

24th March, 2016

SHAREHOLDER UPDATE ON ACTIVITIES

Dear Shareholder,

Larus Energy Limited (“Larus” or the “Company”) is pleased to provide the following update on activities.

The enduring low oil price environment continues to drive a period of relative inactivity in the exploration and wider upstream oil and gas industry. The farmout of PPL326, advised by Moyes & Co., is not exempt to these market conditions, however the PPL326 opportunity continues to receive marked interest from the industry. This is highlighted by the list of top-tier companies currently engaged in the process.

The company is pleased to inform shareholders that on the back of last year’s SEAPEX conference success, Larus Energy will again attend the event in Singapore during April 2016. Dr Michael Swift - Larus Energy Exploration Manager - will present on the technical aspects of the PPL326 opportunity, incorporating new and positive data gathered and interpreted from the Paluma seismic survey and subsequent petroleum system modelling. The SEAPEX conference is again expected to be highly beneficial in marketing the PPL326 opportunity, as the company continues its focused push to deliver both a positive result for a farmout and deliver value creation for shareholders in what is a challenging environment.

Larus is also pleased to announce the extension of its PPL326 license period in Papua New Guinea has been approved in principle and we expect formal approval in due course. This secures the license for a subsequent 5 years, via 2 terms through to August 2020, significantly de-risking the asset from a regulatory perspective.

We continue to focus on reducing management and operating costs to ensure efficient and effective use of funds.

The company will issue another shareholder update subsequent to the SEAPEX 2016 conference.

Yours faithfully,



Ashley Mangano
Managing Director

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.

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