



LONGREACH OIL LIMITED

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23 November 2011

e-lodgement

FOR PUBLIC RELEASE

Manager - Companies
Australian Securities Exchange
20 Bond Street
Sydney NSW 2000

Dear Madam

Re Brisbane Petroleum Limited - Sale of Main Undertaking

This is to advise that Brisbane Petroleum Limited (BPL) has entered into an agreement to sell all of its exploration and production assets which it holds in the Surat Basin, Queensland, being 100% of Petroleum Leases 18 and 40 and 50% of Petroleum Lease 280.

The sale is subject to the approval of the shareholders of BPL at its Annual General Meeting to be held on 20 December 2011.

Longreach Oil holds close to a 20% interest of the share capital of BPL and will retain a 50% interest in Petroleum Lease 280.

If the transaction proceeds to completion, BPL will receive consideration comprising deferred cash of US\$1,641,000 in Promissory Notes (with a 12 month maturity and secured over the sale assets) plus shares in a company listed on NASDAQ OTC Bulletin Board Exchange with an agreed value of US\$1,641,000 - total of US\$3,282,000.

BPL will also be entitled to production royalties of 1.5% on the three leases.

Directors of BPL have advised its shareholders that the cash to be received from the sale will be used to repay liabilities, fund running costs and make a distribution by way of dividends to shareholders. The share component of the consideration will be sold by BPL over time as appropriate.

Directors of Longreach Oil believe the proposed sale will be beneficial to Longreach, as apart from LGO's shareholding in BPL, based on the value placed by the agreement on the average estimated recoverable oil reserves in Petroleum Lease 280, the value of the 50% interest in that lease held by Longreach Oil is about \$600,000, compared with LGO's book value of \$80,000.

Directors believe that this information - which is now in the public arena through the Notice of Meeting sent out to some 200 shareholders of BPL - requires disclosure under the Continuous Disclosure requirements of Chapter 3 of the Listing Rules of the ASX.

For and on behalf of
Longreach Oil Limited

P Hetherton
Secretary