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FOR PUBLIC RELEASE

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

Dear Madam

LONGREACH OIL SIGNS BINDING TERM SHEET TO ACQUIRE THE REMAINING 95% OF STARLOGIK IP LLC

Highlights

- Longreach Oil Limited (ASX: LGO) has signed a binding term sheet to acquire the remaining 95% of Starlogik IP LLC ("Starlogik") it does not currently own.
- The acquisition is conditional on LGO raising AUD\$8 million, which LGO proposes to do via an offer made under a prospectus to wholesale investors only.
- Under the transaction, existing LGO shareholders obtain a 74% increase in their aggregate indirect interest in Starlogik from 5% to 8.3% without needing to invest further capital.
- The Starlogik vision is to connect the billions of people who do not have the disposable income to pay for access to mobile networks, giving them the best chance to lift themselves out of poverty. Starlogik inventions position it to become the world's leading partner for telecommunication carriers to develop solutions for the developing world.
- With over a decade of R&D, Starlogik has developed and patented the first free & profitable mobile offering in the world. Uniquely positioning itself as leaders innovating "in the channel" (ITC), Starlogik advances three core carrier verticals: Mobile Voice, Text and Payment, to deliver next generation services in the cloud. Innovating in the channel leverages \$100B legacy assets and native handset functionality to pivot core network services. It is the most effective strategy and response to the OTT (Over The Top) onslaught facing carriers. All Starlogik services are seamlessly hooked into the cloud, centrally and globally serviced on a zero software distribution model since no software modification is required on handsets.
- There are 3.7 billion unique mobile subscribers, delivering over AUD\$1 trillion of revenue per annum to mobile carriers.
- While mobile revenue is plateauing, driven down by falling ARPU (average revenue per user), Starlogik can now provide carriers with profitable access to the largest unaddressed telecom market

globally. This market comprises the 1 billion people who regularly run out of credit, and the 3 billion who, up until the Star solution, have not been able to afford mobile service.

- Starlogik completed a pilot in a regional subsidiary of a global carrier, which resulted in one of the fastest growing and most rapidly adopted services in the history of the carrier.

About Starlogik

Starlogik is a privately funded company incorporated in the USA specialising in developing advanced telecommunications solutions with a vision to connect the billions of people at the 'bottom of the pyramid' without access to telecommunications.

Starlogik has invented the first FreePay mobile service portfolio, free to consumers, and yet uniquely profitable for carriers, delivering a zero cost mobile proposition for the developing world. Designed to address the extremely challenging emerging market landscape, Starlogik connects the o3B (other 3 billion) with zero carrier investment leveraging existing network assets.

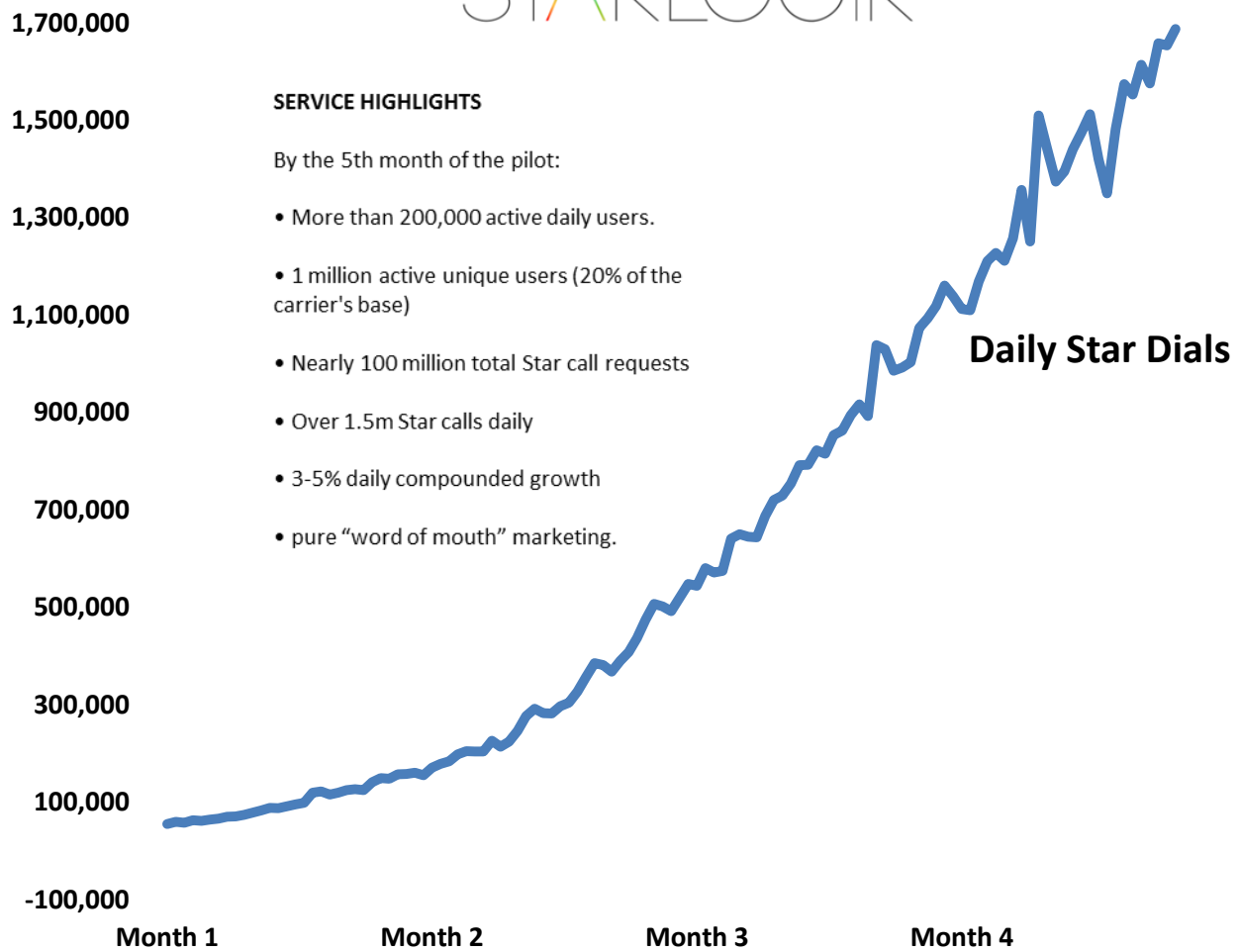
Founded on breakthrough advances in signalling and switching, Starlogik delivers a universal cloud hosted telecommunication system which works on any network and telephone without change, operating uniquely on the Star (*) key embedded in every mobile phone.

The flagship service delivers core new end-to-end signalling capability without changing the network. Users simply Star dial to 'ping' the established paying base for call back, seamlessly reversing the connection and spend in a calling party pays world. Return calls lock in quantum mobile terminating revenue for life, monetizing the single largest untapped market for mobile phone carriers, the other three billion people who cannot afford to feed a phone. The mass "miss calling" phenomenon, where users disconnect before answer as their primary means of communication, currently accounts for an astounding 25% of all calls globally.

Starlogik has been recording a global intellectual property portfolio with more than 100 patent applications granted in more than 40 jurisdictions.

Starlogik has recently begun demonstrating its core signalling capabilities to carriers worldwide and has successfully completed multiple product and technical due diligence phases at leading carriers. Starlogik deployed an exceptionally successful pilot in a regional subsidiary of a global carrier. Integration took less than 5 minutes and Starlogik delivered one of the fastest growing and most rapidly adopted services in the history of the carrier. Starlogik acquired 25% of the market in just 4 months on stealth word of mouth marketing. Over 1 million active monthly users sent 80 million star requests generating over 15 million call back minutes of use. The graph below shows the exponential take up of the Star service without any marketing spend.

STARLOGIK



Starlogik has also recently commenced pilots in two Asian regions and is in various stages of discussions with a number of additional carriers across Africa, SE Asia and Latin America to pilot the Star service.

Starlogik Team

In connection with the acquisition, the founders of Starlogik, Ari Kahn and Terry Shatenstein, will continue to run the business. They are leaders in the field of telecommunications, specializing in the convergence between mobile and internet technology and have successfully launched similar global scale solutions:

ARI KAHN

Mr Kahn held the position of lead data and R&D head at MTN SA (Mobile Telephone Networks) over an eight year tenure, reporting directly to the Group Chairman, Operator CEO and Executive Directors in Marketing and Operations.

During this period, he designed, developed and deployed a pioneering set of mobile messaging and data solutions connecting and servicing 100+ million user communities on shoestring budgets. These innovations included the largest wireless web community in the world (MTNsms) that served over 1 billion text messages in just 12 months, and "Callme" the most successful VAS in the history of cellular. Callme reached market saturation in just 60 days, currently delivers over 1 billion callback requests a month in South Africa alone, and has generated an estimated \$10B in call back revenue for the incumbent operators over the past decade. Most major carriers around the world have since adopted the Callme service.

Ari was awarded "Alien of extraordinary ability" classification by the US Government, a category of first preference visas allocated to individuals who have risen to the very top of their field of endeavour.

TERRY SHATENSTEIN

Mr Shatenstein is a successful entrepreneur with fifteen years of international commercial experience across Europe, Africa and Asia, specializing in the wireless, digital media and Internet sectors. In 1998 he successfully co-founded Streetcar.com, one of South Africa's first e-commerce retail initiatives. The company was the Business Day Internet Company of the Year in 2000 and one of the Financial Mail Bain & Company Top 10 Internet companies.

As founder and CEO of the Mobile Data Lab, Mr Shatenstein was responsible for incubating a number of leading mobile technologies and businesses including Midlet Earth, Lite Play Networks, and Airgames Media. Mr Shatenstein served as Group VP Business Development for Spin3 – a world-leading mobile gaming systems provider. In 2005 he sold Airgames to Primedia Ltd, one of South Africa's largest listed media groups.

Drew Kelton to be appointed Chairman

We are pleased to announce that Drew Kelton has agreed to become Non-Executive Chairman of LGO effective 1 March 2016. Mr Kelton is a global business leader with over 30 years experience in the information communications technology and telecommunications industries. He is currently the Managing Director for Docusign Inc. in the Asia-Pacific, the Non-Executive Chairman of Mobile Embrace Ltd (ASX: MBE) and First Wave Technology Ltd and a Non-Executive Director at Enice Ltd (ASX: ENC) & Megaport Ltd (ASX:MP1).

Mr Kelton has held senior operational roles in the UK, Europe, India, US and Australasia. In addition to executive leadership roles, Mr Kelton has been responsible for start-ups, M&A transactions, and IPO activities.

Previous to Docusign, Mr Kelton was the Executive Vice-President of business markets at T-Mobile USA, responsible for developing and executing their latest operational strategies in a \$7 billion dollar division. Prior to that, he was the President of Bharti Airtel Business in India and SE Asia, as well as Managing Director of Telstra International.

Mr Kelton holds a Bachelor of Science with commendation in Electrical and Electronic Engineering from the University of Western Scotland. He is a chartered engineer with the Institute of Electrical and Electronic Engineers.

Justin Rosenberg will continue as Executive Director and Company Secretary of LGO.

Key Acquisition Terms

Subject to conditions precedent, LGO will acquire the remaining 95% of Starlogik units for approximately 496 million post-consolidation LGO shares (the "Transaction").

Subject to regulatory approvals, the parties have agreed that the founders may opt to receive up to AUD\$1,000,000 of the LGO consideration in cash with a corresponding reduction in share consideration. Assuming the founders elect to receive AUD\$1,000,000 in cash, the Vendor's resulting ownership of LGO (and therefore Starlogik) will be 83.99%.

In connection with the Transaction, LGO intends to complete a consolidation of its issued capital on a 25:1 basis.

Conditions precedent for the completion of the acquisition will include:

- LGO obtaining all regulatory and shareholder approvals which are anticipated to include approvals:
 - to issue the consideration shares;
 - to approve a change to the nature of its business from a mining exploration company to a technology company;
 - to change the name of LGO to Starlogik Limited;

- to issue shares in LGO under a capital raising of AUD\$8m; and
 - to consolidate LGO's shares on issue on a 25:1 basis.
- The results of the financial and legal due diligence on Starlogik being satisfactory to LGO.
 - LGO completing a capital raising of AUD\$8 million to be conducted at a minimum post-consolidation issue price of AUD\$0.20 per share. The capital raising will involve the preparation of a prospectus, lodging the prospectus with the Australian Securities and Investments Commission, and receiving sufficient applications to meet the minimum subscription under the prospectus.
 - Starlogik obtaining advice confirming the taxation treatment of the Transaction.
 - LGO receiving confirmation from ASX that it will, upon completion of the acquisition of Starlogik, have complied with Chapters 1 and 2 of the ASX Listing Rules and will therefore be re-instated to trading, with the terms of the letter acceptable to LGO and Starlogik
 - The Vendors are to enjoy scrip for scrip taxation relief to receive shares in LGO as consideration for the sale of units in Starlogik.
 - LGO to be clear of any mining assets or liabilities
 - Starlogik will have the right to select a new Board, with the existing LGO shareholders retaining the right to appoint one Board member.

LGO will pay a 5% capital raising fee in cash and will issue 4,947,939 post-consolidation LGO shares (being a 1% fee on the transaction) ("Transaction Shares") to corporate advisors in connection with the Transaction.

CAPITAL RAISING

Subject to the receipt of shareholder approval, LGO will undertake a capital raising of AUD\$8 million by way of an offer made under a prospectus to wholesale investors only. The proceeds of the raising are to go to business development of the Starlogik portfolio, development of new products, cash consideration due to the Starlogik vendors (maximum of AUD\$1m) and transaction costs.

To enable its existing retail shareholders to participate in the raising, LGO is also considering conducting an offer by way of a Shareholder Share Purchase Plan (SSPP). The details of any proposal for an SSPP will be released once finalised.

RE-COMPLIANCE WITH CHAPTERS 1 & 2 OF ASX LISTING RULES

LGO anticipates that the Transaction will constitute a significant change in the nature and scale of its activities which will require LGO to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules. LGO therefore intends to seek approval for the transaction from shareholders under ASX Listing Rule 11.1.2 and expects that it will be suspended from quotation between the date on which shareholder approval is obtained until such time as it completes the Transaction and recomplies with Chapters 1 and 2 of the ASX Listing Rules. The Company will consult with ASX regarding the structure and implementation of the proposed transaction.

PRO FORMA CAPITAL STRUCTURE AND EFFECT ON THE COMPANY

Following the capital raising, acquisition and consolidation the indicative effect of the Transaction on the LGO's capital structure will be:

Holder	Shares	%
Existing Shareholders	48,573,333	8.32%
Consideration to Starlogik shareholders	489,793,864	83.99%
Wholesale offer (AUD\$8 million)	40,000,000	6.85%
Transaction Shares	4,947,939	0.84%
TOTAL	583,315,136	100%

Notes to Table:

- *Upon completion of the Transaction, LGO will also have 2,400,000 post-consolidation unlisted options on issue with a post-consolidation exercise price of AUD\$0.075 (7.5 cents) and an expiry date of 25 February 2018.*
- *All numbers in the table above are on a post-consolidation basis and subject to rounding for fractional entitlements.*
- *The table above assumes that the consideration payable to the Starlogik vendors is paid through a combination of LGO shares and AUD\$1 million in cash. The number of consideration shares issued to Starlogik shareholders would increase if this option was not implemented.*

The transaction will have a material effect on the Company's total assets and total equity interests. Information about the likely effect of the transaction on the total assets and total equity interests of the Company will be set out in documentation provided to the shareholders in connection with seeking the approvals necessary to implement the transaction and in the prospectus issued in connection with the capital raising.

Indicative Timetable

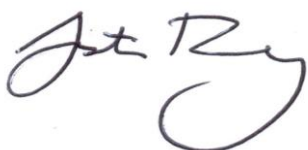
Event		Timing
1	Execution of formal Share Exchange Agreement	25 April 2016
2	Dispatch Notice of General Meeting seeking approval for the acquisition of Starlogik	8 May 2016
3	Target date for lodgement of capital raising prospectus	15 May 2016
4	General Shareholder Meeting to approve the acquisition of Starlogik	11 June 2016
5	Closing date of offer under the capital raising prospectus	19 June 2016
6	Dispatch of holding statements	22 June 2016
7	Target date for re-quotation of Shares (including Shares issued under the Capital Raising) on ASX	1 July 2016

Note: The above dates are indicative only and may change without notice.

LGO will provide further updates as the Transaction progresses. In the meantime, all enquiries should be directed to LGO's office via lgo@longreachoil.com or +61 2 8277 6655 or myself.

For and on behalf of

Longreach Oil Limited



J Rosenberg
Chairman