PPL326
Exploration Summary

LARUS ENERGY AGM 1ST May 2012

Disclaimer

This presentation ("**Presentation**") has been prepared by Larus Energy Limited ("**Larus**" or the "**Company**") as a summary only and does not contain all the information about the Company's assets and liabilities. This material is given in conjunction with an oral presentation and other more detailed documents and should not be taken out of context. Although the information contained herein is based upon generally available information and has been obtained from third-party sources believed to be reliable, the Company does not guarantee its accuracy, and such information may be incomplete or condensed. To the extent permitted by law, the Company and its officers, employees, agents and advisors do not accept liability to any person for any direct indirect or consequential loss or damage arising from the use of this material.

Not a Prospectus or any Form of Offer

This Presentation, and any further information provided in connection with it, is neither a prospectus nor any other form of offer to invest in Newport securities. Nor should it be considered as the giving of investment advice by Larus or any of its shareholders, directors, officers, agents, employees or advisers. Nor does it purport to contain all the information that a prospective investor may require in connection with any potential investment in Larus. Any recipient of this Presentation must make their own independent assessment of Larus after making such investigations and taking such advice as may be deemed necessary. Accordingly, this information is being supplied to you, in whole or in part, for information purposes only and not for any other purpose.

Forward Looking Information

This Presentation contains forward looking and other subjective information. Such expectations, estimates, projections and information are not a guarantee of future performance and involve unknown risks and uncertainties. Actual results and developments will almost certainly differ from those expressed or implied and you should make your own assessment of the expectations, estimates, projections and the relevant assumptions and calculations upon which the opinions, estimates and projections are based. No representation or warranty, express or implied, is given as to the accuracy of the information or opinions contained in this document and no liability is accepted by the Company or director, member, officer, employee, agent or adviser for any such information or opinions.

Work Commitment
Yr's 1 & 2 – done
Yr's 3 & 4 - underway

- Standardise aeromagnetic and gravity data, plan future surveys
- Conduct complete geological and geophysical review of licence area.
- Field geological mapping, seep sampling and analysis.
- Interpret remote sensing data including aerial photographs and SAR where available.
- Compile preliminary prospects and leads inventory.
- Plan new seismic acquisition program to mature best leads into prospects.
- Year 3-4 planning
  - Acquire 300 km seismic - **Abau OBC TZ Seismic Survey**
  - Drill onshore stratigraphic or exploration well (**Will swap for Torres Onshore Seismic Survey (300 km)**)
  - Review and plan for Years 5-6.
    - Financial resources statement
    - 50% relinquishment

    (at end so still substantial region to explore and develop)

Larus Energy Limited (formerly known as Newport Energy Limited) ABN 16 140 709 360	LEL+NEPNG
Exploration Expenditure from 27 August 2010 to 25 July 2011 (Year 2)	
	AUD
Exploration & Expenditure	$2306117

Larus Energy Limited (formerly known as Newport Energy Limited) ABN 16 140 709 360	
Exploration Expenditure from 27 August 2011 to 26 February 2012 (Year 3)	
	$3613113

Other work…..

- Liaison with PNG University
- Social mapping of PPL
- University Honours bursary and project support

Permit in good standing with accelerated spend.

Disclaimer

This presentation ("**Presentation**") has been prepared by Larus Energy Limited ("**Larus**" or the "**Company**") as a summary only and does not contain all the information about the Company's assets and liabilities. This material is given in conjunction with an oral presentation and other more detailed documents and should not be taken out of context. Although the information contained herein is based upon generally available information and has been obtained from third-party sources believed to be reliable, the Company does not guarantee its accuracy, and such information may be incomplete or condensed. To the extent permitted by law, the Company and its officers, employees, agents and advisors do not accept liability to any person for any direct indirect or consequential loss or damage arising from the use of this material.

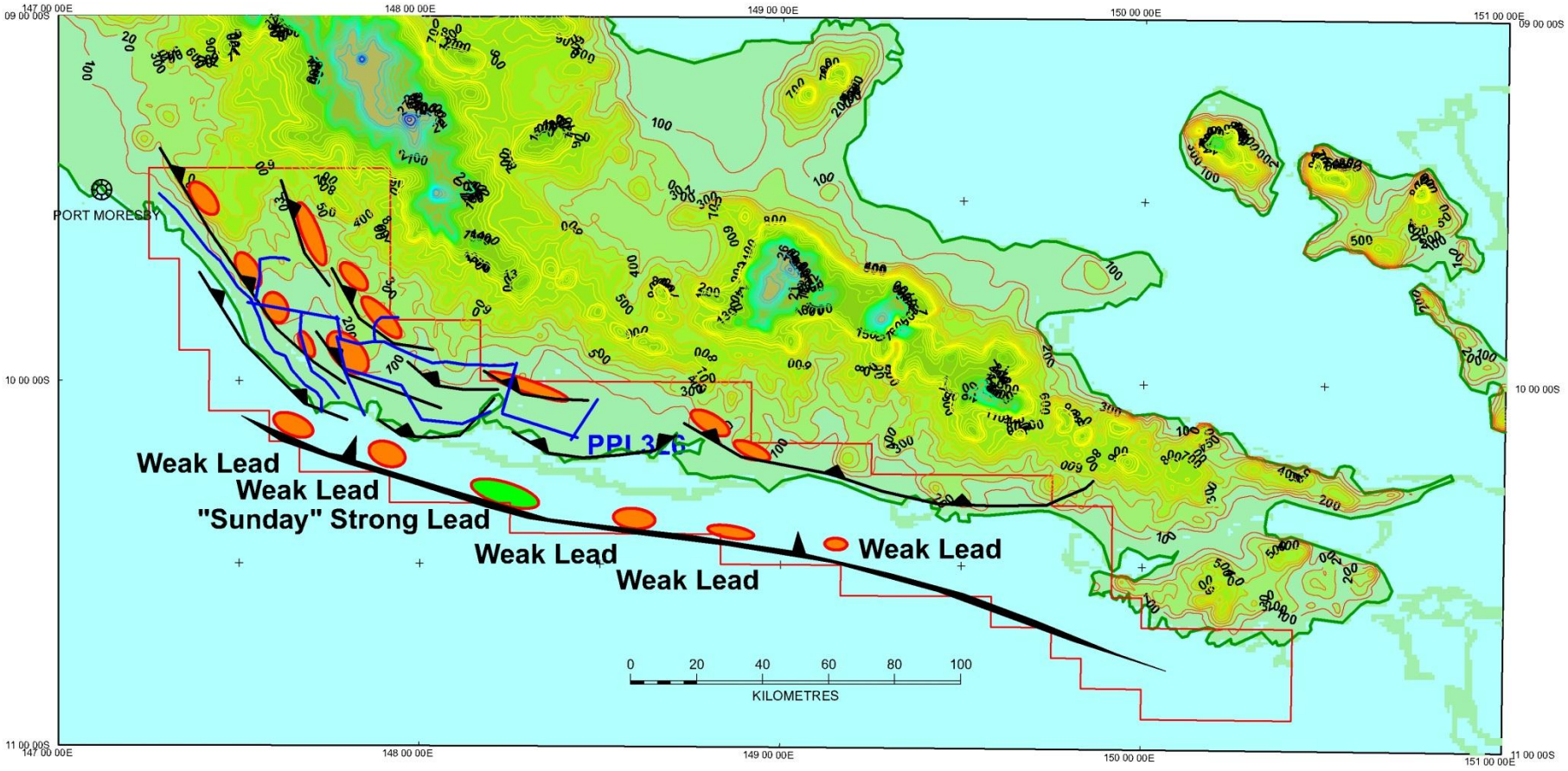
Not a Prospectus or any Form of Offer

This Presentation, and any further information provided in connection with it, is neither a prospectus nor any other form of offer to invest in Newport securities. Nor should it be considered as the giving of investment advice by Larus or any of its shareholders, directors, officers, agents, employees or advisers. Nor does it purport to contain all the information that a prospective investor may require in connection with any potential investment in Larus. Any recipient of this Presentation must make their own independent assessment of Larus after making such investigations and taking such advice as may be deemed necessary. Accordingly, this information is being supplied to you, in whole or in part, for information purposes only and not for any other purpose.

Forward Looking Information

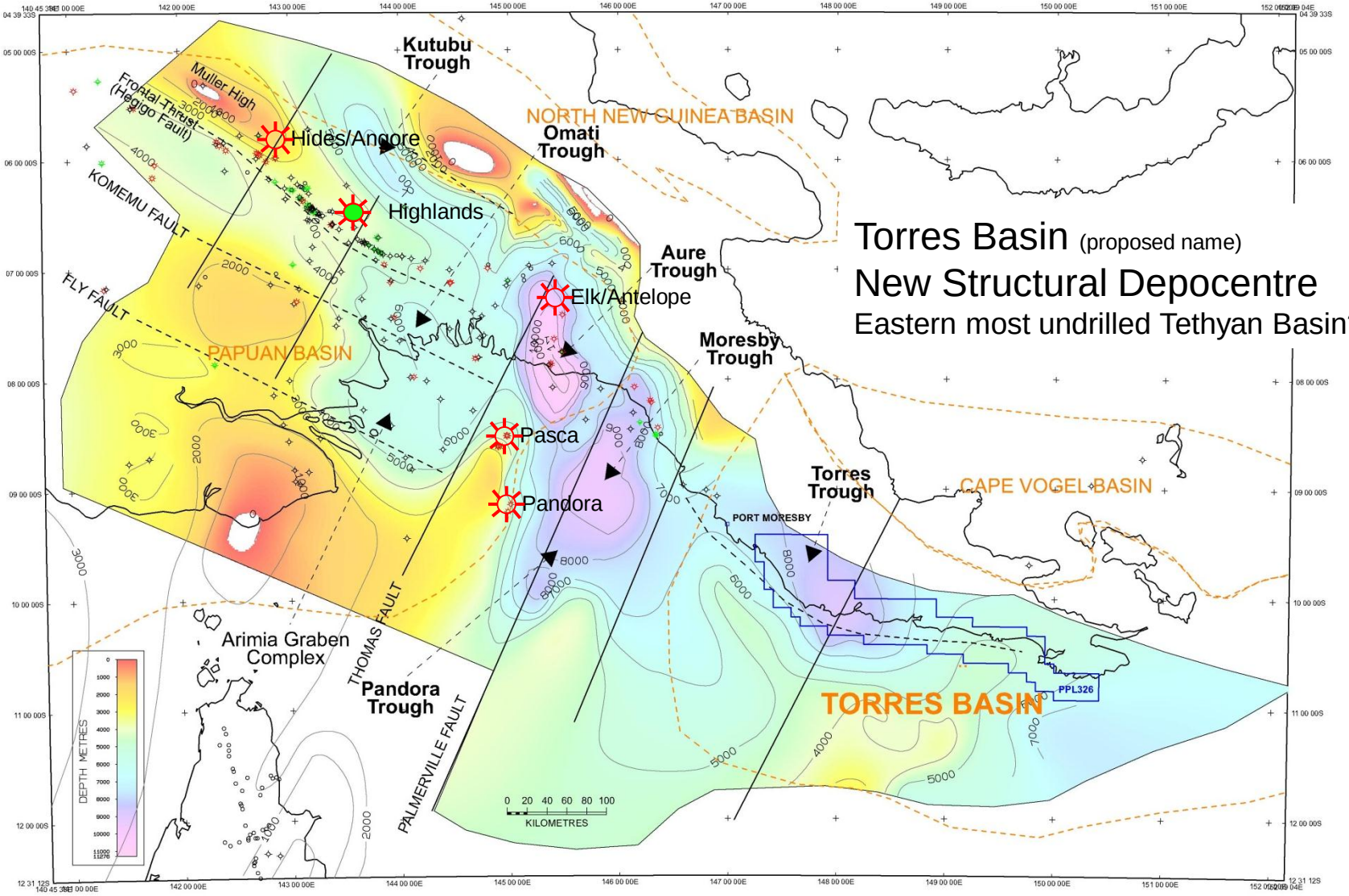
This Presentation contains forward looking and other subjective information. Such expectations, estimates, projections and information are not a guarantee of future performance and involve unknown risks and uncertainties. Actual results and developments will almost certainly differ from those expressed or implied and you should make your own assessment of the expectations, estimates, projections and the relevant assumptions and calculations upon which the opinions, estimates and projections are based. No representation or warranty, express or implied, is given as to the accuracy of the information or opinions contained in this document and no liability is accepted by the Company or director, member, officer, employee, agent or adviser for any such information or opinions.

PPL326 Map of Leads March 2011



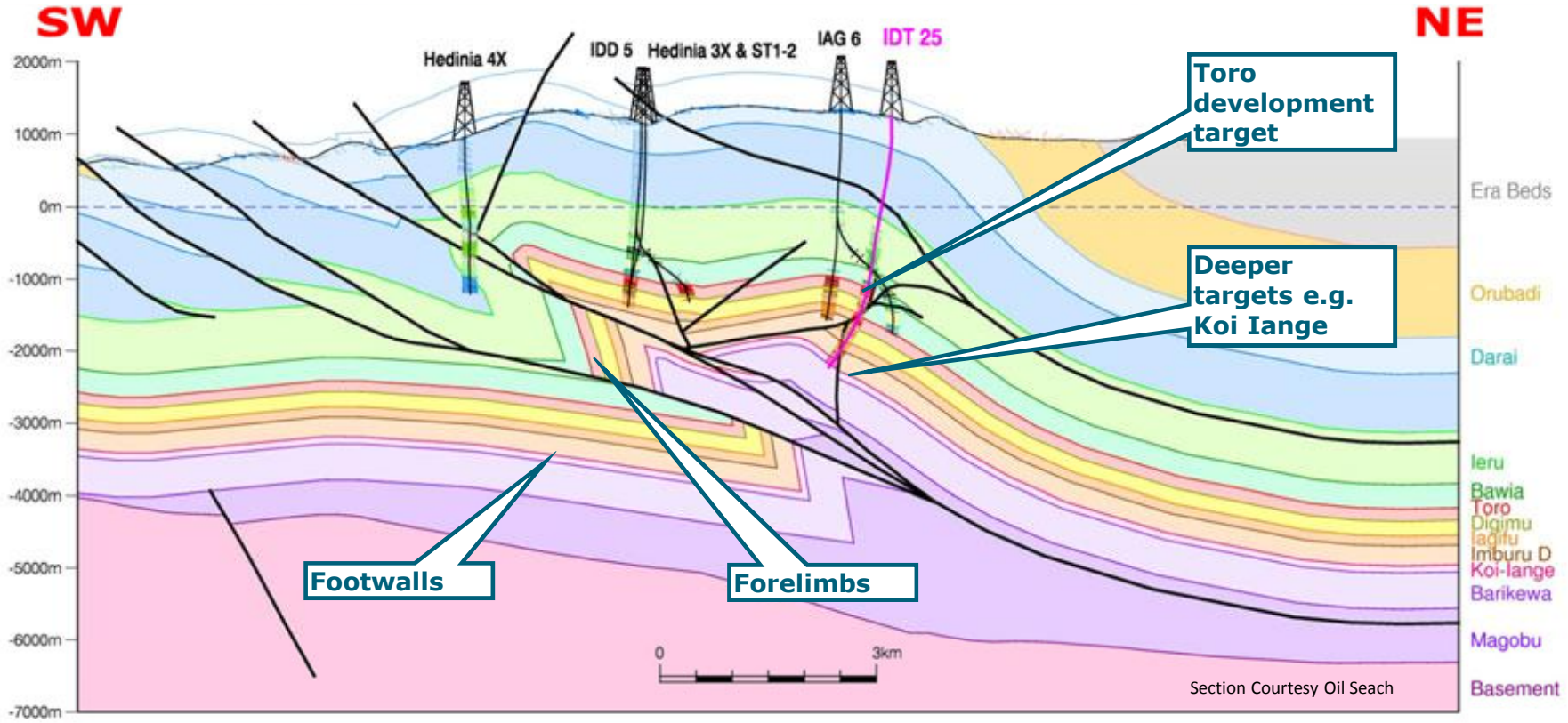
Based on studies to date – further seismic will give further exploration fairways

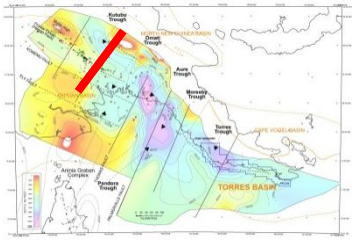
New Basement Map



Torres Basin (proposed name)
New Structural Depocentre
Eastern most undrilled Tethyan Basin?

Highlands Look-a-like

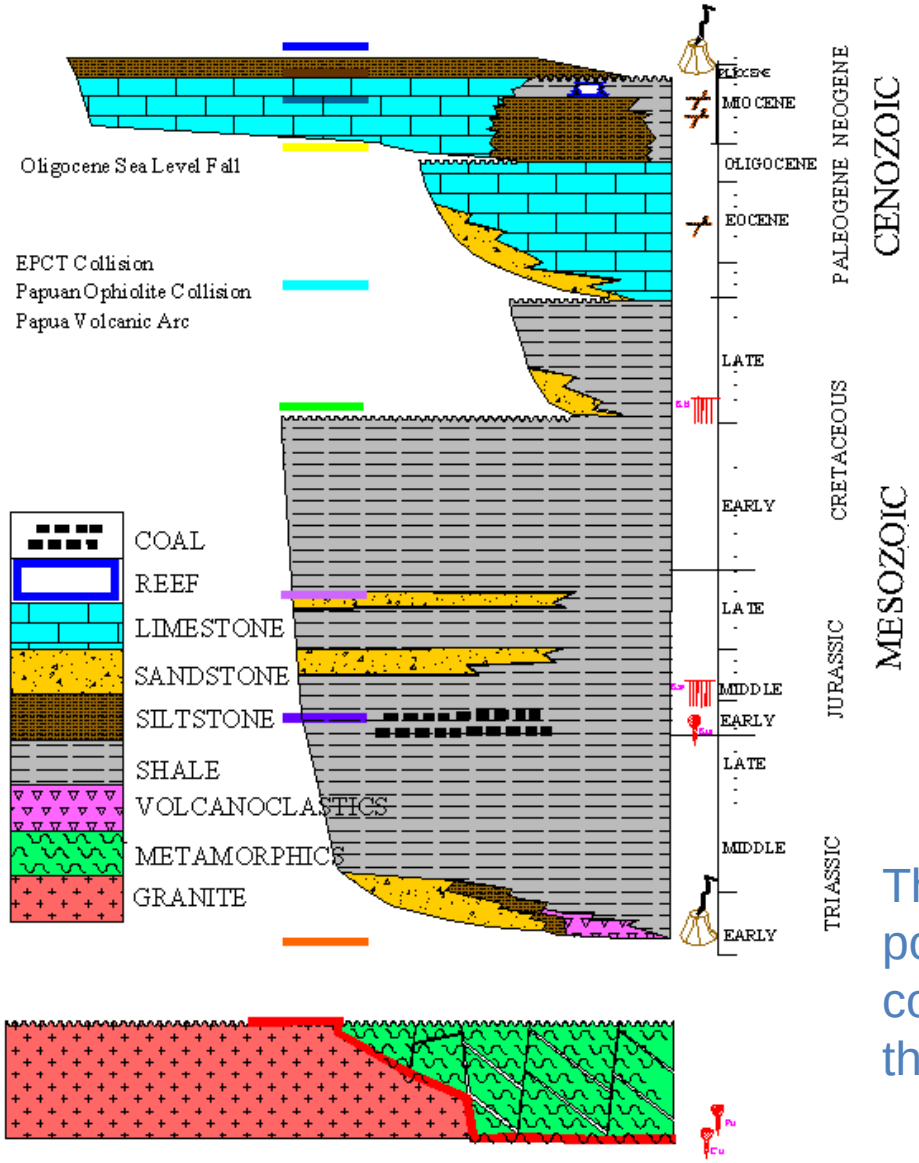




This is a cross section from the Highlands. In PPL326 we expect similar structuring and places to drill. Very large footwall anticlines, large thrust anticlines and more. The seismic below looks very much like this section!

LARUS ENERGY

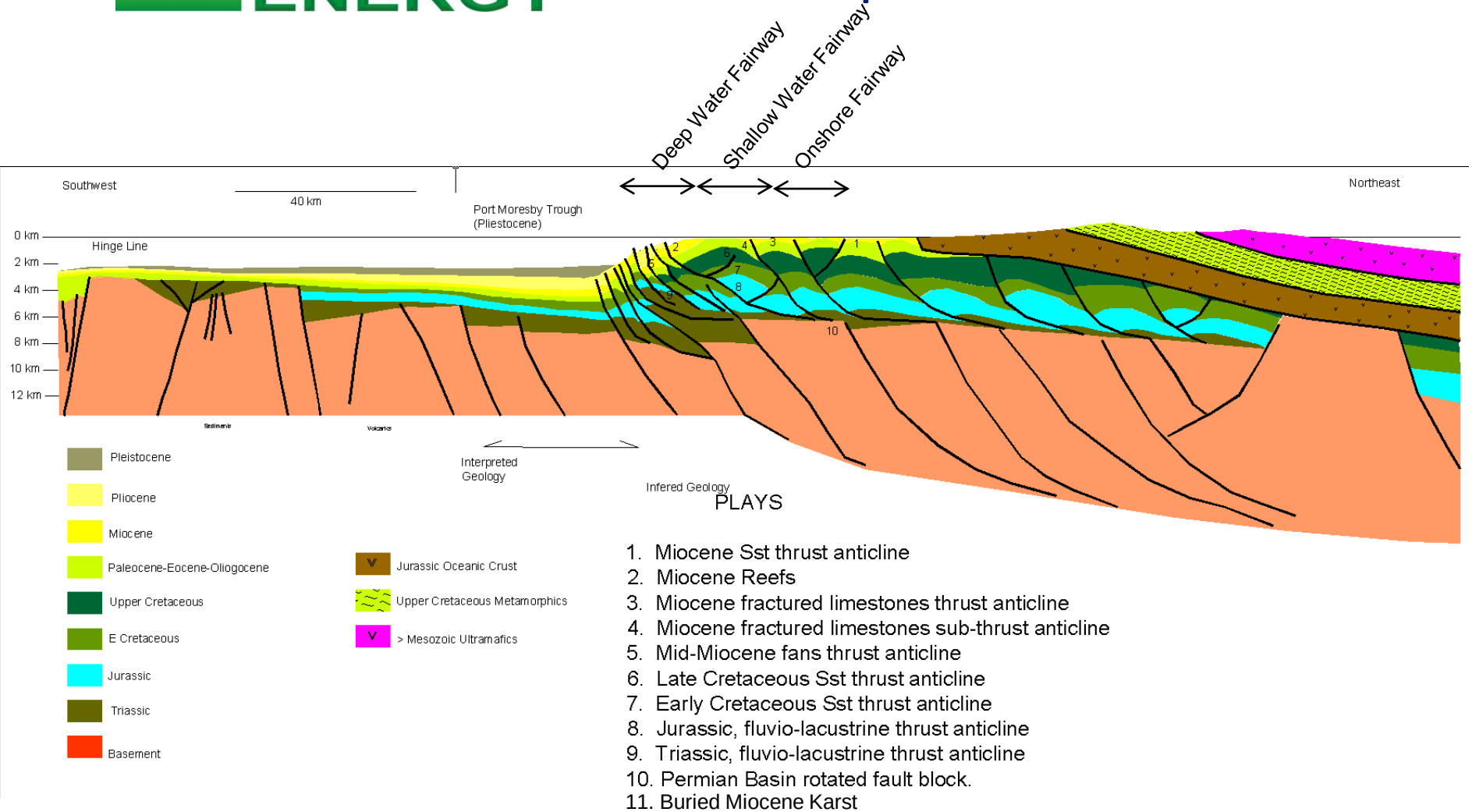
Plays



FAMILY	Oligocene-Miocene Turonian Aptian-Albian Upper Jurassic Pennsylvanian-Lower Permian Upper Devonian Silurian	* Tethyan System
BASIN	Depositional Style - Rift Margin	Torres (=Papuan?) Basin
AREA (Model, Type, Trend)	Source kitchen Migration fairways Reservoirs (Deltaic, Carbonate) Traps Structure, Stratigraphic, Hydrodynamic	* Fold Belt
PLAY (Petroleum System)		* Miocene reefs * Early Cretaceous sst in thrust anticlines - late gas * Early Cretaceous sst in thrust anticlines - early gas/oil Late Cretaceous sst in thrust anticlines - late gas * Tertiary Lmst anticlines (fractured) Foreland clastics Karst Lmst
LEAD		Hedging uncertainty with technology G&G Seismic
PROSPECT		Consistent Objective Technically Sound (Procedures,Concepts,Principles)

The new geological model shows numerous possible sandstone reservoirs. The late compression and thrusting hopefully puts these is anticlinal traps.

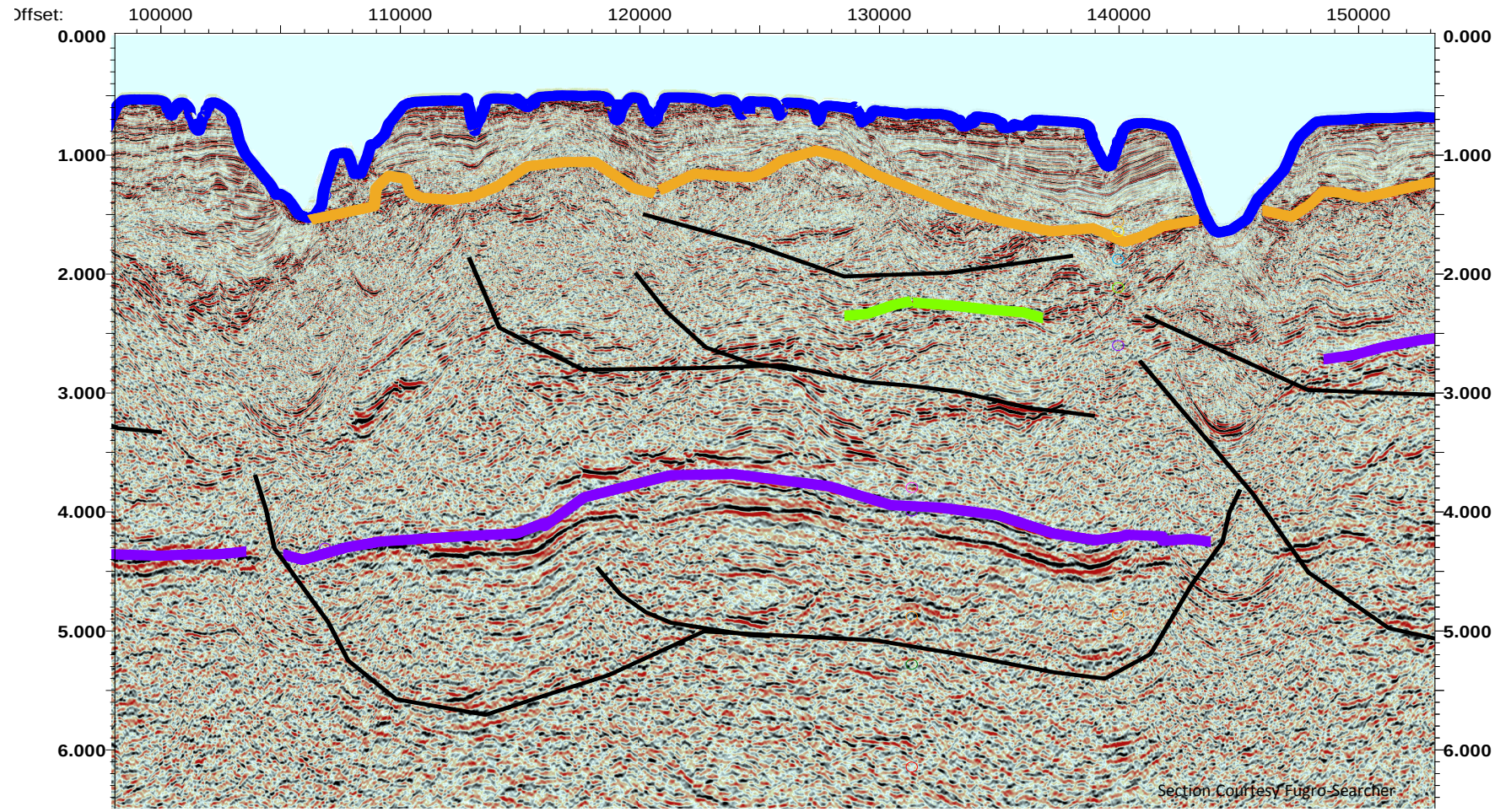
PLAYS
Conceptual 'Over Thrust' Model



1. Miocene Sst thrust anticline
2. Miocene Reefs
3. Miocene fractured limestones thrust anticline
4. Miocene fractured limestones sub-thrust anticline
5. Mid-Miocene fans thrust anticline
6. Late Cretaceous Sst thrust anticline
7. Early Cretaceous Sst thrust anticline
8. Jurassic, fluvio-lacustrine thrust anticline
9. Triassic, fluvio-lacustrine thrust anticline
10. Permian Basin rotated fault block.
11. Buried Miocene Karst

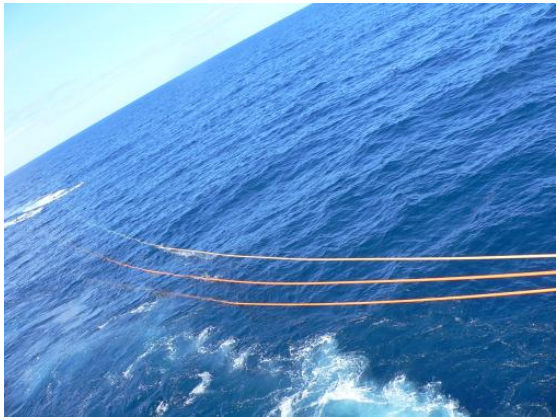
Larus now has the largest data set for the region. The seismic proves we have a 'Highlands' like structuring and the proven plays and more!

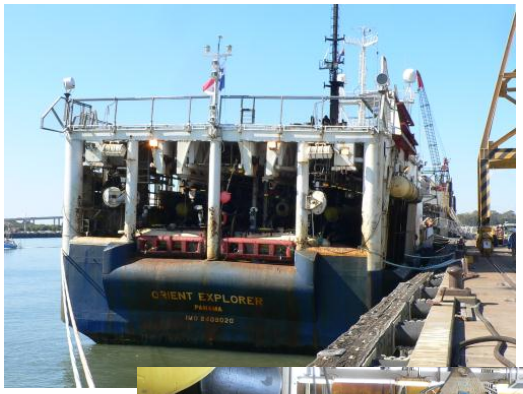
Fugro Lahara Seismic Survey
L06-131P1
(Final Stack)

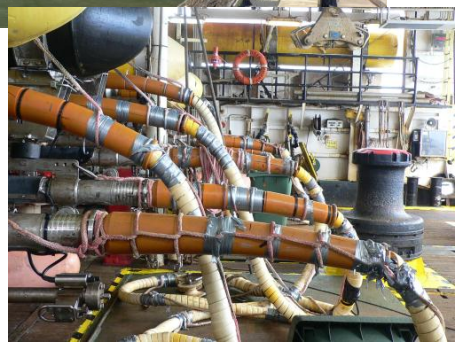


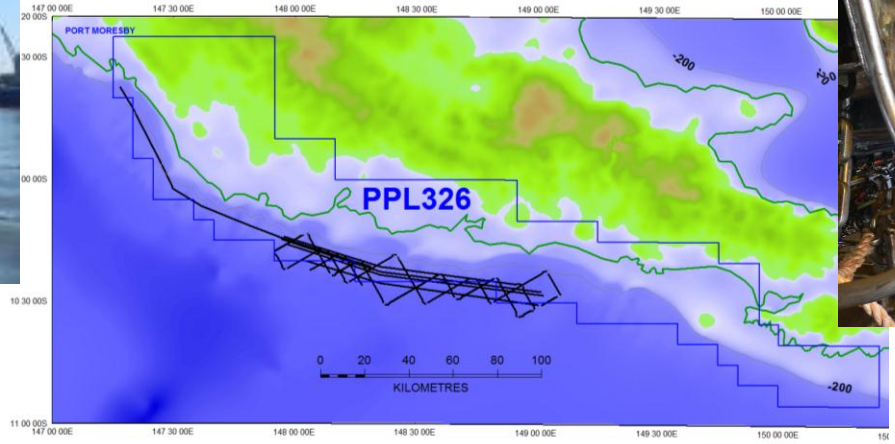
The seismic line that started the ‘elephant’ hunt - Sunday Anticline 40km long!

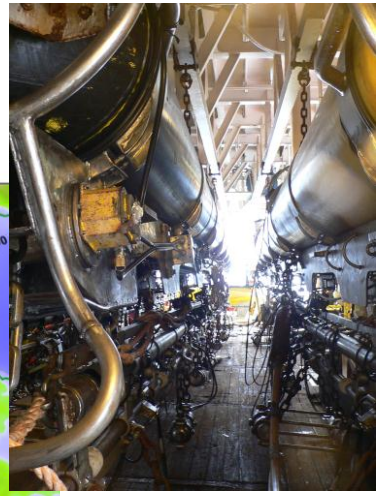
Baramata Deep Water Seismic Survey
1000 km Regional and Prospect Scale



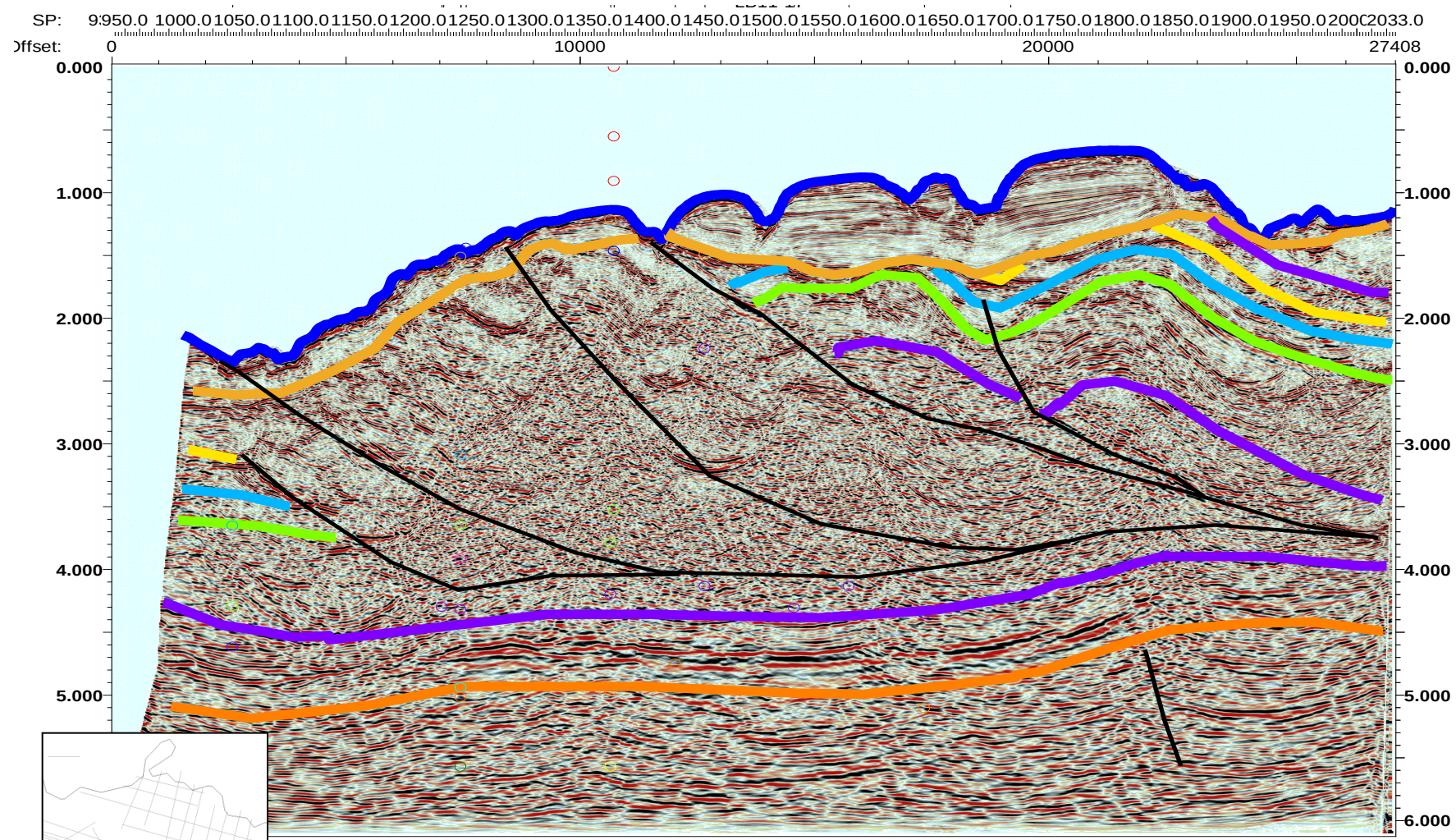






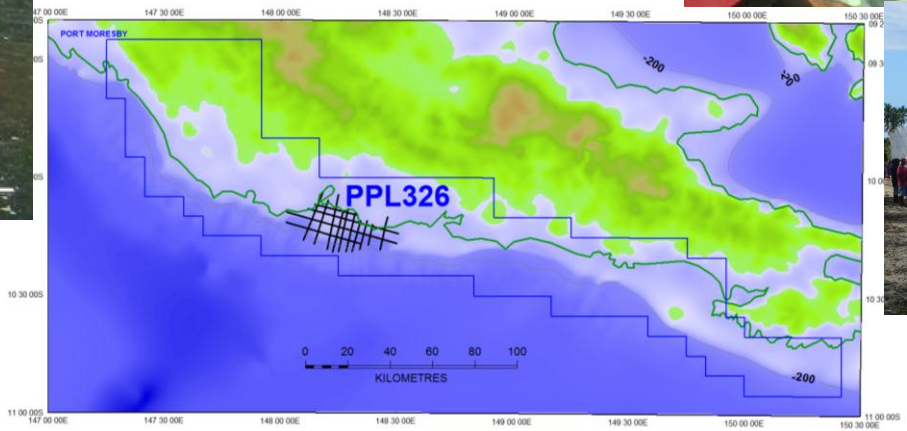


Baramata Deep Water Seismic Survey
LB11-12
(Final Stack PSTM)

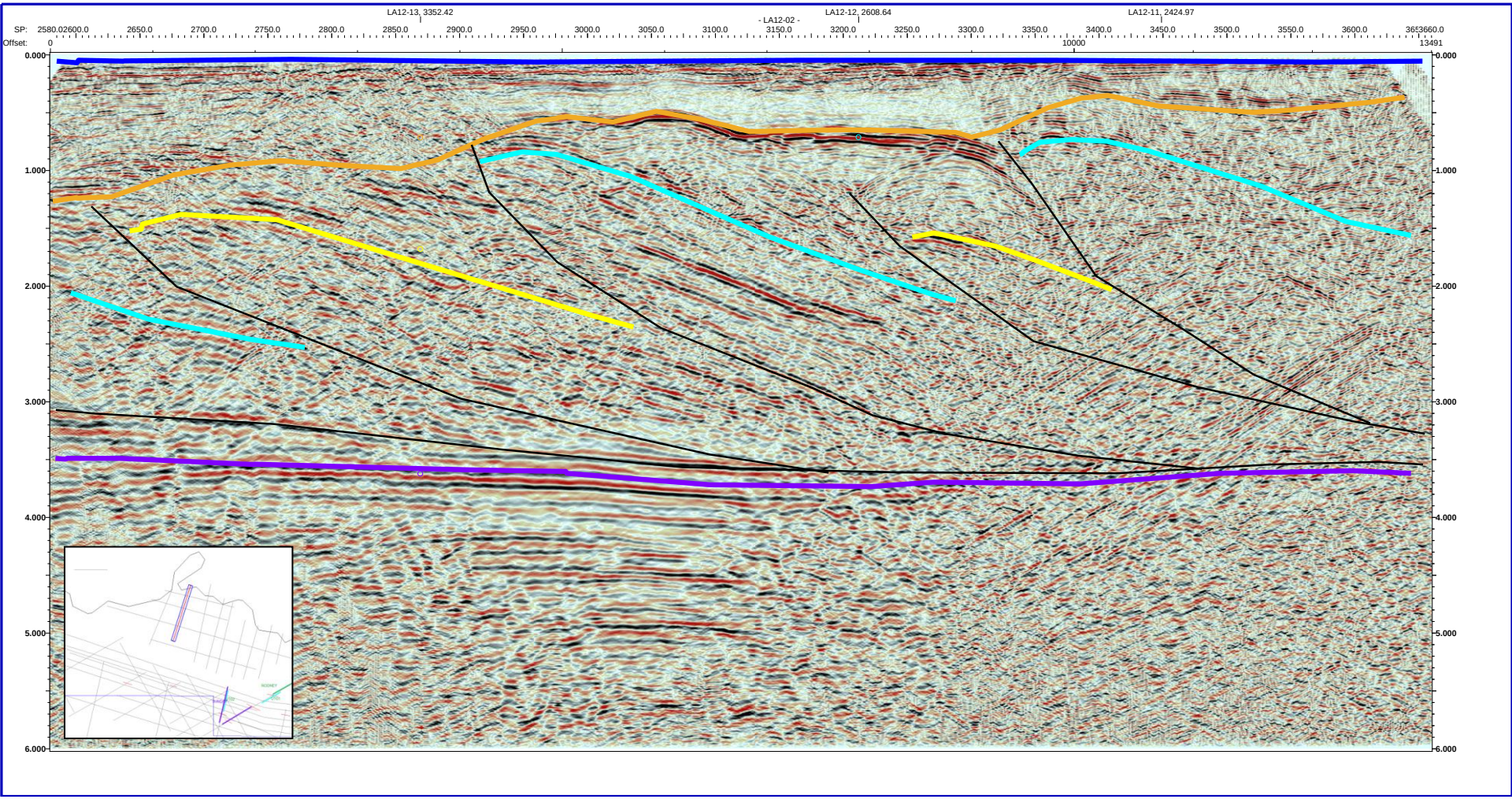


This section confirms Sunday and Rodney Leads and turns up a play in the shallow section!!

Abau Shallow Water OBC TZ Seismic Survey
300 km Prospect Scale

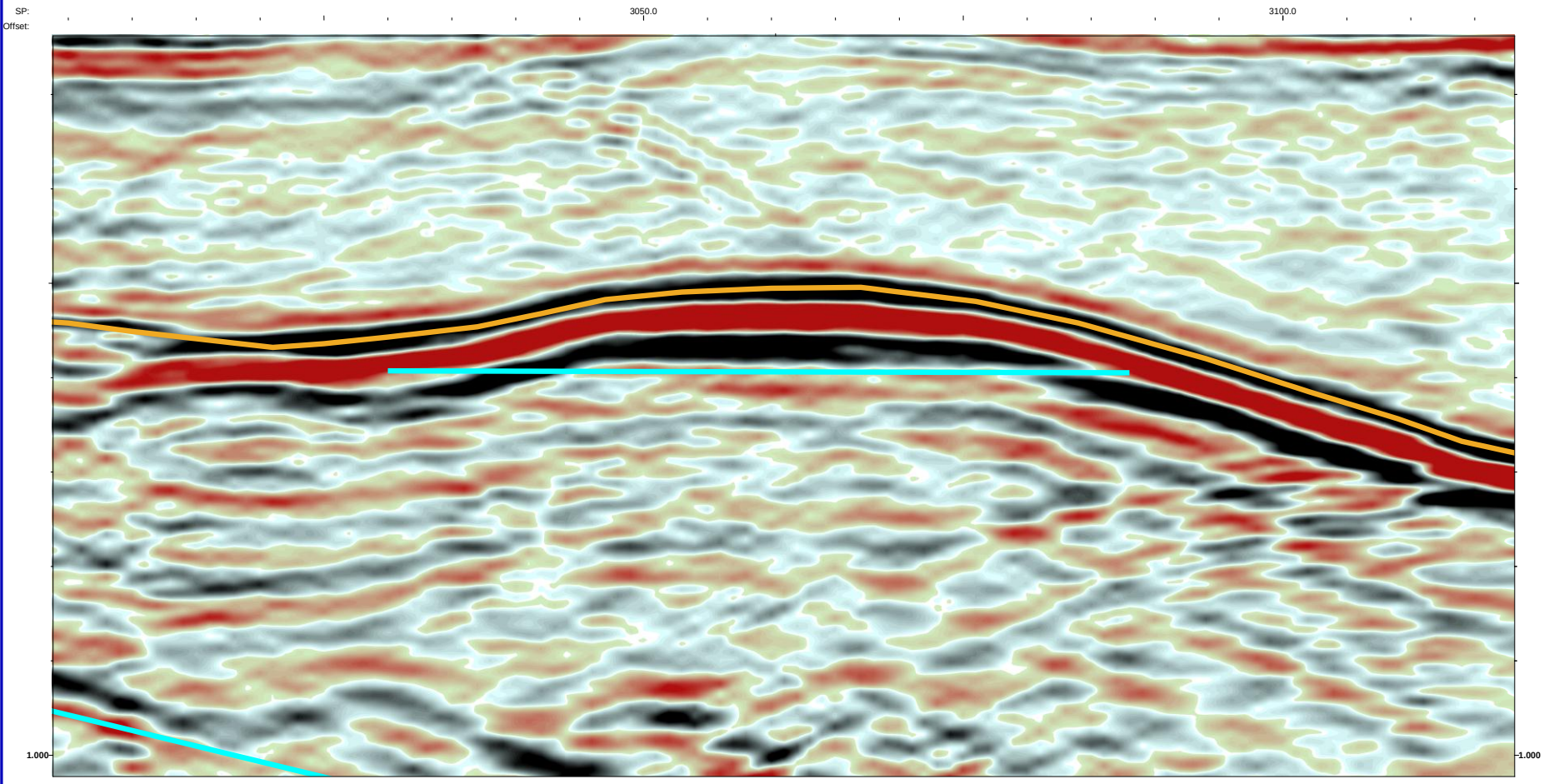


Abau OBC TZ Seismic Survey
LA12-02
(Preliminary Stack)



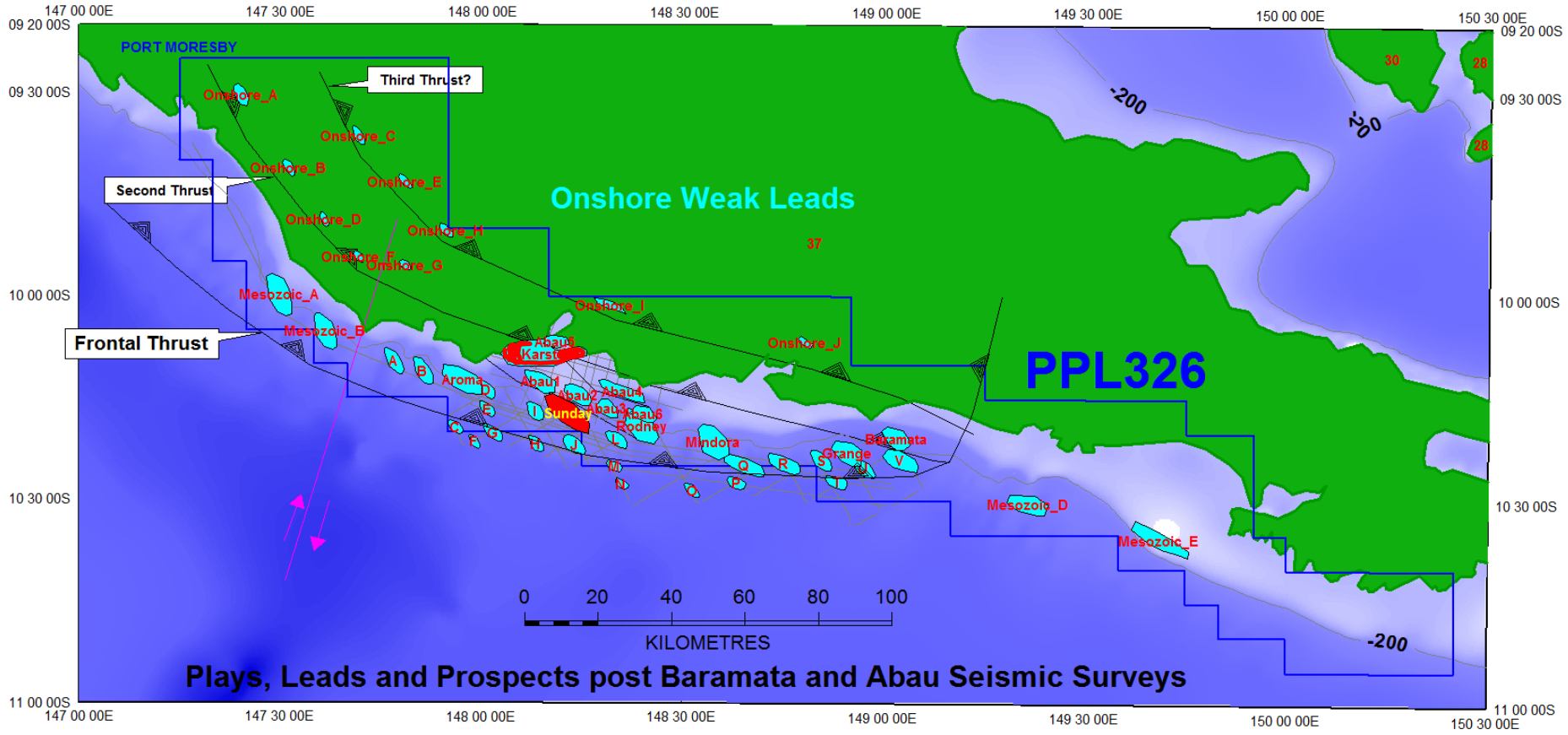
This field stack proves deep anticlines and numerous shallow anticlines. The bright shallow event and the region under the arrow shows a very exotic play!

Abau OBC TZ Seismic Survey
LA12-01
(DHI – Amplitude and Flat Spot)



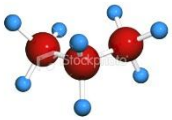
The ‘Holy Grail’ of seismic exploration and usually a direct indication of gas in the system. The lack of oil and gas seeps at the surface is now understood.

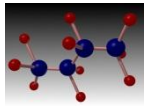
PPL326 Map of Prospects &Leads May 2012



As with last years comment “Based on studies to date – further seismic will give further exploration fairways” Currently 2 prospects 33 leads and Abau Seismic to do (which looks at 6 leads).

PPL326
Hydrocarbon Inventory





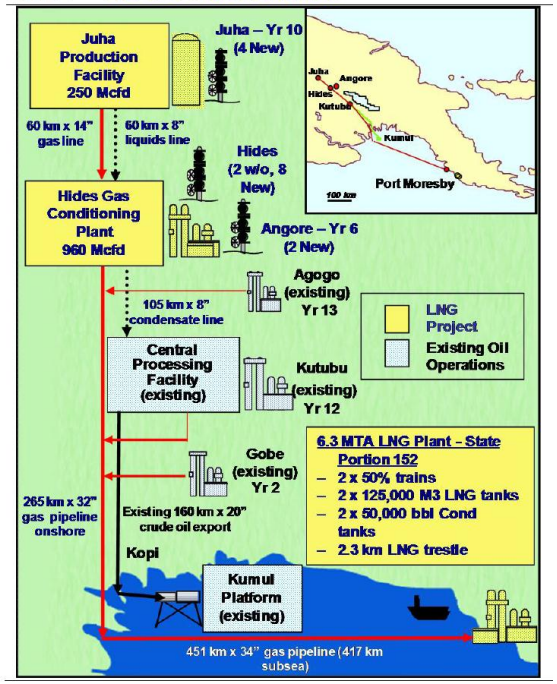
Methane CH_4 (LNG)
Ethane …….
Propane C_3H_8 (LPG)
Butane C_4H_{10} (LPG)
Oils…..
Pentane
Hexane
C_7H_{16} through $C_{11}H_{24}$ are blended together to make gasoline
$C_{12}H_{26}$ through $C_{15}H_{32}$ are kerosene
$C_{16}H_{34}$ through $C_{19}H_{40}$ are diesel
Fuel oils…..
Waxes and Tars

Based on Papuan Basin the region is probably characterised by ‘oily’ gas fields

Economics of LNG
Broad Considerations

Economics of LNG in PNG									
Rough Numbers from the Hides/Juha Project									
		TCF	TCF	TPA	Net less	BTU PA	Billion $ p/a		
	Mcfd	per year	30 years	million	Feedstock	MM	$US9.35/mmBTU		
Juha	250.0	91.3	2.7	1916.3	1301.7	63842975.2	0.5969		
Hides	960.0	350.4	10.5	7358.4	4998.3	245157025	2.2922		
Totals			13.2	9274.7	6300.0	309000000	2.8892		
					Gross over 30 years		86.67		
					Government CAPEX		3.75		
	Probably	19,200 Bbls /day over 30 yrs			Condensate		12.61		
	Possibly	11,700 Bbls /day over 20 years			LPG		7.69		
			Costs			CAPEX	15.00		
						OPEX	10.20		
					Government 22.5%		26.74		
					Interest/Taxes		17.00		
						Net	41.78	Billion	
						Net	3.21	$/Mcf	
						Net	3.21	Billion/TCF	
	Production Cost						6.89	$/Mcf	
	Finding Costs (Seimsic+Discovery Well) (Best Guess)						0.15	$/Mcf	
	Ratio Finding to Net						22		
	1 BCF=0.021 million tonnes								
	1 BCF=1.03 trillion BTU								
Based on	PNG LNG Economic Impact Study								
	An assessment of the direct and indirect impacts of the proposed PNG LNG Project on the economy of Papua New Guinea								
	Prepared for ExxonMobil								
	6 February 2008 (rev April 2009)								
	ACIL Tasman								

Figure 1 **PNG LNG Project Schematic**



Data source: ExxonMobil

Seems everything is big with LNG
Metric 10.5 TCF is the minimum gas number

PPL326
Prospects and Leads Inventory
993 MMBbls Oil
62 TCF Gas

Resource	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	Play Type
		km	km	msec	KM*KM	FEET	RAW	FACT	MM m cub		PHI		Oil	Gas	[MMbbls]	BCF		
TERTIARY	A																Weak Lead	Tertiary Clastics
TERTIARY	B																Weak Lead	Tertiary Clastics
TERTIARY	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	Tertiary Clastics
TERTIARY	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	Tertiary Clastics
TERTIARY	E																Weak Lead	Tertiary Clastics
TERTIARY	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	Tertiary Clastics
TERTIARY	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	Tertiary Clastics
TERTIARY	L	4	2	40	8.00	230	560	0.78	437	0.55	0.1	0.82	1	0.007	4	109	Weak Lead	Tertiary Clastics
TERTIARY	M																Weak Lead	Tertiary Clastics
TERTIARY	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	Tertiary Clastics
TERTIARY	R	4	3	30	12.00	172	630	0.78	491	0.55	0.1	0.82	1	0.007	5	123	Strong Lead	Tertiary Clastics
TERTIARY	S	5	2	60	10.00	344	1050	0.78	819	0.55	0.1	0.82	1	0.007	8	205	Weak Lead	Tertiary Clastics
TERTIARY	T	5	6	10	30.00	57	525	0.78	410	0.55	0.1	0.82	1	0.007	4	102	Strong Lead	Tertiary Clastics
TERTIARY	U	5	5	20	25.00	115	875	0.78	683	0.55	0.1	0.82	1	0.007	6	171	Weak Lead	Tertiary Clastics
TERTIARY	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	Tertiary Clastics
TERTIARY	Abau1																Weak Lead	Tertiary Clastics
TERTIARY	Abau2																Weak Lead	Tertiary Clastics
TERTIARY	Abau3																Weak Lead	Tertiary Clastics
TERTIARY	Abau4																Weak Lead	Tertiary Clastics
TERTIARY	Abau5																Weak Lead	Tertiary Clastics
TERTIARY	Karst	17	7	20	119.00	82	2975	1	2,975	0.95	0.3	0.82	1	0.01	131	2455	Strong Lead	Karst Eocene Lmst
Miocene	REEF_A																Weak Lead	Miocene Reef
Miocene	REEF_B																Weak Lead	Miocene Reef
MESOZOIC	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	Mesozoic Clastics
MESOZOIC	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	Mesozoic Clastics
MESOZOIC	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	Mesozoic Clastics
MESOZOIC	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	Mesozoic Clastics
MESOZOIC	Sunday	20	8	200	160.00	1148	18797	1	18,797	0.55	0.1	0.82	1	0.0022	160	13472	Prospect	Mesozoic Clastics
MESOZOIC	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	Mesozoic Clastics
Tertiary	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	Mesozoic Clastics
MESOZOIC	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	Mesozoic Clastics
MESOZOIC	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	Mesozoic Clastics
MESOZOIC	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	Mesozoic Clastics
MESOZOIC	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	Mesozoic Clastics
MESOZOIC	D																Weak Lead	Mesozoic Clastics
	Totals	**Resource in Place - Deterministic Values - Unrisked**													**993**	**62381**		
															OIIP	GIIP		
															[MMbbls]	BCF		

PPL326 the inventory that will get over the 10.5 TCF project threshold
'Oily' gas fields resource numbers – a pure oil field would be fantastic!!

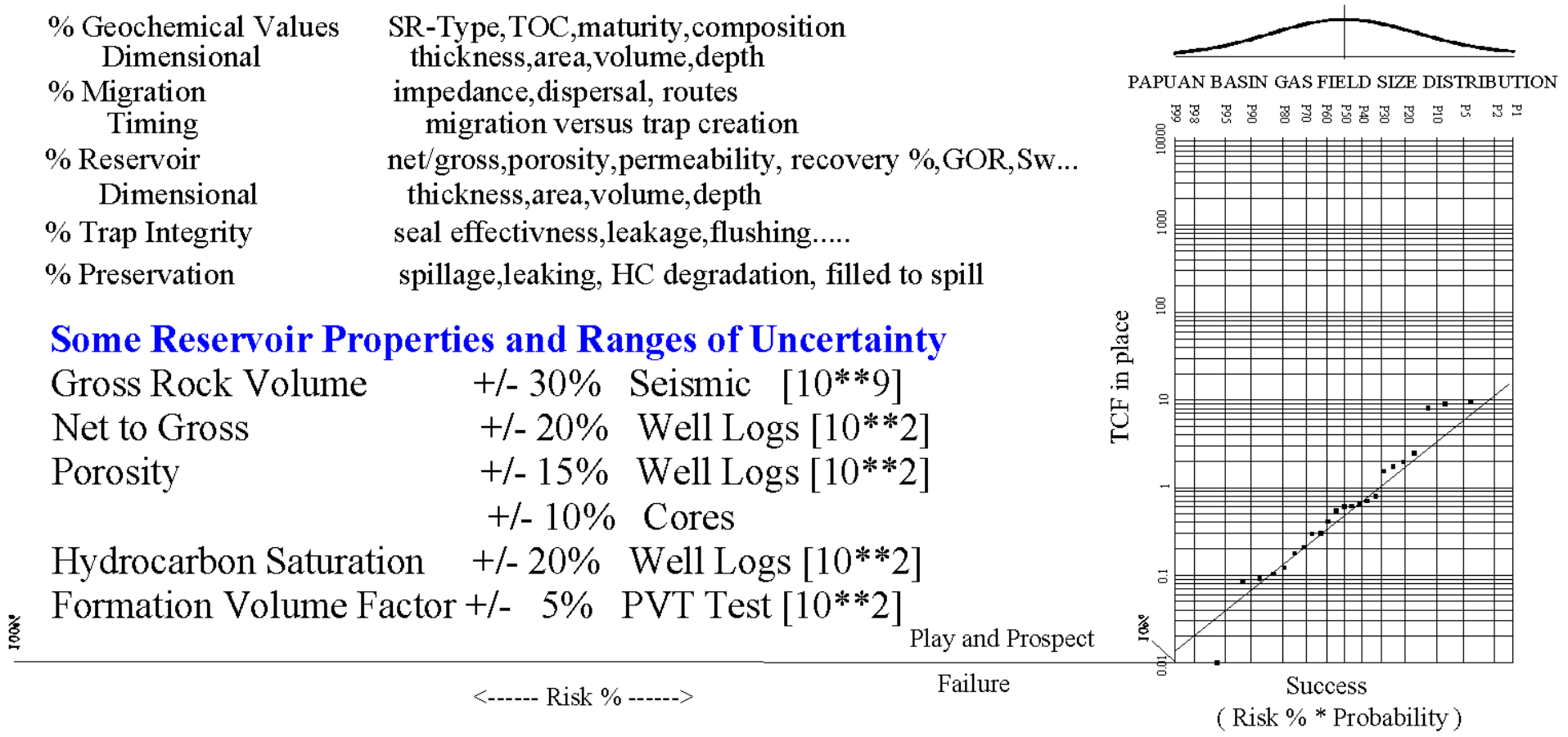
Understanding the Risks – Going Forward

Some Prospect Properties and Reason of Uncertainty

% Geochemical Values	SR-Type,TOC,maturity,composition
Dimensional	thickness,area,volume,depth
% Migration	impedance,dispersal, routes
Timing	migration versus trap creation
% Reservoir	net/gross,porosity,permeability, recovery %,GOR,Sw...
Dimensional	thickness,area,volume,depth
% Trap Integrity	seal effectivness,leakage,flushing.....
% Preservation	spillage,leaking, HC degradation, filled to spill

Some Reservoir Properties and Ranges of Uncertainty

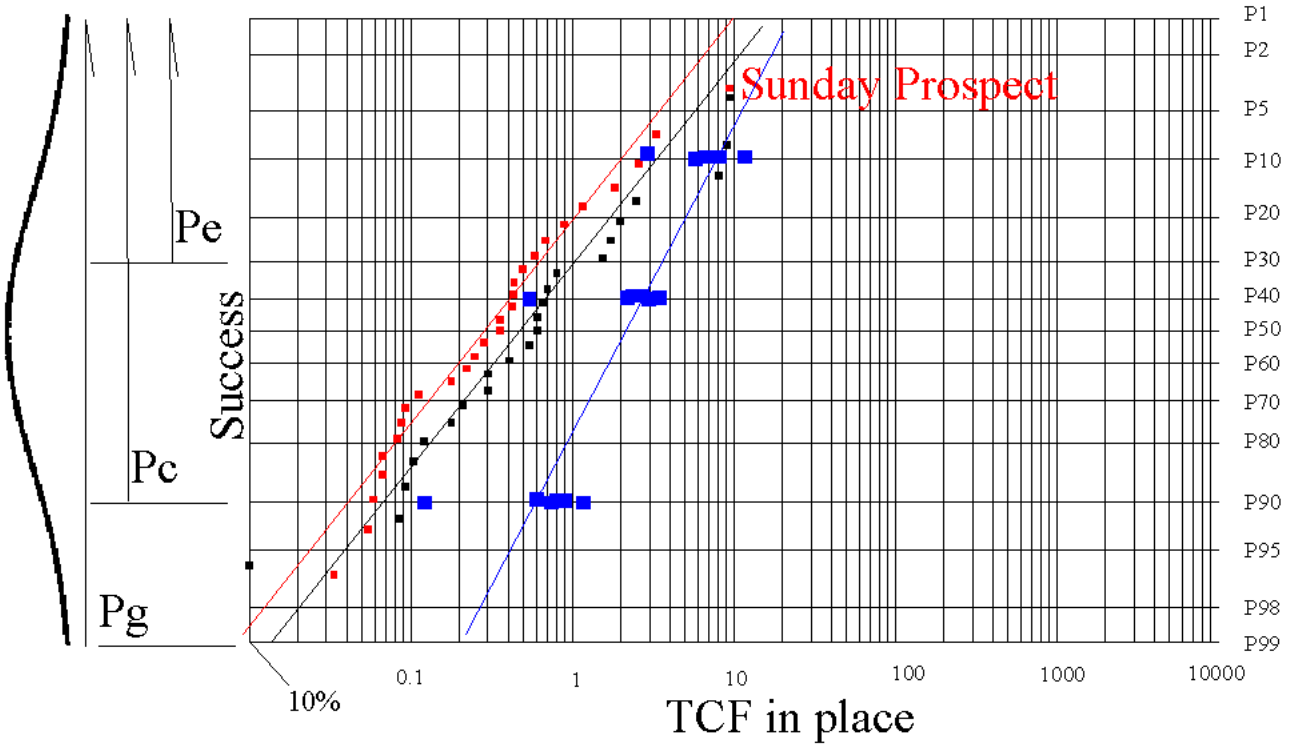
Gross Rock Volume	+/- 30%	Seismic [10**9]
Net to Gross	+/- 20%	Well Logs [10**2]
Porosity	+/- 15%	Well Logs [10**2]
	+/- 10%	Cores
Hydrocarbon Saturation	+/- 20%	Well Logs [10**2]
Formation Volume Factor	+/- 5%	PVT Test [10**2]



10% Success Rate = 90% Failure Rate PPL326 is high risk – high reward
The last unknowns while only be 'known' after drilling

Probability of Success in a Regional Context (Papuan Basin, Larus Assessment, RPS Report)

PAPUAN BASIN GAS FIELD SIZE DISTRIBUTION
(Based on published data)
PPL326 LEADS GAS FIELD SIZE DISTRIBUTION
Gross Prospective Resource (Larus)
PPL326 LEADS GAS FIELD SIZE DISTRIBUTION
Gross Prospective Resource (RPS Independent Geologist)



To get onto the graph.
As plays….
Tertiary 40% (1:2.5)
Reefs 29% (1:3.5)
Sub-thrust 39% (1:2.5)

As prospects….
Sunday 9% (1:11)

As leads…..
Aroma 8% (1:12.5)
Grange 5% (1:20)
W. Baramata 4% (1:25)
E. Baramata 3% (1:33)
Rodney (shallow) 7% (1:14)

Red dots based on previous table and shows trend found in Papuan Basin

Background to Strategy Considerations

Established deep and very large Mesozoic Anticlinal Fairway offshore deep water

- 'Drillables' Sunday Prospect
- Strong Leads - Rodney, E Baramata, W Baramata, Aroma

Established shallow and large Mesozoic and Tertiary Fair offshore shallow water

- 'Drillables' – Abau6 (Rodney Shallow) Prospect??
- Strong Leads – (to be confirmed with results from Abau Seismic Survey)

Established Exotic Plays – karst topographic play offshore shallow water

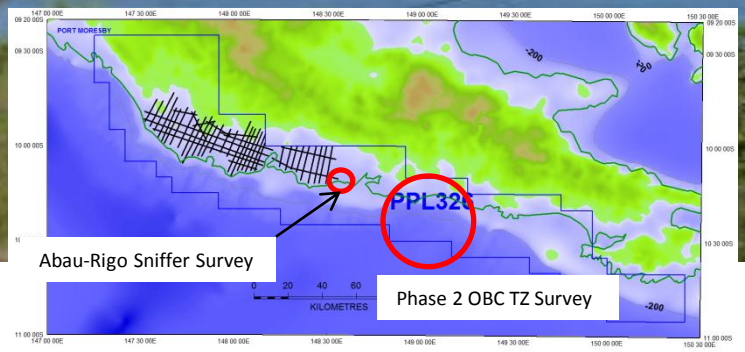
- 'Drillable' – Abau-Rigo Prospect

Established all plays extend to onshore area!!! There is a lot more blue sky!!

Strategy – to capitalize to follow up drill prospects, convert leads to prospects and chase more leads.
Quantum's – 10.5 TCF ($33.6 Billion Net) for $150 Million finding cost – uplift 1:225
And what of Blue Sky value?

How? Float and then……
Farmout offshore deep water portion of PPL but surely not at 1:2?,
Partner-up to opportunistic to drill shallow water but surely not a 1:2
Operate and manage (but lay off costs) onshore drilling?

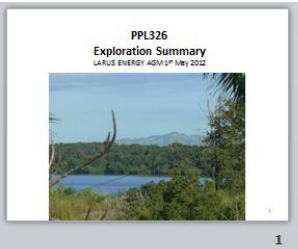
2012 Torres Vibroseis Seismic Survey
Proposed 1100 km prospect scale
Scalable down to 600 km



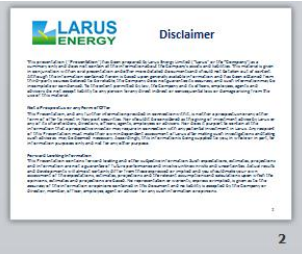
Significant Exploration Effort required for Blue Sky

PPL326
Exploration Summary

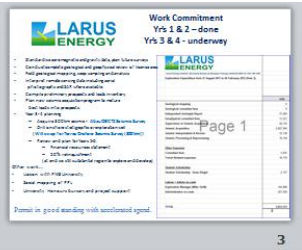
LARUS ENERGY AGM 1ST May 2012



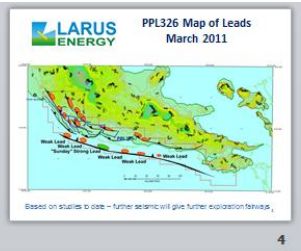
1



2

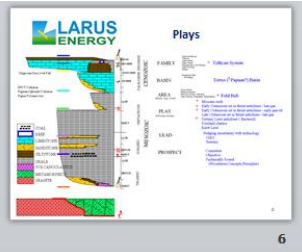


3

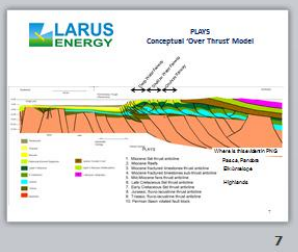


4

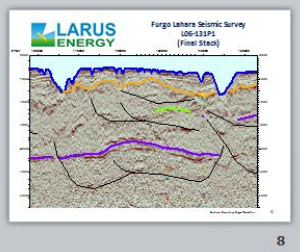
5



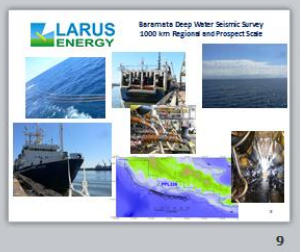
6



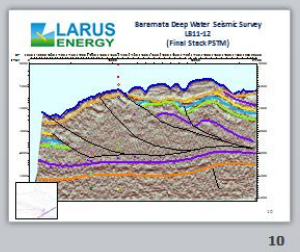
7



8

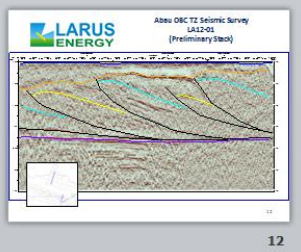


9

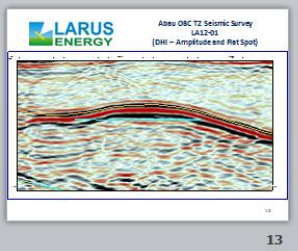


10

11



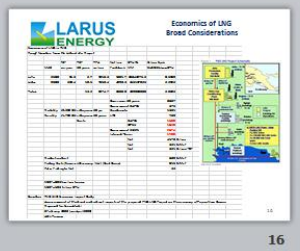
12



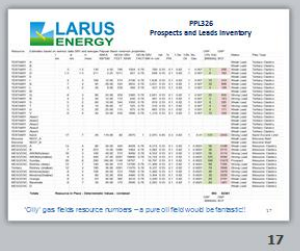
13

14

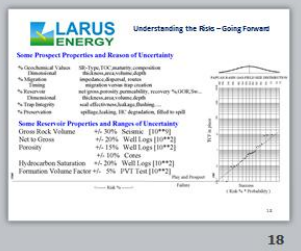
15



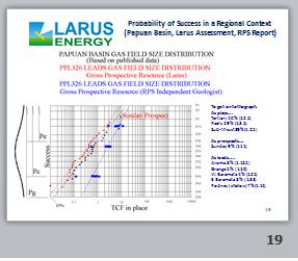
16



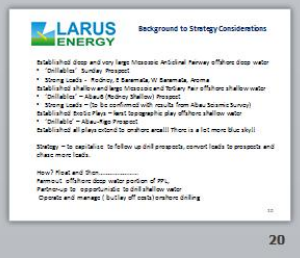
17



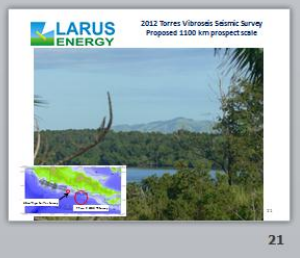
18



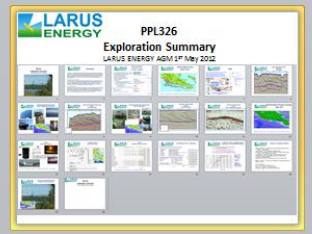
19



20



21



22

High Risk – High Reward
Frontier Basin
Larus holds all the Basin
Unique exploration and development path.
Big Structures

World Class and World Scale. Can deliver standalone LNG project metrics