
Longreach Oil and Gas Ltd.

Corporate Presentation



October 2010

A Member of the TSX-V: LOI

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Longreach – Set for Growth

- Longreach Oil and Gas Ltd. is a resource company established to exploit highly prospective assets in Northern Africa
 - ✓ **High impact / high reward exploration**
 - ✓ **Near term upside value**
 - ✓ **Strong funding position**
 - ✓ **Proven Management team and Board**
 - ✓ **Stable and positive fiscal and political environment**

Financial Overview

- 24/09/10 - Longreach closes its qualifying transaction and concurrent private placement
- 04/10/10 – Listing and commencement of trading
 - Longreach’s stock symbol is LOI on the TSX-V
- Longreach’s share capital is
 - Total Shares Outstanding 13,683,333
 - Free Float 46%
- Proceeds from private placement \$3.5m

Concession Summary

Licences

Onshore, Zag Basin

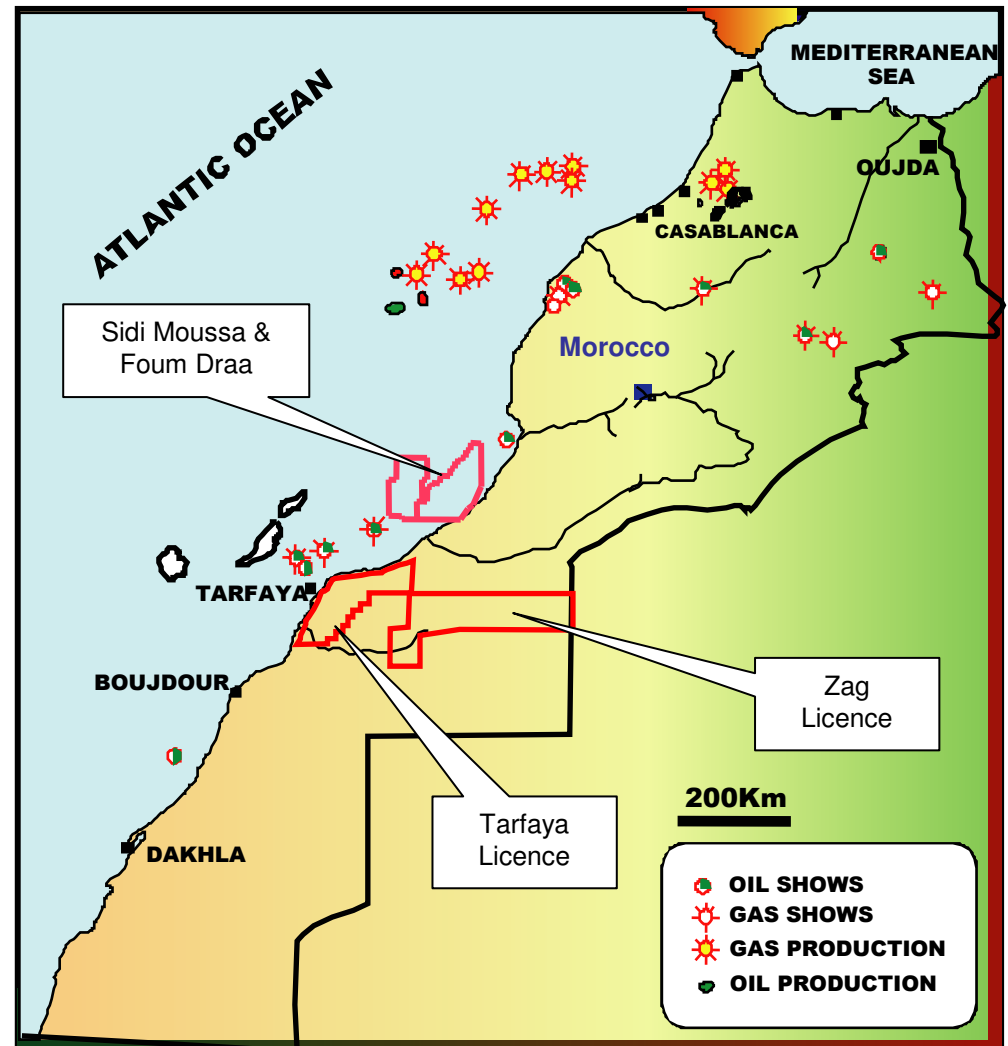
Exploration License (30% W.I.*)
 Further seismic program underway
 Exciting shale gas potential with enormous structures identified
 Resource potential **5-10 TCF**

Offshore, Sidi Moussa & Foum Draa

Exploration License (10% W.I.*)
 Significant highly quality 3d Seismic in place
 Multiple Leads, proven operator
 Best Estimate **3,285 MMbbl**

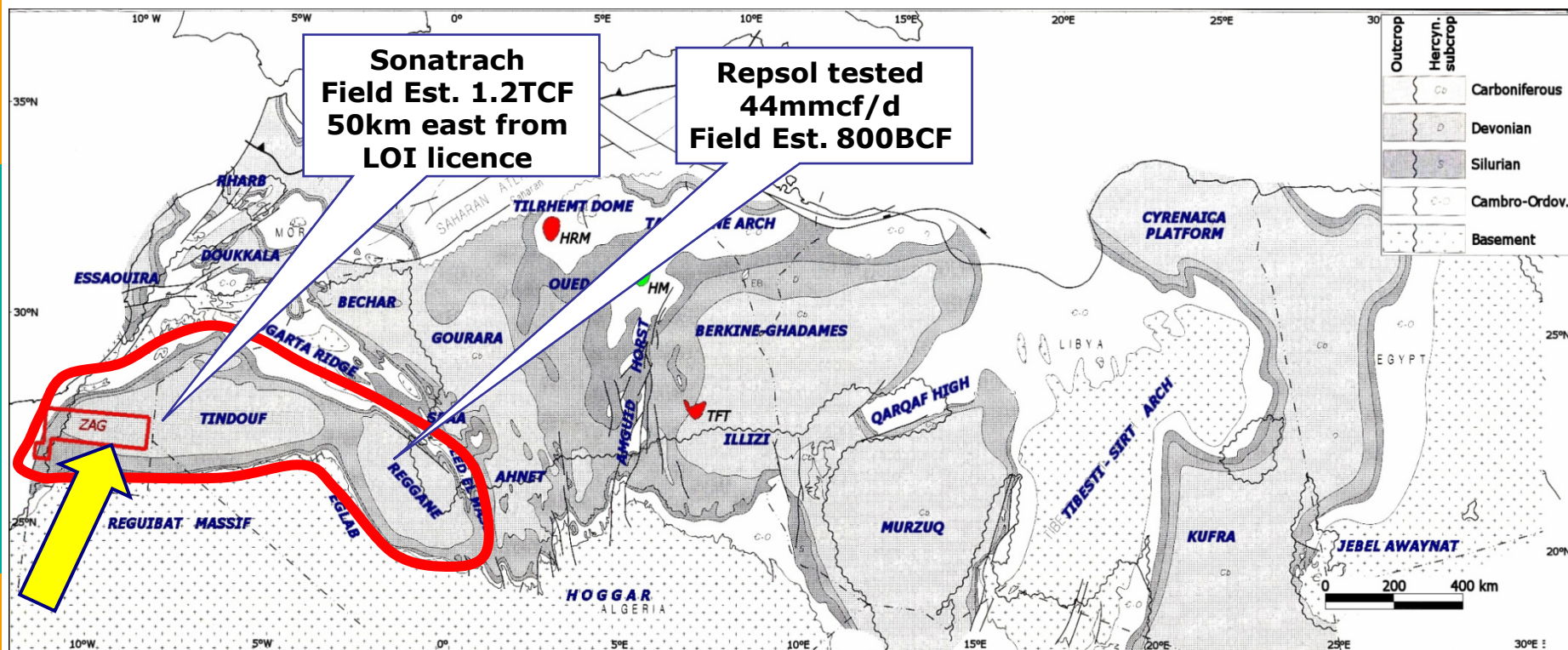
Onshore, Tarfaya

Exploration License (30% W.I.*)
 Further seismic program underway
 Multiple Leads identified (currently 15 leads)
 Best Estimate **711 MMbbl**



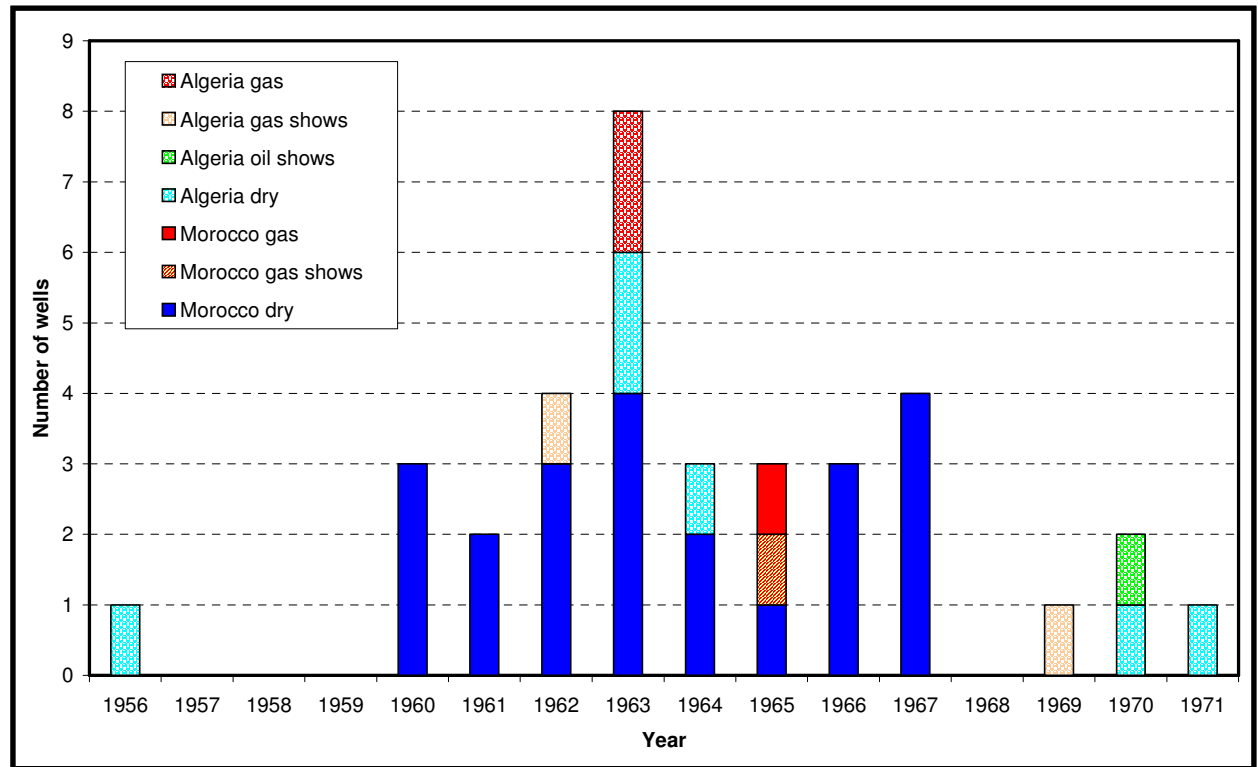
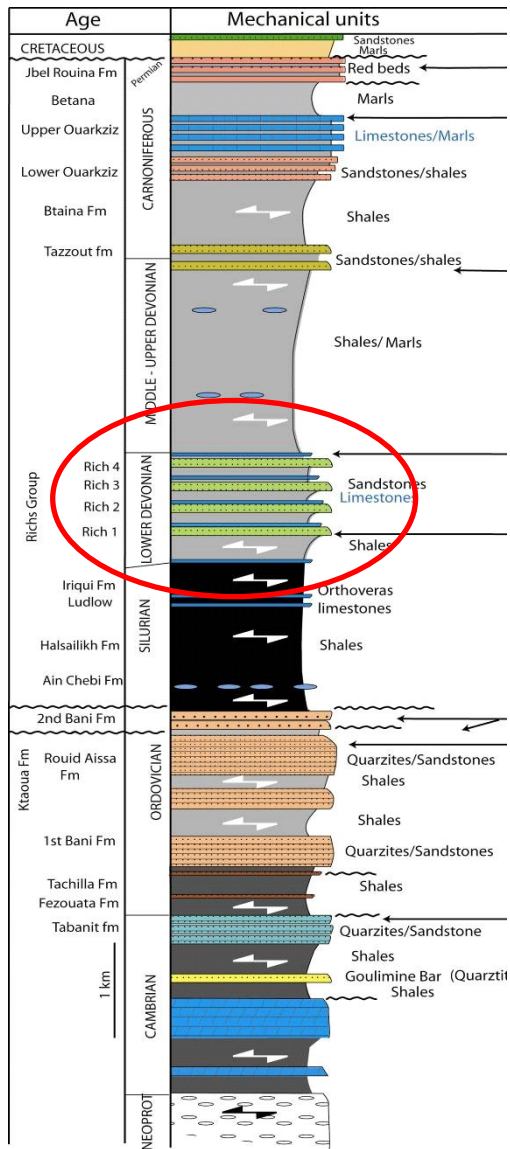
* Longreach's interest reduces to 7.5% & 22.5% respectively if ONHYM, the State owned oil company, exercises its earn in right in the event of a commercial discovery. ONHYM pays their share of costs going forward following development decision

Zag Basin - Last unexplored area of a proven basin



- ❑ The Paleozoic and Triassic successions contain some 43% of the known oil and 84% of the known gas resources of the entire North African region, some 47bn boe discovered to date
- ❑ Zag is the Moroccan Paleozoic basin, with a proven hydrocarbon system
- ❑ The last unexplored area of the Paleozoic system
- ❑ Huge upside potential without political risk

Drilling History of Zag Basin



- Wells drilled pre seismic
 - Targeting Devonian
- Numerous hydrocarbon shows & discoveries
- Oil & Gas seeps recorded on licence

Zag - Summary

Geology

- ❑ Prospective Reservoir: Paleozoic
- ❑ Source Rock: Lower Silurian (Primary Source)
- ❑ Trap: Fault blocks and folded anticlines
- ❑ Depth: 1,500-5,000m

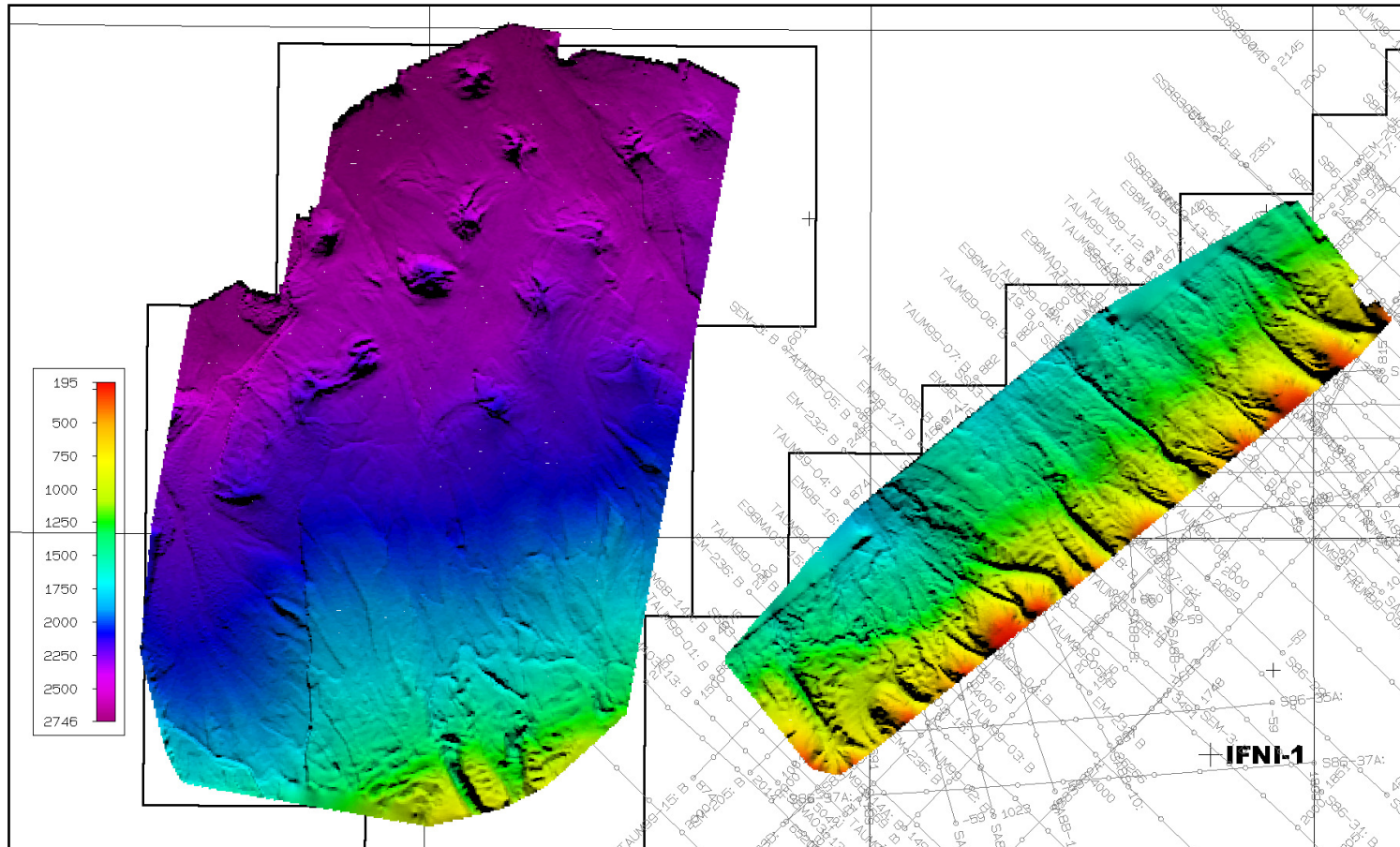
Work Programme

- ❑ 15,000km Aeromag study complete
 - Enormous structures identified
- ❑ G&G studies complete
- ❑ Data Sharing with Suncor (PetroCanada)
 - Now understand full potential of basin
- ❑ To do
 - 500km 2D seismic programme, targeting main structures

Economics

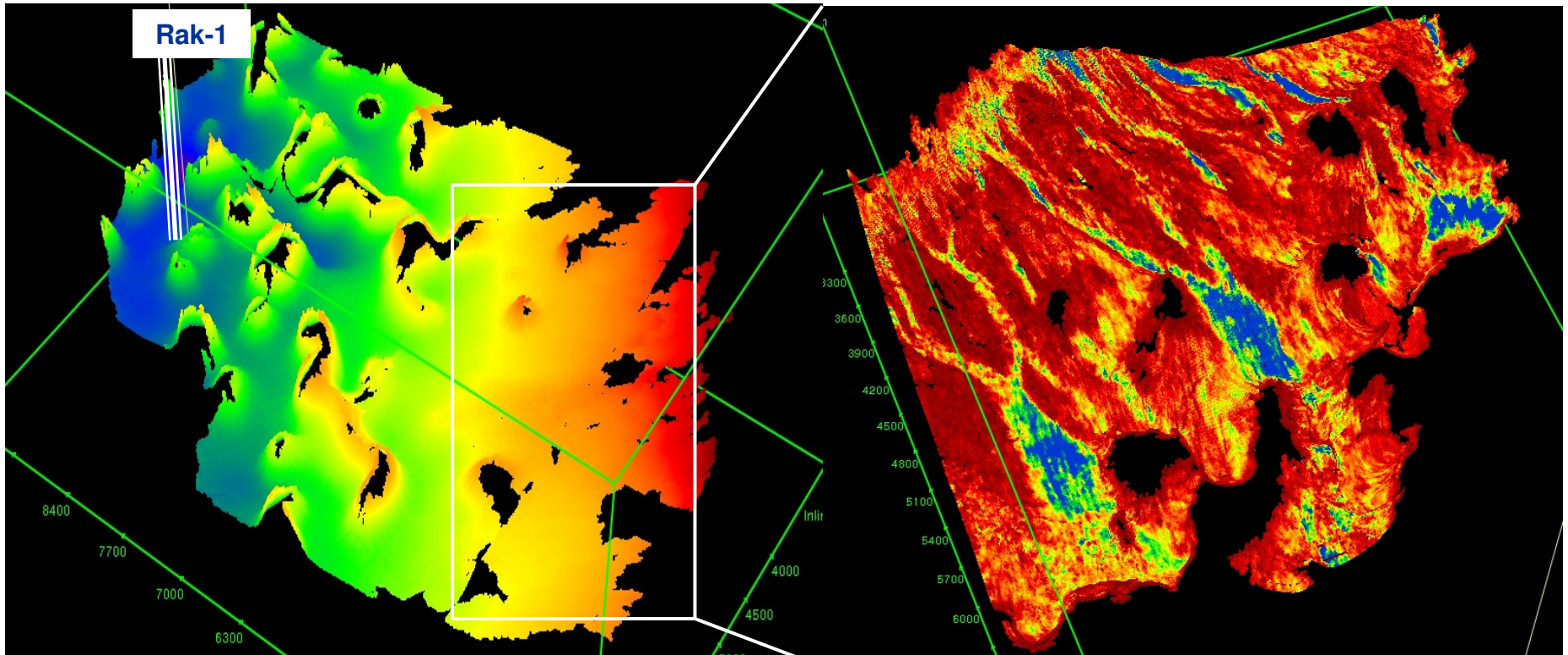
- ❑ Gas discoveries on Zag are easily monetised
 - Proximity to local industry and population
 - Domestic market gas hungry - \$7.8/mcf

Offshore – Best explored licence in Morocco



- ❑ 5,200km² of 3D seismic and 2,000km of 2D complete
- ❑ Serica (Technical operator) reprocessing now
- ❑ Multiple leads identified

Depositional environment



- ❑ Illustration of Miocene showing location of Rak-1
- ❑ A typical example of Jurassic migration over the salt diapirs
- ❑ Aerial extent of Features are 50-60km²
- ❑ Water depth 1500-1600m

Offshore - Resource Potential

Sidi Moussa and Fom Draa Licences					
Licence	Prospective Resources (MMBBLs)				
	Gross (100%)			Longreach net interest	
	Unrisked		Risked - P90	Unrisked	Risked - P90
	High Estimate	Best Estimate	Best Estimate	Best Estimate	Best Estimate
Sidi Moussa Offshore	-	1,424	99.7	106.8	7.5
Fom Draa Offshore	7,437	1,861	130.3	139.6	9.8
Total	7,437	3,285	230.0	246.4	17.2

Source: ONHYM data, Shell (Enterprise)

Note: Assuming ONHYM back in and therefore a Longreach interest of 7.5%

FOUM DRAA

- 3D Prospects & leads inventory: total 45
 - 19 Lower Tertiary leads
 - 5 Upper Cretaceous leads
 - 16 Lower Cretaceous leads
 - 5 Jurassic leads

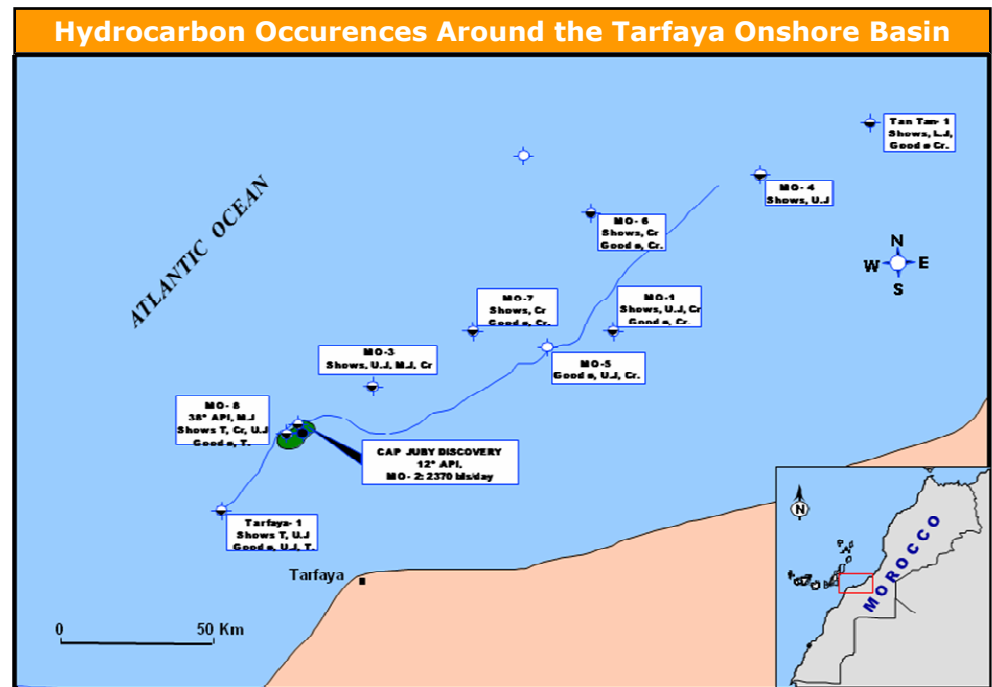
SIDI MOUSSA

- 3D Prospects & leads inventory: total 9
 - 3 Tertiary
 - 1 Upper Cretaceous
 - 1 Lower Cretaceous
 - 4 Jurassic

Tarfaya - Background

Key discovery

- Cup Juby – 40km from Tarfaya licence
- MO-2 well tested 2,377 BOPD of 12° API from Upper Jurassic
- MO-8 encountered light oil (38° API) at the Lower Jurassic
- Discoveries indicate a working hydrocarbon system is in place

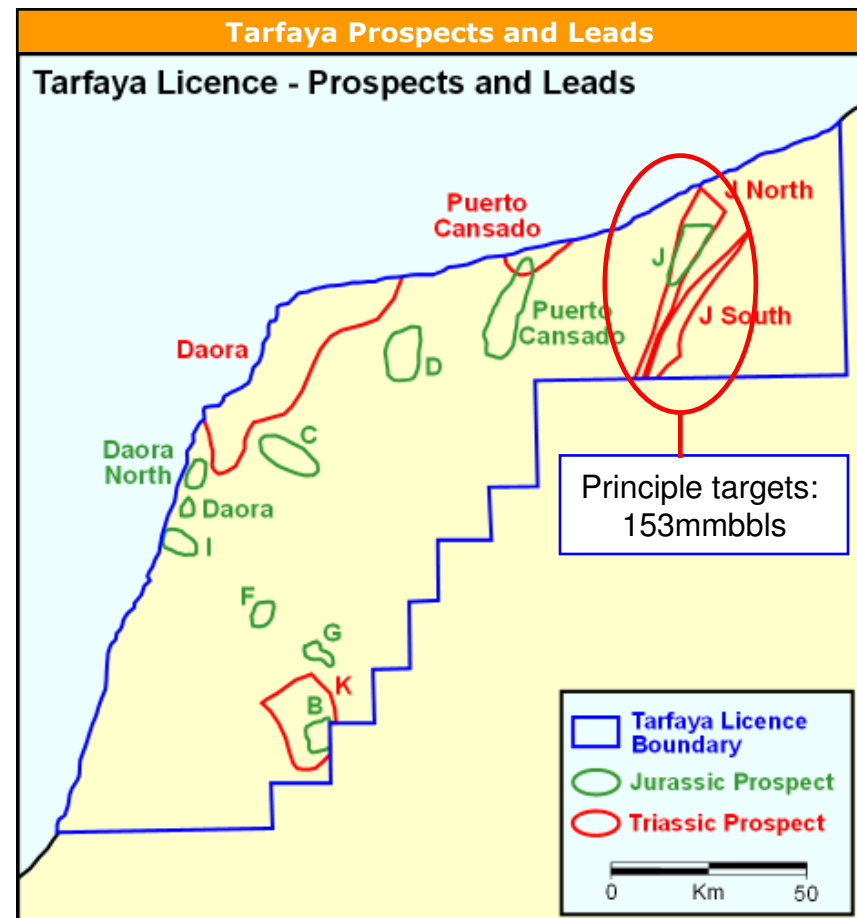


- Ten exploration wells were drilled in the licence area between 1961 and 1972
 - Gas shows were encountered in Triassic sandstones in the Chebika-1 well
 - Oil shows have been recorded within the Jurassic and Cretaceous in both the onshore and offshore parts of the basin

Tarfaya Opportunity – Near term upside

- ❑ 1,415km 2D Seismic reprocessing complete, with excellent results
- ❑ 15 Principle leads already identified
- ❑ Next stage 500km of infill 2D seismic to further prove up principle prospects
- ❑ Principle exploration targets are all together
- ❑ Drill targets to be identified by early 2011
- ❑ Onshore well cost estimate: \$7m
- ❑ ONHYM has available for use 2 onshore rigs, with depth capability of 3,500m and 5,000m

Tarfaya Geology	
Prospective reservoirs	Jurassic carbonates and Triassic clastics
Reservoir depth	Jurassic: 2,500 to 4,000m Triassic: 4,000 to 5,200m
Hydrocarbon Source Rocks	Jurassic marine shales and Silurian shales
Trap Style	Faulted horsts, tilted fault blocks and structural noses



Resource Potential – Tarfaya Basin

- Netherland, Sewell & Associates, extensive resource estimate for the Tarfaya licence:

Tarfaya Licence				
Category	Prospective Resources			
	Gross (100%)		Longreach Interest*	
	Unrisked Oil (MMBBL)	Risked Oil (MMBBL)	Unrisked Oil (MMBBL)	Risked Oil (MMBBL)
Low Estimate	133.8	8.5	30.1	1.9
Best Estimate	711.3	40.5	160.0	9.1
High Estimate	3878.6	195.9	872.7	44.1

Source: Netherland, Sewell & Associates

* Assuming ONHYM back in and therefore a Longreach interest of 22.5%

Exploration with incentive

Political & Economic Stability

- GDP growth of 5.8% in 2008 and 7.3% in 2006
- Fitch Sovereign risk rating: BBB with stable outlook

Fiscal Attraction

- 2000 – King introduces new hydrocarbon code
- Regarded as one of the most favourable fiscal regimes worldwide`
- Exploration permits grow from 9 in 1997 to 126

Oil & Gas Fundamentals

- Net Importer - 78% of gas consumption and 99% of oil consumption
- Demand growing at 6.5% per year – faster than China!
- Energy bill 2009: US\$5 billion
- One of the largest energy consumers in Africa
- Population: 35 million

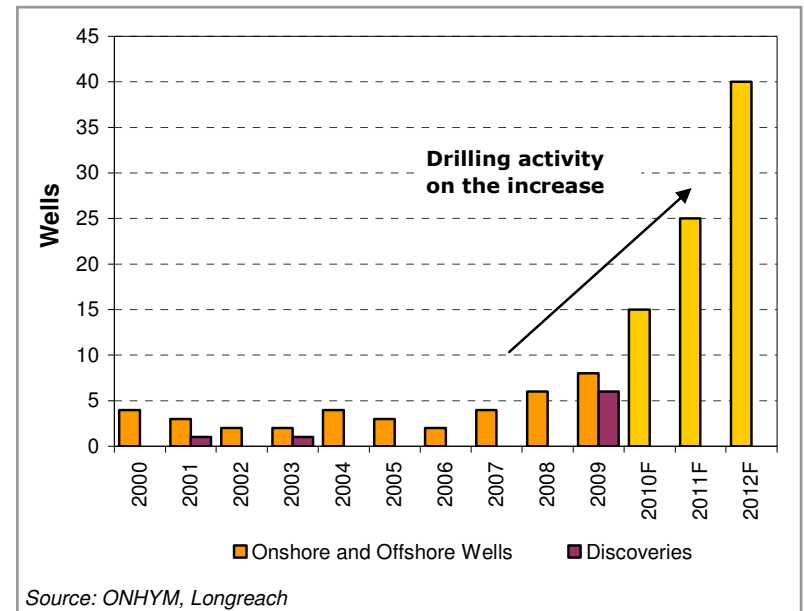
Comparative Economics		
	Morocco	Algeria
Oil Royalty	10%	Up to 50%
Gas Royalty	5%	Up to 50%
Corporate Tax	32%*	20%
State Participation	25%	Up to 90%
Oil Price	Spot	Spot
Gas Price/\$mcf	7 to 8	Europe
Oil NAV	>\$40/bbl	<\$20/bbl
Gas NAV	>\$2.5/mcf	<\$1/mcf

* 10 year tax break per discovery

Source: Longreach estimates

Exploration Activity – An exciting future

- An Under-Explored Past
 - 3,500km of coastline, only 31 wells drilled offshore
 - Many sedimentary basins remain sparsely explored
 - Current well density of 0.04 wells/100km² versus global average of 8 wells/100km²
- Recent Success
 - 2009 – 9 wells, 7 successes
 - Circle Oil – gas discovery which tested at 19.24 mmcfpd
 - Dana Petroleum - gas well with estimated reserves of 110 BCF and huge upside potential
- Proven names exploring in Morocco



Management Team & Board

Management

- **Chairman, CEO - Bryan M. Benitz**
 - Over 40 years of experience within the natural resources industry.
 - Chairman Emeritis of MagIndustries, Director Africa Oil
 - Recent successes:
 - Tanganyika Oil (\$2.1bn to SINOPEC)
 - Scandinavian Minerals (\$281m to First Quantum)
 - Former member of the Toronto and New York Stock Exchanges
- **Director, COO – Andrew Benitz**
 - Deutsche Bank Oil and Gas corporate finance team
 - Deutsche Bank ECM team
 - \$180 million equity raise for Petrol Ofisi
 - Founder of Titan Properties
 - BComm (Hons) Edinburgh University
- **VP Operations – Jay Bhattacharjee**
 - 14 years experience as a reservoir engineer,
 - Previous experience at
 - Apache – Key member of unconventional gas program
 - Pengrowth Management.
 - Scotia Waterous
 - Devon's divestiture of its African portfolio for \$3bn
 - Chemical & Petroleum Engineering U of Calgary
- **Interim CFO – Michal Holub**
 - Previous experience:
 - Controller with RedStar Oil & Gas
 - Chartered Accountant with BDO Dunwoody LLP
 - Senior Manager in the assurance and accounting, key experience with junior oil and gas companies

Board of Directors

- **Non Executive Director - Yogeshwar Sharma**
 - CEO of Hardy Oil and Gas
 - 35 years of international oil and gas industry experience, with particular emphasis in Reservoir Engineering and Field Management.
 - Previous experience:
 - Schlumberger Doll Research in the USA
 - Elf International in France,
 - found 'Elf Geoscience Research Centre' in London.
 - Mech. Eng at U of Alberta
 - Post Graduate U of Calgary in Chemical Engineering.
 - Registered Professional Engineer in Alberta
 - Full member of the SPE and a member of the 'Society of Applied and Industrial Mathematics
- **Non Executive Director, D. Campbell Deacon**
 - 30 years experience as Director/Officer of Public companies
 - Current roles:
 - Chairman/Director of Deacon & Co
 - Chairman of Azure Dynamics
 - Previous experience
 - Chairman/Founder of UTS Energy
 - Director of Scandinavian Minerals
 - Director of Deacon BZW
 - Bachelor of Arts, Guelph University
- **Non Executive Director, Technical Advisor – Dr Mahmoud Zizi**
 - Over 30 years of experience as a petroleum geologist,
 - 27 years at ONHYM, where he holds key relationships
 - Awarded his doctorate from a scholarship at Rice University, Texas.
- **Bryan Benitz, Executive Director**
- **Andrew Benitz, Executive Director**

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A Well Balanced Growth Story

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