

Larus Energy Limited

ANNUAL GENERAL MEETING, 30TH SEPTEMBER, 2014
COMPANY UPDATE

ASH MANGANO, CHIEF EXECUTIVE OFFICER

Contents



Overview, Permits Overview

Permit		27 August 2009 - 26 August 2011		27 August 2011 - 26 August 2013		27 August 2013 - 26 August 2015	
PPL326	Permit Period	1		2		3	
	Permit Year	1	2	3	4	5	6
	Work Commitments	Aeromagnetic and Gravity Data		Plan and acquire 300km of seismic data		Plan and acquire 300km of seismic data	
		Geological and Geophysical Mapping and Review		Plan and acquire further 300km of seismic data		Drill one (1) offshore exploration well	
		Remote Sensing Data Interpretation		Financials		License review	
		Preliminary Prospects and Leads Inventory				Financials	
		Plan Seismic Acquisition Program					
		Financials					
	Completed Program	Aeromagnetic and Gravity Data	Baramata Deep Water Seismic Acquisition (1000km)	Abau Offshore Seismic Survey Acquisition (300km)	Publish EABS4 Technical Study	Geological and Geophysical Technical Studies	Planned Torres Onshore Seismic Survey (400km)
		G&G Mapping and Review	Geological and Geophysical Technical Studies	Geological and Geophysical Technical Studies	Planned Torres Onshore Seismic Survey	Prospects and Leads Inventory Updated	Continued Torres Onshore Seismic Survey (400km)
		Remote Sensing Data Interpretation	Prospects and Leads Inventory Updated	Prospects and Leads Inventory Updated	Commenced Torres Onshore Seismic Survey	Financials	Geological and Geophysical Technical Studies
		Preliminary Prospects and Leads Inventory	Planned Abau Offshore Seismic Survey	Opened Kupiano Office (Larus Energy PNG)	Line Cutting for Torres Seismic Survey		
		Purchase Furgo Seismic Data (Offshore)	Financials	Financials	Geological and Geophysical Technical Studies		
		Financials	Financials		Financials		
	License Status	Good Standing		Good Standing		Current	
VIC/P63	License Status	Relinquished March 28,2014					
VIC/P64	License Status	Relinquished March 28,2014					
T/46P	License Status	Relinquished March 28,2014					

Overview, Macquarie Tristone

- Entering into final year of PPL326 permit with significant work obligations to be completed
- To ensure most effective use of time, oil and gas A&D experts Macquarie Capital (Tristone) team has been utilised for complete technical and commercial review, and as ongoing advisers
- Together, identified areas of focus are:
 - Composition and timing of work commitments
 - Geology and geophysics further improvements
 - PPL326 investment ranking in potential farm-out partner portfolios
 - Near-term forward plan
 - Farm-out deal structures



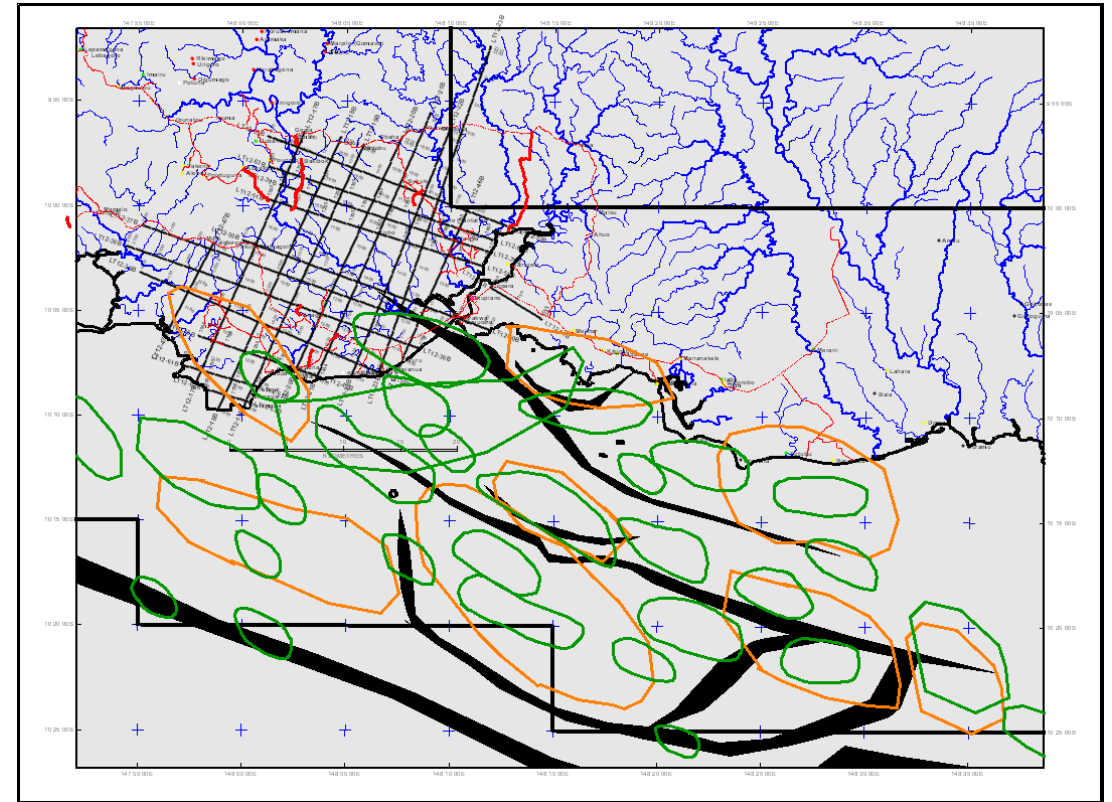
Current Activities, Work Commitments

Period	27 August 2013 - 26 August 2015	
Permit Years	5 & 6	
Work Commitments	Current	Requested Variation
	Acquire 300km of seismic data	Acquire 400km of seismic data
	Drill one (1) offshore exploration well	Planning for one (1) offshore well
	License review	License review
	Decide future of license	Decide future of license
	Financials	Financials
Ongoing Work Program	Continued Torres Onshore Seismic Survey Acquisition (400km)	
	Planning and Engineering Offshore Well (Vekwala-1)	
	Update Prospects and Leads Inventory	
	Geological and Geophysical Technical Studies	

- Rig availability and lead time required to spud an offshore well by August 2015 is insufficient
- Variation for years 5 & 6 work commitments submitted, moving exploration well into subsequent period

Current Activities, Onshore Seismic Program

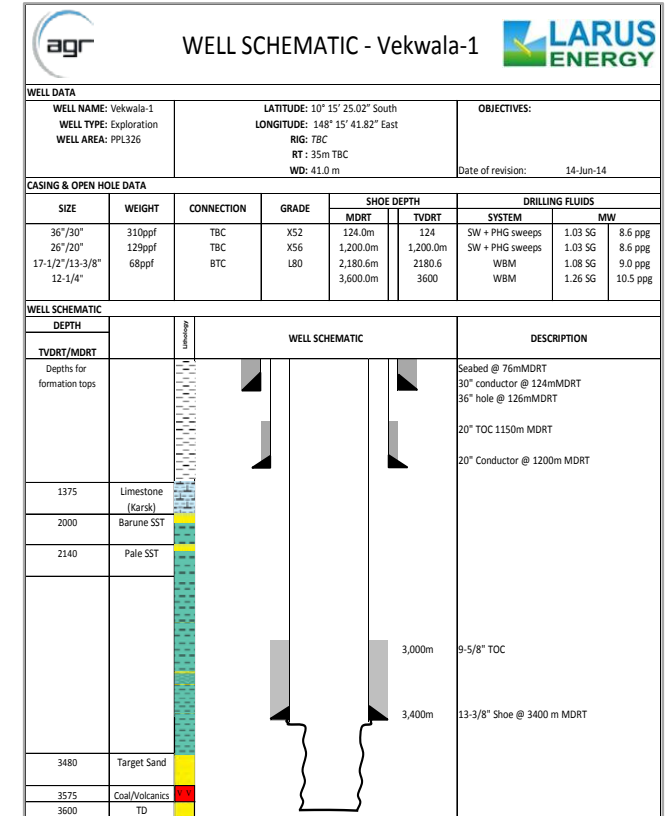
- 'Torres' onshore survey – 21 lines, totalling 400 line kms of 2D seismic
- 110km of line cut to date
- Currently in discussions with contractors for seismic acquisition phase
- Community awareness program and social mapping initiated and progressing
- Community Awareness Program required as a pre-cursor to drilling of an onshore well; location/target definition
- Expected to significantly boost prospective resources and subsequent valuation metrics for PPL326



Current Activities, Offshore and Onshore Well Planning

Completed:

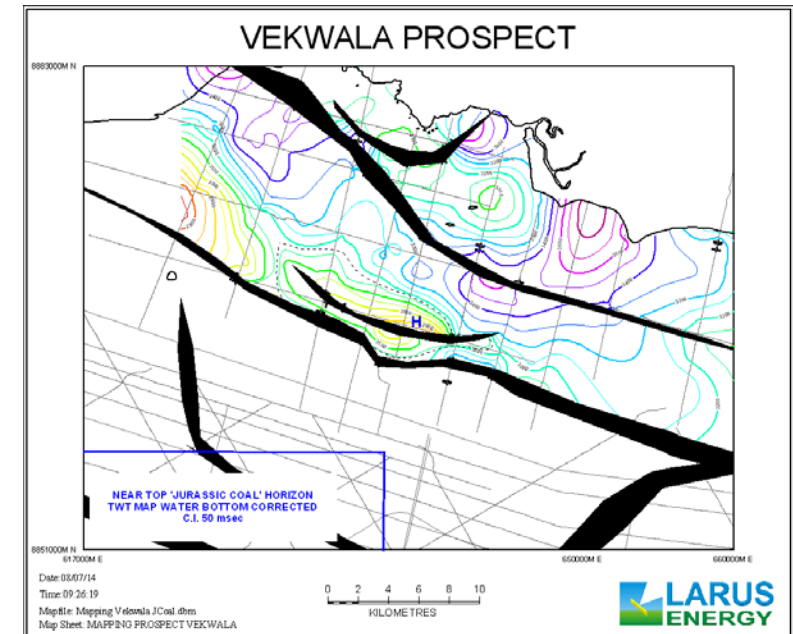
- Detailed offshore and onshore well reports, highlighting costs and schedule, completed by AGR Group and Aztech Well Construction respectively
 - AGR are the global leader in offshore well construction, managing drilling of over 500 offshore wells in the last 10 years
 - AWC are an Australian company with significant experience drilling on/offshore wells in PNG; also utilised by Oil Search
- Offshore target: Vekwala-1 targets PPL326's largest identified prospective resource:
 - 13 tcf gas, 180 mmbbls oil (Larus, unrisked)
 - 5.1 tcf gas, 116 mmbbl oil (RPS - best, unrisked)
- Onshore target: To be defined from output of onshore seismic program



Current Activities, Geology and Geophysics

Completed:

- Revised geo-history and geological model
- Time-space plot
- Source migration story
- Interpretation reports for Abau, Baramata, and Lahara seismic
- Detailed mapping of 5 best and most representative prospects and leads:
 - Sunday, Vekwala, Moulo Konemu, Kikila, and Abau Rigo
- Updated prospect and leads book
- Updated Independent Geological Report (IGR):
 - Incorporated all new and updated technical information into an updated Independent Geological Report, completed by RPS
 - Included Vekwala and Nawale in certified prospects and leads, significantly increasing certified prospective resources
 - Report improves and highlights prospectivity of PPL326 even further



Current Activities, Corporate

Compliance, completed:

- PPL326 Reports to Department of Petroleum and Energy
 - Six Operator's reports submitted (4x 6-monthly, 2x 12-monthly)
 - Three seismic interpretation reports submitted (Abau, Baramata, and Lehara)
- Financial audit, 2013
 - Completed with audit partner BDO
- 2013 Annual Report
 - Available on website (www.larusenergy.com.au)
- Finance
 - Historical trade creditors reduced to a working level
 - Reduction in trade creditors via:
 - Re-negotiations
 - Convertible note facility
- Registered Office:
 - With CEO and CFO based in Perth, and as a matter of financial prudence the Company's registered address has moved to **Level 28, 140 St Georges Terrace, Perth WA 6008**

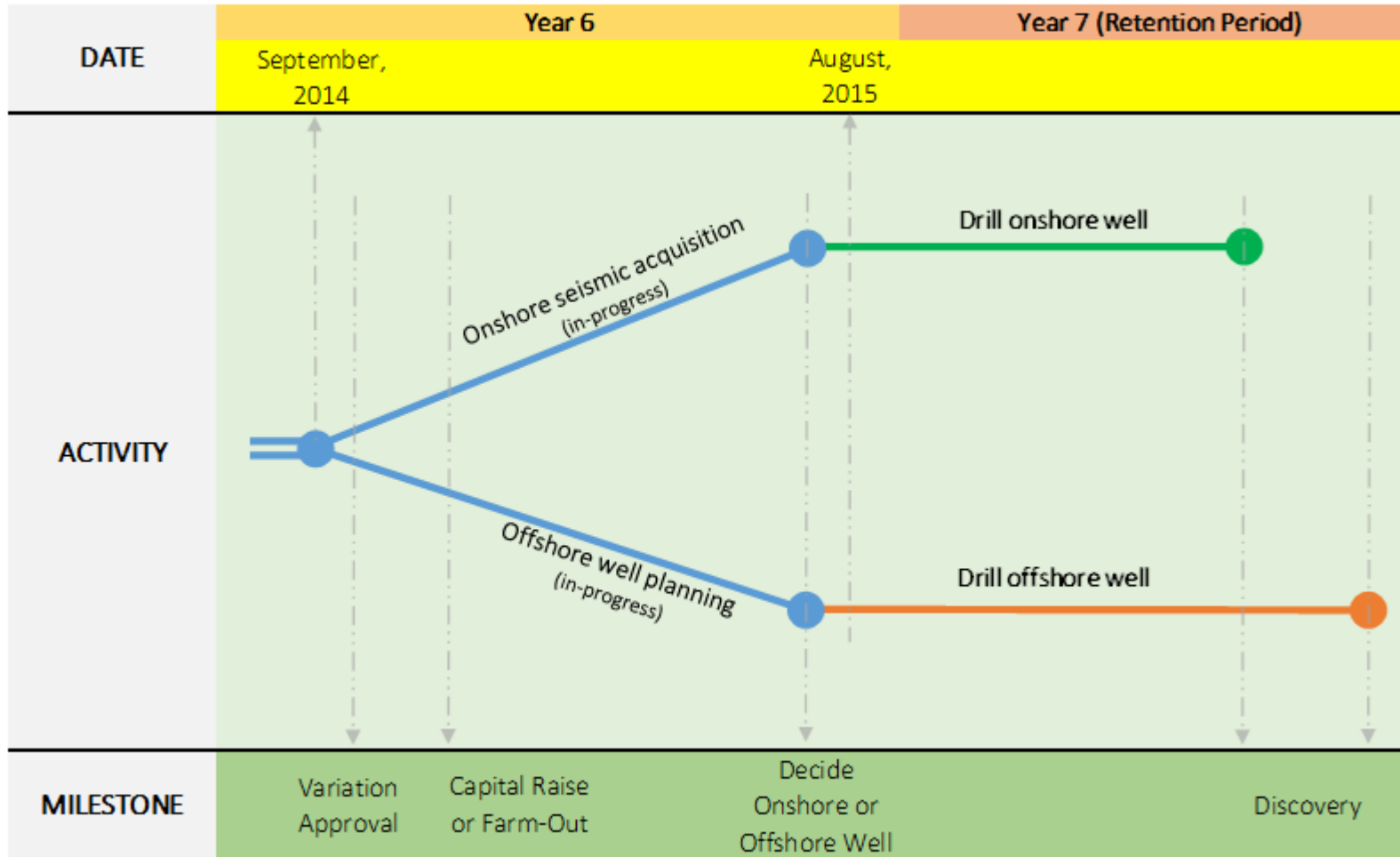
Larus Energy Limited
and its Controlled Entities

ABN 16 140 709 360

Annual Report
2013



PPL326, Path Forward



Summary

- Variation submitted for Period 3 work commitments:
 - Achievable timeframe
 - Onshore well now available option
 - This option results in significantly better returns to current shareholders and meaningfully improves the investment case for potential farm-in partners
- Geology and geophysical logic clarified, bolstered, and certified in updated Independent Geological Report by RPS
- Corporate compliance now current; 60% decrease in trade creditors
- Material increase in third party certified prospective resources and subsequent valuation metrics
- Using this strong foundation, Larus will continue forward to expeditiously explore on PPL326; realising shareholder value
- Upside potential remains world-class:
 - 93TCF and 1,500mmbbls unrisks resources offshore
 - Further and significant additional resources expected to be identified from onshore seismic

