



Annual Report 2025



Larus Energy Limited

ABN 16 140 709 360

and its Controlled Entities

Annual Report For year ended 31 December 2025

LARUS ENERGY LIMITED

Corporate Directory

DIRECTORS

Richard Gazal

Richard Malcolm

Joe Holloway

John Chambers

COMPANY SECRETARY

Matthew Azar

REGISTERED AND ADMINISTRATION OFFICE

Level 28, AMP Building

140 St Georges Tce, Perth, WA 6000

AUDITORS

In.Corp Audit & Assurance Pty Ltd

Level 1, Lincoln House,

4 Ventnor Avenue,

West Perth, WA, 6005

BANKS

Commonwealth Banking Corporation

Bank South Pacific

LARUS ENERGY LIMITED

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

Your Directors present their report on the Group consisting of Larus Energy Limited (**Larus** or the **Company**) and the entities it controlled at the end of and during the year ended 31 December 2025.

Directors

Names, qualifications, experience and special responsibilities

The names of directors who held office during the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Richard Gazal - Non-executive Chairman

Mr Gazal is executive director of 3C Capital private family office, until late 2016 he was also executive director of Gazal Corporation, a post he held for over 16 years.

Richard is an entrepreneur with extensive experience running Company's across a wide range of sectors. Through 3C Capital, which has a presence in Europe the UK and Australia, the team maintains a specific focus on the oil & gas sector.

He is a major shareholder of Larus Energy.

Richard Malcolm, Non-executive Director

Mr Malcolm is a professional geoscientist with over 41 years of varied oil and gas experience within seven international markets including Australia/NZ/PNG, UK North Sea, Gulf of Mexico and the Middle East/ North Africa.

His latter roles from 2006 to 2013 included Managing Director of OMV UK and Managing Director of Gulfsands Petroleum, an AIM listed exploration and production company with operations in Syria, Tunisia, Morocco, USA and Colombia.

He is currently a Non-executive Director of Cue Energy Resources Limited.

Mr Joe Holloway, Non-executive Director

Mr Holloway is a PNG national who also sits on the board of the Company's wholly-owned subsidiary, Larus Energy (PNG) Limited. He represents the company in his capacity as a director on the Australian & PNG Larus entities.

Joe is a prominent businessman and managing director of a number of companies consisting of hotels, retail, property development and manufacturing in PNG, he is also a director of National Finance PNG and PNG Ports Limited.

Mr John Chambers, Managing Director

John is an energy executive with 40 years of global experience across exploration, development and production activity in technical, commercial and senior management roles. John retired from Santos at the end 2022 where he had been Vice President for Offshore Upstream, Northern Australia, Timor Leste and Papua New Guinea.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

Since joining Santos in 2003 John has variously held roles in Santos as Vice President Santos PNG, Asia Pacific Exploration Manager, President Santos Bangladesh, Country Manager Santos Vietnam, Country Manager Santos India and Exploration Manager Onshore Australia.

Mr Jon Adgemis (resigned 10 April 2025)

At the Annual General Meeting held on 10 April 2025, Mr Jon Adgemis (Non-executive Director) did not receive sufficient shareholder support for re-election and accordingly ceased to be a director of the Company.

Directors' & the company secretary's interests in the shares and options of the Company and related bodies corporate

The relevant interests of the Directors and Company Secretary whether direct or indirect, in the shares and options of the Company were:

	<u>Number of Options</u>	<u>Number of fully paid ordinary shares</u>
Mr Richard Gazal	-	72,938,895
Mr Richard Malcolm	100,000	2,842,903
Mr Joe Holloway	-	11,451,363
Mr John Chambers	-	841,667
Mr Matthew Azar	-	2,236,539

There were no ordinary shares issued during the period as a result of the exercise of options.

Company Secretary

Matthew Azar B.Bus

Mr Azar has been in business and company secretarial consulting for several years and prior to that operated a successful business for 7 years following 10 years in operations at the Australian Jockey Club.

Principal Activities

The principal activity of the Group is the exploration for oil and gas. There has been no change in the principal activities during the year.

Operating and Financial Review

Review of operations

Papua New Guinea

PPL579 and PPL695 are both located in the eastern part of the Papuan Basin in an area referred to as the Torres Sub-Basin. This is a frontier area, as currently, no hydrocarbon exploration wells have been drilled in the region. Previous exploration activity was limited to onshore surface geological mapping, magnetic and gravity surveys and a limited quantity of reconnaissance seismic survey data acquisition in the offshore.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

In 2015 & 2016, the acquisition of modern multi-client regional offshore 2D seismic data led to a step change in the geological understanding of the region, the identification of new plays has uncovered a number of significant leads and prospects within the PPL579 License. Larus was the first company to identify the presence of the Mid-Miocene turbidite/contourite sandstone play within the deep-water fold-belt of the Torres Sub-Basin and to recognise the potential of significant thrust anticline traps. These same sand bodies pinch-out to the south against a basement high in PPL695 setting up traps similar to many of the recent discoveries along the Atlantic Margins. Larus further progressed the de-risking of the petroleum potential of the region with the discovery of the onshore Imilia light live oil seep. Geochemical analysis of the Imilia seep suggests a Late Cretaceous to Early Tertiary source rock with petroleum systems modelling suggesting that the area has potential for both oil and gas accumulations. Further Palaeogene carbonate prospects exist in both PPL579 and PPL695 with this play type planned to be tested by TotalEnergies and Petronas in the adjacent License area in 2026.

Larus has maintained strong relationships with the PNG Government and the Regulator (presently in transition from the Department of Petroleum to the National Petroleum Authority). With the acquisition and processing of the Nanamarope MC3D seismic survey Larus has far exceeded its license commitments, and the PPL579 License is in good standing and has been extended until 19 May 2030.

PPL579

PPL579 lies to the southeast of Port Moresby offshore from the Central Province. The first term of the License was due to expire on March 30, 2026, but following the renewal and relinquishment agreement signed by the Minister of Petroleum and Energy, The Hon. Thomas Opa on 23 August 2024 the license area will on renewal consist of 55 graticular-blocks and cover an area of approximately 4622km². The License renewal for a further 5-year period comes into effect on 20 May 2026 as per the Instrument granted by The Minister of Petroleum, The Hon. Jimmy Maladina.

The License area is approximately 120 km from Port Moresby harbour where there are good quality facilities for supporting offshore drilling. Water depth is up to 2190m, with approximately 50% of the offshore license area in water depths of 200m or less. The leading prospects identified are in water depths of 1800-2000m.

To de-risk and to mature prospects to drill ready status, Larus in collaboration with Searcher Seismic, acquired the 1,855 sq. km Nanamarope MC3D seismic survey in May-June 2023, with the first pass seismic processing products delivered from the processing contractor in second quarter 2024. The Larus Energy subsurface team has mapped this 3D seismic and confirmed a number of large anticlinal prospects with strong indications of reservoir as well as direct hydrocarbon indicators.

Throughout 2025 the following studies have being carried out and technical work to de-risk the opportunities continues:

1. **Pore-pressure and fracture gradient (PPFG) studies.** Ikon Science out of the UK was contracted to carry out an evaluation of the likely pressure regimes in the Nanamarope area to assist in drill planning. This work has integrated the high quality Nanamarope-3D seismic data along with available well control. Note the nearest wells are over 300 km from the Nanamarope prospect. Larus has followed up this work with further internal studies on PPFG.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

2. **High-end geophysical studies.** have taken place enhancing the view on prospectivity. Seismic inversion work carried out by ZDAC Geophysical Technologies in 2025 suggests the presence of high-quality sand reservoirs in the Miocene section that appear to be oil charged. Both conventional inversion and AVP inversion has been carried out and work continues in this area. The inversion work is giving increased confidence in the presence of oil in what appear to be high-quality sandstone reservoirs.
3. **Deep Water Drop Core Program.** In 2025, deep water drop cores acquired as a part of the Environment Permit work required for the drilling of the Nanamarope Prospect recovered live thermogenic hydrocarbons that confirm the presence of a highly oil prone source rock of Late Cretaceous to Early Tertiary age directly below the prospective Miocene fold-belt area.
4. **Environmental Assessment Report.** In order to obtain the Level 2 Environmental Permit for drilling the Nanamarope Prospect, an Environmental Assessment Report was carried out by Erias Group Ltd and issued to CEPA on 25 November 2025. This study included desk-top studies from available meteorological sources, previous environmental studies, acquisition and analysis of drop cores and oil-spill modelling. The detailed Level 2 Environmental Assessment Report for Nanamarope Drilling was submitted to the Environmental Regulator, CEPA, in November 2025 and it is expected that a conditional environmental permit will be issued in Q2, 2026.
5. **Drilling planning work.** To test the Nanamarope prospect in 2027 during 2025 a drilling and procurement team was established to begin the planning process and purchase of long lead items. External studies using EXCEED out of the UK were undertaken to develop a preliminary well design and equipment specifications. Discussions continue with a number of possible Drilling Support Services Companies for further planning and logistical support.
6. **Concept Development Planning.** Molyneux Advisors was contracted to carry out conceptual development scenarios for an offshore oil development at Nanamarope. These costs were tested against international benchmarks and used in the Larus Commercial model developed by ModelAnswer.

PPL695

On 23 August 2024 the Minister of Petroleum and Energy the Hon. Thomas Opa signed a new licence, PPL695, to the south of PPL579 consisting of 60 graticular blocks covering approximately 5,034 km² for a 6-year first term exploration period.

The work program commitment is to:

Within 2 years commit to a work commitment spend of a minimum USD\$625,000 including:

- Purchase existing marine gravity and magnetic data;
- Reprocess 2000-line km of the Gini 2D seismic survey data
- Regional mapping of the Tertiary reservoir systems

PPL695 Operation in 2025

1. Reviewed internal Larus Energy 2D seismic data base and developed 2D seismic purchase plan. Met with Seismic companies and discussed pricing options for available 2D and 3D data. Prepared purchase plan.
2. Regionally tied in the existing PPL695 seismic data set to the Nanamarope 3D seismic to update regional mapping of the Tertiary reservoir systems.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

3. Work is yet to commence on seismic reprocessing.

Operating results for the year

The net result of operations after applicable income tax expense of the Group for the year ended 31 December 2025 was a loss of \$2,803,613 (2024: \$3,073,287).

Financial position and significant changes in state of affairs

The Company raised \$1,392,401 of funding via the issue of shares at \$0.62 per share (2024: \$1,778,423 via the issue of shares at \$0.62 per share).

Cash on hand at 31 December 2025 totalled \$98,396 (2024: \$271,845).

Business strategies, and prospects for future financial years

The Group plans to continue exploration on its exploration licences in PNG and continues to actively seek farminees.

Dividends

No dividends were either paid or declared for the year. The Directors do not recommend the payment of a dividend in respect of the financial year ended 31 December 2025.

Significant Changes in the State of Affairs

Other than mentioned in other parts of this report, there were no significant changes in the state of affairs of the Group during the financial period.

Environmental Regulations

Larus Energy Limited, through its subsidiary Larus (PNG) Limited, holds PPL579 in Papua New Guinea and is subject to various governmental statutes and guidelines for environmental impacts in relation to exploration activities. These provide for the satisfactory rehabilitation of the areas of exploration. There have been no known material breaches of the licence conditions.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

Share Options

Unissued ordinary shares of Larus Energy Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number of options
2 February 2015	2 February 2028	\$0.10	100,000
14 September 2020	2 February 2028	\$0.10	100,000
15 October 2022	15 January 2028	\$0.10	411,590
2 February 2024	2 February 2029	\$0.62	300,000
15 January 2025	15 January 2028	\$0.62	146,377
8 October 2025	8 October 2028	\$0.62	394,464
			1,452,431

The Options do not entitle the holder to participate in any share issue of the Company or any other body corporate. During or since the end of the financial year, the Company has not issued any shares as a result of the exercise of options.

Directors' Meetings

Attendance at Directors' meetings during the year

Directors	Eligible to attend	Attended
Richard Gazal	2	2
Richard Malcolm	2	2
Jon Adgemis (resigned 10 April 2025)	1	0
Joe Holloway	2	2
John Chambers	2	2

Indemnification and Insurance of Directors and Officers

Director Indemnity

The Company has, either during or since the end of the financial period, in respect of any person who is or has been an officer of the Company or a related body corporate, entered into deeds of access and indemnity with each director which includes indemnifying them against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

Director insurance

The Company, either during or since the end of the financial period, has paid premiums in respect of a Directors and Officers Insurance contract insuring each director against a liability incurred as an officer for the costs or expenses to defend legal proceedings. It is a term of the contract that all other terms remain confidential.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

Indemnity and Insurance of Auditors

The Company has not, either during or since the end of the financial period, in respect of any person who is or has been an auditor of the Company or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 43.

Events Subsequent to Reporting Date

On 2 February 2026, 200,000 options expired on the expiry date, which were then subsequently extended to 2 February 2028. There were no changes to the exercise price of the options.

On 8 March 2026, the Company issued 319,992 fully paid ordinary shares at a price of \$0.62 per share. The shares were issued as equity-based consideration in respect of services provided during the period and no cash consideration was received.

Other than the above, there are no events that have arisen in the interval between the end of the period and the date of this report that are likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations.

Likely Developments

The Company continues to identify and evaluate oil and gas exploration and evaluation opportunities that are perceived to offer outstanding value. As the Group's areas of interest are at an early stage of exploration, it is not possible to postulate likely developments from any of these exploration activities.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

Remuneration Report

The remuneration report, which has been audited, outlines the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Individual key management personnel disclosures

Details of KMP are set out below:

Key management personnel

(i) Directors

Mr Richard Gazal	Chairman
Mr Richard Malcolm	Non-Executive Director
Mr Joe Holloway	Non-Executive Director
Mr John Chambers	Managing Director

(ii) Executives

Alaister Shakerley	Exploration Manager
Mr Matthew Azar	Company Secretary

There have not been any changes to KMP after the reporting date and before the financial report was authorised for issue.

The remuneration report is set out under the following main headings:

- A) Principles used to determine the nature and amount of remuneration
- B) Senior management employment contracts and remuneration
- C) Details of remuneration
- D) Performance based compensation
- E) Directors' and KMP interests in shares and options

A) Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance, being the development of the Larus Energy exploration tenements. The framework aligns executive reward with achievement of corporate strategic objectives and the creation of value for shareholders and conforms with market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation;
- transparency; and
- capital management.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

The Group has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design;
- focuses on sustained growth in shareholder wealth and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracts and retains high calibre executives. Alignment to programme participants' interests:
- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives.

Non-executive directors

The Constitution provides that the non-executive Directors are entitled to such remuneration as determined by the Directors, which must not exceed in aggregate \$500,000 per annum or such other maximum annual amount determined by Larus Energy Limited in a general meeting. Such remuneration is to be apportioned among the non-executive Directors as the Directors determine.

Non-executive Directors may be paid such additional or special remuneration as the Directors decide is appropriate where a non-executive Director performs extra services outside the scope of the ordinary duties of a Director provided that no such payment may be made if the effect would be to exceed the aggregate maximum sum referred to above.

Mr Gazal, as Chairman, has elected not to receive any Directors' fees at the current stage of the Company's development. Mr Malcolm and Mr Holloway receive an agreed annual fee amount of \$40,000 paid in shares at a value of \$0.62 per share. Over this time, Mr Malcolm and Mr Holloway continue to work as executive directors when required, at no additional cost to the company.

Executive Directors

The Constitution provides that the executive Directors are entitled to such remuneration as determined by the Directors.

The Constitution also makes provision for Larus Energy Limited to pay all expenses of Directors in attending meetings and carrying out their duties.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

B) Senior management employment contracts and remuneration

Mr Alastair Shakerley – Exploration Manager

Pursuant to a services agreement dated 15th October 2020, Larus contracted Mr Shakerley as Exploration Manager of Larus Energy on a total minimum annual service contract with Structural Geosciences Limited of USD 120,000 plus expenses. This contract was updated on 1 January 2024, to an annual service contract of USD 200,000 plus expenses. Mr Shakerley is currently paid on an annual amount of USD 120,000 plus expenses and the difference accrues while the company manages cashflow constraints.

Mr John Chambers – Managing Director

Pursuant to a services agreement dated 9th April 2024, Larus contracted Mr Chambers as Managing Director of Larus Energy on a total minimum annual service contract with Wollemi Energy Consultants Pty Ltd of AUD 180,000. Mr Chambers agrees to be paid a monthly amount of AUD 5,000 plus 10.5% Superannuation plus GST and expenses. The difference accrues while the company manages cashflow constraints.

C) Details of remuneration

Amounts of remuneration

Details of the remuneration of the Directors and the key management personnel of the Group are set out in the following tables.

The key management personnel of Larus Energy Limited and the Group include the Directors, Managing Director, Company Secretary and the Exploration Manager.

2025 \$	Short-term benefits			Post- employment benefits	Share-based payments		Total
	Salary	Directors' Fees	Consulting		Shares	Options	
Directors							
Richard Gazal	-	-	-	-	-	-	-
Richard Malcolm	-	-	-	-	40,000	-	40,000
Jon Adgemis	-	-	-	-	-	-	-
Joe Holloway	-	-	-	-	40,000	-	40,000
John Chambers	-	-	129,278	-	-	-	129,278
Total Directors	-	-	129,278	-	80,000	-	209,278
Other key management personnel							
Alastair Shakerley	-	-	283,305	-	-	-	283,305
Matthew Azar	-	-	-	-	-	-	-
Total other KMPs	-	-	283,305	-	-	-	283,305
Totals	-	-	412,583	-	80,000	-	492,583

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

2024 \$	Short-term benefits			Post- employment benefits	Share-based payments		Total
	Salary	Directors' Fees	Consulting		Shares	Options	
Directors							
Richard Gazal	-	-	-	-	-	-	-
Richard Malcolm	20,000	-	-	3,375	123,000	-	146,375
Jon Adgemis	-	-	-	-	-	-	-
Joe Holloway	20,000	-	-	3,375	185,000	-	208,375
John Chambers	-	-	144,323	-	186,000	-	330,323
Total Directors	40,000	-	144,323	6,750	494,000	-	685,073
Other key management personnel							
Alaistair Shakerley	-	-	197,565	-	310,000	-	507,565
Matthew Azar	-	-	-	-	62,000	-	62,000
Total other KMPs	-	-	197,565	-	372,000	-	569,565
Totals	40,000	-	341,888	6,750	866,000	-	1,254,638

D) Performance based compensation

Options

No options over ordinary shares in the Company were provided as remuneration to a Director of the Group or key management personnel of the Group during the financial year.

Shares issued on the exercise of options

No ordinary shares of Larus Energy Limited were issued during the year ended 31 December 2025 (2024– Nil) on the exercise of options granted. No further shares have been issued since that date on the exercise of options granted. No amounts are unpaid on any of the shares.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

E) Directors' and KMP interests in shares and options

The relevant interest of each directors and key management personnel in office during the years ended 31 December 2025 and 2024 in the share capital of the Company as at the date of this report was as follows:

Shareholdings

<u>2025</u>	<u>Balance at the start of the year / appointment</u>	<u>Received as part of remuneration</u>	<u>Additions</u>	<u>Disposals / others</u>	<u>Balance at the end of the year/date of resignation</u>
Directors					
Richard Gazal	75,748,752	-	97,303	(2,907,160)	72,938,895
Richard Malcolm	3,180,387	64,516	-	(402,000)	2,842,903
Jon Adgemis	401,755	-	-	(401,755)	-
Joe Holloway	10,720,852	64,516	665,995	-	11,451,363
John Chambers	841,667	-	-	-	841,667
Other key management personnel					
Alastair Sharkerley	500,000	-	-	-	500,000
Matthew Azar	2,317,200	-	-	(80,661)	2,236,539

<u>2024</u>	<u>Balance at the start of the year / appointment</u>	<u>Received as part of remuneration</u>	<u>Additions</u>	<u>Disposals / others</u>	<u>Balance at the end of the year/date of resignation</u>
Directors					
Richard Gazal	74,886,932	50,000	811,820	-	75,748,752
Richard Malcolm	2,982,000	198,387	-	-	3,180,387
Jon Adgemis	401,755	-	-	-	401,755
Joe Holloway	10,107,587	298,387	314,878	-	10,720,852
John Chambers	541,667	300,000	-	-	841,667
Other key management personnel					
Alastair Sharkerley	-	-	500,000	-	500,000
Matthew Azar	2,217,200	100,000	-	-	2,317,200

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

Options over ordinary shares

<u>2025</u>	Balance at the start of the year <u>/appointment</u>	<u>Granted</u>	<u>Exercised</u>	Expired/ forfeited <u>/ other</u>	Balance at the end of the year/date of <u>resignation</u>
Directors					
Richard Gazal	-	-	-	-	-
Richard Malcolm	100,000	-	-	-	100,000
Joe Holloway	-	-	-	-	-
John Chambers	-	-	-	-	-
Other Key Management Personnel					
Alaistair Sharkerley	-	-	-	-	-
Matthew Azar	-	-	-	-	-

<u>2024</u>	Balance at the start of the year <u>/appointment</u>	<u>Granted</u>	<u>Exercised</u>	Expired/ forfeited <u>/ other</u>	Balance at the end of the year/date of <u>resignation</u>
Directors					
Richard Gazal	-	-	-	-	-
Richard Malcolm	100,000	-	-	-	100,000
Jon Adgemis	-	-	-	-	-
Joe Holloway	-	-	-	-	-
John Chambers	-	-	-	-	-
Other Key Management Personnel					
Alaistair Sharkerley	-	-	-	-	-
Matthew Azar	-	-	-	-	-

This concludes the remuneration report, which has been audited.

LARUS ENERGY LIMITED



DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

This report is made in accordance with a resolution of the Directors pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to be "RG", written over a horizontal line.

Mr Richard Gazal
Chairman

21 April 2026

LARUS ENERGY LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 \$	2024 \$
Revenue		-	-
Expenses			
Interest Expense		(314,153)	(324,783)
Exploration and evaluation costs		(35,315)	(42,662)
Administrative expenses		(1,563,260)	(652,718)
3D Seismic Expenditure		(92,907)	(626,006)
Depreciation		(6,918)	(4,489)
Employment costs		(6,819)	(178,723)
Share based payments expense	27	(823,163)	(1,129,500)
Foreign currency gain/(loss)		38,922	(114,406)
Loss before income tax expense		(2,803,613)	(3,073,287)
Income tax benefit	9	-	-
Loss after income tax benefit		(2,803,613)	(3,073,287)
Other comprehensive income			
Exchange differences on translating foreign controlled entities		(7,320)	(70,251)
Other comprehensive income for the year		(7,320)	(70,251)
Total comprehensive income		(2,810,933)	(3,143,538)
Basic loss per share (cents)	8	(2.02)	(2.29)
Diluted loss per share (cents)	8	(2.02)	(2.28)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	2025 \$	2024 \$
CURRENT ASSETS			
Cash and cash equivalents	10	98,396	271,845
Trade and other receivables	11	34,589	218,743
TOTAL CURRENT ASSETS		132,985	490,588
NON-CURRENT ASSETS			
Property, plant and equipment	12	2,070	17,574
Other assets	13	35,181	40,069
TOTAL NON-CURRENT ASSETS		37,251	57,643
TOTAL ASSETS		170,236	548,231
CURRENT LIABILITIES			
Trade and other payables	14	1,078,430	1,133,438
Borrowings	15	4,983,104	4,670,915
Lease liabilities	16	-	3,630
TOTAL CURRENT LIABILITIES		6,061,534	5,807,983
NON-CURRENT LIABILITIES			
Lease liabilities	16	-	5,596
TOTAL NON-CURRENT LIABILITIES		-	5,596
TOTAL LIABILITIES		6,061,534	5,813,579
NET ASSETS		(5,891,298)	(5,265,348)
SHAREHOLDERS' EQUITY			
Issued capital	17	45,035,402	43,156,170
Foreign currency translation reserve	19	(1,334,435)	(1,297,545)
Option reserve	19	561,327	226,006
Accumulated losses		(50,153,592)	(47,349,979)
TOTAL EQUITY		(5,891,298)	(5,265,348)

The above statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Share Based Payments Reserve	Total
	\$	\$	\$	\$	\$
At 31 December 2023	40,434,247	(44,276,692)	(1,227,294)	40,006	(5,029,733)
<i>Transactions with owners in their capacity as owners</i>					
Issue of shares	2,721,923	-	-	-	2,721,923
Issue of options	-	-	-	186,000	186,000
Transfer of expired options	-	-	-	-	-
	<u>2,721,923</u>	<u>-</u>	<u>-</u>	<u>186,000</u>	<u>2,907,923</u>
Loss for the year	-	(3,073,287)	-	-	(3,073,287)
Exchange differences on translating foreign controlled entities	-	-	(70,251)	-	(70,251)
Total comprehensive income for the year	<u>-</u>	<u>(3,073,287)</u>	<u>(70,251)</u>	<u>-</u>	<u>(3,143,538)</u>
At 31 December 2024	43,156,170	(47,349,979)	(1,297,545)	226,006	(5,265,348)
<i>Transactions with owners in their capacity as owners</i>					
Issue of shares	1,879,232	-	-	-	1,879,232
Issue of options	-	-	-	335,321	335,321
Transfer of expired options	-	-	-	-	-
	<u>1,879,232</u>	<u>-</u>	<u>-</u>	<u>335,321</u>	<u>2,214,553</u>
Loss for the year	-	(2,803,613)	-	-	(2,803,613)
Exchange differences on translating foreign controlled entities	-	-	(36,890)	-	(36,890)
Total comprehensive income for the year	<u>-</u>	<u>(2,803,613)</u>	<u>(36,890)</u>	<u>-</u>	<u>(2,840,503)</u>
At 31 December 2025	45,035,402	(50,153,592)	(1,334,435)	561,327	(5,891,298)

The above statement of changes in equity should be read in conjunction with the accompanying notes.

LARUS ENERGY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025



	Note	2025 \$	2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Refunds from sales tax		152,139	-
Payments to suppliers and employees		(1,621,927)	(971,833)
Payments for 3D seismic exploration and evaluation		(92,907)	(626,006)
Interest paid		(1,748)	(975)
NET CASH OUTFLOWS FROM OPERATING ACTIVITIES	26	(1,564,443)	(1,598,814)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant & equipment		-	(5,275)
NET CASH OUTFLOWS FROM INVESTING ACTIVITIES		-	(5,275)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares (net of share issue costs)		1,392,401	1,778,423
Repayment of lease liabilities		(1,407)	(3,385)
NET CASH INFLOWS FROM FINANCING ACTIVITIES		1,390,994	1,775,038
NET (DECREASE) / INCREASE IN CASH HELD		(173,449)	170,949
Cash and cash equivalents at the beginning of the financial		271,845	100,896
Cash and cash equivalents at the end of the financial year	10	98,396	271,845

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of the financial report are set out below. The consolidated financial statements and notes represent those of Larus Energy Limited (the “Company”) and its controlled entities (the “Consolidated Group” or “Group”).

The separate financial statements of the parent entity, Larus Energy Limited, have not been presented within this financial report as permitted by amendments made to the *Corporations Act 2001*. Supplementary information about the parent entity is disclosed in Note 4.

The financial report was authorised for issue, in accordance with a resolution of directors, on 21 April 2026. The directors have the power to amend and reissue the financial report.

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*, as appropriate for for-profit entities.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ('IASB'). Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Going concern

The Group incurred a net loss after tax for the year ended 31 December 2025 of \$2,803,613 (2024: \$3,073,287) and a net cash outflow from operations of \$1,564,443 (2024: \$1,598,814). The Group had cash on hand of \$98,396 (2024: \$271,845) and its total liabilities exceeded the total assets by \$5,891,298 (2024: \$5,265,348).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 DECEMBER 2025****1. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)****(c) Going concern (continued)**

The financial statements are prepared on a going concern basis as the Company has sufficient resources to meet its liabilities as and when they fall due for the next twelve months based on the following:

- The Group has proven its ability to raise funds, as per the latest capital raises of \$1,879,232 during the financial year.
- The continued financial support from the Company's directors; and
- The Group will commence discussions with potential farm out partners, following completion of the 3D seismic interpretation.

The Directors have reviewed the business outlook and cash flow forecasts after taking into account the above matters and are of the opinion that the use of the going concern basis of accounting is appropriate as the Directors believe the Group will achieve the matters set out above and be able to pay its debts as and when they fall due.

Should the Group be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

These conditions give rise to a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

(c) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

(d) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. On this basis, the Company has elected to expense all exploration and evaluation expenditure.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(d) Exploration and evaluation expenditure (CONTINUED)

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of oil and gas plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the oil and gas permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(e) Foreign currency translation

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency. The Australian controlled entities functional currencies are in Australian dollar while the PNG controlled entities functional currencies are in PNG Kina.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

(f) Application of new and revised Accounting Standards

New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

New standards and interpretations not yet adopted

The Directors have reviewed all Accounting Standards and Interpretations issued but not yet mandatory for the year ended 31 December 2025, including AASB 18 Presentation and Disclosure in Financial Statements, which is effective for annual reporting periods beginning on or after 1 January 2027. As a result of this review, the Directors have determined that the adoption of these Standards and Interpretations is not expected to have a material impact on the Group. Accordingly, no changes to the Group's accounting policies are considered necessary.

2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks; market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

(i) *Foreign exchange risk*

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's functional currency.

(ii) *Credit risk*

There is negligible credit risk on financial assets of the Group since there is no exposure to individual customers or countries and the economic entity's exposure is limited to the amount of cash, short term deposits and receivables which have been recognised in the statement of financial position and is minimised by using recognised financial intermediaries as counterparties.

(iii) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed finance facilities.

This is discussed further in Note 25.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Exploration and evaluation expenditure

The Group's accounting policy for exploration and evaluation expenditure results in expenditure being capitalised for an area of interest acquired where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to profit and loss.

Share based payments

The Group measures the cost of equity-settled transactions, including acquisition costs, payments for services rendered and transactions with employees, by reference to the fair value of the equity instruments at the date at which they are granted.

The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted, including an option-pricing adjustment for non-transferability of the options.

Further details of all relevant terms and conditions and assumptions are contained in Note 27.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 \$	2024 \$
4. PARENT COMPANY INFORMATION		
<u>STATEMENT OF FINANCIAL POSITION</u>		
ASSETS		
Current assets	82,908	296,012
Non-current assets	12,553,260	12,561,349
TOTAL ASSETS	12,636,168	12,857,361
LIABILITIES		
Current liabilities	6,056,761	5,803,672
Non-current liabilities	-	-
TOTAL LIABILITIES	6,056,761	5,803,672
EQUITY		
Issued capital	44,792,985	42,913,753
Reserves	(730,315)	(1,065,636)
Accumulated losses	(37,483,263)	(34,794,428)
TOTAL EQUITY	6,579,407	7,053,689
<u>STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME</u>		
Net (loss) for the year, net of tax	(2,688,835)	(2,855,703)
Other comprehensive income, net of tax	-	-
TOTAL COMPREHENSIVE INCOME	(2,688,835)	(2,855,703)

Guarantees

Larus Energy Ltd has not entered into any guarantees, in the current financial year, in relation to the debts of its controlled entities.

Contingent liabilities

At 31 December 2025, Larus Energy Limited had no contingent liabilities (31 December 2024 – Nil).

Contractual commitments

At 31 December 2025, Larus Energy Limited had not entered into any contractual commitments for the acquisition of property, plant and equipment (31 December 2024 – Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 \$	2024 \$
5. KEY MANAGEMENT PERSONNEL COMPENSATION		
Short-term benefits	412,583	381,888
Post-employment benefits	-	6,750
Share-based payments	80,000	866,000
	<u>492,583</u>	<u>1,254,638</u>
6. REMUNERATION OF AUDITORS		
Audit of the consolidated financial report	<u>11,275</u>	<u>10,763</u>
	<u>11,275</u>	<u>10,763</u>
7. SEGMENT REPORTING		
<p>The Group operates predominately in the oil and gas exploration industry. For management purposes, the Group is organised into one main operating segment, which involves the exploration for oil and gas in Papua New Guinea. All of the Group's activities are inter-related and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial results of the Group as a whole.</p>		
8. BASIC AND DILUTED LOSS PER SHARE		
Net loss from ordinary activities after income tax expense	2,803,613	3,073,287
Weighted average number of shares used in basic loss per share	138,453,792	134,348,535
Basic loss per share (cents per share)	<u>(2.02)</u>	<u>(2.29)</u>
Weighted average number of shares used in diluted loss per share	138,684,934	134,601,686
Diluted loss per share (cents per share)	<u>(2.02)</u>	<u>(2.28)</u>
Anti-dilutive options on issue not used in dilutive EPS calculation	911,590	611,590

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

2025	2024
\$	\$

9. TAXATION

The prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense in the financial statements as follows:

Net loss before tax from ordinary activities	(2,803,613)	(3,073,287)
Income tax (benefit) calculated at 25% of operating loss (2024: 25%)	(700,903)	(768,322)
Deferred tax amounts not recognised	700,903	768,322
Income tax benefit	-	-
Deferred tax balances not recognised		
calculated at 25% not brought to account as assets:		
Tax losses available for offset against future taxable income	8,688,547	7,987,644

The taxation benefits of revenue tax losses and temporary differences not brought to account will only be obtained if:

- (i) the Company and the Group derive further assessable income of a nature and of an amount sufficient to enable the benefit from the deductions to be realised;
- (ii) the company and the Group continue to comply with the conditions for deductibility imposed by the law; and
- (iii) no changes in tax legislation adversely affect the company's and the Group's ability in realising the benefit from the deductions.

10. CASH AND CASH EQUIVALENTS

Cash at bank and on hand	98,396	271,845
	98,396	271,845

11. TRADE AND OTHER RECEIVABLES

Current

Other receivables	28,437	196,571
Prepayments	6,152	22,172
	34,589	218,743

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 \$	2024 \$
12. PROPERTY, PLANT AND EQUIPMENT		
<i>Computer Hardware and Software</i>		
Cost	47,723	47,723
Accumulated depreciation	(47,723)	(42,448)
	<u>-</u>	<u>5,275</u>
<i>Plant and equipment</i>		
Cost	48,406	48,961
Accumulated depreciation	(46,336)	(46,247)
	<u>2,070</u>	<u>2,714</u>
<i>Motor vehicles</i>		
Cost	149,201	170,766
Accumulated depreciation	(149,201)	(169,929)
	<u>-</u>	<u>837</u>
<i>Leasehold improvements</i>		
Cost	18,691	18,691
Accumulated depreciation	(18,691)	(18,691)
	<u>-</u>	<u>-</u>
Total Plant and Equipment	<u>2,070</u>	<u>8,826</u>
<i>Right-of-use Asset</i>		
Cost	-	14,479
Accumulated depreciation	-	(5,731)
	<u>-</u>	<u>8,748</u>
Total Property, Plant and Equipment	<u>2,070</u>	<u>17,574</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

2025
\$ 2024
\$

12. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of movements in property, plant and equipment

	Computer Hardware and Software \$	Plant and Equipment \$	Motor Vehicles \$	Right of Use Asset \$	Total \$
Year ended 31 December 2025					
Balance at the beginning of year	5,275	2,714	837	8,748	17,574
Additions	-	-	-	-	-
Disposals	-	-	-	(7,240)	(7,240)
Depreciation expense	(5,275)	(135)	-	(1,508)	(6,918)
Foreign exchange impact	-	(509)	(837)	-	(1,346)
Balance at the end of the year	-	2,070	-	-	2,070

	Computer Hardware and Software \$	Plant and Equipment \$	Motor Vehicles \$	Right of Use Asset \$	Total \$
Year ended 31 December 2024					
Balance at the beginning of year	-	3,575	823	12,368	16,766
Additions	5,275	-	-	-	5,275
Disposals	-	-	-	-	-
Depreciation expense	-	(869)	-	(3,620)	(4,489)
Foreign exchange impact	-	8	14	-	22
Balance at the end of the year	5,275	2,714	837	8,748	17,574

13. OTHER ASSETS

Non-Current

Deposits paid	35,181	40,069
	<u>35,181</u>	<u>40,069</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
	\$	\$
14. TRADE AND OTHER PAYABLES		
Trade creditors	709,074	801,480
Unpaid expense claims (i)	333,206	301,317
Sundry creditors and accruals	36,150	30,641
	<u>1,078,430</u>	<u>1,133,438</u>

- (i) The Company has incurred a liability for operating expenses, including national and international travel and accommodation, for exploration and senior management in prior years. The amounts have been paid personally by Mr Richard Gazal, a Director of the Company. No interest has been accrued for this outstanding amount.

15. BORROWINGS

Current

Convertible loan facilities (i) – (vi)	<u>4,983,104</u>	<u>4,670,915</u>
	<u>4,983,104</u>	<u>4,670,915</u>

- (i) The Company entered into a 12 month convertible loan facility agreement with JAGA Securities Pty Ltd AFT JAGA Investment Trust (the Lender), a company associated with Director, Mr Jon Adgemis, on 10 May 2018 for a facility of \$200,000. The Company may draw down on the facility in amounts agreed by the parties and bears interest of 15% per annum from the date of each draw down of funds. Interest is payable at maturity or capitalised. The loan is convertible into fully paid ordinary shares if the Company is unable to repay the loan in which case it is convertible into fully paid ordinary shares unless the Lender gives the Company a notice of extension. Principal and interest accrued, but not yet paid, as at 31 December 2025 was \$380,240. The convertible loan is unsecured.
- (ii) The Company entered into a 12 month convertible loan facility agreement with Richard Gazal (the Lender), on 15 March 2019 for a facility of \$200,000. The Company may draw down on the facility in amounts agreed by the parties and bears interest of 15% per annum from the date of each draw down of funds. Interest is payable at maturity or capitalised. The loan is convertible into fully paid ordinary shares if the Company is unable to repay the loan in which case it is convertible into fully paid ordinary shares unless the Lender gives the Company a notice of extension. This facility was increased by an additional \$200,000 under the same terms on 15 July 2019, 2 December 2019 and 29 April 2020. Pursuant to Amendment 3 to the loan facility agreements, effective 3 February 2024, the name of the Lender was amended from Richard Gazal to S.C.P. 3C Capital. All other terms and conditions of the facility remain unchanged. Principal and interest accrued, but not yet paid, as at 31 December 2025, was \$1,388,848. The convertible loan is unsecured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

2025	2024
\$	\$

15. BORROWINGS (continued)

- (iii) The Company entered into a loan facility agreement on 28 June 2021 with Richard Gazal (the lender) for a facility of \$1,000,000. The Company may draw down the facility in the amounts agreed by the parties and bears interest of 10% per annum from the date of each draw down of funds. Interest is payable at maturity or capitalised. The loan is convertible into fully paid ordinary shares if the Company is unable to repay the loan in which case it is convertible into fully paid ordinary shares unless the lender gives the Company a notice of extension. Pursuant to Amendment 3 to the loan facility agreements, effective 3 February 2024, the name of the Lender was amended from Richard Gazal to S.C.P. 3C Capital. As at 31 December 2025, \$670,000 of the total facility amount was drawn down. Principal and interest accrued, but not yet paid, as at 31 December 2025 was \$923,156. The loan is unsecured.
- (iv) The Company entered into a loan agreement with S.C.P 3C Capital (formerly 3C Group Limited) (the Lender), on 12 April 2018 for a facility of \$613,974. The facility was originally for a 3 year term, however the Lender agreed to extend the term after each proceeding 12 months has lapsed, and accrues interest of 15% per annum. Principal and interest accrued, but not yet paid, as at 31 December 2025 outstanding on this amount is \$1,393,422. The loan is unsecured.
- (v) The Company entered into 2 convertible loan facilities with Richard Gazal and Joe Holloway on 24 October 2023 for a collective facility of US\$500,000 (AUD\$730,994). The Company may draw down the facilities in the amounts agreed by the parties and bears interest of 10% per annum from the date of each draw down of funds. Interest is payable at maturity (12 months from the agreement date). The loan terms were extended for another 12 months on 24 October 2026. The loans are convertible into fully paid ordinary shares if the Company is unable to repay the loans in which case they are convertible into fully paid ordinary shares unless the lenders give the Company a notice of extension. As at 31 December 2025, \$730,994 of the total facility amount was drawn down. Principal and interest accrued, but not yet paid, as at 31 December 2025 was \$ 897,439. The loan is unsecured.

16. LEASES

During the year, the lease arrangement for the Company's premises was cancelled and not renewed. As a result, the Company no longer recognises any right-of-use assets or lease liabilities and does not have any lease arrangements in place as at 31 December 2025. The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases that were in place during the year where the Company was a lessee are shown below:

Interest expense	252	775
Depreciation of right-of-use assets	1,508	3,620
	1,760	4,395

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(a) Lease Liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

Year ended 31 December 2025	< 1 year	1-5 years	Total undiscounted lease liabilities	As in Statement of Financial Position
Lease liabilities	-	-	-	-

17. ISSUED CAPITAL

	2025	2024
	\$	\$
Ordinary shares - fully paid 139,567,772 (2024 – 136,632,756)	47,407,622	45,528,390
Less share issue costs	(2,372,220)	(2,372,220)
	<u>45,035,402</u>	<u>43,156,170</u>

Ordinary shares participate in dividends and the proceeds of winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

<i>Movements in Issued Capital</i>	Number of shares	\$
Balance as at 31 December 2024	136,632,756	43,156,170
- 2025 Capital Raise (US \$0.41 per share ~ AU\$0.62 per share)	2,159,332	1,392,401
- Share Grant Allotments (US \$0.41 per share ~ AU\$0.62 per share)	775,684	486,831
Balance as at 31 December 2025	<u>139,567,772</u>	<u>45,035,402</u>

18. OPTIONS

A summary of the movements of all company options on issue is as follows:

<u>2025</u>						
Expiry Date	Exercise Price	Balance at 31 December 2024	Granted	Exercised	Expired	Balance at 31 December 2025
2 February 2024	0.10	100,000	-	-	-	100,000
2 February 2024	0.10	100,000	-	-	-	100,000
15 October 2025	0.10	411,590	-	-	-	411,590
2 February 2029	0.62	300,000	-	-	-	300,000
15 January 2028 (i)	0.62	-	146,377	-	-	146,377
8 October 2028 (ii)	0.62	-	394,464	-	-	394,464
		<u>911,590</u>	<u>540,841</u>	-	-	<u>1,452,431</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

2024

Expiry Date	Exercise Price	Balance at 31 December 2023	Granted	Exercised	Expired	Balance at 31 December 2024
2 February 2024	0.10	100,000	-	-	-	100,000
2 February 2024	0.10	100,000	-	-	-	100,000
15 October 2025	0.10	411,590	-	-	-	411,590
2 February 2029	0.62	-	300,000	-	-	300,000
		611,590	300,000	-	-	911,590

- (i) On 15 January 2025, the Company issued a total of 146,377 options to George Tucker on 15 January 2025 in lieu of brokerage fees. These held no vesting conditions and as such, vested immediately.
- (ii) On 8 October 2025, the Company issued a total of 394,464 options, comprising 120,000 options to Martin James Investments Pty Ltd, 114,220 options to Zinline Pty Ltd, 79,878 options to John Tyson and 80,366 options to BW Investment Group Pty Limited. These held no vesting conditions and, as such, vested immediately.

19. RESERVES

Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

Option reserve

The option reserve records items recognised as expenses on the valuation of employee share options.

20. CONTINGENT LIABILITIES

There are no contingent liabilities.

21. COMMITMENTS

Exploration Tenement Expenditure Commitments

In order to maintain the Group's Licenses in good standing with Papua New Guinea, the Company will be required to incur exploration expenditure under the terms of each License.

PPL579 (PNG)

PPL579 was originally granted on 3 March 2017 for a period of 6 years covering 110 graticular blocks covering over 9,244 square kilometres. , In August 2021 the company was granted a 12 month extension to March 2024, and, in July 2022 the company was granted an additional 12 month extension to March 2025, thus extending the 6 year period by 2 years to March 2025. In August 2024, it was agreed by the Minister that the license would be extended for a further 5-year term. This approval required the relinquishment of 50% of the license, hence following the renewal, PPL579 will consist of 55 graticular blocks and cover an area of approximately 4,622 square kilometres. The License has been renewed for a further 5 years to 19 May 2030 and now covers an area of 55 graticular blocks.

This Annual Report covers the 2025 year which is within Year 5 and 6 of the License. Commitments in the License Agreement were:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Years 5 & 6

1. License 1,000 seismic line kilometres of the Harare and Hahonua Surveys.
2. License upgraded reprocessed Lahara Survey.
3. License the Davaria Survey drop-core and heat flow measurements in the area of interest.

All the License commitments were satisfied and additional work programs such as the acquisition of the Nanamarope 3D seismic Survey, followed by processing, interpretation and associated studies and the Drop-core program and Environmental Assessment Report for drilling mean that Larus significantly exceeded its minimum work program requirements and was declared to be in “Good Standing” by the regulator.

In 2025, the annual license fee required is K500 per block equalling K55,000 (approximately AUD 20,607) per annum.

PPL 695 (PNG)

In August 2024, the Minister granted a new licence (PPL 695) for a period of 6 years covering 60 graticular blocks.

This Annual Report covers the 2025 year which is within Year 1 and 2 of the License. Commitments in the License Agreement were:

Years 1 & 2

1. Regional mapping of the Tertiary reservoir systems
2. Reprocess 2000-line km of the Gini 2D seismic survey.
3. Regional mapping of the Tertiary reservoir systems

At the time of compilation of this report, items 1 and 3 above have been completed and item 2 is in the planning stage.

In 2025, the annual license fee required is K500 per block equalling K30,000 (approximately AUD 11,240) per annum and a requirement to a K100,000 bank guarantee. Work commitments are planned in the first 24 months of the license’s operation as per obligations.

22. PARTICULARS RELATING TO CONTROLLED ENTITIES

Company	Country of Incorporation and Operation	Percentage of Equity Held	Percentage of Equity Held
		2025	2024
Larus Energy (PNG) Ltd	Papua New Guinea	100%	100%
Larus Energy (PNG No. 2) Ltd	Papua New Guinea	100%	-

23. RELATED PARTY DISCLOSURES

(a) Associates of directors

Director	Associated company
Richard Gazal	S.C.P 3C Capital & 3C Capital Pty Ltd
John Adgemis (Resigned 10 April 2025)	JAGA Securities Pty Ltd
John Chambers	Wolleme Energy Pty Ltd

(b) Transactions with related parties

Loans and borrowings – refer to note 15.

Other related party transactions comprises remuneration to key management personnel and share based payments – refer to the Remuneration Report.

24. EVENTS OCCURRING AFTER THE END OF THE FINANCIAL YEAR

On 2 February 2026, 200,000 options expired on the expiry date, which were then subsequently extended to 2 February 2028. There were no changes to the exercise price of the options.

On 8 March 2026, the Company issued 319,992 fully paid ordinary shares at a price of \$0.62 per share. The shares were issued as equity-based consideration in respect of services provided during the period and no cash consideration was received.

Other than the above, there are no events that have arisen in the interval between the end of the period and the date of this report that are likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations.

25. FINANCIAL INSTRUMENTS DISCLOSURES

(a) Capital

The Group considers its capital to comprise its ordinary share capital, reserves and accumulated retained earnings.

In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and distributions. The Group seeks to maintain a gearing ratio that balances risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through altering its dividend policy, new share issues, or reduction of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

It is the Group's policy to maintain its gearing ratio within the range of 0-25%. The Group's gearing ratio at the end of the financial year is shown below:

	2025	2024
	\$	\$
Cash and cash equivalents	98,396	271,845
Borrowings	4,983,104	4,670,915
Issued capital	45,035,402	43,156,170
Reserves	(773,108)	(1,071,539)
Accumulated losses	(50,153,592)	(47,349,979)
Total equity	(5,891,298)	(5,265,348)
Gearing ratio	(0.85)	(0.89)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(b) Financial instrument risk exposure and management

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them.

Further quantitative information in respect of these risks is presented throughout these financial statements.

(c) Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade and other receivables;
- Cash at bank;
- Trade and other payables; and
- Borrowings

25. FINANCIAL INSTRUMENTS DISCLOSURES (continued)

(d) General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and has the responsibility for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

(i) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

(ii) Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days.

The Board receives cash flow projections on a monthly basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities and assets. The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows. Trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations such as property, plant, equipment and investments in working capital (e.g. trade receivables). These assets are considered in the Group's overall liquidity risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

25. FINANCIAL INSTRUMENTS DISCLOSURES (continued)

Maturity Analysis - Consolidated – 2025

	Within 1 year	1 to 5 years	Over 5 years	Total contractual cash flow
<i>Financial Liabilities</i>				
Trade Creditors and accruals	1,078,430	-	-	1,078,430
Borrowings	4,983,104	-	-	4,983,104
Lease liability	-	-	-	-
	6,061,534	-	-	6,061,534
<i>Financial assets</i>				
Cash	98,396	-	-	98,396
Receivables - Current	34,589	35,181	-	69,770
	132,985	35,181	-	168,166
Net (outflow) / inflow for financial instruments	(5,928,549)	35,181	-	(5,893,368)

Maturity Analysis - Consolidated – 2024

	Within 1 year	1 to 5 years	Over 5 years	Total contractual cash flow
<i>Financial Liabilities</i>				
Trade Creditors and accruals	1,133,438	-	-	1,133,438
Borrowings	4,670,915	-	-	4,670,915
Lease liability	3,630	5,596	-	9,226
	5,807,983	5,596	-	5,813,579
<i>Financial assets</i>				
Cash	271,845	-	-	271,845
Receivables - Current	218,743	40,069	-	258,812
	490,588	40,069	-	530,657
Net (outflow) / inflow for financial instruments	(5,317,395)	34,473	-	(5,282,922)

Financial assets are not past due nor impaired.

(iii) Market risk

Market risk does not arise as the Group does not use interest bearing, tradable and foreign currency financial instruments.

(iv) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments. The Group does not engage in any hedging or derivative transactions to manage interest rate risk.

25. FINANCIAL INSTRUMENTS DISCLOSURES (continued)

(v) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the Australian Dollar and Papua New Guinea Kina functional currencies of the Group.

With instruments being held by overseas operations, fluctuations in the US Dollar may impact on the Group's financial results. The Group does not engage in any hedging or derivative transactions to manage foreign exchange risk.

The Group does not have financial assets and liabilities denominated in currencies other than the functional currencies of the operations.

(vi) Sovereign risk

Country or sovereign risk relates to the likelihood that changes in the business environment will occur that reduce the profitability of doing business in a country. These changes can adversely affect operating profits as well as the value of assets. Types of country risk include:

Political changes. Governments may change economic policies. Changes in the ruling party in Australia or Papua New Guinea (brought about by elections, coups or wars) may result in major policy changes. This could result in expropriation of the Group's exploration leases, inability to repatriate future profits, higher taxes, higher tariffs and import costs, elimination of FDI incentives, domestic ownership requirements and local content requirements.

Macroeconomic mismanagement. The Australian and Papua New Guinean governments may pursue unsound monetary and fiscal policies, which may lead to inflation, higher interest rates, recession and hard currency shortage.

Other types of country risk include war and labour unrest, which could result in higher costs and work stoppages.

The Group has maintained a working policy of keeping all relevant Government offices informed and updated on activities to allow clear avenues of communication with Government authorities and an understanding of any policy changes and any effects that they may have on the Group's work.

(e) Fair value

The carrying amounts of cash, trade and other receivables, trade and other payables and borrowings are assumed to approximate their fair values due to either their short-term nature or they are close to current market rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

26. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of loss from ordinary activities after income tax to net cash outflows from operating activities as follows:

	2025	2024
	\$	\$
Operating (loss) after income tax	(2,803,613)	(3,073,287)
<i>Non-Cash items – income and expenditure</i>		
Depreciation and amortisation	6,918	4,489
Loss on disposal of property, plant & equipment	16,405	-
Share based payment expenses	823,163	1,129,500
Accrued interest	312,189	323,281
Foreign exchange differences	(32,656)	(150,411)
<i>Change in operating assets and liabilities:</i>		
- (Increase)/Decrease in trade and other receivables	152,139	60,890
- (Increase)/Decrease in other assets	16,020	40,069
- Increase/(Decrease) in trade and other payables	(55,008)	66,655
Net Cash (outflow) from Operating Activities	(1,564,443)	(1,598,814)

27. SHARE-BASED PAYMENTS

(a) Shares:

775,340 shares were issued as part of an allotment to consultants at a share price of \$0.62 in lieu of fees during the year.

(b) Options:

During the year, 540,841 options were issued to various option holders, granted on 15 January 2025 and 8 October 2025. These options were valued at \$0.62. These options are set to expire on 15 January 2028 and 8 October 2028. No options expired during the year.

(c) Valuation of Options and Performance Option:

Options are valued using a Black Scholes Option Pricing model. The fair value of Options is recognised as an expense at the grant date.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

AS AT 31 DECEMBER 2025

Entity Name	Body corporate, partnership or trust	Country of Incorporation	% of Share Capital held directly or indirectly by the Company in the body corporate	Australian or Foreign Tax Resident	Jurisdiction for Foreign tax resident
Larus Energy (PNG) Ltd	Body Corporate	Papua New Guinea	100%	Foreign Tax Resident	Papua New Guinea
Larus Energy (PNG No.2) Ltd	Body Corporate	Papua New Guinea	100%	Foreign Tax Resident	Papua New Guinea

LARUS ENERGY LIMITED

Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001.
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the financial year ended on that date; and
- the information disclosed in the consolidated entity disclosure statement is true and correct; and
- subject to the Group being able to raise sufficient funds via either debt or equity on a timely basis there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

A handwritten signature in black ink, appearing to be "RG", written over a horizontal line.

Mr Richard Gazal

Chairman

21 April 2026

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION
307C OF THE CORPORATIONS ACT 2001**

To the directors of Larus Energy Limited:

As lead auditor of Larus Energy Limited and its controlled entities for the year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in relation to Larus Energy Limited and the entities it controlled during the year.

In.Corp Audit & Assurance Pty Ltd



Graham Webb
Director

Perth, 21 April 2026

In.Corp Audit & Assurance Pty Ltd
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LARUS ENERGY LIMITED AND CONTROLLED ENTITIES INDEPENDENT AUDITOR'S REPORT

To the Members of Larus Energy Limited

Opinion

We have audited the financial report of Larus Energy Limited (“the Company”) and its controlled entities (“the Group”) which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors’ declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the company’s financial position as at 31 December 2025 and of its financial performance for the year then ended; and
- b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (“the Code”) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor’s report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In.Corp Audit & Assurance Pty Ltd
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LARUS ENERGY LIMITED

INDEPENDENT AUDITOR'S REPORT (continued)

Material Uncertainty Related to Going Concern

We draw attention to Note 1(b) in the financial report, which indicates that the Group incurred a net loss after tax for the year ended 31 December 2025 of \$2,803,613 and its total liabilities exceeded its total assets by \$5,891,298 as at that date. As stated in Note 1(b), these events or conditions along with other matters as set forth in Note 1(b) indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2025 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the director determine is necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

LARUS ENERGY LIMITED

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Opinion on the Remuneration Report

We audited the remuneration report included in the directors' report for the year ended 31 December 2025.

In our opinion the remuneration report of Larus Energy Limited for the year ended 31 December 2025 complies with section 300A of the *Corporations Act 2001*.

Responsibilities of the Directors for the Remuneration Report

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards

In.Corp Audit & Assurance Pty Ltd



Graham Webb
Director

Perth, 21 April 2026

LARUS ENERGY LIMITED

TENEMENT SCHEDULE



FOR THE YEAR ENDED 31 DECEMBER 2025

Tenement	Location	Status	Area (sq km) (unless otherwise specified)	Registered Holder / Applicant
PPL 579	Torres Basin, Papua New Guinea	Approved	9,244	Larus Energy (PNG) Ltd (100%)
PPL 695	Torres Basin, Papua New Guinea	Approved	5,034	Larus Energy (PNG) Ltd (100%)
APPL 580	Torres Basin, Papua New Guinea	Gazetted	842	Larus Energy (PNG) Ltd (100%)