



OPENING UP NEW OIL AND GAS OPPORTUNITIES

LARUS ENERGY LIMITED
PRESENTATION

NOVEMBER 2011



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Corporate Overview



- Larus Energy Limited (“Larus”) is an Australian unlisted petroleum exploration company
- Larus has a SE Asian region focus comprising 100% owned licences in:
 - Papua New Guinea (onshore & offshore)
 - Australia (Gippsland Basin) offshore
- Larus board & management have significant commercial, technical and management experience in the petroleum and related sectors

Shareholders

Shareholders	~270
YBR Securities Clients	63.3%
Board and management	9.6%
Other	27.1%

Board and key management

Graham Holdaway	Chairman
David Williams	Managing Director
Kay Philip	Non-executive Director
Peter Fennessy	Non-executive Director
Dr Michael Swift	Exploration Manager
Andrew Cooke	Company Secretary
Grahame Clegg	CFO
Chris Carty	Exploration Consultant

Capital structure (11 October 2011)

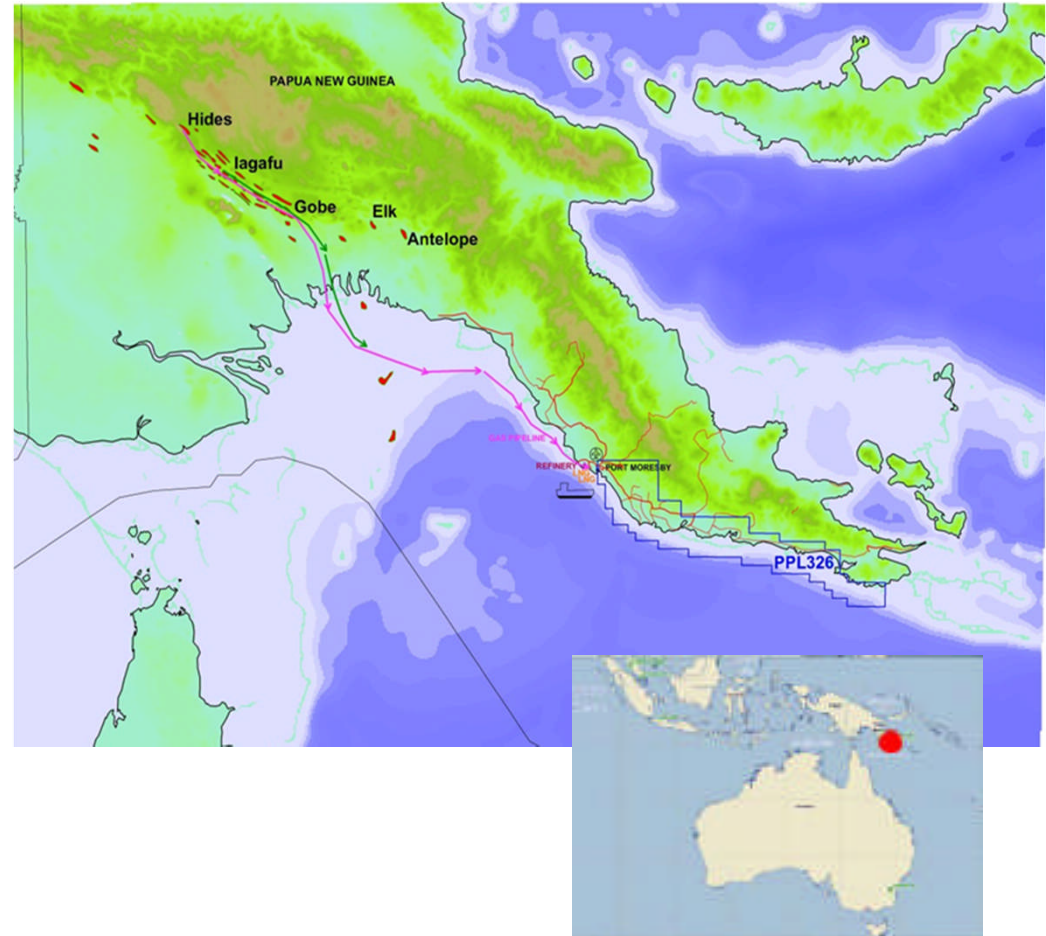
Shares outstanding	126.1m
Granted options	15.25m (15-40c)
Capital raised since inception	>\$6m
Cash	>\$1m

Larus’ goal is to develop data rich, drillable, farmout-ready petroleum exploration assets

PNG PPL 326: Location



- Larus' 100% owned PNG licence PPL 326 covers an area of 16,752km² SE of Port Moresby
- 47% of the licence area is onshore, the remaining offshore portion lies in the Coral Sea with around half in depths less than 200m, and the balance in depths up to 1,900m
- Work completed by Larus on recently acquired new and vintage seismic data shows the licence lies in a highly prospective new basin, which has been confirmed by independent geologists



Larus holds 100% of the PPL 326 onshore and offshore licence area

PNG & PPL 326: A Good Neighbourhood



- PNG was a territory of Australia prior to 1975
- Legislative regime/political structure similar to Australia – very focused on law, stable government for last decade
- 30% company tax, 4% royalties, right to acquire up to 22.5% in a development – Government has rejected introducing a Petroleum Resource Rent Tax
- 6.3m people, forecast GDP growth 2011 is 8%, 1 of 3 in region with improving growth
- The PNG has a significant investment in PNG LNG project and is committed to growing the oil and gas sector – leads to a step change in PNG economy
- Energy companies active in PNG include Exxon Mobil, Oil Search, InterOil, Santos, Nippon Oil, Sasol and Talisman – recently announced alliance with Shell
- Existing infrastructure in PPL 326 area – main airport, port, roads, power and water
- Next door to oil refinery and PNG LNG facility (6.6mtpa – operational 2014)
- Presents real commercialisation options for future discoveries in PPL 326

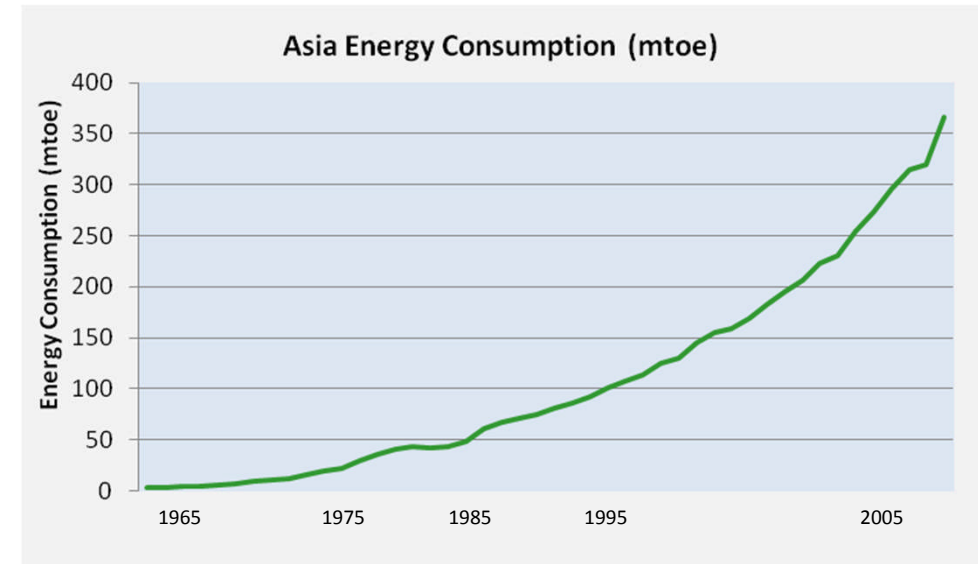


PNG – a rapidly growing new oil and gas province

Asian Energy Market Outlook

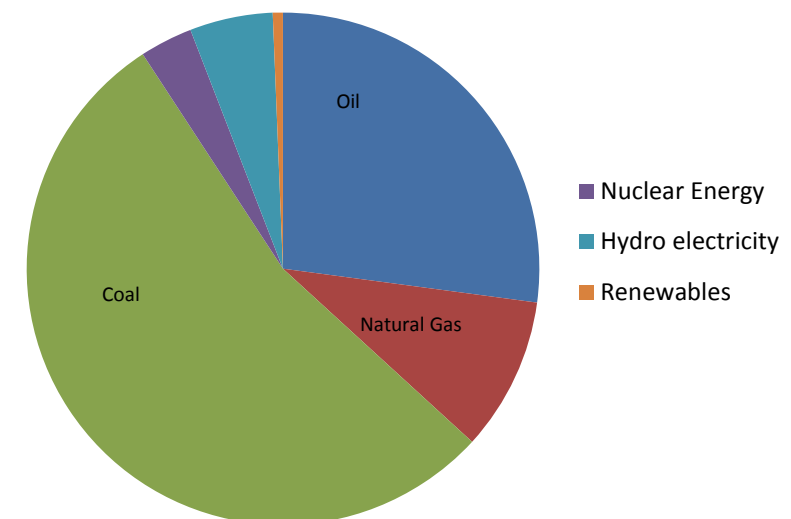


- The proximity and demand of Asian energy markets makes it the likely destination for majority of future PNG oil and gas exports
- Energy consumption in Asia has risen 66% since 1960 to 2006 (ADB, 2009)
- IEA predicts energy demand from SE Asia alone to expand 76% by 2030
- Asia imports over 51% of the world's total LNG Exports (BP SRWE 2011)
- Japan, the largest buyer of LNG in Asia, will need to increase its purchases of LNG post-Fukushima by a minimum of 5 – 10 mtpa in the next 5 years (Business Week Apr11)
- With supply and environmental concerns surrounding nuclear, coal and oil-natural gas and especially LNG production will likely need to make up the shortfall



Source: BP Review Statistics 2011

2010 Asia Energy Consumption Mix



Source: BP Review Statistics 2011

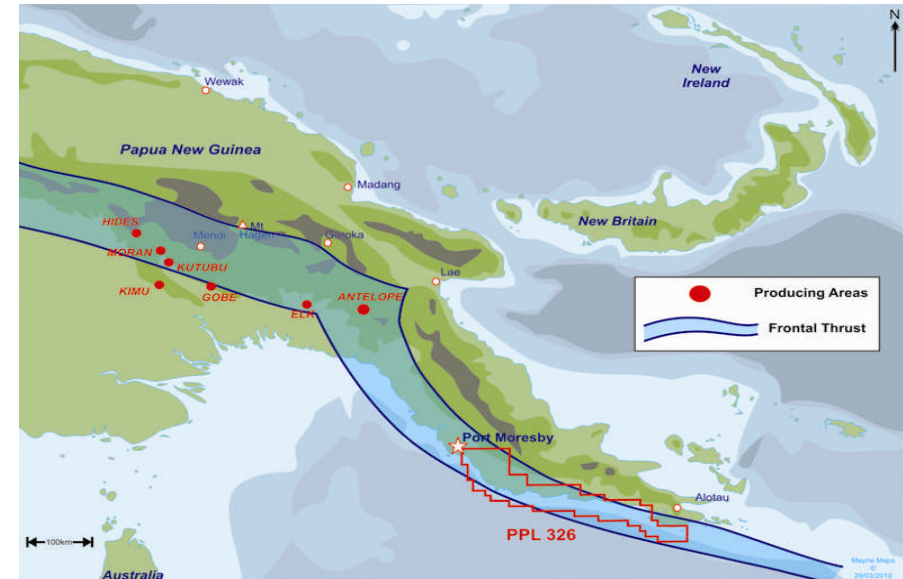
PNG PPL 326: Access



Why PPL 326?



- Rifted margins similar to those in highly productive Papuan Fold Belt - over 300km of folds
- Recognition of sub-thrust sheet below surface geology
- Sheet analogous with Papuan Basin geology and tantamount to a buried highlands
- Also reef structures analogous with Elk and Antelope discoveries
- Experience shows need to be near the edge of the frontal thrust
- PPL 326 is in the right address
- Larus Energy is the only one to have reviewed ALL the data relevant to PPL 326 and the new basin

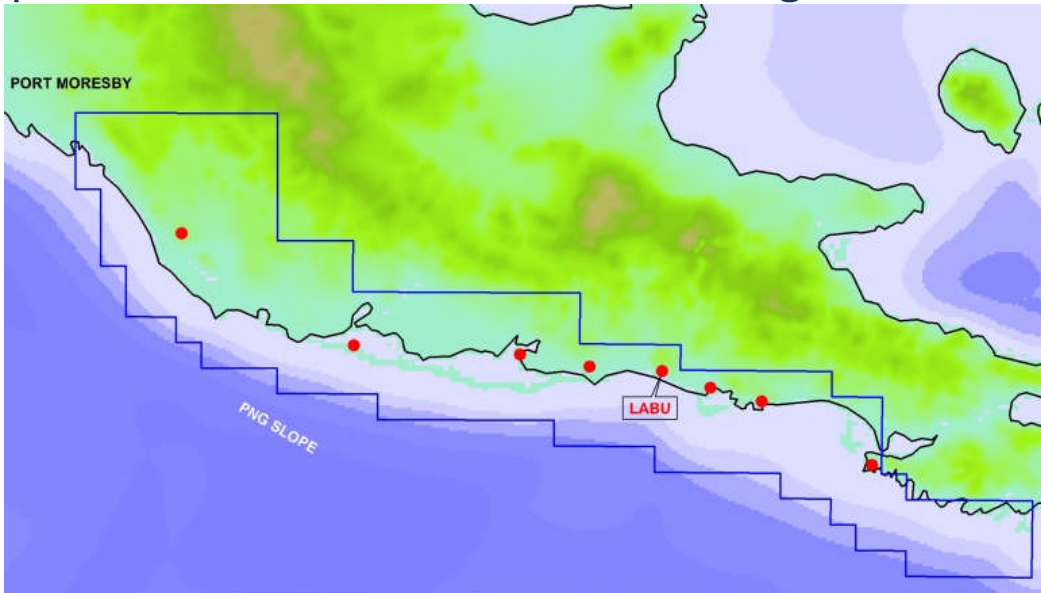
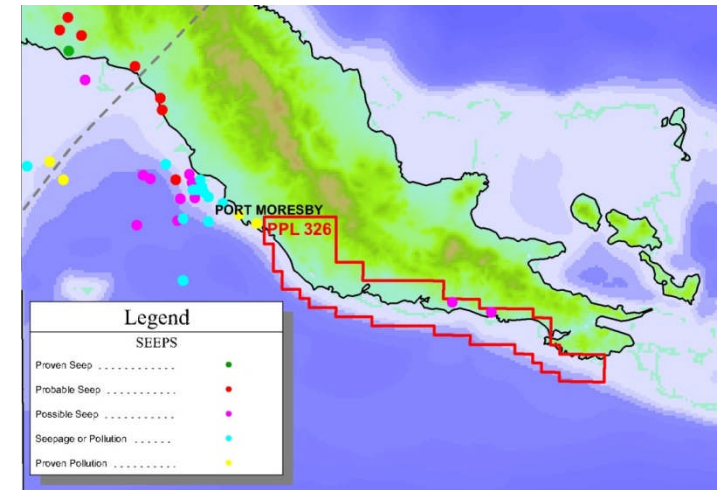


In Petroleum Exploration in Papua New Guinea: Proceeding of the First PNG Petroleum Convention, Carman G.J. and Carman Z., (Eds)

PNG PPL 326: Recent Oil Seep Analysis



- A number of oil seeps have been reported in PPL 326
- These show there is an active hydrocarbon system in the basin
- Larus has recently been advised by the PNG Government that they have previously analysed the oil seep at Labu and concluded that it is a genuine oil seep



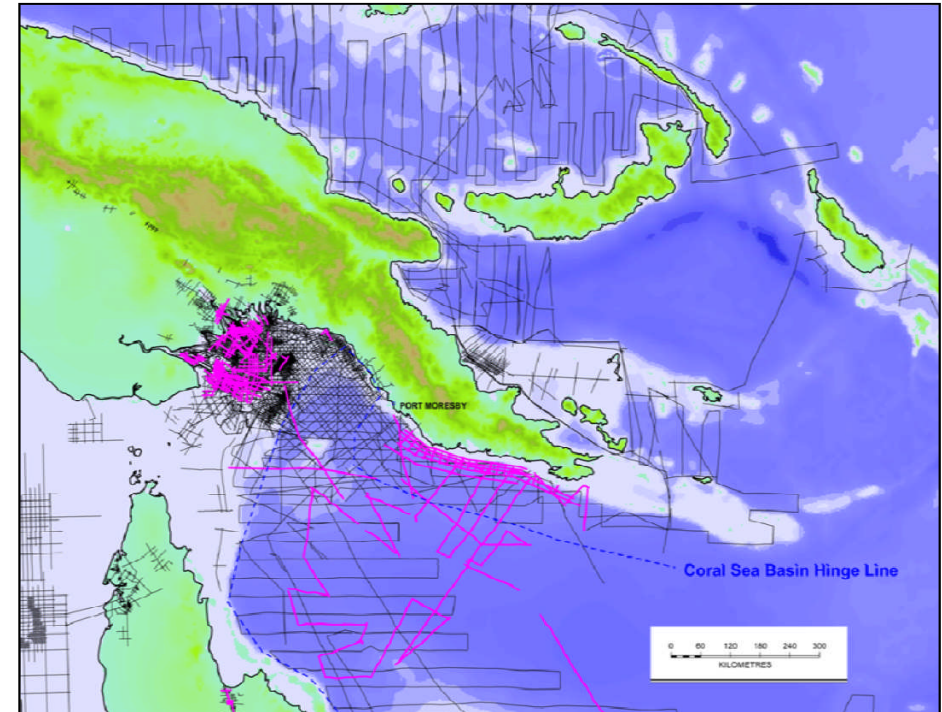
- Larus is currently investigating all seeps in PPL 326

Oil seeps confirm active hydrocarbon system in Torres Basin

PPL 326: seismic data

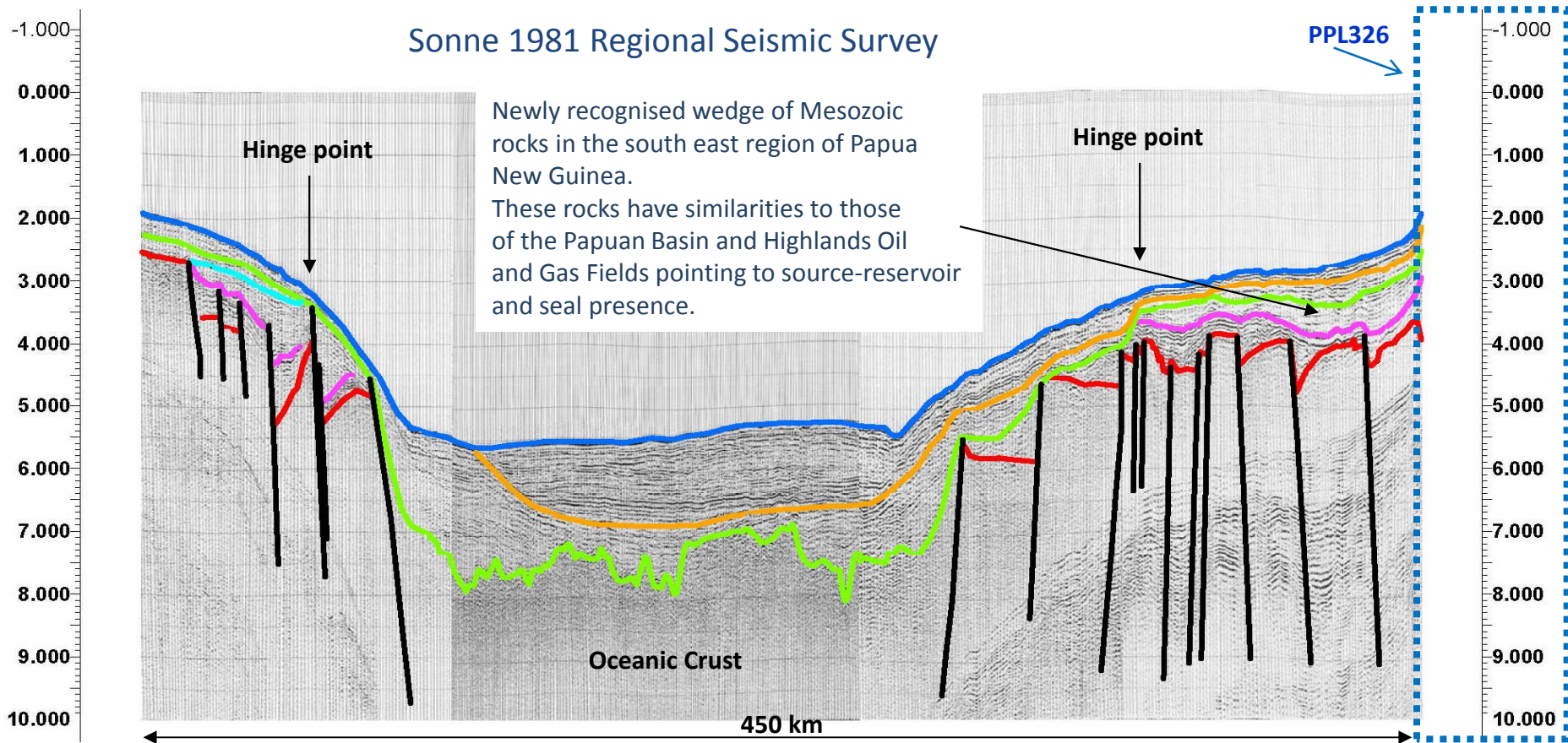


- Obtained over 3,200km of regional offshore seismic data completed in 1981 by the German Federal Institute of Geosciences and Natural Resources (BGR) thought lost
- This data was unseen by any other company
- Basin architecture flowing from this confirms Larus' view on PPL 326 of a Mesozoic petroleum system in the region of PPL326.
- Larus has also acquired 1,297km of the Fugro-Searcher 2006 Lahara 2D data and 714km of reprocessed vintage data
- Larus has interpreted the seismic data shown as pink lines in the diagram above to identify several leads and develop a geological model of the region
- Larus proprietary acquired Baramata 2D seismic in Aug 2011 takes this to a new level

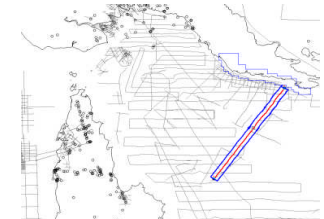


Larus is the first company to assess all available data relevant to PPL 326

Regional Situation – Qld connection



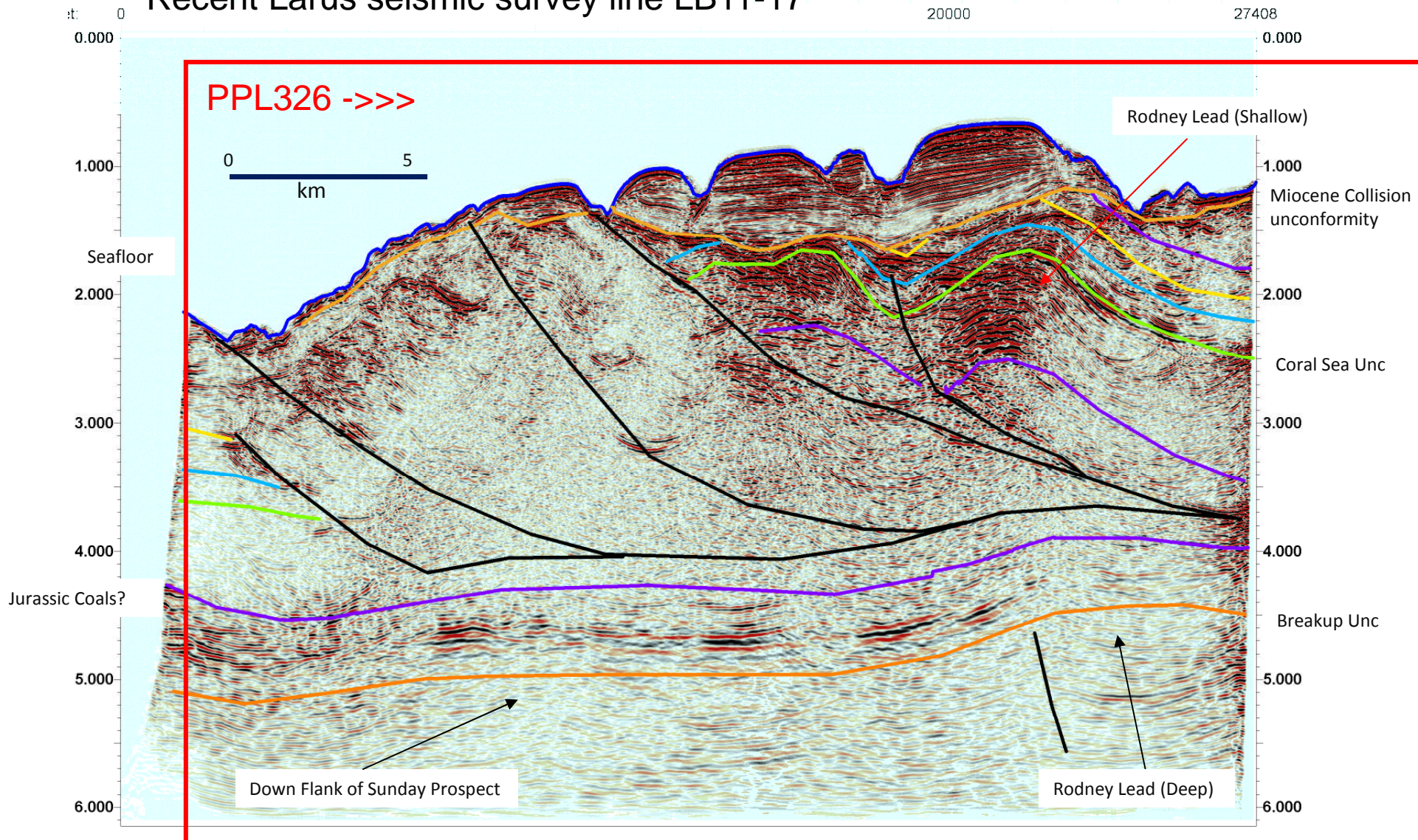
- | | | | | |
|--|------------------------|--|--|---------------------------|
| | Sea Floor | | | Cretaceous |
| | Collision Unconformity | | | Jurassic Coal |
| | Breakup Unconformity | | | Basement |
| | | | | Mesozoic Petroleum System |



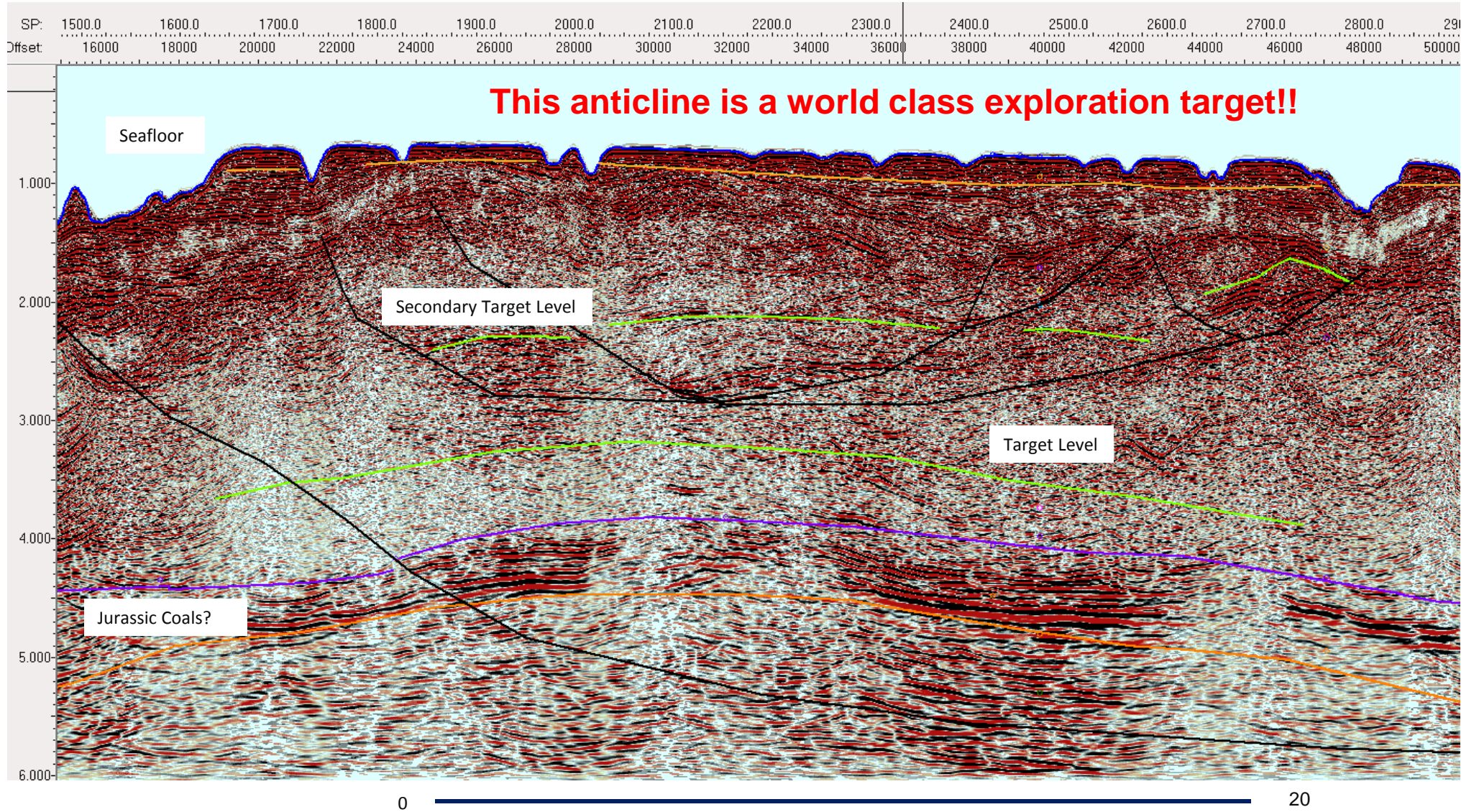
Indirect Evidence – buried Highlands



Recent Larus seismic survey line LB11-17



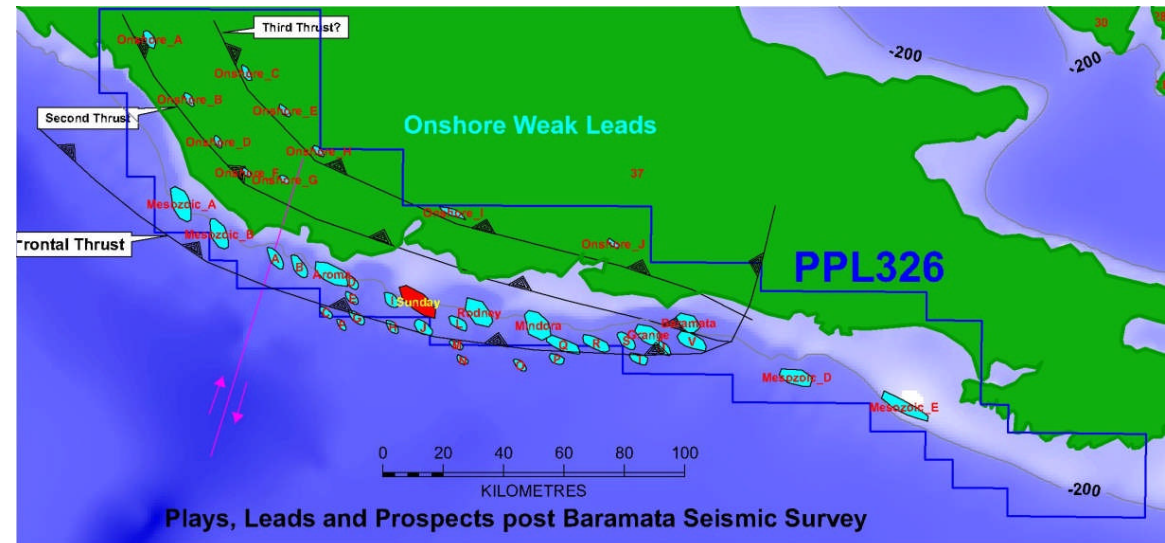
Sunday Strong Lead



Prospects & leads - Not one but many

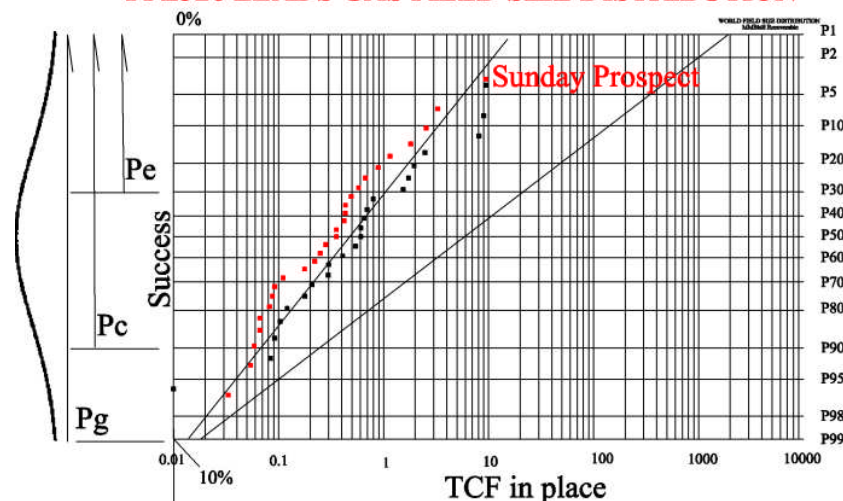


- 28 leads /prospects where have seismic
- Aggregate unrisked resource (using Hides parameters) of 860mmbbls condensate in place and 58Tcf gas in place
- Only 1/3rd of probable eventual leads/prospects in PPL 326



		OIIP (3% Vol) [MMbbls]	GIIP BCF		Play Type
TERTIARY	A			Weak Lead	Tertiary Clastics
TERTIARY	B			Weak Lead	Tertiary Clastics
TERTIARY	C	7	200	Weak Lead	Tertiary Clastics
TERTIARY	D	6	162	Weak Lead	Tertiary Clastics
TERTIARY	E			Weak Lead	Tertiary Clastics
TERTIARY	I	15	410	Weak Lead	Tertiary Clastics
TERTIARY	K	34	909	Weak Lead	Tertiary Clastics
TERTIARY	L	4	109	Weak Lead	Tertiary Clastics
TERTIARY	M			Weak Lead	Tertiary Clastics
TERTIARY	Q	25	656	Strong Lead	Tertiary Clastics
TERTIARY	R	5	123	Strong Lead	Tertiary Clastics
TERTIARY	S	8	205	Weak Lead	Tertiary Clastics
TERTIARY	T	4	102	Strong Lead	Tertiary Clastics
TERTIARY	U	6	171	Weak Lead	Tertiary Clastics
TERTIARY	V	12	328	Weak Lead	Tertiary Clastics
	REEF_A			Weak Lead	Miocene Reef
	REEF_B			Weak Lead	Miocene Reef
MESOZOIC	A	56	4188	Weak Lead	Mesozoic Clastics
MESOZOIC	B	36	2715	Weak Lead	Mesozoic Clastics
MESOZOIC	AROMA(deep)	56	4174	Strong Lead	Mesozoic Clastics
MESOZOIC	AROMA(shallow)	125	9392	Strong Lead	Mesozoic Clastics
MESOZOIC	Sunday	162	12123	Prospect	Mesozoic Clastics
MESOZOIC	Rodney (deep)	98	7305	Strong Lead	Mesozoic Clastics
MESOZOIC	Rodney (shallow)	79	5948	Strong Lead	Mesozoic Clastics
MESOZOIC	Mindora(deep)	46	3478	Strong Lead	Mesozoic Clastics
MESOZOIC	Mindora(Shallow)	30	2226	Strong Lead	Mesozoic Clastics
MESOZOIC	Grange	29	2191	Weak Lead	Mesozoic Clastics
MESOZOIC	Baramata	20	1461	Weak Lead	Mesozoic Clastics
MESOZOIC	D			Weak Lead	Mesozoic Clastics
MESOZOIC	E			Weak Lead	Mesozoic Clastics
	Totals	864	58577		
		OIIP [MMbbls]	GIIP BCF		

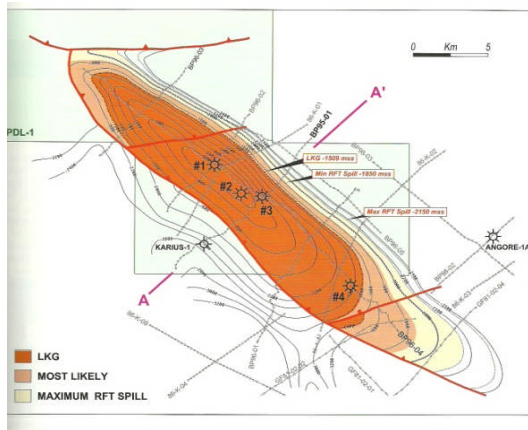
PAPUAN BASIN GAS FIELD SIZE DISTRIBUTION
PPL326 LEADS GAS FIELD SIZE DISTRIBUTION



Sunday Strong Lead

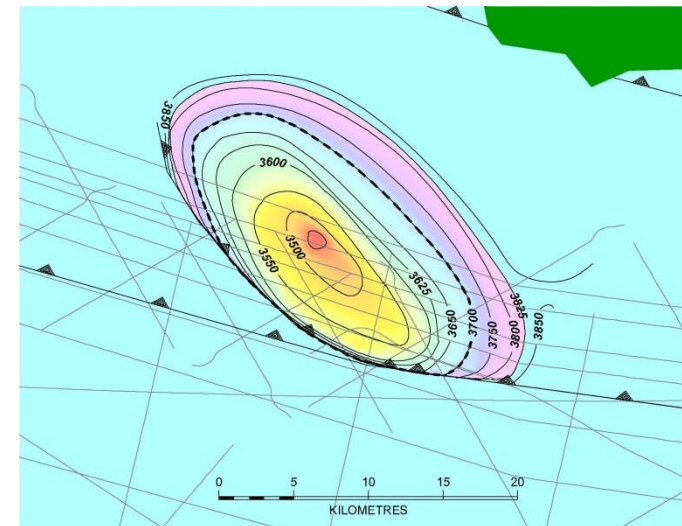


- Field Analogy – Hides (Papuan Basin):
 - Hides: 5.7TCF gas and 100mmbbls condensate recoverable,
 - Sunday: 9.4TCF gas and 148mmbbls condensate recoverable
- Unrisked resource of 9Tcf and 150 mmbbls oil – a must drill!



	Low	High
Net/Gross %	44	62
Porosity %	7	11
Sw %	15.8	19.6
Perm md	0.01	800
Recovery	75	
Toro Sst m	100	
Column m	1240	1800 Gas on rock
Anticine m	2000	35km long 5 km wide
Target Depth m	3000	
Initial Flow MMscfd	15.9	
bopd	39.6	
Pressure PSI	5600	5950
CGR stb/MMcf	36	
Condensate API	50	56

Hides data from Johnstone and Emmett 2000
 Petroleum Geology of the Hides Gas Field...
 Proc 4th PNG Petroleum Conf



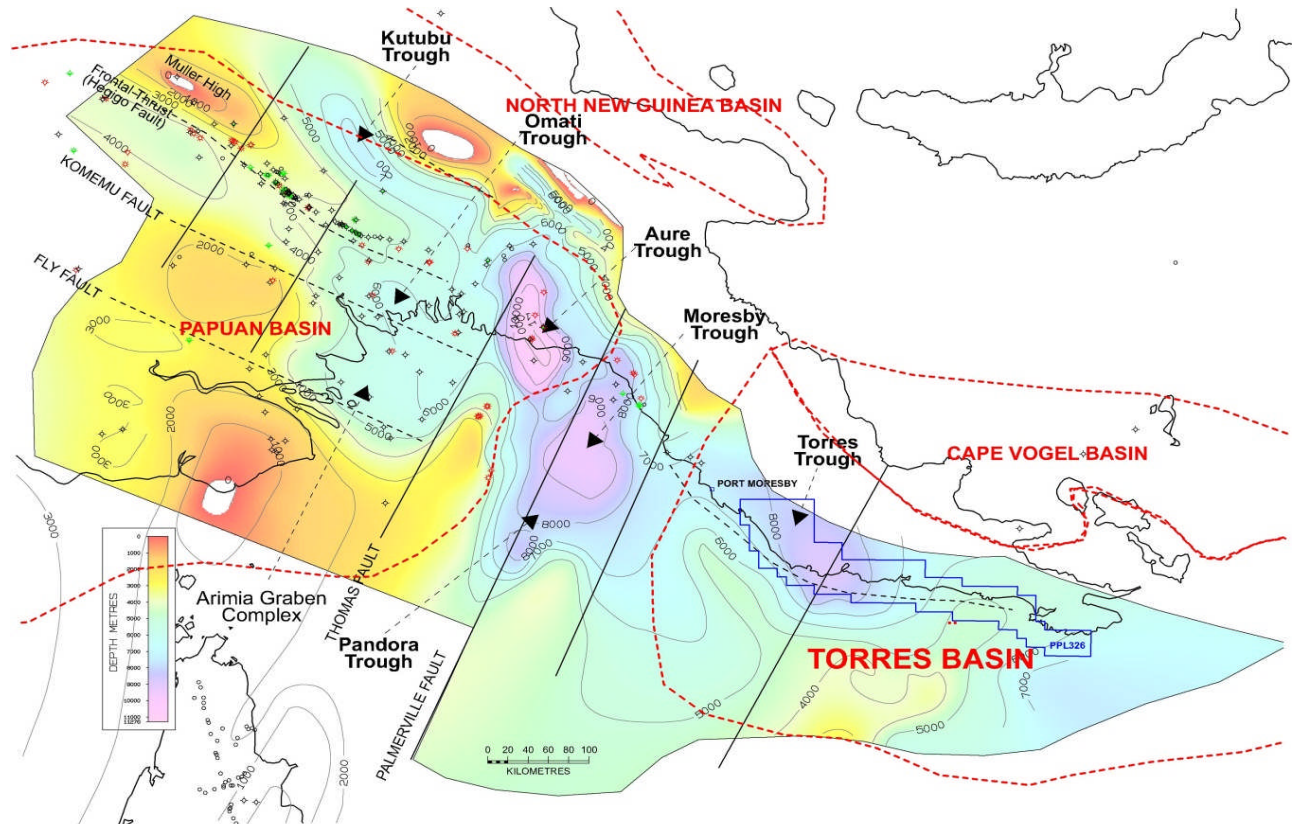
	AREA acre	AREA KM*KM	HEIGHT FEET	GRV	GEOMETRIC FACTOR	GRV MM m cub	net gross	POROSITY %	So %	1/Bo []	OIL/GAS %	OIIP/GIIP	Recovery factor			
Hides	43209	175	300	16002	0.80	12801	0.55	0.10	0.82	1.0000	0.03	101	1.00	101	OIL MMBBLS	
Hides	43209	175	300	16002	0.80	12801	0.55	0.10	0.82	0.0025	1.00	8155	0.70	5709	GAS BCF	
				OIP = 6.28983 * GRV * Phi * So * 1/Bo [MMbbls]												
				GIP = 0.00353 * GRV * Phi * So * 1/Bo [BCF]												
Sunday Lead	69135	280	300	18797	1.00	18797	0.55	0.10	0.82	1.0000	0.03	148	1.00	148	OIL MMBBLS	
Sunday Lead	69135	280	300	18797	1.00	18797	0.55	0.10	0.82	0.0022	1.00	13472	0.70	9430	GAS BCF	

PNG Basement Mapping



- RPS Energy (“RPS”) have reviewed existing data and findings made by Larus in relation to the data, prior to Baramata 2D seismic survey
- RPS also reviewed a draft technical paper by Dr Michael Swift (Larus Exploration Manager)
- RPS confirmed the likely existence of the newly identified basin (the Torres Basin) and agree with Dr Swift’s conclusions regarding prospectivity
- The interpretation concludes that a Mesozoic petroleum system containing both source and reservoir is likely to exist.

This confirmation by RPS significantly upgrades the prospectivity of PPL 326

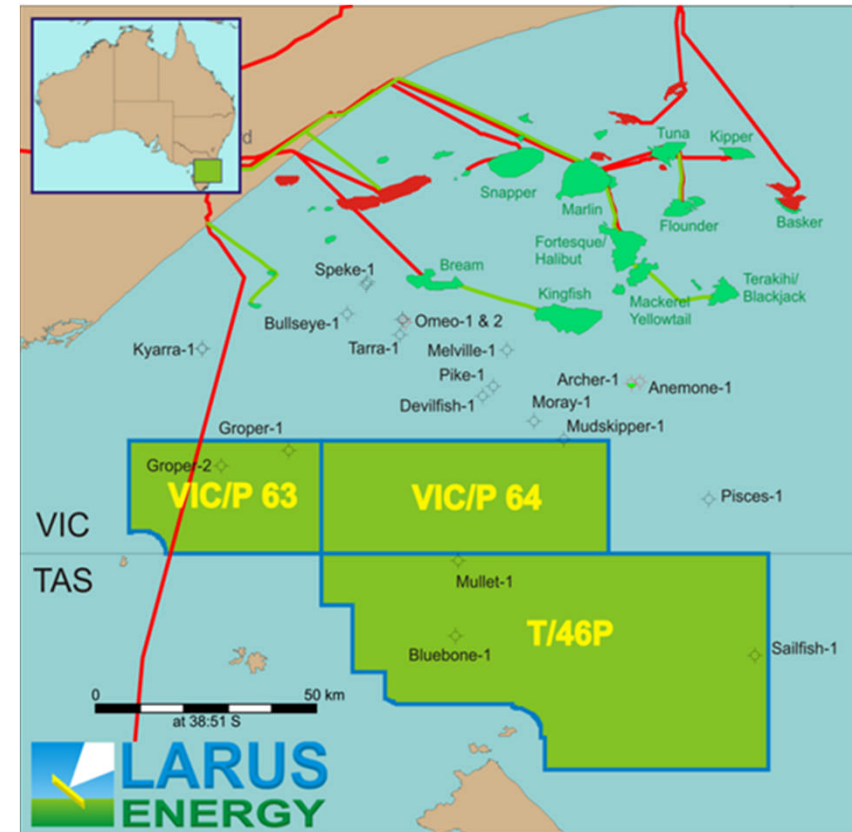


A new basin is confirmed

Gippsland Basin Assets: Location



- Larus' Gippsland portfolio comprises 3 separate permits - VIC/P 63, VIC/P 64, T/46P
- The licences cover ~8,300km² on the southern flank of the Gippsland Basin, Australia's most prolific oil producing basin
- The licences were acquired in Feb 2011
- Licences are in secondary term which provides flexibility
- The main hydrocarbon play Larus is targeting is structural and stratigraphic traps of the Latrobe Group which occur in water depths of less than 100 metres, but a number of plays to pursue

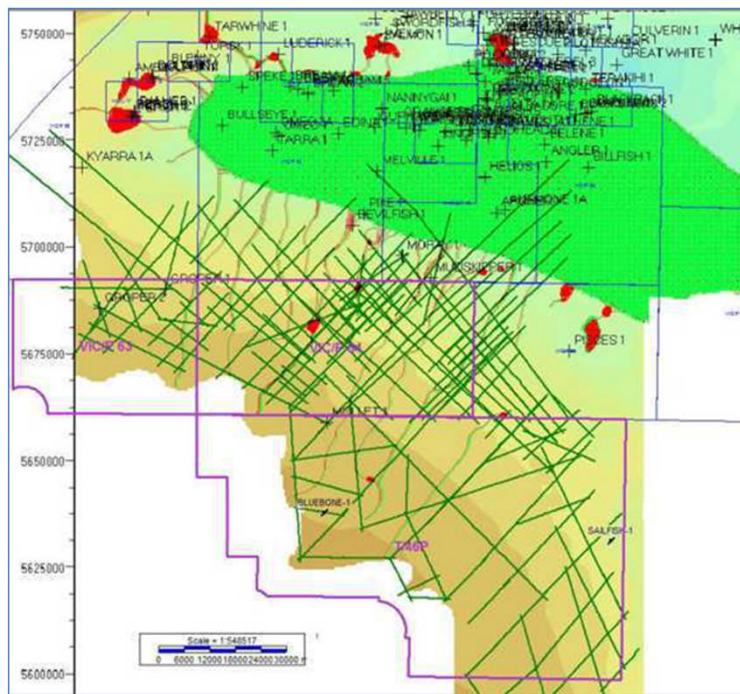


Large underexplored area prospective for shallow water hydrocarbons

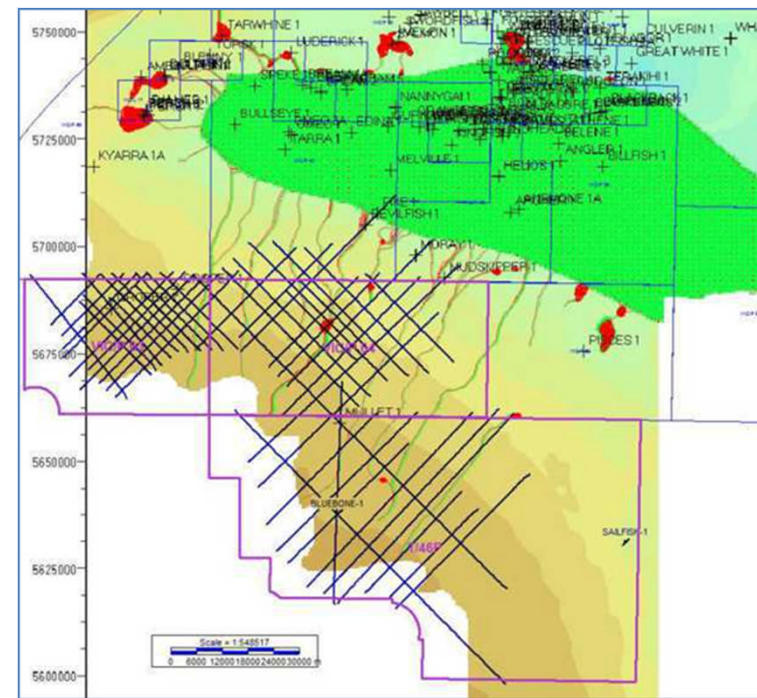
Gippsland Basin Assets: Seismic



- The vintage data was obtained, reprocessed and interpreted by the previous operator
- The previous operator acquired the ~1,500 km Furneaux 2D Seismic Survey in 2010
- Larus has both data sets



4,000 km reprocessed vintage seismic data (green lines)



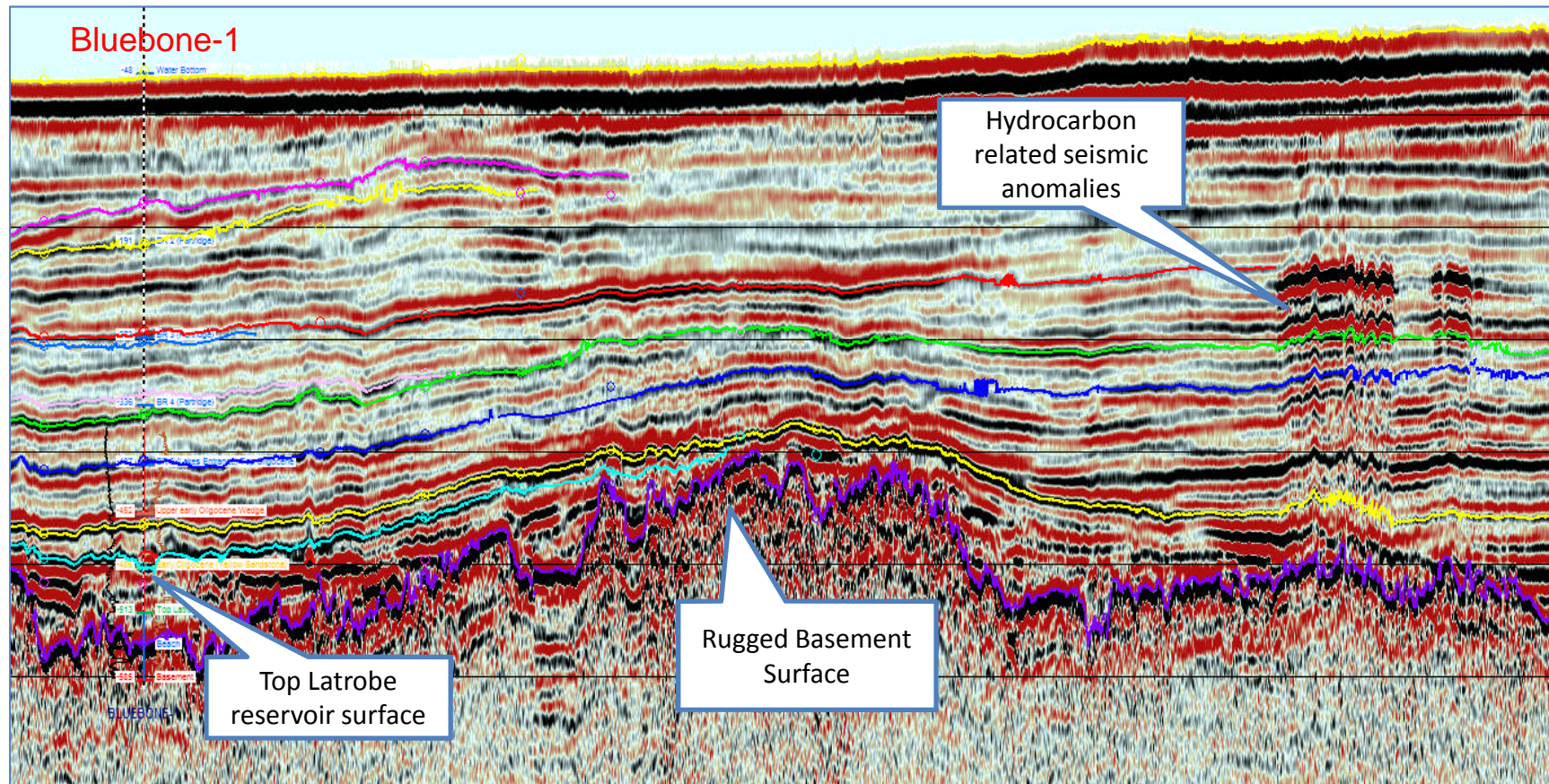
1,500 km Furneaux 2D seismic survey (blue lines)

Modern and vintage datasets provide a different perspective

Gippsland Basin Assets: Seismic



- Initial interpretation of Furneaux data by Larus shows hydrocarbon migration is present at the basin southern edge

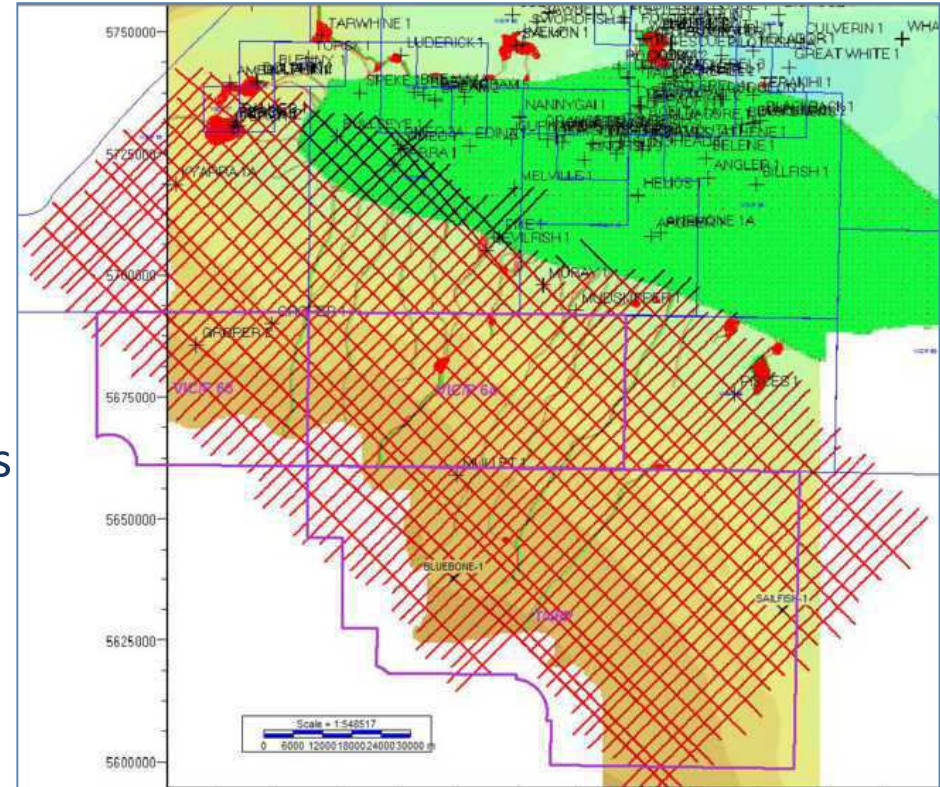


Hydrocarbon migration present at the basin southern edge

Gippsland Basin Assets: Seismic



- In 2010 GeoScience Victoria acquired >8,000 km 2D seismic over the Permits & surrounding areas as detailed in the diagram to the right
- This seismic is being provided to Larus at no cost and is currently being received and reviewed
- New leads and prospects will be identified, existing leads and prospects identified by Larus will be significantly de-risked
- Structural/stratigraphic traps and migration pathways charging those traps will be mapped
- Larus is in a position to apply modern exploration advanced technologies using an extensive set of modern 2D seismic data



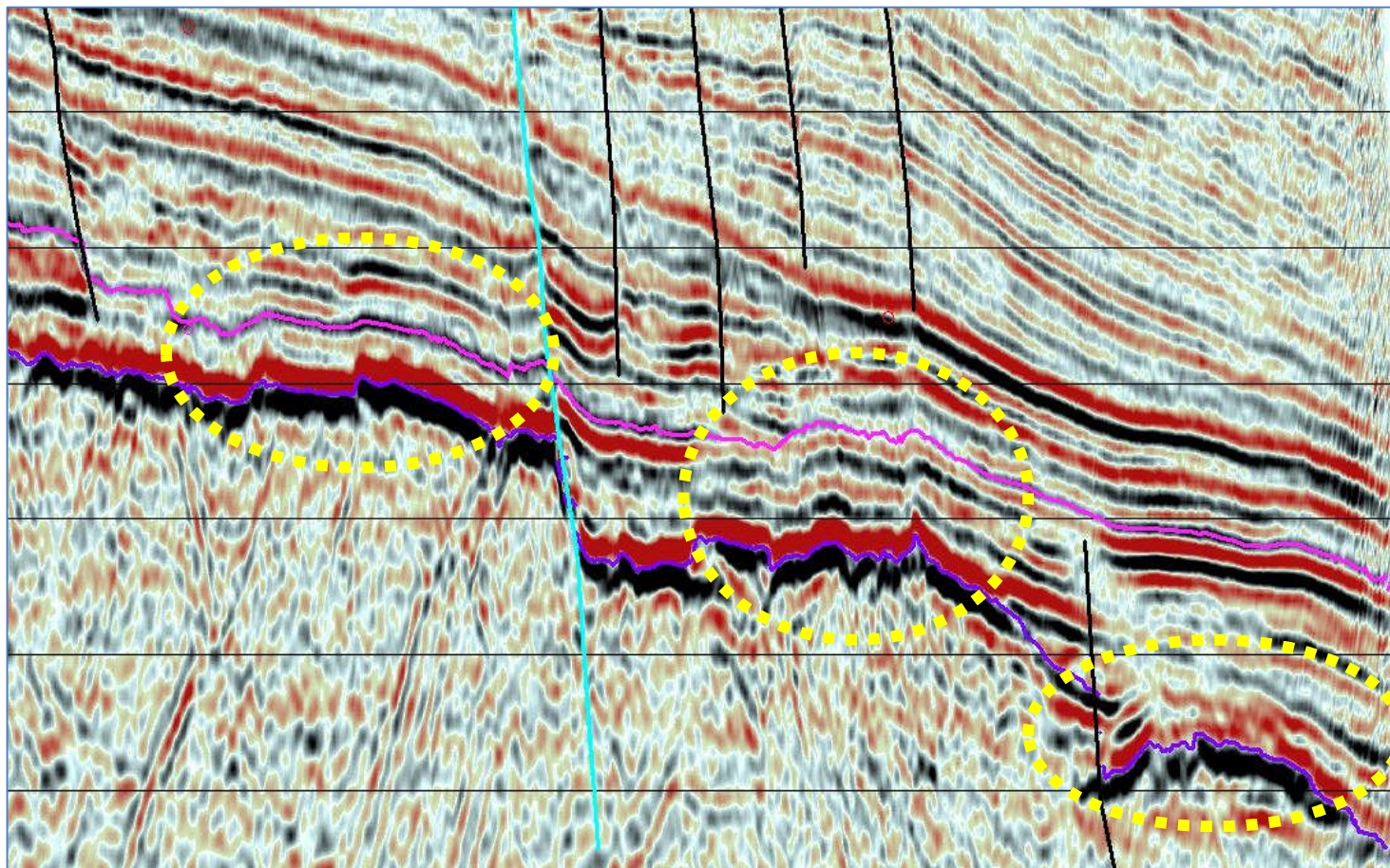
>8,000 km Geoscience Victoria seismic data (red lines)

An extensive modern 2D seismic grid over the blocks is available

Gippsland Basin Assets: Seismic



- Initial interpretation of Southern Flanks data by Larus showing structures present



Trapping structures present in Permits

News flow



Tenement	12/11	1/12	2/12	3/12	4/12	5/12	6/12
PNG	TZ seismic contracted	TZ seismic commence	TZ seismic completed	TZ seismic processed	Onshore seismic commence	Onshore seismic /TZ interp	Onshore seismic
Australia			Sth Flanks seismic interp complete			Addit seismic, if req'd	Addit seismic, if req/d

Tenement	7/12	8/12	9/12	10/12	11/12	12/12	1/13
PNG	Onshore seismic	Onshore seismic concludes	Poss Onshore well	Onshore well/seismic processed	Seismic interp complete	Drill targets finalised	Farmout negotiation commence
Australia			Addit seismic interp complete			Drill targets finalised	Farmout negotiation commence

2012 – the year of excitement and revelation

Investment Opportunity



- Larus has 126.1m issued shares (including shares issued to date under this raising) and 15.25m 15-40c granted options
- Larus is currently raising up to \$20m pre-IPO capital at 20c to fund additional seismic and exploration on its licences
- The \$20m raising will result in 100m new shares, a total of 223.6m shares outstanding, and an implied undiluted market capitalisation of \$44.7m
- Larus plans to conduct a ~\$40m IPO in Q1 2012 that is likely to be completed on the AIM or TSX.V exchanges
- Capital raised will be used to acquire onshore, transition zone and offshore 2D seismic and drilling onshore exploration wells in PNG and further seismic as required in Gippsland – all in 2012
- Objective to be farm-out ready in PNG and Gippsland by end 2012
- For additional technical and corporate information please see www.larusenergy.com.au

Larus energy – join the excitement



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