

Quarterly Report

For the period ended 31 December 2017



*Pura Vida Energy NL (**Pura Vida** or **Company**) entered into two agreements during the quarter in order to progress its Nkembe oil and gas asset in offshore Gabon. These agreements are expected to advance Nkembe to a drill-ready status at minimal cost to the Company. As announced in January, the Company and Havoc have commenced discussions with the Gabonese authorities to develop a pathway to drill test the Loba and the Loba Deep Prospects.*

In addition, the board is committed to prudent financial management of shareholder funds whilst assessing new project opportunities that will further deliver value to shareholders.

HIGHLIGHTS

- ▶ Closing cash of AU\$9.2 million as at 31 December 2017
- ▶ Entered technical services agreements with Havoc Partners LLP (Havoc) and Add Energy Group (Add Energy) to undertake independent review of Nkembe in readiness for drill testing later this year, subject to receiving regulatory approvals and securing funding
- ▶ Subsequent to the period, the Company received the results of confirmatory work completed by Havoc for Loba and Loba Deep
- ▶ Brent oil price recently moves above US\$70 per barrel for the first time in nearly three years
- ▶ Gabon trip undertaken with Havoc to progress regulatory approvals

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. An overview of the terms of the agreements was provided in the 18 October 2017 announcement.

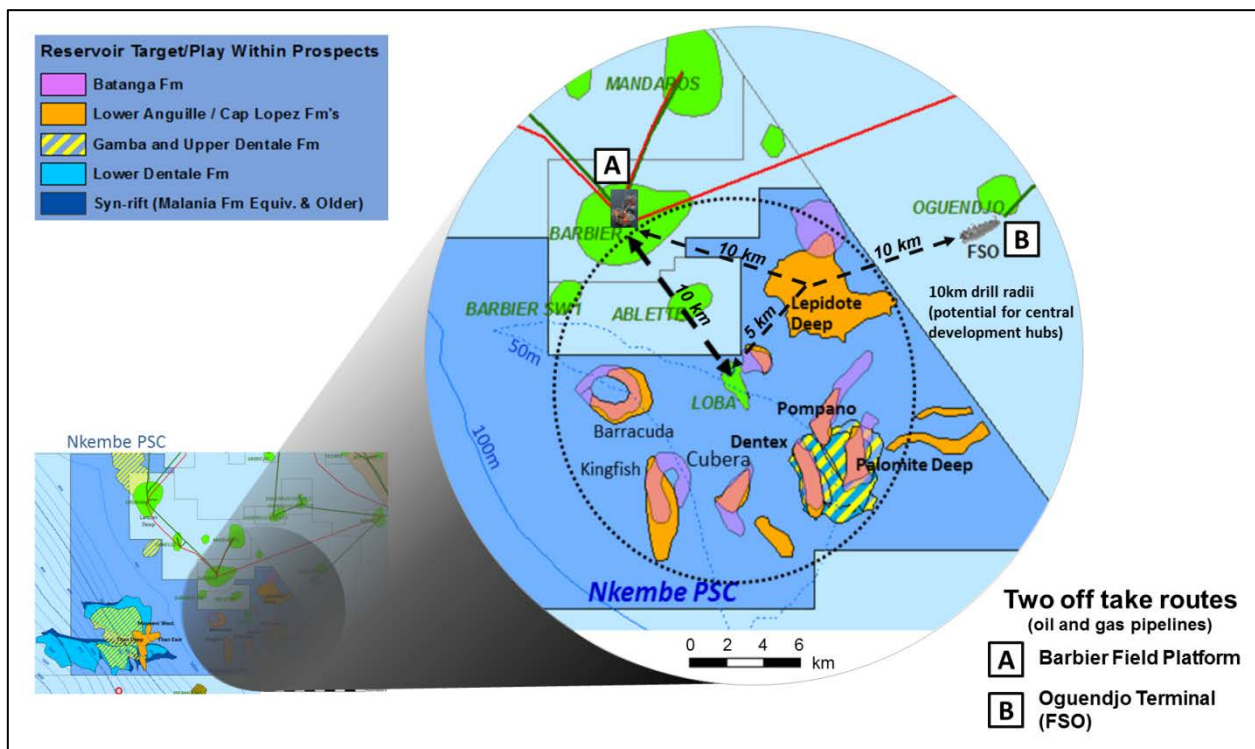


Figure 1 – Shallow water area of the Nkembe block and prospects

Havoc confirms targets

Subsequent to the end of the quarter, Havoc have completed confirmatory work on Loba (Batanga) and Loba Deep (Anguille).

Havoc completed the re-evaluation of the Loba prospect and provided updated unrisks, contingent and prospective resource numbers provided in figure 2 below. The mean contingent resource has reduced from 17.5mmbo to 15.7mmbo (refer ASX release dated 30 January 2018) and is mainly due to a decrease in the interpreted Gross Rock Volume (GRV) however the enhanced seismic data quality has improved the definition of the Batanga reservoir, allowing for more precise mapping.

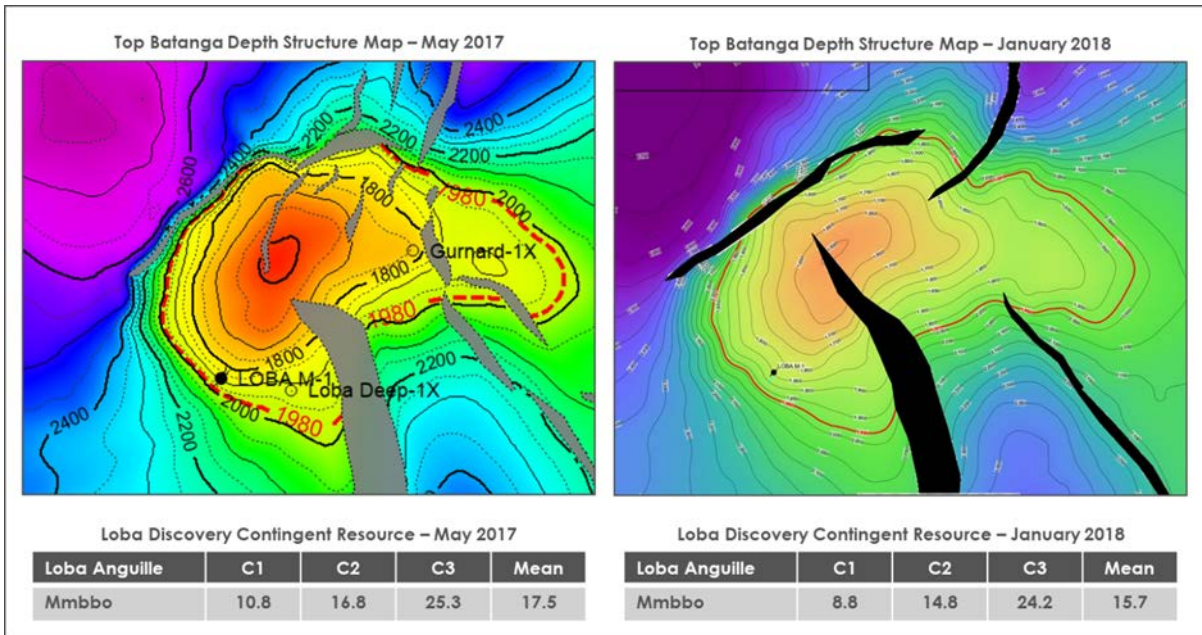


Figure 2 – Comparison of the a) 31 May 2017 and b) 29 January 2018 Contingent Resource estimates derived from the interpretation of iterative seismic volumes produced during re-processing sequence.

Improved imaging for the deeper Anguille level has improved confidence in the interpretation however the GRV has also reduced (see figure 3 below). This reduction in GRV has been somewhat offset by an increase in Net to Gross (N:G) calculation, however the net effect results in a reduction in the mean value from 14mmbo to 11.7mmbo (refer ASX release dated 30 January 2018).

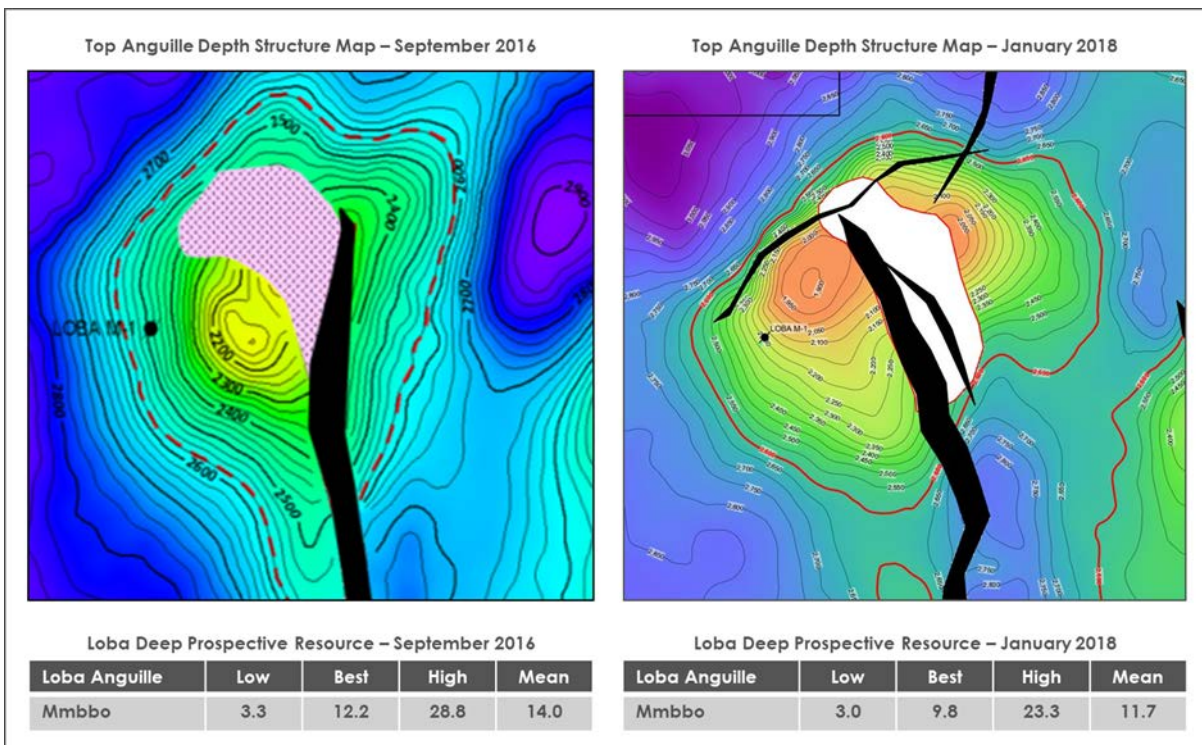


Figure 3 – comparison of the a) 13 September 2016 and b) 29 January 2018 Prospective Resource estimates derived from the interpretation of iterative seismic volumes produced during re-processing sequence.

Havoc also engaged an independent reservoir engineering firm to evaluate the potential for Loba to flow to surface. Odin Reservoir Consultants, the independent reservoir engineering firm, confirmed previous work that Loba could be induced to flow with minimal post drill-out stimulation, provided that good drilling and perforation practices, appropriate mud selection, and refined test programmes are developed and utilised.

Additional work will be completed by Havoc in the March quarter.

Add Energy activities

As contemplated by the agreement with Add Energy, the Company is pleased to report that Add Energy has progressed the Basis of Well Design (BOWD) for the Loba and Loba Deep and has provided the draft document to Havoc for comment. It is intended to finalise the BOWD following completion of Havoc's technical work.

Engagement with Gabonese authorities

Representatives from Pura Vida and Havoc met with members of the Directors General of Hydrocarbon's (DGH) team in Libreville in mid-December. While no agreement was reached, the requested amendments to the Nkembe PSC were explained to the DGH's team who indicated a clear willingness to work with Pura Vida to effect the changes in order for Pura Vida to attract a partner to invest in the Nkembe block and drill later this year. The Company anticipates meeting with the Gabonese regulatory authorities again this quarter to progress negotiations to amend the Nkembe PSC.

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).

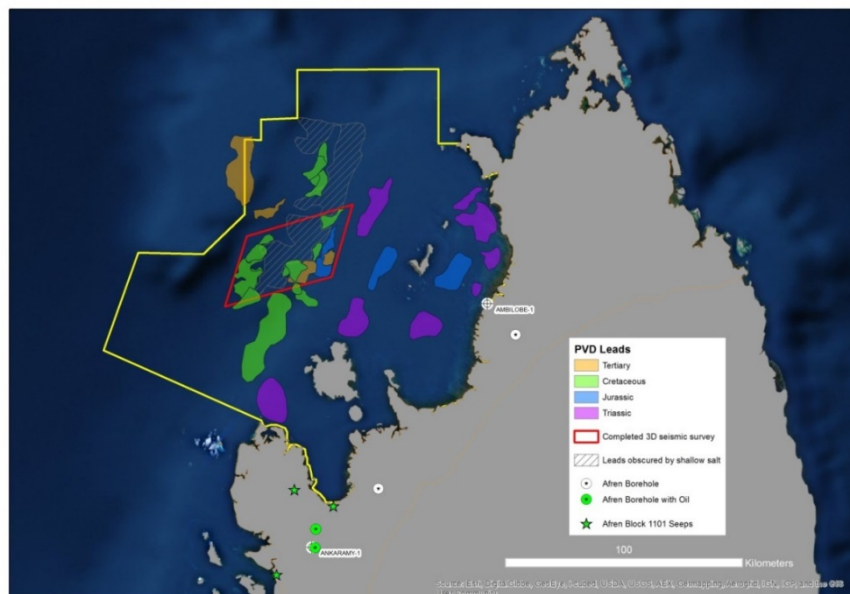


Figure 2 – The Ambilobe block (yellow boundary) showing area of 3D seismic survey (red boundary)

As announced the previous quarter saw the finalisation of the social projects relating to acquisition of 3D seismic data and the inauguration was completed during the December quarter. The Company completed and received environmental clearance from the Malagasy Government relating to acquisition of 3D seismic data.

The Company remains in contact with parties interested in assessing the prospectivity of Ambilobe and is reviewing options to complete the technical work required to generate drill targets ahead of a farm-out campaign.

BRENT OIL PRICE RECENTLY ABOVE \$70/BARREL

With renewed interest in the oil and gas sector due to the price of Brent above US\$70/barrel for the first time in nearly three years, Pura Vida is well positioned to capitalise on the value of its asset portfolio. While early days, there are encouraging signs that the sector will benefit, and this may facilitate the Company's efforts to farm-out both its Nkembe block in off-shore Gabon and the Ambilobe block in off-shore Madagascar.

CORPORATE & FINANCIAL

Closing cash at the end of the quarter was AU\$9.2 million.

The Company continues to assess numerous opportunities in various sectors in Australia and overseas in order to deliver value to shareholders assessing multiple project opportunities including conducting extensive due diligence. The board will update the market with further developments as they unfold.

PETROLEUM TENEMENTS HELD AS AT 30 DECEMBER 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")

31 DECEMBER 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	16	33
1.2 Payments for		
(a) exploration & evaluation	(423)	(600)
(b) development	-	-
(c) production	-	-
(d) staff costs	(119)	(200)
(e) administration and corporate costs	(91)	(389)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	25	51
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other – (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(592)	(1,105)
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 (6 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	9,800	10,511
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(592)	(1,105)
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⁾	30	(168)
4.6 Cash and cash equivalents at end of period	9,238	9,238

(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	395	424
5.2 Call deposits	8,843	9,376
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)	9,238	9,800

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	98
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 \$40,781.

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

- CS Logistics Pty Ltd \$ 57,375 (exc GST)

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

- Bennett + Co \$ 19,995 (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	

Mining exploration entity and oil and gas exploration entity quarterly report

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	588
9.2 Development	-
9.3 Production	-
9.4 Staff costs	193
9.5 Administration and corporate costs	90
9.6 Project review	45
9.7 Total estimated cash outflows	916


Estimated cash outflows for exploration and evaluation includes annual licence costs for the Ambilobe block of approximately US\$156,000

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:


(Director/Company secretary)

Date: 31 January 2018

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.