



REPORT TO SHAREHOLDERS
Activities for the Quarter Ended 30 June 2008

CEO COMMENTS

On 16 June 2008, ROC announced its proposed merger with Anzon Energy Limited and its off-market takeover offer for Anzon Australia Limited. If successful, ROC's business and future growth profile will be transformed, with 2P Reserves increasing by over 135% and 2008 production expected to increase to approximately 14,000 BOEPD. The Company's operating cash flow will be significantly increased during a time of record oil prices and ROC will be exposed to upside reserves potential through further development of the Basker Manta Gummy fields in Bass Strait, offshore Victoria.

ROC's development and production operations continue strongly, with record oil prices and YTD production of over 10,000 BOEPD, in line with previous estimates, generating YTD sales revenue of US\$179 million.

Progress on the Zhao Dong development project in Bohai Bay, offshore China, has been excellent in a challenging industry environment. The project remains on schedule for first oil from the C4 Oil Field and Extended Reach Area ("ERA") of the C & D Oil Fields in 4Q 2008, while development drilling on the C & D Oil Fields successfully returned gross production to approximately 20,000 BOPD at Quarter end.

During the Quarter, exploration drilling results from the Cabinda South Block, onshore Angola, were mixed, with the Coco well, which targeted deeper pre-salt plays, intersecting two hydrocarbon bearing sands. However, drill stem testing on the well was not conclusive and further testing of the well is being planned for late 2008/early 2009.

Subsequent to the end of the Quarter, the Sesamo exploration well reached Total Depth of 3,013 mBRT and wireline logging was completed. The well confirmed the presence of the targeted pre-salt reservoir sands. However, with no hydrocarbon shows, the well will be plugged and abandoned as a dry hole.

While we are experiencing a period of volatility in commodity and equity markets, the events and results during the Quarter have continued to move the Company towards achieving ROC's stated goal of establishing a substantial reserve base and sustainable production revenue through a diversified portfolio.

KEY ACTIVITIES

1. CONSOLIDATED REVENUE & PRODUCTION

- 1.1** Total working interest production of 0.86 MMBOE (9,399 BOEPD), 98% oil; down 14% compared to 1.0 MMBOE (10,961 BOEPD) in the previous quarter due to a combination of natural production decline and minor operational constraints on a number of ROC's producing fields.
- 1.2** Sales volumes of 0.63 MMBOE; down 44% compared to of 1.12 MMBOE in the previous quarter due to timing of sales and lower production as outlined above. During the Quarter, ROC's net underlift position for its production assets increased by 0.18 MMBBL to a total of 0.25 MMBBL at 30 June 2008.

- 1.3** Total sales revenue of US\$77.1 million; down 24% compared to US\$101.7 million in the previous quarter.
- 1.4** Average realised oil price in the Quarter of US\$122.64/BBL; up 35% compared to US\$91.17/BBL in the previous quarter.

2. PRODUCTION ASSETS

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

Gross oil production averaged 6,641 BOPD (ROC: 2,490 BOPD); down 17% on the previous quarter due to expected field decline and trucking constraints during June. During the Quarter, preparations continued for two well workovers planned for 3Q 2008 to replace existing electric submersible pumps with larger pumps with the objective of increasing oil production.

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

Gross oil production averaged 17,155 BOPD (ROC: 4,203 BOPD); 10% lower than the previous quarter. The initial phase of the 2008 development drilling programme was completed with four new wells and two workovers involving well recompletions brought on production in June 2008. Following start-up of production from these wells, gross production from the C & D Oil Fields increased to approximately 20,000 BOPD at Quarter end.

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

Gross production averaged 5,609 BOPD and 2.8 MMSCFD (ROC: 673 BOPD and 0.3 MMSCFD); down 23% compared to the previous quarter. During the Quarter, production was interrupted for a period of approximately two weeks as a consequence of downstream processing constraints resulting from an industrial dispute at the Grangemouth onshore processing facility.

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

Gross production averaged 13,482 BOEPD (ROC: 1,685 BOEPD); down 15% compared to the previous quarter. While field production capacity remains close to the field's initial plateau production rate, production was down during the Quarter due to a number of planned downtime events including approximately 13 days shut down for the works on the Ula platform and drilling rig movements.

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

Gross oil production averaged 8,844 BOPD (ROC: 287 BOPD); down 19% on the previous quarter due to natural field decline. Planned well intervention work was completed on 9 June, following which the C-19 infill development well commenced drilling. The well reached planned Total Depth of 3,570 metres on 28 June 2008. *See Post Quarter Events.*

3. DEVELOPMENT ASSETS

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

During the Quarter, upgrade and expansion work on the offshore drilling and production facilities continued with completion of the piling installation for both the ODB and OPB platform facilities in anticipation of installation in 3Q 2008 and commissioning in 4Q 2008 of the ODB topsides. The OPB platform facilities are expected to be installed and commissioned in 1H 2009.

Work in relation to construction and installation of facilities for the development of the C4 and ERA of C & D Oil Fields continued, with successful installation and commissioning of the conductor pod. Fabrication of the topsides for the pipeline terminal platform was completed in preparation for installation in 3Q 2008. The straight run production fluids pipeline (linking the C4 production platform to the Zhao Dong processing facilities) was completed and operations to lay the straight run water injector pipeline commenced. Drilling operations in C4 and the

ERA commenced in April 2008 and eight wells have either been partially or completely drilled in anticipation of first oil production in 4Q 2008.

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

During the Quarter, the Blane water injection well was drilled to Total Depth of 3,622mBRT and completed. The well was tied into the Ula platform and water injection commenced on 28 May 2008.

Work on the Ula gas compression upgrade project, which will provide a dedicated gas supply for gas lift of Blane's two producing wells, continued during the Quarter.

4. EXPLORATION AND APPRAISAL ASSETS

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

The Dunsborough-2 appraisal well was drilled to a Total Depth of 1,680 mBRT and was subsequently plugged and abandoned after interpretation of logs, pressure data and fluid samples indicated that the oil shows seen in cores were residual (non-productible). Processing of the Diana 3D seismic data acquired in 1Q 2008 was completed in June.

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

The Joint Venture approved a 3D seismic programme to be carried out in 4Q 2008. The programme, of approximately 3,484km², will cover almost the entire permit and will focus on Triassic gas potential of the permit.

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

Reprocessing of historical 2D seismic data commenced in late June. Results will be used to plan 3D seismic acquisition scheduled for early 2009.

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

Following Chinese Government approval of the reserves of the Wei 6-12 and Wei 6-12 South Oil Fields, pre-development planning work is progressing. The Overall Development Plan for the Wei 12-8W, Wei 6-12 and Wei 6-12 South Oil Fields is scheduled to be submitted to relevant Chinese authorities mid-year and a Final Investment Decision is expected during 2H 2008. If all fields are approved for development, the project has the potential to move currently unbooked discovered resources of approximately 5.2 MMBO net to ROC into booked 2P reserves.

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

Coco-1, ROC's fifth well in its current seven well programme, reached a Total Depth of 2,629mBRT and produced 26° API oil and associated gas to surface during open hole drill stem testing of two separate intervals in the sub-salt sequence. Both tests were impacted by down hole constraints; one related to sand influx during testing and the other to mud losses due to fractures while drilling. The well was suspended as an oil discovery on 7 June and planning for re-entry and testing in late 2008/early 2009 is underway.

Evaluation of the Massambala-1 heavy oil discovery, including planning for the appraisal drilling programme scheduled for 2H 2008, continued. *See Post Quarter Events.*

The Sesamo-1 exploration well commenced drilling on 22 June 2008. *See Post Quarter Events.*

4.6 Offshore Mauritania (ROC: 2 – 5.49%)

The Ibis 402km² 3D seismic survey in Block 1 was completed on 13 May 2008 and processing of the data is underway.

The Banda NW appraisal well was drilled to a Total Depth of 2,703 mBRT on 15 April. Wireline pressure data in the well indicated penetration of a gas column but as uncertainty existed concerning the location of fluid contacts, a sidetrack was drilled. The Banda NW ST-1 sidetrack was drilled to a Total Depth of 2,934 mBRT on 28 April 2008.

The results of wireline logging, including pressure testing and sampling, indicate that Banda NW ST-1 intersected an 85 metre gross gas column with 15 metres (18%) net gas pay and a 15 metre gross oil column with 10 metres net oil pay (67%). The fluid contacts were as expected and the well is interpreted to be in communication with the original Banda-1 discovery well drilled in 2002, approximately 2 kilometres to the east.

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

On 9 June 2008, the Tropicbird aeromagnetic survey commenced with planned acquisition of 43,102km of data. At Quarter end 30,724km (71% of the survey) had been acquired. An Environmental Impact Statement for future seismic acquisition in the Block was progressed. See *Post Quarter Events*.

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

The arbitration between Pioneer Natural Resources (Equatorial Guinea) Limited and the other joint venturers, including ROC, continued.

5. CORPORATE

On 16 June 2008, ROC and Anzon Energy Limited ("AEL") announced that the Boards of each company had unanimously recommended a merger of the companies by way of Scheme of Arrangement under which ROC proposes to acquire all of the issued share capital of AEL ("AEL Scheme"). If the AEL Scheme is implemented, ROC will acquire all AEL shares for scrip consideration of 1.33 ROC shares for every AEL share.

Concurrently, ROC also made an off-market Takeover Offer ("AZA Takeover Offer") to acquire all the outstanding shares in Anzon Australia Limited ("AZA"), a company in which AEL has a 53% shareholding. The offer price under the AZA Takeover Offer will comprise 0.792 ROC shares plus \$0.05 cash per AZA share.

The AEL Scheme is not dependent on the AZA Takeover Offer. However, the AZA Takeover Offer is dependent on the AEL Scheme. Work is currently underway to release the AEL Scheme documentation and Bidder's Statement for the AZA Takeover Offer on or around 30 July 2008.

Further details regarding the AEL Scheme and AZA Takeover Offer are set out in ROC's stock exchange releases dated 16 June 2008, copies of which can be obtained from the Company's website.

Documentation was completed for the transfer of Woodside's interests in Mauritania Area C, Block 2 to the remaining Joint Venture Parties (ROC from 3.2% to 5.49%) and the transfer of operatorship to Tullow.

The Western Australian Government advised that surrender documents for exploration permits WA-325-P and WA-327-P were registered, effective 23 May 2008.

6. FINANCIAL

At Quarter end ROC had approximately US\$24.4 million in cash and gross debt of US\$133.4 million.

6.1 Production

	2Q 2008	1Q 2008	YTD	% Change (1Q08 to 2Q08)
Oil Production (BBLs)				
Cliff Head	226,620	274,192	500,812	(17%)
Zhao Dong C&D Fields	382,474	424,159	806,633	(10%)
Chinguetti	26,157	32,438	58,595	(19%)
Blane	146,777	173,198	319,975	(15%)
Enoch	61,247	78,040	139,287	(22%)
Other	222	311	533	(29%)
Total Oil Production	843,497	982,338	1,825,835	(14%)
Gas Production (MSCF)				
Enoch	31,206	46,316	77,522	(33%)
NGL Production (BOE)				
Blane	6,589	7,360	13,949	(10%)
Total BOE	855,287	997,417	1,852,704	(14%)
BOEPD	9,399	10,961	10,180	(14%)

Note: Production quoted is ROC's working interest share of total production. ROC's net entitlement production for the period was 812,268 BOE (1Q 2008: 945,591 BOE; YTD: 1,757,859 BOE) after taking out governments' share of profit oil.

6.2 Sales

	2Q 2008		1Q 2008		YTD	
	BOE	US\$'000	BOE	US\$'000	BOE	US\$'000
Oil Sales (BBLs)						
Cliff Head	225,149	27,586	273,484	26,597	498,633	54,183
Zhao Dong C&D Fields	148,604	17,560	508,326	42,940	656,930	60,500
Chinguetti	24,799	2,947	26,321	2,386	51,120	5,333
Enoch	77,083	9,303	75,425	7,294	152,508	16,597
Blane	149,497	19,269	220,659	21,452	370,156	40,721
Other	222	30	311	30	533	60
Total Oil Sales	625,354	76,695	1,104,526	100,699	1,729,880	177,394
Gas Sales (MSCF)						
Enoch	31,206	141	46,316	269	77,522	410
NGL Sales (BOE)						
Blane	3,386	254	9,913	691	13,299	945
Total Sales (BOE)	633,941	77,090	1,122,159	101,659	1,756,100	178,749

6.3 Stock

ROC's net entitlement crude stock position increased by 178,236 BBLs during the period so that at Quarter end ROC was in an underlift position of 245,330 BBLs.

The movements in ROC's stock position for the half year ended 30 June 2008 was an increase of 1,759 BBLs compared to the 31 December 2007 closing position. This movement will flow through the Profit and Loss Statement. ROC's stock position will fluctuate from period to period.

6.4 Expenditure Incurred

	2Q 2008 US\$'000	1Q 2008 US\$'000	YTD US\$'000
Exploration			
Angola	18,190	13,908	32,098
China	(101)	13,856	13,755
Mauritania	1,858	1,270	3,128
Australia	1,225	22,459	21,234
UK	106	50	126
Equatorial Guinea	126	111	237
Madagascar	791	96	887
Other	376	364	740
Total Exploration	20,121	52,114	72,235
Development			
Zhao Dong C&D Fields	14,327	2,725	17,052
Zhao Dong C4	2,865	810	3,675
Blane	3,411	4,110	7,521
Enoch	285	158	443
Chinguetti	1,538	383	1,921
Total Development	22,426	8,186	30,612
TOTAL EXPLORATION & DEVELOPMENT	42,547	60,300	102,847

The majority of the exploration expenditure incurred YTD will be expensed in the income statement for the period ended 30 June 2008.

6.5 Hedging

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

BRENT OIL PRICE SWAPS		
	Volume	Weighted Average Brent Price USD/BBL
2008	567,497	75.25
2009	851,998	70.01
2010	686,994	68.46
2011	455,997	66.31
	2,562,486	70.10

During the half year ended 30 June 2008, 0.6 MMBO of oil price derivative contracts were settled resulting in a cash flow loss of US\$21.5 million.

As a result of the strengthening of the Brent crude oil price, as at 30 June 2008, subject to review by ROC's auditors, it is expected that the mark to market valuation of ROC's hedge book will result in a liability of US\$176.4 million and a net derivative loss of US\$142.4 million of which \$120.9 million is unrealised and will be reflected in the income statement for the period to 30 June 2008.

7. POST QUARTER EVENTS

Subsequent to the Quarter the C-19 infill development well in the Chinguetti Oil Field, offshore Mauritania was completed as a production well and is currently waiting clean up flow testing to the rig prior to tying into the production facilities on the Berge Helene FPSO and being put into production.

The aeromagnetic survey in the Belo Profond Block, offshore Madagascar was completed on 17 July 2008, 3 days ahead of schedule and within budget. A total of 43,102 line kilometres of data were acquired.

The Sesamo-1 exploration well in the Cabinda South Block, Onshore Angola, located approximately 20km east of the Coco-1 discovery, reached a Total Depth of 3013 mBRT and logging on the well was completed on 26 July 2008. Although confirming the existence of the pre-salt target reservoir sands, the well is being plugged and abandoned following final wireline logging with no hydrocarbon shows. The Simmons 80 rig will move 12km southwest to the final well in the current seven-well exploration programme, Arroz-1, which will also test a pre-salt target.

ROC is currently finalising construction of the drilling sites for the appraisal drilling programme of up to six shallow wells on the Massambala Heavy Oil Discovery which will assist in better defining volumetric potential. Drilling is scheduled to commence late August 2008 and is expected to last approximately 60 days.

In respect of the Zhao Dong developments, the Pipeline Terminal ("PT") has been successfully installed and the legs have been welded out. The PT flare and bridge connection to the Conductor Pod have been lifted and installed. The straight run water line between PT and Zhao Dong has been successfully completed. The project remains on schedule for first oil production in 4Q 2008.

8. FURTHER INFORMATION

For further information please contact ROC's Acting Chief Executive Officer, Bruce Clement, or General Manager, Business Development, Kevin Hird, on:

Phone: (02) 8356 2000 Email: bclement@rocoil.com.au
 Facsimile: (02) 9380 2066 Web Site: www.rocoil.com.au
 Address: Level 14, 1 Market Street, Sydney, NSW 2000, Australia

DEFINITIONS

BBL(S)	means barrel(s)
BCF	means billion cubic feet
BOE	means barrels of oil equivalent (6 MSCF = 1 BOE)
BOPD	means barrels of oil per day
BOEPD	means barrels of oil equivalent per day
mBRT	means metres below rotary table
MSCF	means thousand standard cubic feet
MMSCF	means million standard cubic feet
MMSCFD	means million standard cubic feet per day
MMBBL	means million barrels
MMBO	means million barrels of oil
MMBOE	means million barrels of oil equivalent
PSC	means Production Sharing Contract
Quarter	means the period 1 April 2008 to 30 June 2008
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
YTD	means year to date
\$	means Australian dollars

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