

Quarterly Report

For the period ended 30 September 2014



HIGHLIGHTS

- ▶ **Pura Vida's high impact deep water Moroccan drilling campaign on schedule**
- ▶ **Several discoveries were made offshore Gabon and Morocco during the quarter which enhance the potential of Pura Vida's acreage**
- ▶ **A\$18.8 million cash at bank, no debt and US\$215 million (gross) carry on two well drilling program**

MANAGING DIRECTOR'S REPORT

Preparations are on schedule for the commencement of the drilling campaign offshore Morocco in early 2015. The rig is currently off the west coast of Africa working its way towards Morocco. As drilling looms closer, the excitement around the potential of this campaign is building.

The quarter was characterised by the announcement of a number of discoveries in nearby blocks in Gabon and Morocco (refer to location map on page 3). The most notable among these include:

- Genel announced that the SM-1 well in the Sidi Moussa block offshore Morocco located south-east of the Mazagan permit encountered oil during drilling operations and testing was being undertaken.
- Shell announced a significant gas discovery on the BCD10 block to the south of the Nkembe block. The Leopard-1 well encountered 200 metres of net pay in a pre-salt reservoir.
- Eni announced a significant pre-salt gas/condensate discovery in shallow water offshore Gabon to the north of the Nkembe block. The Eyonie Deep well encountered 320 metres of pay in the pre-salt with an initial estimate in place of 500 mmbœ.
- Tullow announced a pre-salt discovery onshore to the east of the Nkembe block. The Igongo well encountered a 90 metre net oil and gas column in pre-salt reservoir.

The pre-salt play in Gabon is looking very exciting with a string of recent discoveries all around the Nkembe block. These discoveries establish that the pre-salt fairway extends through the Nkembe block and provide encouragement for the large Mouveni West pre-salt prospect.

At this stage it is too early to draw any conclusions from Genel's SM-1 well offshore Morocco, however Pura Vida is encouraged by the fact that oil has been discovered near the Mazagan permit and await the release of further information, including the results of testing.

Pura Vida has strategically positioned itself in areas where there is play opening activity happening around its acreage. The discoveries referenced above demonstrate the benefits this strategy can deliver by de-risking the exploration potential in its blocks and enhancing the value of the acreage.

In the ensuing months, Pura Vida hopes to bring farmout discussions on the Nkembe block to a conclusion and to see the spud of Pura Vida's first well in Morocco. This is an exciting time for the Company and its shareholders and I wish to thank all shareholders for the loyalty they have shown and their continued support in the lead up to the drilling campaign.

EXPLORATION

MAZAGAN PERMIT, OFFSHORE MOROCCO

(PURA VIDA 23%, SUBSIDIARY OF FREEPORT-McMORAN OIL & GAS LLC OPERATOR)

The Mazagan permit covers an area of 8,717 km² and is located off the Atlantic coast of Morocco, in water depths of 1,370-3,000 metres. The Mazagan permit contains significant potential, including Miocene, Cretaceous and Jurassic targets. DeGolyer & MacNaughton has estimated total mean unrisks prospective resources of 7,017 mmbo (net 1,614 mmbo to Pura Vida)* (*reference: ASX announcement 21 September 2012*).



The Atwood Achiever Deepwater Drillship

The Atwood Achiever drillship is currently off the west coast of Africa. The drilling program remains on schedule to commence in early 2015.

The SM-1 well to the south-east of the Mazagan permit is currently being tested by Genel following the announcement that the well encountered oil.

* Refer to cautionary statement in relation to prospective resources at the end of this Report

NKEMBE BLOCK, OFFSHORE GABON

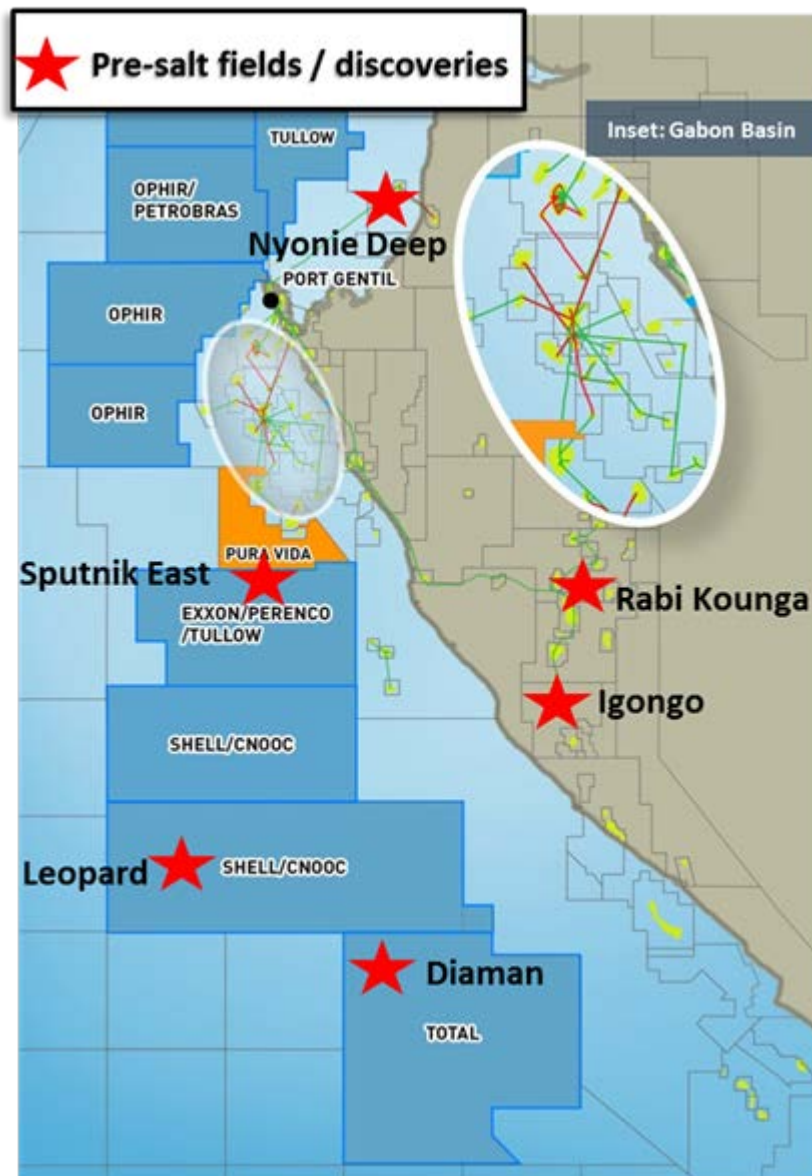
(PURA VIDA 80% AND OPERATOR)

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 in the prolific oil prone Gabon Basin. The block is adjacent to producing oil fields and infrastructure, including several fields operated by Total, the largest producer in Gabon.

The farmout process to secure a partner for the Nkembe block continued during the quarter. Discussions with potential partners are at an advanced stage and the Company is hopeful of securing an agreement in the near-term.

Since Pura Vida was awarded the Nkembe block in early 2013, there have been a number of important pre-salt discoveries in Gabon. It began in August 2013 with a discovery by Total to the south of the Nkembe block with the Diaman-1 well which encountered a 50-55 metre gas condensate column in pre-salt reservoir. Off the back of Total's success there has been a string off pre-salt discoveries in Gabon this year, including the Nyonie Deep discovery drilled by Eni, the Leopard discovery drilled by Shell, and the Igongo discovery drilled by Tullow. Appraisal wells are now being planned for all of these recent discoveries. These discoveries prove the pre-salt potential in Gabon as a significant play. Due to the proximity of these discoveries to the Nkembe block, it is now established that the pre-salt fairway extends through the Nkembe block, de-risking the block's pre-salt prospects.

The Sputnik East well drilled by a joint venture between Perenco, Tullow and ExxonMobil to the south of the Nkembe block also encountered non-commercial hydrocarbon pay and a thick pre-salt sandstone reservoir, some 300 metres net, significantly exceeding Pura Vida's pre-drill expectations. Sputnik East proves a working petroleum system immediately to the south of the Nkembe block and along trend from the large Mouveni West prospect. Whilst not commercial, the Sputnik East well provides further encouragement for the potential of the Nkembe block.



Pre-salt fields/discoveries around the Nkembe block

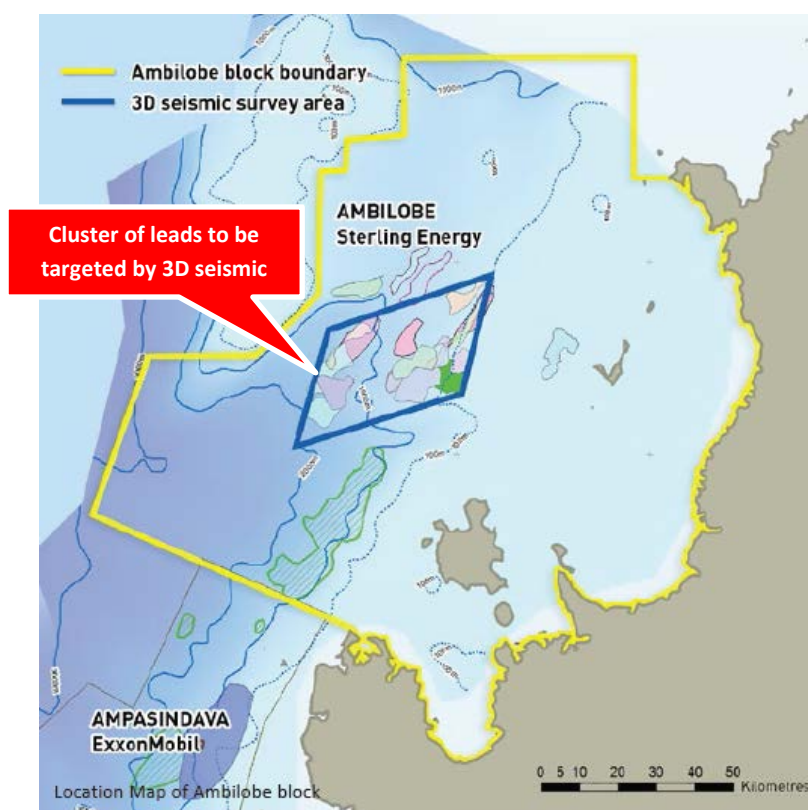
AMBILOBE BLOCK, OFFSHORE MADAGASCAR

(PURA VIDA 50%, STERLING ENERGY (UK) LIMITED OPERATOR)

The Ambilobe block is located in the Ambilobe Basin, offshore north-west Madagascar covering an area of 17,650 km². There has been limited exploration in the Ambilobe Basin, where the offshore area remains undrilled. There are several onshore heavy oil discoveries in the Morondava Basin, southern Madagascar that are currently being developed.

Planning of the 3D seismic survey covering approximately 1,250 km² progressed during the quarter with required environmental and government permitting underway. The acquisition is planned for late 2014/early 2015.

Foreign investment and industry activity in Madagascar has increased significantly following the country's return to political and economic stability. Notable developments include OMV continuing to build its onshore and offshore portfolio in Madagascar by farming into two blocks with Tullow, and Madagascar Oil making a commercial declaration in May 2014 for the full field development of the Tsimiroro heavy oil project onshore Madagascar.



Location of 3D seismic survey within Ambilobe block

CORPORATE & FINANCIAL

As at 30 June 2014, the Company had a net cash position of \$18.8 million.

During the quarter, the Company advised the appointment of Matthew Worner and Denna Lont as Joint Company Secretaries with effect from 2 July 2014. The appointments followed the resignation of Mr Nicholas Ong as Company Secretary.

ISSUED CAPITAL AS AT 30 SEPTEMBER 2014

Security	Number
Ordinary Shares	128,880,698
Unlisted Partly Paid Shares	19,339,735
Unlisted Performance Rights	1,863,748
Unlisted Options	13,107,693

PETROLEUM TENEMENTS HELD AS AT 30 SEPTEMBER 2014

	% Interest	Tenement	Location
Held at end of quarter	23%	Mazagan Permit	Offshore Morocco
	100%*	Nkembe Block	Offshore Gabon
	50%	Ambilobe Block	Offshore Madagascar
Acquired during the quarter	-	-	-
Disposed during the quarter	-	-	-

* Pura Vida'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 Production Sharing Contract

INTERESTS IN FARM-IN OR FARM-OUT AGREEMENTS AS AT 30 SEPTEMBER 2014

	Farm-in / Farm-out	% Change in Interest	Project
Held at end of quarter	-	-	-
Acquired during the quarter	-	-	-
Disposed during the quarter	-	-	-

CORPORATE DIRECTORY

Directors

Jeff Dowling	Non-Executive Chairman
Damon Neaves	Managing Director
Richard Malcolm	Non-Executive Director

Company Secretary

Matthew Worner
Dennae Lont

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Share Registry

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 Level 1, 7 Ventnor Avenue
 WEST PERTH WA 6005
 Telephone: +61 8 9324 2099

Disclaimers

* Prospective Resource Estimates Cautionary Statement

The estimated quantities of petroleum that may potentially be recoverable by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Prospective Resources

Prospective resource estimates presented in this report are prepared as at 31 August 2012 (*reference: ASX announcement 21 September 2012*). The resource estimates have been prepared using the internationally recognised Petroleum Resources Management System to define resource classification and volumes. The resource estimates are in accordance with the standard definitions set out by the Society of Petroleum Engineers, further information on which is available at www.spe.org. The estimates are unrisks and have not been adjusted for both an associated chance of discovery and a chance of development. The 100% basis and net to Pura Vida prospective resource estimates includes Government share of production.

Pura Vida is not aware of any new information or data that materially affects the assumptions and technical parameters underpinning the estimates of the prospective resources and the relevant market announcements referenced continue to apply and have not materially changed.

Persons compiling information about hydrocarbons

The resource information contained in this report for the Mazagan permit, Morocco has been prepared by DeGolyer & MacNaughton. DeGolyer & MacNaughton is a consultant of the Company and has consented to the inclusion of the resource estimates in the form and context in which they are included.

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")

30 September 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(1,616)	(1,616)
(b) development	-	-
(c) production	-	-
(d) administration	(1,278)	(1,278)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	51	51
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(2,843)	(2,843)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(9)	(9)
1.9 Proceeds from sale of:		
(a) prospects (Mazagan)	-	-
(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	(9)	(9)
1.13 Total operating and investing cash flows (carried forward)	(2,852)	(2,852)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,852)	(2,852)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	21	21
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (costs associated with issue of shares and other financing costs)	-	-
	Net financing cash flows	21	21
	Net increase (decrease) in cash held	(2,831)	(2,831)
1.20	Cash at beginning of quarter/year to date	20,462	20,462
1.21	Exchange rate adjustments to item 1.20	1,193	1,193
1.22	Cash at end of quarter	18,824	18,824

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	158
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 \$157,770.	

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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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	-	-
3.2 Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	7,618
4.2 Development	-
4.3 Production	-
4.4 Administration	1,200
Total	8,818

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	16,602	16,778
5.2 Deposits at call	2,222	3,684
5.3 Bank overdraft	-	-
5.4 Other (Bank Guarantee)	-	-
Total: cash at end of quarter (item 1.22)	18,824	20,462

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	-	-	-	-
6.2 Interests in mining tenements acquired or increased	-	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	128,880,698	128,880,698	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	659,869	659,869	\$0.20	\$0.20 (conversion of partly paid shares)
7.5 +Convertible securities	-	-	-	-
<i>Unquoted partly Paid Securities</i>	19,339,735	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- 659,869	- -	- -	- -
7.7 Options <i>(description and conversion factor)</i>			Exercise price	Expiry date
	1,500,000	-	\$0.25	3 December 2014
	300,000	-	\$0.70	3 June 2016
	2,000,193	-	\$0.60	20 June 2016
	3,750,000	-	\$0.40	6 September 2016
	775,000	-	\$1.03	30 October 2016
	32,500	-	\$1.08	4 November 2016
	1,500,000	-	\$0.91	13 January 2017
	3,000,000	-	\$0.35	20 August 2017
7.8 Issued during quarter	250,000	-	\$0.82	16 December 2016
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	1,863,748	-		

+ See chapter 19 for defined terms.

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: Date: 31/10/14
(Company secretary)

Print name: Dennaë Lont

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 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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