

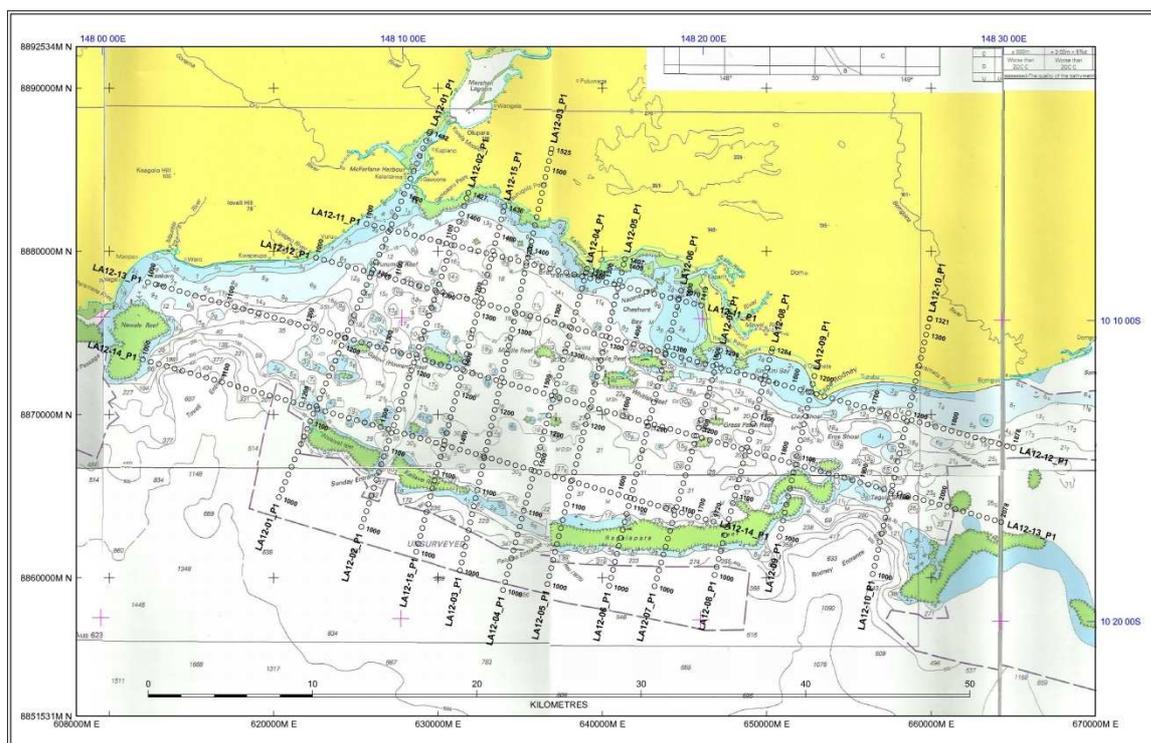
29 February 2012

PNG PPL 326 – ABAU SHALLOW WATER SEISMIC SURVEY

The Abau Shallow Water Seismic Survey being undertaken by Larus Energy concluded last week and the data acquired will now be processed. The Company expects to be able to report on its interpretation of that data in the 2nd Quarter of 2012.

As previously advised Larus Energy contracted Geokinetics (Australasia) Pty Ltd to conduct that seismic survey in the waters in PPL 326 adjacent to Kupiano in the Central Province of PNG.

The survey commenced on Saturday 4 February 2012 and concluded on Wednesday 22 February 2012. At the conclusion of the survey, in excess of 300km had been shot and included 2 transition lines onshore. Below is a map showing the lines shot.



This survey will provide an important link between the information Larus Energy has already obtained from the Baramata 2D seismic survey, which was conducted as part of the Year 1 and 2 work, and the proposed onshore 2D seismic survey scheduled for 2nd half of 2012. Given its location to the north of the Sunday Prospect and Rodney Strong Lead, it is anticipated to provide further information in relation to the Sunday Prospect and Rodney Strong Lead, as well as the next fairways of leads/prospects.

Given the nature of the conditions (shallow water and transitioning to onshore), Geokinetics were engaged to use their ocean bottom cable (“OBC”) method. Geokinetics’ shallow water OBC capabilities extend from the shoreline to 50 meter water depths (although the survey was not intended to go deeper than 50 meters). Geokinetics is an industry leader in OBC data acquisition; in the last three years, they have acquired more than 8,000 km² of OBC data, including the recent survey over Scott Reef for Woodside.

Geokinetics used purpose-built, aluminium hulled work boats (DIBs), with inflatable pontoons, for the deployment and retrieval of the cables laid for recording. The twin pontoon rigid hulled boats provide a robust, stable platform to conduct operations even in poor sea conditions. Additionally, they require minimal draft to operate and can run aground when required. These features were essential for successful work in shallow areas.

The DIBs worked with a larger recording vessel and a source vessel, MV Nieuw Holland and MV Ocean Image, and they all operated out of a mother ship, MV Trinity Revival, in a self-contained manner.

A number of crews of local people were engaged to assist with laying and retrieving the cables as well as cutting the lines onshore. Each person on the crews performed their tasks well.

Initially the work was hampered by some very rough weather early in the survey, but as the weather improved and conditions became ideal, the daily acquisition rate increased significantly.

A further report to Shareholders will be provided once the data has been processed and interpreted.



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