SUMMARY

During the Quarter significant progress was achieved in all four of ROC’s core regions. In West Africa, three successful wells were drilled offshore Mauritania adding further weight to the view that a significant new petroleum province is in the process of being identified. An expansion of ROC’s acreage position in the northern offshore Perth Basin, Western Australia, together with the contracting of a rig for a multi-well Perth Basin drilling programme, due to start in less than three months time, gives a hint as to the profile which ROC’s Australian operations may assume during early 2003. In East Asia, high quality 3D seismic acquired offshore China could hold the key to unlocking one or more of the five oil discoveries known to exist within ROC’s area in the Beibu Gulf. Finally, onshore UK, the engine which drives the Company’s cash flow, received another boost with two successful well workovers which further enhanced production at the Saltfleetby Gas Field and re-established oil production at the Keddington Oil and Gas Field. In summary: this was a quarter of high activity which yielded good results and maintained ROC’s recent run of drilling successes.

KEY POINTS

A new petroleum province is being uncovered offshore Mauritania . . . By the end of the Quarter, three more wells had been added to ROC’s drilling inventory offshore Mauritania. All three wells were successful, proving gross hydrocarbon columns ranging from 94 to 133 metres. When these results are combined with those from the two wells drilled last year, it is hard to avoid the view that the area is evolving into a new petroleum province.

. . . with two successful wells on the Chinguetti Oil Field. . . The two successful wells drilled on the Chinguetti structure proved that oil exists on the northern side of the salt-cored feature and that the oil-water contact in the southeastern part of the structure is deeper than suggested by previous estimates. These drilling results provide further incentive for the Joint Venture to consider the merits of commercially developing the Chinguetti Oil Field.

. . . and a new wildcat discovery at the Banda Prospect, 21 km east of Chinguetti. Chinguetti-4-4, an exploration well drilled on the Banda Prospect, approximately 21 km to the east of the Chinguetti Oil Field, established a 110 metre gross gas column overlying a 23 metre gross oil column associated with a play type that is quite different from the Chinguetti structure. The Banda discovery is
Preparations to test the potential of the new oil play taking shape in the northern offshore Perth Basin continued. . .

The Enco 53 drilling rig has been contracted to drill at least three, and possibly as many as eight, exploration and appraisal wells in the ROC-operated WA-286-P and TP/15 permits in the northern part of the offshore Perth Basin. These wells are designed to follow up the successful discovery and appraisal of the Cliff Head Oil Field approximately ten months ago and to test a number of undrilled prospects in the region.

. . . as ROC expanded its acreage position in the region.

As a result of government awards and the exercise of an option arrangement, ROC added 12,500 gross sq km / 3 million gross acres to its offshore Perth Basin portfolio through the acquisition of an initial 55% interest in, and operatorship of, WA-325-P and WA-327-P.

A successful re-completion boosted Saltfleetby Gas production. . .

The successful re-completion of Saltfleetby-5 in the main Westphalian gas reservoir boosted gas production by approximately 15% in the Saltfleetby Gas Field. The cost of drilling the well had been recouped earlier, from production from an underlying and separate secondary gas reservoir, which made the re-completion of the well in the main reservoir a particularly commercially attractive exercise.

. . . while a successful workover restored oil production at the Keddington Oil and Gas Field . . .

The successful workover of the Keddington-1 well re-established oil production at the Keddington Oil and Gas Field. At Quarter-end, the well was producing approximately 50 barrels of oil a day.

. . . all of which helped to maintain essentially flat production for the Quarter. . .

Oil and gas production for the Quarter averaged 4,439 BOEPD, down 4% on the previous quarter.

. . . and close-to-flat quarterly revenue . . .

Gross sales revenue for the Quarter was $9.2 million, down 7% on the previous quarter although, however, actual production revenue was slightly higher for the Quarter because the previous quarter's revenue figure included $1 million from gas price hedging.

. . . which complemented ROC's strong cash and lower debt position . . .

At end September 2002, ROC had $79.2 million in cash and short receivables after further reducing its already low debt by US$5.7 million to US$21.0.

. . . despite a voluntary temporary shut-in of production at Saltfleetby in order to maximise the net present value of the field.

Consistent with its policy of maximising the value of its production onshore UK, ROC temporarily, and voluntarily, shut-in the Saltfleetby Gas Field for a period of 21 days during the Quarter when low UK spot gas prices prevailed, despite the fact that the field could be operated profitably at these prices. Interestingly, the self-defined seasonal low price level which ROC has designated as its summer shut-in trigger is well in excess of the price for which gas is generally sold in Australia.

Drilling in Mongolia yielded mixed results . . .

The Mogoi-1 exploration well in the East Gobi Basin of Mongolia was plugged and abandoned, but by Quarter-end the East Tsagaan Els-1 exploration well in the same basin had been drilled and was preparing
to test one or more thin oil-bearing sands. The test results are not expected to be commercially significant to ROC in the context of the other activities that it has underway in other parts of the world. ROC was carried through 100% of the cost of both of these Mongolian wells.

...while, in China, the acquisition of high quality 3D seismic may hold the key to unlocking the commercial potential of one or more undeveloped oil discoveries.

The acquisition of 421 sq km of 3D seismic data in Block 22/12 in the offshore Beibu Gulf represents another step towards the commercial evaluation of five undeveloped oil discoveries which are known to exist within the Block and also towards the further definition of the exploration potential of the area.

During the month subsequent to Quarter-end, the following significant events occurred:

The Australian subsidiary of US-based Apache Energy farmed into ROC’s northernmost Perth Basin blocks as...

As part of a collective Joint Venture re-arrangement of equity, Apache Northwest Pty Ltd (“Apache”), a wholly owned subsidiary of the US-based Apache Energy, farmed into 37.5% of WA-325-P and WA-327-P, ROC’s northernmost offshore Perth Basin acreage, in consideration for paying 56.25% of the Year One work programme up to a maximum of $7.5 million. Subsequent to the farmin, ROC will hold a 37.5% interest and retain operatorship of the two permits.

...oil-in-place estimates at the Cliff Head Oil Field increased...

Detailed sub-surface and engineering studies have resulted in an upward revision in the estimated oil-in-place for the Cliff Head Oil Field in the offshore Perth Basin. The revised figure of approximately 110 MMBO in place represents a 10%-37% increase over the previously published estimate which ranged from 80-100 MMBO.

...and another exploration well started drilling offshore Mauritania.

An exploration well started drilling on the Thon Prospect, approximately 150 kms north of the Chinguetti Oil Field, offshore Mauritania. ROC has 5% interest in this prospect, out of which 1.25% is free carried through the well.

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 SEPTEMBER 2002

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1. **CEO’S REPORT**

The Quarter saw ROC’s mid 2002 to late 2003 drilling programme get off to a very promising start.

ROC’s financial position at the end of the Quarter remained strong, with a cash balance of $79.2 million and reduced debt of $38.4 million. Importantly, cash flow from ROC’s UK operations is anticipated to increase during the next quarter from increased Saltfleetby production, 80% higher contract gas prices and significantly increased winter spot gas prices in the UK.

At the beginning of the Quarter, ROC had three unappraised exploration successes in three different parts of the world: offshore Mauritania, Australia and China. By the end of the Quarter, the Chinguetti Oil Field in Mauritania had made the move from a single successful exploration well to an appraised oil field with development potential. In three months time, we will see if the Cliff Head Oil Field, in the offshore Perth Basin, can make the same journey. Later in 2003 one or more of the five oil accumulations identified in ROC’s block in the Beibu Gulf offshore China will be considered for the same appraisal process.

ROC regards oil and gas exploration as a conveyor belt business. The basic aim is to cost efficiently create a continuous sequence of meaningful exploration and appraisal wells capable of moving ROC’s areas of interest through the various stages of maturity from new venture acquisition to full field development.

Therefore, as ROC’s appraisal drilling programme tests its previous exploration successes, a concurrent exploration drilling programme is also underway which seeks to generate new discoveries that will hopefully deliver new fields into the next round of appraisal drilling. In this context, Mauritania has, again, yielded an excellent result in the form of the oil and gas accumulation discovered at the Banda Prospect. In three months, we will see if some of the undrilled prospects in the offshore Perth Basin can be moved in the same direction.

Industry participants are well aware that it takes time for this conveyor belt to build up momentum and a lot of careful, hard work to ensure that the process is continuously supplied with fresh, high-quality prospects. Fortunately for ROC shareholders, the prospect conveyor process is now underway after a two to three year build up period.

ROC’s current drilling programme, which effectively started up during the Quarter, is now on a fixed trajectory to the end of 2003. Some specific details still need to be finalised, including the designation of the prospects to be drilled onshore UK during mid-2003 and the exact nature of the potential 2003 drilling programme to be considered by the relevant joint ventures in both China and Mauritania.

One the Company’s strengths is its ability to fund this active drilling programme from internal sources without resorting to increased debt or the issue of new equity. This strength is derived from the judicious sale of peripheral assets and the cash flow generated by ROC’s production in the UK.

The Saltfleetby-5 re-completion is a good example of how the production potential of the Saltfleetby Gas Field can be accessed very profitably. The well had already been paid out by production from a separate underlying reservoir so that the incremental cost of re-completing it in the main reservoir was recouped very quickly. The additional production has been brought on stream ahead of the northern winter which has seen spot gas prices in the UK double to over 20 pence per therm ($6.00/MCF).

Another advantage of ROC’s strong balance sheet is that it is well placed to manage its production onshore UK so as to maximise the net present value of the field by temporarily shutting-in production when gas prices fall below a self-defined minimum acceptable level. It
is important for ROC’s shareholders to realise that these brief shut-in periods do not relate to the field’s ability to perform profitably when gas prices are at their seasonal low during the British summer, but rather, they reflect ROC’s desire to ensure that the field’s profitability potential is maximised.

In view of the drilling success achieved during the Quarter offshore Mauritania, investors may, perhaps, welcome comments from ROC as to how it views its longer-term strategy in that country, particularly in the light of the fact that ROC’s equities are uncharacteristically small and it has a track record of trading out of non-core assets. From ROC’s perspective the situation is straightforward.

- Deepwater exploration along Africa’s Atlantic margin is a relatively expensive and prolonged way of spending corporate dollars prior to generating cash flow from production. Therefore, while an across-the-board equity of 5% might be a more appropriate level for ROC’s participation offshore Mauritania, ROC is presently satisfied with its current equity levels which generally reflect the amount of equity that was available at the time that it first became associated with this emerging petroleum province, prior to the first exploration success.

- Because ROC’s interests offshore Mauritania is very small, it is tempting to regard them as irrelevant. This is not the case. In terms of market capitalisation, Woodside Petroleum Limited (“Woodside”) is about 77 times larger than ROC and yet the interest which it holds in the key part of offshore Mauritania is “only” 15 times larger than the interest held by ROC. Therefore, purely in these relative terms, there is a compelling argument that the drilling results coming out of Mauritania are more relevant to ROC than they are to Woodside.

- Because of ROC’s strong balance sheet and the small size of its interest offshore Mauritania, the Company is well able to fund whatever future work programme is agreed by the Joint Venture no matter how aggressive/expensive it may be. On this basis ROC will neither be required to issue new stock nor to farmout in order to maintain its interests in Mauritania.

- Not only are there no plans to dilute or sell any of ROC’s interests offshore Mauritania, ROC is more likely to be a modest net acquirer of equity in certain parts of offshore Mauritania if and when appropriate circumstances arise. In this regard, ROC is well placed within the framework of the various joint ventures in which it participates offshore Mauritania.

- In the meantime, ROC derives a substantial benefit from its direct exposure to the technology being applied to explore and appraise this new hydrocarbon province and ROC has been able to weave some of those techniques into its exploration strategies in other parts of its global portfolio, including deepwater Equatorial Guinea and offshore China.

Therefore, Mauritania is viewed as a stable and increasingly important part of ROC’s portfolio.

In many respects the Quarter has been a period when ROC’s drilling programme has come out of the starting blocks. While the programme has been quick to get into its stride, it remains to be seen whether the good results which have set the initial pace can be replicated further down the track – but from a ROC shareholder’s point of view, it is clearly going to be a race that will be well worth watching between now and end 2003.
2. STATISTICS

2.1 PRODUCTION

<table>
<thead>
<tr>
<th>OIL AND NGLS (BBL)</th>
<th>June '02 Qtr</th>
<th>September '02 Qtr</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK – Onshore Oil (Keddington)</td>
<td>0</td>
<td>3,051</td>
<td>N/A (1)</td>
</tr>
<tr>
<td>UK – Onshore NGL (Saltfleetby)</td>
<td>32,723</td>
<td>32,206</td>
<td>-2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GAS (MCF)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>UK – Onshore (Saltfleetby)</td>
<td>2,280,200</td>
<td>2,238,570</td>
<td>-4% (2)</td>
</tr>
</tbody>
</table>

**TOTAL PRODUCTION (BOEPD)**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4,536</td>
<td>4,439</td>
<td>-4%</td>
</tr>
</tbody>
</table>

**Notes**

(1) Oil production recommenced at the Keddington Oil and Gas Field during the Quarter following a successful work-over of the Keddington-1 well.

(2) Production at the Saltfleetby Gas Field was shut in for a total of 21 days during July and August 2002 because of low gas prices, compared to a total of 9 days shut-in during the preceding quarter which was mainly due to temporary operational problems with third party facilities. During the Quarter the seasonally low UK spot gas price coincided with short-term operational problems with the Interconnector gas pipeline connecting the UK to Europe. At the time, the forward UK spot gas price for the UK winter period was more than double the low summer gas price and so a commercial decision was taken to shut-in production at the Saltfleetby Gas Field until the spot gas price improved.

2.2 SALES REVENUE (Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>June '02 Qtr $'000</th>
<th>September '02 Qtr $'000</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK Oil &amp; NGLs</td>
<td>917</td>
<td>1,125</td>
<td>23%</td>
</tr>
<tr>
<td>UK Gas</td>
<td>8,958</td>
<td>8,091</td>
<td>-10%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9,875</strong></td>
<td><strong>9,216</strong></td>
<td><strong>-7%</strong></td>
</tr>
</tbody>
</table>

**Note**

(1) Actual production revenue for the Quarter was slightly higher compared to the previous quarter because the figures for that quarter included $1 million derived from gas price hedging whereas ROC did not have any gas price hedging in place during the Quarter.
### 2.3 EXPENDITURE (Unaudited)

<table>
<thead>
<tr>
<th>Exploration</th>
<th>June '02 Qtr $'000</th>
<th>September '02 Qtr $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>289</td>
<td>389</td>
</tr>
<tr>
<td>UK</td>
<td>3,967</td>
<td>926</td>
</tr>
<tr>
<td>Other International</td>
<td>1,620</td>
<td>4,842</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,457</strong></td>
<td><strong>7,981</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Development</th>
<th>June '02 Qtr $'000</th>
<th>September '02 Qtr $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>UK</td>
<td>581</td>
<td>1,824</td>
</tr>
<tr>
<td>Other International</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,457</strong></td>
<td><strong>7,981</strong></td>
</tr>
</tbody>
</table>
### 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</td>
<td>East Gobi Basin, Mongolia</td>
<td>The well was 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.</td>
</tr>
<tr>
<td>Exploration</td>
<td>East-Tsagaan Els-1</td>
<td>East Gobi Basin, Mongolia</td>
<td>As above</td>
<td>The well started on 29 August 2002 and at Quarter end was drilling ahead. Subsequent to Quarter end, the well was preparing for a production test (see section 7.1).</td>
</tr>
<tr>
<td>Exploration/</td>
<td>Chinguetti-4-2</td>
<td>Block 4, Offshore Mauritania</td>
<td>Woodside Mauritania Pty Ltd</td>
<td>The well started drilling on 30 July 2002 and encountered a 94 metre gross oil column and flowed 1,560 BOPD, constrained by sand influx (see Section 5.3.2).</td>
</tr>
<tr>
<td>Appraisal</td>
<td>Chinguetti-4-3 (Banda)</td>
<td>Block 5, Offshore Mauritania</td>
<td>As above</td>
<td>The well started drilling on 10 September 2002 and encountered a gross hydrocarbon column of 133 metres (see Section 5.3.2).</td>
</tr>
<tr>
<td>Exploration</td>
<td>Chinguetti-4-4</td>
<td>Block 4, Offshore Mauritania</td>
<td>As above</td>
<td>The well started drilling on 26 September 2002 and encountered a 114 metre gross oil column (see section 7.2.1).</td>
</tr>
<tr>
<td>Exploration/</td>
<td>Chinguetti-6-1</td>
<td>Block 6, Offshore Mauritania</td>
<td>As above</td>
<td>The well started drilling on 20 October 2002 (see section 7.2.2).</td>
</tr>
<tr>
<td>Appraisal</td>
<td>Thon</td>
<td></td>
<td></td>
<td></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>Koumbi Saleh 3D Block 2, Offshore Mauritania</td>
<td>Woodside Mauritania Pty Ltd</td>
<td>3.2</td>
<td>1,064 sq km</td>
<td>Completed.</td>
</tr>
<tr>
<td>3D</td>
<td>Coppolani 3D Block 5, Offshore Mauritania</td>
<td>Woodside Mauritania Pty Ltd</td>
<td>2.4</td>
<td>295 sq km</td>
<td>Completed.</td>
</tr>
<tr>
<td>3D</td>
<td>Block 22/12, Beibu Gulf Offshore China</td>
<td>ROC</td>
<td>40</td>
<td>421 sq km</td>
<td>Completed.</td>
</tr>
<tr>
<td>2D</td>
<td>PEDL 003 Old Hills, Widmerpool Gulf Basin Onshore UK</td>
<td>ROC</td>
<td>100</td>
<td>10 km</td>
<td>Completed.</td>
</tr>
</tbody>
</table>

Subsequent to Quarter-end, a 1,336 sq km 3D seismic survey commenced in Block 1 offshore Mauritania (see Section 7.2.3).

3.  PRODUCTION

All production for the Quarter was from the Saltfleetby Gas Field and Keddington Oil and Gas Field, both onshore United Kingdom.

3.1  GAS PRODUCTION

Total gas production for the Quarter was 2.24 BCF (24.3 MMSCF/D), down 4% on the previous quarter, largely due to the Saltfleetby Gas Field being shut-in for 21 days, when the gas price being realised for spot gas sales dropped to levels which ROC considered to be too low. However, for September 2002, gas production was back up to approximately 32 MMSCF/D following the successful re-completion of Saltfleetby-5. The reduction in UK spot gas prices was due mainly to operational difficulties with the Interconnector gas pipeline which exports gas from the United Kingdom to mainland Europe.

After coming back on line in August 2002, the field’s production capacity was boosted early in September 2002 by the successful coiled tubing re-completion of Saltfleetby-5 in the main Westphalian gas reservoir which increased overall field production by about 15% to a September 2002 average of 31.6 MMSCF/D.

3.2  OIL AND CONDENSATE PRODUCTION

Oil production was 3,051 BBL (33 BOPD). The figure for the previous quarter was zero. The quarter-on-quarter increase was due to the Keddington 1 well being brought back on line in mid-July 2002 following a successful workover. September 2002 oil production averaged 50 BOPD.
Total condensate production of 32,206 BBL (350 BCPD) was down 2% on the previous quarter, in line with gas production.

3.3 SALES REVENUE

Quarterly sales revenue of $9.216 million was down $0.659 million (7%) on the previous quarter, although the previous quarter's revenue figure included $1 million from gas price hedging, whereas there was no hedging in place during the Quarter.

The average sales gas price received was 12.5 pence per therm (approximately $3.89 per MCF), up 1% on sales gas prices received during the previous quarter.

4. DEVELOPMENT

4.1 UK ONSHORE

UK onshore development expenditure for the Quarter was $1.205 million, primarily associated with the August 2002 re-completion of the Saltfleetby-5 well in the Saltfleetby Gas Field.

4.2 UK NORTH SEA

UK offshore development expenditure for the Quarter was $0.619 million mainly related to work in preparation for the appraisal of the Blane and Ettrick fields.

5. EXPLORATION AND APPRAISAL

5.1 AUSTRALIA

Australian exploration expenditure for the Quarter was $0.389 million, all of which 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)

ROC’s wholly owned subsidiary, Roc Oil (WA) Pty Limited (“Roc WA”), as operator for and on behalf of both the WA-286-P and TP/15 Joint Ventures, executed an Offshore Drilling Service Contract with Ensco Australia Pty Limited with regard to the jack-up rig, Ensco 53. This rig is scheduled to drill at least two, and possibly as many as five, wells for ROC and its WA-286-P co-venturers in and around the Cliff Head Oil Field starting early January 2003.

Detailed planning for the 2003 drilling programme continued during the Quarter.

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

Planning for the 2003 drilling programme continued during the Quarter with at least one, and possibly as many as three, wells scheduled to be drilled.
5.1.3 WA-325-P and WA-327-P, Perth Basin, Offshore Western Australia (ROC: 55% and Operator)

In July 2002, the Commonwealth-Western Australia Joint Authority formally awarded the new exploration permit, WA-325-P in the offshore Perth Basin, to a joint venture comprising Roc WA, a subsidiary of Voyager Energy Limited ("Voyager") and Bounty Oil and Gas, N.L. ("Bounty"). Roc WA had an initial 55% interest in the permit and is the Operator of the Joint Venture.

In July 2002, the Commonwealth-Western Australia Joint Authority awarded new exploration permit WA-327-P in the offshore Perth Basin to a subsidiary of Voyager. Pursuant to a prior agreement with Voyager, Roc WA exercised an option to acquire an initial 55% interest in, and become Operator of this permit for nil consideration.

Subsequent to the end of the Quarter, ROC WA farmed out an interest in WA-325-P and WA-327-P (see Section 7.3.1).

5.2 UK

UK exploration expenditure for the Quarter totalled $0.926 million, the majority of which was spent on the completion of the 3D seismic acquisition and processing, onshore UK.

5.2.1 UK Onshore

- **South Humber Basin (ROC: 100% and Operator)**

  The final version of reprocessed 3D seismic data across the Saltfleetby Gas Field was received during the Quarter. The Pre Stack Time Migration ("PSTM") data provide improved imaging of faults in and around the field and will be used to assist in future development planning.

  The PSTM data for the 131 sq km Immingham 3D seismic survey, acquired earlier in 2002, have been received and interpretation has commenced.

  An intermediate processing volume has been received for the 254 sq km Lincs Wolds 3D seismic survey, acquired earlier in 2002, with the final ("PSTM") data expected early in November 2002.

  Leads identified earlier on 2D data are being matured using the new 3D data for possible inclusion in the 2003 drilling programme.

- **North Humber (ROC: 100% and Operator)**

  Evaluation work in this area, comprising PEDLs 004 and 031, continued during the Quarter.

- **Cleveland Basin (ROC: 100% and Operator)**

  The PSTM data for the 50 sq km Bempton 3D seismic survey, acquired in PEDL 030 in May 2002, were received during the Quarter and interpretation has commenced.
• **Widmerpool Gulf (ROC: 100% and Operator)**

10 km of 2D seismic, to confirm structural closure across the Old Hills prospect, in PEDL 003, were acquired and processed during the Quarter. The prospect is being matured and will be considered for possible 2003 drilling.

• **Northumberland (ROC: 100% and Operator)**

Work continued through the Quarter with regard to the Errington Prospect, in PEDL 028.

### 5.2.2 North Sea

The Block 20/7a Joint Venture (ROC: 12.4%), operated by EnCana, is considering drilling, early in the first half of 2003, an exploration well on the Squirrel Prospect, approximately 18 km east of EnCana’s 2001 Buzzard discovery.

### 5.3 WEST AFRICA

Exploration expenditure in West Africa totalled $2.593 million for the Quarter.

West African exploration activities for the Quarter were primarily associated with drilling operations at Chinguetti and Banda and 3D seismic acquisition, all offshore Mauritania, and the interpretation of the offshore Equatorial Guinea 3D seismic data acquired by ROC in 2001.

#### 5.3.1 Senegal (ROC: 46.25% and Operator)

Interpretation of the 1,523 km of offshore 2D seismic survey data has been completed and the results incorporated in a small Pre-Stack Depth Migration trial to assist in better defining subsurface traps. Discussions will be held during the next quarter with joint venturers to agree the forward strategy for the area of interest.

#### 5.3.2 Mauritania (ROC: 2.0-5.0%)

Three wells were drilled by the Operator, Woodside Mauritania Pty Ltd, during the Quarter: two successful exploration/appraisal wells on the Chinguetti structure and one successful wildcat exploration well on the Banda Prospect, 21km to the east of Chinguetti.

Following the 2001 oil discovery well, Chinguetti-1, drilled on the southern downthrown side of an east-west trending fault through the Chinguetti structure, the Chinguetti 4-2 well, 2.5 km to the north, commenced drilling on 30 July 2002. The well successfully demonstrated the presence of oil in the northern, up-thrown, part of the Chinguetti structure. The well encountered 94 metres of gross oil column in sands equivalent to those in Chinguetti-1 and flowed 1,560 BOPD, constrained by sand influx, and was plugged and abandoned as planned.

The Chinguetti 4-4 well, an appraisal well on the downthrown block, located 1.5 km to the east of Chinguetti-1, commenced drilling on 26 September 2002. The well was plugged and abandoned, as planned, subsequent to the end of the Quarter after proving a 113 metre gross oil column (see section 7.2.1).

The Chinguetti 4-3 exploration well started drilling on the Banda prospect on 10 September 2002. The prospect is an independent feature, 21km to the east of the Chinguetti Oil Field. The well was targeted to penetrate a direct hydrocarbon indicator on the flank of the feature and confirmed this to be consistent with a gas-
oil contact within a gross hydrocarbon-bearing interval of 133 metres (110 metre gas column overlying a 23 metre oil column) and was plugged and abandoned as planned.

Following the Chinguetti 4-4 well, the *Deepwater Discovery* drill ship moved to drill the Thon prospect in Area C Block 6 (see section 7.2.2).

During the Quarter, two 3D seismic surveys were completed, Koumbi Saleh in Block 2 and Coppolani in Block 5, and a third 3D seismic survey commenced in Block 1 subsequent to the Quarter end (see section 7.2.3).

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

Interpretation of the offshore 3D seismic data continued during the Quarter and a diverse inventory of drilling prospects is in the process of being established.

On 27 September 2002, ROC advised ASX that discussions had taken place between the relevant government authorities in Equatorial Guinea and the Atlas Group, the designated operator of the H Blocks, in order to determine if certain terms of the Production Sharing Contract could be improved. Consistent with ROC’s release to ASX in April 2000, when it first agreed to acquire its interest in the H Blocks, ROC would expect its equity to reduce from 60% to 35% if all aspects of the discussions between Atlas and the Government are successfully finalised to the satisfaction of all relevant parties. In this circumstance, the fiscal terms for the H Blocks would have been improved so that, according to ROC’s current understanding, they will be more closely aligned to the terms contained in other PSCs covering deep water areas elsewhere offshore Equatorial Guinea.

5.3.4 **Angola (ROC: 45% and Operator)**

ROC continued to make the various preparations necessary to allow it and its co-venturers to consider activating the Production Sharing Agreement relating to the Cabinda South Block, which has not been subject to any exploration activity for almost thirty years, despite the fact that it is adjacent and partially on structural trend from, substantial offshore oil discoveries.

5.4 **EAST ASIA**

ROC’s exploration expenditure in East Asia totalled $2.249 million for the Quarter.

5.4.1 **Mongolia (ROC: 50% carried interest)**

Drilling of the Mogoi-1 well in the East Gobi Basin was completed 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. ROC was carried through all the costs of the well.

The East Tsagaan Els-1 well started drilling on 29 August 2002 as a deviated well to test a fault block trap prospect similar to that associated with the Tsagaan Els oil accumulation. At the end of the Quarter, the well was drilling ahead at 1,950 metres. The post Quarter results of the well are set out in Section 7.1.

5.4.2 **China Offshore (ROC: 40% and Operator)**

Roc Oil (China) Company, as Operator for and on behalf of the Block 22/12 Joint Venture, 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 and was completed on 3 September 2002. The data are now being processed.

On 22 August 2002 ROC announced it had agreed to increase its equity in Block 22/12 in the Beibu Gulf, offshore China, from 25% to 40%, through the acquisition of additional but separate, 10% and 5% interests from two of its co-venturers, Bligh Oil and Minerals N.L. and Oil Australia Pty Ltd, a wholly owned subsidiary of First Australian Resources Limited. The terms of the two transactions are essentially the same: both are based on ROC providing work programme carries through part or all of the current budget period in consideration for the interests acquired.

6. CORPORATE

6.1 GAS PRICE HEDGING

During September 2002, ROC, through wholly owned subsidiaries in the UK, entered into a gas price hedging contract with Halifax Bank of Scotland covering a portion of ROC’s 2003 gas production. Under the hedge contract, the sales price of 50,000 therms per day (approximately 4.55 MMSCF/D) was fixed at 24.2 pence per therm (approximately $7.20/MCF) for the period 1 January 2003 to 31 March 2003. In addition to this hedging, ROC already has in place gas price hedging for 50,000 therms per day (approximately 4.55 MMSCF/D) at a fixed price of 20.05 pence per therm (approximately $6.00/MCF) for the period 1 October 2002 to 31 December 2002.

In addition to the gas price hedging contracts, during July 2002, ROC, through wholly owned subsidiaries in the UK, entered into physical 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 12.30 pence per therm and 12.15 pence per therm respectively.

6.2 UK NORTH SEA – SALE OF INTEREST IN CHESTNUT OIL FIELD
(ROC: 14.875%)

On 12 March 2002, ROC announced that, subject to final documentation, it had agreed to sell, 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 its 14.875% interest in the Chestnut Oil Field, the last in this sequence of three separate sales, took place on 13 August 2002.

6.3 OSPREY OIL AND GAS LIMITED

On 27 September 2002, ROC announced that it had become a 15% shareholder in Osprey Oil and Gas Limited (“Osprey”) through a US$250,000 equity investment. Osprey is a new privately-owned, London-based, company which is focussed on upstream oil and gas opportunities in Africa. As part of this arrangement ROC will also have the option to co-invest directly in Osprey-sourced projects on a 50:50, unpromoted, basis. This corporate move is consistent with ROC’s strategy of remaining receptive to new venture opportunities while, at the same time, ensuring that its management focus remains firmly on current projects, particularly the 2002 and 2003 drilling programmes.
ROC's fellow investors in Osprey include the management team, composed of former senior executives with Energy Africa; the International Finance Corporation, the private sector development arm of the World Bank Group; African Merchant Bank, the investor banking division of Belgolise Bank, a wholly owned subsidiary of the FORTIS Group; RMB Resources, the resources sector finance arm of the Rand Merchant Bank and Standard Bank London Limited, the principal international merchant and investment banking arm of the Standard Bank Group Limited.

Dr Doran has been appointed a non-executive director of Osprey.

6.4 **UK SYNDICATED LOAN FACILITY**

During the Quarter, part of ROC’s UK Syndicated Loan Facility (the “Facility”), between ROC’s wholly owned UK subsidiaries and a syndicate of banks led by Barclays Capital, was assigned by Barclays Capital to the Bank of Scotland. Following assignment of the interest, the Facility is now held 50% by Bank of Scotland, 25% by Bayerische Landesbank and 25% by Christiania Bank, with Bank of Scotland acting as agent for the Facility. At the end of the Quarter, the Facility was drawn to US$21.0 million, following repayment of US$5.7 million during the Quarter.

6.5 **WEBSITE**

During the quarter ROC’s website (www.rocoil.com.au) received approximately 12,600 sessions (where a session is an occasion when one or more of the website pages have been opened). This represented a quarterly high for the year compared to approximately 5,359 and 10,935 sessions for 2Q 02 and 1Q 02 respectively.

7. **POST-QUARTER EVENTS**

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

Subsequent to the end of the Quarter, the East-Tsagaan Els-1 well reached a total depth of 2,082 metres. Logging of the well was carried out and a number of thin sands with oil shows were identified. Donsheng Jinggong Petroleum Development Group Co. Limited (“Dongsheng”), which is farming in and managing well operations, decided to test one or more of these sands. Donsheng was preparing for these tests at end-October 2002 but it may be necessary to postpone the testing programme during the northern hemisphere winter, depending upon the availability of testing equipment. Based on the drill data and log analysis, ROC would be surprised if the test results proved to be commercially significant in the context of ROC’s other activities in the rest of the world. ROC is being fully carried through the costs of the well, including testing.

7.2 **OFFSHORE MAURITANIA**

7.2.1 **PSC Area B, Block 4 (ROC: 2.4%)**

The Chinguetti 4-4 exploration/appraisal well was completed subsequent to the end of the Quarter. The well encountered 113 metres of gross oil column and was plugged and abandoned as planned. All the available data are currently being analysed with a view to examining the commercial viability of proceeding with development.
7.2.2 PSC Area C, Block 6 (ROC:5%, of which 1.25% carried)

The Chinguetti-6-1 exploration well on the Thon Prospect started drilling on 20 October 2002 and at 29 October 2002 was at a depth of 2,550 metres and running 9⅝ inch casing.

7.2.3 PSC Area D, Block 1 (ROC: 2%)

A 1,336 sq km 3D Seismic Survey in the central part of Block 1 commenced on 12 October 2002. By end-October 2002 approximately 45% of the survey had been acquired.

7.3 OFFSHORE PERTH BASIN, AUSTRALIA

7.3.1 WA-325-P and WA-327-P

The WA-325-P and WA-327-P joint venturers collectively agreed to farmout a total interest of 37.5% to Apache Northwest Pty Ltd ("Apache"), a wholly owned subsidiary of US-based Apache Energy, in consideration for Apache funding 56.25% of the Year One work programme costs up to a maximum of $7.5 million. Subsequent to the farmout ROC will hold a 37.5% interest in each of the permits and will retain operatorship of both.

7.3.2 WA-286-P

On 21 October 2002 ROC announced on behalf of itself and its co-venturers in WA-286-P that the oil-in-place estimate for the Cliff Head Oil Field had been increased from a previous range of 80-100 MMBO to approximately 110 MMBO, an increase of between 10% and 37%. It was also announced that if the multi-well drilling programme scheduled to start in January 2003 confirms this latest new oil-in-place estimate and the oil recovery factor proves to be within the anticipated 25% to 35% range, the Cliff Head Oil Field is expected to move towards commercial development with first oil being possibly produced in late 2004/2005.

On 29 October 2002 ROC commenced the 40 km 2D Jean Seismic Survey in WA-286-P. The purpose of the survey is to further define precise locations for the Cliff Head appraisal drilling programme which is due to start in January 2003. This survey was completed on 30 October 2002.

7.4 RECEIPT OF "INDEPENDENT OIL PLAYER OF THE YEAR - AFRICA" AWARD

At the 9th Annual Africa Upstream Oil and Gas conference organised by Global Pacific & Partners in Cape Town during October 2002, ROC received the "Independent Player of the Year 2002 Award" for "entry into diverse plays in Africa, new venture developments, creative strategy, new relationships, investment in start-up player Osprey Oil and Gas and recognition amongst peers inside Africa and world wide."
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
"PEDL" means Petroleum Exploration Development Licence
"Quarter" means the period 1 July 2002 to 30 September 2002
"ROC" means Roc Oil Company Limited
"SCF" means standard cubic feet