, Offshore Western Australia (ROC: 55% and Designated Operator)

On 24 June 2002, Roc Oil (WA) Pty Limited, a wholly owned subsidiary of ROC, together with its co-venturers, Chimelle Petroleum Limited ("Chimelle"), a wholly owned subsidiary of Voyager Energy Limited ("Voyager"), and Bounty Oil and Gas NL ("Bounty") received a formal offer from the Commonwealth-Western Australian Joint Authority to grant to them an offshore Perth Basin exploration permit over the area referred to as WO1-24. On 19 July 2002, ROC and its co-venturers accepted that offer. The interests in the exploration permit will be ROC (55% and Operator), Chimelle and Bounty (both 22.5%). The mandatory work programme for the first three years of the permit includes the reprocessing of seismic data, the acquisition of new 2D and 3D seismic data in Year One and the drilling of two exploration wells.
in the balance of the initial three year term. ROC will be the Operator of the Joint Venture.

The Commonwealth-Western Australian Joint Authority also offered to grant an exploration permit over the contiguous exploration area, referred to as WO1-22, to a subsidiary of Voyager. Through a prior agreement with Voyager, ROC was entitled to exercise an option to acquire a 55% interest in and operatorship of the area for nil consideration. On 8 July 2002, ROC exercised this option. The main component of the mandatory WO1-22 work programme for the first three years is the acquisition of a 2D seismic survey. ROC will be the Operator of the Joint Venture.

5.2 UK

UK exploration expenditure for the Quarter totalled $3.967 million, the majority of which was spent on onshore 3D seismic acquisition.

5.2.1 UK Onshore

- **South Humber Basin (ROC: 100% and Operator)**
  
The 254 sq km Lincs Wolds 3D seismic survey in the onshore South Humber Basin, which commenced recording on 25 February 2002, was completed on 28 April 2002. Processing of this survey and the preceding 131 sq km Immingham 3D Survey is underway.

  Reprocessing of the Saltfleetby (1997) and Salteast (1999) 3D surveys is continuing.

  The processed and reprocessed data will be received over the coming months and it is expected that a significant part of the UK 2003 exploration drilling programme will derive from interpretation of these data.

- **Widmerpool Gulf (ROC: 100% and Operator)**
  
  Preparations are nearing completion to acquire two 2D seismic lines, over an existing prospect, with acquisition scheduled for August 2002.

- **Yorkshire (ROC: 100% and Operator)**
  
The 50 sq km Bempton 3D seismic survey, in the onshore Cleveland Basin, commenced recording on 21 May 2002 and was completed on 2 June 2002. Processing is underway.

- **Northumberland and Stainmore (ROC: 100% and Operator)**
  
  A planning application for a possible “Errington A” exploration well in PEDL 028, Northumberland, has been lodged with the relevant planning authority. If granted, and subject to the approval of the Department of Trade and Industry (“DTI”), the well will be considered for drilling as part of the 2003 programme.
5.2.2 North Sea

- **Ettrick Area (Blocks 20/2a and 20/7a) (ROC: 14.281% and 12.402%)**
  3D seismic data extending southwestwards from the Ettrick Field towards the EnCana-operated Buzzard Field, have been purchased and an evaluation of the area's exploration potential has commenced.

- **P755 (Block 30/22b) (ROC: 12%)**
  3D seismic data covering the northern portion of the block have been purchased as part of a review of the area's exploration potential.

5.3 WEST AFRICA

West African exploration expenditure totalled $0.984 million for the Quarter, primarily associated with Equatorial Guinea and Mauritania.

5.3.1 Senegal (ROC: 46.25% and Operator)

Processing of the 1,523 km 2D seismic survey, carried out by ROC in the December 2001 quarter, has been completed. Interpretation is underway.

5.3.2 Mauritania (ROC: 2.0-5%)

Processing of the 1,360 sq km 3D seismic survey, carried out in the December 2001 quarter, by Dana Petroleum plc (“Dana”), the Operator of Block 7, has been completed.

Processing of the 1,379 km 2D seismic survey, carried out in the December 2001 quarter by Dana, the Operator of Block 1, has been completed.

The 1,175 sq km Ouadane 3D seismic survey carried out by Woodside Mauritania Pty Ltd (“Woodside”), the Operator of Blocks 3 and 5, was completed during the Quarter.

Acquisition of data from the 1,064 sq km Koumbi Saleh 3D seismic survey carried out by Woodside, the Operator of Block 2, continued during the Quarter.

Planning of the drilling programme to be carried out in the second half of 2002 in PSC Areas A, B and C has been undertaken by the Operator, Woodside.

5.3.3 Equatorial Guinea (ROC: 60% and Technical Manager)

Very high resolution processing and concurrent interpretation of the Risa 3D seismic data were undertaken during the Quarter.

5.3.4 Angola (ROC: 45% and Operator)

On 17 May 2002, the Angolan state oil company, Sonangol, notified ROC that the end date by which the effective date of the Cabinda South Block Production Sharing Agreement can be triggered had been extended to 22 October 2003.
5.4 EAST ASIA

East Asian exploration expenditure totalled $0.636 million for the Quarter.

5.4.1 Mongolia (ROC: 50% carried interest)

Drilling of the Mogoi-1 well in the East Gobi Basin continued during the Quarter. A Total Depth of 2,844 metres was reached on 11 July 2002 and on 26 July 2002 the well was plugged and abandoned as a dry hole (see Section 7.1). ROC was carried through the costs of the well.

5.4.2 China Offshore (ROC: 25% and Operator)

On 26 April 2002, the application by ROC's wholly owned subsidiary, Roc Oil (China) Company, to be Operator of the Block 22/12 Petroleum Contract was approved by China National Offshore Oil Corporation.

Planning for an exploration and appraisal programme for the second (two year) exploration term of Block 22/12, which commenced on 1 April 2002 and which carries one commitment well, proceeded during the Quarter. A 421 sq km 3D seismic survey commenced on 27 July 2002 (see Section 7.2 below).

6. CORPORATE

6.1 UK GAS SALES CONTRACT

On 2 April 2002, ROC announced that its wholly owned UK subsidiary, Roc Oil (UK) Limited ("Roc UK"), and the US$4.5 billion Innogy plc ("Innogy") successfully completed gas price negotiations for the sale of gas from ROC's 100% owned and operated Saltfleetby Gas Field, onshore UK, for the period 1 October 2002 to 30 September 2003. The negotiations resulted in Roc UK securing market related prices which have increased by more than 50% over the three years since the contract was negotiated by the previous owners of the, then undeveloped, gas field. Apart from the change in the contract gas price, the terms of the gas sale contract with Innogy remain unchanged, thereby preserving Roc UK's ability to sell the non-contracted balance of its gas production to Innogy at the prevailing spot price.

6.2 GAS PRICE HEDGING

During the Quarter, ROC, through wholly owned subsidiaries in the UK, entered into a gas price hedging contract with Barclays Capital covering a minor portion of ROC's 2002 gas production. Under the hedge contract, the sales price of 50,000 therms per day (approximately 4.55 MMSCF/D) was fixed at 20.05 pence per therm (approximately $6.00/MCF) for the period 1 October 2002 to 31 December 2002.

As previously announced, ROC's UK subsidiaries had an existing gas price hedging contract with Barclays Capital covering a portion of ROC's 2002 gas production. Under the hedge contract, 50,000 therms per day (approximately 4.55 MMSCF/D) of sales gas from the Saltfleetby Gas Field were sold at prices of 20.15 pence per therm for the period 1 April 2002 to 30 June 2002 representing a considerable premium to the spot price which prevailed during that period.

ROC has not entered into any oil price, foreign exchange or interest rate hedging arrangements.
6.3 UK NORTH SEA – SALE OF INTEREST IN KYLE OIL AND GAS FIELD (ROC: 12.5%), CHESTNUT OIL FIELD (ROC: 14.875%) AND EXPLORATION BLOCK P614 (ROC: 10%)

On 12 March 2002, ROC announced that it had agreed to sell, subject to final documentation, for a total of approximately £11.8 million (approximately $31.7 million at the 31 March 2002 exchange rate), its interests in three North Sea assets: the producing Kyle Oil and Gas Field (12.5%), the undeveloped Chestnut Oil Field (14.875%) and a 10% interest in the southern North Sea gas exploration licence P614.

Completion of the sale of the 10% interest in P614 and the 12.5% interest in the Kyle Oil and Gas Field took place on 10 June 2002 and 28 June 2002 respectively. A sale and purchase agreement for the sale of the 14.875% interest in the Chestnut Oil Field was signed on 24 May 2002 and completion is expected during August 2002.

6.4 UK TAX CHANGES

In May 2002, as part of its 2002 Budget Statement, the United Kingdom Government announced proposals to modify certain aspects of its Petroleum Taxation Legislation. The proposals included the following changes:

- A supplementary 10% levy to be applied to oil and gas exploration and production company profits derived from UK operations. This effectively increases the tax take by a third, from the current 30% Corporation Tax ("CT") rate to 40%. Unlike CT, the supplementary 10% levy will not allow any deduction for financing costs.

- Development capital allowances, which previously qualified for a 25% write down allowance for UK tax, will now qualify for a 100% allowance in the first year.

Due to the sale of Roc UK’s interests in the Kyle Oil and Gas Field and Chestnut Oil Field in the UK North Sea (see Section 6.3 above), the immediate impact of the proposed tax changes is confined to its 100% owned and operated Saltfleetby Gas Field. Because of Roc UK’s current and planned expenditure levels in the UK, the tax changes will only have a muted effect on ROC’s near term cash flow, although the profitability of Saltfleetby will be potentially reduced by around 14% and there will be a corresponding adjustment in the discounted net present value of this field, which will reduce that value to about $100 million as at 1 January 2002, or approximately 92 cents per ROC share. This valuation is based on an independent calculation at end-2001 by Aberdeen-based consultants Brovig RDS Ltd (now known as Helix RDS Ltd) using risked (proved plus half probable) reserves discounted at the cost of capital and modified by ROC to reflect the adverse tax changes referred to above, but not the recently negotiated improvement in the gas sales contract price.

ROC expects to derive some, albeit modest, near term benefit from the change in the tax depreciation allowance. In the event that Roc UK’s current exploration programme in the South Humber Basin in the vicinity of the Saltfleetby Gas Field results in one or more commercial developments, the Company would stand to benefit more substantially from the improved capital allowance rate.

6.5 WEBSITE

Consistent with a relatively quiet Quarter, ROC’s website www.rocoil.com.au received 5,359 sessions (sessions being occasions when one or more of the website pages have been opened) compared to 10,935 for the preceding quarter.
7. POST-QUARTER EVENTS

7.1 EAST GOBI BASIN, MONGOLIA (ROC: 50%, Carried)

The Mogoi-1 exploration well, 100% funded by a farmee, reached a total depth of 2,844 metres on 11 July 2002. Analysis of drill data and the logs run in the well indicated an absence of commercial hydrocarbons. As a result, ROC and its farmee, Dongsheng Jinggong Petroleum Development Group Co. Limited (“Dongsheng”) plugged and abandoned the well on 20 July 2002. Dongsheng is preparing the surface location for the second of its two earning wells, East Tsagaan Els-1. This exploration well will test a fault block approximately six kilometres to the northeast of the Tsagaan Els field. Drilling is expected to start in late August 2002.

7.2 BEIBU GULF, OFFSHORE CHINA (ROC: 25% and Operator)

ROC, as Operator for and on behalf of the Block 22/12 Joint Venture, has entered into a contract with Veritas DGC (Malaysia) SDN BHD to acquire a 421 sq km 3D seismic survey over the block. The survey commenced on 27 July 2002.

7.3 SALTFLEETBY GAS FIELD, ONSHORE UK (ROC: 100% and Operator)

On 15 July 2002, ROC temporarily shut-in gas production at its 100% owned and operated Saltfleetby Gas field. This decision was taken because of seasonally low UK gas prices, accentuated by short-term operational problems with the interconnector gas pipeline connecting the UK to Europe, and the fact that the UK forward gas price for both the fourth quarter 2002 and first quarter 2003 were more than 150% above the then current spot gas price. The shut-in will temporarily reduce revenue but it is not expected to have a significant impact on ROC's overall 2002 profit.

7.4 PSC AREA B, OFFSHORE MAURITANIA (ROC: 2.4%)

On 30 July 2002, the step-out exploration well, Chinguetti 4-2, started drilling on the northern side of the structure with which the Chinguetti Oil Field is associated.

On 10 July 2002, the 1,064 sq km Koumbi Saleh 3D seismic survey carried out by Woodside, the Operator of Block 2, was completed.

7.5 GAS PRICE HEDGING

During July 2002, ROC, through wholly owned subsidiaries in the UK, entered into forward sale contracts with Innogy plc under which 50,000 therms per day (approximately 4.55 MMSCF/D) of production from the Saltfleetby Gas Field was sold for August 2002 and September 2002 at prices of 12.3 pence per therm and 12.15 pence per therm respectively.
FURTHER INFORMATION

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Definitions:

- "BBL" means barrels
- "BCF" means billion cubic feet
- "BOE" means barrels of oil equivalent
- "BOPD" means barrels of oil per day
- "BOEPD" means barrels of oil equivalent per day
- "BCPD" means barrels of condensate per day
- "BPD" means barrels per day
- "MCF" means thousand cubic feet
- "MMDBRT" means measured depth below rotary table
- "MMSCF" means million standard cubic feet
- "MMSCF/D" means million standard cubic feet per day
- "MMBO" means million barrels of oil
- "MMBOE" means million barrels of oil equivalent
- "NGL" means natural gas liquids
- "OWC" means oil-water contact
- "Quarter" means the period 1 April 2002 to 30 June 2002
- "ROC" means Roc Oil Company Limited
- "SCF" means standard cubic feet