

ROC OIL COMPANY LIMITED
(ABN 32 075 965 856)



REPORT TO SHAREHOLDERS
Activities for the Third Quarter Ended 30 September 2005

CEO COMMENT

During the Quarter ROC reached a record market capitalisation of approximately \$520 million based on a record closing share price of \$2.80. This reflected: increasing momentum towards ROC's four field developments due to commence in 2006; an aggressive exploration drilling programme and strong oil prices.

HIGHLIGHTS

DEVELOPMENT

- During the Quarter, 76% of the \$43.5 million activity expenditure was related to ROC's four field developments which are due to commence production next year.
- The Cliff Head Oil Field Development, offshore Western Australia, remained on schedule for first production during Q1 2006. Post Quarter, the Joint Venture approved an increase in the scope of work whereby an additional well at a cost of \$12.5 million will be drilled to access approximately one million barrels of additional reserves resulting in an increase to the current \$227 million budget.
- The Chinguetti Oil and Gas Field Development, offshore Mauritania, continued toward first production Q1 2006. Overall budget plus contingencies increased to US\$750 million.
- The Blane Oil Field and the Enoch Oil and Gas Field, both in the North Sea, were approved for development.

EXPLORATION & APPRAISAL

- The 3D and 2D seismic surveys in the Cabinda South Block, onshore Angola, continued throughout the Quarter and subsequent month.
- The Tevét-2 appraisal well, offshore Mauritania, encountered a gross gas column of approximately 1.5m above a gross oil column of approximately 37m in the Miocene channel sand, the shallower of the two objectives. The well is part of a multi well exploration and appraisal drilling programme which commenced in August 2005.

FINANCIAL

- At Quarter end ROC had \$118 million in cash and receivables and no debt.

1. PRODUCTION

Overall production remained minimal following the sale of the Saltfleetby Gas Field effective 31 December 2004. Oil production decreased due to natural decline in the Keddington Oil Field and a planned shut-in for installation of artificial lift facilities at Jingemia.

OIL (BBL)	September '05 Quarter	June '05 Quarter	Change %
UK – Onshore Oil (Keddington)	3,132	3,695	(15)
Australia – Onshore Oil (Jingemia)	63	471	(87)
TOTAL PRODUCTION	3,195	4,166	(23)

2. SALES REVENUE

(Unaudited)	September '05 Quarter \$'000	June '05 Quarter \$'000	Change %
UK Oil Sales	221	225	(2)
Australia Oil Sales	8	42	(81)
TOTAL SALES REVENUE	229	267	(14)

3. EXPENDITURE

	September '05 Quarter \$'000	June '05 Quarter \$'000	Change %
Exploration			
Australia	251	1,110	(77)
New Zealand	125	49	155
UK	708	1,372	(48)
Mauritania	3,518	861	309
Angola	5,229	1,363	284
Equatorial Guinea	186	145	28
China	350	387	(10)
Other	194	401	(52)
Total Exploration	10,561	5,688	86
Development			
Australia – Cliff Head	24,218	11,524	110
Mauritania – Chinguetti	6,440	7,334	(12)
UK/Norway – Blane & Enoch	2,304	732	215
Total Development	32,962	19,590	68
TOTAL EXPLORATION & DEVELOPMENT	43,523	25,278	72

4. DRILLING

Well completion activity continued at the Chinguetti Development. Exploration and Appraisal drilling activity is summarised below:

Category	Well % Interest	Location	Operator	Comment
Exploration	Sotto-1/1A, 4.155%	PSC Area A, Mauritania	Woodside Mauritania Pty Ltd	The well did not encounter significant hydrocarbons and was plugged and abandoned.
Exploration	Espadon- 1/1A, 3.693%	PSC Area B, Mauritania	Woodside Mauritania Pty Ltd	The well did not encounter significant hydrocarbons and was plugged and abandoned.

Appraisal/ Exploration	Tevét-2/- 2ST, 3.693%	PSC Area B, Mauritania	Woodside Mauritania Pty Ltd	The well intersected a gross gas column of approximately 1.5m and a gross oil column of approximately 37m in the appraisal objective.
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5. SEISMIC

Type	Location	Operator	Interest %	Size	Comment
2D	Onshore Cabinda South Block Angola	Roc Oil (Cabinda) Company	60 Working interest	510km	Underway. 280km acquired.*
3D	Onshore Cabinda South Block Angola	Roc Oil (Cabinda) Company	60 Working interest	165km ²	Underway. 130km ² acquired.*

* See also Section 10 'Post Quarter Events'.

6. DEVELOPMENT

AUSTRALIA

- Cliff Head Oil Field, WA-286-P, Offshore Western Australia (ROC:37.5% & Operator)**
 The Project remains on schedule and within budget for first oil production during Q1 2006. Seven months after project sanction, the project is 65% complete with engineering and procurement effectively finished. Construction of the CHA platform is 84% complete and the Arrowsmith plant is 60% complete. See also Section 10 'Post Quarter Events'.

WEST AFRICA

- Mauritania – Chinguetti Oil & Gas Field (ROC: 3.25%)**
 The Western Navigator finished the drilling and completion of development wells (6 production, 5 water injection and 1 gas injection well) in late September 2005. The refurbishment of the 'Berge Helene' FPSO was completed in late September in Singapore and at Quarter end the vessel was ready to sail to Mauritania. Installation of the subsea production facilities commenced.

The firm project costs for installation and start-up is US\$705 million (US\$22.9 million ROC net). An additional US\$45 million (US\$1.5 million ROC net) has been set aside to cover unplanned contingencies that may occur during the offshore, deep water installation program. The \$US62.5 million (US\$2 million ROC net) budget increase is primarily due to increased drilling scope and additional costs to prepare the subsea flowlines for installation. Production start-up remains scheduled for 1Q 2006.

NORTH SEA

- Blane Oil Field (ROC: 12.5%)**
 UK and Norway Governments development approvals were received in July 2005. The project comprises two production wells and one water injection well tied back to the Ula platform. Total development cost is estimated to be £165 million (£21 million ROC net) and first oil, at a rate of 14,000 BOPD (1,750 BOPD ROC net) is currently scheduled for Q4 2006. Design, contracting and procurement progressed and a drilling rig, Global Santa Fe's Glomar Arctic II, was contracted, with drilling of the production wells scheduled to commence in early 2006.
- Enoch Oil and Gas Field (ROC: 12.0%)**
 UK and Norway Governments development approvals were received in July 2005. The project comprises a single production well tied back to the Brae 'A' platform. Total development cost is estimated to be £75 million (£9 million ROC net) and first oil, at a rate of 12,000 BOPD (1,440 BOPD ROC net), is currently scheduled for late 2006. Design, contracting and procurement progressed satisfactorily and the contracted Glomar Arctic II

will drill and complete the production well after the Blane wells have been drilled and completed in mid 2006.

CHINA

- **Wei 12-8 West Field, Block 22/12 Beibu Gulf (ROC: 40% & Operator)**
Negotiations continued regarding the potential development of the field with the regional subsidiary of CNOOC. The Overall Development Plan (ODP) was being progressed. At the Quarter end discussions were still underway and a decision as to whether or not the field should be developed is expected by year end.

7. EXPLORATION AND APPRAISAL

AUSTRALASIA

- **Offshore Perth Basin, Western Australia (ROC: 20-50% & Operator)**
Planning is in progress for a multi-well exploration drilling programme utilising the Ensco 67 jack-up drilling rig which is scheduled to drill the development wells at the Cliff Head Oil Field. The Flying Foam-1 exploration well in WA-327-P is scheduled to commence early November 2005. The remaining exploration drilling programme is planned to commence in March 2006 following Cliff Head development drilling.
- **Carnarvon Basin, WA-351-P, Western Australia (ROC: 20%)**
The Jacala exploration well is scheduled to be drilled by BHP Billiton in February 2006.
- **New Zealand – PEP 38767, Taranaki Basin (ROC: 40% & Operator)**
Activity focussed on interpretation of 3D seismic data acquired in Q1 2005.

WEST AFRICA

- **Mauritania (ROC: 2.0 – 5.0%)**
Exploration and appraisal drilling in the Woodside-operated PSC A and B areas commenced in August 2005 utilising the Stena Tay drilling vessel. The Sotto-1 exploration well in PSC A (ROC 4.155%) was plugged and abandoned as a dry hole. The Espadon-1 exploration well in PSC B (ROC 3.693%) was plugged and abandoned without encountering significant hydrocarbons. Both these wells targeted Miocene reservoir sands of approximately the same age as those in the Chinguetti and Tiof fields.

On 16 September the Tevét-2 exploration and appraisal well in PSC B started drilling with the dual objective of appraising the Miocene reservoir drilled by the Tevét-1 discovery well in 2004, and testing a deeper Cretaceous exploration target. The appraisal element of the well was successfully drilled in late September 2005, encountering a gross oil column of 37m below a 1.5m gross gas column. Deepening to the exploration target was in progress at Quarter-end. *See also Section 10 'Post Quarter Events'.*

During the Quarter, evaluation work by the Operator, Woodside, continued on the geologically complex Tiof field.

- **Equatorial Guinea (ROC: 18.75% & Technical Manager)**
Activity focussed on planning for the drilling of an exploration well on the Aleta Prospect in Q4 2005. This timing is particularly dependant on the availability of deep water drilling vessels.
- **Angola (ROC: 60% & Operator)**
During the Quarter, 510km of 2D and 165 sq km of 3D seismic were acquired in the onshore Cabinda South Block, with programme completion expected in November 2005. *See also Section 10 'Post Quarter Events'.*

UK ONSHORE (ROC: 100% & OPERATOR)

Preparatory work for the drilling of the Willows-1 exploration well in PEDL030 scheduled for Q1 2006 continued.

CHINA – BEIBU GULF BLOCK 22/12 (ROC: 40% & OPERATOR)

Exploration activity focussed on planning for the drilling of an exploration well in Q4 2005 or Q1 2006, subject to rig availability.

8. ASSET ACQUISITIONS & DIVESTMENTS

- **Mauritania – Block 7 (ROC: 5.5% reduced to 4.95%)**
Assignment documentation relating to Woodside's farmin to Block 7 PSC Area D was completed in August 2005. As a result ROC's equity in Block 7 decreased from 5.5% to 4.95%, effective 1 January 2003. This transaction was originally announced in April 2004.
- **Onshore UK – PEDL 075 (ROC: 100% & Operator)**
The exploration permit was allowed to lapse on 7 September.

9. CORPORATE

- **Hedging**
At the end of the Quarter ROC held put options for 560,000 BBL at a Brent oil price of US\$50/BBL and crude oil price swaps for 909,000 BBL at a weighted average Brent oil price of US\$49.58/BBL for the period March 2006 to December 2007. In general terms this equates to almost 30% of forecast production for the period.

Specifically, during the Quarter:

- Put options for 560,000 BBL at a Brent oil price of US\$50/BBL for the period March 2006 to December 2007 were purchased, giving the company the right but not the obligation to sell this volume of oil at US\$50/BBL.
- Put Options for 200,000 BBL at a Brent oil price of US\$40/BBL for the period March 2006 to December 2006 held by the Company were sold.
- **US\$60 million Loan Facility**
During the Quarter ROC received proposals for the establishment of a US\$60 million Borrowing Base Loan Facility to assist in funding ROC's 2006 development activities. ROC is progressing on due diligence and documentation for the Facility.

10. POST QUARTER EVENTS

- **Saltfleetby Gas Field - Sale Completion**
Subsequent to the Quarter end ROC has received the final working capital and escrow payment of \$11.4 million in relation to the sale of the Saltfleetby Gas Field.
- **Seismic Programme, Onshore Angola**
ROC successfully completed acquisition of the 165 sq km 3D seismic survey. The 2D seismic survey is scheduled to be completed mid November 2005, subject to weather.
- **Cliff Head Oil Field Development**
Receipt of the jack -up drilling rig *ENSCO 67* occurred 27 October 2005. The rig is scheduled to arrive at the Cliff Head site in early November 2005 to install the Cliff Head A production platform and commence the drilling of production wells.

During the Quarter the Field Development Plan and Production Licence application were submitted to the relevant state and federal government authorities and subsequent to the Quarter end the Production Licence was offered and accepted.

The horizontal under beach pipeline crossing was successfully completed during October and the offshore pipelay works commenced.

Jacket installation remains on schedule for Q4 2005 with the fabrication of the jacket structure completed in Malaysia and loaded out on 22 October 2005. The jacket structure is currently being towed to the Cliff Head site to be installed during early November.

In addition, the Joint Venture approved an increase in the scope of work whereby an additional well will be drilled to access approximately one million barrels of reserves with an increase to the current budget of \$12.5 million, bringing the total project budget to \$240 million.

- **Evaluation of Tevét – 2 ST1–PSC Area B (ROC: 3.693%)**

A preliminary evaluation of wireline log data, including fluid sampling and downhole pressure measurements, has concluded that the exploration well has intersected oil in a good quality but thin sandstone interval.

While the hydrocarbon column is small and may not prove to be material the result is encouraging for future Cretaceous exploration targets in Woodside-operated Mauritanian acreage.

FURTHER INFORMATION

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DEFINITIONS

IFRS	means International Finance Reporting Standards
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
GWC	means gas-water contact
MCF	means thousand cubic feet
Mbrt	means metres below rotary table
mTVDS	means metres true vertical depth below sea level
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
PEDL	means Petroleum Exploration Development Licence (Onshore United Kingdom)
PSC	means Production Sharing Contract
Quarter	means the period 1 July 2005 to 30 September 2005
ROC	means Roc Oil Company Limited and includes, where the context requires, its subsidiaries
SCF	means standard cubic feet
TCF	means trillion cubic feet
US	means US dollars