

Quarterly Report

For the period ended 30 September 2017



*Pura Vida Energy NL (**Pura Vida** or **Company**) made progress towards extracting value from its oil and gas assets in offshore Gabon during the quarter which culminated in an announcement to advance Nkembe post quarter end. As announced, the Company will look to engage with the Gabonese authorities alongside Add Energy and Havoc Partners to develop a pathway to appraise the Loba Discovery and test the Loba Deep Prospect. The Company also completed the unmarketable parcel share sale facility and placed the shares with strategic investors.*

In addition, the board continued to minimise overheads and assessed a number of new project opportunities focussed around delivering value to shareholders.

HIGHLIGHTS

- ▶ Closing cash of AU\$9.8 million as at 30 September 2017
- ▶ Post quarter, entered technical services agreements to undertake independent review of Nkembe on a no cost basis and granted option over Nkembe
- ▶ Completed the unmarketable parcel share sale facility
- ▶ Assessment of multiple new project opportunities

EXPLORATION

NKEMBE BLOCK, OFFSHORE GABON

(PURA VIDA 100%* AND OPERATOR)

* Pura Vida's interest is subject to the right of the State of Gabon to participate in any development for up to a 20% interest under the Production Sharing Contract

The Nkembe block covers an area of 1,210 km² in water depths of 50-1,100 metres approximately 30 km off the coast of Gabon.

As announced on 18 October 2017, Pura Vida simultaneously entered into two agreements aimed at progressing the Nkembe block, with experienced industry groups Add Energy Group (**Add**) and Havoc Partners LLP (**Havoc**). Other than some minor reimbursable expenses, both Havoc and Add will provide their services at no cost to Pura Vida.

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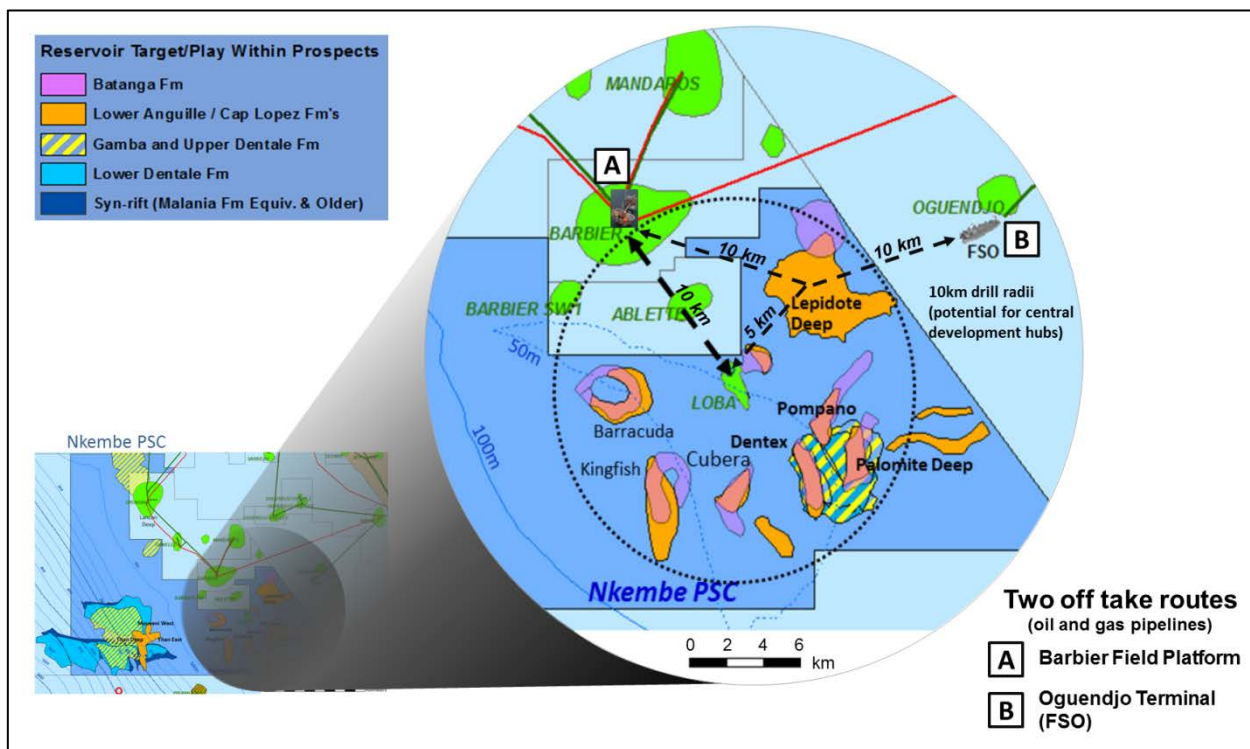


Figure 1 – Shallow water area of the Nkembe block and prospects

Geology and geophysics services agreement

Havoc has agreed to undertake the following tasks pursuant to the geology and geophysics agreement:

1. Complete 3D seismic reprocessing.
2. Interpret new and existing seismic data.
3. Map the deep structures.
4. Provide resource updates for Nkembe.

This initial phase of work will involve liaising with Government authorities in Gabon and interacting with Add with regard to well planning. All work is to be provided at no cost to Pura Vida (other than minor reimbursable expenses).

Once the initial phase of work is complete, Havoc has the option to acquire a 40%* interest in Nkembe by spending up to US\$25m to appraise the Loba Discovery and test the Loba Deep Prospect. This option expires on 1 April 2018. Havoc can acquire a further 40%* interest in Nkembe (taking its interest to 80%*) should it elect to enter the second exploration phase under the Nkembe PSC and spend up to an additional US\$15m, taking the total spend up to US\$40m to acquire an 80%* interest in Nkembe.

If Havoc does not exercise this option and Pura Vida secures the necessary funding to drill the first well on Nkembe from an alternate investor, Havoc has the option to earn a 15%* working interest in the Nkembe project in consideration for the provision of the geology and geophysics services referred to above.

The Company is required to pay Havoc a break fee of US\$150,000 in certain circumstances.

Drilling management and planning services agreement

In exchange for a first right of refusal to provide drilling management services for the first two wells on Nkembe, Add has agreed to complete the following tasks:

1. Well planning and design work.
2. Develop a contracting strategy to secure a suitable rig and associated services.
3. Project management services.
4. Subject to receiving required approvals, an extended well test on the Loba Discovery to assist in securing subsequent investment for development of the field.

Other than some minor reimbursable expenses, this work is to be completed by Add is at no cost to Pura Vida.

Should Pura Vida or a third party farminee elect to drill Nkembe and engages a company other than Add to provide drilling services, the Company is obligated to pay Add a break fee of US\$150,000.

The Company anticipates engaging with the Gabonese authorities this quarter to step out the process and requirements in order to ensure Add and Havoc can complete the above tasks with the expectation that drilling operations will commence in late 2018.

In addition, it is anticipated that the nature of the work to be completed by Havoc will result in an independent review of the prospectivity of Nkembe together with market updates in relation to the resources on the block.

AMBILOBE BLOCK, OFFSHORE MADAGASCAR

(PURA VIDA 100% AND OPERATOR)

The Ambilobe block is located in the Ambilobe Basin, offshore north-west Madagascar covering an area of 17,650 km² (Figure 2).

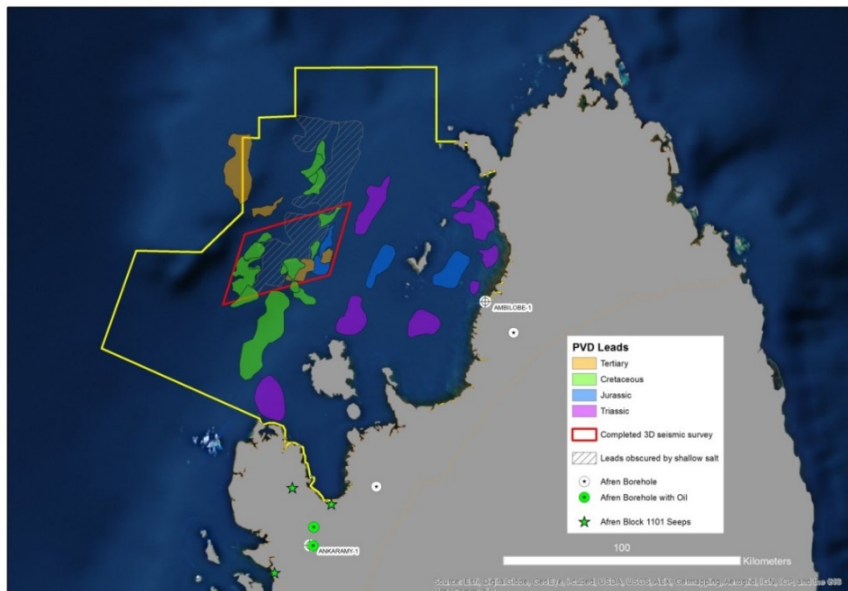


Figure 2 – The Ambilobe block (yellow boundary) showing area of 3D seismic survey (red boundary)

The quarter saw the finalisation of the social projects relating to acquisition of 3D seismic data. Inauguration is to be completed shortly. Post quarter end the company completed and received environmental clearance from the Malagasy Government relating to acquisition of 3D seismic data. Other than these administrative matters and finalising the area to be relinquished under the Ambilobe PSC, there has been no further technical work undertaken on Ambilobe.

The Company has been approached by several parties interested in assessing the prospectivity of Ambilobe and is hopeful that with some renewed interest in the oil and gas sector, such discussions may eventuate in a farm-out of an interest in the block.

CORPORATE & FINANCIAL

Closing cash at the end of the quarter was AU\$9.8 million.

The company continues to assess numerous opportunities in various sectors in Australia and overseas in order to deliver value to shareholders.

During the period, the Company completed an unmarketable parcel share sale facility with over 28% of shareholders electing to retain their shares. This facility closed on 19 July and, pursuant to the terms of the facility, some 6,224,930 shares were offered for sale to strategic investors.

PETROLEUM TENEMENTS HELD AS AT 30 SEPTEMBER 2017

	% Interest	Tenement	Location
Held at end of quarter	100%*	Nkembe Block	Offshore Gabon
	100%	Ambilobe Block	Offshore Madagascar
Acquired during the quarter	-	-	-
Disposed during the quarter	-	-	-

* Pura Vida's interest is subject to the right of the State of Gabon to participate in any development for up to a 20% interest under the Production Sharing Contract

CORPORATE DIRECTORY

Directors

Simon Eley Chairman
Nathan Lude Director
David Sanders Non-Executive Director

Company Secretary

Kevin Hart

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Share Registry

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

PURA VIDA ENERGY NL

ABN

11 150 624 169

Quarter ended ("current quarter")

30 SEPTEMBER 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	17	17
1.2 Payments for		
(a) exploration & evaluation	(177)	(177)
(b) development	-	-
(c) production	-	-
(d) staff costs	(81)	(81)
(e) administration and corporate costs	(298)	(298)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	26	26
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Freeport settlement (deposit)	-	-
1.9 Net cash from / (used in) operating activities	(513)	(513)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	10,511	10,511
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(513)	(513)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held ⁽¹⁾	(198)	(198)
4.6 Cash and cash equivalents at end of period	9,800	9,800

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Mining exploration entity and oil and gas exploration entity quarterly report

(1) Foreign exchange movements result from the translation of cash held in foreign currencies, predominantly United States dollar denominated balances.

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	424	696
5.2 Call deposits	9,376	9,815
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	9,800	10,511

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	97
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments of Directors fees and salaries \$20,531.

Payments made to related parties during the quarter for Director Consultancy fees:

- CS Logistics Pty Ltd \$ 50,625 (exc GST)

Payments made on normal commercial terms and conditions to related parties during the quarter for Legal services:

- Bennett + Co \$ 26,102 (exc GST)

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	389
9.2 Development	-
9.3 Production	-
9.4 Staff costs	129
9.5 Administration and corporate costs	79
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	596

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Company Secretary

Date: 30 October 2017

Print name: Kevin Hart

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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