



ASX Code: PVD

1 November 2013

PURA VIDA TO ACQUIRE 50% INTEREST IN AMBILOBE BLOCK, OFFSHORE MADAGASCAR

Highlights

- Pura Vida makes strategic entry into East Africa through farmin to 50% of the Ambilobe PSC, offshore Madagascar
- Large acreage footprint in a proven oil basin
- Extension of the prolific Permian and Jurassic sourced oil discoveries onshore Madagascar
- New seismic data to be acquired to unlock potential of this salt basin, which makes Ambilobe a natural fit in Pura Vida’s growing exploration portfolio
- Ambilobe is located adjacent, immediately to the north of the Ampasindava block where ExxonMobil is the Operator

Pura Vida Energy NL (“Pura Vida” or the “Company”) (ASX:PVD) is pleased to announce that it has entered into an agreement with Sterling Energy (UK) Limited (“Sterling”), a 100% owned subsidiary of Sterling Energy Plc (AIM:SEY), to farmin to the Ambilobe block, offshore Madagascar.

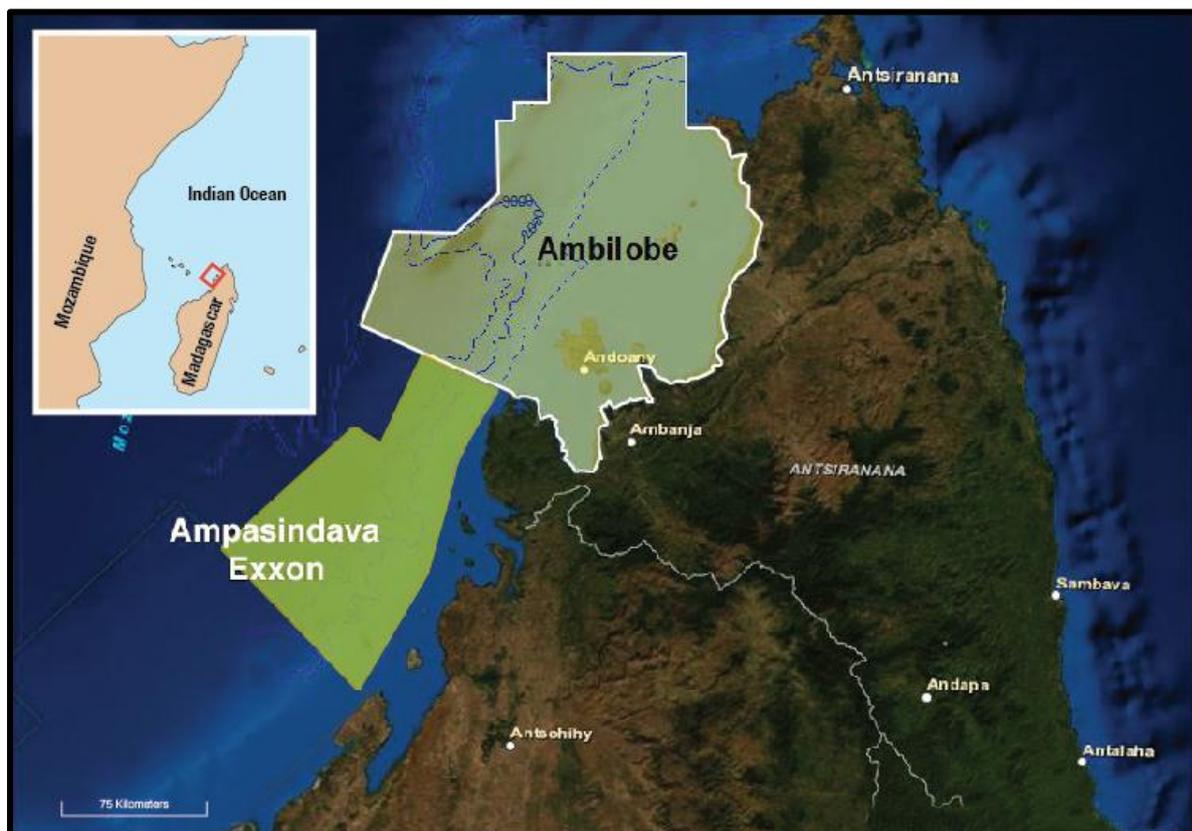


Figure 1: Location of Ambilobe block

Under the agreement, Pura Vida acquires a 50% interest in the Ambilobe PSC. Sterling will retain a 50% interest and Operatorship. The farm-in agreement is conditional upon approval by the Government of Madagascar.

The Ambilobe block compliments Pura Vida's growing portfolio of high quality offshore African exploration acreage targeting a range of different oil plays.

Prospectivity

Pura Vida sees the Ambilobe block as having a variety of plays relating to salt with potential for large scale oil discoveries. Pura Vida's depth of knowledge relating to salt basins and how best to explore them makes the Ambilobe block a natural addition to the Company's offshore assets in Morocco and Gabon.

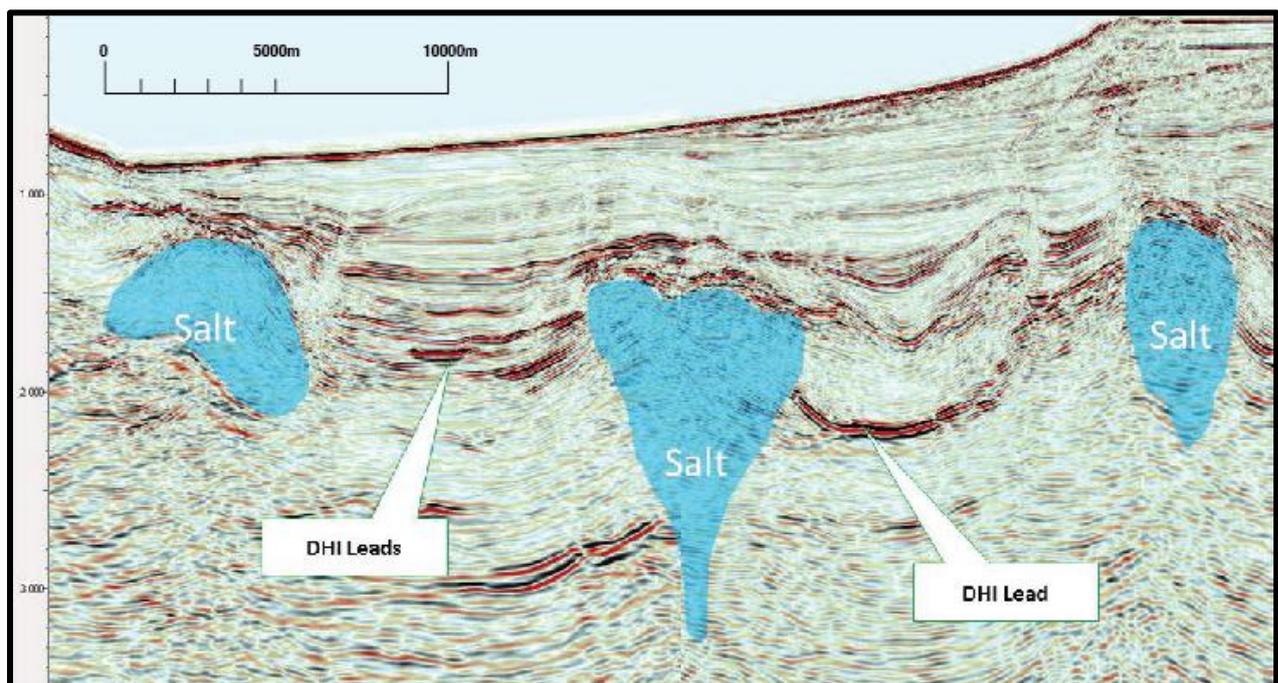


Figure 2: Large salt structures in Ambilobe block

Exploration onshore in Madagascar has already resulted in the discovery of numerous heavy oil fields (see Figure 3) proving the existence of an abundant oil source. Pura Vida believes that the large onshore discovered oil play extends into the Ambilobe block due to the oil seeps onshore on the eastern block boundary. Due to the depth of the reservoirs in the offshore area, Pura Vida's view is that any oil found in the area of the Ambilobe permit will be a light grade oil different to that found onshore.

ExxonMobil is Operator of the Ampasindava block located adjacent, immediately to the south of Ambilobe (shown in Figure 1) where ExxonMobil is planning a deep exploration well targeting the Jurassic.

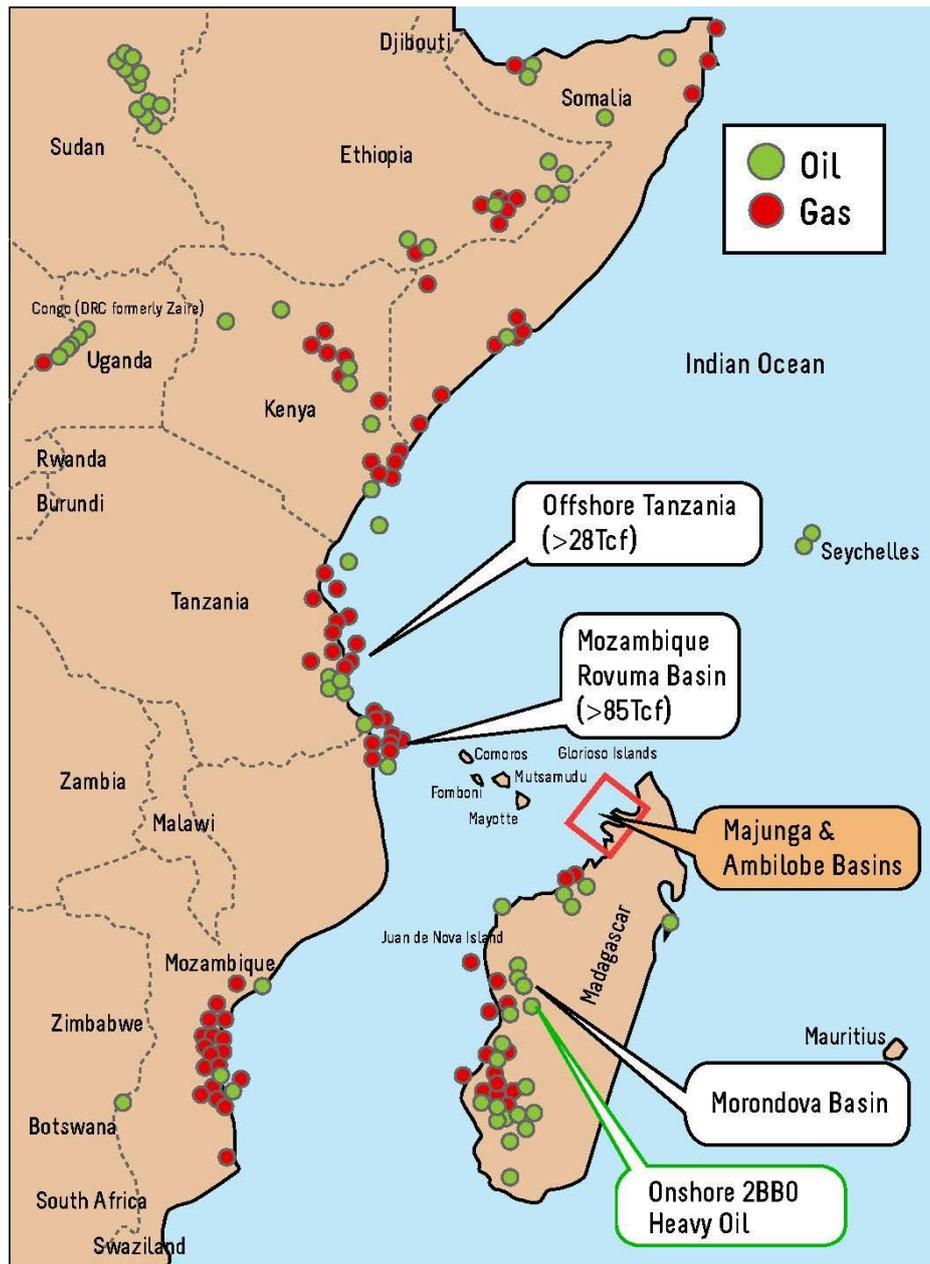


Figure 3: Prolific East African discoveries and location of Ambilobe basin
 - note oil fields onshore Madagascar

Exploration Activity

The Ambilobe PSC is currently in Phase 2 of the exploration period (expiring in September 2015) with no outstanding work commitments in the current phase. If the joint venture elects to enter Phase 3 of the exploration period, an exploration well will be required to be drilled by September 2016.

Under the farm-in agreement, Pura Vida will reimburse US\$1.25 million in back costs to Sterling and fund the acquisition and processing of 1,000 km of 2D and 1,250 km² of 3D seismic data targeting substantial anticlinal and salt related prospects up to a maximum cost of US\$15 million. An opportunity is available to acquire the 2D data in the first half of CY2014 and discussions are underway regarding the use of a vessel with costs anticipated to be in the order of US\$2 million. The 3D acquisition will be undertaken separately following a competitive tender and timing will be determined by vessel availability (indicatively second half of CY2014).

The acquisition of new seismic will allow for better imaging of reservoirs in the structures associated with the salt. The technology has been proven to work worldwide and is consistent with the work Pura Vida has undertaken in Gabon and Morocco to better define prospects.

About Madagascar

Madagascar is a large island republic situated in the Indian Ocean, 400 kilometres off the coast of East Africa with an established oil industry.

Madagascar had its first oil discovery in 1842 when heavy oil was found at shallow levels in the western part of the country. Due to the nature of the oil it has remained undeveloped until recent times. The scale of the in place resources are greater than two billion barrels of oil and could be developed in a similar manner to the Athabasca Oil Sands in Canada.

About Pura Vida Energy: Pura Vida is an Australian-based African oil explorer building a portfolio of high quality assets. Pura Vida currently has operations offshore Morocco, Gabon and Madagascar with significant resource potential and a fully funded high-impact drilling program.

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