



# LONGREACH OIL LIMITED

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**PLEASE ADDRESS ALL CORRESPONDENCE TO GPO BOX 4246, SYDNEY NSW 2001**

29 April 2011

**e-Lodgement  
FOR PUBLIC RELEASE**

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

Dear Madam

**QUARTERLY ACTIVITIES REPORT  
FOR THE QUARTER ENDED 31 March 2011**

**(ASX code: LGO)**

Longreach Oil has direct interests in Oil and Gas and Renewable Energy joint ventures. It also has indirect interests in oil exploration, production and coal exploration through its shareholdings in listed, unlisted and private companies.

## **OIL & GAS**

### **WESTERN AUSTRALIA**

#### **Onshore Carnarvon Basin - EP-439, EP-460 and EP-461**

Since the end of the quarter, the EP - 439 joint Venture has been advised by Lion Petroleum Pty Ltd that it is not proceeding with the farm-in agreement.

The current participants and interests in the permits are as shown below:

<b>Company</b>	<b>% Interest EP-439 and EP-461</b>	<b>% Interest EP-460</b>
Rough Range Oil Pty Ltd - Operator (subsidiary of Empire Oil & Gas N L)	69.22	68.57
<b>Longreach Oil Ltd</b>	<b>11.33</b>	<b>11.69</b>
Indigo Oil Pty Ltd	5.67	5.845
Falcore Pty Ltd	3.15	3.245
Vigilant Oil Pty Ltd	0.63	0.65
Jurassica Oil & Gas Plc (farminee)	<u>10.00</u>	<u>10.00</u>
	<u>100.00</u>	<u>100.00</u>

**OIL & GAS (cont'd)****Onshore Surat Basin - Petroleum Leases No. 18 and No. 40**

Brisbane Petroleum Ltd holds a 50% interest in each of these Petroleum Leases. Production from PL-18 during the quarter was about 270 barrels of oil.

The recoverable oil in place in these leases has been assessed by Mr George Comanos (Petroleum Engineer defined as a competent person) in the range of 3.9 million barrels (MMB) to 6.8 million barrels (MMB).

Brisbane Petroleum Ltd is an unlisted public company and proposes to become listed on the Stock Exchange. Longreach Oil shareholders will be given an opportunity to participate at that stage.

**Longreach has an equity interest of 20% in Brisbane Petroleum Ltd.**

**Onshore Surat Basin - Petroleum Lease 280**

A 21 year lease, Petroleum Lease 280, effective 1 August 2010, was granted by the Queensland Department of Employment, Economic Development and Innovation (Petroleum Division) to the joint venture parties, Brisbane Petroleum Ltd and Longreach Oil Ltd.

P.L. 280 comprises 90 sq. kms (about 22,000 acres) and covers two earlier oil discoveries - McWhirter, with estimated recoverable oil reserves of 200,000 to 600,000 barrels of oil, and Beardmore, with 400,000 to 800,000 barrels of recoverable oil. The shut-in McWhirter #1 well may be re-entered and a 3D seismic survey of the area is proposed.

This Petroleum Lease is a valuable addition to the Company's assets as the location in the Surat Basin is well-known for oil and gas discoveries.

**Longreach holds a 50% direct working interest in this Petroleum Lease, and a 20% equity interest in Brisbane Petroleum Ltd, which holds the other 50% interest.**

**URANIUM - BURKINA FASO, WEST AFRICA**

Longreach Oil previously held a 20% interest in two Exploration Permits for uranium, in north-eastern Burkina Faso. These tenements cover an area of 500 sq. kms. The government of Burkina Faso has increased annual rentals for uranium exploration licences to extraordinarily high levels and this action has very markedly increased the costs and risks of grassroots uranium exploration in that country.

This project was a joint venture with Southern Cross Exploration N L and CrossContinental Uranium Ltd (Operator), a Canadian company. The Operator has given notice of withdrawal from the joint venture and Longreach Oil will now be entitled to a 30% interest in the licence. Future operations are under review.

**RENEWABLE ENERGY - NEW SOUTH WALES****E.L. 6212 - Hot Rocks - Group 8 Minerals (Geothermal) - Sydney Basin**

Exploration Licence 6212, comprising an area of 1,390 km<sup>2</sup>, is located in the Sydney Basin, commencing from south of Campbelltown and extending close to the industrial areas of Wollongong/Port Kembla. The joint venture has conducted gravity surveys to determine the next prospective drilling locations. Following renewal of the licence until March 2013, the existing geological data is being re-examined and possible drilling locations will be defined.

**Longreach Oil holds 50% of the area and Hot Rock Energy Pty Ltd (Operator), an independent private company, holds the other 50%.**

**COAL INTERESTS****- NEW SOUTH WALES**

Longreach Oil has a shareholding interest of twenty per cent (20%) in a private company with coal exploration interests in New South Wales. Acquisition of additional exploration areas in New South Wales and elsewhere prospective for coal is under examination.

**- INDONESIA**

The Company already has an investment in a coal mining project in Indonesia. Longreach Oil has a right to share a fixed sum (similar to a royalty) after coal sales commence. Mining operations and production of coal have been delayed for various reasons.

**GENERAL**

Longreach Oil continues to seek prospective exploration and/or mining projects in Australia and overseas. Coal, oil and gas and other energy minerals, are the principal targets.

Longreach Oil is participating in the promotion of a new Oil and Gas Exploration and Investment company Offshore Oil Ltd, in which it is at present a major shareholder. Longreach Oil shareholders will receive priority entitlement in due course.

**EXPENDITURE**

Expenditure for the quarter was \$80,000.

For and on behalf of

Longreach Oil Limited

Peter Hetherton  
Secretary