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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**

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<tbody>
<tr>
<td>Number of wells</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>9</td>
<td>6</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
</tr>
</tbody>
</table>

- Algeria gas
- Algeria gas shows
- Algeria oil shows
- Algeria dry
- Morocco gas
- Morocco gas shows
- Morocco dry

**Legend:**
- Algeria gas
- Algeria gas shows
- Algeria oil shows
- Algeria dry
- Morocco gas
- Morocco gas shows
- Morocco dry

**Diagram:**
- Cretaceous
- Middle-Upper Devonian
- Lower Devonian
- Lower Carboniferous

**Age:**
- Cretaceous
  - Jebel Houla Fm
  - Betana
  - Upper Ouarzazat
  - Lower Ouarzazat
- Middle-Upper Devonian
  - Rich 4
  - Rich 3
  - Rich 2
  - Rich 1
- Lower Devonian
  - Impal Fm
  - Ludlow
  - Haludilch Fm
  - Ain Chebi Fm
- Lower Carboniferous
  - Nador Fm
  - 1st Bani Fm
  - Tachella Fm
  - Fezzouat Fm
  - Tabarit Fm

**Mechanical units:**
- Sandstones/shales
- Shales
- Sandstones/Shales
- Shales/Marl
- Marl
- Limestones/Marl
- Limestones/Fossils
- Fossils
- Red beds
- Quarts/Sandstones
- Shales
- Shales
- Quarts/Sandstones
- Shales
- Shales
- Goulimine Bar /Quarts /Shales
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
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 Foum Draa Licences

#### Prospective Resources (MMBBLs)

<table>
<thead>
<tr>
<th>Licence</th>
<th>Gross (100%)</th>
<th>Longreach net interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrisked</td>
<td>Risked - P90</td>
</tr>
<tr>
<td></td>
<td>High Estimate</td>
<td>Best Estimate</td>
</tr>
<tr>
<td>Sidi Moussa Offshore</td>
<td>-</td>
<td>1,424</td>
</tr>
<tr>
<td>Foum Draa Offshore</td>
<td>7,437</td>
<td>1,861</td>
</tr>
<tr>
<td>Total</td>
<td>7,437</td>
<td>3,285</td>
</tr>
</tbody>
</table>

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
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 Prospects and Leads

- 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

<table>
<thead>
<tr>
<th>Prospective reservoirs</th>
<th>Jurassic carbonates and Triassic clastics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reservoir depth</td>
<td>Jurassic: 2,500 to 4,000m</td>
</tr>
<tr>
<td></td>
<td>Triassic: 4,000 to 5,200m</td>
</tr>
<tr>
<td>Hydrocarbon Source Rocks</td>
<td>Jurassic marine shales and Silurian shales</td>
</tr>
<tr>
<td>Trap Style</td>
<td>Faulted horsts, tilted fault blocks and structural noses</td>
</tr>
</tbody>
</table>

Principle targets: 153mmbbls
Netherland, Sewell & Associates, extensive resource estimate for the Tarfaya licence:

<table>
<thead>
<tr>
<th>Category</th>
<th>Gross (100%)</th>
<th>Longreach Interest*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrisked</td>
<td>Risked</td>
</tr>
<tr>
<td></td>
<td>Oil (MMBBL)</td>
<td>Oil (MMBBL)</td>
</tr>
<tr>
<td>Low Estimate</td>
<td>133.8</td>
<td>8.5</td>
</tr>
<tr>
<td>Best Estimate</td>
<td>711.3</td>
<td>40.5</td>
</tr>
<tr>
<td>High Estimate</td>
<td>3878.6</td>
<td>195.9</td>
</tr>
</tbody>
</table>

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

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**Comparative Economics**

<table>
<thead>
<tr>
<th></th>
<th>Morocco</th>
<th>Algeria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil Royalty</td>
<td>10%</td>
<td>Up to 50%</td>
</tr>
<tr>
<td>Gas Royalty</td>
<td>5%</td>
<td>Up to 50%</td>
</tr>
<tr>
<td>Corporate Tax</td>
<td>32%*</td>
<td>20%</td>
</tr>
<tr>
<td>State Participation</td>
<td>25%</td>
<td>Up to 90%</td>
</tr>
<tr>
<td>Oil Price</td>
<td>Spot</td>
<td>Spot</td>
</tr>
<tr>
<td>Gas Price/$mcf</td>
<td>7 to 8</td>
<td>Europe</td>
</tr>
<tr>
<td>Oil NAV</td>
<td>&gt;$40/bbl</td>
<td>&lt;$20/bbl</td>
</tr>
<tr>
<td>Gas NAV</td>
<td>&gt;$2.5/mcf</td>
<td>&lt;$1/mcf</td>
</tr>
</tbody>
</table>

*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**

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Source: ONHYM, Longreach

Drilling activity on the increase

Source: ONHYM, Longreach
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 Bhattacherjee**
  - 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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