



LONGREACH OIL LIMITED

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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 DECEMBER 2008**

(ASX code: LGO)

OIL & GAS

WESTERN AUSTRALIA

Onshore Carnarvon Basin – EP-439, EP-460 and EP-461

The Lake Macleod #1 exploratory well in EP-461 was spudded in on 30 September 2008 and reached a TD of 894m in the Nannyarra Sandstone of Devonian age in early November 2008. No hydrocarbon shows were recorded in the 185m of the generally good quality Nannyarra reservoir. Consequently no tests were performed and the well was plugged and abandoned. The rig was released on 13 November 2008. Failure of the well was either due to a combined lack of seal and reservoir flushing or the immaturity of Devonian marine source rock near the well location.

The joint venturers are currently evaluating future exploration alternative for these permits, which are still very much under-explored.

After drilling of the Star Finch #1 and the Lake Macleod #1 wells, the farminees have earned their interests.

Longreach has a 9.352% in these three permits. The participants in the permits are:

Company	% Interest EP-439 and EP-461	% Interest EP-460
Rough Range Oil Pty Ltd – Operator (subsidiary of Empire Oil & Gas N L)	30.356	22.856
Longreach Oil Ltd	9.352	9.352
Indigo Oil Pty Ltd	4.676	4.676
Falcore Pty Ltd	2.596	2.596
Vigilant Oil Pty Ltd	0.52	0.52
Jurassica Oil & Gas Plc (farminee)	35.00	40.00
Black Fire Energy Ltd (farminee)	7.50	-
DVM International Ltd (farminee)	<u>10.00</u>	<u>20.00</u>
	<u>100.00</u>	<u>100.00</u>

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

Brisbane Petroleum Limited holds a 50% interest in each of these Petroleum Leases. Production from PL-18 during the quarter was 1,057 barrels of oil.

Longreach has a 20% equity interest in Brisbane Petroleum Limited.

Onshore Surat Basin – EPP-755

A 3D seismic survey in the eastern portion of the permit is planned for the first half of 2009, to enable detailed mapping of the McWhirter and Beardmore oil-bearing structures. This is providing that an application for a Petroleum Lease covering the McWhirter and Beardmore structures will be approved in early 2009.

The permit holders are Longreach Oil (50%) and Brisbane Petroleum (50%).

Longreach is the Operator and holds a 50% interest in EPP-755. It also holds a 20% equity interest in Brisbane Petroleum Limited.

AusTex Oil Limited (AOK)

Longreach has a substantial shareholding representing a strategic interest of 10% in AusTex Oil Limited (AOK). AOK has an interest in a number of oil leases in the States of Oklahoma and Kansas, USA through wholly-owned subsidiaries. AOK has participated in the drilling of several oil wells. AOK has options to acquire further joint ventures interests in Kansas. Some of the wells in both Oklahoma and Kansas have been completed as oil production wells.

URANIUM**-Burkina Faso, West Africa**

Longreach has a 20% joint venture interest in two Exploration Permits for Uranium located near the town of Oursi in north-eastern Burkina Faso. The Tin Dioulaf No 07-205 and Agalsa No 07-209 tenements cover an area of 500 sq kms and embrace a major unconformity structure considered to be prospective for uranium deposits.

The other joint venture participants are Southern Cross Exploration N L (original applicant - 60% interest) and Crosscontinental Uranium Limited (20% interest) - a Canadian company jointly-owned by ASX-listed Crossland Uranium Mines Limited (CUX) and Toronto-listed Pancontinental Uranium Corp (PUC).

During the quarter, Crosscontinental (Operator) completed a high resolution airborne spectrometer and magnetometer survey over the tenements. The magnetic data defines the unconformity structure and a number of cross-cutting fault structures. The spectrometer data shows several discrete uranium anomalies in a favourable geological setting, warranting ground follow-up and investigation. One uranium anomaly is approximately 8 to 9 times background. Ground follow-up is expected to commence as soon as field access can be arranged.

RENEWABLE ENERGY

NEW SOUTH WALES

Hot Rocks – Group 8 Mineral – Sydney Basin

Approval by the NSW Mines Department of the joint venture application for the renewal of the southern portion of Exploration Licence 6212 is still awaited.

Longreach has a 50% interest in the Exploration Licence. Hot Rock Energy Pty Limited, an independent private company, holds the other 50% and is Operator.

GOLD

VICTORIA

Woods Point, Royal Standard Group of Mines – EL 4577

Application by a joint venture in which Longreach had a 50% interest for the grant and/or the renewal of these tenements, near Woods Point, was refused some years ago, after long delays due to unresolved Native Title claims. The matter remains under review.

Longreach would obtain a 50% interest in the Exploration Licence if it is granted.

EXPENDITURE

Expenditure on exploration and administration costs during the quarter amounted to \$44,000.

For and on behalf of

Longreach Oil Limited

Peter Hetheron
Secretary