



20 June 2014

## RE-APPOINTMENT OF MANAGING DIRECTOR

Pura Vida Energy NL (“Pura Vida” or the “Company”) (ASX:PVD) is pleased to announce that, following the expiry of his existing fixed term Executive Services Agreement, the Company’s Managing Director, Mr Damon Neaves has entered into a continuing Executive Services Agreement (“ESA”), reaffirming his commitment to the Company.

Material details of the ESA with Mr Neaves are set out in the Annexure to this announcement. Remuneration set out in the ESA includes base salary as well as the right to participate in the Company’s short and long term incentive plans available to all employees. These remuneration levels and structures have been derived by way of an external remuneration review by Ernst & Young and recommendations included in that review will be implemented for all employees. Securities based incentives for Mr Neaves will be subject to approval by shareholders.

The independent review was undertaken by the Company’s remuneration committee to ensure that incentive programs and remuneration for all staff are appropriate and consistent with best practice within the industry. This independent review benchmarked remuneration of the Company’s management and staff against relevant peers to determine market practice, taking into account views expressed by shareholders as well as tax considerations. The Board has adopted the recommendations of Ernst & Young arising out of that review. Further details in relation to remuneration and incentive arrangements will be contained in the Company’s annual remuneration report.

The Company’s Chairman and Chair of the Remuneration Committee, Mr Jeff Dowling said:

*“The Board is pleased to have renewed Damon’s contract, providing stability and continuity in management at what is a particularly exciting time for the Company. Pura Vida has assembled a Management team and staff with significant industry experience and capability to execute its growth strategy. The Board looks forward to continuing to work with Damon and his team as we take the Company into a high impact phase of growth.”*

**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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**ANNEXURE****SUMMARY OF MATERIAL TERMS OF EMPLOYMENT AGREEMENT**

The following information in relation to the employment agreement between the Company and Mr Damon Neaves (the "Executive") is provided in accordance with ASX Listing Rule 3.16.4.

The Executive is employed as the Managing Director and Chief Executive Officer of the Company. The agreement is not subject to a fixed term and shall continue until terminated in accordance with its terms. The agreement provides for payment of an annual salary of \$385,000.

Subject to the ASX Listing Rules and relevant Board and shareholder approvals (as applicable), the Executive will be entitled to participate in the Company's incentive schemes (as varied from time to time) which are subject to performance measures set by the Board.

In accordance with the recommendations of the independent remuneration review, the Board has determined to award Short Term Incentives (STI) and Long Term Incentives (LTI) to Mr Neaves. The LTI award comprises 275,000 performance rights pursuant to the Company's existing Performance Rights Plan. The performance rights are subject to a performance hurdle, vesting proportionately on a sliding scale based on the extent to which the Company outperforms the ASX S&P300 Energy Index over a 3 year period.

The STI target incentive is 15% of Mr Neaves' base salary (excluding superannuation) with an opportunity to receive up to a maximum 22.5% of base salary (excluding superannuation) for outperformance. It is intended that the STI award will be considered annually based on satisfaction of specific Key Performance Indicators (KPIs) to be approved by the Board. STI awards may be settled in cash or performance rights, as determined by the Board. STI awards are not guaranteed, the Pura Vida Board reserves the right to cancel at any point in time.

The Executive may resign by giving six months' written notice to the Company. The Company may terminate the Executive's employment with immediate effect in certain prescribed circumstances justifying summary dismissal (such as gross misconduct). The Company may terminate the Executive's employment by giving one month's written notice in certain prescribed circumstances, including material breach of the terms of the employment agreement. The Company may terminate the Executive's employment by giving three months' written notice in certain prescribed circumstances, including where the Executive is or becomes incapacitated by illness or injury. The Company may terminate the Executive's employment without cause by giving six months' written notice or six months' pay in lieu of notice. In the case of termination without cause, the Company must make a termination payment equivalent to six months' salary

In addition to the terms described above, the agreement contains the usual provisions found in an agreement of this kind.