



Southern Cross Exploration N.L.

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Manager - ASX Market Announcements
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Dear Madam

**QUARTERLY ACTIVITIES REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2013
(ASX code - SXX)**

As previously advised, the Company is now considered to be a subsidiary of Longreach Oil Ltd (LGO), after LGO acquired a 36% interest in May 2013 and its accounts had to be consolidated with Longreach Oil Ltd.

Examination regarding possible participation in a number of new projects and maintaining and reviewing the Company's existing projects were the principal activities during the quarter.

MINING EXPLORATION AREAS

URANIUM - BIGRLYI URANIUM JOINT VENTURE (5%) - *NORTHERN TERRITORY, AUSTRALIA*

The Company's 5% interest in the Bigrlyi Uranium Joint Venture is classified in its accounts as "Investment in Joint Venture". The Project comprises 10 granted exploration retention licences (ELRs 46-55) granted over 30 years ago and several applications within the Ngalia Basin, located approximately 350km northwest of Alice Springs. The Bigrlyi Project is characterised by relatively high uranium grades and excellent metallurgical recoveries. Historical base case acid leach tests recorded extraction rates of 98% uranium.

Energy Metals Limited (EME) holds 53.3% and is the Operator. The joint venture also includes Paladin Energy Ltd, which holds 41.7% through its subsidiary, Northern Territory Uranium Pty Ltd.

Southern Cross acquired its initial interest in 1981 in a purchase from the Commonwealth Atomic Energy Commission. A joint venture with a number of uranium pioneering entities resulted, in which Central Pacific Minerals, Urangesellschaft, AGIP Nucleare, Offshore Oil N L, and the Yuendumu Mining Company N L et al were participants at various times.

China Uranium Development Co. Limited, Energy Metals' largest shareholder (60.6%) since 2009, is a wholly owned subsidiary of China General Nuclear Power Holding Company (CGNPC). As of mid-year, CGNPC had eight operating nuclear power stations with existing generation capacity of 8,330MWe and with more than 16,800MWe of capacity under construction in 14 separate power stations across various locations around China. Additionally CGNPC is one of only two companies authorised by the Chinese government to import and export uranium.

Activities (December 2013 Quarter)

The Operator has reported that during the December quarter, the main activities undertaken involved collection of radiation and environmental data for on-going baseline studies. The planned warm weather baseline flora and fauna survey has been postponed due to adverse weather conditions during the quarter.

Last quarter agreement was reached amongst the J.V. parties to replace a number of historical tenement applications, now non-compliant under the new Mineral Titles Act, with new compliant applications. At the direction of Energy Metals, the NT Department of Mines and Energy undertook conversion of Mineral Claim (Southern) applications MCSA 270-278 and MCSA 329-330 into Exploration Licence applications ELA30144 and ELA30145, respectively. The historical interests of the joint venture partners have been maintained in the new applications. (In addition, the Department are progressing to grant two stalled, historical applications for Exploration Licences in Retention, ELRA41 and ELRA45, over which Energy Metals holds 52.1% and 41.9% interests respectively).

For further information on the Bigrlyi Project, including resource estimates and economic studies, visit the website of Energy Metals - www.energymetals.net or refer to EME's ASX announcements.

URANIUM - MKUJU RIVER, TANZANIA (7%)

Southern Cross has a 7% interest in this project, which comprises several uranium exploration licences in Tanzania. It was proposed to increase the interest in this project to 25%; however that transaction is still not completed. The tenements are located north of the Mkuju River Uranium Project (previously held by Mantra Resources). In 2011, a subsidiary of the Russian State Atomic Energy Corp. acquired the issued capital of Mantra in a billion dollar transaction (after the Japanese tsunami). The Tanzanian tenements have been described as prospective for the discovery of economic uranium deposits. No activity reports on this project were received during the quarter.

GOLD - PHILIPPINES

BATANGAS PROJECT (10%) (Tenement applications - EPA IVA-115 and PMPSA IV-110)

The Batangas Gold Project is located in the Province of Batangas, about 2 hours from Manila. The project consists of an EP Application and an MPSA, which are yet to be granted. After exercising options, a 10% interest was acquired by the Company's wholly-owned subsidiary Northern Star Investments (Qld) Pty Ltd.

Reference is made to the Company's announcement to the ASX on 19 July 2011 which includes detailed information on the Batangas project, which is located in a highly-prospective area for gold exploration.

A nearby porphyry copper-gold deposit (Taysan - some 6 kms away) is held by Crazy Horse Resources Inc, a Toronto listed company. Another company with a nearby project is Red Mountain Mining Ltd (ASX code - RMX). There have been recent exciting developments on RMX's Lobo project, on which RMX has reported exceptionally high gold values of up to 100 gpt. The Lobo project is also close to the Batangas Gold Project area. The share price and market capitalisation of RMX has increased by some 500% since the recent announcements (for further information, visit RMX's website: www.redmm.com.au - or refer to the ASX announcements of RMX).

- GOLD CROSS PROJECT (20%) (Tenement applications - MA-P-III-02-04, MA-P-III-05-04, MA-P-III-06-04, MA-P-III-07-04)

Southern Cross holds a 20% interest in the Gold Cross Gold Project in the Philippines. The project area is located in the Province of Bulacan about 100 kms north-east of Manila. Southern Cross can acquire an additional interest in the Gold Cross Gold Project by exercising its rights to purchase the balance of 80% in several tranches.

MAGNESITE - IRAN

The company maintains its 10% interest in a private group based in Dubai and Teheran which holds several exploration tenements for magnesite in Iran. This project is being kept under review and discussions about commercial development have continued during the quarter.

OIL & GAS & ENERGY

Oil and gas exploration opportunities in Australia and overseas have been examined, with a view to direct participation by SXX or together with Longreach Oil Ltd (LGO), its new parent company (36% interest). LGO has a direct 50% interest in Petroleum Lease 280 in the Surat Basin, Queensland and also holds an 11% interest in three Exploration Permits in the Carnarvon Basin Western Australia, with Empire Oil & Gas (69%) and others.

GENERAL

There were no acquisitions or disposals of any interests in any of the Company's projects during the quarter.

There was no exploration expenditure incurred during the quarter.

Directors continue to investigate opportunities to participate in joint ventures and acquire projects in Australia and overseas.

For and on behalf of
Southern Cross Exploration N L



E Goh
Secretary