

2nd March, 2015

CAPITAL RAISE TO FUND EXPLORATION, FARMOUT, AND WORKING CAPITAL

Dear Shareholder,

Larus Energy Limited (“Larus” or the “Company”) is pleased to announce a placement to raise up to \$3 million by the issue of 60 million shares at 5 cents per share. The offer is open to eligible investors who are either a sophisticated investors within the meaning of section 708(8) of the Corporations Act or professional investors within the meaning of section 708(11) of the Corporations Act, or are eligible for exclusion from the disclosure document requirement under 708(10).

The company would like to ensure existing eligible shareholders receive priority and as such the initial three (3) week period of the Placement, concluding Monday 23rd March 2015, will only be open to current shareholders who meet the investment criteria. Any unsubscribed shares will then be offered to new investors on the same basis.

The Placement has already received strong interest from existing shareholders, with \$400,000 of firm commitments received to date.

Larus’ current focus is to further oil and gas exploration on PPL326, ensuring the license remains in good standing with Department of Petroleum and Energy (PNG) and creating additional value for shareholders. With recent government approval of revised PPL326 period 3 work commitments, the Company is now ready to execute these commitments and ensure the license remains in good standing before transitioning into the subsequent 5 year retention period. A portion of funds raised from the Placement will be applied to completing these license commitments, ensuring PPL326 good standing.

Another focus for Larus is to secure a farmout to fund a high impact drilling program, testing the multi-trillion cubic feet of gas potential of the PPL326 license. Securing the farmout will be a transformational event for the Company and is expected to realise significant value for Larus’ shareholders. A portion of funds raised from the Placement will be applied to progressing the farmout process for PPL326 and for general working capital purposes.

Larus Energy is a frontier oil and gas exploration company committed to maximising results through the effective identification, acquisition, exploration and management of quality conventional oil and gas assets.

Subscribe to our email alerts for all the latest news from Larus Energy at www.larusenergy.com.au

Contacts

Ashley Mangano, Chief Executive Officer

T: +61 8 9288 1784

E: admin@larusenergy.com.au

Matthew Azar, Company Secretary

T: +61 8 9288 1784

E: matthew.azar@larusenergy.com.au



ACN 140 709 360

Larus Energy Limited

A: Level 28, 140 St Georges Terrace, Perth WA 6000 Australia

T: + 61 8 9288 1784 E: admin@larusenergy.com.au

W: www.larusenergy.com.au

The farmout process, which the Company has engaged global oil and gas acquisition and divesture experts Moyes & Co. to facilitate, is well underway with the data room complete and multiple interested parties in the process of gaining access and reviewing the asset. The Company will keep shareholders updated as farmout activity progresses.

Larus Chairman, Richard Gazal, has provided the following comments: "2014 saw Larus Energy successfully refocus the Company's efforts on Papua New Guinea and our PPL326 asset. With the variation now formally approved we are positioned to progress exploration on the asset, ensuring the Company and PPL326 remain in good standing. Successfully completing all license commitments coupled with a farmout will be transformational for the Company.

The Board is pleased with the immediate interest received for this placement and I wish to thank our existing shareholders for their continued support and welcome new investors to this exciting opportunity."

CONTACT

For subscription to the offer or other investor queries, please contact:

Matthew Azar, Company Secretary

Email: matthew.azar@larusenergy.com.au

Telephone: +61 8 9288 1784

Larus Energy is a frontier oil and gas exploration company committed to maximising results through the effective identification, acquisition, exploration and management of quality conventional oil and gas assets.

Subscribe to our email alerts for all the latest news from Larus Energy at www.larusenergy.com.au

Contacts

Ashley Mangano, Chief Executive Officer

T: +61 8 9288 1784

E: admin@larusenergy.com.au

Matthew Azar, Company Secretary

T: +61 8 9288 1784

E: matthew.azar@larusenergy.com.au