



# LONGREACH OIL LIMITED

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## e-Lodgement

### FOR PUBLIC RELEASE

Manager - ASX Market Announcements  
Australian Securities Exchange  
20 Bridge Street  
Sydney NSW 2000

Dear Madam

Longreach Oil Ltd ("LGO") has entered into a Sale Agreement with Chelsea Oil Australia Pty Ltd ACN 154 162 633 ("**Chelsea**") pursuant to which LGO has agreed to sell its:

- 50% interest in Petroleum Lease 280 in the Surat Basin, Queensland; and
- 20% shareholding in unlisted Brisbane Petroleum Limited (BPL), which in turn holds the other 50% interest in PL 280. BPL also holds Petroleum Leases 18 and 40

(together the **Petroleum Assets**) on an "as is where is" basis.

The agreed consideration is \$1. Chelsea has also agreed to indemnify LGO for any past, present or future liability in relation to the Petroleum Assets. Settlement is conditional on LGO receiving shareholder approval and Chelsea providing LGO with evidence that it is a registered suitable operator with the Queensland Department of Environment and Heritage Protection. If legal title to LGO's interest in the Petroleum Assets is unable to be transferred at settlement LGO will hold the interest on trust for Chelsea and must exercise all rights in respect of the interest as directed by Chelsea with the indemnity provided by Chelsea also extending to any liability incurred by LGO as a result of this arrangement.

As the Petroleum Assets no longer form part of LGO's strategy, the Company has sought to take advantage of the opportunity presented by identifying a willing buyer for this asset who has agreed to take on the liabilities associated with the Petroleum Assets so the Company can direct all its resources towards advancing its transaction with Happy Valley Milk Limited.

For further information please contact us on [igo@longreachoil.com](mailto:igo@longreachoil.com) or (02) 8277 6683.

For and on behalf of

Longreach Oil Limited

A handwritten signature in blue ink, appearing to read "J Rosenberg".

J Rosenberg  
Managing Director