



ACTIVITIES REPORT

7 February 2012

COMPANY INFORMATION

Verus Investments Limited
ABN 59 009 575 035

INVESTMENTS

Tunisia
Chorbane Project (10% Working Interest)

USA
Fausse Point Project (72% Working Interest)
West Bowtie Project (18% Working Interest)
Bullseye Project (10% Working Interest)
Bongo Project (10% Working Interest)

COMPANY DIRECTORS

Sam Russotti – Non-executive Chairman
Greg Lee – Executive Director
Mark Freeman – Non-executive Director

SECRETARY

Craig Nelmes – Company Secretary

STOCK EXCHANGE LISTING

Australian Securities Exchange

Ordinary shares
ASX Code: VIL

Listed class options
ASX Code: VILO

CAPITAL STRUCTURE

Ordinary shares on issue:
1,639,408,563

Listed Class options on issue:
387,750,000

MARKET CAPITALISATION

As at 7 February 2012 and based on a share price of \$0.006

AUD\$9.8 million

ENERGY PRICES

WTI \$98.70 (BBL)
Henry Hub \$2.66 (MMBTU)

The Board of Verus Investments Limited ("Verus" "Company") is please to provide the following activities update.

INVESTMENT HIGHLIGHTS

Chorbane Block Project

Sidi Dhaher discovery well drilled and suspended in preparation to test - mean oil in place estimate of 51 million barrels of oil. Partners awaiting testing program and AFE for approval.

Fausse Point Project

Verus technical team have completed reprocessing the seismic and completing the final interpretation. Prospect is under final review in preparation to drill. Potential of 21 Billion cubic ft of gas recoverable.

West Bowtie Project (Sugar Valley No1)

Drilling Sugar Valley#1 planned for March 2012. Final technical review underway.

Corporate

On 2 February the Company announced a private placement of \$980,000 to provide working capital towards testing Sidi Dhaher.

On 24 November 2011 shareholders ratified the previous issue of 143.5 million shares (and 71.8 million listed options) to raise AUD\$861,000 before costs.

On 25 November 2011, Mr Sam Russotti was appointed Non-executive Chairman and on 2 February 2012, Mr Craig Nelmes was appointed Company Secretary.

Cash balance as at 31 December 2011 was AUD\$605,000.

Production for the Quarter

Well	Total Production		VIL Share	
	Oil BBL	Gas MCF	Oil BBL	Gas MCF
Jumonville #1	1,259	3,176	126	317
Jumonville #2	3,277	4,841	328	484
OB Ranch #1	1,529	43,153	153	4,315
OB Ranch #2	946	35,009	95	3,501

Onshore Chorbane Investment – Sidi Dhafer Well - Oil Discovery
10% Working Interest (WI)
Operator: ADX Energy Limited (ASX code: ADX)

Sidi Dhafer encountered several potentially productive formations during drilling. Reservoir pressure and fluid samples obtained during the electric line logging operations confirmed the presence of oil in the deeper Bireno formation. Analysis of logs, mud cuttings, formation pressure & fluid samples confirmed a thick, porous and permeable Bireno reservoir with an oil column estimated at 30m. The Bireno formation in several nearby fields has proven to be very productive.

Revised mapping was performed with re-interpreted seismic utilising well data which resulted in a mean contingent reserve estimate of 51 mmbbls of oil.

The shallower Cherahil formation has potential to contain hydrocarbons and will be tested at a later date.

The confirmation of a commercial discover in the Bireno is contingent on the success of the planned well test. A testing program is presently being completed by the Operator and it is anticipated it will be undertaken prior to the end of February.

Should Sidi Dhafer be declared commercial the prospectivity and value of the 2,428 km² Chorbane block will be considerably enhanced. Review of prospects and leads in the block is underway, this discovery could produce several additional prospects.

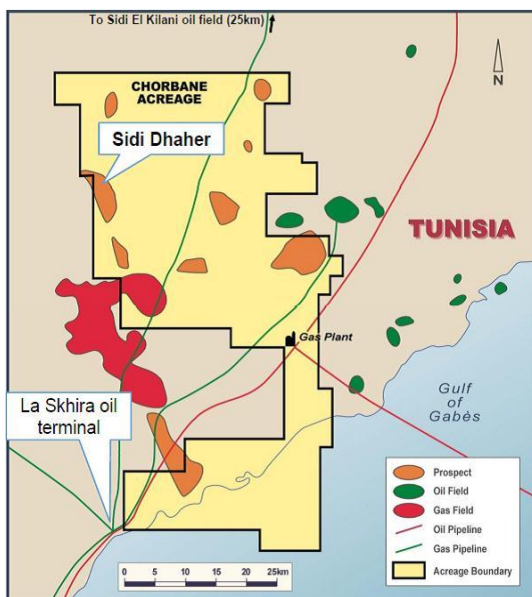


Figure 1 Sidi Dhafer discovery and prospects on the Chorbane Block

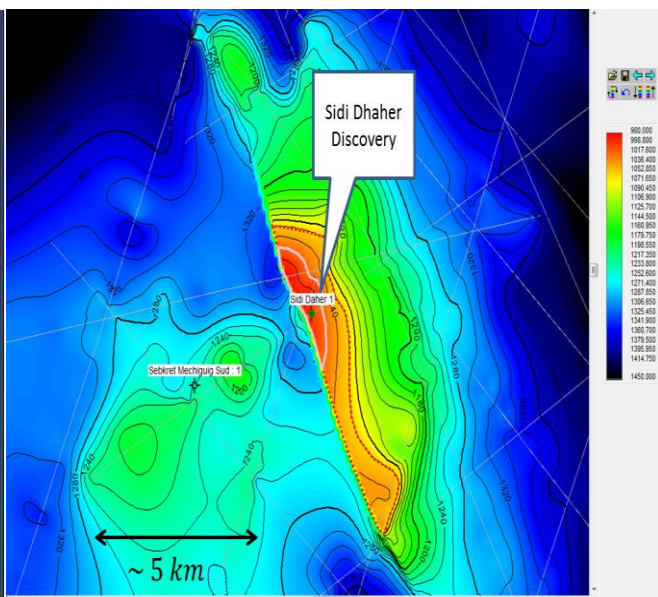


Figure 2: Sidi Dhafer Simple Structure Map

The Sidi Dhafer discovery is located in close proximity to producing oil fields and extensive oil and gas facilities and services which will facilitate early development subject to the test confirming commerciality.

Outlook over the next quarter

- Testing of Sidi Dhafer and subject to successful testing an extended well test.
- Ongoing Geological and Geophysical review of prospects on Chorbane Block

Fausse Point Project

72% (WI)

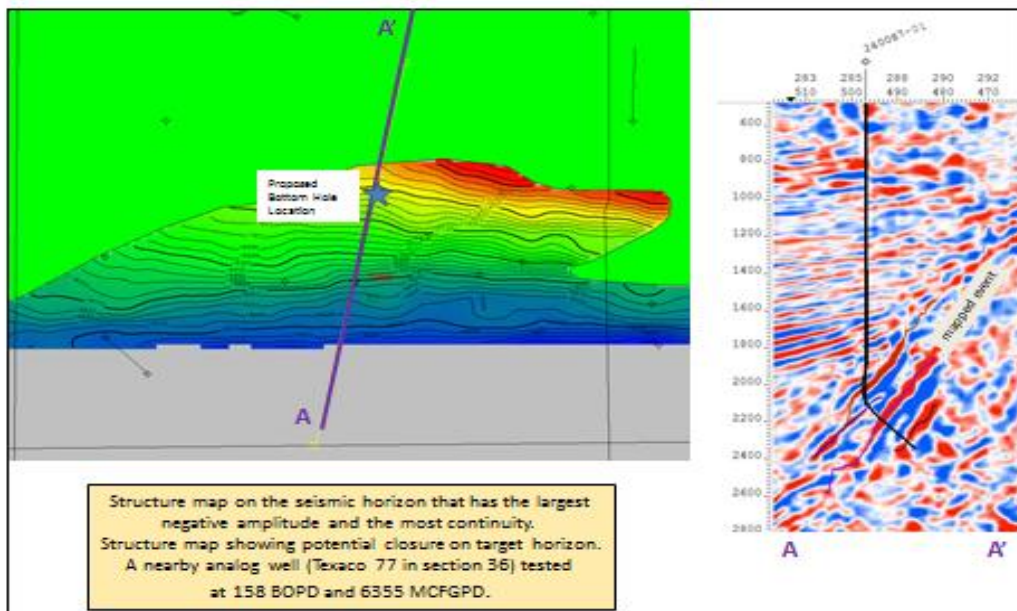
Operator: Golden Gate Petroleum Ltd (ASX Code: GGP)

Sidetrack – TGR#1

Verus have completed its review of the Fausse Point prospect and as a result of significant efforts on behalf of the G&G team have upgraded both the understanding of the prospect as well as increasing the potential reserves.

The Verus technical team have completed all the seismic reprocessing and imaging.

Additional information such as local geological data and analogue well data has been recently obtained and will greatly assist in the clearer definition of the prospect and allowed the prospect to be materially de-risked.



Recent information of a nearby analogue well indicates multiple sands more than 100ft thick and the well flow tested at 158 barrels of oil & 6.4 million cubic feet of gas per day.

The primary interval has been mapped and initial evaluation indicates a potential recoverable reserve of up to 21 billion cubic ft of gas (3.8 million barrels of oil equivalent) on an unrisksed basis. There are additional prospective sands indicated above and below the primary target. Importantly this new prospect sits below the previously drilled targets.

Forward Plan

- Final review of sidetrack prospect to be completed in early February.
- Preparation of drilling trajectories, drilling program, sidetrack AFE, sourcing of drilling contractor and services.
- Permitting and preparation to sidetrack.
- Drill Sidetrack TGR #1 expected in second quarter 2012.

West Bowtie Project (Sugar Valley No 1)

18% WI

Operator: Texakoma Exploration and Production LLC

Notice has been received that the operator (Texakoma) wish to drill the exploration well in March 2012.

Verus' technical team have completed a preliminary review on the Sugar Valley No1 prospect to assess reserves, economics, risk and chance of success.

Final review to be held with operator to assess the potential and agree to participate.

Forward Plan.

- Meet with operators technical team in early February for final technical review of Sugar Valley No1 to determine reserves and risk and determine participation.

Bullseye Project

10% WI

Operator: Golden Gate Petroleum Ltd (ASX Code: GGP)

Producing Wells – Jumonville #1 (J1) and Jumonville #2 (J2)

Production from both wells is reaching its economic limit and it is anticipated that J1 may be suspended in the first quarter of 2012 and J2 suspended by midyear. Once J1 is declared non-commercial the partners plan to abandon the lower perforated interval and perforate higher up the well in the Camerina interval.

The Camerina will then be tested to determine the commercial viability of this interval. The Camerina is estimated to contain 2.2 to 7.1 million barrels of oil and 2 to 7 Bcf of gas. Reservoir extent and productivity is unknown at the moment.

Forward Plan

- Monitor production of J1 and J2.
- Prepare plan and AFE to abandon lower perforations in J1 and test the Camerina.

Bongo Project

10% WI

Operator: Caza Petroleum Inc (TSX-V and AIM Listed, Code: CAZ)

Producing Wells – OB Ranch #1 and #2

Production from Bongo 1 and 2 has been slowly declining. Verus are waiting for a review of the potential of the Bongo play incorporating the Yegua and Frio prospectivity.

Lyons Point Well Result
15% WI,
Operator Clayton Williams

The Company participated in the drilling of the Pruitt et al #1 (Lyons Point) well which was completed during the quarter. Unfortunately, although the well intersected potential oil and gas accumulations the electric logging confirmed that commercial recovery was unlikely and the well was plugged and abandoned.

Corporate

On 2 February 2012 the Company announced a private placement of \$980,000 to provide working capital towards testing Sidi Dhaher, ongoing G & G work on Fausse Point and for working capital purposes.

On 20 October 2011, the Company completed a private placement, issuing 143.5 million shares (and 71.8 million listed options) to raise AUD\$861,000 before costs. This placement was subsequently ratified by shareholders at the AGM held on 24 November 2011.

On 25 November 2011, Mr Sam Russotti was appointed Non-executive Chairman, with Mr Andrew McIlwain and Mr David Calcei (in conjunction with this board restructure) both retiring from the Board.

Verus Investments Limited also announced the resignation of Mr Paul Jurman as the Company Secretary, to be replaced by Mr Craig Nelmes with effect 2 February 2012.

Cash balance as at 31 December 2011 was AUD\$605,000.