



3 February 2010

ROC OIL COMPANY LIMITED ("ROC")

STOCK EXCHANGE RELEASE

**BASKER-MANTA-GUMMY: PROVED AND PROBABLE ("2P") RESERVE
DOWNGRADE**

Roc Oil (VIC) Pty Ltd, as operator of the Basker-Manta-Gummy ("BMG") project, has obtained preliminary results from its first integrated full field reservoir simulation model of the Basker and Manta reservoirs. The reservoir modelling incorporates relevant development and production data over the life of the field. This review is subject to further sub-surface modelling and development optimisation work, and it should also be noted that the BMG Joint Venture is yet to review the outputs of the work undertaken by ROC.

Resource Investment Strategy Consultants ("RISC") has also been engaged to independently review ROC's Basker and Manta reservoir modelling and estimated reserves. RISC's review is anticipated to be completed by the end of February 2010. The results of this work will be considered in relation to the finalisation of the 31 December 2009 gross 2P Reserves for the BMG project in due course.

As a result of this work, ROC now anticipates that remaining gross 2P Reserves at the BMG project as at 31 December 2009 are likely to be reduced from approximately 18 MMBBL to between 3 MMBBL and 5 MMBBL subject to further development activity.

This will result in a reduction of the ROC Group remaining 2P Reserves as at 31 December 2009 by approximately 20%-25%.

BMG continues to produce oil at approximately 6,000 BOPD and is anticipated to produce at an average rate of 5,000 BOPD in 2010.

Future development plans for the BMG Phase-1 Oil project and BMG Phase-2 Gas project are being evaluated.

The downgrade of the BMG project's 2P Reserves will result in an impairment of ROC's carrying value of its interest in the BMG project. The extent of the impairment will be included in the announcement of ROC's 2009 preliminary financial results, which are due to be released to the ASX on 25 February and which will be subject to external audit. At the end of 2009, ROC had a net cash balance of US\$17.9 million. The reserves downgrade will not affect the continued availability of ROC's senior debt facility (the BMG project is not included in the borrowing base).

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Participating interests in the BMG project are:

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|--|------------|
| Roc Oil (VIC) Pty Limited (Operator) | 30% |
| Beach Energy Limited | 30% |
| CIECO Exploration and Production (Australia) Pty Ltd | 20% |
| Sojitz Energy Australia Pty Ltd | 10% |
| Pertamina Hulu Energi Australia Pty Ltd | 10% |

A live audio webcast of a teleconference to discuss the BMG reserves downgrade will be available today from 9:45am on ROC's website (www.rocoil.com.au) or at <http://www.brr.com.au/event/63932>. The webcast will also be recorded and available on ROC's website for future reference.

The reserve and resource information contained in this announcement is based on information compiled by Neil Seage (Chief Reservoir and Planning Engineer). Mr Seage (BA, BEng (Hons), MBA and Dip App Fin), who is a member of the Society of Petroleum Engineers, has more than 30 years relevant experience within the industry and consents to the information in the form and context in which it appears.

Matthew Gerber
Manager
Investor Relations & External Affairs

For further information please contact:
Mr Bruce Clement
Chief Executive Officer
Tel: +61-2-8023-2000
Fax: +61-2-8023-2222
Email: bclement@rocoil.com.au
Or visit ROC's website: www.rocoil.com.au

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