

# Larus launches capital campaign

LARUS Energy has launched a bid to raise cash as it looks to proceed with a farm-out of its stake in Petroleum Prospecting Licence 326, an onshore and offshore permit south east of Port Moresby.

The company will issue one share at 5 cents each to eligible investors, with any funds raised to be used for working capital during the farm out process with advisors Moyes & Co.

In his address to shareholders in early August, Larus chief executive Ash Mangano said the company had seen strong initial interest in the 1.67 million hectare block, adding that discussions and due diligence was continuing with potential farminees.

However, the group also said that current market conditions imposed constraints on potential farminees with reduced exploration budgets, as well as lower acquisition mandates.

“While we have a strong asset and we’re in discussions with the right companies, market conditions may lead to a longer than initially expected farmout process,” Mr Mangano said.

However, as Moyes & Co spokesman Chris Moyes said, the company’s success in securing



Larus Energy says market conditions may lead to a longer farmout process. *Image courtesy INGIImage.*

an extension of the exploration licence through to 27 August 2018 would give time for the exploration appetite of the industry to recover.

“(This) will allow the company to complete evaluation of the new seismic and secure partners to drill and evaluate the license hydrocarbon potential,” he said.

Larus chairman Richard Gazal said the company’s completion of the 800 kilometre Paluma seismic survey meant it had met all

its work commitments attached to the current term – a move he said significantly de-risked the licence.

“The operational, corporate, and financial milestones achieved in recent months have put the company in a strong position to best realise the full potential and value of PPL326 in an efficient and effective manner, as we move forward in to the next five year period of the license,” he said. ●