SHAREHOLDER UPDATE
19 April 2018

CURRENT STATUS

Permit PPL 579 is now in the first year of an eleven (6+5) year term that commenced in March 2017. The permit remains in good standing with the PNG Government.

All offshore exploration acreage in the Torres Basin adjacent to PPL 579 has, in the last year, been applied for and awarded to supermajors Total and Exxon. This commitment to the region emphasises the exploration potential of the Torres Basin region first identified by Larus.

Larus lodged an application for further onshore acreage in December 2015, APPL580. The application consists of 10 sub-blocks with an area of approximately 842 square kilometres close to the location of the hydrocarbon seep. The application is on the northern boundary of PPL 579. The application was made on the basis of the exploration potential of the region. It gives Larus a large onshore acreage position over the Torres Basin. The application has now been gazetted by the DPE.

FARMOUT

Larus is in discussions with a number of prospective farmees including the supermajors, many of which have continuing technical reviews. The analysis of an onshore seep was identified and subsequently announced on 24 July 2017. This oil resembles the oils of the PNG Highlands where significant commercial discoveries have been made. It is evident that the kitchen generating the oil lies in the northern region of PPL 579 and would allow migration towards the prospects and leads mapped in the Larus license. Industry interest remains intense as investors compete for positions in this new frontier in PNG.

Moyes & Co, our A&D advisors, together with the Larus board, recently completed two weeks of meetings with a number of Australasian business units in respect of the exploration potential and oil generation story in PPL 579. The potential of a liquid hydrocarbon outcome would substantially improve the economics of any discovery through the early revenue derived from liquids, providing superior returns over a dry gas project.

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
Matthew Azar, Company Secretary
T: +61 8 9288 1784
E: matthew.azar@larusenergy.com.au
A successful shallow water oil discovery could be developed with inexpensive offshore facilities at a modest capital outlay in as little as 2 years from discovery and is within the technical experience and current budgets available to the targeted regional Asian oil companies.

Chris Moyes commented, “Larus has had a successful roadshow in Australasia having meetings with multiple parties resulting in new confidentiality agreements signed and written offers to consider. There has also been continuing useful engagement and dialogue with experienced regional and PNG players that have offered some very knowledgeable insights into the forward program of seep analysis, seismic and drilling programs over the next 6 years. The company will actively continue with these discussions in anticipation that an agreement with one or more aligned partners can be secured in the first half of 2018.”

The Company will continue to update shareholders as necessary.