

## MANAGING DIRECTORS - ADDRESS

Dear Shareholders,

I am excited to report that we have made significant technical and commercial progress since our last AGM and that prospectivity of the Larus Energy acreage in PPL579 has now been defined to the point that we have identified prospects that are drill ready. The leading prospect, Nanamarope-1, has been defined with a mean success case recoverable volume of 1.78 billion barrels of oil with a total mean recoverable volume for PPL579 estimated at 5.6 billion barrels. Drilling planning is underway and detailed technical and commercial discussions with prospective farmin partners are occurring.

The PPL579 License is in good standing and was extended for a further 5-year term commencing 31 March 2025. A 50% relinquishment was required as a part of this license extension and hence 55 Graticular Blocks covering the onshore and shallow-water offshore acreage have been dropped with the focus of prospectivity now on the remaining 55 Graticular Blocks covering the deep-water and outer shelf part of the original license area.

Following the interpretation of the Nanamarope 3D seismic data, our understanding of the Miocene to Pliocene reservoir systems in the Torres Basin has increased with prospective sand reservoirs continuing well south of PPL579. Large “pinch-out” prospects with overlying gas escape features are imaged in acreage to the south of PPL579 on previously acquired multi-client 2D data. These large stratigraphic prospects are similar to many of the recent large discoveries on the Atlantic Margins (Namibia, Angola, Senegal, Gabon, Guyana, Suriname, Brazil). Larus Energy has hence taken up a further exploration license, PPL695, that is to the south of the existing PPL579 that covers 60 Graticular Blocks. Pending the drilling results in PPL579 it is anticipated that a large 3D seismic survey will be acquired to further define the prospectivity in PPL695.

The fully processed Pre-SDM FWI full track final processing products of the Nanamarope 3D Seismic data were received in April 2024 following acquisition in May-June 2023. Larus proactively optimized the processing workflow and has carried out a best-in-class evaluation of the very high-quality data including:

- Advanced geophysical modelling and analysis.
- 3D seismic data conditioning and seismic inversion using external contractors.
- DHI and AVO analysis and studies.
- Intensive interpretation of the Nanamarope 3D seismic final dataset to define reservoir & seal pairs, structural & stratigraphic closure, tectonostratigraphic

- evolution and regional context.
- Seismic facies characterization with industry experts and world leading academics such as Professor Dorrik Stow.
- Interpretation & analysis of seismic conditioning and inversion data.
- Petroleum systems modelling.

Following on from the high-end geophysical processing and investigations, prospect generation and maturation has resulted in:

- The Nanamarope Prospect being fully defined with 3D-seismic data. Risk & resource assessments carried out with a mean recoverable resource volume of 1.76 billion barrels of oil
- An inventory of eight further prospects in a cluster surrounding the Nanamarope prospect and over twenty further prospects and leads identified both in the 3D seismic area and across the rest of the block covering a variety of different play types resulting in a recognized mean volume of 5.6 billion barrels of oil recoverable.
- Development Concept Modelling was undertaken by Molyneux and Associates and APOGEE Ltd out of Western Australia. This study, issued in December 2024 outlines a range of development scenarios for the Nanamarope Prospect and provides costs for commercial analysis.

Note that the prospectivity recognised is based on seismic data only and an exploration well is required still to prove that the Torres Basin has an active petroleum system with live hydrocarbons migrated into prospects. Nanamarope prospect appears to be optimally placed above the modelled generative source rocks and is the largest prospect recognised.

Nanamarope-1 Exploration Well Planning commenced in Q4 2024 with:

- Well location planning utilizing the 3D seismic dataset.
- Scoping and well cost estimation studies.
- Initialization of environmental studies to obtain the required CEPA permits for drilling
- A study carried out during Q4, 2024 by EXCEED Ltd in the UK to design the exploration well and the required Long Lead Items.
- Contracting a experienced Drilling Manager and Procurement Manager to oversee the project.

Board members of Larus Energy have continued discussions with the PNG Petroleum Minister and his advisors as well as the Department of Petroleum and the state company Kumul Petroleum Holdings Limited with a view to securing a fiscal framework under the

PNG Oil and Gas Act and PNG's tax laws for the first petroleum liquids project that may result from exploration within PPL579 that aligns with the fiscal framework as defined in the PNG Oil and Gas Act (1998) and subsequent negotiated agreements.

In Q3 2024 the Larus Technical team opened a data-room to significant international petroleum companies on the PPL579 opportunity. Interest has been strong, and a number of the world's largest Petroleum Companies are in an advanced stage of evaluation. Our focus at present is to bring in a large international oil company to at a minimum fund the exploration well on Nanamarope as well as to pay back-costs in return for up to 50% equity in PPL579.

Finally, the net result of operations after applicable income tax expense of the Group for the year ended 31 December 2024 was a loss of \$3,073,287 (2023: \$15,764,793).

The quality of the technical insight from Alaister Shakerley and his team has been exceptional, and I would like to thank all involved for going above and beyond to produce the analysis that we now have. Feedback from large multi-national oil companies has been that this is some of the best geological and geophysical work they have seen. We also thank those on the ground in PNG and our Management and Board for their considerable effort throughout the year and shareholders for their continued support.

Thank you.