
LARUS
ENERGY
POSITIONING FOR GROWTH
IN PNG
17th ASIA UPSTREAM
CONFERENCE 2012
27 JUNE 2012
PNG
AUSTRALIA

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Larus Energy Limited – an Asian story

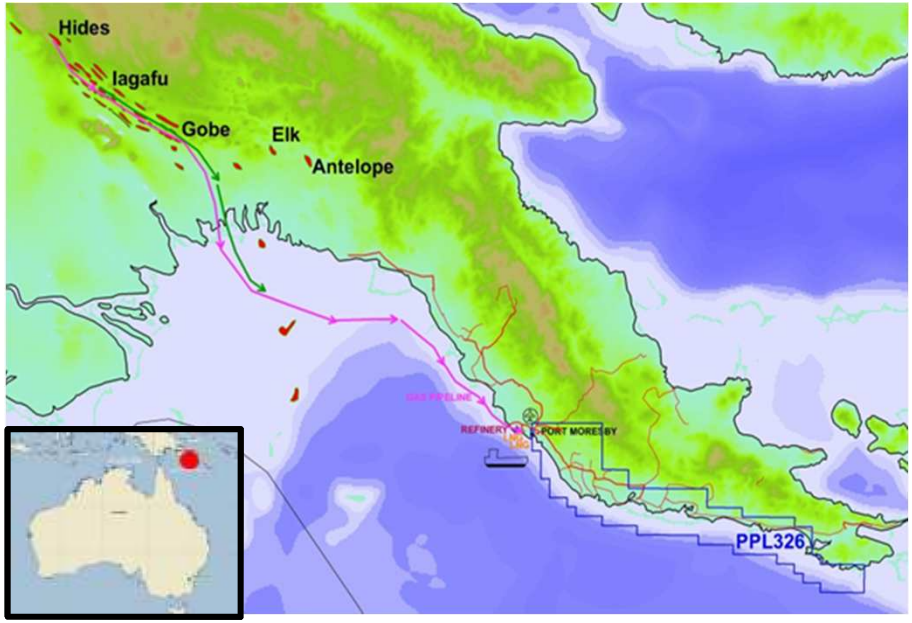
Larus Energy Limited is an Australian public unlisted petroleum exploration company with 2 assets:

- **Torres Basin, Papua New Guinea Onshore and offshore**
  PPL 326
  Area: 16,752km^2
  100% Larus
- **Gippsland Basin, Australia Offshore**
  VIC/P63, VIC/P64 and T/46P
  Area: approx. 8,300km^2
  100% Larus

PNG – PPL 326

PPL 326

- Awarded 27 August 2009 for a six year permit period (three x 2 year periods)
- Currently in years 3 and 4 (Period 2)
- Minimum work required in Period 2:
  - Plan and acquire up to 300 km of seismic offshore
  - Plan and acquire up to 300 km of seismic onshore
  - G&G and review results
  - Particulars of financials
  - US$2 million budget
- Years 5 and 6 (Period 3) minimum work required:
  - Drill one offshore exploration well



The above minimum work commitment for Period 2 is currently awaiting formal instrument of approval recording the change (Larus believes this will be issued in the next few months).
G&G: geological and geophysical data analysis.

Majors investing heavily in PNG

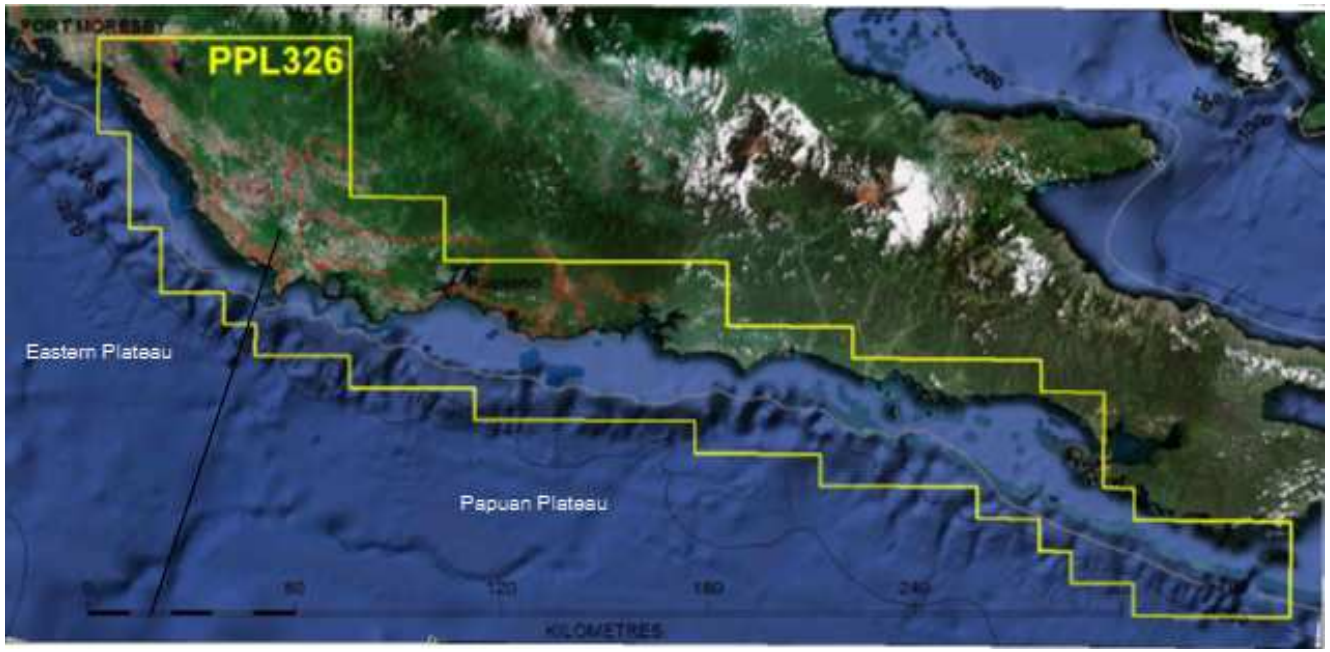
ExxonMobil	33.2% interest in and operator of **US$15.7 billion** PNG LNG Project
Oil Search Limited	29% interest in **US$15.7 billion** PNG LNG Project Investment in PNG LNG Project - $1.2bn in 2011, forecasting **up to $1.8bn** in 2012
Santos	13.5% interest in **US$15.7 billion** PNG LNG Project Hides and Angore development drilling program
InterOil	**$134** million net cash expenditure on exploration, appraisal and development activities in 2011
Nippon Oil	Co-investor in **US$15.7 billion** PNG LNG Project
Mitsubishi Corporation	20% interest in Talisman PNG alliance worth **US$280 million**
Talisman Energy	**US$800 million** in exploration over the next three years In alliance with Mitsubishi worth **US$280 million**
Sasol reaching new frontiers	51% interest in and operator of four onshore licences
Shell	Regional office in Port Moresby and alliance with Petromin (PNG SOE)
Pacific Rubiales Energy	HOA 10% interest from InterOil in PPL237 – **US$116m**, exploration carry, final resource payment
CNOOC Limited 中国海洋石油有限公司	Acquiring 70% of PPLs 374, 375 & 378 from UMC Energy for 100% carry of all exploration work commitments. PPL 374 & 375 to south of Larus

Source: Company announcements.

Supportive fiscal and regulatory regime

Papua New Guinea

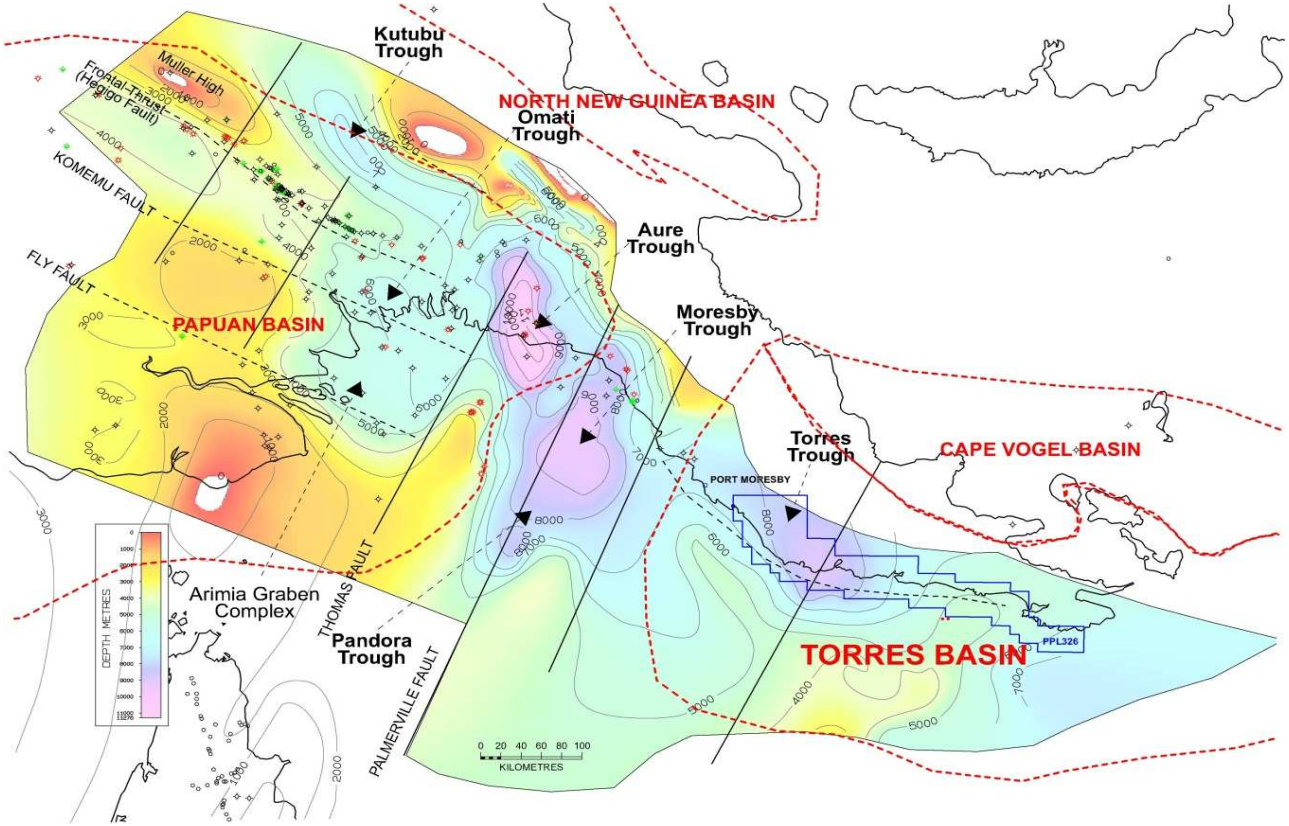
- PNG Government committed to growing oil and gas sector
- Attractive fiscal and taxation regime and favourable regulatory environment – exploration and development legislation with similar work commitment obligations to Australia
- Supportive local community and landowners, with regular consultation undertaken
- Location, terrain and infrastructure makes this area easier to operate in



New PNG basin

PPL 326

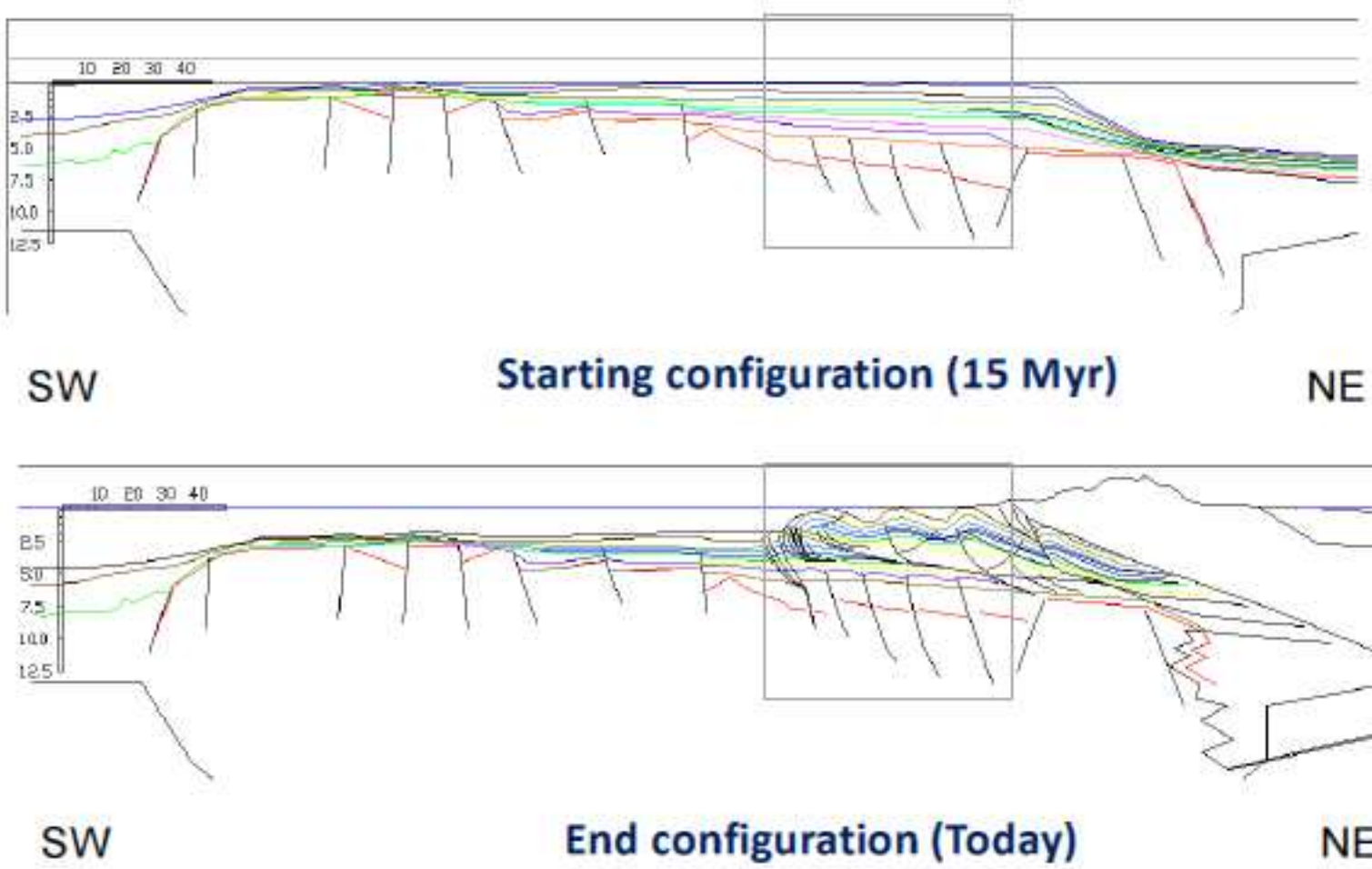
- Newly identified basin (the Torres Basin)which is tantamount to a buried Highlands
- Contains its own kitchen
- The interpretation concludes that a Mesozoic petroleum system containing both source and reservoir is likely to exist.
- All known existing plays in the Papuan can be demonstrated in the Torres Basin
- At least 11plays to be pursued
- Key play risked at 40%, key Prospect risked at 9%



New Basin uncovered covering twice the Highlands area

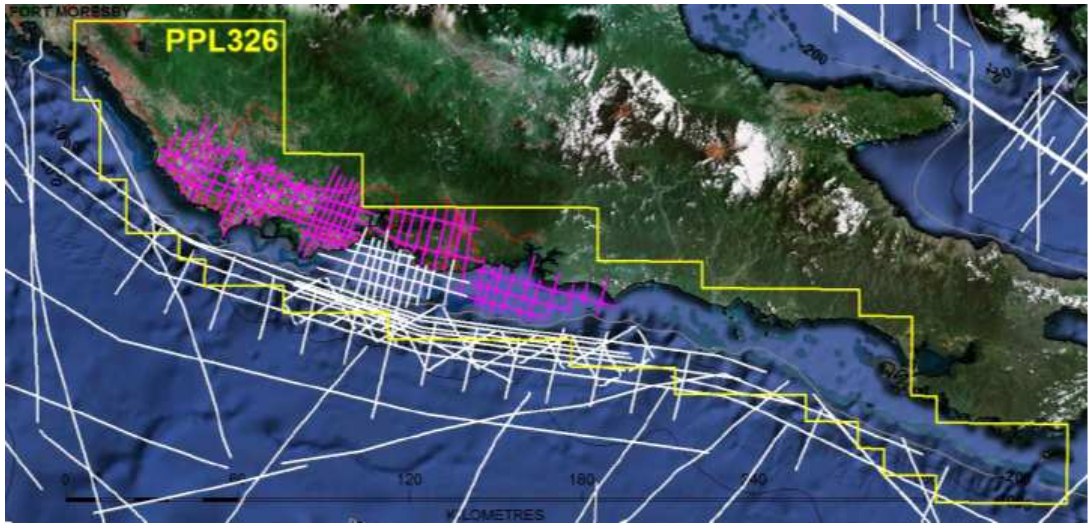
Structural History of the north PNG coast

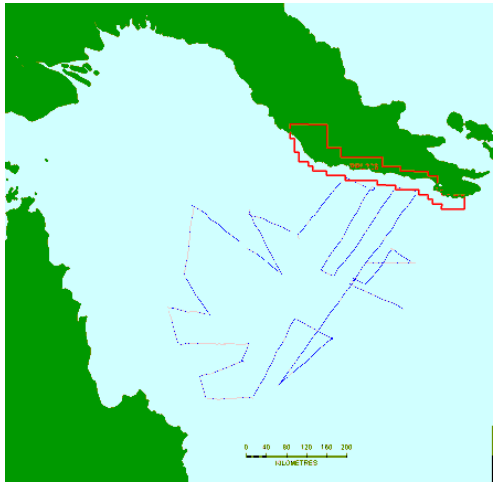
PPL 326

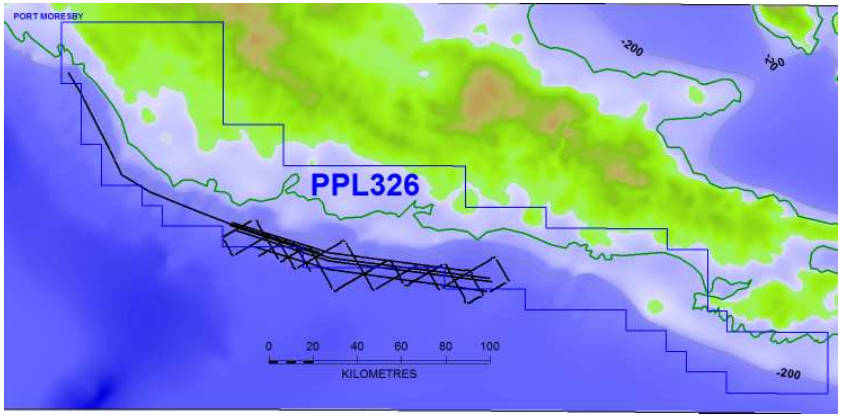


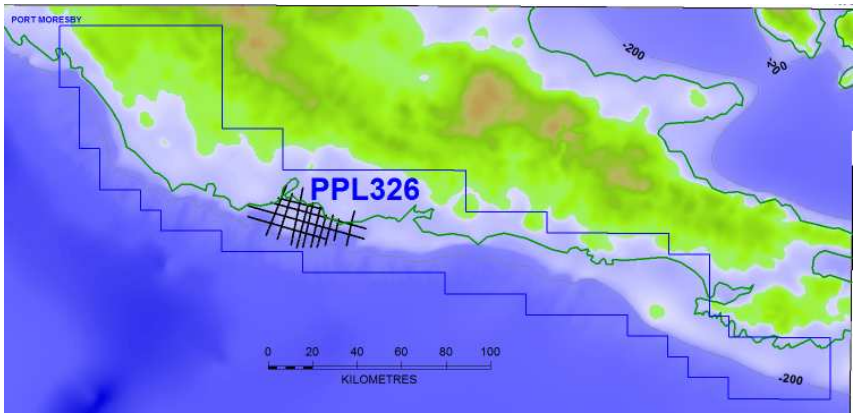
New Basin covered by over-thrust sheets

The Company advantage







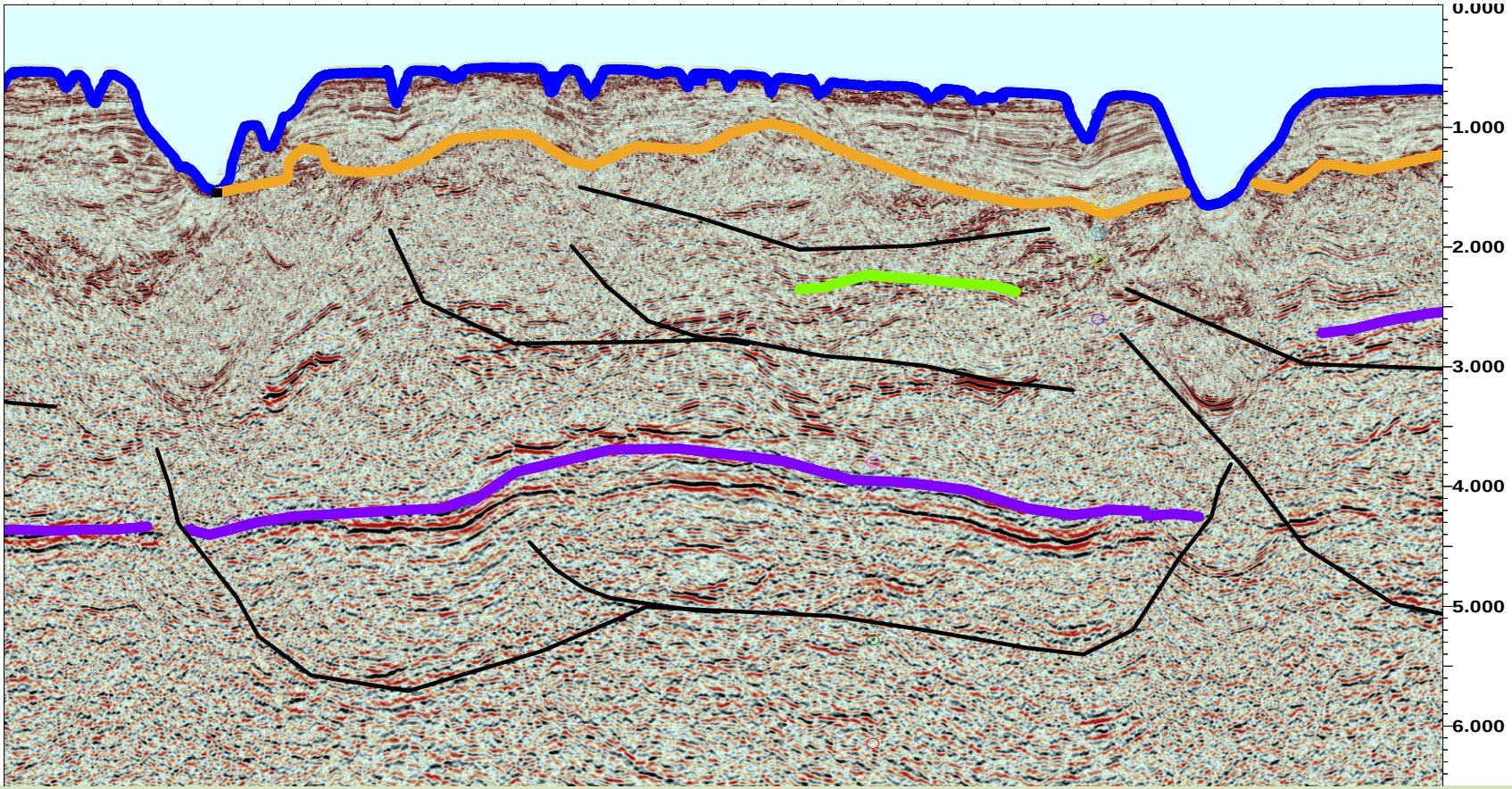


Larus is the only company to have reviewed ALL data relevant to PPL 326

The start of the hunt!

PPL 326

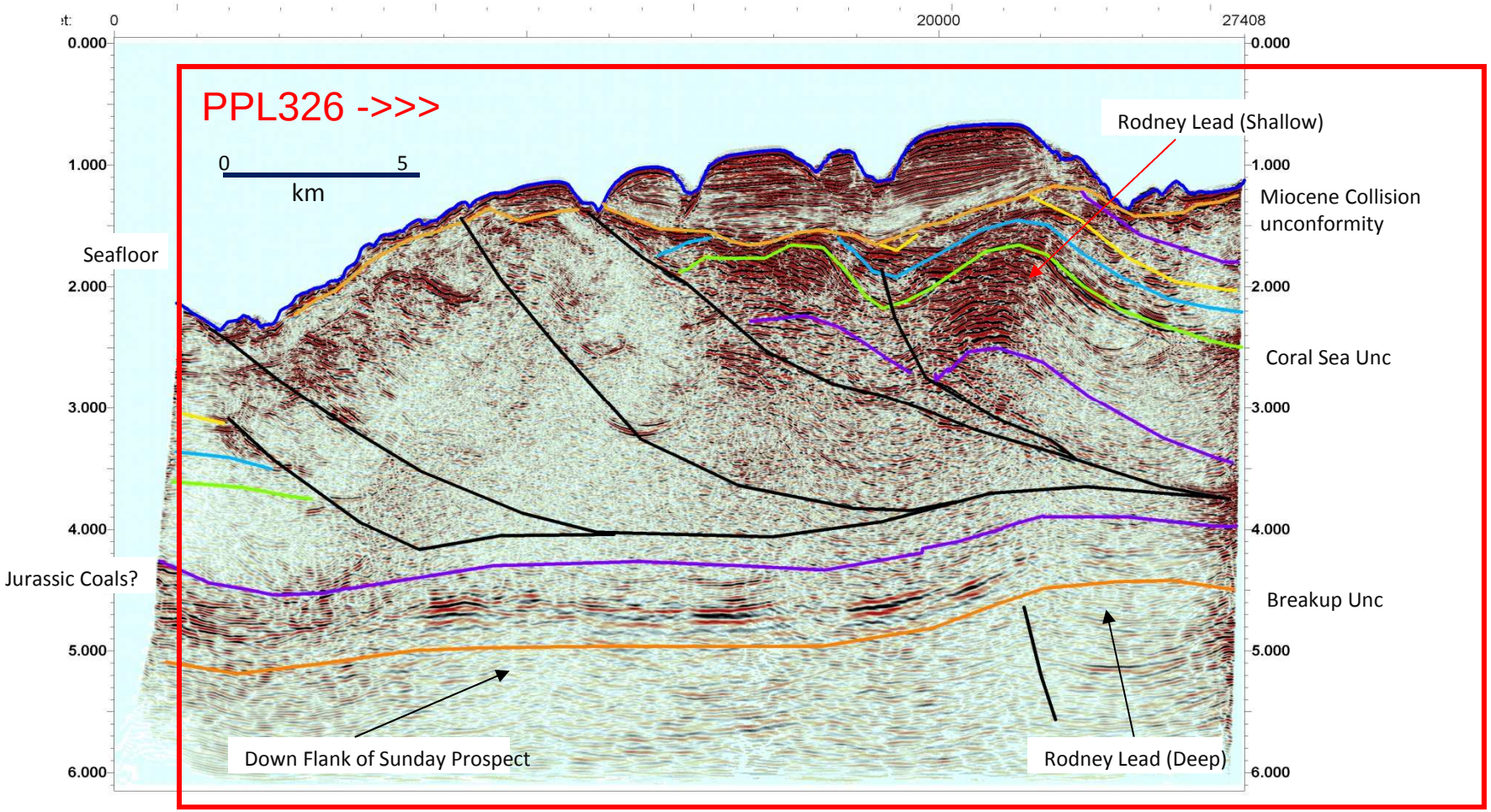
- Fugro Lahara Seismic Survey L06-131P1 (Final Stack) - Sunday Anticline 40km long!



The seismic line that started the 'elephant' hunt

Technical work highlights world-class potential

PPL 326

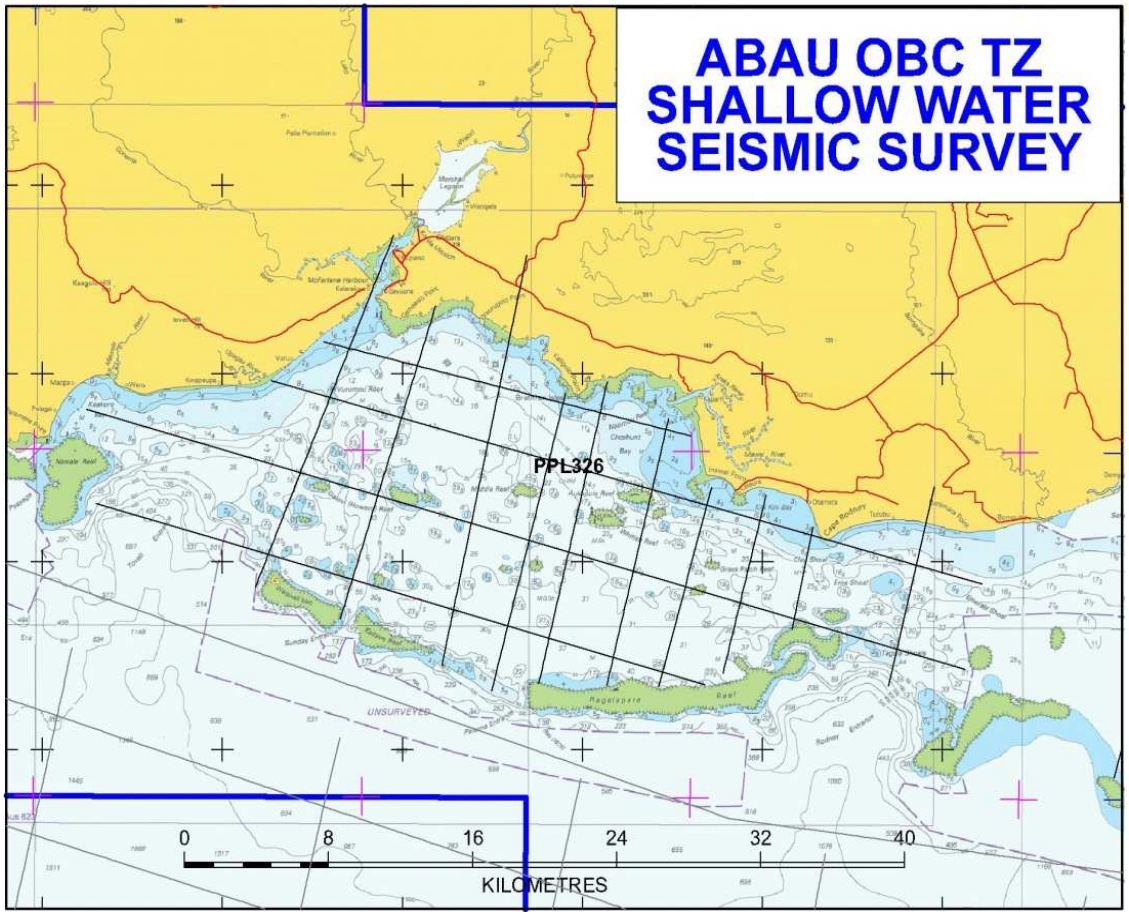


Recent seismic survey showed PPL 326 amounts to a 'buried highlands'

Technical work highlights world-class potential

PPL 326

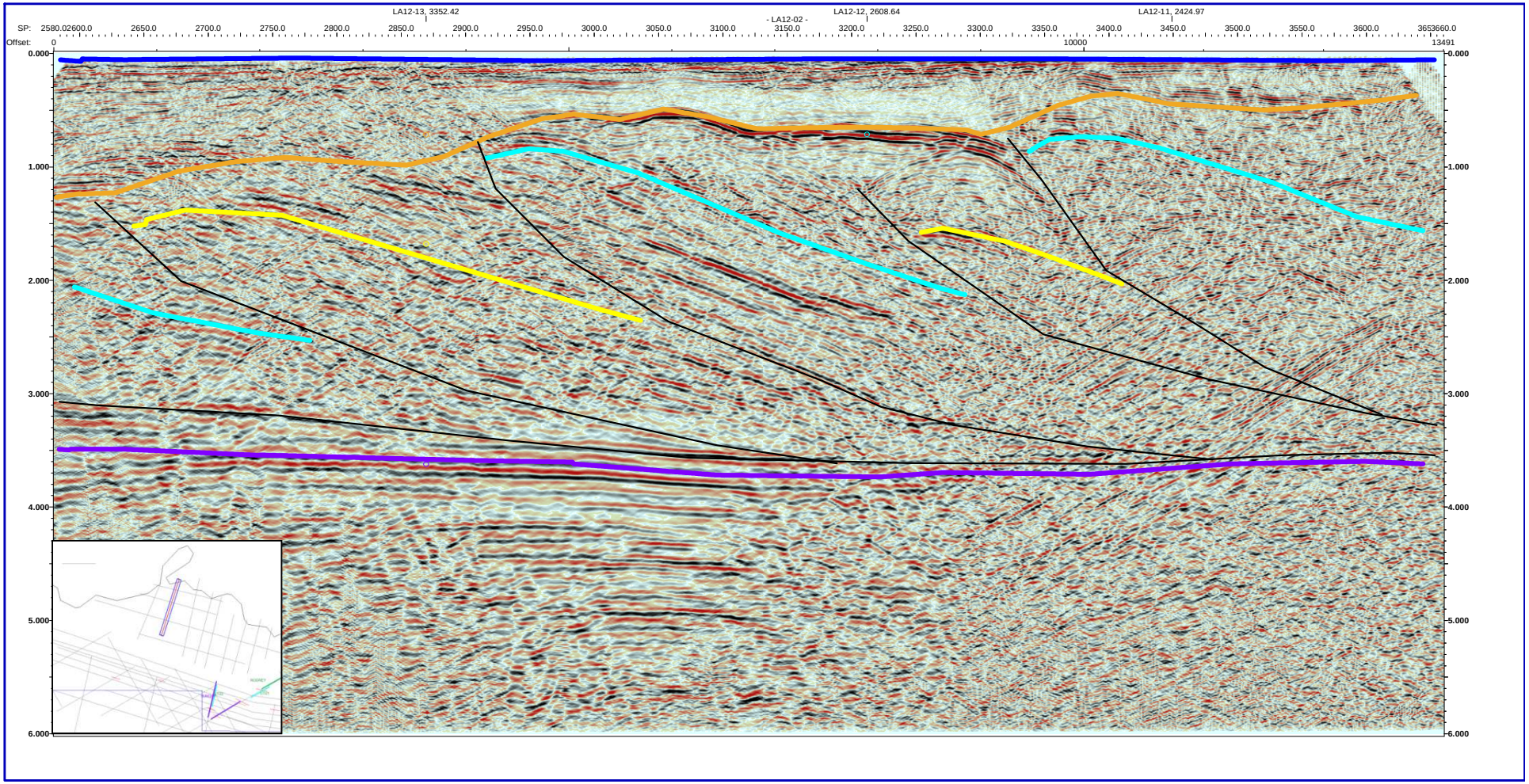
- Abau shallow water transition 2D seismic survey recently completed
- Data just been processed and interpretation being finalised
- Maturing existing leads and prospects
- Adding new leads, prospects and plays
- Produced a direct hydrocarbon indicator – better than an oil seep
- Shows the formers hills now buried – under 800m of mud
- Further unlocks the story



Every time we touch it, PPL 326 just gets better

PPL 326

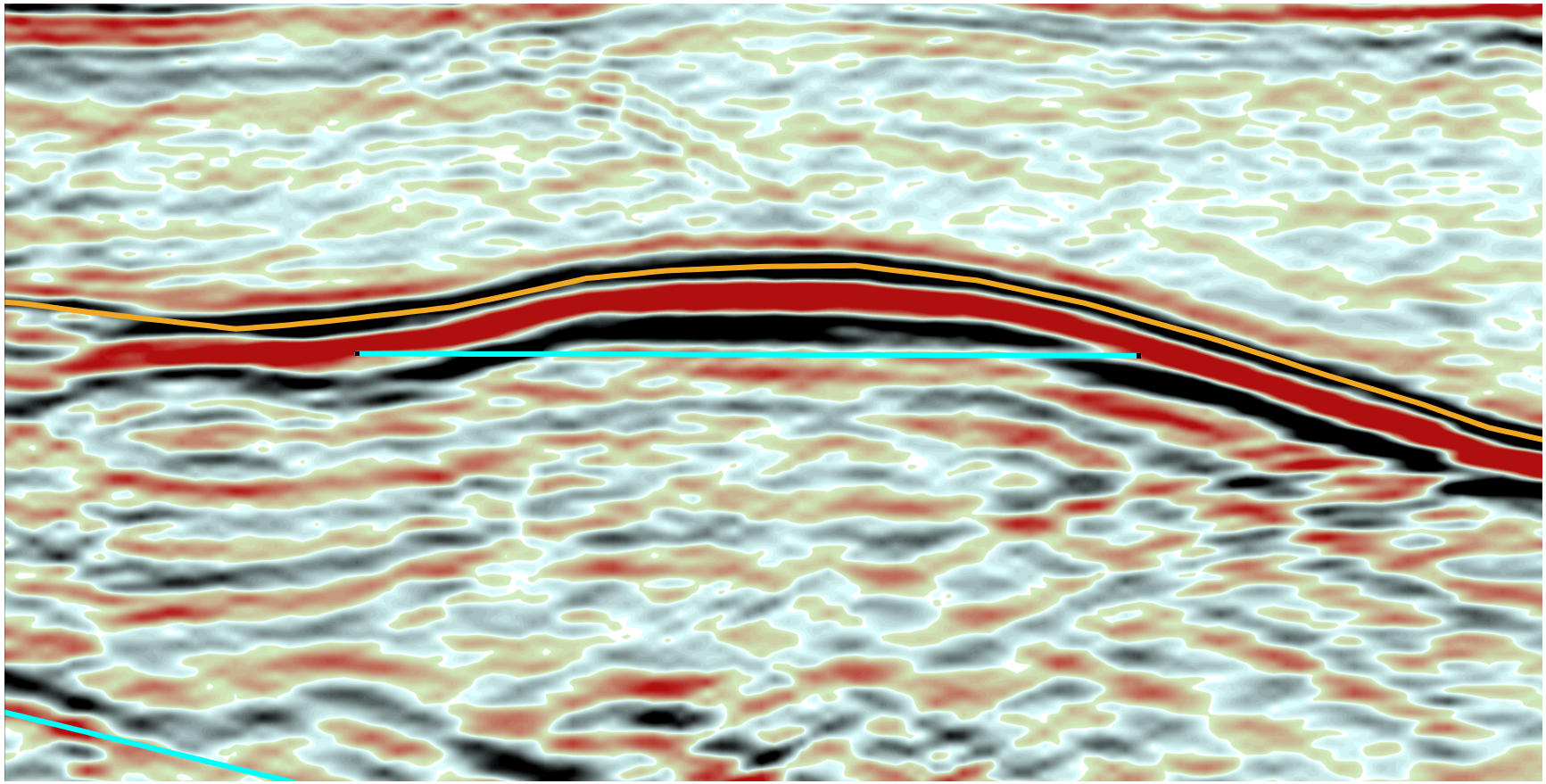
- Abau OBC TZ Seismic Survey LA12-02 (Preliminary Stack)



We have an active hydrocarbon system

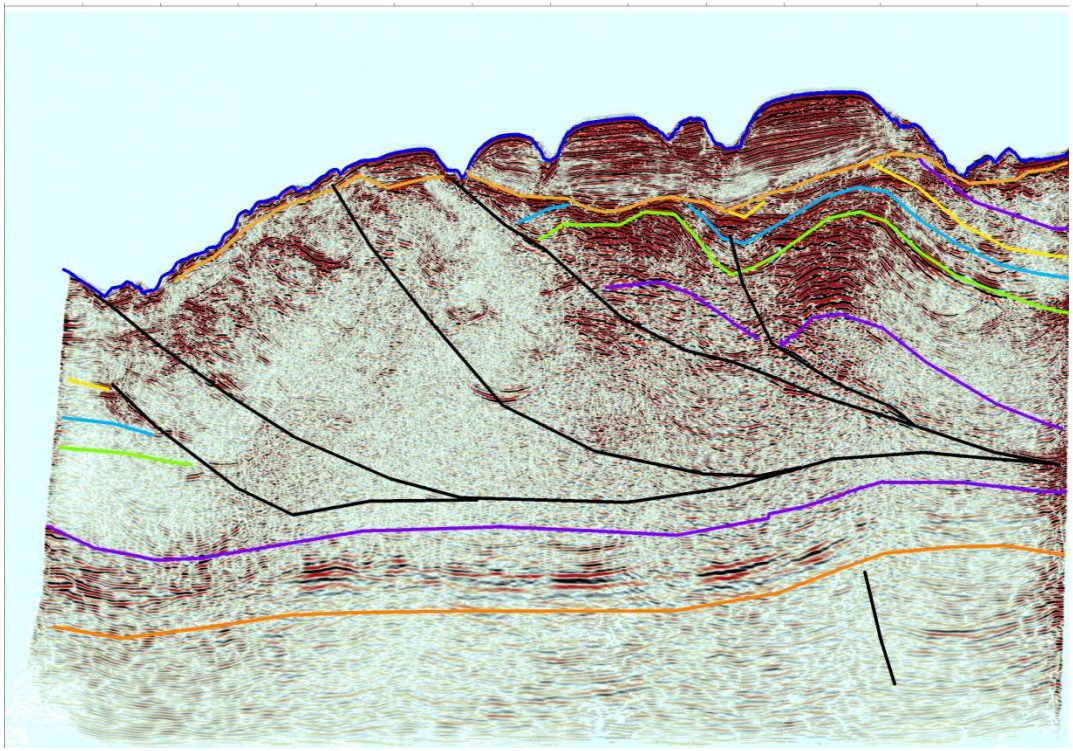
PPL 326

- The ‘Holy Grail’ of seismic exploration and usually a direct indication of gas in the system. The lack of oil and gas seeps at the surface is now understood

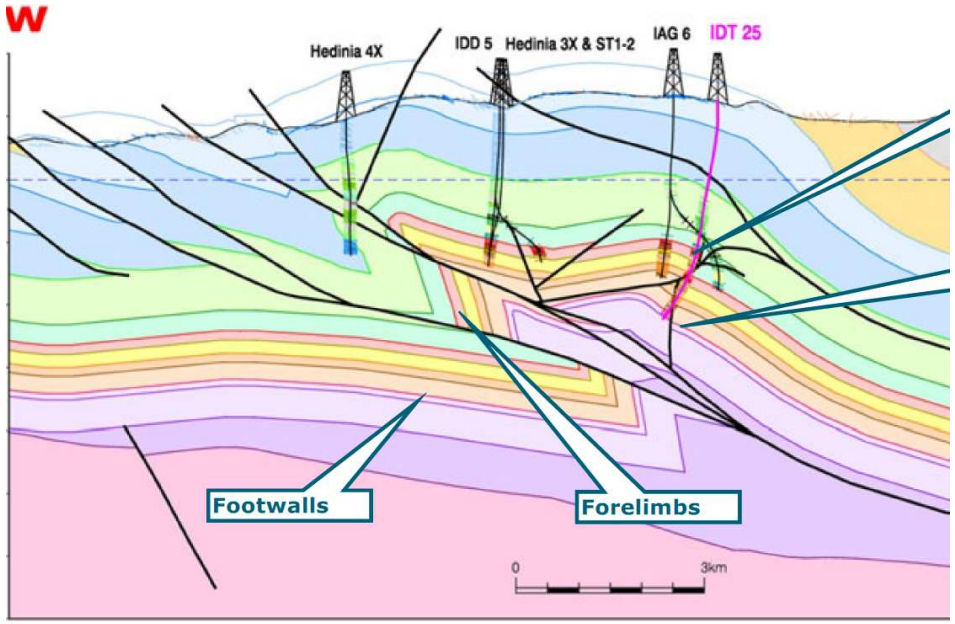


An uncanny resemblance!

PPL 326



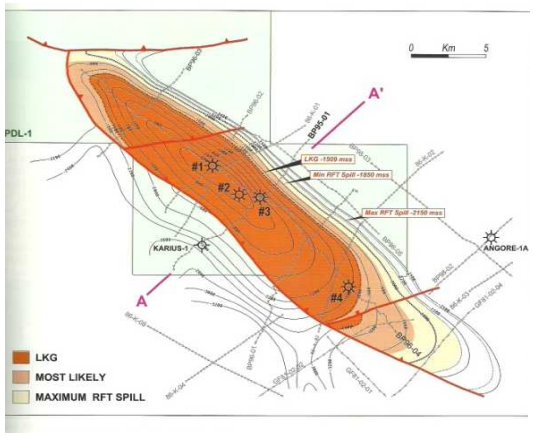
Highlands



Supports Highlands (Hides field) as a reasonable analog for measuring Torres Basin prospects and leads

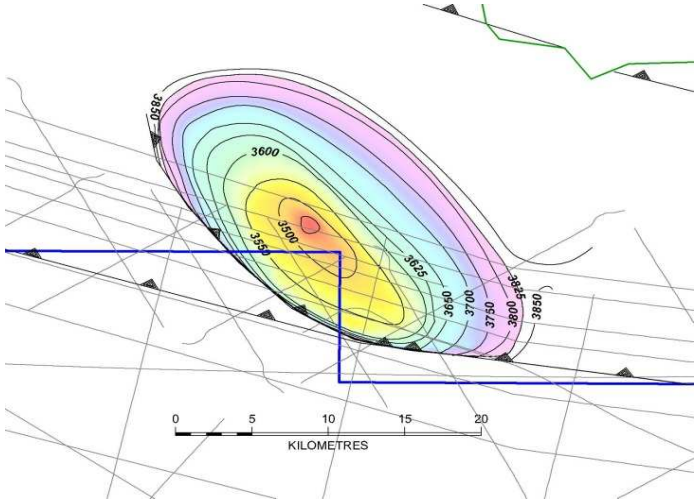
Sunday Prospect

- 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

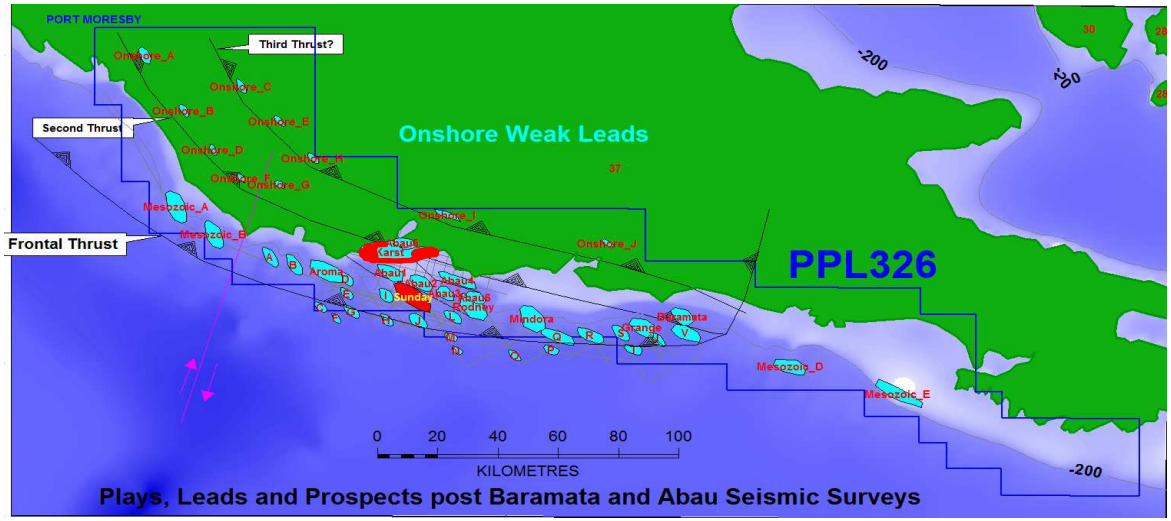


	AREA	AREA	HEIGHT	GRV	GEOMETRIC	GRV	net	POROSITY	So	1/Bo	OIL/GAS	OIIP/GIIP	Recovery		
	acre	KM*KM	FEET		FACTOR	MM m cub	gross	%	%	[ ]	%		factor		
Hides	43209	175	300	16002	0.80	12801	0.55	0.10	0.82	1.0000	0.03	101	1.00	101	OIL MMBBLS
Hides	43209	175	300	16002	0.80	12801	0.55	0.10	0.82	0.0025	1.00	8155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

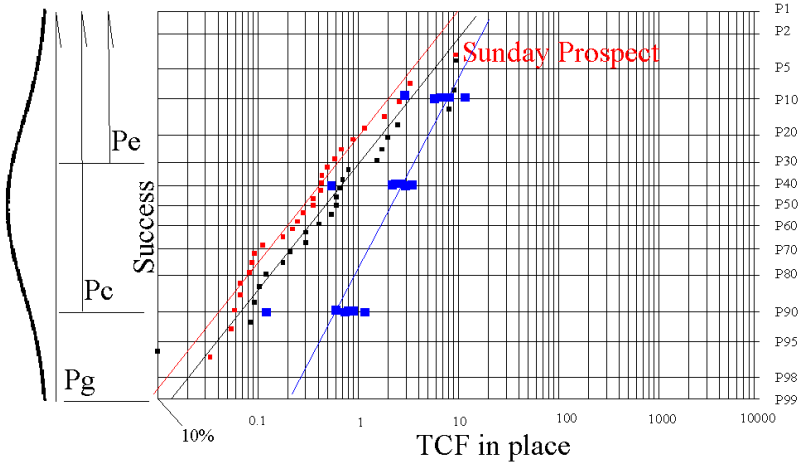
Prospects and leads

PPL 326

- Seismic data has initially identified 35 leads/prospects – just the beginning
- Aggregate unrisked resource – 62 TCF gas in place and 990 MMbbls oil in place



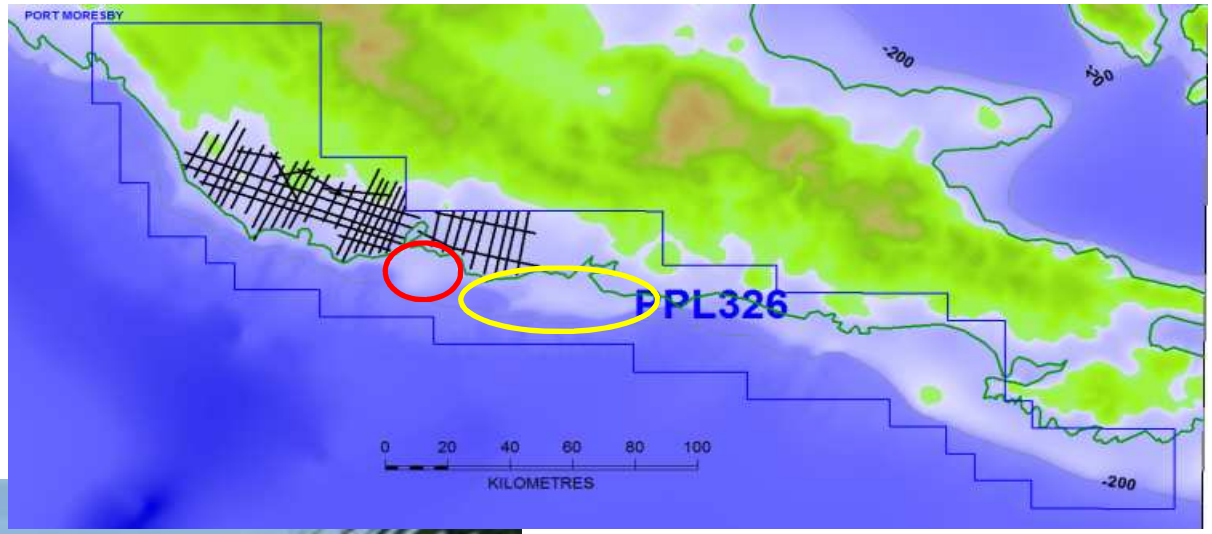
Estimates based on seimsic data GRV and avergae Papuan Basin reservoir properties															OIIP	GIIP	
	l	w	h	AREA	HEIGH	GRV	GEOM	GRV	net	%	1-Sw	1/Bo	Bo		(3% Vol)		Status
	km	km	msec	KM*KM	FEET	RAW	FACT	MM m cub		PHI		Oil	Gas		[MMbbls]	BCF	
A																	Weak Lead
B																	Weak Lead
C	3	1.5	130	4.50	746	1024	0.78	799	0.55	0.1	0.82	1	0.007		7	200	Weak Lead
D	1.5	1.5	211	2.25	1211	831	0.78	648	0.55	0.1	0.82	1	0.007		6	162	Weak Lead
E																	Weak Lead
I	4	3	100	12.00	574	2100	0.78	1,638	0.55	0.1	0.82	1	0.007		15	410	Weak Lead
K	7	4	95	28.00	545	4655	0.78	3,631	0.55	0.1	0.82	1	0.007		34	909	Weak Lead
L	4	2	40	8.00	230	560	0.78	437	0.55	0.1	0.82	1	0.007		4	109	Weak Lead
M																	Weak Lead
Q	8	3	80	24.00	459	3360	0.78	2,621	0.55	0.1	0.82	1	0.007		25	656	Strong Lead
R	4	3	30	12.00	172	630	0.78	491	0.55	0.1	0.82	1	0.007		5	123	Strong Lead
S	5	2	60	10.00	344	1050	0.78	819	0.55	0.1	0.82	1	0.007		8	205	Weak Lead
T	5	6	10	30.00	57	525	0.78	410	0.55	0.1	0.82	1	0.007		4	102	Strong Lead
U	5	5	20	25.00	115	875	0.78	683	0.55	0.1	0.82	1	0.007		6	171	Weak Lead
V	6	4	40	24.00	230	1680	0.78	1,310	0.55	0.1	0.82	1	0.007		12	328	Weak Lead
Abau1																	Weak Lead
Abau2																	Weak Lead
Abau3																	Weak Lead
Abau4																	Weak Lead
Abau5																	Weak Lead
Karst	17	7	20	119.00	82	2975	1	2,975	0.95	0.3	0.82	1	0.01		131	2455	Strong Lead
REEF_A																	Weak Lead
REEF_B																	Weak Lead
A	14	4	86	56.00	494	8428	0.78	6,574	0.55	0.1	0.82	1	0.0025		56	4188	Weak Lead
B	7	2	223	14.00	1280	5464	0.78	4,262	0.55	0.1	0.82	1	0.0025		36	2715	Weak Lead
AROMA(deep)	16	3	100	48.00	574	8400	0.78	6,552	0.55	0.1	0.82	1	0.0025		56	4174	Strong Lead
AROMA(shallow)	9	3	400	27.00	2297	18900	0.78	14,742	0.55	0.1	0.82	1	0.0025		125	9392	Strong Lead
Sunday	20	8	200	160.00	1148	18797	1	18,797	0.55	0.1	0.82	1	0.0022		160	13472	Prospect
Rodney (deep)	12	7	100	84.00	574	14700	0.78	11,466	0.55	0.1	0.82	1	0.0025		98	7305	Strong Lead
Rodney (shallow)	12	3	190	36.00	1091	11970	0.78	9,337	0.55	0.1	0.82	1	0.0025		79	5948	Strong Lead
Mindora(deep)	8	5	100	40.00	574	7000	0.78	5,460	0.55	0.1	0.82	1	0.0025		46	3478	Strong Lead
Mindora(Shallow)	8	4	80	32.00	459	4480	0.78	3,494	0.55	0.1	0.82	1	0.0025		30	2226	Strong Lead
Grange	8	5	63	40.00	362	4410	0.78	3,440	0.55	0.1	0.82	1	0.0025		29	2191	Weak Lead
Baramata	8	7	30	56.00	172	2940	0.78	2,293	0.55	0.1	0.82	1	0.0025		20	1461	Weak Lead
D																	Weak Lead
Totals	**Resource in Place - Deterministic Values - Unrisked**														**993**	**62381**	
															OIIP	GIIP	
															[MMbbls]	BCF	

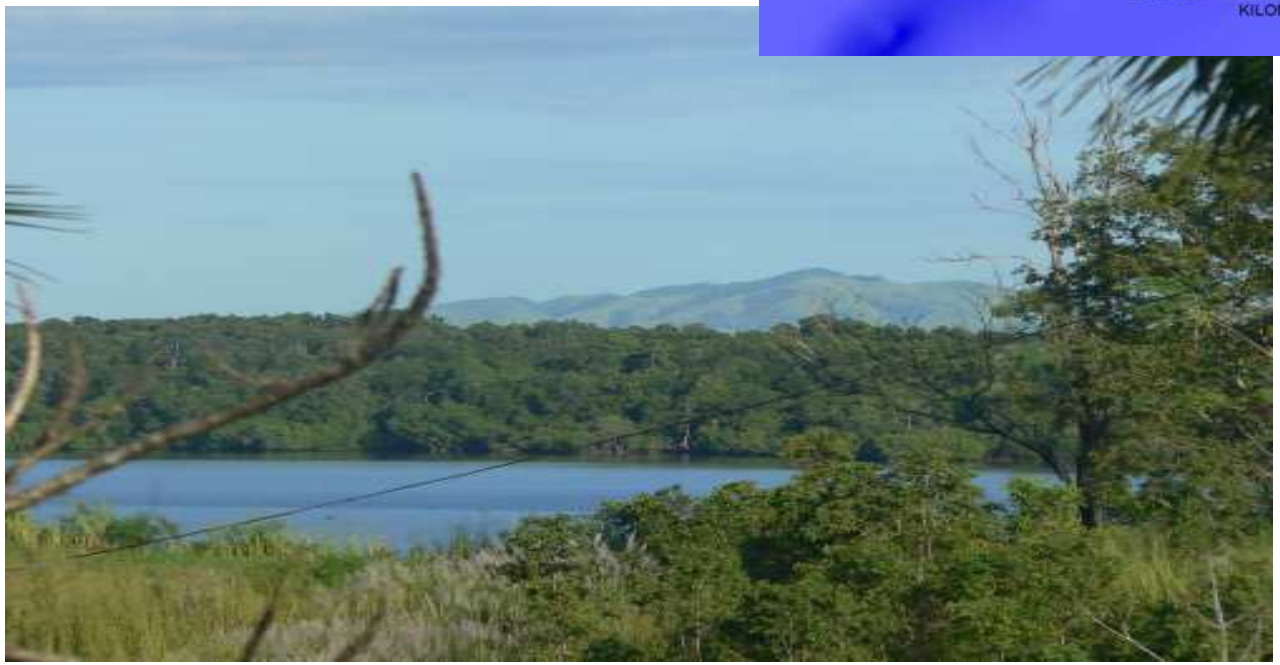


PPL 326 next work

PPL 326

- 2012 Torres Vibroseis Seismic Survey proposed 1100 km prospect scale scalable down to 600 km



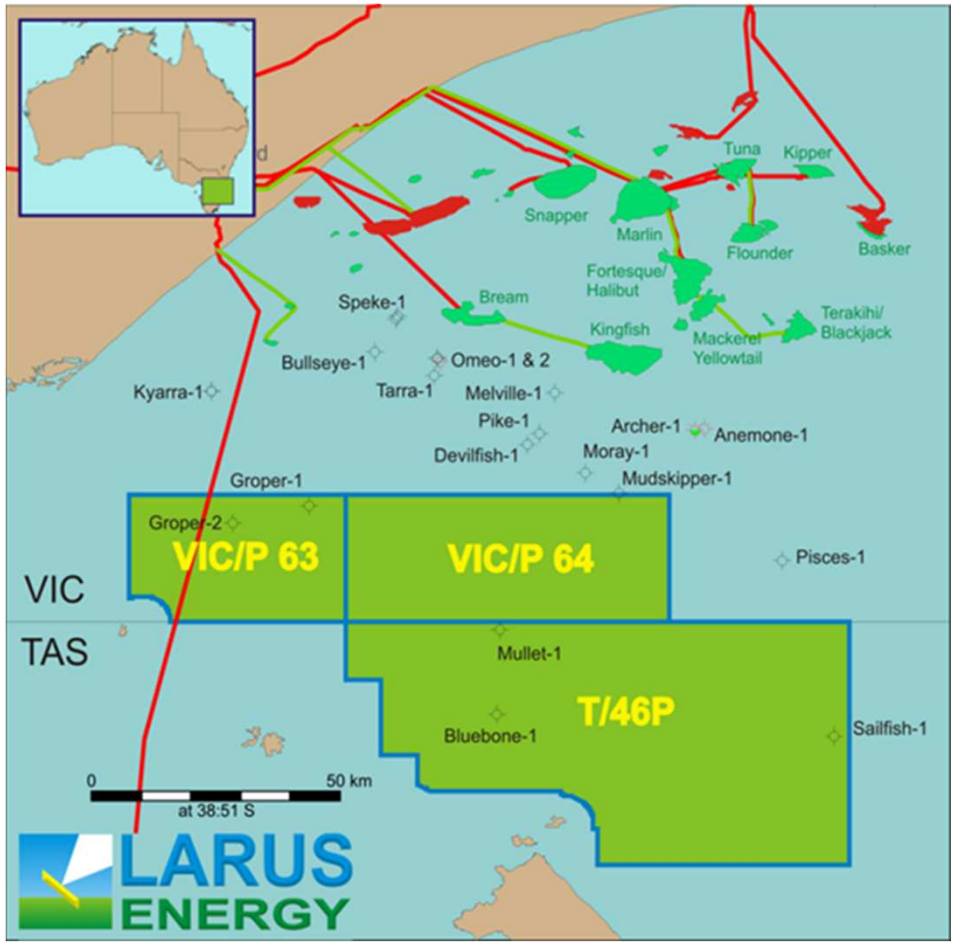


- Possible extended shallow water seismic survey to build on 2012 Abau Shallow Water Seismic Survey potential for further 500 km

Gippsland highlights

Gippsland Basin, Australia

- Offshore Gippsland – Australia's most prolific oil producing basin
- Significant existing infrastructure in place
- Located on southern flank of the Gippsland Basin, Australia's most prolific oil producing basin
- Targeting structural and stratigraphic traps of the Latrobe Group
- Large underexplored area, prospective for shallow water hydrocarbons
- In Year 5, "drill or drop" decision year

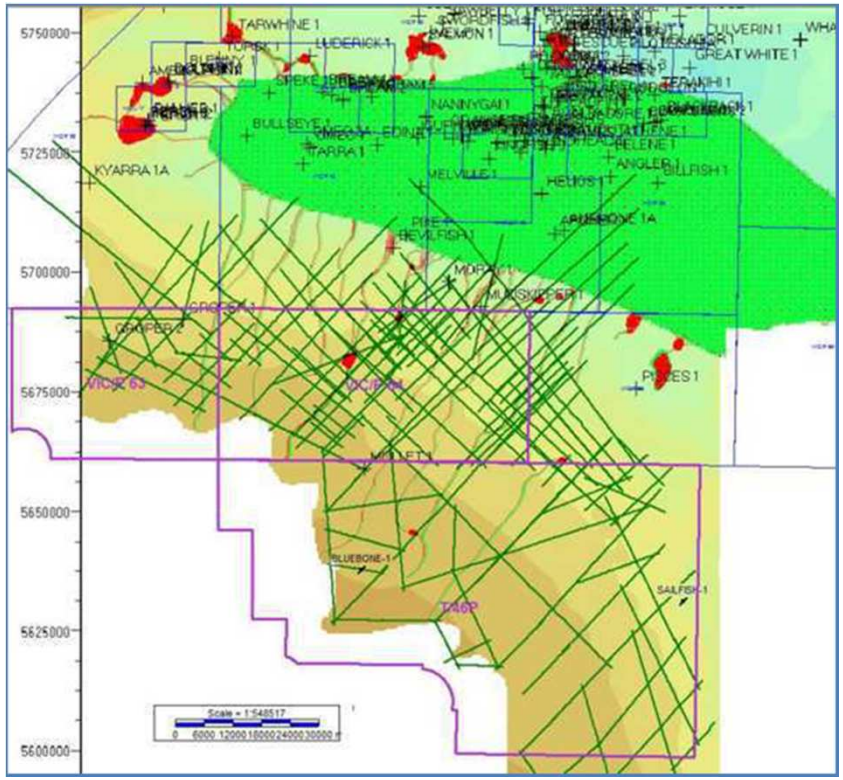


Underexplored acreage in Australia's most prolific oil and gas basin

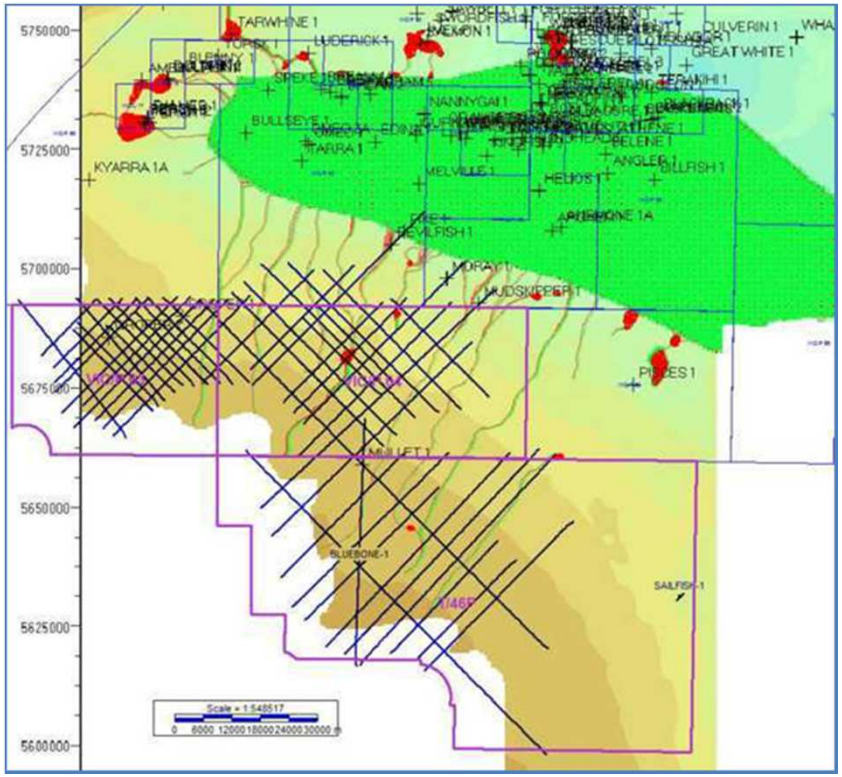
Major new data acquisition

VIC/P63, VIC/P64 and T/46P

- Larus has combined modern and vintage data sets, providing a new and different perspective



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

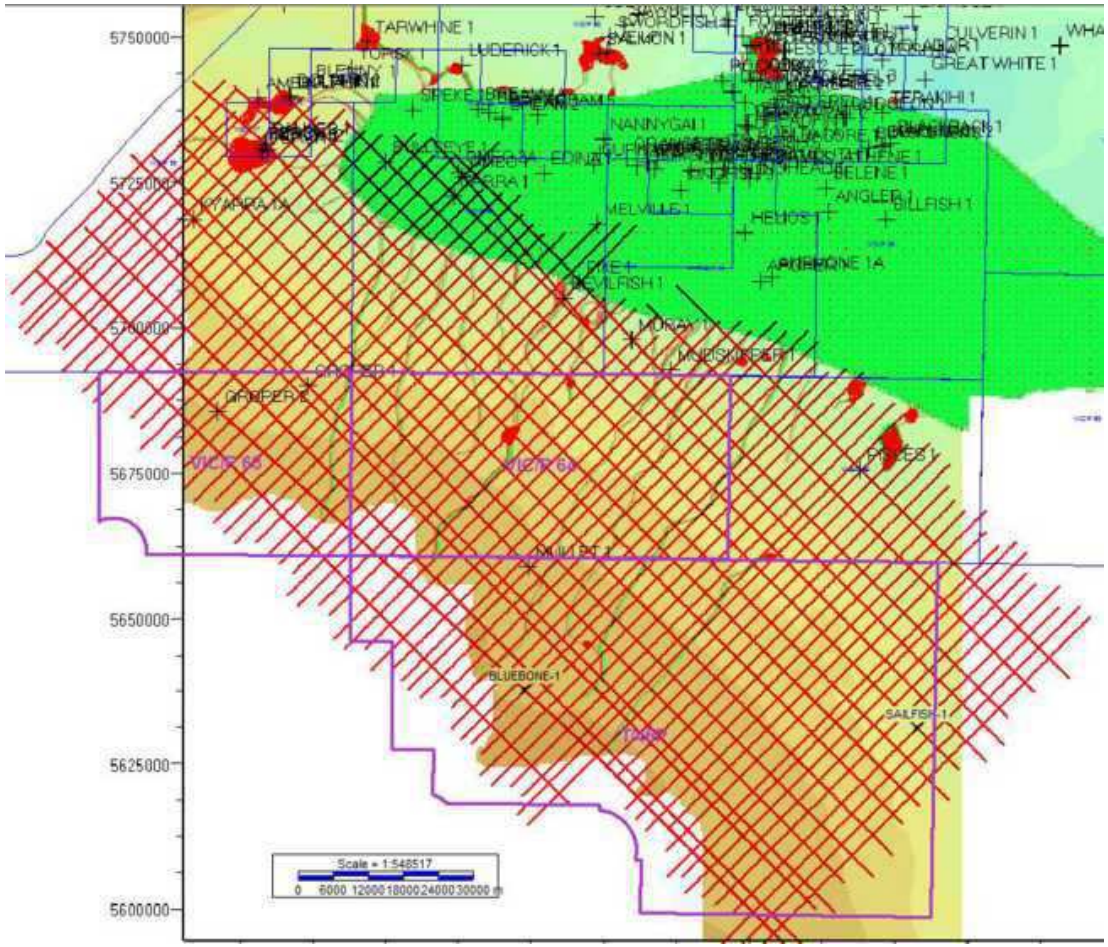


1,500 km Furneaux 2D seismic survey (blue lines)

Major new data acquisition

VIC/P63, VIC/P64 and T/46P

- Recently gained access – at no cost - to over 8,000 km GeoScience Victoria 2D seismic
- Significantly de-risks existing leads and prospects
- Currently being reviewed to determine new leads and prospects
- Inventory of prospects and leads will issue shortly

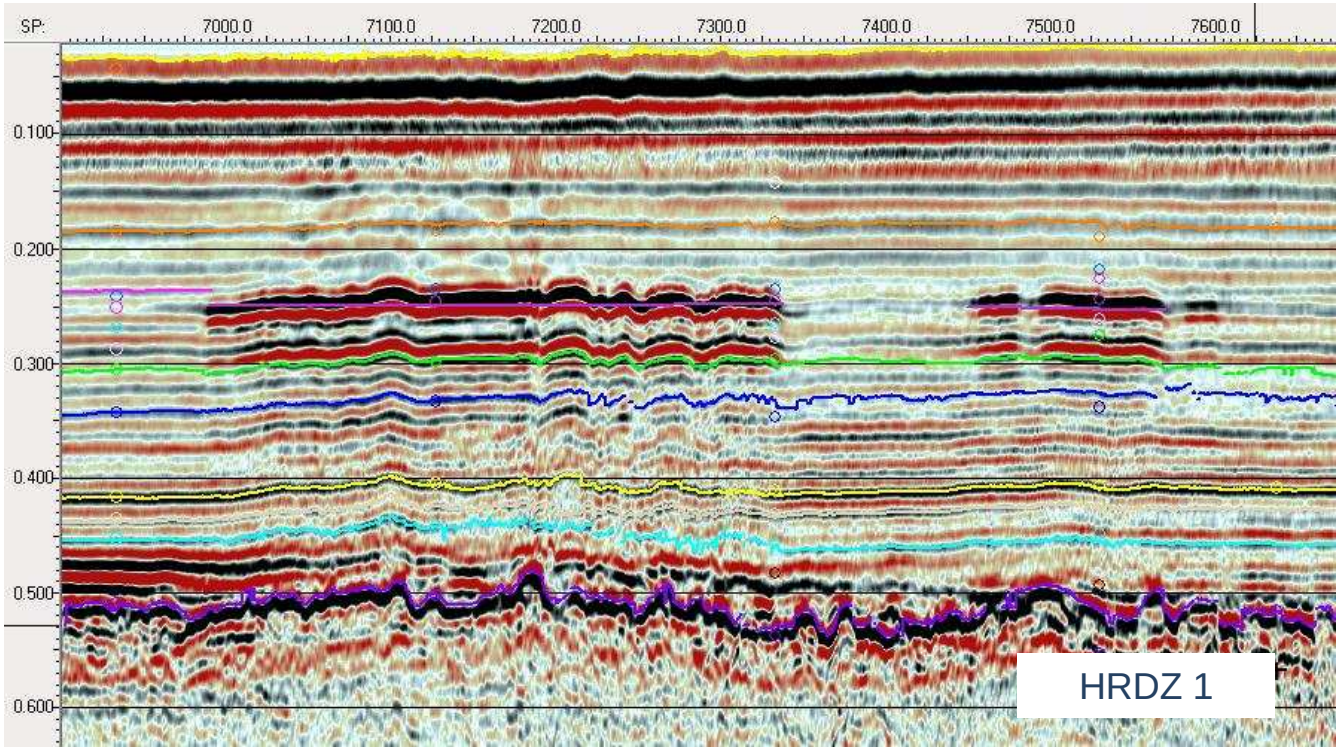


Larus in a position to apply modern exploration techniques to an extensive data set

Major new data acquisition

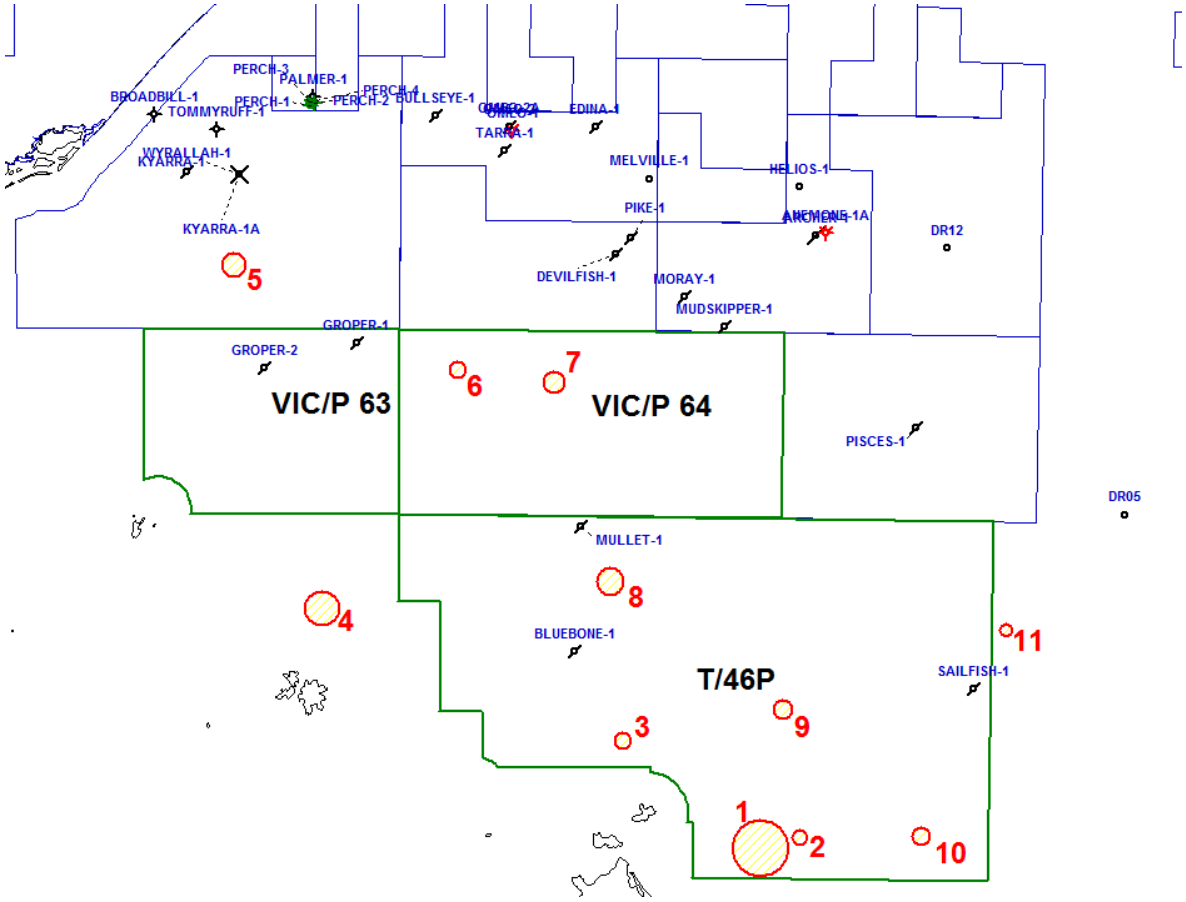
VIC/P63, VIC/P64 and T/46P

- The strongest anomaly recognised by Larus Energy consists of a series of anomalous high amplitude reflections in the shallow section near the basin margin in permit T/46P
- The anomaly is seen to tie on five different seismic lines as is interpreted to be a Hydrocarbon Related Diagenetic Zone (HRDZ)
- Its location is interpreted to indicate hydrocarbon leakage as the topseal onlaps the basin margin.
- It is also seen as evidence of long distance migration across the Larus permit areas to the basin margin.



Major new data acquisition

VIC/P63, VIC/P64 and T/46P

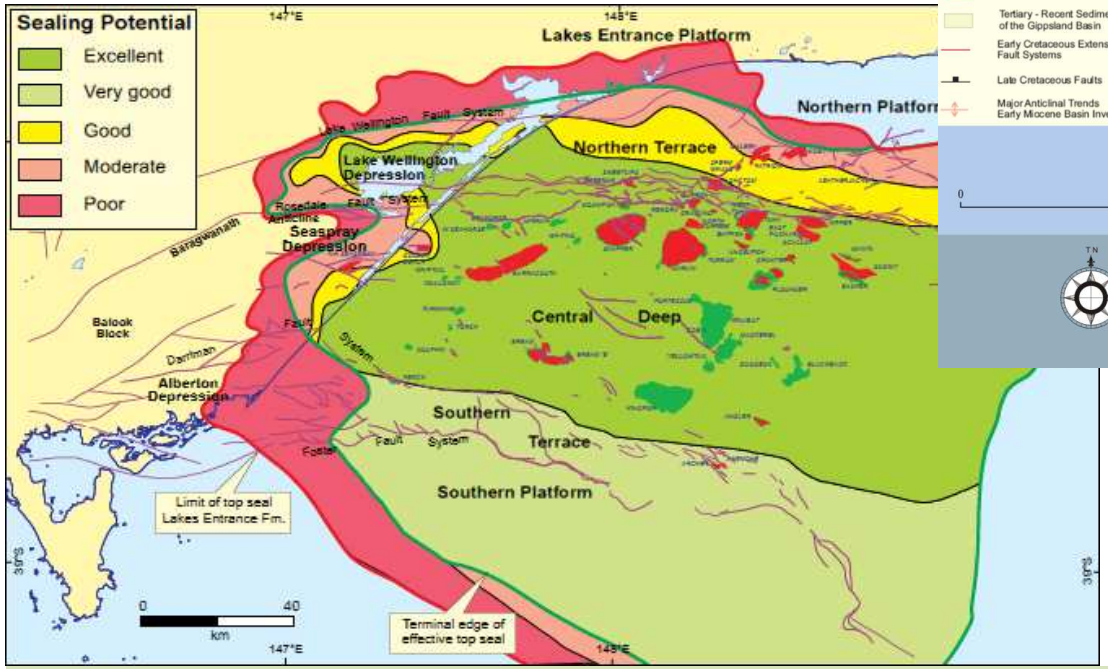


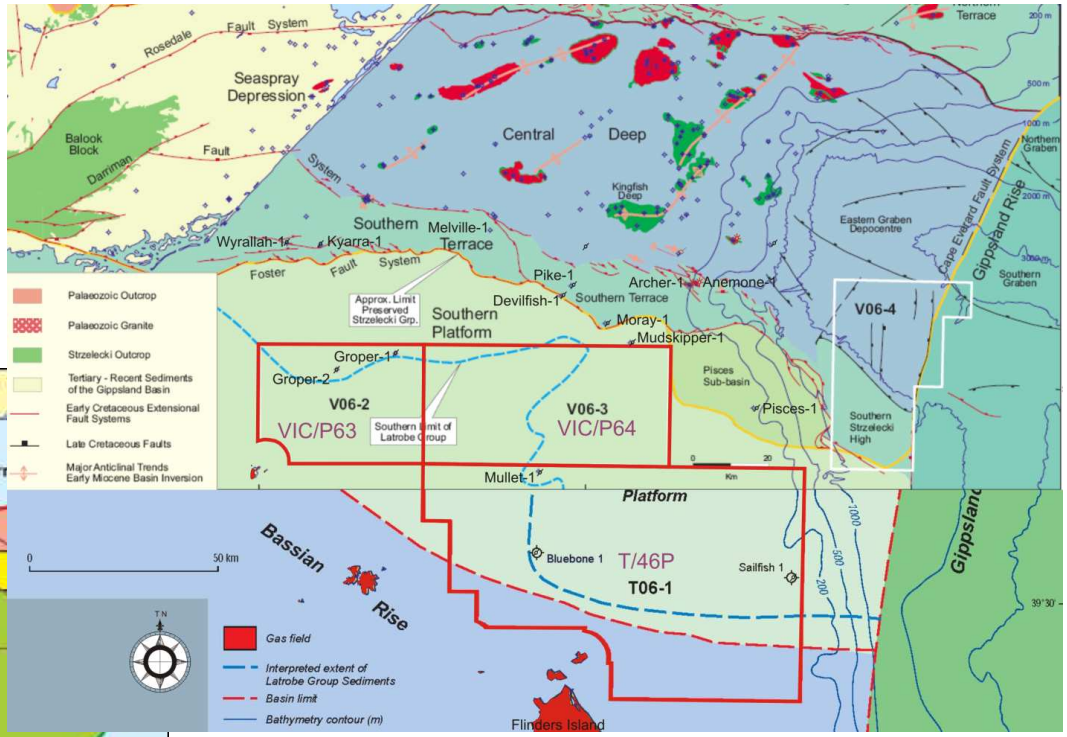
Hydrocarbon migration present at the basin southern edge

Major new data acquisition

VIC/P63, VIC/P64 and T/46P

- CO2 storage studies suggest seal in this region is less of an issue it was thought to be



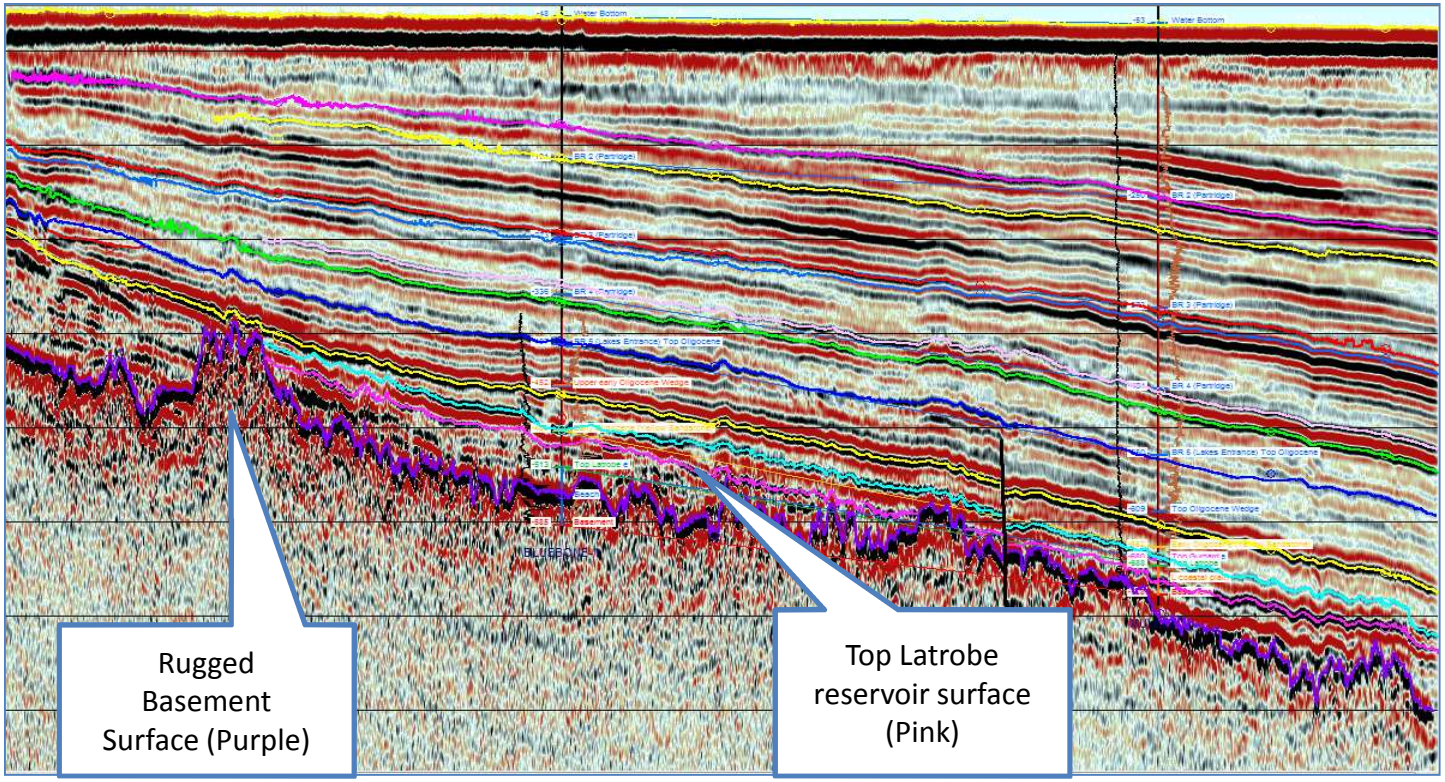


Source: GOLDIE DIVKO, L.M et al, APPEA Journal 2010, 463-486

Seal is less of an issue

Major new data acquisition

VIC/P63, VIC/P64 and T/46P



Proprietary seismic line through Mullet and Bluebone wells showing preserved Latrobe reservoir section updip of wells and rugged basement topography

Rugged Basement presents opportunities for traps

Contact

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