



ASX Code: PVD

24 January 2019

ONGOING DISPUTE WITH DGH OVER NKEMBE BLOCK

SUMMARY

- Receipt of additional letter from the Directorate General for Hydrocarbons (DGH) of Gabon in relation to Nkembe Production Sharing Contract (PSC).
- Pura Vida maintains its claim of force majeure from 1 April 2018 on the PSC, suspending all obligations.
- Pura Vida's ability to attract the necessary funding to advance the Nkembe block has been frustrated by the DGH and Pura Vida reserves all of its rights in relation to the PSC, including the right to seek recovery of the US\$9,000,000 signing bonus paid in January 2013.
- Recent attempted coup in Gabon highlights continued instability in country.
- Pura Vida will not commit any further resources to the Nkembe Project unless and until Pura Vida reaches a resolution with the DGH and the Minister.

Pura Vida Energy NL (**Pura Vida** or **Company**) has received a letter from the Directorate General for Hydrocarbons (**DGH**), relating to the Nkembe Production Sharing Contract (**PSC**). The DGH have stated in their letter that Pura Vida has been fully released of its interest in the Nkembe PSC. Furthermore, DGH believe the Company remains contractually obligated to satisfy its outstanding technical and financial commitments, as previously announced to the market (refer to Pura Vida's ASX announcement dated 08 May 2017), and that a termination decree will only be delivered once all contractual commitments have been fulfilled.

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 financial contributions are outstanding. Further, as per the Nkembe PSC, 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.

Pura Vida has made a force majeure claim from 1 April 2018, suspending all obligations under the PSC pending a resolution with the DGH. In addition, there has also been a recent attempted coup in Gabon with local news articles reporting that President Ali Bongo Ondimba has been residing outside of Gabon since October 2018.

Over a number of years Pura Vida has committed substantial investment 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 recovery of the signing bonus and damages associated with this investment.

In the circumstances, Pura Vida will not commit any further resources to the Nkembe Project unless and until Pura Vida reaches a resolution with the DGH and the Minister.

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