



# LONGREACH OIL LIMITED

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PLEASE ADDRESS ALL CORRESPONDENCE TO GPO BOX 4246, SYDNEY NSW 2001
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9 February 2015

*e-mail: [luxmy.wigneswaran@asx.com.au](mailto:luxmy.wigneswaran@asx.com.au)*

ASX Compliance Pty Ltd  
20 Bridge Street  
Sydney NSW 2000

Attention Ms Luxmy Wigneswaran  
Senior Adviser, Listings Compliance (Sydney)

Dear Ms Wigneswaran

**Re Appendix 5 B - Quarterly Report for the quarter ended 31 December 2014**

Reference is made to your letter of 4 February 2015, in respect of the above Quarterly Cashflow Report. Our response to your queries is as follows:

1. The Company's Audited Balance Sheet for the year ended 30 June 2014 reported Net Assets of \$955,420 for the Parent Entity (recently deconsolidated) and shows a surplus of Assets over Liabilities. The Company has the ability to fund its expenditure by collecting its receivables and realising its financial assets. It can also raise capital through share placements or other share issues, or via short-term loans.
2. It is possible that the Company will in future have a negative operating cash flow; however funds can be raised as stated above to fund the Company's operations.
3. Apart from advancing its current projects, the Company is actively seeking, both in Australia and overseas, new investment opportunities and additional projects, with a view to maximising the potential for future growth, and has secured the support of Gleneagle Securities to assist in this regard.
4. The Company confirms that it is in compliance with the Listing Rules; in particular, Listing Rule 3.1.
5. The Company confirms that it is in compliance with Listing Rule 12.2, based on its surplus of Assets over Liabilities and its ability to continue to fund its operations as stated above.

For and on behalf of

Longreach Oil Limited

Justin Rosenberg  
Company Secretary

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4 February 2015

Mr Justin Rosenberg  
Company Secretary  
Longreach Oil Limited  
Level 29, 2 Chifley Square  
Sydney NSW 2000

By Email

Dear Justin,

**Longreach Oil Limited (the "Company")**

I refer to the Company's Quarterly Report in the form of Appendix 5B for the period ended 31 December 2014, released to ASX Limited ("ASX") on 29 January 2015 (the "Appendix 5B").

ASX notes that the Company has reported the following.

1. Receipts from product sales and related debtors of \$0.
2. Negative net operating cash flows for the quarter of \$38,000.
3. Cash at end of quarter of \$20,000.
4. Estimated cash outflows for the next quarter of \$50,000.

In light of the information contained in the Appendix 5B please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to expend cash at the rate indicated by the Appendix 5B, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the Listing Rules, and in particular, Listing Rule 3.1?

5. Please comment on the Company's compliance with Listing Rule 12.2, with reference to the matters discussed in the note to the rule.

### **Listing Rule 3.1**

Listing Rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult Listing Rule 3.1 and the guidance note titled "Continuous disclosure: Listing Rules 3.1 – 3.1B".

If the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under Listing Rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response may be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me by email. It should not be sent to ASX Market Announcements.

Unless the information is required immediately under Listing Rule 3.1, a response is requested as soon as possible and, in any event, not later than **9.30am AEDT on Monday, 9 February 2015**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries, please do not hesitate to contact me.

Yours sincerely,

*[Sent electronically without signature]*

Lux Wigneswaran  
**Principal Adviser, Listings Compliance (Sydney)**