

Quarterly Report

For the period ended 30 September 2018

NKEMBE BLOCK, OFFSHORE GABON (PURA VIDA 100%¹ AND OPERATOR)

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 (**Figure 1**).

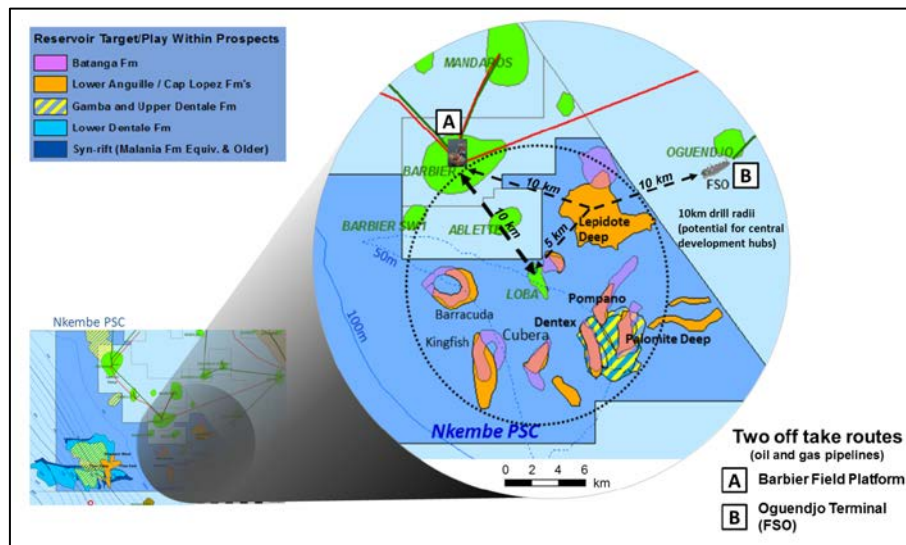


Figure 1 – Shallow water area of the Nkembe block and prospects

Pura Vida Energy NL (**Pura Vida** or **Company**) attended meetings with the Directorate General for Hydrocarbons (**DGH**) in September to discuss the Nkembe Production Sharing Contract (**PSC**). During the meetings Pura Vida reiterated that the DGH has no basis to terminate the PSC and any termination of the PSC would need to come from the Minister for Oil and Hydrocarbons (**Minister**), by way of Presidential Decree. The DGH has acknowledged that the PSC remains in good standing.

During the meetings the question of the effective date of the PSC became a major discussion point. The DGH maintains that the start of the PSC is 11 January 2013 which resulted in the first exploration sub phase of the PSC expiring on 11 January 2018 and Pura Vida would need to make notification it would be progressing to the second exploration sub phase of the seven (7) year exploration phase of the PSC. In the event of progression to the second sub phase of the PSC the DGH requested that Pura Vida pay any outstanding funds contributions in relation to the first sub phase. In accordance with Pura Vida's legal advice, Pura Vida has asserted that the PSC start date is the date of the issue of the Presidential Decree (4 December 2014) and that, based on this start date, no funds contributions are outstanding as at the date of the force majeure. Pura Vida and the DGH also discussed the amalgamation of exploration sub phases one and two of the PSC with the work program to be completed by December 2021, however the DGH outlined that an amendment would need to be negotiated between the parties which would include a payment to the DGH. The parties were unable to reach agreement in this regard. Pura Vida reinforced its force majeure claim from 1 April 2018, suspending all obligations under the PSC pending a resolution with the DGH. Pura Vida has committed substantial investment over a number of years in Gabon, including a US\$9,000,000 signing bonus paid in January 2013 and accordingly has reserved all its rights in relation to the PSC, including the right to seek

¹ PVD'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 Nkembe PSC

recovery of the signing bonus. In the circumstances Pura Vida does not intend to commit any further resources to the Nkembe Project unless and until Pura Vida reaches a resolution with the DGH that enables Pura Vida to obtain third party funding to conduct further exploration under the 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).

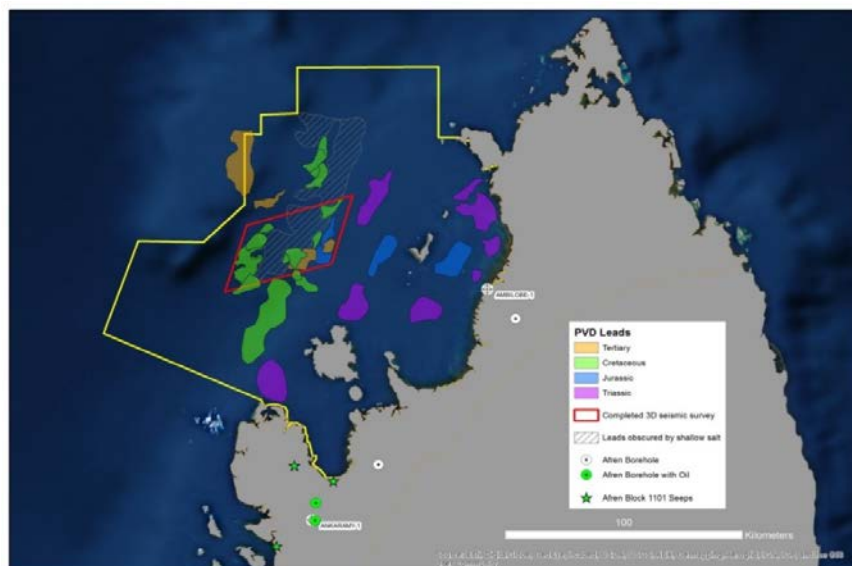


Figure 2 – The Ambilobe block (yellow boundary) showing area of 3D seismic survey (red boundary)²

The Company has recently undertaken an independent technical evaluation of the prospectivity of the Ambilobe block. This evaluation report highlighted the potential, interpreted from the 3D seismic data acquired during 2015/16, for significant prospectivity within the block and recommended that Pura Vida undertake a systematic phased work program to further process and interpret the 3D seismic data for the purposes of improving the definition of and then ranking three previously identified leads. In addition, under the production sharing contract, the Company is required to relinquish a portion of the Ambilobe block.

The Company has now completed an independent review of a relinquishment proposal of a portion of the block resulting in a proposal for Pura Vida to retain a continuous area which amounts to 11,480 km².

CORPORATE & FINANCIAL

The Company has continued to assess a variety of opportunities in Australia and overseas in order to create value for shareholders. The board will update the market in this regard as required.

During the quarter the Company purchased 102,387,595 ordinary shares and acquired an option on 10,611,411 shares for 14.7% of the total voting power in Jacka Resources Limited (ASX: **JKA**), becoming the largest shareholder of JKA. Pura Vida notes Jacka's recent announcement in relation to a potential material oil and gas transaction.

Pura Vida's closing cash at the end of the quarter was AU\$8 million with the Company holding an additional \$381k in listed ASX securities, as at 30 September 2018.

² Subject to relinquishment as per the terms of the Ambilobe PSC

PETROLEUM TENEMENTS HELD AS AT 30 JUNE 2018

	% Interest	Tenement	Location
Held at end of the quarter	100% ³	Nkembe Block	Offshore Gabon
	100% ⁴	Ambilobe Block	Offshore Madagascar
Acquired during the quarter	-	-	-
Disposed of during the quarter	-	-	-

CORPORATE DIRECTORY

Directors

Bevan Tarratt	Chairman
Nathan Lude	Director
David Sanders	Non-Executive Director
Bruce Lane	Non-Executive Director

Registered Office and Principal Place of Business

Level 1, 89 St Georges Terrace
PERTH WA 6000
Telephone: +61 8 9226 2011
Facsimile: +61 8 9226 2099
Web: www.puravidaenergy.com.au

Company Secretary

Kevin Hart

Share Registry

Computershare
Level 11, 172 St Georges Terrace
PERTH, WA 6000
Telephone: 1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

³ PVD'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 Nkembe PSC

⁴ Subject to relinquishment as per the terms of the Ambilobe PSC

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 2018

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	-	-
1.2 Payments for		
(a) exploration & evaluation	(295)	(295)
(b) development	-	-
(c) production	-	-
(d) staff costs	(91)	(91)
(e) administration and corporate costs	(206)	(206)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	28	28
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	(564)	(564)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	(486)	(486)
(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	(486)	(486)

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	8,977	8,977
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(564)	(564)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(486)	(486)
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⁾	85	85
4.6 Cash and cash equivalents at end of period	8,012	8,012

(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	8,001	5,366
5.2 Call deposits	11	3,611
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)	8,012	8,977

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

Current quarter \$A'000
121
-

Payments of Directors fees and salaries \$110,871.

Payments made on normal commercial terms and conditions to associate of a director during the quarter for Legal services:

- Bennett + Co \$ 10,005 (exc GST)

7. Payments to related entities of the entity and their associates

- 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

Current quarter \$A'000
-
-

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	385
9.2 Development	-
9.3 Production	-
9.4 Staff costs	74
9.5 Administration and corporate costs	158
9.6 Project review	-
9.7 Total estimated cash outflows	617

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: 31 October 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.