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LARUS ANNOUNCES BOARD CHANGES

Further to its announcement of 31 January 2014, the Company would like to announce further changes that have been made to the Board of Directors.

On 3 February 2014, Dr John Hewson and Mr Colin Glazebrook resigned as directors. On 5 February 2014, Sir Joseph Tauvasa and Mr Bruce Fulton also resigned as directors. The Company thanks each of those directors for their service and efforts on behalf of the Company.

Mr Ben Callanan remains a director and is now joined on the Board by Mr Jeremy Bond and Mr Richard Gazal as non-executive directors. Short biographies of Mr Bond and Mr Gazal are set out at the end of this announcement.

The Board consisting of Messrs Bond, Callanan and Gazal is intended as an interim measure, with a view to being augmented in due course through the appointment of others with suitable oil and gas experience (as consultants, directors, or both). The new directors are already considering possible candidates.

In parallel with the appointment of further expertise, it remains the new Board's priority to continue the Company's efforts to develop its PNG assets. The directors recognise the significance of this in order to generate shareholder value.

In conjunction with the board changes, Cinu Investments Pty Limited, has accelerated the advance of approximately \$460,000 under its existing Convertible Note Deed, taking the total amount drawn by the Company under the Convertible Note Deed to approximately \$710,000, with the advance of the remaining balance of approximately \$290,000 being subject to the satisfaction of certain further conditions subsequent.

Ms Anne Adaley, the Company's CFO and Company Secretary has agreed to continue with the Company for at least a further week to assist with the transition to the new management of the Company, after which she intends to also resign.

The Company will continue to keep shareholders apprised of all significant developments via its website.

Biographies:

Jeremy Bond

Mr. Bond is a fund manager and founder of Terra Capital, a small cap resource fund based in Australia. This fund invests in both public and private resource deals throughout the world.

Previously to this he worked as a resource analyst at RAB Special Situations Fund at RAB Capital Plc based in London, and before that, he was an Associate at Azure Capital, a boutique investment bank based in Perth, WA.

There he worked on numerous mergers and acquisitions in the resource sector, and a number of capital raisings in the resources sector.

Mr. Bond is currently a non-executive director of White Eagle Gold Limited. He is formerly a non-executive director of Silver Stone Resources Limited and Black Mountain Resources Limited.

Richard Gazal

Mr Gazal is a director and major shareholder of Cinu Investments Pty Limited, a shareholder of the Company and a lender to the Company under the Convertible Note Deed described in the Company's 2012 Annual Report.

Mr Gazal is also an executive director of, and the General Manager, Retail, of Gazal Corporation Limited, one of the largest publicly listed branded apparel companies in Australia. He has played an integral role in the expansion of a number of businesses in the Gazal Group since 2000.