



Our reference: 1271A/004/09

Friday, 24 April 2009

Manager
Company Announcements Office
Australian Stock Exchange Limited
Level 4, Stock Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

Sale of Unmarketable Parcels of Shares into Company Buyback

We wish to advise that the Company is mailing today the attached documentation to shareholders holding 10,000 shares or less in the Company offering a small shareholder sale facility. Shares sold through this facility will be bought back by the Company and cancelled.

Lawrence Case
Chairman

Enquiries: Lawrence Case
 02 9960 1127



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www.longreach.com

22 April 2009

Dear Shareholder,

**Sale of Holdings of 10,000 Shares or Less (Called Small Shareholdings)
into Company Buyback**

As explained below, each shareholding of 10,000 shares or less in LongReach Group Limited ("LongReach" or "the Company") will be bought back by the Company for 1.5 cents (\$0.015) per share unless the shareholder concerned gives notice that the shareholder wishes to retain those shares.

LongReach has in excess of 3,000 shareholders with holdings of 10,000 shares or less. Each of these holdings at present market prices is valued at much less than \$500, and as a result the Company is empowered to effect a share buyback and a sale of those shareholdings as provided below.

The expense of maintaining numerous Small Shareholdings, for example share registry costs and the costs of printing and mailing annual reports and notices, is considerable. Furthermore, it is often not economical for holders of Small Shareholdings to sell their shares on the ASX because the cost to the shareholder of brokerage on a sale is likely to be proportionally much higher than in the case of larger shareholdings.

With a view to reducing these costs, the directors have resolved that:

1. the Company offer to buy back holdings of 10,000 shares or less for 1.5 cents per share, and
2. in accordance with Article 31 of the Company's Constitution the Company implement a Share Sale Facility for the sale of holdings of 10,000 shares or less into the share buyback except in case of holdings whose shareholders within the time allowed give notice that the shareholder wishes to retain their holding.

1.5 cents per share is the price at which shares were offered in the 1:1 rights issue in December 2008. A review of the rights issue shows that the rights issue was not taken up by most of the holders of Small Shareholdings. Since the rights issue, shares in LongReach have traded as high as 2.3 cents per share and as low as 1.0 cents per share. The most recent sale before the date of this notice was at 1.4 cents per share.

Notice is hereby given.

BUY BACK

LongReach offers to buy back Small Shareholdings for 1.5 cents (\$0.015) per share. This offer is open for acceptance until 24 June 2009.

Normally shareholders wishing to sell into the buyback would have to give their acceptance to the Company by the above date. In this case the Company is also implementing a sale facility for Small Shareholdings except those in respect of which and within the time allowed the shareholder gives notice that the shareholder wishes to retain that shareholding. The Company will under the Share Sale Facility accept the buyback on behalf of all holders of Small Shareholdings in respect of which no notice has been received within the time allowed. Accordingly, if you wish to accept the buyback offer you do not need to give your acceptance to the Company; it will be given for you under the Share Sale Facility.

SHARE SALE FACILITY

Unless on or before 22 June 2009 you give notice that you wish to retain your shares the Company will sell those shares into the share buyback. We have provided a share retention notice for you to use if you want to retain your shares and DO NOT want to sell your shares under the share facility/buyback offer. If you wish to retain your shares the notice that you wish to retain your shares must be received by the Company not later than 5 pm Perth time on 22 June 2009.

COMBINED BUYBACK AND SHARE SALE FACILITY

If you want your LongReach shares to be sold, do nothing. Your shares will be sold into the buyback by LongReach on your behalf. You will not have to pay any brokerage or other costs of the sale, since all costs will be paid by the Company. Cheques will be forwarded to shareholders who sell into the buyback within 5 days of the close of the buyback, and all shares bought back will be cancelled.

If you have any questions regarding the operation of this program, please ring me on +61 2 9960-1127.

Yours sincerely,
LongReach Group Limited

Lawrence Case
Chairman

**LONGREACH GROUP LIMITED
ABN 57 010 597 672
SHARE RETENTION NOTICE**



MR GRAHAM BARNES
PO BOX 40840
CASUARINA NT 0811

1001 IAU-I2927223695

HIN/SRN	: X31231313
Shareholdings as at 22 Apr 2009	: 9,999

If you wish to retain your LongReach Group Limited shares, you must complete and return this Share Retention Notice ("Notice") to LongReach Group Limited's share registry by 5 pm (Perth time) on 22 June 2009.

To: LongReach Group Limited

With reference to your notice of sale of holdings of 10,000 shares or less dated 22 April 2009, PLEASE NOTE that I wish to retain my shareholding.

Signature of Shareholder(s)

Shareholder 1 (Individual)

Shareholder 2 (Individual)

Shareholder 3 (Individual)

.....
Sole Director and Sole Company
Secretary/Director (delete one)

.....
Director/Company
Secretary (delete one)

Date:

NOTES

1. Number of Shares

This Notice only applies to the account identified by the SRN/HIN given above.

2. Signature Requirements (if you are returning this form)

Each shareholder must sign this form. If shares are held in joint names, all shareholders must sign. If signing as an Attorney, then the Power of Attorney must have been noted by the Company's share registry to be duly executed and accompany this form. Only duly authorised officers may sign on behalf of a company stating the office held by the signatories.

3. Address for return of Share Retention Notice

LongReach Group Limited
c/- Advanced Share Registry Services
PO Box 1156
Nedlands WA 6909