



ASX Code: PVD

22 July 2013

NOTICE OF GENERAL MEETING

A general meeting of shareholders of Pura Vida will be held at 2:00pm on 23 August 2013 at The Melbourne Hotel, 942 Hay Street, Perth WA 6000.

The purpose of this meeting is to introduce incentive arrangements for the Company's employees and directors. Having regard to the growth of the Company, developments in best practice governance and changes to tax legislation, the Company's Remuneration Committee has sought independent advice to introduce incentive arrangements to ensure the continued growth and performance of the Company.

Under the proposed arrangements, the Company will offer loans to participants to acquire shares in the Company. This provides an incentive to participants to benefit from growth in the Company's share price on a tax-effective basis. As the loan proceeds are received by the Company as an equity contribution and are repaid by employees when shares are eventually sold, the cost to the Company is nominal.

In addition approval is being sought for an option plan, with the strike price of the options has being set at a significant premium to the market price (45% and 100% respectively). In this way, the benefit to participants arises only if significant growth in the value of the Company is achieved. As the Company will receive funding upon exercise, this is seen as a cost-effective way for the Company to provide incentives to employees and directors.

As part of the remuneration review, key management personnel including each of the Directors, have been secured under 3 year service contracts. This ensures the continuity of the plans that have been set in place to deliver the Company's long-term strategic growth objectives.

The Board places high importance on attracting and retaining key personnel and considers these incentive arrangements to be an important part of delivering on the Company's growth strategy.

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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PURA VIDA ENERGY NL
ACN 150 624 169

NOTICE OF GENERAL MEETING

TIME: 2:00pm
DATE: 23 August 2013
PLACE: The Melbourne Hotel
942 Hay Street
Perth WA 6000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, Mr Nicholas Ong, on (+61 8) 9226 2011.

CONTENTS PAGE

Chairman's Letter	3
Business of the Meeting (setting out the proposed resolutions)	4
Explanatory Statement (explaining the proposed resolutions)	8
Schedule 1 – Summary of the Pura Vida Energy NL Employee Share Acquisition Plan	25
Schedule 2 – Summary of the Pura Vida Energy NL Employee Option Acquisition Plan	28
Schedule 3 – Terms and Conditions of the Class A and Class B Plan Options	30
Glossary	34
Proxy Form	36

IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the meeting of the Shareholders to which this Notice of Meeting relates will be held at 2:00pm on 23 August 2013 at The Melbourne Hotel, 942 Hay Street, Perth WA 6000.

YOUR VOTE IS IMPORTANT

The business of the Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm on 21 August 2013.

VOTING IN PERSON

To vote in person, attend the Meeting at the time, date and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Voting prohibition by proxy holders

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolutions 1, 2, 3, 4, 5, 6, 7 and 8 if:

- the person is either:
 - a member of the Key Management Personnel of the Company; or
 - a Closely Related Party of such a member, and
- the appointment does not specify the way the proxy is to vote on Resolutions 1, 2, 3, 4, 5, 6, 7 and 8.

However, the prohibition does not apply if:

- the proxy is the Chairman; and
- the appointment expressly authorises the Chairman to exercise the proxy even if Resolutions 1, 2, 3, 4, 5, 6, 7 and 8 are connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

CHAIRMAN'S LETTER

Dear shareholder,

The purpose of this General Meeting is to approve new incentive arrangements for the Company's Employees (including Directors). Having regard to the growth of the Company over the past year, developments in best practice governance and changes to tax legislation, the Company's Remuneration Committee has sought independent advice to introduce incentive arrangements to optimise the performance of the Company. The recommendations have been adopted by the Remuneration Committee and the Board and the incentive plans put to shareholders at this Meeting are considered by the Board to be in the best interest of the Company's shareholders and important to ensure the continued growth and performance of the Company.

The new incentive arrangements comprise a share plan and an option plan.

Under the share plan, the Company makes loans available to participants (which includes employees and directors of the Company) to acquire shares in the Company. This provides an incentive to participants to benefit from growth in the Company's share price on a tax-effective basis and as the loan proceeds are received by the Company as an equity contribution and are repaid by employees when shares are eventually sold, the cost to the Company is nominal.

Under the option plan, the strike price of the options has been set at a 45% premium to the market price (in the case of Class A Options) and 100% premium to the market price (in the case of Class B Options). In this way, the benefit to participants arises only if the management team are successful in generating significant growth in value and the Company will receive funding upon exercise. Again, this is seen as a cost-effective way of providing incentives to the Company's employees and directors.

As part of the remuneration review, key management personnel including each of the Directors, have been secured under 3 year service contracts. This ensures the continuity of the plans that have been set in place to deliver the Company's long-term strategic growth objectives to generate value for our shareholders. There have no changes to salary levels of management personnel.

The Company is in an exciting growth phase and management has recently made important progress towards its goal to transform Pura Vida into a diversified oil exploration and production company. The Company places high importance on attracting and retaining key personnel and considers this an essential part of delivering on the Company's growth strategy and creating value for shareholders.

The Board believes it has assembled an exceptional management team with the right mix of expertise to execute the Company's growth plan and meet its objectives. The Board attributes much of the Company's success to date to the management team that has achieved so much in the Company's short existence by delivering key milestones on time and on budget. Market expectations have been achieved and often exceeded during a challenging period having regard to market conditions.

Recently, the Company has achieved a number of key milestones:

- Transformational US\$230 million farmout of the Mazagan permit offshore Morocco, securing funding for two deep water exploration wells.
- Acquisition of an 80% interest and operatorship of the Nkembe block, located in a prolific oil producing basin offshore Gabon, West Africa.
- 20 mmbo p50 contingent resource at the Loba Oil Field in the Nkembe block with near-term appraisal and development potential.
- 815 mmbo (mean) net prospective resource estimate for the Nkembe block across a range of different play types, including large pre-salt prospects.

Pura Vida's acreage is strategically placed with significant proximate drilling activity that has already commenced in Gabon and will shortly commence in Morocco. This industry activity

coincides with our farmout activity for Gabon and precedes our own drilling campaigns next year. Any discovery in the region will be catalyst for Pura Vida.

This is an exciting time for Pura Vida with upcoming wells in the industry activity 'hot spots' offshore Morocco and Gabon. My thanks go to the Company's management and staff for their hard work in positioning the Company for enormous potential growth.

The Board recommends shareholders approve each of the recommendations contained in this Notice.

On behalf of the Board, I thank shareholders for their continuing support.

Yours sincerely,

Bevan Tarratt
Non-Executive Chairman

BUSINESS OF THE MEETING

AGENDA

1. Resolution 1 – Adoption of Pura Vida Energy NL Employee Share Acquisition Plan

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 7.2 Exception 9(b), as an exception to Listing Rule 7.1, sections 259B and 260A of the Corporations Act and for all other purposes, approval is given for the establishment of the “Pura Vida Energy NL Employee Share Acquisition Plan” on the terms and conditions summarised in Schedule 1 and in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution 1 by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

2. Resolution 2 – Adoption of Pura Vida Energy NL Employee Option Acquisition Plan

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 7.2 Exception 9(b), as an exception to Listing Rule 7.1, and for all other purposes, approval is given for the establishment of the “Pura Vida Energy NL Employee Option Acquisition Plan” on the terms and conditions summarised in Schedule 2 and in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution 2 by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3. Resolution 3 – Authority to Allocate Plan Shares to a Director – Damon Neaves

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That, conditional upon Resolution 1 being approved, pursuant to and in accordance with Listing Rule 10.14, Chapter 2E of the Corporations Act, and for all other purposes, the

Shareholders authorise the Allocation of up to 1,855,000 Shares under the Pura Vida Energy NL Employee Share Acquisition Plan, and the provision of a loan, to Damon Neaves for the purpose of acquiring the Shares under the Pura Vida Energy NL Employee Share Acquisition Plan on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution 3 by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. Resolution 4 – Authority to Allocate Plan Shares to a Director – David Ormerod

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, conditional upon Resolution 1 being approved, pursuant to and in accordance with Listing Rule 10.14, Chapter 2E of the Corporations Act, and for all other purposes, the Shareholders authorise the Allocation of up to 1,855,000 Shares under the Pura Vida Energy NL Employee Share Acquisition Plan, and the provision of a loan, to David Ormerod for the purpose of acquiring the Shares under the Pura Vida Energy NL Employee Share Acquisition Plan on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution 4 by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Resolution 5 – Authority to Allocate Plan Shares to a Director – Bevan Tarratt

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, conditional upon Resolution 1 being approved, pursuant to and in accordance with Listing Rule 10.14, Chapter 2E of the Corporations Act, and for all other purposes, the Shareholders authorise the Allocation of up to 910,000 Shares under the Pura Vida Energy NL Employee Share Acquisition Plan, and the provision of a loan, to Bevan Tarratt for the purpose of acquiring the Shares under the Pura Vida Energy NL Employee Share Acquisition Plan on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution 5 by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Resolution 6 – Authority to Grant Plan Options to a Director – Damon Neaves

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, conditional upon Resolution 2 being approved, pursuant to and in accordance with Listing Rule 10.14, Chapter 2E of the Corporations Act, and for all other purposes, the Shareholders authorise the grant of up to 2,705,000 Options under the Pura Vida Energy NL Employee Option Acquisition Plan to Damon Neaves on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution 6 by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. Resolution 7 – Authority to Grant Plan Options to a Director – David Ormerod

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, conditional upon Resolution 2 being approved, pursuant to and in accordance with Listing Rule 10.14, Chapter 2E of the Corporations Act, and for all other purposes, the Shareholders authorise the grant of up to 2,705,000 Options under the Pura Vida Energy NL Employee Option Acquisition Plan to David Ormerod on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution 7 by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. Resolution 8 – Authority to Grant Plan Options to a Director – Bevan Tarratt

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, conditional upon Resolution 2 being approved, pursuant to and in accordance with Listing Rule 10.14, Chapter 2E of the Corporations Act, and for all other purposes, the Shareholders authorise the grant of up to 1,485,000 Options under the Pura Vida Energy NL Employee Option Acquisition Plan to Bevan Tarratt on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution 8 by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 22 JULY 2013

BY ORDER OF THE BOARD

**NICHOLAS ONG
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

The purpose of this General Meeting is to approve new incentive arrangements for the Company's Employees (including Directors). Having regard to the growth of the Company over the past year, developments in best practice governance and changes to tax legislation, the Company's Remuneration Committee has sought independent advice to introduce incentive arrangements to optimise the performance of the Company. The recommendations have been adopted by the Remuneration Committee and the Board and the incentive plans put to shareholders at this Meeting are considered by the Board to be in the best interest of the Company's shareholders and important to ensure the continued growth and performance of the Company.

Under the Share Plan proposed to be adopted under Resolution 1, the Company makes loans available to eligible Employees to acquire Plan Shares in the Company. This provides an incentive to Employees to benefit from growth in the Company's share price on a tax-effective basis and as the loans are repaid by employees, the cost to the Company is nominal.

Under the Option Plan proposed to be adopted under Resolution 2, the strike price of the Plan Options has been set at a 45% premium to the market price (in the case of Class A Options) and 100% premium to the market price (in the case of Class B Options). In this way, the benefit to Employees arises only if the management team are successful in generating significant growth in value and the Company will receive funding upon exercise. Again, this is seen as a cost effective way of providing incentives to the Company's Employees and Directors.

The Board recommends shareholders approve each of the recommendations contained in this Notice

1. Resolution 1 – Adoption of Pura Vida Energy NL Employee Share Acquisition Plan

1.1. Introduction

Resolution 1 seeks Shareholder approval for the establishment of the Pura Vida Energy NL Employee Share Acquisition Plan (**Share Plan**) for the purposes of the Corporations Act and for all other purposes.

Resolution 1 is an ordinary resolution.

The Board has the view that the most effective way to align the interests of the eligible Employees and Shareholders of the Company is for the Employees to be Shareholders.

The aim of this plan is to allow the Board to assist eligible Employees, who in the Board's opinion are dedicated and will provide ongoing commitment and effort to the Company. Eligible Employees are full-time or permanent part-time Employees of the Company or its subsidiaries (which includes Directors). The Company intends to loan funds to certain eligible Employees in order to purchase Shares under the Share Plan. The Board will determine on a case by case basis whether an Employee is eligible for a loan and will determine the loan terms and conditions.

The key features of the Share Plan and the loan are as follows:

- (a) The Board will determine the number of Plan Shares to be Allocated to eligible Employees and the issue price of the Plan Shares in its sole discretion.
- (b) The Company will be permitted to loan funds to eligible Employees to purchase Plan Shares.

- (c) The loan will be a limited recourse loan provided the Employee remains employed by the Company, or a subsidiary of the Company, for a period, or periods, as determined by the Board.
- (d) The loan will be interest free provided the Employee remains employed by the Company, or a subsidiary of the Company, for a period, or periods, as determined by the Board.
- (e) In the event that the Employee leaves before the interest free period determined by the Board, interest will be charged equal to the market rate of interest that would have accrued on the loan from the date of advance of the funds to the repayment date.
- (f) The Plan Shares will be Allocated at a small discount to ensure that they fall within the Share Plan tax rules either through the issue of new Shares or the purchase of Shares on-market.
- (g) Plan Shares may be subject to a sale restriction for a certain period.
- (h) A Trust will be set up as the holding mechanism for Plan Shares Allocated under the Share Plan. The Trustee will hold the Plan Shares on trust for the eligible Employee until the loan is repaid (or any other vesting conditions are satisfied).
- (i) During the term of the loan, dividends may be retained by the Trustee and offset against the Employee's outstanding loan balance. A portion of the dividend may be released to the Employee to cover any tax liability as a result of the dividend.
- (j) Subject to the Corporations Act and the Listing Rules, the Board will have the power to amend the Share Plan as it sees fit.

A detailed overview of the terms of the Share Plan is attached in Schedule 1.

1.2. Corporations Act

Section 259B(1) of the Corporations Act prohibits a company from taking security over its shares except as permitted by Section 259B(2). Section 259B(2) states that a company may take security over shares in itself under an employee share scheme that has been approved by resolution passed at a general meeting of the company.

Section 260A(1)(c) of the Corporations Act prohibits a company from financially assisting a person to acquire shares in itself except as permitted by Section 260(C). Section 260(C)(4) provides for a special exemption for approved employee shares schemes and states that financial assistance is exempted from Section 260(A) if a resolution is passed at a general meeting of the company.

Accordingly Shareholder approval is sought for Resolution 1 to ensure compliance with these sections of the Corporations Act.

2. Resolution 2 – Adoption of Pura Vida Energy NL Employee Option Acquisition Plan

2.1. Introduction

Resolution 2 seeks Shareholder approval for the establishment of the Pura Vida Energy NL Employee Option Acquisition Plan (**Option Plan**) for the purposes of the Corporations Act and for all other purposes.

Resolution 2 is an ordinary resolution.

The aim of this plan is to allow the Board to assist eligible Employees, who in the Board's opinion, are dedicated and will provide ongoing commitment and effort to the Company. Eligible

Employees are full-time or permanent part-time Employees of the Company (which includes Directors), or such other persons as the Board determines.

The key features of the Option Plan are as follows:

- (a) The Board will determine the number of Plan Options to be granted to eligible Employees and the vesting conditions, expiry date and the exercise price of the Plan Options in its sole discretion.
- (b) The Plan Options are transferable once vested provided that the transfer complies with the Corporations Act.
- (c) Subject to the Corporations Act and the Listing Rules, the Board will have the power to amend the Option Plan as it sees fit.

A detailed overview of the terms of the Option Plan is attached in Schedule 2.

3. Resolution 3 – Authority to Allocate Plan Shares to a Director – Damon Neaves

3.1 Background

The Company proposes to Allocate a total of 1,855,000 Plan Shares to Damon Neaves, a Director, under the Share Plan.

The principal terms of the Share Plan are summarised in Schedule 1.

The Plan Shares will be Allocated at a \$0.01 discount per share to the volume weighted average of the prices at which Shares were traded on the ASX during the one week period up to and including the date of Allocation of the Plan Shares, unless otherwise determined by the Board.

The Company will provide a loan for the entire issue price of the Plan Shares. The principal terms of the loan are summarised in Schedule 1.

In the Company's present circumstances, the Board considers that the incentive to Damon Neaves that will be represented by the Allocation of these Plan Shares are a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of Damon Neaves and are consistent with the strategic goals and targets of the Company.

It is also usual that junior oil and gas exploration companies will remunerate their directors by way of share incentive plans in order to preserve cash and maximise exploration activities.

Resolution 3 is an ordinary resolution and is subject to the passing of Resolution 1.

3.2 Listing Rule 10.14 and Chapter 2E of the Corporations Act

Shareholder approval is required for the Allocation of the Plan Shares to Damon Neaves under Listing Rule 10.14 and Chapter 2E of the Corporations Act for the proposed Allocation and funding of the Plan Shares because Damon Neaves is a related party of the Company.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required. Accordingly, the Allocation of Plan Shares to Damon Neaves will not reduce the Company's 15% capacity for the purposes of Listing Rule 7.1

The Chairman will not cast undirected votes on Resolution 3.

3.3 Specific information required under Listing Rule 10.15 and section 219 of the Corporations Act

Listing Rule 10.15 and section 219 of the Corporations Act require that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the Allocation of the Plan Shares:

- (a) The Plan Shares will be Allocated to Damon Neaves indirectly through a Trust established under the Share Plan.
- (b) The maximum number of Plan Shares that may be Allocated to Damon Neaves pursuant to Resolution 3 is 1,855,000.
- (c) The Plan Shares will be Allocated at a \$0.01 discount per share to the volume weighted average of the prices at which Shares were traded on the ASX during the one week period up to and including the date of Allocation of the Plan Shares, unless otherwise determined by the Board.
- (d) The Plan Shares will be granted with a sales restriction of 12 months post the grant date. If the Participant leaves prior to the relevant Sale Restriction Date passing, the full loan will become repayable and interest will be charged on the portion of the loan corresponding to the Plan Shares for which the relevant Sale Restriction Date has not passed.
- (e) There have not been any Plan Shares Allocated under the Share Plan to date.
- (f) Under the Share Plan, only Employees (as defined in the Glossary of this Notice) are entitled to participate in the Share Plan. Damon Neaves, David Ormerod and Bevan Tarratt have been determined to be Employees for the purposes of the Share Plan.
- (g) A voting exclusion statement is included in the Notice.
- (h) The financial benefit of the loan to Damon Neaves is an interest free loan for the subscription amount of all the Plan Shares (provided that Damon Neaves remains employed by the Company for twelve months).
- (i) The material terms of the loan in relation to the Share Plan are detailed in section 3 of Schedule 1 of this Notice.
- (j) On the basis of the assumptions below, independent accountants, BDO, have determined the technical value of one Plan Share approximates \$0.178. This valuation imputes a total value of \$330,190 for the Pura Vida Energy NL Plan Shares to be issued to Damon Neaves. The value may go up or down after that date as it will depend on the future price of a Share. Black & Scholes methodology has been used, together with the following assumptions:
 - (i) interest rate set at the Australian Government 3 year bond rate of 3.15%;
 - (ii) the date of valuation for the purposes of settling the current market value of a Plan Share is 12 July 2013;
 - (iii) at this date the Share price was \$0.48 which is the price used in the valuation; and
 - (iv) the estimated volatility used in the valuation is 75%.
- (k) The value of the financial benefit to be provided to Damon Neaves will be \$330,190 plus foregone interest on the loan of approximately \$27,463 based on the one year loan term and applying an interest rate of 3.15% per annum and assuming repayment of principal is made at the end of the loan term. If the price of the Shares increases, Damon Neaves will

benefit from the price increase. However, the Company will not receive any additional benefit.

- (l) The opportunity cost to the Company or benefits foregone by the Company in providing the loan to Damon Neaves include:
 - (i) interest foregone on the loan of approximately \$27,463; and
 - (ii) the risk that the loan may not be repaid in full by Damon Neaves.
- (m) The Company will Allocate the Plan Shares no later than 12 months after the date of the Meeting or such longer period of time as ASX may in its discretion allow.
- (n) Damon Neaves has an interest in the Resolutions under which the Plan Shares will be allocated and therefore believes it inappropriate to make a recommendation. All other Directors recommend Shareholders vote in favour of Resolution 3.
- (o) If Shareholders approve this Resolution 3, Damon Neaves' security holding will be 8,380,000 fully paid ordinary shares; 4,725,000 partly paid shares and 2,500,000 options exercisable at \$0.40 each on or before 6 September 2016.
- (p) Damon Neaves receives a salary of \$315,000 (plus superannuation of \$29,138) per annum.
- (q) The Allocation of the Plan Shares as outlined in this Resolution 3 will result in a dilution of all other Shareholders' holdings in the Company of 2.00% based on issued Shares as at the date of this Explanatory Memorandum and 1.45% on a fully diluted basis.
- (r) Historical share price information for the last twelve months is as follows:

	Price	Date
Highest	\$0.95	26/09/12
Lowest	\$0.24	27/07/12
Last	\$0.52	15/07/13

- (s) Other than the information above and otherwise in this Explanatory Memorandum, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 3.

4. Resolution 4 – Authority to Allocate Plan Shares to a Director – David Ormerod

4.1 Background

The Company proposes to Allocate a total of 1,855,000 Plan Shares to David Ormerod, a Director, under the Share Plan.

The principal terms of the Share Plan are summarised in Schedule 1.

The Plan Shares will be Allocated at a \$0.01 discount per share to the volume weighted average of the prices at which Shares were traded on the ASX during the one week period up to and including the date of Allocation of the Plan, unless otherwise determined by the Board.

The Company will provide a loan for the entire issue price of the Plan Shares. The principal terms of the loan are summarised in Schedule 1.

In the Company's present circumstances, the Board considers that the incentive to David Ormerod that will be represented by the Allocation of these Plan Shares are a cost effective and efficient reward for the Company to make to appropriately incentivise the continued

performance of David Ormerod and are consistent with the strategic goals and targets of the Company.

It is also usual that junior oil and gas exploration companies will remunerate their directors by way of share incentive plans in order to preserve cash and maximise exploration activities.

Resolution 4 is an ordinary resolution and is subject to the passing of Resolution 1.

4.2 Listing Rule 10.14 and Chapter 2E of the Corporations Act

Shareholder approval is required for the Allocation of the Plan Shares to David Ormerod under Listing Rule 10.14 and Chapter 2E of the Corporations Act for the proposed Allocation and funding of the Plan Shares because David Ormerod is a related party of the Company.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required. Accordingly, the Allocation of Plan Shares to David Ormerod will not reduce the Company's 15% capacity for the purposes of Listing Rule 7.1

The Chairman will not cast undirected votes on Resolution 4.

4.3 Specific information required under Listing Rule 10.15 and section 219 of the Corporations Act

Listing Rule 10.15 and section 219 of the Corporations Act require that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the Allocation of the Plan Shares:

- (a) The Plan Shares will be Allocated to David Ormerod indirectly through a Trust established under the Share Plan.
- (b) The maximum number of Plan Shares that may be Allocated to David Ormerod pursuant to Resolution 4 is 1,855,000.
- (c) The Plan Shares will be Allocated at a \$0.01 discount per share to the volume weighted average of the prices at which Shares were traded on the ASX during the one week period up to and including the date of Allocation of the Plan unless otherwise determined by the Board.
- (d) The Plan Shares will be granted with a sales restriction of 12 months post the grant date. If the Participant leaves prior to the relevant Sale Restriction Date passing, the full loan will become repayable and interest will be charged on the portion of the loan corresponding to the Plan Shares for which the relevant Sale Restriction Date has not passed.
- (e) There have not been any Plan Shares Allocated under the Share Plan to date.
- (f) Under the Share Plan, only Employees (as defined in the Glossary of this Notice) are entitled to participate in the Share Plan. David Ormerod, Damon Neaves and Bevan Tarratt have been determined to be Employees for the purposes of the Share Plan.
- (g) A voting exclusion statement is included in the Notice.
- (h) The financial benefit of the loan to David Ormerod is an interest free loan for the subscription amount of all the Plan Shares (provided that David Ormerod remains employed by the Company for twelve months).
- (i) The material terms of the loan in relation to the Share Plan are detailed in section 3 of Schedule 1 of this Notice.

- (j) On the basis of the assumptions below, independent accountants, BDO, have determined the technical value of one Plan Share approximates \$0.178. This valuation imputes a total value of \$330,190 for the Pura Vida Energy NL Plan Shares to be issued to David Ormerod. The value may go up or down after that date as it will depend on the future price of a Share. Black & Scholes methodology has been used, together with the following assumptions:
- (i) interest rate set at the Australian Government 3 year bond rate of 3.15%;
 - (ii) the date of valuation for the purposes of settling the current market value of a Plan Share is 12 July 2013;
 - (iii) at this date the Share price was \$0.48 which is the price used in the valuation; and
 - (iv) the estimated volatility used in the valuation is 75%.
- (k) The value of the financial benefit to be provided to David Ormerod will be \$330,190 plus foregone interest on the loan of approximately \$27,463 based on the one year loan term and applying an interest rate of 3.15% per annum and assuming repayment of principal is made at the end of the loan term. If the price of the Shares increases, David Ormerod will benefit from the price increase. However, the Company will not receive any additional benefit.
- (l) The opportunity cost to the Company or benefits foregone by the Company in providing the loan to David Ormerod include:
- (i) interest foregone on the loan of approximately \$27,463; and
 - (ii) the risk that the loan may not be repaid in full by David Ormerod.
- (m) The Company will Allocate the Plan Shares no later than 12 months after the date of the Meeting or such longer period of time as ASX may in its discretion allow.
- (n) David Ormerod has an interest in the Resolutions under which the Plan Shares will be allocated and therefore believes it inappropriate to make a recommendation. All other Directors recommend Shareholders vote in favour of Resolution 4.
- (o) If Shareholders approve this Resolution 4, David Ormerod's security holding will be 7,130,000 fully paid ordinary shares; 4,725,000 partly paid shares and 2,500,000 options exercisable at \$0.40 each on or before 6 September 2016.
- (p) David Ormerod receives a salary of \$315,000 (plus superannuation of \$29,138) per annum.
- (q) The Allocation of the Plan Shares as outlined in this Resolution 4 will result in a dilution of all other Shareholders' holdings in the Company of 2.00% based on issued Shares as at the date of this Explanatory Memorandum and 1.45% on a fully diluted basis.
- (r) Historical share price information for the last twelve months is as follows:

	Price	Date
Highest	\$0.95	26/09/12
Lowest	\$0.24	27/07/12
Last	\$0.52	15/07/13

- (s) Other than the information above and otherwise in this Explanatory Memorandum, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 4.

5 Resolution 5 – Authority to Allocate Plan Shares to a Director – Bevan Tarratt

5.1 Background

The Company proposes to Allocate a total of 910,000 Plan Shares to Bevan Tarratt, a Director, under the Share Plan.

The principal terms of the Share Plan are summarised in Schedule 1.

The Plan Shares will be Allocated at a \$0.01 discount per share to the volume weighted average of the prices at which Shares were traded on the ASX during the one week period up to and including the date of Allocation of the Plan, unless otherwise determined by the Board.

The Company will provide a loan for the entire issue price of the Plan Shares. The principal terms of the loan are summarised in Schedule 1.

In the Company's present circumstances, the Board considers that the incentive to Bevan Tarratt that will be represented by the Allocation of these Plan Shares are a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of Bevan Tarratt and are consistent with the strategic goals and targets of the Company.

It is also usual that junior oil and gas exploration companies will remunerate their directors by way of share incentive plans in order to preserve cash and maximise exploration activities.

Resolution 5 is an ordinary resolution and is subject to the passing of Resolution 1.

5.2 Listing Rule 10.14 and Chapter 2E of the Corporations Act

Shareholder approval is required for the Allocation of the Plan Shares to Bevan Tarratt under Listing Rule 10.14 and Chapter 2E of the Corporations Act for the proposed Allocation and funding of the Plan Shares because Bevan Tarratt is a related party of the Company.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required. Accordingly, the Allocation of Plan Shares to Bevan Tarratt will not reduce the Company's 15% capacity for the purposes of Listing Rule 7.1.

The Chairman will not cast undirected votes on Resolution 5.

5.3 Specific information required under Listing Rule 10.15 and section 219 of the Corporations Act

Listing Rule 10.15 and section 219 of the Corporations Act require that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the Allocation of the Plan Shares:

- (a) The Plan Shares will be Allocated to Bevan Tarratt indirectly through a Trust established under the Share Plan.
- (b) The maximum number of Plan Shares that may be Allocated to Bevan Tarratt pursuant to Resolution 5 is 910,000.
- (c) The Plan Shares will be Allocated at a \$0.01 discount per share to the volume weighted average of the prices at which Shares were traded on the ASX during the one week period up to and including the date of Allocation of the Plan, unless otherwise determined by the Board.
- (d) The Plan Shares will be granted with a sales restriction of 12 months post the grant date. If the Participant leaves prior to the relevant Sale Restriction Date passing, the full loan will

become repayable and interest will be charged on the portion of the loan corresponding to the Plan Shares for which the relevant Sale Restriction Date has not passed.

- (e) There have not been any Plan Shares Allocated under the Share Plan to date.
- (f) Under the Share Plan, only Employees (as defined in the Glossary of this Notice) are entitled to participate in the Share Plan. Bevan Tarratt, Damon Neaves and David Ormerod have been determined to be Employees for the purposes of the Share Plan.
- (g) A voting exclusion statement is included in the Notice.
- (h) The financial benefit of the loan to Bevan Tarratt is an interest free loan for the subscription amount of all the Plan Shares (provided that Bevan Tarratt remains employed by the Company for twelve months).
- (i) The material terms of the loan in relation to the Share Plan are detailed in section 3 of Schedule 1 of this Notice.
- (j) On the basis of the assumptions below, independent accountants, BDO, have determined the technical value of one Plan Share approximates \$0.178. This valuation imputes a total value of \$161,980 for the Pura Vida Energy NL Plan Shares to be issued to Bevan Tarratt. The value may go up or down after that date as it will depend on the future price of a Share. Black & Scholes methodology has been used, together with the following assumptions:
 - (i) interest rate set at the Australian Government 3 year bond rate of 3.15%;
 - (ii) the date of valuation for the purposes of settling the current market value of a Plan Share is 12 July 2013;
 - (iii) at this date the Share price was \$0.48 which is the price used in the valuation; and
 - (iv) the estimated volatility used in the valuation is 75%.
- (k) The value of the financial benefit to be provided to Bevan Tarratt will be \$161,980 plus foregone interest on the loan of approximately \$13,473 based on the one year loan term and applying an interest rate of 3.15% per annum and assuming repayment of principal is made at the end of the loan term. If the price of the Shares increases, Bevan Tarratt will benefit from the price increase. However, the Company will not receive any additional benefit.
- (l) The opportunity cost to the Company or benefits foregone by the Company in providing the loan to Bevan Tarratt include:
 - (i) interest foregone on the loan of approximately \$13,473; and
 - (ii) the risk that the loan may not be repaid in full by Bevan Tarratt.
- (m) The Company will Allocate the Plan Shares no later than 12 months after the date of the Meeting or such longer period of time as ASX may in its discretion allow.
- (n) Bevan Tarratt has an interest in the Resolutions under which the Plan Shares will be allocated and therefore believes it inappropriate to make a recommendation. All other Directors recommend Shareholders vote in favour of Resolution 5.
- (o) If Shareholders approve this Resolution 5, Bevan Tarratt's security holding will be 1,710,000 fully paid ordinary shares and 4,550,000 partly paid shares.

- (p) Bevan Tarratt receives a salary of \$250,000 (plus superannuation of \$23,125) as an employee like consultant and Non-Executive Chairman fees of \$36,000 per annum.
- (q) The Allocation of the Plan Shares as outlined in this Resolution 5 will result in a dilution of all other Shareholders' holdings in the Company of 0.98% based on issued Shares as at the date of this Explanatory Memorandum and 0.71% on a fully diluted basis.
- (r) Historical share price information for the last twelve months is as follows:

	Price	Date
Highest	\$0.95	26/09/12
Lowest	\$0.24	27/07/12
Last	\$0.52	15/07/13

- (s) Other than the information above and otherwise in this Explanatory Memorandum, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 5.

6 Resolution 6 – Authority to grant Plan Options to a Director – Damon Neaves

6.1 Background

The Company proposes to grant a total of 2,705,000 Plan Options to Damon Neaves, a Director, under the Option Plan.

The principal terms of the Option Plan are summarised in Schedule 2.

The Plan Options will be granted for nil consideration. The Plan Options will be exercisable at a 45% premium (Class A) and a 100% premium (Class B) to the volume weighted average of the prices at which Shares were traded on the ASX during the one week period up to and including the date of the Meeting.

The Plan Options can be exercised on or before the date that is 4 years from the date of the grant of the Plan Options for Class A Options and 5 years from the date of the grant of the Plan Options for Class B Options.

In the Company's present circumstances, the Board considers that the incentive to Damon Neaves that will be represented by the grant of these Plan Options are a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of Damon Neaves and are consistent with the strategic goals and targets of the Company.

The Board considers that the grant of 2,705,000 Plan Options to Damon Neaves will bring his remuneration into line with the other Directors. It is also usual that junior oil and gas exploration companies will remunerate their directors by way of share or option incentive plans in order to preserve cash and maximise exploration activities.

Resolution 6 is an ordinary resolution and is subject to the passing of Resolution 2.

6.2 Listing Rule 10.14 and Chapter 2E of the Corporations Act

Shareholder approval is required under Listing Rule 10.14 and Chapter 2E of the Corporations Act for the proposed grant of the Plan Options because Damon Neaves is a related party of the Company.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required. Accordingly, the grant of Plan Options to Damon Neaves will not reduce the Company's 15% capacity for the purposes of Listing Rule 7.1.

6.3 Specific information required under Listing Rule 10.15 and section 219 of the Corporations Act

Listing Rule 10.15 and section 219 of the Corporations Act require that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the grant of the Plan Options:

- (a) The maximum number of Plan Options that may be granted to Damon Neaves pursuant to Resolution 6 is 2,705,000 Plan Options which comprise:
 - (i) 750,000 Class A Plan Options; and
 - (ii) 1,955,000 Class B Plan Options.
- (b) The Plan Options will be granted in two classes:

Plan Option Class	Exercise Price	Vesting Date	Expiry Date
Class A	45% premium to the volume weighted average of the prices at which Shares were traded on the ASX during the one week period up to and including the date of the Meeting	On grant	4 years from date of issue
Class B	100% premium to the volume weighted average of the prices at which Shares were traded on the ASX during the one week period up to and including the date of the Meeting	On grant	5 years from date of issue

Refer to Schedule 3 for further terms and conditions of the Class A Plan Options and the Class B Plan Options.

- (c) Upon exercise of the Plan Options, the Shares will be issued on a one for one basis on the same terms as the Company's existing Shares.
- (d) The Plan Options will be granted for nil consideration.
- (e) There have not been any Plan Options granted under the Option Plan to date.
- (f) Under the Option Plan, only Employees (as defined in the Glossary of this Notice) are entitled to participate in the Option Plan. Damon Neaves, David Ormerod and Bevan Tarratt have been determined to be Employees for the purposes of the Option Plan.
- (g) A voting exclusion statement is included in the Notice.
- (h) The Company will grant the Plan Options no later than 12 months after the date of the Meeting or such longer period of time as ASX may in its discretion allow.
- (i) Damon Neaves has an interest in the Resolutions under which the Plan Options will be granted and therefore believes it inappropriate to make a recommendation. All other Directors recommend Shareholders vote in favour of Resolution 6.
- (j) If Shareholders approve this Resolution 6, Damon Neaves' security holding will be 8,380,000 fully paid ordinary shares; 4,725,000 partly paid shares 2,500,000 options exercisable at \$0.40 each on or before 6 September 2016 and 2,705,000 Plan Options.

- (k) Damon Neaves receives a salary of \$315,000 (plus superannuation of \$29,138) per annum. The grant of 2,705,000 Plan Options to Damon Neaves will bring his remuneration into line with the other Directors;
- (l) The dilution effect if all of the Plan Options granted to Damon Neaves are exercised is as follows:

Current number of Shares on issue	92,528,514
Number of Plan Options to be granted under Resolution 6	2,705,000
Dilution effect if all Options granted are exercised	2.92%

- (m) On the basis of the assumptions below, independent accountants BDO have determined the technical value of one Class A Plan Option approximates A\$0.228, and one Class B Plan Option approximates \$0.227. This valuation imputes a total value of A\$614,785 to the Plan Options.

The value may go up or down after that date as it will depend on the future price of a Share. Black & Scholes methodology has been used, together with the following assumptions:

- (i) interest rate set at the Commonwealth Government securities rate of 3.15%;
- (ii) the date of valuation is for the purposes of settling the current market value of a Share is 12 July 2013;
- (iii) at this date the Share price was A\$0.48 which is the price used in the valuation;
- (iv) the standard deviation of returns of the Plan Options is set at 75% which is based on the Company's historical data; and
- (v) the Plan Options will be exercisable upon grant.
- (n) The market price of Shares would normally determine whether Damon Neaves will exercise the Plan Options or not. If the Plan Options are exercised at a price that is lower than the price at which Shares are trading on ASX, there may be a perceived cost to the Company.
- (o) Historical share price information for the last twelve months is as follows:

	Price	Date
Highest	\$0.95	26/09/12
Lowest	\$0.24	27/07/12
Last	\$0.52	15/07/13

- (p) Other than the information above and otherwise in this Explanatory Memorandum, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 6.

7 Resolution 7 – Authority to grant Plan Options to a Director – David Ormerod

7.1 Background

The Company proposes to grant a total of 2,705,000 Plan Options to David Ormerod, a Director, under the Option Plan.

The principal terms of the Option Plan are summarised in Schedule 2.

The Plan Options will be granted for nil consideration. The Plan Options will be exercisable at a 45% premium (Class A) and a 100% premium (Class B) to the volume weighted average of the prices at which Shares were traded on the ASX during the one week period up to and including the date of the Meeting.

The Plan Options can be exercised on or before the date that is 4 years from the date of the grant of the Plan Options for Class A Options and 5 years from the date of the grant of the Plan Options for Class B Options.

In the Company's present circumstances, the Board considers that the incentive to David Ormerod that will be represented by the grant of these Plan Options are a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of David Ormerod and are consistent with the strategic goals and targets of the Company.

The Board considers that the grant of 2,705,000 Plan Options to David Ormerod will bring his remuneration into line with the other Directors. It is also usual that junior oil and gas exploration companies will remunerate their directors by way of share or option incentive plans in order to preserve cash and maximise exploration activities.

Resolution 7 is an ordinary resolution and is subject to the passing of Resolution 2.

7.2 Listing Rule 10.14 and Chapter 2E of the Corporations Act

Shareholder approval is required under Listing Rule 10.14 and Chapter 2E of the Corporations Act for the proposed grant of the Plan Options because David Ormerod is a related party of the Company.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required. Accordingly, the grant of Plan Options to David Ormerod will not reduce the Company's 15% capacity for the purposes of Listing Rule 7.1.

7.3 Specific information required under Listing Rule 10.15 and section 219 of the Corporations Act

Listing Rule 10.15 and section 219 of the Corporations Act require that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the grant of the Plan Options:

- (a) The maximum number of Plan Options that may be granted to David Ormerod pursuant to Resolution 7 is 2,705,000 Plan Options which comprise:
 - (i) 750,000 Class A Plan Options; and
 - (ii) 1,955,000 Class B Plan Options.
- (b) The Plan Options will be granted in two classes:

Plan Option Class	Exercise Price	Vesting Date	Expiry Date
Class A	45% premium to the volume weighted average of the prices at which Shares were traded on the ASX during the one week period up to and including the date of the Meeting	On grant	4 years from date of issue
Class B	100% premium to the volume weighted average of the prices at which Shares were traded on the ASX during the one week period up to and including the date of the Meeting	On grant	5 years from date of issue

Refer to Schedule 3 for further terms and conditions of the Class A Plan Options and the Class B Plan Options.

- (c) Upon exercise of the Plan Options, the Shares will be issued on a one for one basis on the same terms as the Company's existing Shares.
- (d) The Plan Options will be granted for nil consideration.
- (e) There have not been any Plan Options granted under the Option Plan to date.
- (f) Under the Option Plan, only Employees (as defined in the Glossary of this Notice) are entitled to participate in the Option Plan. David Ormerod, Damon Neaves and Bevan Tarratt have been determined to be Employees for the purposes of the Option Plan.
- (g) A voting exclusion statement is included in the Notice.
- (h) The Company will grant the Plan Options no later than 12 months after the date of the Meeting or such longer period of time as ASX may in its discretion allow.
- (i) David Ormerod has an interest in the Resolutions under which the Plan Options will be granted and therefore believes it inappropriate to make a recommendation. All other Directors recommend Shareholders vote in favour of Resolution 7;
- (j) If Shareholders approve this Resolution 7, David Ormerod's security holding will be 7,130,000 fully paid ordinary shares; 4,725,000 partly paid shares, 2,500,000 options exercisable at \$0.40 each on or before 6 September 2016 and 2,705,000 Plan Options.
- (k) David Ormerod receives a salary of \$315,000 (plus superannuation of \$29,138) per annum. The grant of 2,705,000 Plan Options to David Ormerod will bring his remuneration into line with the other Directors;
- (l) The dilution effect if all of the Plan Options granted to David Ormerod are exercised is as follows:

Current number of Shares on issue	92,528,514
Number of Plan Options to be granted under Resolution 4	2,705,000
Dilution effect if all Options granted are exercised	2.92%

- (m) On the basis of the assumptions below, independent accountants BDO have determined the technical value of one Class A Plan Option approximates A\$0.228, and one Class B Plan Option approximates \$0.227. This valuation imputes a total value of A\$614,785 to the Plan Options.

The value may go up or down after that date as it will depend on the future price of a Share. Black & Scholes methodology has been used, together with the following assumptions:

- (i) interest rate set at the Commonwealth Government securities rate of 3.15%;
- (ii) the date of valuation is for the purposes of settling the current market value of a Share is 12 July 2013;
- (iii) at this date the Share price was A\$0.48 which is the price used in the valuation;
- (iv) the standard deviation of returns of the Plan Options is set at 75% which is based on the Company's historical data; and
- (v) the Plan Options will be exercisable upon grant.

(n) The market price of Shares would normally determine whether David Ormerod will exercise the Plan Options or not. If the Plan Options are exercised at a price that is lower than the price at which Shares are trading on ASX, there may be a perceived cost to the Company.

(o) Historical share price information for the last twelve months is as follows:

	Price	Date
Highest	\$0.95	26/09/12
Lowest	\$0.24	27/07/12
Last	\$0.52	15/07/13

(p) Other than the information above and otherwise in this Explanatory Memorandum, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 7.

8 Resolution 8 – Authority to grant Plan Options to a Director – Bevan Tarratt

8.1 Background

The Company proposes to grant a total of 1,485,000 Plan Options to Bevan Tarratt, a Director, under the Option Plan.

The principal terms of the Option Plan are summarised in Schedule 2.

The Plan Options will be granted for nil consideration. The Plan Options will be exercisable at a 45% premium (Class A) and a 100% premium (Class B) to the volume weighted average of the prices at which Shares were traded on the ASX during the one week period up to and including the date of the Meeting.

The Plan Options can be exercised on or before the date that is 4 years from the date of the grant of the Plan Options for Class A Options and 5 years from the date of the grant of the Plan Options for Class B Options.

In the Company's present circumstances, the Board considers that the incentive to Bevan Tarratt that will be represented by the grant of these Plan Options are a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of Bevan Tarratt and are consistent with the strategic goals and targets of the Company.

The Board considers that the grant of 1,485,000 Plan Options to Bevan Tarratt will bring his remuneration into line with the other Directors. It is also usual that junior oil and gas exploration companies will remunerate their directors by way of share or option incentive plans in order to preserve cash and maximise exploration activities.

Resolution 8 is an ordinary resolution and is subject to the passing of Resolution 2.

8.2 Listing Rule 10.14 and Chapter 2E of the Corporations Act

Shareholder approval is required under Listing Rule 10.14 and Chapter 2E of the Corporations Act for the proposed grant of the Plan Options because Bevan Tarratt is a related party of the Company.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required. Accordingly, the grant of Plan Options to Bevan Tarratt will not reduce the Company's 15% capacity for the purposes of Listing Rule 7.1.

8.3 Specific information required under Listing Rule 10.15 and section 219 of the Corporations Act

Listing Rule 10.15 and section 219 of the Corporations Act require that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the grant of the Plan Options:

- (a) The maximum number of Plan Options that may be granted to Bevan Tarratt pursuant to Resolution 8 is 1,485,000 Plan Options which comprise:
 - (i) 375,000 Class A Plan Options; and
 - (ii) 1,110,000 Class B Plan Options.
- (b) The Plan Options will be granted in two classes:

Plan Option Class	Exercise Price	Vesting Date	Expiry Date
Class A	45% premium to the volume weighted average of the prices at which Shares were traded on the ASX during the one week period up to and including the date of the Meeting	On grant	4 years from date of issue
Class B	100% premium to the volume weighted average of the prices at which Shares were traded on the ASX during the one week period up to and including the date of the Meeting	On grant	5 years from date of issue

Refer to Schedule 3 for further terms and conditions of the Class A Plan Options and the Class B Plan Options.

- (c) Upon exercise of the Plan Options, the Shares will be issued on a one for one basis on the same terms as the Company's existing Shares.
- (d) The Plan Options will be granted for nil consideration.
- (e) There have not been any Plan Options granted under the Option Plan to date.
- (f) Under the Option Plan, only Employees (as defined in the Glossary of this Notice) are entitled to participate in the Option Plan. Bevan Tarratt, Damon Neaves and David Ormerod have been determined to be Employees for the purposes of the Option Plan.
- (g) A voting exclusion statement is included in the Notice.
- (h) The Company will grant the Plan Options no later than 12 months after the date of the Meeting or such longer period of time as ASX may in its discretion allow.
- (i) Bevan Tarratt has an interest in the Resolutions under which the Plan Options will be granted and therefore believes it inappropriate to make a recommendation. All other Directors recommend Shareholders vote in favour of Resolution 8.
- (j) If Shareholders approve this Resolution 8, Bevan Tarratt's security holding will be 800,000 fully paid ordinary shares; 4,550,000 partly paid shares and 1,485,000 Plan Options.
- (k) Bevan Tarratt receives a salary of \$250,000 (plus superannuation of \$23,125) per annum. The grant of 1,485,000 Plan Options to Bevan Tarratt will bring his remuneration into line with the other Directors;

- (l) The dilution effect if all of the Plan Options granted to Bevan Tarratt are exercised is as follows:

Current number of Shares on issue	92,528,514
Number of Plan Options to be granted under Resolution 4	1,485,000
Dilution effect if all Options granted are exercised	1.60%

- (m) On the basis of the assumptions below, independent accountants BDO have determined the technical value of one Class A Plan Option approximates A\$0.228, and one Class B Plan Option approximates \$0.227. This valuation imputes a total value of A\$337,470 to the Plan Options.

The value may go up or down after that date as it will depend on the future price of a Share. Black & Scholes methodology has been used, together with the following assumptions:

- (i) interest rate set at the Commonwealth Government securities rate of 3.15%;
 - (ii) the date of valuation is for the purposes of settling the current market value of a Share is 12 July 2013;
 - (iii) at this date the Share price was A\$0.48 which is the price used in the valuation;
 - (iv) the standard deviation of returns of the Plan Options is set at 75% which is based on the Company's historical data; and
 - (v) the Plan Options will be exercisable upon grant.
- (n) The market price of Shares would normally determine whether Bevan Tarratt will exercise the Plan Options or not. If the Plan Options are exercised at a price that is lower than the price at which Shares are trading on ASX, there may be a perceived cost to the Company.
- (o) Historical share price information for the last twelve months is as follows:

	Price	Date
Highest	\$0.95	26/09/12
Lowest	\$0.24	27/07/12
Last	\$0.52	15/07/13

- (p) Other than the information above and otherwise in this Explanatory Memorandum, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 8.

Schedule 1 - Summary of the Pura Vida Energy NL Employee Share Acquisition Plan

1. Outline of Operation of the Share Plan

The objective of the Plan is to provide an incentive to Employees to share in the performance of the Company by the Company assisting Employees to acquire Shares under the Plan.

The Company will set up the Trust as the mechanism for acquiring, holding and selling Shares under the Plan on behalf of Employees participating in the Plan. The Trustee will be bound by the rules of the Plan and a trust deed appointing and giving powers to the Trustee.

The Company will Allocate Shares to Employees in accordance with an invitation to participate. When an Employee accepts an Invitation and is Allocated Shares he becomes a Participant. The acquisition of the Plan Shares will be financed by a loan from the Company to a Participant.

The Company will Allocate Plan Shares to Employees, subject to specified restrictions.

At the Company's sole discretion, the Plan Shares to be Allocated to Participants will be acquired by the Trustee on the ASX market or issued by the Company.

An offer of Plan Shares may only be made under the Plan if the number of Plan Shares when aggregated with:

- (a) the number of Plan Shares which would be issued if an offer pursuant to the Plan was to be accepted; and
- (b) the number of Plan Shares issued during the previous 5 years pursuant to the Plan (or any other incentive scheme),
but disregarding an offer made, or Plan Shares issued by way of or as a result of:
- (c) an offer to a person situated at the time of receipt of the offer outside Australia;
- (d) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or
- (e) an offer made under a disclosure documents,

does not exceed 5% (or such other maximum permitted under any ASIC Class Order providing relief from the disclosure regime of the Corporations Act) of the total number of issued Shares as at the time of the offer. For the avoidance of doubt, where an offer of Plan Shares lapses without being accepted, the Plan Shares concerned shall be ignored in the above calculation.

2. Terms and Conditions of the Share Plan and terms on which Invitations may be made

Invitations will be made to Participants on such terms and conditions as the Board in its absolute discretion determines. Invitations will generally be made to Participants on terms and conditions including the following:

- (a) An Invitation may specify that the Plan Shares to be Allocated under the Plan will be:
 - (i) acquired by the Trustee as a result of an issue of new Shares;
 - (ii) acquired by the Trustee on market;
 - (iii) Plan Shares held by the Trustee but which have not been Allocated to a Participant;
or

- (iv) acquired by the Trustee off-market generally or from another Participant who is disposing of Shares in accordance with any restrictions.

The Trustee may acquire Plan Shares in advance of making an Allocation using short term loan funds extended by the Company to the Trustee. Such loans will be repaid from the payment on Allocation of Plan Shares to the Participant.

- (b) If there are more acceptances than Plan Shares available, the Board can scale back Allocations under the Invitation at its absolute discretion.
- (c) It is the current intention of the Board that Plan Shares will be Allocated at a nominal discount to the volume weighted average of the prices at which the Shares were traded on the ASX during the week leading up to and including the date of Allocation of the Plan Shares unless otherwise determined by the Board, or another acceptable taxation valuation method for shares issued under an employee share scheme (as determined by the Board). The Board can determine to Allocate Plan Shares at a greater discount.
- (d) Participants must pay for the Plan Shares Allocated to them with the proceeds of the loan provided to them by the Company.
- (e) A loan may be provided on such terms as determined by the Board. The Company currently proposes to loan funds to Participants on the terms in item 3 below.
- (f) Participants have no right to, or an interest in, Plan Shares under the Plan until the Plan Shares have been Allocated to them. A Participant has no right against the Company if Plan Shares under the Plan are not Allocated to them.
- (g) Allocations of Plan Shares under the Plan may be made progressively at such times as and when such Plan Shares become available.
- (h) If, for whatever reason, there are insufficient Plan Shares to satisfy the Allocations there is no requirement on the Company or the Trustee to Allocate the Plan Shares.
- (i) No Allocation of Plan Shares will be made to Participants to the extent that it would contravene the Constitution, Listing Rules, the Corporations Act or any other applicable law.
- (j) On Allocation, Participants will be entitled to exercise all rights of a shareholder attaching to the Plan Shares, subject to specified terms and restrictions.
- (k) The Company may impose such restrictions on Plan Shares under the Plan as it sees fit for such period as it sees fit. The Plan provides for the release of restrictions in the event of a change of control event of the Company.
- (l) Participants may request the Trustee to sell their Plan Shares if there are no restrictions on the Plan Shares and the value of the Plan Shares is greater than the loan. In this event the Trustee must sell the Plan Shares and the net proceeds of sale will be used to repay the loan and the balance, if any, paid to the Participant. In such circumstances the Trustee may sell the Plan Shares on market or off market or acquire the shares itself to be held pending their future Allocation under the Plan.
- (m) The Invitation is personal to a Participant and may only be accepted by the Participant.
- (n) Subject to the Corporations Act and the Listing Rules, the Board will have the power to amend the Plan as it sees fit.

3. *Material terms of the loan*

If the Company provides a loan to a Participant such Participant must accept the terms of the loan as part of the Invitation. The loan may only be used to pay for the Allocation of Plan Shares under the Plan.

The terms and conditions of the loan will be determined by the Board in its discretion.

A Participant may, at any time, repay part all or part of the amount of the loan.

Repayment of the loan does not operate to remove the sale restrictions which will continue to apply during the specified restriction period.

Until repayment of the loan in full, Participants have no right to have the Plan Shares transferred to them.

In the event that the Participant leaves within the restricted period determined by the Board, the loan must be repaid and interest will be charged equal to the market rate of interest that would have accrued on the loan from the date of advance of the fund to the date the loan amount is repaid in full.

If, after the relevant restricted period, the Participant ceases to be employed by the Company, or requests the Trustee to sell the Plan Shares Allocated to the Participant and the value of Plan Shares Allocated to the Participant under the Plan is greater than the loan, the Participant must immediately pay the Company the loan in full and the Trustee will transfer the Plan Shares to the Participant.

If, after the relevant restricted period, the Participant ceases to be employed by the Company, or requests the Trustee to sell the Plan Shares Allocated to the Participant and the value of Plan Shares Allocated to the Participant under the Plan is less than the loan, the Trustee will transfer the Plan Shares to the Company in full satisfaction of the loan.

Dividends declared on Plan Shares may be used to repay the loan. A portion of the dividend, determined by the Company, may be paid to the Participant so that the Participant can pay any tax liability in respect of the dividend paid.

If the Participant does not repay the loan as required by the terms of the loan then the Trustee is authorised to sell the Participant's Plan Shares on market or off-market or may acquire them himself as Trustee for the purposes of the Plan. The net proceeds of sale will be used to repay the loan and the balance, if any, paid to the Participant.

The Company intends to make provisions in the loan in the event of a special circumstance, such as death or permanent incapacity of the Participant, occurring.

If a takeover is made or change of control event occurs made then restrictions in respect of the Participant's Plan Shares may be waived. In such circumstances the Participant shall be entitled to authorise the Trustee to sell the Participant's Plan Shares and the net proceeds of sale will be used to repay the loan and the balance, if any, paid to the Participant. If the takeover is not successful or the change of control event does not occur and the Plan Shares are not sold then the restrictions will continue to apply.

While the loan remains outstanding a Participant is not entitled to participate in any dividend reinvestment plan of the Company.

Subject to the Corporations Act and the Listing Rules, the Board will have the power to amend the terms and conditions of any loan as it sees fit.

Schedule 2 – Summary of the Pura Vida Energy NL Employee Option Acquisition Plan

1. Summary of the Option Plan and terms on which Invitations may be made

- (a) The Directors, at their discretion, may issue Plan Options to Participants at any time, having regard to relevant considerations such as the Participant's past and potential contribution to the Company, and their period of employment with the Company.
- (b) Participants in the Option Plan are Employees and Directors of the Company, or of a related body corporate. The Company will seek Shareholder approval for Director and related party participation in accordance with Listing Rule 10.14.
- (c) The Option Plan is administered by the Directors of the Company, who have the power to:
 - (i) determine appropriate procedures for administration of the Option Plan consistent with its terms;
 - (ii) resolve conclusively all questions of fact or interpretation in connection with the Option Plan;
 - (iii) delegate the exercise of any of its powers or discretions arising under the Option Plan to any one or more persons for such period and on such conditions as the Board may determine; and
 - (iv) suspend, amend or terminate the Option Plan.
- (d) Plan Options must be granted for nil consideration.
- (e) The exercise price of the Plan Options shall be determined by the Board (in its discretion), provided that in no event shall the exercise price be less than 80% of the average closing sale price of the Shares on ASX over the 5 trading days immediately preceding the date of the Invitation.
- (f) The Company must take reasonable steps to ensure that the number of Shares to be received on exercise of the Plan Options when aggregated with:
 - (i) the number of Shares in the same class issued during the previous 5 years under the Option Plan (or any other employee incentive plan extended only to Employees); and
 - (ii) the number of Shares in the same class that would be issued if each outstanding offer for Shares (including options to acquire unissued Shares) under any employee incentive plan of the Company were to be exercised or accepted,does not exceed 5% of the total number of issued Shares at the time the invitation to acquire Plan Options is made (but disregarding any offer of Options that can be disregarded in accordance with the ASIC Class Order 03/184).
- (g) The Shares to be issued on exercise of the Plan Options will be issued on the same terms as the fully paid, ordinary shares of the Company and will rank equally with all of the Company's then existing Shares.
- (h) The Board may determine the time periods or performance hurdles after which the Plan Options will vest and the percentage of Plan Options issued which will vest at each particular time. The Option Plan provides for the release of vesting conditions at the Board's discretion in the event of a change of control of the Company.
- (i) A Plan Option must be exercised (if at all) not later than its expiry date and may only be exercised at any time after the Plan Option has vested. The Board may determine (in its

absolute discretion) any further conditions of exercise consistent with the terms of the Option Plan.

- (j) Plan Options will not be listed for quotation. However, the Company will make application to ASX for official quotation of all Shares issued on exercise of the Plan Options as soon as practicable after their Issue Date.
- (k) The Plan Options are transferable once vested subject to compliance with the Corporations Act.

Schedule 3 - Terms and Conditions of the Class A and Class B Plan Options

1. Entitlement

Each Plan Option entitles the holder to subscribe for one Share upon exercise of each Plan Option.

2. Exercise Price and Expiry Date

The Exercise Price, Vesting Date and Specified Expiry Date of each Plan Option is referred to in the below table.

Plan Option Class	Exercise Price	Vesting Date	Specified Expiry Date
Class A	45% premium to the volume weighted average of the prices at which Shares were traded on the ASX during the one week period up to and including the date of the shareholder meeting at which approval to grant the Plan Options was sought.	On grant	4 years from date of issue
Class B	100% premium to the volume weighted average of the prices at which Shares were traded on the ASX during the one week period up to and including the date of the shareholder meeting at which approval to grant the Plan Options was sought.	On grant	5 years from date of issue

The Plan Options will expire on that date (**Expiry Date**) which is the earlier of:

- (a) the Specified Expiry Date referred to in the above table; or
- (b) the making by the Board of a determination that the Employee has acted fraudulently, dishonestly or in breach of the Employee's obligations to the Company or any of its subsidiaries; or
- (c) as determined in accordance with item 3 below; or
- (d) as determined in accordance with item 4 below,

and thereafter no party has any claim against any other party arising under or in respect of the Plan Options.

3. Ceasing to be an Employee

If at any time prior to the Expiry Date of any Plan Options, an Employee ceases to be an Employee as a Good Leaver, the Employee, will be entitled to keep any Plan Options for which the relevant Vesting Date has passed (**Vested Options**) and the Board, in its absolute discretion, shall determine the amount of any Plan Options for which the relevant Vesting Date has not passed (**Unvested Options**) to vest.

If at any time prior to the Expiry Date of any Plan Options, an Employee ceases to be an Employee as a Bad Leaver:

- (a) in respect of any Vested Options held, such Employee will have until the earlier of:
 - (i) three months from the date of ceasing to be an Employee; or
 - (ii) the Expiry Date of the Plan Options,

to exercise the Plan Options, otherwise the Plan Options will automatically lapse; and

- (b) any other Plan Options will automatically lapse.

For the purposes of this item 3:

"Employee" means a person who is a full-time or permanent part-time employee or officer or director of the Company or such other person as the Board determines.

"Good Leaver" means an Employee who ceases to be an Employee by reason of retirement, permanent disability, redundancy or death or anyone determined by the Board as a good leaver on a case by case basis and at its absolute discretion.

"Bad Leaver" means an Employee who ceases to be an Employee by any reason other than as a Good Leaver.

4. Change in Control

Notwithstanding any other terms contained in the Plan Rules, upon the occurrence of a Change in Control Event the Board may determine (in its discretion):

- (a) that the Plan Options may vest and be exercised at any time from the date of such determination, and in any number until the date determined by the Board acting bona fide so as to permit the holder to participate in any change of control arising from a Change in Control Event provided that the Board will forthwith advise in writing each holder of such determination. Thereafter, the Plan Options shall lapse to the extent they have not been exercised; or
- (b) to use their reasonable endeavours to procure that an offer is made to holders of Plan Options on like terms (having regard to the nature and value of the Plan Options) to the terms proposed under the Change in Control Event in which case the Board shall determine an appropriate period during which the holder may elect to accept the offer and, if the holder has not so elected at the end of that period, the Plan Options shall immediately vest and become exercisable and if not exercised within 10 days, shall lapse.

For the purposes of this Item 4 "Change in Control Event" means:

- (a) the occurrence of:
 - (i) the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and
 - (ii) that takeover bid has become unconditional (except any condition in relation to the cancellation or exercise of the Plan Options); or
- (b) the announcement by the Company that:
 - (i) Shareholders have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:
 - (A) cancelled; or
 - (B) transferred to a third party; and
 - (ii) the Court, by order, approves the proposed scheme of arrangement; or
- (c) the occurrence of the sale of all or a majority of the Company's main undertaking; or
- (d) at the absolute discretion of the Board, the occurrence of a sale of at least 50% of the Company's main undertaking.

5. Exercise Period

The Plan Options are exercisable at any time after the Vesting Date in item 2 above and on or prior to the Expiry Date.

6. Notice of Exercise

The Plan Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Plan Option being exercised. Any Notice of Exercise of a Plan Option received by the Company will be deemed to be a notice of the exercise of that Plan Option as at the date of receipt.

7. Shares issued on exercise

Shares issued on exercise of the Plan Options rank equally with the then Shares of the Company.

8. Quotation of Shares on exercise

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Plan Options.

9. Timing of issue of Shares

After a Plan Option is validly exercised, the Company must, as soon as possible following receipt of the Notice of Exercise and receipt of cleared funds equal to the sum payable on the exercise of the Plan Option:

- (a) issue and allot the Share; and
- (b) do all such acts matters and things to obtain the grant of official quotation of the Share on ASX no later than 5 Business Days after issuing the Share.

10. Participation in new issues

There are no participation rights or entitlements inherent in the Plan Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Plan Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least nine business days after the issue is announced. This will give the holders of Plan Options the opportunity to exercise their Plan Options prior to the date for determining entitlements to participate in any such issue.

11. Adjustment for bonus issues of Shares

If the Company makes an issue of Shares to the holders of Shares in the Company by way of capitalisation of profits or reserves (**Bonus Issue**), each holder of Plan Options which have not expired at the time of the record date for determining entitlements to the Bonus Issue shall be entitled to have issued to him upon exercise of any of those Plan Options the number of Shares which would have been issued under the Bonus Issue (**Bonus Shares**) to a person registered as holding the same number of Shares as that number of Shares to which the holder of Plan Options may subscribe for, pursuant to the exercise of those Plan Options immediately before the record date determining entitlements under the Bonus Issue (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise). The Bonus Shares will be paid by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the Bonus Issue and upon issue rank equally in all respects with the other Shares issued upon exercise of the Plan Options.

12. Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment of the Exercise Price of a Plan Option.

13. Adjustments for reorganisation

In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any Plan Options, the number of Plan Options to which each holder of Plan Options is entitled or the Exercise Price of his or her Plan Options or both or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the Listing Rules.

14. Quotation of Plan Options

No application for quotation of the Plan Options will be made by the Company.

15. Plan Options transferable

Vested Options are transferable provided that the transfer of the Plan Options complies with section 707(3) of the Corporations Act.

16. Lodgment Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Plan Options with the appropriate remittance should be lodged at the Company's Registry.

GLOSSARY

Allocation means the allocation of a beneficial interest in newly issued Shares to a Participant by the Trustee or the transfer of a beneficial interest in Shares already held by the Trustee to a Participant following instruction from the Company in accordance with the terms of an Invitation and **Allocate** and **Allocated** have the corresponding meaning.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited or where the context permits, the securities exchange operated by ASX Limited.

Board means the board of Directors.

Class A Plan Option means a Plan Option with the exercise price, vesting date and expiry date in the table in Section 6.3(b) and on the terms and conditions in Schedule 3.

Class B Plan Option means a Plan Option with the exercise price, vesting date and expiry date in the table in Section 6.3(b) and on the terms and conditions in Schedule 3.

Closely Related Party has the meaning in section 9 of the Corporations Act.

Company means Pura Vida Energy NL ACN 150 624 469.

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a current director of the Company.

Employee means:

- (a) for the purposes of the Option Plan, a person who is a full-time or permanent part-time employee or officer or director of the Company or such other person as the Board determines; and
- (b) for the purposes of the Share Plan, a person who is a full-time or permanent part-time employee or officer or director of the Company and for whom the Company, or subsidiary of the Company, is required to deduct PAYG withholding payments under section 12-35, 12-40 or 12-45 of schedule 1 to the Taxation Administration Act 1953.

Explanatory Memorandum means the explanatory memorandum accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Invitation means a written invitation to an Employee to participate in the Share Plan or Option Plan (as applicable).

Key Management Personnel means a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the Listing Rules of ASX.

Notice or **Notice of Meeting** or **Notice of General Meeting** means this notice of general meeting including the Explanatory Memorandum and the Proxy Form.

Option means an option to acquire a Share.

Option Plan has the meaning given in Section 2 of the Explanatory Memorandum.

Option Plan Rules means the rules of the Option Plan.

Participant means an Employee who has accepted an Invitation to participate in the Share Plan or Option Plan (as applicable).

Plan Options means Options granted to a Participant under the Option Plan.

Plan Shares means Shares Allocated to a Participant under the Share Plan.

Proxy Form means the proxy form accompanying the Notice.

Resolution means a resolution contained in this Notice.

Schedule means a schedule to this Notice.

Section means a section of this Notice.

Share Plan has the meaning given in Section 1 of the Explanatory Memorandum.

Share Plan Rules means the rules of the Share Plan.

Trust means the trust established by the Company for the purpose of acquiring, holding and selling the Plan Shares on behalf of Participants.

Trustee means the trustee, being a wholly owned subsidiary of the Company, appointed for the purposes of the Share Plan.

PROXY FORM

**APPOINTMENT OF PROXY
PURA VIDA ENERGY NL
ACN 150 624 169**

GENERAL MEETING

I/We

of

being a Shareholder entitled to attend and vote at the Meeting, hereby

appoint

Name of proxy

OR the Chair as my/our proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 2:00pm (WST), on 23 August 2013 at The Melbourne Hotel, 942 Hay Street, Perth WA 6000, and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Voting on business of the Meeting	FOR	AGAINST	ABSTAIN
Resolution 1 – Adoption of Pura Vida Energy NL Employee Share Acquisition Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Adoption of Pura Vida Energy NL Employee Option Acquisition Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Authority to Allocate Plan Shares to a Director – Damon Neaves	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Authority to Allocate Plan Shares to a Director – David Ormerod	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Authority to Allocate Plan Shares to a Director – Bevan Tarratt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Authority to Grant Plan Options to a Director – Damon Neaves	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Authority to Grant Plan Options to a Director – David Ormerod	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Authority to Grant Plan Options to a Director – Bevan Tarratt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Important for Resolutions 1 - 8

If you have not directed your proxy how to vote as your proxy in respect of Resolutions 1 - 8 and the Chair is, or may by default be, appointed your proxy, you must mark the box below.

I/we direct the Chair to vote in accordance with his/her voting intentions (as set out above) on Resolutions 1 - 8 except where I/we have indicated a different voting intention above) and acknowledge that the Chair may exercise my/our proxy even if the Chair has an interest in the outcome of Resolutions 1 - 8 and that votes cast by the Chair for Resolutions 1 - 8, other than as proxy holder, will be disregarded because of that interest

If the Chair is, or may by default be, appointed your proxy and you do not mark this box and you have not directed the Chair how to vote, the Chair will not cast your votes on Resolutions 1 - 8 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1 - 8.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Shareholder(s):

Date: _____

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - (a) **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - (b) **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - (c) **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - (d) **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Pura Vida Energy NL, PO Box Z5187, Perth WA 6831; or
 - (b) facsimile to the Company on facsimile number +61 8 9226 2099,so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.