



1H09 RESULTS

August 2009





RESULTS SUMMARY

- **Underlying business continues to perform well in 1H09**
 - Production of 2.1 MMBOE
 - Net loss of US\$14.2 million (after tax)
 - Normalised profit of US\$19.6 million (after tax)
 - Net operating cashflow of US\$48.2 million
- **Stewarding financial resources**
 - Exploration and development expenditure tightly controlled
 - Zhao Dong drilling programme completed within budget and on schedule
 - Capital raising will provide future flexibility
- **Asset portfolio rebalancing**
 - Angola: farmed out a 45% participating interest (ROC now 15%)
 - BMG: sold a 10% participating interest (ROC now 30%)
 - Actively pursuing farm outs for other African exploration acreage
- **Optimise production at existing assets**
 - B3 workover at BMG
 - Zhao Dong to benefit from commissioning of OPB in 2H09



1H09 OPERATIONAL HIGHLIGHTS

HSEC

- Good HSEC performance
 - 1.7 million man hours worked in 1H09
 - 0 Lost Time Injury (LTI)
 - 0 Total Recordable Injury Rate (TRIR)
 - 7 minor reportable environmental incidents

PRODUCTION

- 2.1 MMBOE (11,535 BOEPD) production
- 13% higher than 1H08 production
- 3% lower than 2H08 production

DEVELOPMENT

- Zhao Dong drilling completed within budget and on schedule
- Commenced BMG drilling and workover programme
- Beibu Gulf Oil Project feasibility work completed



1H09 FINANCIAL HIGHLIGHTS

	Result (US\$M)	Comment
Sales Revenue	102.1	<ul style="list-style-type: none"> Sales of 2.1 MMBOE Average realised oil price of US\$47.79/BBL; 8% discount to Brent
Trading Profit	7.4	<ul style="list-style-type: none"> Production costs of US\$31.0 million (US\$14.86/BOE) Amortisation of US\$56.0 million (US\$26.84/BOE)
Net Loss (After Tax)	(14.2)	Including: <ul style="list-style-type: none"> Exploration expense of US\$2.2 million (before tax) Tax benefit of US\$15.6 million
Normalised Net Profit (After Tax)	19.6	Excludes significant items: <ul style="list-style-type: none"> Unrealised hedging losses of US\$34.4 million (after tax) Loss on sale of Nexus shares of US\$5.6 million Profit on sale of 10% of BMG of US\$6.2 million
Net Debt	99.9	<ul style="list-style-type: none"> Debt of US\$145.0 million, offset by cash of US\$45.1 million Excluding funds from capital raising and BMG sale
Net Operating Cashflow	48.2	Gross cash flow from operating assets of US\$67.5 million offset by: <ul style="list-style-type: none"> Income taxes US\$27.2 million; Net finance costs US\$5.2 million; and Inflow on derivatives of US\$13.1 million
Exploration & Development Expenditure Incurred	41.0	Cash flow reinvested: <ul style="list-style-type: none"> Exploration expenditure incurred of US\$2.3 million Development expenditure incurred of US\$38.7 million
Equity Capital Raised	~76.0	<ul style="list-style-type: none"> US\$55 million from institutional placement of 88.2 million shares US\$21 million from SPP that closed on 7 August

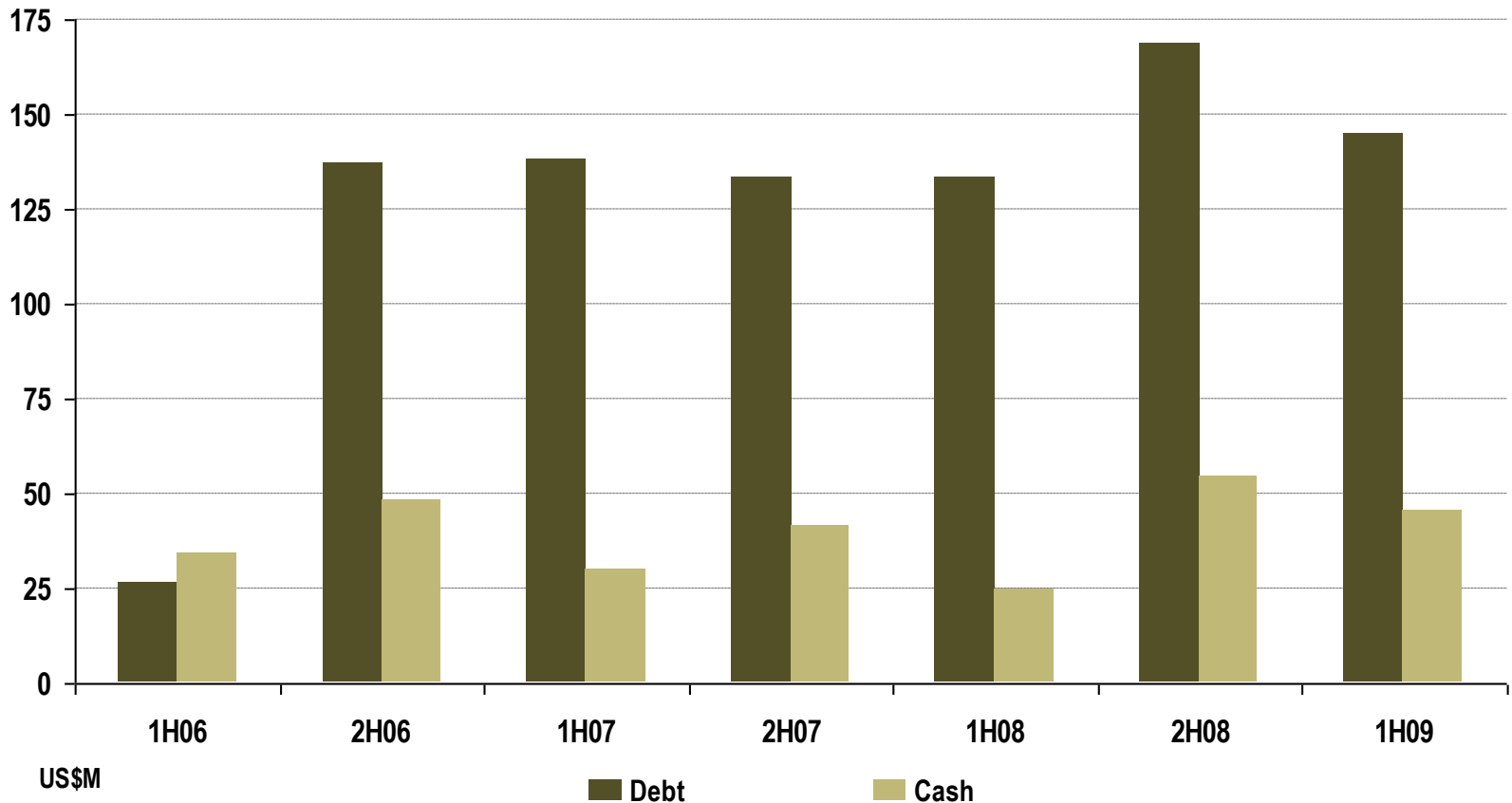


1H09 KEY RESULTS SUMMARY

	1H09	2H08	1H08
Production – working interest (MMBOE)	2.1	2.1	1.9
Government Share of Production (%)	3.3	5.0	5.1
Sales Volume (MMBOE)	2.1	2.1	1.8
Oil & Gas Sales Revenue (US\$M)	102.1	178.0	178.8
Operating Cash Flow (US\$M)	48.2	96.4	86.1
Averaged Realised Oil Price (US\$/BBL)	47.79	83.54	102.55
Production Costs (US\$/BOE)	14.86	12.58	9.18
Amortisation (US\$/BOE)	26.84	32.16	27.31
Exploration & Development Expenditure Incurred (US\$M)	41.0	88.6	102.8



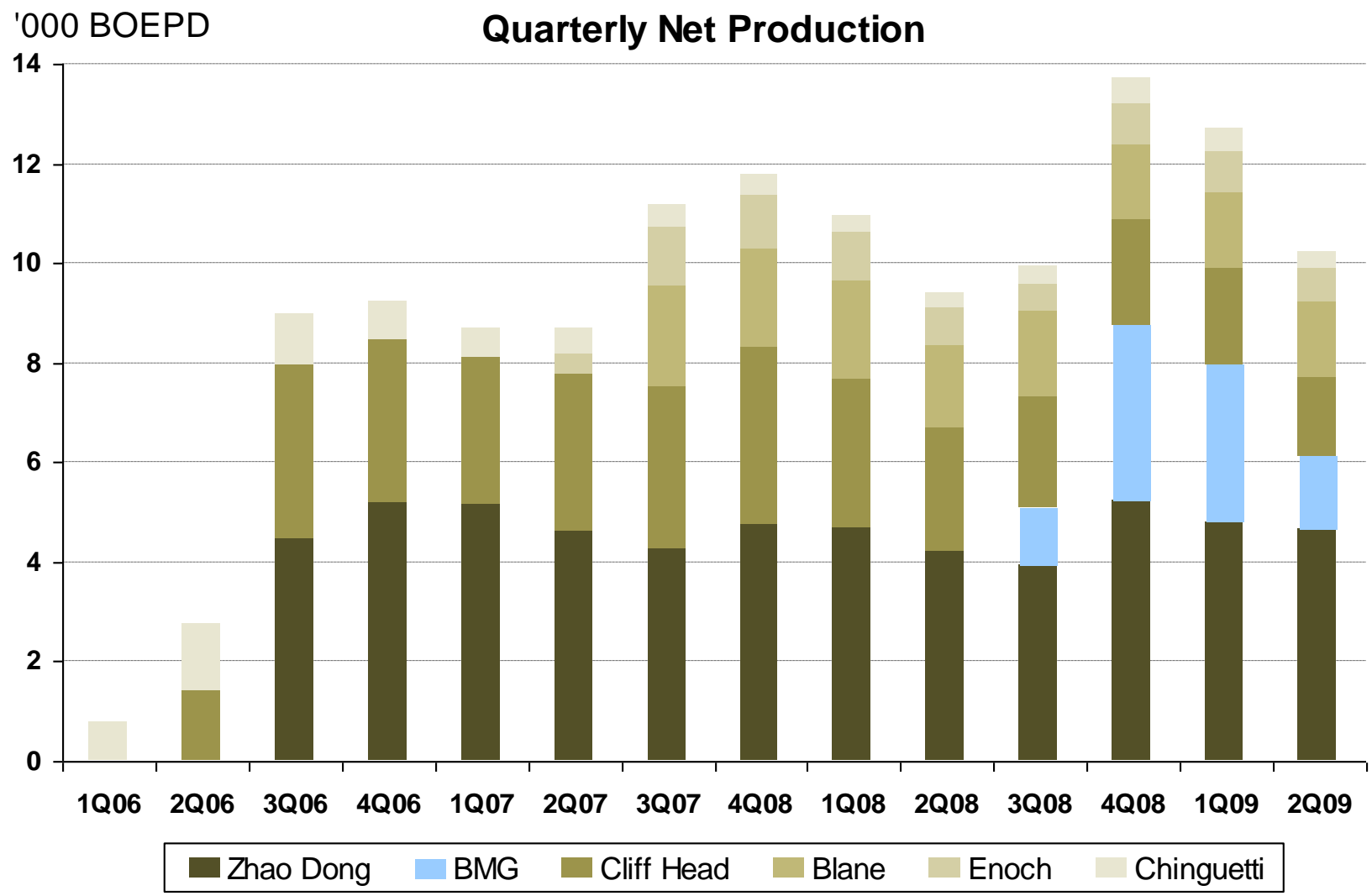
DEBT & CASH POSITION



- **Net Debt was US\$99.9 million at 30 June 2009, which excludes:**
 - ~US\$76 million raised through institutional placement and SPP
 - US\$31.5 million received for sale of 10% of BMG
- **Net Cash Flow from Operations was primarily re-invested in development**



DIVERSE PRODUCTION BASE

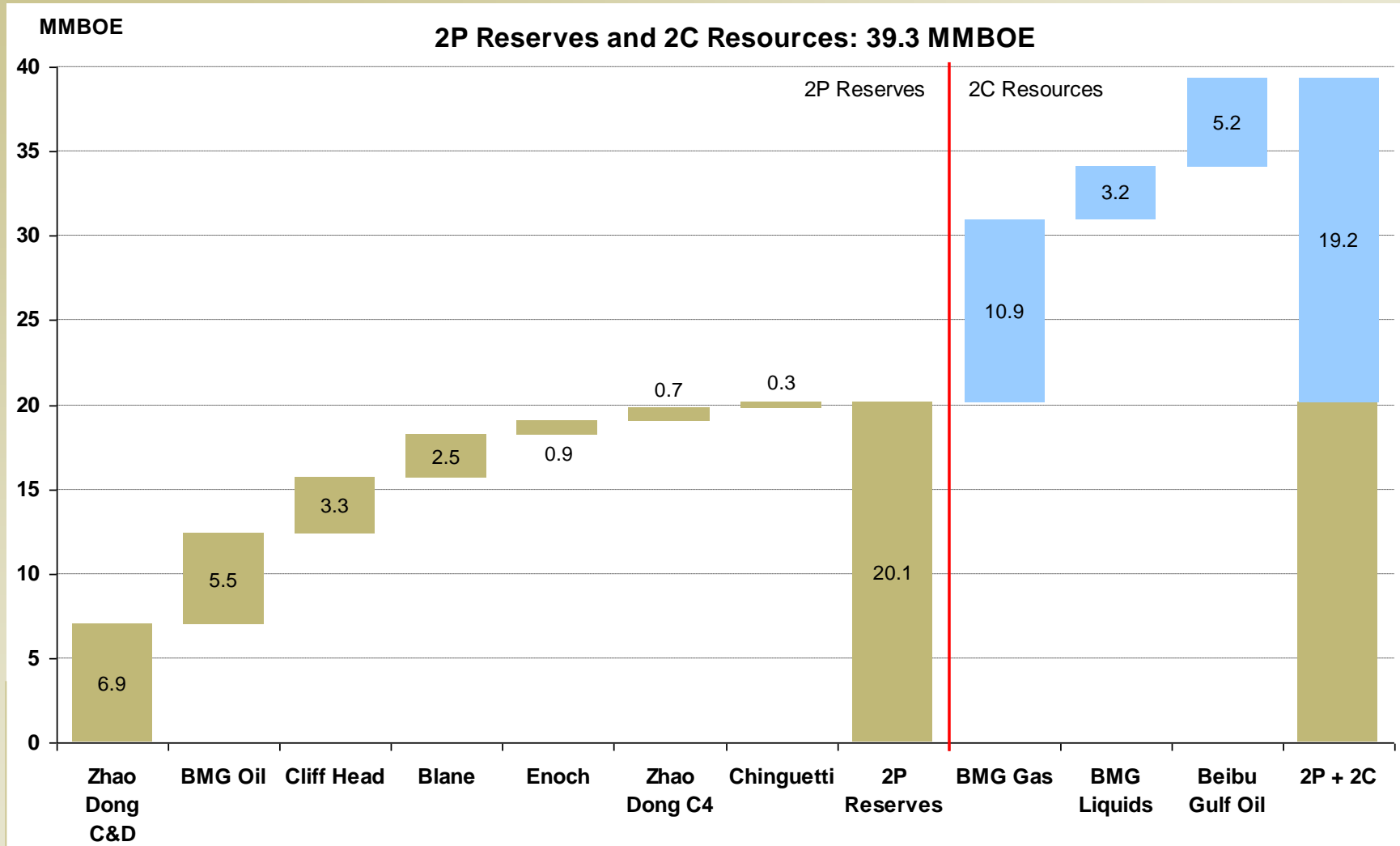


• FY09 production likely to average between 10,000-11,000 BOEPD



2P RESERVES & 2C RESOURCES

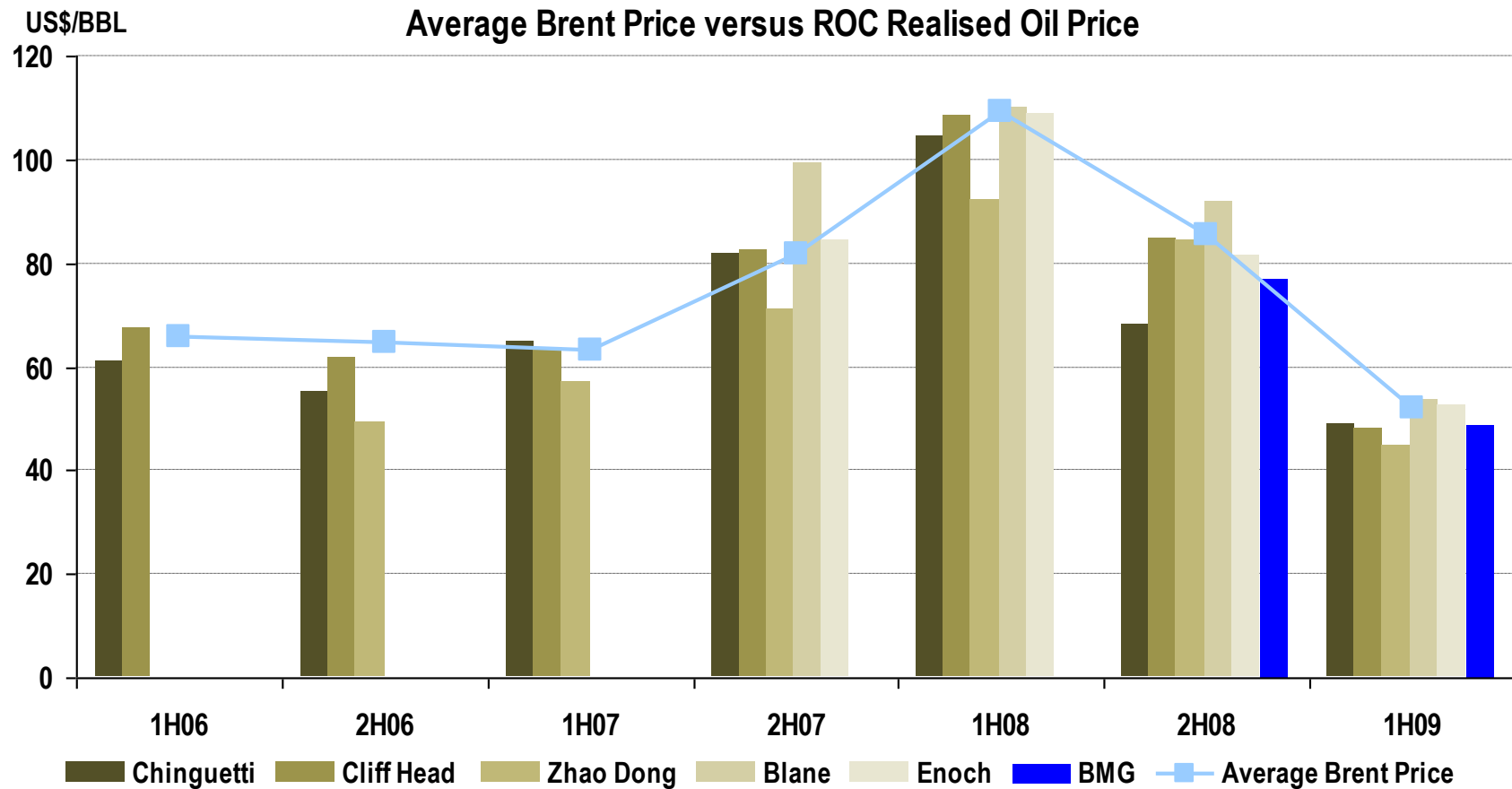
as at 30 June 2009



- Based on:
 - Remaining 2P Reserves as at 31 December 2008 less 1H09 production
 - 30% interest in BMG following sale of 10% participating interest



REALISED OIL PRICE



- Realised oil price (excluding Hedging) was US\$47.79/BBL
- Realised oil price (including Hedging) was US\$53.95/BBL



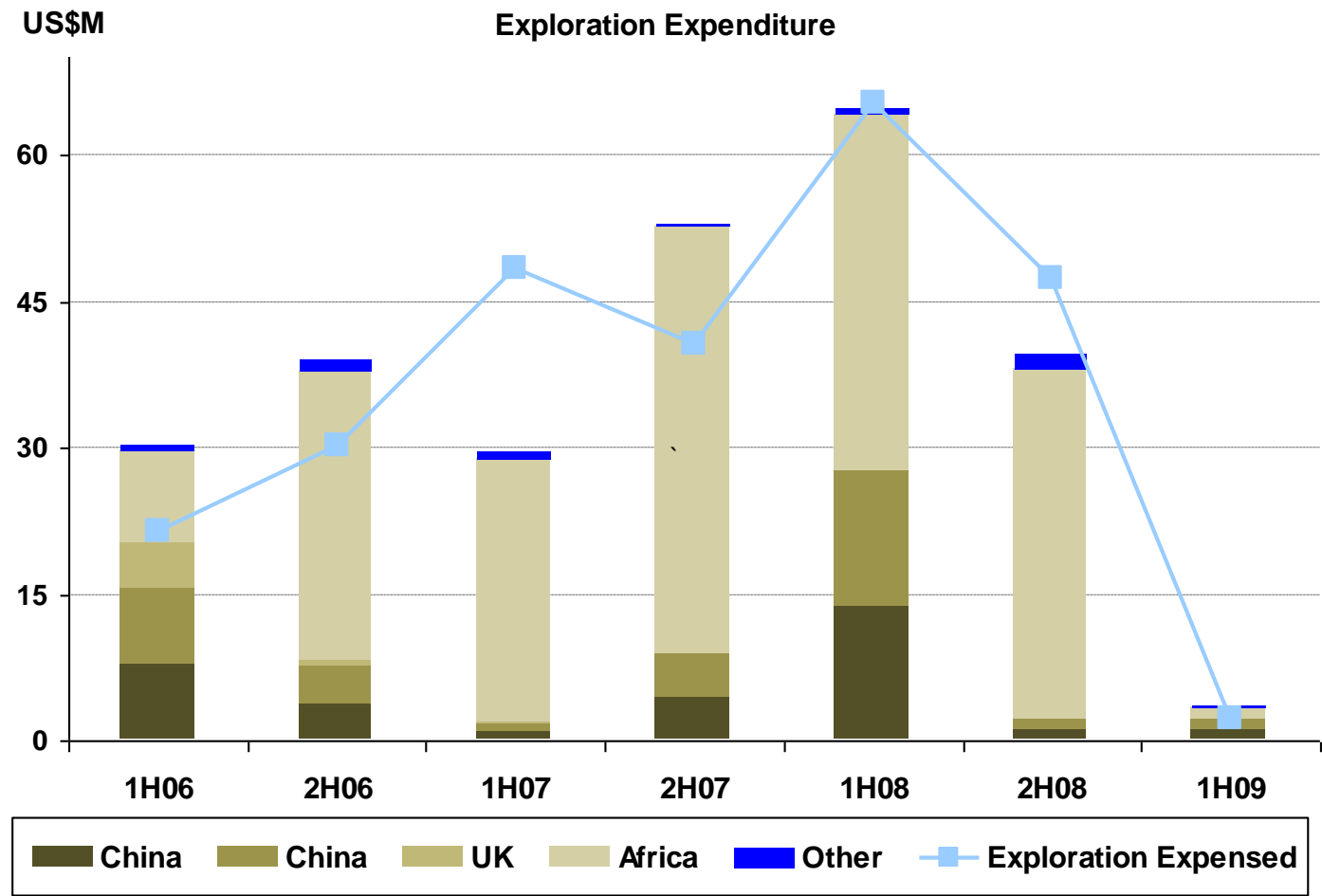
HEDGING POSITION

BRENT OIL PRICE SWAPS		
	Volume	Weighted Average Brent US\$/BBL
2009	585,995	70.63
2010	1,206,984	67.67
2011	875,997	63.71
	2,668,976	67.02

- **Oil price hedging strategy is consistent with prior periods:**
 - Majority of production remains exposed to oil price changes; and
 - For specific transactions, developments and high capex periods
- **2.7 MMBBL of Brent oil swap contracts at a weighted average price of US\$67.02/BBL**
- **13% of 2P reserves hedged**
- **Mark-to-market position at period end was a US\$18.2 million liability**
 - US\$21.3 million hedging loss through P&L
 - US\$13.1 million realised cash flow gain through cashflow statement
 - US\$34.4 million unrealised loss



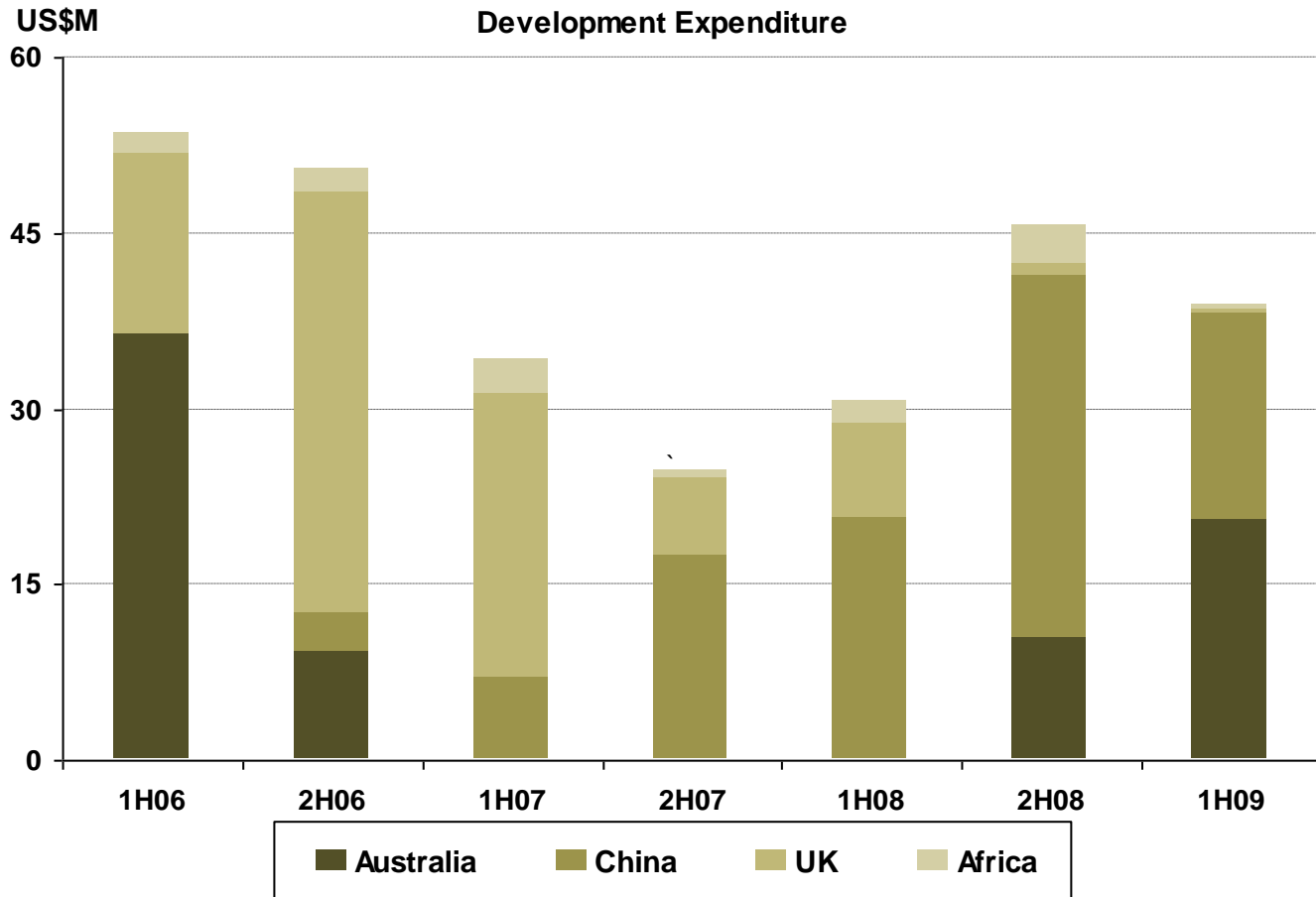
EXPLORATION EXPENDITURE INCURRED



- Exploration expenditure incurred was \$2.3 million
 - US\$2.2 million was expensed
- On target to meet FY09 budget of ~US\$10 million



DEVELOPMENT EXPENDITURE INCURRED



- **Development expenditure incurred of US\$38.7 million:**
 - US\$17.8 million at Zhao Dong
 - US\$20.5 million at BMG (recorded at 30% effective 1 June)
- **On target to meet FY09 budget of US\$90 million to US\$100 million**



PROFIT & LOSS

	1H09 (US\$m)	2H08 (US\$m)	1H08 (US\$m)
Sales	102.1	178.4	179.8
Trading Profit	7.4	62.7	101.1
EBITDAX + impairments	36.7	292.1	20.2
Exploration Expense	(2.2)	(47.4)	(65.3)
EBITDA + impairments	34.5	244.7	(45.1)
Impairments (before tax)	-	(376.9)	-
EBIT	(21.9)	(202.4)	(96.1)
NPAT	(14.2)	(157.7)	(120.7)
Adjustment for significant items (after tax)			
Unrealised Derivative (Gains)/Losses	34.4	(198.1)	119.3
Impairment of Assets/Goodwill/Exploration	-	302.6	(11.9)
Loss on sale of Nexus shares	5.6	-	-
(Profit)/Loss on sale of 10% of BMG	(6.2)	-	-
Normalised NPAT	19.6	(53.2)	(13.3)



CASH FLOW

	1H09 (US\$m)	2H08 (US\$m)	1H08 (US\$m)
Opening Cash	54.3	24.3	41.4
Net Cash from Operating Activities	48.2	96.4	86.1
Net (Repayments)/Proceeds from Borrowings	(24.0)	35.0	-
INVESTMENT ACTIVITIES			
Development Expenditure	(48.1)	(49.3)	(27.7)
Exploration Expenditure	(5.4)	(40.7)	(75.1)
Sale of Nexus Shares	18.5	-	-
Other	1.6	(11.4)	(0.5)
Closing Cash	45.1	54.3	24.3

- **Closing cash at end of 1H09 excludes:**
 - ~US\$76 million raised through institutional placement and SPP
 - US\$31.5 million received for sale of 10% of BMG



BALANCE SHEET

	1H09 (US\$m)	2H08 (US\$m)	1H08 (US\$m)
Cash Assets	45.1	54.3	24.3
Capitalised Exploration Expenditure	14.9	14.7	99.6
Oil and Gas Assets	325.8	366.6	419.3
Interest Bearing Debt	(145.0)	(168.7)	(133.4)
Net Deferred Tax Asset /(Liability)	(19.5)	50.4	(66.2)
Derivative Asset/(Liability)	(18.8)	14.1	(176.4)
Net Other Assets/(Liabilities)	45.2	(23.3)	1.7
Total Equity	247.7	207.3	168.9



PLANS FOR 2009 AND 2010

- **2009 – a year of consolidation**
- **Deliver operating budget**
 - Cost reductions in new industry environment
 - Reduced overheads and corporate costs
- **Pursue near term growth opportunities**
 - BMG Phase 1 oil project workovers and development well
 - Free-carry through Angola exploration
 - Development drilling in Zhao Dong
 - Cliff Head workovers
- **Focus on financial performance**
 - Steward resources
- **Focus on future commercialisation of 2C Resources**
 - BMG Phase 2 Gas Project
 - Beibu Gulf Oil Project
- **2010 – opportunities for growth**



STRATEGY

Core Strategy

- Fully exploit reserve and resource base
- Leverage operating and technical capabilities and strengths to create growth opportunities through
 - Exploration
 - Development
 - Production
- Balance and manage risk
 - Financial
 - Operating
 - Resource
- Steward financial resources and focus on financial performance



**Balanced Exploration, Development
and Production Company**

Strategy Implementation

- Core business delivering
 - ~11,535 BOEPD for 1H09
 - Net operating cashflow of US\$42.8 million in 1H09
- Currently operating within financial capacity
 - Pro-active capital management: BMG rig swaps
 - 2009 expenditure continues to be tightly controlled
 - Zhao Dong drilling completed within budget
 - Capital raising provides future flexibility
- Portfolio Rebalance
 - Angola farm out (now at 15%)
 - Sale of 10% of BMG (now at 30%)
- Exploiting reserves and resources
 - 2H09 focus on BMG project and Cliff Head workovers
 - Medium term focus on commercialising 2C Resources



Balance and Manage Risk



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In accordance with ASX and AIM Rules, the reserves and resources information in this presentation 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 at least 30 years of relevant experience within the industry and consents to the information in the form and context in which it appears.



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