



ASX Code: PVD

21 May 2013

MARKET UPDATE ON ACTIVITIES

Highlights

- **Resource estimates across a range of different play types based on existing 3D seismic for Nkembe block, offshore Gabon, to be released in July 2013**
- **Farmout of Nkembe block to commence with opening of data room in August 2013 to secure a funding partner for the current phase of activities, including new multi-azimuth 3D seismic acquisition and drilling**
- **Completion of farmout on Mazagan permit, offshore Morocco, on track for around mid-year, upon which Pura Vida will receive US\$15 million**
- **Proximate drilling activity has now begun in Gabon and will commence in Morocco in September/October of this year. These wells have the potential to prove new plays that will enhance the value of Pura Vida's acreage**

Pura Vida Energy NL ("Pura Vida" or the "Company") (ASX: PVD) is pleased to provide the following update on its activities.

Nkembe (Gabon) Update

Resource Update and Farmout Planning

Pura Vida is advanced with the interpretation of existing 3D seismic data over the Nkembe block and expects to release resource estimates on prospects across a range of different play types in July this year. In August 2013, Pura Vida will open a data room to commence a farmout process to secure a funding partner for the current phase of activities on the Nkembe block, including new 3D seismic acquisition and drilling.

In the same way that Pura Vida completed a farmout with Plains Exploration & Production (NYSE: PXP) on the Mazagan permit offshore Morocco, where PXP will spend up to US\$215 million in forward expenditure for the project, Pura Vida proposes to access industry funding to progress activities on the Nkembe block.

Proceeding with a farmout on the Nkembe block will ensure Pura Vida remains in a strong financial position with the objective of having forward exploration on our Moroccan and Gabon projects fully carried. The proposed farmout of the Nkembe block will allow Pura Vida to access funding from an industry partner in order to reduce our capital commitments whilst accelerating activities on the block.

Nearby Activity to Add Significant Value

Industry activity in Gabon is ramping up with eight offshore wells planned within the next 12 months. The Total-operated Diama-1 exploration well is currently drilling in the Diaba block to the south of Pura Vida's Nkembe block, targeting a 2,250 mmbp pre-salt prospect. The pre-salt play also extends into Pura Vida's Nkembe block.

In addition, a number of deep water blocks are being offered in this year's bid round and we expect this to attract a lot of industry interest given the industry's focus on the pre-salt potential of Gabon.

Pura Vida acquired the Nkembe block ahead of the planned industry activity in-country which has the potential to significantly enhance the value of the acreage. We look forward to hearing the results of drilling activity and bids on deep water acreage as we prepare to farmout the Nkembe block.

Mazagan (Morocco) Update

Farmout Update – On Track for Mid-Year

The work commitments for the initial exploration phase on the Mazagan permit have been completed and all funds held under the bank guarantee have been released to Pura Vida.

In addition, a US\$15 million payment is due to Pura Vida upon completion of the farmout. Completion of the farmout is subject to Government approval. The regulator, ONHYM, has given its recommendation to the Minister for Energy to approve the farmout and we expect to receive in principle approval from the Minister shortly. The final steps for Government approval include the signing of an amendment to the Petroleum Agreement to introduce PXP as a partner and finally the signing of joint Ministerial orders. We anticipate completion of this process around mid-year.

Nearby Drilling Activity to Commence September/October 2013

We draw nearer to the commencement of the unprecedented drilling campaign offshore Morocco. We expect around 10 exploration wells (including our two wells in the Mazagan permit) with three rigs operating concurrently. The first wells are expected to spud around September/October of this year. This campaign will test new plays existing in the Mazagan permit and any success will have positive implications for Pura Vida.

Funding

Pura Vida recently raised \$12 million pursuant to an equity and debt raising. The first tranche of the equity raising has settled with the remainder due to settle following shareholder approval at a general meeting to be held on 14 June 2013.

All existing short-term debt has now been repaid in full. The details of the \$4 million new debt facility were announced on 1 May 2013, including a repayment period of up to 12 months.

A further US\$15 million will be received upon completion of the Mazagan farmout once Government approval is finalised.

Recent fund raising activities, the decision to proceed to farmout the Nkembe block and completion of the Mazagan farmout will see Pura Vida in a very strong financial position and fully funded for its activities, including the high impact deep water drilling campaign offshore Morocco.

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 and offshore Gabon with significant resource potential and a fully funded high-impact drilling program.

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