



PPL-579

SHAREHOLDER UPDATE

MAY 2023

HIGHLIGHTS



PPL579 - 3D SEISMIC SURVEY - APPROVED

- Commenced mid-May 2023
- Circa 30-day Acquisition Program
- Covering approximately 1,927 sq. km, offshore PPL579

CAPITAL RAISE

- Circa USD9m raised to date
- Circa 65% raised in PNG



3D SEISMIC PROGRAM

The board of Larus Energy is very pleased to announce to shareholders that it has recently agreed terms on a 3D Seismic Program with Searcher Seismic and PXGEO Asia Pte. Ltd. The “**NANAMAROPE** Multi-Client Non-Exclusive 3D Marine Seismic Survey” commenced last week, it will cover approximately 1,927 sq. km and take approximately 30-days to acquire the data.

This is a major achievement and step in the company’s evolution, aiming to provide state-of-the-art 3D seismic data in a highly prospective region of the Aure Moresby fold and thrust belt and the Torres Sub-Basin. The survey will enhance subsurface understanding and be utilised to optimise the drilling location for an exploration well on the Nanamarope prospect, plus mature other targets for follow-up drilling.

Larus’ Kupiano team has completed the stakeholder engagement activities in-country to ensure all provinces and villages are aware of the offshore 3D acquisition over the next month.

The Larus subsurface team will work alongside our partners PXGEO and Searcher throughout the seismic acquisition and the various stages of seismic processing. The fast track and final processing products will form the basis for comprehensive seismic interpretation, technical studies and an exploration well planning program.

A press article detailing the importance of this program for both Larus and PNG is attached to this update.



VISIT BY MINISTER FOR PETROLEUM AND ENERGY, HON KERENGA KUA



NANAMAROPE 3D SEISMIC SURVEY ACQUISITION





Petroleum and Energy Minister Kerenga Kua (middle) given a tour of the PXGEO 2. – Pictures supplied

Larus starts 3D survey in Central

LARUS Energy has started the Nanamarope 3D seismic survey in the Petroleum Prospective Licence (PPL) 579 area in Central, with a seismic acquisition vessel.

Petroleum and Energy Minister Kerenga Kua and Petroleum Department secretary David Manau, who inspected the vessel named *PXGEO 2* on its arrival, were pleased with the progress being made by the company.

Larus Energy chairman Richard Gazal said data from the previous 2D seismic surveys illuminated the potential and the presence of major reservoir systems in the prospective area,

located to the southeast of Port Moresby.

Gazal said the 3D seismic survey was now expected to play a significant role in proving up a potential one-billion barrel oil resource.

"We are excited about the Nanamarope 3D seismic survey and its potential to open a new major hydrocarbon province in PNG," he added.

"We have made a long-term commitment to PNG and acquiring 3D seismic data is a significant milestone for the company and a step towards drilling the first exploration well on the Nan-

amarope prospect. The survey's comprehensive dataset will provide us with invaluable insights into the subsurface geology, mitigating exploration risk and realising the vast potential of PPL579 Licence."

Gazal said the company appreciated the Government's support for the 3D survey and was proud to be part of the project.

He said local companies were the major investors in the 3D survey and planning activities for the first exploration well for the project.

Nanamarope prospect is about 123 square km in size.

PNG PRESS ARTICLE – 19 MAY 2023

The logo for "The National" newspaper, with "The" in a smaller font above "National" in a large, bold, red serif font, all contained within a white rectangular box.

**The
National**

CAPITAL RAISE

As mentioned in the previous update, the company is exploring external funding options for the 3D program, with a focus on PNG investment. The boards objective was to provide an opportunity for investors in-country to participate in the potential future success of PPL579. Additionally, the 3D Seismic program has been structured in such a way that the funds raised in-country can be used to support local business by way of fuel, personnel and support vessel hire.

Larus is aiming to raise USD \$15m, a breakdown of this capital raise is over page and a flyer summarising the investment deck is also attached to this update. Currently the total amount raised and committed is in the order of USD \$9m. To date approximately 65% of this amount has been sourced in PNG.

Board and Management will continue to work towards raising the additional circa USD \$6m required to complete the raise. Any shareholders wishing to receive a copy of the full Investment Deck and application information, please contact the Company Secretary at: matthew.azar@larusenergy.com.au

SOURCES AND USE OF FUNDS

Sources of Funds	Current Cap Table			Sources	
	Fully Diluted Shares	Initial Shareholding		Funds	Final Shareholding
Board & Management	69,877,175	63.6%		US\$6.0m	57.8%
Other Existing Shareholders	39,335,866	35.8%		US\$1.0m	28.5%
Options Holders	611,590	0.6%		-	0.4%
New Investors	-	-		US\$8.0m	13.3%
Total Sources of Funds	109,824,631	100.0%		US\$15.0m	100.0%
Uses of Funds					
3D seismic permitting, design, acquisition and processing				US\$12.0m	
Funds for prospect evaluation, maturation and exploration well planning				US\$2.0m	
General and administration costs				US\$1.0m	
Total Uses of Funds				US\$15.0m	

INVESTMENT OPPORTUNITY

PORTFOLIO

- 3.8 billion barrels of unrisks mean prospective oil equivalent resources targeted in an offshore, multi-play, prospect and lead portfolio in southeast PNG.
- Exploration focus on the high potential Mid-Miocene turbidite play.

WORLD CLASS EXPLORATION OPPORTUNITY

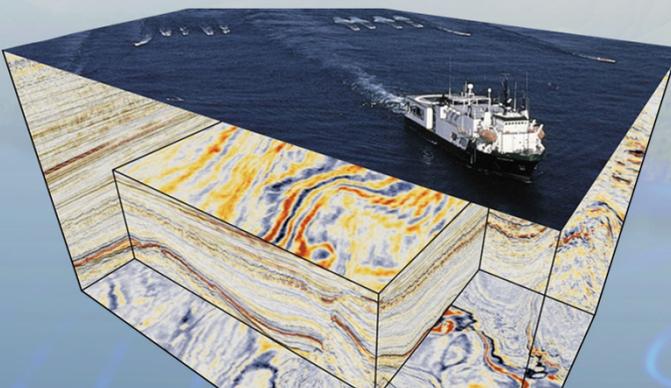
- Prospect-1 is considered to be a world-class oil prospect located in a currently undrilled basin with 990 million-barrels, unrisks mean recoverable prospective resources.

CONSIDERABLE UPSIDE

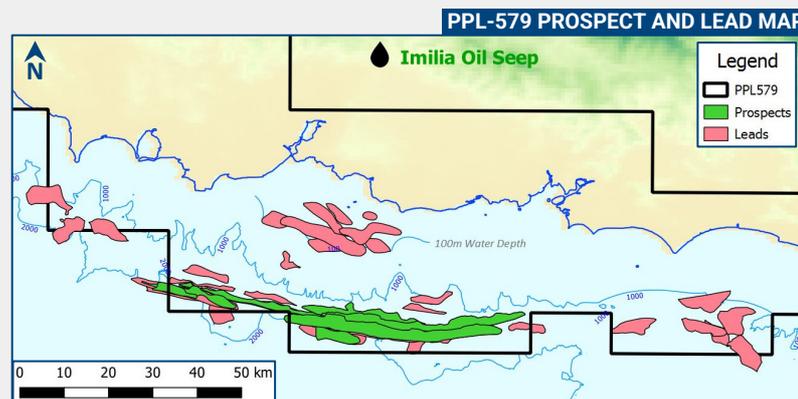
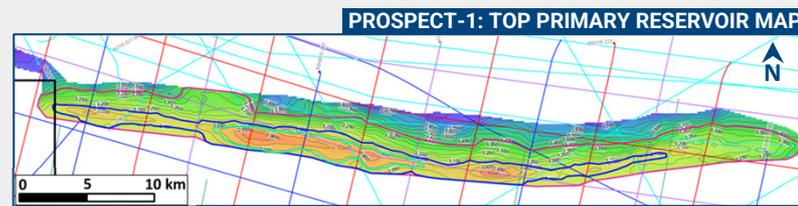
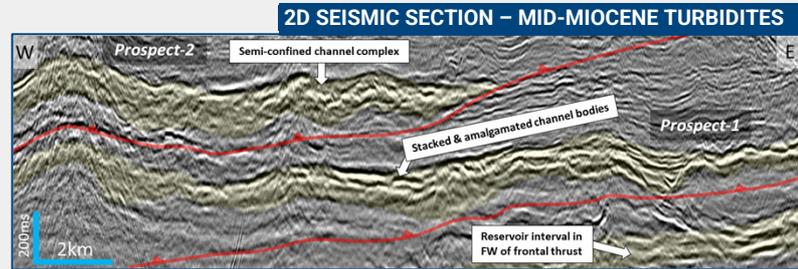
- Six additional prospects and 23 leads have been delineated on 2D seismic data.
- PPL-579 contains the sweet-spot for the Mid-Miocene play, representing lowest geological risk.
- The geological configuration has resulted in clustered prospects and stacked targets offering the potential for cost efficiencies through clustered developments following exploration success.

PPL-579 3D SEISMIC SURVEY

- A 3D seismic survey is planned in 2023, to further de-risk, optimally locate and execute the Prospect-1 exploration well and mature other high ranked prospects to drill ready status.



3D-SEISMIC ACQUISITION AND DATA EXAMPLE



NEAR TERM ROADMAP

- 2023 – Acquire and process 3D seismic data.
- 2024 – Prospect maturation and well planning.
- 2025 – Drill Prospect-1.

FAST ROUTE TO MONETISATION

- 2024 – Farm-out/financing and IPO.
- 2025 – Discovery would lead to significant capital upside.

EXPERIENCED TEAM

- Board & management with significant experience in the energy and investment communities.
- PNG presence with strong stakeholder and community engagement built in-country over 13-years.
- Larus' subsurface team is experienced in complex PNG geology and geophysics.

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AGM - 2023

The board has scheduled the 2023 Larus Energy AGM for Thursday 8th June, 5:00pm at the offices of Mills Oakley. The AGM will address the financial report, re-election of Mr Joe Holloway and retirement by rotation and re-election of Mr Richard Malcolm.

Shareholders will receive AGM correspondence in due course.

Please contact our Company Secretary at; matthew.azar@larusenergy.com.au for any enquiries



PAPUA NEW GUINEA

