

REPORT FOR QUARTER ENDED 31 DECEMBER 2013

HIGHLIGHTS

- ▶ Strong cash position with \$28.9m cash at bank and an active, fully funded program across our three projects for 2014.
- ▶ Further strengthening of the Pura Vida Board with the appointment of Jeff Dowling as Non-Executive Chairman and Ric Malcolm as Non-Executive Director.
- ▶ Pura Vida strategically positioned with extensive industry drilling activity offshore Morocco and Gabon in 2014.

Morocco

- ▶ Completion of farmout of the Mazagan permit seeing the injection of US\$15 million cash and the Company fully funded for a two-well US\$215 million drilling program.
- ▶ Planning and contracting for drilling campaign is well underway.
- ▶ BP farms into 3 neighbouring blocks around Mazagan permit.

Gabon

- ▶ Farmout process ongoing with significant industry interest from a number of multinational oil and gas companies.
- ▶ ExxonMobil farms into adjacent block to drill pre salt prospect with drilling scheduled to commence in April 2014.
- ▶ French Super Major, Total, makes first pre-salt discovery in deep water Gabon proving a play that extends into the Nkembe block.
- ▶ Strong industry interest in Gabon deep water bid round.

Madagascar

- ▶ Strategic entry into East Africa through farmin to 50% of the Ambilobe PSC, offshore Madagascar, securing large acreage footprint in a proven oil basin and an extension of the prolific oil fields onshore Madagascar.
- ▶ Ambilobe is located adjacent, immediately to the north of the Ampasindava block where ExxonMobil is currently undertaking seismic acquisition.

WHERE WE OPERATE



Figure 1: Satellite map of Africa showing location of PVD assets

OPERATIONS

MAZAGAN PERMIT, OFFSHORE MOROCCO

Completion of Farmout

During the quarter, Pura Vida Energy NL (Pura Vida or the Company) (ASX:PVD) advised that it had completed the farmout of the Mazagan permit, offshore Morocco, to a subsidiary of Freeport-McMoRan Oil & Gas LLC (FM O&G).

The completion of the farmout was an important milestone for Pura Vida and places the Company in a strong financial position as it enters the drilling phase in the Mazagan permit. Highlights include:

- Pura Vida has received a cash payment of US\$15 million from FM O&G.
- The Company is fully funded for a two well drilling program offshore Morocco capped at US\$215 million.
- The first well in Morocco will target the Toubkal prospect and its significant resource potential.
- FM O&G is a capable operator and partnering with them adds significant value to the project. Contracting and the purchase of long lead items for drilling is well underway.

The Cajun Express 5th generation semi-submersible drilling rig has commenced drilling for Cairn Energy in Morocco and is currently drilling in the Juby Maritime III block targeting a Middle Jurassic carbonate prospect below the Cap Juby oil discovery in the Upper Jurassic.

NKEMBE BLOCK, OFFSHORE GABON

The farmout process in respect of the Nkembe Block is ongoing with significant industry interest from a number of multinational oil and gas companies.

The Gabonese deep water bid round was strongly contested and saw blocks offered to companies including Total, Eni and Marathon.

During 2014 significant drilling activity offshore Gabon will be targeting the pre-salt potential. In 2H 2013, Total drilled the first well in deep water Gabon targeting the pre-salt which resulted in a discovery. This is a very encouraging start to the current exploration campaign.

ExxonMobil recently farmed in to the Arouwe block adjacent to Nkembe. The joint venture with Perenco and Tullow will be drilling an exploration well expected to commence in April 2014 targeting a pre-salt prospect. This well will have a direct read across to the pre-salt prospects in the Nkembe block.

AMILOBE BLOCK, OFFSHORE MADAGASCAR

During the quarter, Pura Vida entered into an agreement with Sterling Energy to farm in to the Ambilobe block, offshore Madagascar.

Under the agreement, Pura Vida has acquired a 50% interest in the Ambilobe PSC. Sterling will retain a 50% interest and Operatorship. All required Government approvals were received during the quarter.

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

The Company is very pleased to have made a strategic entry into East Africa, gaining a significant acreage position in Madagascar ahead of anticipated industry activity in the country.

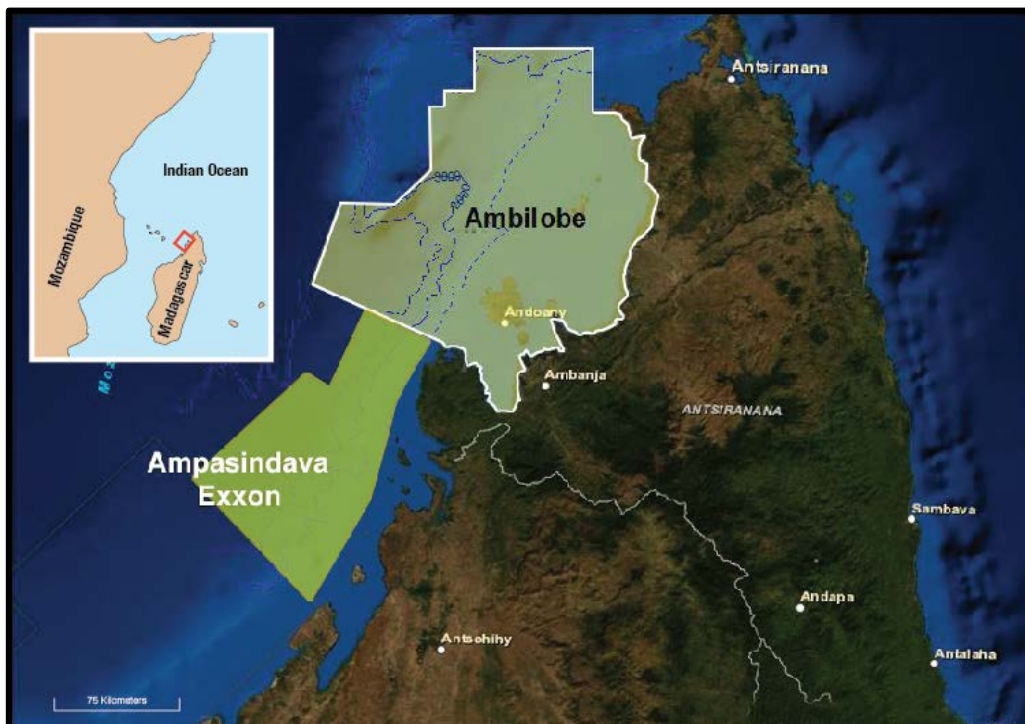


Figure 2: Location of Ambilobe block

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 farmin agreement, Pura Vida will fund the acquisition and processing of 1,250 km² of 3D seismic data targeting substantial anticlinal and salt related prospects up to a maximum cost of US\$15 million.

The 3D acquisition is expected to occur late in 2014.

CORPORATE & FINANCIAL

FUNDING

During the quarter, Pura Vida raised \$13.5 million pursuant to the issue of 21.5 million shares at \$0.63 per share (the Placement). The Placement was very heavily overbid, with a strong book including institutions out of Australia, the United Kingdom and Asia.

The proceeds from the Placement are being applied towards progressing the farmout of Pura Vida's Nkembe project (offshore Gabon), the upcoming work program on its Ambilobe project (offshore Madagascar) which will include a 3D seismic survey, and working capital as Pura Vida progresses towards the free-carried drilling of its Mazagan project (offshore Morocco).

BOARD

During the quarter, Pura Vida announced the appointment of Mr Jeff Dowling as Non-Executive Chairman of the Company and Mr Ric Malcolm as a Non-Executive Director. These appointments took effect on 13 January 2014.

The new Board appointments follow a period of transformational growth since Pura Vida listed on the ASX in February 2012, and reflect the changing nature of the Company's operations due to the expansion of its asset portfolio and the significant drilling program that lies ahead. The appointments ensure the Company has strong leadership and governance as it begins the next phase of its development.

Mr Bevan Tarratt, previously the Chairman of Pura Vida, has resigned from the Board. Mr Tarratt has moved to an executive role within the Company.

CASH

At the end of December 2013, the Company had closing net cash of \$28.9 million.

ISSUED CAPITAL AS AT 31 DECEMBER 2013

Security	Number
Ordinary Shares	126,341,883
Unlisted Partly Paid Shares	21,878,550
Unlisted Performance Rights	1,072,605
Unlisted Options	13,857,693

PETROLEUM TENEMENTS HELD AS AT 31 DECEMBER 2013

	% Interest	Tenement	Location
Held at end of quarter	80%	Nkembe Block	Offshore Gabon
	50%	Ambilobe Permit	Offshore Madagascar
	23%	Mazagan Permit	Offshore Morocco
Acquired during the quarter	50%	Ambilobe Permit	Offshore Madagascar
Disposed during the quarter	52%	Mazagan Permit	Offshore Morocco

INTERESTS IN FARM-IN OR FARM-OUT AGREEMENTS AS AT 31 DECEMBER 2013

	Farm-in / Farm-out	% Change in Interest	Project
Held at end of quarter	Farm-in	50%	Ambilobe Permit
	Farm-out	52%	Mazagan Permit
Acquired during the quarter	Farm-in	50%	Ambilobe Permit
Disposed during the quarter	Farm-out	52%	Mazagan Permit

Appendix 5B

Mining 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

Name of entity

PURA VIDA ENERGY NL

ABN

11 150 624 169

Quarter ended ("current quarter")

31 December 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(4,595)	(5,784)
(b) development	-	-
(c) production	-	-
(d) administration	(1,275)	(2,600)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid	(112)	(335)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	(12)	(3)
Net Operating Cash Flows	(5,993)	(8,721)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(5)	(37)
1.9 Proceeds from sale of:		
(a) prospects (Mazagan)	15,809	15,809
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	15,804	15,772
1.13 Total operating and investing cash flows (carried forward)	9,811	7,051

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	9,811	7,051
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	12,676	19,774
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	930
1.17	Repayment of borrowings	(1,779)	(2,709)
1.18	Dividends paid	-	-
1.19	Other (costs associated with issue of shares and other financing costs)	-	(544)
	Net financing cash flows	10,897	17,451
	Net increase (decrease) in cash held	20,708	24,502
1.20	Cash at beginning of quarter/year to date	7,185	3,408
1.21	Exchange rate adjustments to item 1.20	1,025	1,008
1.22	Cash at end of quarter	28,918	28,918

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	240
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments of Directors fees and salaries \$240,350.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	2,300	2,300
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,315,017
4.2 Development	0
4.3 Production	0
4.4 Administration	933,548
Total	3,248,565

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	28,505	6,816
5.2 Deposits at call	412	369
5.3 Bank overdraft	-	-
5.4 Other (Bank Guarantee)	-	-
Total: cash at end of quarter (item 1.22)	28,917	7,185

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Mazagan Permit	Joint Venture	75%	23%

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2	Interests in mining tenements acquired or increased	Ambilobe Block	Joint Venture	Nil	50%
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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference + securities <i>(description)</i>	-	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	+Ordinary securities	126,341,883	114,321,883	-	-
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	(a) 88,369 21,500,000	88,369 21,500,000	Nil \$0.63	Nil (conversion of performance rights) \$0.63
7.5	+Convertible securities <i>Unquoted partly Paid Securities</i>	- 21,878,550	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	Options <i>(description and conversion factor)</i>	6,250,000 3,000,000 1,500,000 2,000,193 300,000	-	Exercise price 40 cents 35 cents 25 cents 60 cents 70 cents	Expiry date 6 September 2016 20 August 2017 3 December 2014 20 June 2016 3 June 2016
7.8	Issued during quarter	775,000 32,500	-	\$1.03 \$1.08	2 October 2016 4 November 2016

+ See chapter 19 for defined terms.

7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures <i>(totals only)</i>	-	-		
7.12	Unsecured notes <i>(totals only)</i>	-	-		
7.13	Performance Rights	1,072,605	-		
7.14	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	(a) 807,500 (b) 88,369	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX \(see note 5\)](#).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: *(lodged electronically)*
(Company secretary)

Date: 31 January 2014

Print name: Nicholas Ong

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a

+ See chapter 19 for defined terms.

Appendix 5B Mining exploration entity quarterly report

mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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