

SHAREHOLDER UPDATE

8 June 2018

MORE ON THE FIRST OIL SEEP IDENTIFIED IN TORRES BASIN

Larus Energy has undertaken further sampling over the last 12 months of an oil seep discovered near a village called Imila in SE Papua New Guinea. The oil seep first came to the Company's attention in August 2016 via a landowners report.

The initial gas chromatograph (GC) analysis of three samples confirmed the presence of a light crude oil. Encouragingly the site continues to give up oil. A new sample has been dispatched for a comprehensive geochemical analysis. The first phase has been a high resolution GC, the initial results confirming that indeed, oil has been generated in the Torres Basin.

Further analysis will address the age of the oil, it's source rock and maturity. These are important factors in understanding the petroleum system(s) that are present in the region.

The discovery of this oil seep has been a significant breakthrough in the validation of the Torres Basin as a new hydrocarbon province in southeast PNG.

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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