



ASX Code: PVD

18 October 2017

## PURA VIDA SIGNS TECHNICAL SERVICES AGREEMENTS AND GRANTS OPTION OVER NKEMBE

### HIGHLIGHTS

- **Agreements entered with experienced technical firms Add Energy Group (Add) and Havoc Partners LLP (Havoc) to advance Nkembe in readiness for drilling in late 2018**
- **First stage drill planning and management services to be provided by Add at no cost on the basis of a first right of refusal to provide drilling services on the first two wells at Nkembe**
- **First stage geological and geophysical services to be provided by Havoc at no cost on the basis of securing an option to either acquire an 80%\* interest in the Nkembe permit upon spending up to US\$40m or, earn a 15%\* interest in Nkembe on securing alternative financing**

Pura Vida Energy NL (**Pura Vida** or **Company**) (ASX: PVD) has simultaneously entered into two agreements aimed at progressing the Nkembe block in offshore Gabon (Nkembe) with experienced industry groups Add Energy Group (**Add**) and Havoc Partners LLP (**Havoc**). The agreements include an option for Havoc to acquire up to an 80%\* interest in Nkembe in return for spending up to US\$40m or a 15%\* interest in Nkembe on securing alternative financing.

#### Geology and geophysics services agreement

The Company has entered into an agreement with Havoc to complete 3D seismic reprocessing, interpret new and existing seismic data, deep structure mapping, optimise well locations and 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 may exercise 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.

Alternatively, in the event that 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.

\* Subject to the right of the State of Gabon to participate in any development for up to a 20% interest under the Nkembe PSC

## **Drilling management and planning services agreement**

The Company has simultaneously entered into an agreement with Add whereby they will provide well planning and design work, a contracting strategy and project management services, in exchange for a first right of refusal to provide drilling management services for the first two wells on Nkembe. Subject to receiving any required approvals, Add will also prepare a plan to complete an extended well test on the Loba Discovery to aid subsequent development planning and financing.

The initial work program to be completed by Add is at no cost to Pura Vida (other than minor reimbursable expenses) and will assist in progressing to the next step of appraising the Loba Discovery and testing the Loba Deep prospect.

In the event that Pura Vida or a third party farminee elects to drill Nkembe and engages an alternative firm to provide drilling services, the Company is obligated to pay Add a break fee of US\$150,000.

### **Next steps**

Representatives from both Add and Havoc will assist Pura Vida in working with the Government to seek approvals for the proposed well program and any associated amendments that may be required to the Nkembe PSC.

Subject to obtaining the necessary approvals and securing financing either via the Havoc option or otherwise the work programme being undertaken will enable the drilling of a well on the Loba discovery in H2 2018. The Company looks forward to updating the market with the results of the technical work that Add and Havoc undertake on Nkembe.

### **Chairman, Simon Eley, said:**

*“The initial phase of work being undertaken by Add and Havoc will result in the Loba appraisal and Loba Deep exploration well being drill ready next year. Aside from some minor reimbursements, this is a no cost option for Pura Vida to add value to the project and potentially secure a Farm-in partner willing to commit up to US\$40m for an 80%\* interest in the project. We are excited to be working with the experienced teams of Add and Havoc and we look forward to maximising the opportunity alongside them.”*

### **ABOUT HAVOC PARTNERS LLP**

Havoc Partners LLP is a natural resources investment company focused on oil and gas, precious- and base-metals and strategic noble gases. The five founding partners of Havoc are geoscientists who have worked together for more than 16 years and include Alan Stein, Jonathan Taylor, Richard Higgins, Justin Norris and Mark Sofield, collectively having more than 100 years of international upstream experience. The partners of Havoc were all involved in AIM listed Fusion Oil & Gas plc which was involved in discoveries offshore Mauritania and then were all involved in Ophir Energy plc which was involved in discoveries offshore Equatorial Guinea and Tanzania. Both of these companies operated PSC's in Gabon. When it listed on the LSE in 2011 Ophir was the biggest ever E&P IPO in London at the time and was the most successful float of the year. The Havoc team took Ophir from a small exploration focused African player to a c. £1.9 Bn FTSE 250 company with contingent resources in excess of 1 bn bbls; one of the most successful growth stories of the African E&P players.

The five founding partners of Havoc currently provide management services to Calima Energy Limited (ASX:CE1) on a non-exclusive basis.

[www.havocpartners.com](http://www.havocpartners.com)

## **ABOUT ADD ENERGY GROUP**

Add Energy Group is an International Consultancy Provider for the energy industry, in key energy regions across the globe and is significantly experienced in working in Africa. The company has a focus on Drilling and Well Operations, Asset & Operations Management and Risk & Safety Management. Headquartered in Stavanger, Norway and operates through offices located in Europe, Asia, North America and Australasia. Add Energy provides drilling and well operations and their clients include BP, Chevron, Conoco Phillips, Exxon Mobil, INPEX, Lundin, Marathon, Noble Energy, Ophir, Origin, Shell, Statoil, Total and Woodside. With about 30 years of operating history worldwide – Add Energy has become a trusted company as evidenced by a comprehensive blue-chip client base and a growing pool of MSA's globally.

[www.addenerg.no](http://www.addenerg.no)

Havoc and Add are currently working together to provide technical services for a client developing a discovery offshore in Nigeria. They have also worked together previously when Add provided services to Ophir Energy plc.

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