



Pura Vida Energy NL

ACN 150 624 169

ANNUAL REPORT 2015

CORPORATE DIRECTORY

DIRECTORS

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

COMPANY SECRETARY

Dennae Lont

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CONTENTS

	PAGE
Chairman's Letter	1
Business Review	2
Glossary	4
Directors' Report	5
Auditors' Independence Declaration	17
Consolidated Statement of Profit or Loss and Other Comprehensive Income	18
Consolidated Statement of Financial Position	19
Consolidated Statement of Changes in Equity	20
Consolidated Statement of Cash Flows	21
Notes to the Consolidated Financial Statements	22
Directors' Declaration	51
Independent Auditor's Report	52
Additional Information	54

CHAIRMAN'S LETTER

Dear Shareholders,

The year in review saw the completion of major exploration activities on budget and incident free, including the drilling of the MZ-1 exploration well in the Mazagan permit, offshore Morocco and completion of a 3D seismic survey in the Ambilobe block, offshore Madagascar.

The MZ-1 well was drilled in deep water offshore Morocco to a depth of 6,150 metres and failed to find oil. This result was disappointing but the knowledge gained from the well has greatly enhanced our understanding of this frontier region.

For the Company to take part in drilling of a deep water offshore well in a frontier area is itself an achievement for a junior exploration company. While a discovery eluded us in our first well, the Company maintains a diversified portfolio of exploration acreage spanning North, West and East Africa and remains committed to executing its strategy. Importantly, the Company had no financial exposure in relation to the MZ-1 well which is consistent with its strategy of de-risking its position prior to drilling by securing funding from the industry by farming down its position.

In Madagascar, a 1,175 km² 3D seismic survey was acquired over the Ambilobe block. Processing of the data has commenced and intermediary products will be available during the second half of 2015 allowing for early interpretation of prospects and high grading of potential drilling candidates, with the final processed data expected to be completed and delivered in early 2016.

The industry has been challenged by the sudden and significant fall in oil price toward the end of 2014. Pura Vida has also felt the effect of the fall in oil price. Investment and activity within the sector has slowed making it harder to secure farmin partners. Through a belief in the quality of its exploration portfolio, Pura Vida remains confident of securing funding to test prospects within its portfolio. Our strategy has focused on conventional oil opportunities which offer large scale with the potential of production of high-margin barrels and long field life. We believe that such opportunities are more resilient to fluctuations in the oil price and more likely to attract investment from the industry.

Given the state of the oil and gas sector, the Company has put in place a strategy to minimise costs and preserve its cash position. These measures are designed to achieve significant cost savings in non-operational expenditure. Some of these measures included:

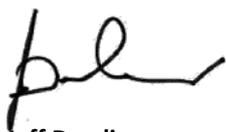
- significant reduction in staff levels and associated costs;
- closure of Melbourne office and downsizing the Perth office; and
- minimisation of other external costs.

The Company remains focused on minimising non-operational expenditure and will continue to focus on achieving additional cost savings.

I would like to thank shareholders for their continuing support and whilst our exploration efforts in the past year did not result in a discovery, the continuation of successful exploration and appraisal of pre-salt fields in Gabon provides us with encouragement and an endorsement of the Company's strategy to position itself in emerging areas.

Pura Vida and its shareholders have much to look forward to in the coming year as we pursue the exciting potential within our portfolio.

Yours sincerely



Jeff Dowling

Non-Executive Chairman

OUR STRATEGY

Driven by active exploration programs and successful acquisitions resulting in a quality portfolio spanning Morocco, Gabon and Madagascar.

Highlights

- \$7.3 million cash at bank as at 30 June 2015 (excluding unspent cash deposited by the Company in Joint Venture accounts).
- Completion of MZ-1 deep water exploration well offshore Morocco and post-well evaluation is underway ahead of the selection of the location of the second well.
- Completion of 1,175 km² 3D seismic survey in the Ambilobe block, offshore Madagascar with processing underway.
- All exploration activities during the year completed on or below budget.
- Implementation of cost reduction program to minimise non-operational expenditure targeting cost savings of \$1.2 to \$1.5 million during the 2016 financial year.

Mazagan permit, offshore Morocco **23% interest (Operator: PXP Morocco B.V.)**

The Mazagan permit covers an area of 8,717 km² and is located off the Atlantic coast of Morocco, in water depths of 1,370-3,000 metres.

2015 marked the beginning of the Company's deep water drilling campaign offshore Morocco with the MZ-1 exploration well. The MZ-1 exploration well targeted the Ouanoukrim prospect which comprised a series of stacked targets.

MZ-1 was drilled to a final depth of 6,150 metres True Vertical Depth Sub Sea (TVDSS) within Triassic aged sediments. Preliminary results indicated that no oil shows were encountered and the well was plugged and abandoned and the rig released on 20 August 2015. Post-well evaluation of all the collected data is underway with analysis of the samples to be completed in the weeks and months ahead. Completion of the post-well evaluation will allow the determination of the location of the second well in the Mazagan permit. The MZ-1 well was completed on budget.



Nkembe block, offshore Gabon **100% interest (Operator)***

* Pura Vida's interest is subject to the right of the State of Gabon to participate in any development for up to a 20% interest under the Production Sharing Contract

The Nkembe block covers an area of 1,210 km² in water depths of 50-1,000 metres approximately 30 km off the coast of Gabon in the prolific oil prone Gabon Basin. The block is adjacent to currently producing oil fields and infrastructure.

The Company is currently undertaking a farmout process to secure an industry partner to fund future exploration on the Nkembe block, including drilling.

The fall in oil price in late 2014 has had a negative effect on the industry and investment in exploration activity which has impacted farmout activity. However, industry investment in Gabon remains buoyant with activity across the full spectrum including 3D seismic acquisition as well as exploration, appraisal and development drilling during the year.

The past 24 months have seen several pre-salt discoveries made which have now proven this play in Gabon. The Sputnik discovery made in the adjacent block to the south of Nkembe, albeit sub-commercial has now proven that the pre-salt fairway extends through the Nkembe block. The industry continues to focus on the pre-salt plays in Gabon with ongoing appraisal activity to delineate the extent of the recent discoveries.



The presence of the pre-salt potential in addition to the established post-salt potential in the Nkembe block provides several value pathways. The combination of shallow water and nearby accessible infrastructure offers the potential for cost-effective near-term development scenarios in the block. Securing a farmin partner is the highest priority for the Company and an important step in the realisation of the potential of this acreage.

Ambilobe block, offshore Madagascar 50% interest (Operator: Sterling Energy (UK) Limited)

The Ambilobe block is located in the offshore part of the Ambilobe Basin, north-west Madagascar covering an area of 17,650 km².

During the period, a 3D seismic survey was completed on time and on budget. The survey covered an area of 1,175 km² over a high-graded portion of the Ambilobe block.

The acquisition was undertaken by the Operator, using seismic contractor CGG Services SA, on behalf of the Ambilobe joint venture partners. Processing of the newly acquired 3D data has commenced and intermediary products will be available during the second half of 2015, allowing early interpretation, with the final processed data available in early 2016.

There has been limited exploration in the Ambilobe Basin to date, where the offshore area remains undrilled. There are several onshore heavy oil discoveries in the Morondava Basin, southern Madagascar that are currently being developed and oil shows have been encountered in the onshore Ambilobe-1 well as well as oil impregnated in cores and boreholes, all of which lie in the adjacent onshore area to the south and east of the block.

Pura Vida made the strategic entry into the block based on compelling regional geology and 2D seismic data where oil seeps prove a working petroleum system. Sampling and analysis of the rocks that outcrop along the coastal region, abutting the Ambilobe block, demonstrate and prove the existence of effective source rocks, reservoirs and seals and these sequences have been mapped offshore where they occur in combination with salt in the basin to form within large structural trends that provide the potential for a significant hydrocarbon province. A recent coring program undertaken by Afren in late 2014 in the onshore adjacent block revealed Cretaceous and Jurassic oil bearing reservoirs that are completely analogous to those pursued offshore in the Ambilobe block and specifically in the structural fairway that is the site of the 3D program. Mapping of existing data has already highlighted multiple leads within each of the extensive play fairways and there is significant follow-up potential, in the event that a discovery is made.

Cost Reductions

In response to changing market conditions in the oil and gas sector, the Company has implemented a significant cost reduction program. This program has primarily been focused on non-technical corporate expenses in order to ensure expenditure is focused on operational activities. The full effect of these initiatives will be seen in financial reporting going forward. The cost reduction initiatives include the following:

- reduction in staff levels (decrease in head count by 50%) and associated cost savings;
- cost sharing arrangements to reduce financial and administrative staff costs;
- downsizing the Perth office allowing office space to be sub-let;
- closure of Melbourne office and relocation of remaining staff to Perth office; and
- minimisation of external service providers, travel, compliance and other costs.

The cost reduction measures outlined above, as well as initiatives undertaken earlier in the year, are targeting to significantly reduce non-operational expenditure and achieve a cost saving of \$1.2 to 1.5 million during the 2016 financial year.



GLOSSARY

3D seismic	seismic recorded along many closely spaced traverses and processed to form a three dimensional view of the subsurface
A\$ or \$	Australian dollars
ASX	Australian Securities Exchange Limited
Board	the Board of Directors of the Company
constitution	the constitution of the Company
Director	a director of the Company
Euro	Euro dollars
financial year	the 12 months ending 30 June 2015
km ²	square kilometres
Pura Vida or the Company	Pura Vida Energy NL (ABN 11 150 624 169)
Report	this Annual Report
US\$	United States dollars

DIRECTORS' REPORT

The Directors of Pura Vida Energy NL (**Company** or **Pura Vida**) and the entities it controls (**Consolidated Entity** or **Group**) present their report for the financial year ended 30 June 2015.

FINANCIAL PERFORMANCE

The Group made a net loss after tax of \$16,589,080 for the year (Restated 30 June 2014: loss of \$1,041,763).

At 30 June 2015, the Group had net assets of \$8,660,568 (Restated 30 June 2014: \$18,947,804 and Restated 1 July 2013: (\$521,644)) and cash assets of \$7,329,004 (30 June 2014: \$20,460,177).

PRINCIPAL ACTIVITIES

Pura Vida is an Australian-based African oil explorer. The Company has an interest in the Mazagan permit, offshore Morocco, the Nkembe block, offshore Gabon and the Ambilobe block, offshore Madagascar. The Company's strategy is to explore for oil and to build a diversified portfolio of assets.

There were no significant changes in the nature of these activities during the year.

INFORMATION ON DIRECTORS

The following information is current as at the date of this report.

Name	Experience and expertise
Mr Jeff Dowling, BComm, FCA, FAICD, FFin Non-Executive Chairman Appointed: 13 January 2014 Chairman of the Remuneration Committee Member of the Audit & Risk Committee	Mr Dowling is a highly experienced corporate leader with 36 years' experience in professional services with Ernst & Young. He has held numerous leadership roles within Ernst & Young which focused on the mining, oil & gas and other industries. His professional expertise centre around audit, risk and financial acumen derived from acting as lead partner on large public company audits, capital raisings and corporate transactions. Mr Dowling's career with Ernst & Young culminated in his appointment as Managing Director of the Ernst & Young Western Region for a period of five years. He led the Ernst & Young Oceania oil and gas group and was responsible for servicing and developing Ernst & Young's oil and gas clients across the Oceania region and was a member of Ernst & Young's global oil and gas leadership group. Mr Dowling has a Bachelor of Commerce from the University of Western Australia and is a fellow of the Institute of Chartered Accountants, the Australian Institute of Company Directors and the Financial Services Institute Australasia.
Mr Damon Neaves, LLB, B.Comm, A.S.I.A Managing Director Appointed: 17 August 2011	Mr Neaves is a founding Director and shareholder of Pura Vida. He has worked in various commercial, operational and management roles and brings a wealth of international oil and gas expertise. Prior to forming Pura Vida, Mr Neaves was the Business Development Manager of a mid-cap international E&P company and his international experience spans countries throughout Africa, Europe, the Middle East and Asia Pacific. Mr Neaves has extensive commercial experience particularly in commercialisation of gas in Western Australia as well as upstream project management experience.
Mr Richard Malcolm, B.Sc. Geology, MAICD, MEI Non-Executive Director Appointed: 13 January 2014 Chairman of the Audit & Risk Committee Member of the Remuneration Committee	Mr Malcolm is a petroleum geologist who commenced his career in 1980 at Woodside Petroleum Limited. Mr Malcolm has previously held the position of Managing Director of OMV (UK) Limited, a subsidiary of OMV, one of Europe's leading oil and gas companies and overseen OMV's exploration activities in Australia, New Zealand, Norway and Libya. Prior to this time, he also worked with Ampolex and Mobil. Between 2008 and early 2013, Mr Malcolm was CEO of Gulfsands Petroleum plc, an AIM listed oil and gas production, exploration and development company with operations in Syria, Iraq, Morocco, Colombia, Tunisia and the USA. Mr Malcolm also has extensive experience and networks in UK equity capital markets.

DIRECTORS' REPORT

Directorships of Other Listed Companies

Current and former directorships in the last three years of other ASX listed companies held by Directors as at the date of this report are as follows:

Name	Company	Position	Commenced	Ceased
J Dowling	Sirius Resources NL	Non-Executive Chairman	28 February 2013	-
	Atlas Iron Ltd	Non-Executive Director	8 November 2011	-
	NRW Holdings Ltd	Non-Executive Director	21 August 2013	-
	Neptune Marine Services Ltd	Non-Executive Director	1 December 2011	25 June 2013
D Neaves	-	-	-	-
R Malcolm	-	-	-	-

Director's Shareholdings

The following table sets out each Director's relevant interest in ordinary shares and options and performance rights to acquire shares of the Company as at the date of this report:

Name	Fully paid ordinary shares	Partly paid ordinary shares	Options	Performance rights
J Dowling	-	-	1,000,000	-
D Neaves	5,675,000	4,725,000	2,500,000	275,000
R Malcolm	-	-	500,000	-

Directors' Meetings

The following table sets out the number of Directors' meetings (including meetings of committees of the Board of Directors of Pura Vida) held during the financial year, which each Director of the Company was eligible to attend and the number of meetings attended by each Director of the Company (while they were a Director or committee member).

Directors	Board of Directors		Audit & Risk Committee		Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended
J Dowling	15	15	2	2	2	2
D Neaves	15	15	-	-	-	-
R Malcolm	15	15	2	2	2	2

Company Secretary

Mrs Dennaë Lont, Appointed 2 July 2014

Mrs Lont has substantial governance experience in the oil and gas industry and with Australian public companies. She is a member of the Governance Institute of Australia and was previously the Company's Deputy Company Secretary.

Mr Matthew Worner, Appointed 2 July 2014 and resigned 6 March 2015

Mr Worner is an experienced industry lawyer and Company Secretary and also held the position of the Company's Commercial Manager. He has previously acted as the Company Secretary for ASX and AIM listed companies and has experience practising as a corporate lawyer and advisor.

OPTIONS AND PERFORMANCE RIGHTS

Details of the options and performance rights on issue as at the date of this report are as follows:

Options

- 300,000 options exercisable at \$0.70 expiring 3 June 2016
- 2,000,193 options exercisable at \$0.60 expiring 20 June 2016
- 3,750,000 options exercisable at \$0.40 expiring 6 September 2016
- 775,000 options exercisable at \$1.03 expiring 2 October 2016

DIRECTORS' REPORT

- 32,500 options exercisable at \$1.08 expiring 4 November 2016
- 250,000 options exercisable at \$0.82 expiring 16 December 2016
- 1,500,000 options exercisable at \$0.91 expiring 13 January 2017
- 2,400,000 options exercisable at \$0.35 expiring 20 August 2017

Performance Rights

- 135,954 performance rights subject to performance conditions, expiring on 30 October 2016
- 24,375 performance rights subject to performance conditions, expiring on 4 November 2016
- 697,214 performance rights subject to performance conditions, expiring on 30 June 2017

Further details of performance rights and options issued by the Company during the financial year and on issue as at 30 June 2015 are set out in Note 12 to the financial statements and form part of this report.

INDEMNIFYING OFFICERS

During the financial year, the Company paid a premium in respect of a policy insuring the Company's Directors, secretaries, executive officers and any related body corporate against a liability incurred as such a director, secretary or officer to the extent permitted by the *Corporations Act 2001*. The policy of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Company has entered into Deeds of Indemnity, Insurance and Access with the Company's Directors, secretary and executive officers.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or any of the related body corporates against a liability incurred as such an officer or auditor.

DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year (30 June 2014: Nil).

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of Pura Vida, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of Pura Vida for all or part of these proceedings.

No proceedings have been brought or intervened in on behalf of Pura Vida with leave of the Court under section 237 of the *Corporations Act 2001*.

CHANGES IN STATE OF AFFAIRS

- On 24 February 2015, the Company completed a capital raising of \$4 million through the issue 11,165,000 shares at \$0.36 cents per share.

There were no other significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year not otherwise disclosed in this report or the financial statements.

EVENTS AFTER THE REPORTING PERIOD

- On 11 August 2015, the Company announced the preliminary final results from the MZ-1 exploration well offshore Morocco which indicated that no significant oil shows had been encountered.

In the opinion of the Directors, no other event of a material nature or transaction, has arisen since year end and the date of this report that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or its state of affairs in subsequent financial years.

LIKELY DEVELOPMENTS AND FUTURE PROSPECTS

The Company intends to continue its present range of activities during the forthcoming year. In accordance with its strategy, the Company may participate in exploration and appraisal wells and new projects, and may grow its exploration portfolio by farming into or acquiring new exploration licences.

DIRECTORS' REPORT

ENVIRONMENTAL REGULATION

The Company's policy is to comply with, or exceed, its environmental obligations in each jurisdiction in which it operates. No known environmental breaches have occurred during the financial year (30 June 2014: Nil).

REMUNERATION REPORT (Audited)

The Directors of Pura Vida Energy NL (**Company** or **Pura Vida**) present the Remuneration Report of the Company and the entities it controlled (**Consolidated Entity** or **Group**) for the year ended 30 June 2015. The report outlines the remuneration arrangements for the Company's key management personnel (**KMP**) in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

This report is presented in the following sections:

1. Introduction
2. Governance
3. Key Management Personnel
4. 2015 Remuneration
 - Executive Remuneration Structure
 - Target Remuneration Mix
 - Base Salary
 - Short Term Incentives
 - Long Term Incentives
 - Remuneration Related to Performance
 - Non-Executive Directors
5. Executive Service Agreements
6. Share-Based Compensation
7. Details of Remuneration

1. INTRODUCTION

The policies and practices adopted by the Company have been tailored to increase goal congruence amongst shareholders, Directors and KMP. They are designed to ensure that the level and form of compensation achieves certain objectives, including:

- attraction and retention of employees to pursue the Company's strategy and goals;
- delivery of value-adding outcomes for the Company; and
- incentive to deliver future individual and Company performance.

During the year ended 30 June 2015, Pura Vida implemented the remuneration structure following the comprehensive review undertaken by Ernst & Young (**EY**) in May 2014.

2. GOVERNANCE

The Board retains overall responsibility for remuneration policies and practices of the Company.

The Board has established a Remuneration Committee (**Committee**) which operates in accordance with its charter as approved by the Board. The Committee comprises two independent Non-Executive Directors.

The primary purpose of the Committee is to support and advise the Board in fulfilling its responsibility to shareholders by:

- reviewing and approving KMP remuneration to enable the Company to attract and retain executives and Directors who will create value for shareholders;
- ensuring KMP remuneration demonstrates a clear relationship between KMP performance and remuneration;
- recommending to the Board the remuneration of KMP;
- fairly and responsibly rewarding KMP having regard to the performance of the Group, the performance of the individual and the prevailing remuneration expectations in the market;

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) (continued)

- reviewing the Company's recruitment, retention and termination policies and procedures for KMP;
- reviewing and approving the remuneration of senior executives of the Company who report to the Managing Director; and
- reviewing and approving any equity based plans and other incentive schemes.

3. KEY MANAGEMENT PERSONNEL

The KMP disclosed in this report are as follows:

Non-Executive Directors

- J Dowling (Chairman) – appointed 13 January 2014
- R Malcolm – appointed 13 January 2014

Executives

- D Neaves (Managing Director) – appointed 17 August 2011
- A Morrison (Exploration Manager) – appointed 7 May 2014
- B Tarratt (Chief Financial Officer) – appointed 13 January 2014

4. 2015 REMUNERATION

Remuneration consists of base salary, short-term incentives and long-term incentives. Remuneration is determined by reference to market conditions and performance. Performance is evaluated at an individual level as well as the performance of the Company as a whole.

Following the independent review undertaken by EY of the Company's remuneration policies and practices in May 2014, the Board implemented the new remuneration structure for the year ended 30 June 2015 for Pura Vida employees and Directors (exclusive of Non-Executive Directors). The new policies and practices recognise the need to motivate, attract and retain employees to deliver sustainable and superior business performance.

The objective of the Company's reward structure is to ensure reward for performance is competitive and appropriate for the results delivered. The structure aligns individual reward with achievement of strategic objectives and the creation of value for shareholders, and reflects current market practice for delivery of reward. The Board aims to ensure that individual reward practices are aligned with the following key criteria:

- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligned to the Company's strategic and business objectives, and the creation of shareholder value; and
- transparent.

Executive Remuneration Structure

The remuneration structure in place for 2015 has three elements:

- (a) Base Salary: Initial rate of compensation, excluding superannuation.
- (b) STI: Short-term incentives include annual incentives and bonuses. Short-term incentives are measured based on the individual's own performance and the Company's overall performance.
- (c) LTI: Long-term incentives are made in the form of performance rights and have a vesting period of three years.

Target Remuneration Mix

Pura Vida has a target remuneration mix approach to managing remuneration whereby base salary is guaranteed and variable reward (STI and LTI) is at-risk on the basis that variable reward is subject to Company and individual personal performance.

The target remuneration mix appropriate to each group of employee is outlined below. In any year, the actual may vary to the target given the overlay of business and individual performance.

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) (continued)

Employee group	Base salary % of total remuneration mix	STI % of total remuneration mix	LTI % of total remuneration mix
Managing Director	60	15	25
Management	72.5	10	17.5
Professional, Technical & Support	77.5	5	17.5

Remuneration mix is more heavily weighted towards variable reward the higher in the organisation an incumbent is, and as such executives and KMP have the greatest portion of their total remuneration derived from variable rewards.

In setting the remuneration mix for executives and KMP, Pura Vida considers the scope for business growth and change, and the degree of "pay-for-performance" focus. In setting the remuneration mix for all other employees, Pura Vida considers the level of influence individuals have on business performance.

Base Salary

The first step to attracting and retaining talented, qualified and effective employees is paying base salaries which are competitive in the markets in which the Company operates.

Base salary is paid in cash and is not at risk other than by termination. Individual base salaries are set each year based on job description, competitive salary information sourced by the Company and overall competence in fulfilling the requirements of the particular role.

The Company compiles competitive salary information on companies of comparable size in the oil and gas industry from various sources. Information is obtained from surveys conducted by independent consultants and national and international publications. In the past, the Board has engaged independent advisors to review the remuneration levels paid to the Company's executives. An advisor was not engaged for the 2015 financial year.

Short-term incentives

Pura Vida's STI provides an opportunity for employees to receive additional compensation if pre-established Company and individual personal results are achieved. The STI is designed to encourage continued improvement in the performance of the Company and individuals, as well as to provide a method for employees to share in the added value that they help create by contributing to the attainment of the results.

The STI award is expressed as a set percentage of base salary, with performance assessed against Company performance factors and/or individual personal performance factors contained within a weighted scorecard over a 12-month period.

Employee group	% Base salary	
	Target	Maximum
Managing Director	15	22.5
Management	10	15
Professional, Technical & Support	5	7.5

The weightings between the Company performance factors and the individual personal performance factors are outlined in the table below:

Employee group	Company performance measure	Individual personal performance measure
Managing Director	100%	0%
Management	50%	50%
Professional, Technical & Support	20%	80%

An STI award can be made in cash or shares and is calculated as the sum of the Company performance factor and the individual personal performance factor multiplied by the individual's base salary.

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) (continued)

An employee's STI award is assessed using both the individual's personal performance and/or the Company's performance over the year. A rating for individual personal performance is determined on a scale of 1 to 3 based on how well the individual performs against the individual's annual goals. The Company's performance is assessed against a set of corporate goals, which are set by the Board for a given year. Individual personal performance is assessed through a formal performance review. A rating for each executive was allocated which was then reviewed by the Remuneration Committee.

An STI award is subject to the Company exceeding one or more fundamental performance hurdles determined by the Board on an annual basis. While a positive STI award might be assessed, circumstances within the year might see a reduction in the Company's ability or desire to pay such an award (for example due to an unexpected material reduction in the Company's cash flow or significantly poor share price performance). The Board, at its absolute discretion, reserves the right to withhold the making of any STI awards if it finds itself in such a position.

Long-term incentives

The long-term incentive award may be made annually with vesting conditions to apply which will align employees interests with those of shareholders and the generation of long-term sustainable value.

LTI awards are made in the form of performance rights which have a vesting period of three years. The number of performance rights that vest will be based on the Company's performance over the same three years. An LTI award may be made by way of the grant of performance rights as soon as practicable after each year end. Grants of performance rights will be made each year with effect from 1 July.

The LTI quantum is expressed as a set percentage of base salary, outlined below:

Employee group	% Base salary
Managing Director	25
Management	17.5
Professional, Technical & Support	17.5

The number of performance rights for the LTI is determined by dividing the LTI quantum by the volume weighted average price (**VWAP**) of the Company's share price during the period of 30 calendar days prior to the date of grant.

The performance period will commence from 1 July and will be measured based on Pura Vida's relative total shareholder return (**TSR**) over a three-year period. The vesting of the performance rights will be measured using the Company's TSR compared to the S&P/ASX 300 Energy (industry group) index (**Index**), with:

- 25% vesting if TSR is equal to 100% of the Index;
- a further 75% vesting if TSR is 115% of the Index or greater; and
- straight line pro-rata in between.

The TSR for the Company against the Index over the three-year performance period will be calculated as follows:

- TSR and Index measured over a three-year performance period;
- for the purpose of this measurement, the Company's share price / Index will be measured using the average closing price over the one month period up to (but excluding) the first day of the performance period, and the average closing price over the three month period up to and including the last day of the performance period;
- if dividends are paid, dividends will be assumed to have been reinvested on the ex-dividend date; and
- tax and any franking credits will be ignored.

REMUNERATION REPORT (Audited) (continued)

Remuneration related to Performance

The Company's performance in the 2015 financial year was strongly linked with the results of the MZ-1 exploration well in the Mazagan permit and the effect of the fall in oil price on the energy sector. For the 2015 financial year, the Company performance factor was the achievement of 10% increase in the Company's market capitalisation. This factor was not met in the 2015 financial year and in accordance with the Company's remuneration policy, the Company performance factor for the 2015 financial year was 0%. Therefore, following the Board's review of the 2015 financial year, the Company will issue a total of 750,751 shares as a short term incentive amongst KMP based on individual performance only. In light of the Company's strategy to minimise cost and preserve cash, the Board exercised its discretion and determined that the STI award for the financial year ended 30 June 2015, would be paid in the form of shares rather than cash. The performance conditions used in the determination of performance-based remuneration for KMP of the Company are explained in detail within the Remuneration Report.

During the performance review for employees for the year, it was decided that there would be no increase to base salary for the year commencing 1 July 2016.

Non-executive Directors of the Company received fixed remuneration only.

Non-Executive Directors' Remuneration Structure

In line with corporate governance principles, Non-Executive Directors of the Company are remunerated solely by way of fees and statutory superannuation. The annual fee is set to reflect current market levels based on the time, responsibilities and commitments associated with the proper discharge of their duties as members of the Board.

Non-Executive Directors' fees and payments are reviewed annually by the Board. For the year ended 30 June 2015, remuneration for a Non-Executive Director is \$100,000 per annum. Fees provided to Non-Executive Directors are exclusive of superannuation. There are no termination or retirement benefits paid to Non-Executive Directors (other than statutory superannuation). The aggregate amount of remuneration for Non-Executive Directors approved by shareholders at the 2014 Annual General Meeting is \$400,000 per annum.

5. EXECUTIVE SERVICE AGREEMENTS

Remuneration and other terms of employment for executives are formalised in service agreements. The service agreements specify the components of remuneration, benefits and notice periods. Participation in the STI and LTI plans is subject to the Board's discretion. Other major provisions of the agreements relating to remuneration are set out below. Termination benefits are within the limits set by the *Corporations Act 2001* such that they do not require shareholder approval.

Name	Effective date	Term of agreement	Notice period⁽¹⁾	Base salary⁽²⁾ \$	Termination payments
Damon Neaves, <i>Managing Director</i>	20-Jun-2014	No fixed term	6 months	385,000	12 months
Andrew Morrison, <i>Exploration Manager</i>	7-May-2014	No fixed term	3 months	297,483	3 months
Bevan Tarratt, <i>Chief Financial Officer</i>	20-Jun-2014	No fixed term	3 months	275,000	6 months

¹ The notice period applies equally to both parties

² Base salaries are quoted excluding superannuation for the year ended 30 June 2015

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) (continued)

6. SHARE-BASED COMPENSATION

During the year ended 30 June 2015, the following performance rights were granted, vested and/or lapsed to KMP:

Name	Award	Grant date	Grant value ⁽¹⁾ \$	Number of performance rights granted	Number of performance rights vested during the year	Number of performance rights lapsed during the year
Damon Neaves, Managing Director	Performance rights ⁽²⁾	31-Oct-2014	96,250	275,000	-	-
Andrew Morrison, Exploration Manager	Performance rights	01-Jul-2014	59,739	169,714	-	-
Bevan Tarratt, Chief Financial Officer	Performance rights	01-Jul-2014	55,314	157,153	-	-

1 The value of performance rights is calculated as the fair value of the rights at grant date using a Monte Carlo Simulation model

2 Performance rights granted to the Managing Director were approved by shareholders at a general meeting held on 31 October 2014

The key conditions of awards affecting remuneration in the current and future reporting periods are set out below:

Type of grant	Grant date ⁽¹⁾	Vesting date	Expiry date	Exercise price	Value per performance right ⁽²⁾⁽³⁾	Service and performance condition ⁽⁴⁾	Achieved	Vested
Performance rights	31-Oct-2014	30-Jun-17	30-Jun-17	-	\$0.350	Both	-	-
Performance rights	01-Jul-2014	30-Jun-17	30-Jun-17	-	\$0.352	Both	-	-

1 Performance rights granted to the Managing Director were approved by shareholders at a general meeting held on 31 October 2014

2 Performance rights can only be converted if they have vested. Upon conversion each performance right is convertible into one ordinary share which will rank equally with all other issued ordinary shares

3 The value of performance rights granted are calculated in accordance with AASB2 Share-based Payments. Refer to Note 12 of the financial statements for details of the assumptions used in calculating the value of each performance right as at their grant date

4 Performance will be measured based on Pura Vida's relative total shareholder return (TSR) over a three-year period, measured from 1 July. The vesting of the performance rights will be measured using the Company's TSR compared to the S&P/ASX 300 Energy (industry group) index (Index). The employee is required to be employed with the Company at the date of vesting

7. DETAILS OF REMUNERATION

Remuneration of KMP for the 2015 financial year is set out below:

KMP	Short-term benefits			Post-employment benefits		Share-based payments		Total remuneration	Performance related
	Cash, salary & fees	STI award ⁽¹⁾	Non-cash benefit ⁽²⁾	Super-annuation	Termination	Performance rights	Options		
	\$	\$	\$	\$	\$	\$	\$	\$	%
Non-Executive Directors									
J Dowling	100,000	-	1,793	9,500	-	-	-	111,293	-
R Malcolm	100,000	-	1,793	9,500	-	-	-	111,293	-
Executives									
D Neaves	385,000	-	10,152	36,580	-	30,678	-	462,410	5.74
A Morrison	297,483	18,711	-	28,261	-	19,858	-	364,313	10.59
B Tarratt	275,000	17,325	9,240	26,125	-	18,388	-	346,077	10.32
	1,157,483	36,036	22,978	109,966	-	68,924	-	1,395,387	

1 The STI award will be settled in the form of shares

2 Other benefits include the provision of car parking and Working Directors' Personal Accident & Sickness insurance

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) (continued)

The following table sets out each KMP's relevant interest in ordinary shares, options and performance rights to acquire shares in the Company, as at 30 June 2015:

KMP	Fully paid ordinary shares	Partly paid ordinary shares	Options	Performance rights
Non-Executive Directors				
J Dowling	-	-	1,000,000	-
R Malcolm	-	-	500,000	-
Executives				
D Neaves	5,675,000	4,725,000	2,500,000	275,000
A Morrison	-	-	1,000,000	169,714
B Tarratt	-	1,075,000	-	157,143

Remuneration of KMP for the 2014 financial year is set out below:

KMP	Short-term benefits			Post-employment benefits		Share-based payments		Total remuneration	Performance related
	Cash, salary & fees	Cash bonus	Non-cash benefit ⁽¹⁾	Super-annuation	Termination	Performance rights	Options ⁽²⁾		
	\$	\$	\$	\$	\$	\$	\$		
Non-Executive Directors - Current									
J Dowling ⁽³⁾	47,436	-	-	4,388	-	-	210,346	262,170	-
R Malcolm ⁽³⁾	30,833	-	-	2,852	-	-	105,173	138,858	-
Non-Executive Directors - Former									
B Tarratt ⁽⁴⁾	56,000	-	1,359	5,180	-	-	-	62,539	-
Executives - Current									
D Neaves	316,885	-	7,959	29,312	-	-	-	354,156	-
A Morrison ⁽⁵⁾	49,580	-	-	4,586	-	-	-	54,166	-
B Tarratt ⁽⁴⁾	107,342	-	3,750	9,929	-	-	-	121,021	-
Executives - Former									
D Ormerod ⁽⁶⁾	267,346	-	6,530	24,730	86,034	-	-	384,640	-
	875,422	-	19,598	80,977	86,034	-	315,519	1,377,550	-

1 Other benefits include the provision of car parking and Working Directors' Personal Accident & Sickness insurance

2 Sign-on options were granted to Non-Executive Directors as part of their remuneration package, AASB 2 – Share-Based Payments requires the fair value at grant date of the options granted to be expensed over the vesting periods

3 J Dowling and R Malcolm were appointed as Non-Executive Directors on 13 January 2014

4 B Tarratt resigned as Non-Executive Chairman on 13 January 2014 and was appointed Chief Financial Officer

5 A Morrison appointed Exploration Manager on 7 May 2014

6 D Ormerod resigned as Technical Director on 7 May 2014

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) (continued)

The following table sets out each KMP's relevant interest in ordinary shares, options and performance rights to acquire shares in the Company, as at 30 June 2014:

KMP	Fully paid ordinary shares	Partly paid ordinary shares	Options	Performance rights
Non-Executive Directors				
J Dowling ⁽¹⁾	-	-	1,000,000	-
R Malcolm ⁽¹⁾	-	-	500,000	-
Executives				
D Neaves	6,525,000	4,725,000	2,500,000	-
B Tarratt ⁽²⁾	703,744	4,550,000	-	-
A Morrison ⁽³⁾	-	-	1,000,000	-

1 J Dowling and R Malcolm were appointed as Non-Executive Directors on 13 January 2014

2 B Tarratt resigned as Non-Executive Chairman on 13 January 2014 and was appointed Chief Financial Officer

3 A Morrison was appointed as Exploration Manager on 7 May 2014

8. OTHER TRANSACTIONS

Loans to key management personnel

There are no outstanding loans arising to or from related parties (30 June 2014: Nil).

Transaction with other related parties

During the 2014 year, whilst Non-Executive Chairman, B Tarratt, provided additional financial consulting services to the Company for \$95,409. No formal contract was in place in regard to these transactions. All transactions were conducted on normal commercial terms and conditions.

Aggregate amounts of each type of other transactions with key management personnel of the Group are shown in the table.

	2015 \$	2014 \$
Office management	-	-
Consultancy fees	-	95,409
Accounting & bookkeeping expenses	-	-
	-	95,409

This concludes the Remuneration Report which has been audited.

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration, as required under section 307C of the *Corporations Act 2001* for the year ended 30 June 2015 has been received and can be found on the following page.

NON-AUDIT SERVICES

From time to time the Consolidated Entity may decide to employ an external auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Consolidated Entity are important.

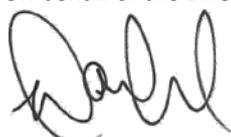
The Board is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

During the year ended 30 June 2015, the following amounts were paid or payable for non-audit services provided to the Group by the auditor, its related practices and non-related audit firms:

	2015 \$	2014 \$
Taxation services		
<i>BDO Tax (WA) Pty Ltd</i>		
Tax compliance services	12,816	14,881
International tax consulting and tax advice	31,738	77,230
<i>Audicis SARL</i>		
Tax compliance services in Morocco	52,166	52,612
<i>Ernst & Young</i>		
International tax consulting and tax advice	6,180	10,200
<i>FFA Juridique et Fiscal</i>		
Tax compliance services in Gabon	30,812	13,127
International tax consulting and tax advice in Gabon	3,945	12,970
Total remuneration for taxation services	137,657	181,020
Other services		
<i>BDO Corporate Finance (WA) Pty Ltd</i>		
Valuation report for Annual General Meeting	1,530	-
<i>Ernst & Young</i>		
Remuneration advice	-	58,195
Total remuneration for other services	1,530	58,195
Total remuneration for non-audit services	139,187	239,215

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the Directors



Damon Neaves
Managing Director

Perth, Western Australia
14 September 2015

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF PURA VIDA ENERGY NL

As lead auditor of Pura Vida Energy NL for the year ended 30 of June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Pura Vida Energy NL and the entities it controlled during the period.



Phillip Murdoch
Director

BDO Audit (WA) Pty Ltd
Perth, 14 September 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	Restated ⁽¹⁾ 2014 \$
Revenue from continuing operations			
Interest income		53,454	45,243
Other income	2	30,000	14,713,167
Total income		83,454	14,758,410
Expenses			
Exploration and evaluation expenditure	4	(14,682,831)	(9,280,992)
Finance costs	4	(68)	(1,162,888)
Depreciation expenses		(58,347)	(78,290)
Administrative expenses	4	(3,986,814)	(4,481,205)
Share-based payments expense	4	(377,275)	(804,379)
Unrealised foreign exchange gain	4	2,432,801	7,581
Loss before income tax		(16,589,080)	(1,041,763)
Income tax expense	5	-	-
Loss attributable to the owners of the Company		(16,589,080)	(1,041,763)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(39,570)	(26,674)
Other comprehensive loss for the period, net of tax		(39,570)	(26,674)
Total comprehensive loss for the period attributable to the period attributable to the owners of Pura Vida Energy NL		(16,628,650)	(1,068,437)
Basic and Diluted loss per share (cents per share)	17	(10.85)	(0.77)

1 Refer Note 14 for details regarding the restatement as a result of a change in accounting policy

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

In the year ending 30 June 2015, the Group changed its accounting treatment of exploration and evaluation expenditure in accordance with standard AASB 6: Exploration for and Evaluation of Mineral Resources. Previously, the Group capitalised, accumulated exploration and evaluation expenditure and carried forward to the extent that they were expected to be recouped through the successful development. The result of this accounting change means that the Group will expense exploration and evaluation expenditure as incurred in respect of each identifiable area of interest until a time where an asset is in development.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	2015 \$	Restated ⁽¹⁾ 2014 \$	Restated ⁽¹⁾ 1 July 2013 \$
Current assets				
Cash and cash equivalents	6	7,329,004	20,460,177	3,378,472
Other receivables	7	2,385,904	159,070	158,860
Total current assets		9,174,908	20,619,247	3,537,332
Non-current assets				
Property, plant and equipment		34,946	73,941	114,677
Total non-current assets		34,946	73,941	114,677
Total assets		9,749,854	20,693,188	3,652,008
Current liabilities				
Trade and other payables	9	964,695	1,616,638	559,607
Borrowings		-	-	3,533,506
Provisions	10	124,591	128,746	80,540
Total current liabilities		1,089,286	1,745,384	4,173,653
Total liabilities		1,089,286	1,745,384	4,173,653
Net assets		8,660,568	18,947,804	(521,644)
Equity				
Issued capital	11(a)	48,258,153	42,294,014	22,523,835
Share-based payment reserve	11(c)	4,258,514	3,881,239	3,113,533
Foreign exchange reserve	11(c)	(66,244)	(26,674)	-
Accumulated losses	11(b)	(43,789,855)	(27,200,775)	(26,159,012)
Total equity		8,660,568	18,947,804	(521,644)

1 Refer Note 14 for details regarding the restatement as a result of a change in accounting policy

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Issued capital \$	Reserves \$	Accumulated loss \$	Total equity \$
Balance at 1 July 2013⁽¹⁾	22,523,835	3,113,533	(26,159,012)	(521,644)
Loss for the year	-	-	(1,041,763)	(1,041,763)
Other comprehensive income/(loss) for the year	-	(26,674)	-	(26,674)
Total comprehensive income/(loss) for the year	-	(26,674)	(1,041,763)	(1,068,437)
Transactions with owners in their capacity as owners				
Contributed equity	21,067,251	-	-	21,067,251
Share issue costs	(1,333,745)	-	-	(1,333,745)
Option and performance rights expense recognised during the year	-	804,379	-	804,379
Performance rights converted during the year	36,673	(36,673)	-	-
Balance at 30 June 2014⁽²⁾	42,294,014	3,854,565	(27,200,775)	18,947,804
Loss for the year	-	-	(16,589,080)	(16,589,080)
Other comprehensive income/(loss) for the year	-	(39,570)	-	(39,570)
Total comprehensive income/(loss) for the year	-	(39,570)	(16,589,080)	(16,628,650)
Transactions with owners in their capacity as owners				
Contributed equity	6,223,900	-	-	6,223,900
Share issue costs	(259,761)	-	-	(259,761)
Option and performance rights expense recognised during the year	-	377,275	-	377,275
Performance rights converted during the year	-	-	-	-
Balance at 30 June 2015	48,258,153	4,192,270	(43,789,855)	8,660,568

1 Balance at 1 July 2013 restated as a result of change in accounting policy disclosed in Note 14

2 Balance at 30 June 2014 restated as a result of change in accounting policy disclosed in Note 14

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	Restated ⁽¹⁾ 2014 \$
Cash flows from operating activities			
Payments to suppliers, consultants and employees		(4,949,268)	(4,297,364)
Payments for exploration and evaluation expenditure		(16,675,513)	(8,339,867)
Interest received		86,088	9,643
Interest paid		(68)	(578,133)
Other income		30,000	32,378
Net cash outflow from operating activities	15	(21,508,761)	(13,173,342)
Cash flows from investing activities			
Proceeds from sale of investment		-	14,680,789
Payments for property, plant and equipment		(19,682)	(48,568)
Proceeds from sale of property, plant and equipment		330	-
Net cash inflow/(outflow) from investing activities		(19,352)	14,632,221
Cash flows from financing activities			
Proceeds from issue of shares		6,223,900	21,067,302
Share issue costs		(259,761)	(1,333,745)
Proceeds from borrowings (net of transaction costs)		-	929,539
Repayment of borrowings		-	(5,047,850)
Net cash inflow from financing activities		5,964,139	15,615,246
Net increase/(decrease) in cash and cash equivalents		(15,563,974)	17,074,124
Cash and cash equivalents at the beginning of the year		20,460,177	3,378,472
Effects of exchange rate changes on cash and cash equivalents		2,432,801	7,581
Cash and cash equivalents at the end of the year	6	7,329,004	20,460,177

1 Refer Note 14 for details regarding the restatement as a result of a change in accounting policy

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1. SEGMENT INFORMATION

Management has determined that the Group has three reportable segments, being an interest to explore for oil in acreage known as the Mazagan permit, offshore Morocco, the Nkembe block, offshore Gabon and the Ambilobe block, offshore Madagascar. This determination is based on the internal reports that are reviewed and used by the Board (chief operating decision maker) in assessing performance and determining the allocation of resources. As the Group is focused on oil exploration, the Board monitors the Group based on actual versus budgeted exploration expenditure incurred by area of interest. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.



	Morocco	Gabon	Madagascar	Other corporate activities	Total
	\$	\$	\$	\$	\$
For the year ended 30 June 2015					
Revenue from external sources	-	-	-	83,454	83,454
Reportable segment loss	(418,298)	(3,339,646)	(10,864,486)	(1,966,650)	(16,589,080)
Reportable segment assets ⁽¹⁾	4,240	45,686	2,299,647	7,400,281	9,749,854
Reportable segment liabilities	10,233	623,004	21,207	434,842	1,089,286
Restated⁽²⁾					
For the year ended 30 June 2014					
Revenue from external sources	14,680,789	-	-	77,621	14,758,410
Reportable segment profit/(loss)	12,975,734	(4,651,263)	(4,190,941)	(5,175,293)	(1,041,763)
Reportable segment assets ⁽³⁾	91	137,773	-	20,555,324	20,693,188
Reportable segment liabilities	116,300	246,425	715,396	667,263	1,745,384

1 Other corporate activities includes cash held of \$7,283,318

2 Refer Note 14 for details regarding the restatement as a result of a change in accounting policy

3 Other corporate activities includes cash held of \$20,334,794

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

2. OTHER INCOME

	Note	2015 \$	Restated ⁽¹⁾ 2014 \$
Other income			
Gain on sale of subsidiary	3	-	14,680,789
Recharge income ⁽²⁾		30,000	32,378
Total other income		30,000	14,713,167

1 Refer Note 14 for details regarding the restatement as a result of a change in accounting policy

2 During the year ended 2015 recharge income was earned for services provided to Stonehenge Metals Limited which is not a related party of the Group. During the year ended 2014 recharge income was earned for services provided to Elixir Petroleum Limited which is not a related party of the Group.

3. SUBSIDIARIES DISPOSED OF DURING THE PRIOR YEAR

On 1 November 2013 in accordance with the farmout agreement, the Group disposed of its wholly owned subsidiary, PXP Morocco BV, to Freeport-McMoRan Oil & Gas LLC. PXP Morocco BV held a 52% interest in the Mazagan permit.

The carrying value of the assets and liabilities as at the date of sale were as follows:

	Restated ⁽¹⁾ 1 November 2013 \$
Current assets	6,840
Total assets	6,840
Total liabilities	71,230
Equity	
Issued share capital	3,122,734
Accumulated losses	(3,187,124)
Total equity	(64,390)

1 Refer Note 14 for details regarding the restatement as a result of a change in accounting policy

	Restated ⁽¹⁾ 1 November 2013 \$
Consideration received (net of transaction costs)	14,683,473
Add: Carrying value of net liabilities disposed	64,390
Less: Receivable from PXP Morocco BV	67,074
Net gain on sale after income tax	14,680,789

1 Refer Note 14 for details regarding the restatement as a result of a change in accounting policy

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

4. EXPENSES

	2015 \$	Restated⁽¹⁾ 2014 \$
Profit/(Loss) before income tax includes the following specific items:		
Exploration and evaluation expenditure		
Mazagan permit, offshore Morocco	457,025	(69,505)
Nkembe block, offshore Gabon	3,325,088	4,577,231
Ambilobe block, offshore Madagascar	10,900,718	4,173,340
New venture activity costs	-	599,926
Total exploration and evaluation expenditure	14,682,831	9,280,992
Finance costs		
Loan interest expense	-	576,650
Loan arrangement fee	-	584,755
Other interest expense	68	1,483
Total finance costs	68	1,162,888
Share-based payments expenses		
Options	99,977	546,537
Performance rights	277,298	257,842
Total share-based payments expenses	377,275	804,379
Administrative expenses		
Employee benefits expense ⁽²⁾	1,913,255	1,717,756
Advisory and audit fees	333,980	717,695
Travel & accommodation	323,650	450,305
Other expenses	1,415,929	1,595,449
Total administrative expenses	3,986,814	4,481,205
Foreign exchange loss/(gain) ⁽³⁾	(2,432,801)	(7,581)

¹ Refer Note 14 for details regarding the restatement as a result of a change in accounting policy

² The increase from the 2014 financial year to the 2015 financial year is attributable to the internalisation of compliance activities

³ Foreign exchange gain was recognised upon cash held and payments of United States and Euro dollar denominated balances

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

5. TAXATION

	2015 \$	Restated ⁽¹⁾ 2014 \$
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
Income tax expense	-	-
(b) Reconciliation of income tax to prima facie tax payable		
Profit/(Loss) before income tax	(16,589,080)	(1,041,763)
Income tax expense/(benefit) at 30% (30 June 2014: 30%)	(4,976,724)	(312,529)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share-based payments	113,183	241,504
Other	222,396	857,666
Gain on farm-out transaction	-	(4,495,976)
Deferred tax assets relating to tax losses and timing differences not recognised	4,641,145	3,709,335
Timing differences previously unrecognised now recognised	-	-
Total income tax expense	-	-
Unrecognised deferred tax assets		
Deferred tax assets and liabilities not recognised relate to the following:		
Tax losses	2,168,054	1,889,736
Exploration assets	11,043,690	6,708,371
Other temporary differences	497,174	458,851
Net deferred tax assets unrecognised	13,706,918	9,056,958

1 Refer Note 14 for details regarding the restatement as a result of a change in accounting policy

Significant accounting judgment

Deferred tax assets

The Group expects to have carried forward tax losses, which have not been recognised as deferred tax assets, as it is not considered sufficiently probable that these losses will be recouped by means of future profits taxable in the relevant jurisdictions. The utilisation of the tax losses is subject to the Group passing the required Continuity of Ownership and Same Business Test rules at the time the losses are utilised. Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary difference can be utilised.

Income taxes

The Group is subject to income taxes in Australia and overseas and at times significant judgement is required in determining the Group's provision for income taxes. The Group estimates its tax liabilities based on the Group's understanding of the tax law in the local jurisdiction in which it operates. During the period, the Group has treated the cash component with respect to the Mazagan farmout as being non-assessable based upon tax advice received from its Moroccan tax advisors. Should the final tax outcome of these matters be different from the initial assessment, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

6. CASH AND CASH EQUIVALENTS

(a) Risk exposure

Refer to Note 16 for details of the risk exposure and management of the Group's cash and cash equivalents.

(b) Deposits at call

Deposits at call are presented as cash equivalents if they have a maturity of three months or less. Refer Note 26(k) for the Group's other accounting policies on cash and cash equivalents. Deposits at call held with Australian banks and financial institutions and are bearing interest rates between 2.23% and 4.30%.

	2015 \$	2014 \$
Cash at bank	6,158,068	16,731,955
Deposits at call	1,170,936	3,630,598
Restricted cash	-	97,624
	7,329,004	20,460,177

(c) Restricted cash

The Company held restricted cash in relation to initial deposits to secure new licence acquisitions as well as amounts held in trust for the maintenance of share capital in foreign jurisdictions.

7. OTHER RECEIVABLES

The Group has no impairments to other receivables or have receivables that are past due but not impaired. Refer to Note 16 for detail of the risk exposure and management of the Group's other receivables.

Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

Under the farmin agreement for the Ambilobe block, Pura Vida has funded the acquisition and processing of 1,175 km² of 3D seismic data. The 3D seismic survey was acquired during the year, with processing ongoing and due to be completed in early 2016.

Pura Vida was cash called for the estimated cost of the program in December 2014 for an amount of US\$9.7 million. As at 30 June 2015, US\$1.8 million of this balance remains unspent.

	2015 \$	2014 \$
Other receivables	9,485	62,570
Prepayments	83,003	96,500
Joint operation contribution	2,293,416	-
	2,385,904	159,070

8. JOINTLY CONTROLLED OPERATIONS

At the reporting date, the Group has operator and non-operating working interests in joint operating agreements for the following projects:

Project	Activity	Working interest ⁽¹⁾			
		Exploration phase		Exploitation phase	
		2015 %	2014 %	2015 %	2014 %
Mazagan permit (Morocco)	Exploration	31	31 ⁽²⁾	23	23
Ambilobe block (Madagascar)	Exploration	50	50 ⁽³⁾	50	50
Nkembe block (Gabon)	Exploration	100	100	100 ⁽⁴⁾	100 ⁽⁴⁾

¹ Working interest denotes the percentage share of costs to be borne by the Group in relation to its interests in the projects

² The Company is fully funded for 100% of the costs of the work program up to a maximum of US\$215 million. The carried costs include a firm commitment to fund and drill two deep water exploration wells

³ Subject to funding arrangements under the farmin agreement

⁴ Subject to the right of the State of Gabon to participate in any development for up to a 20% interest under the Production Sharing Contract

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

9. TRADE AND OTHER PAYABLES

	2015 \$	2014 \$
Trade payables	163,561	1,140,397
Other payables	801,134	476,241
	964,695	1,616,638

Trade and other payables are normally settled within 30 days from receipt of invoice. All amounts recognised as trade and other payables, but not yet invoiced, are expected to settle within 12 months.

10. PROVISIONS

The provision for employee benefits relate to annual leave which is provided for all employees of the Group in line with their employment contracts and the balance for the year ended 30 June 2015 is expected to be settled within 12 months. The measurement and recognition criteria relating to employee benefits have been included in Note 26(m) to this report.

	2015 \$	2014 \$
Employee benefits	124,591	128,746

11. ISSUED CAPITAL

(a) Contributed equity

	2015 Securities	2014 Securities	2015 \$	2014 \$
Fully paid ordinary shares	150,684,051	128,768,198	48,148,867	42,099,491
Partly paid ordinary shares	10,928,550	19,452,235	109,286	194,523
			48,258,153	42,294,014

(i) Fully paid ordinary shares

Fully paid ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. At 30 June 2015, there are no ordinary shares subject to escrow (30 June 2014: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

11. ISSUED CAPITAL (continued)

Movement in fully paid ordinary shares

	Date	Number of Securities	Issue price \$	\$
Balance at 1 July 2013		92,528,514		22,304,300
Conversion of partly paid shares	01-Aug-13	75,000	0.20	15,000
Placement	16-Sep-13	12,150,000	0.58	7,047,000
Conversion of performance rights	26-Nov-13	88,369	-	36,673
Placement	12-Dec-13	21,500,000	0.63	13,545,000
Conversion of partly paid shares	16-Jan-14	300,000	0.20	60,000
Conversion of partly paid shares	31-Mar-14	526,315	0.20	105,263
Conversion of partly paid shares	18-Jun-14	1,052,631	0.20	210,526
Conversion of partly paid shares	27-Jun-14	547,369	0.20	109,474
Share issue costs				(1,333,745)
Balance at 30 June 2014		128,768,198		42,099,491
Conversion of partly paid shares	27-Aug-14	112,500	0.20	22,500
Conversion of partly paid shares	13-Oct-14	550,000	0.20	110,000
Conversion of partly paid shares	31-Oct-14	700,000	0.20	140,000
Conversion of partly paid shares	22-Dec-14	100,000	0.20	20,000
Exercise of options	22-Dec-14	1,500,000	0.25	375,000
Conversion of partly paid shares	16-Jan-15	1,000,000	0.20	200,000
Conversion of partly paid shares	29-Jan-15	673,685	0.20	134,737
Conversion of partly paid shares	6-Feb-15	1,000,000	0.20	200,000
Conversion of partly paid shares	10-Feb-15	1,000,000	0.20	200,000
Placement	25-Feb-15	11,165,000	0.36	4,019,400
Conversion of partly paid shares	25-Feb-15	812,500	0.20	162,500
Conversion of partly paid shares	20-Mar-15	275,000	0.20	55,000
Exercise of Option	1-May-15	600,000	0.35	210,000
Conversion of partly paid shares	8-May-15	650,000	0.20	130,000
Conversion of partly paid shares	29-May-15	1,150,000	0.20	230,000
Conversion of performance rights	8-Jun-15	98,931	-	-
Conversion of partly paid shares	23-Jun-15	500,000	0.20	100,000
Conversion of performance rights	23-Jun-15	28,237	-	-
Share issue costs				(259,761)
Balance at 30 June 2015		150,684,051		48,148,867

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

11. ISSUED CAPITAL (continued)

(ii) Partly paid ordinary shares

Partly paid ordinary shares have an issue price of \$0.20 of which \$0.01 is paid. The balance of the issue price is payable at the election of the holder at any time by the issue of a payment notice in writing and delivered to the registered office of the Group; or the Directors can make a call on the partly paid shares up to one day before five years from the date of issue of the partly paid shares. If a call is not paid when made, the partly paid shares shall be subject to forfeiture. Partly paid shares participate in any dividends on the same basis as if the partly paid share were fully paid and are not listed.

Movement in partly paid shares

	Date	Number of securities	Issue price	
			\$	\$
Balance at 1 July 2013		21,953,550		219,536
Conversion of partly paid shares	01-Aug-13	(75,000)	0.01	(750)
Conversion of partly paid shares	16-Jan-14	(300,000)	0.01	(3,000)
Conversion of partly paid shares	31-Mar-14	(526,315)	0.01	(5,263)
Conversion of partly paid shares	18-Jun-14	(1,052,631)	0.01	(10,526)
Conversion of partly paid shares	27-Jun-14	(547,369)	0.01	(5,474)
Balance at 30 June 2014		19,452,235		194,523
Conversion of partly paid shares	27-Aug-14	(112,500)	0.01	(1,125)
Conversion of partly paid shares	13-Oct-14	(550,000)	0.01	(5,500)
Conversion of partly paid shares	31-Oct-14	(700,000)	0.01	(7,000)
Conversion of partly paid shares	22-Dec-14	(100,000)	0.01	(1,000)
Conversion of partly paid shares	16-Jan-15	(1,000,000)	0.01	(10,000)
Conversion of partly paid shares	29-Jan-15	(673,685)	0.01	(6,737)
Conversion of partly paid shares	6-Feb-15	(1,000,000)	0.01	(10,000)
Conversion of partly paid shares	10-Feb-15	(1,000,000)	0.01	(10,000)
Conversion of partly paid shares	25-Feb-15	(812,500)	0.01	(8,125)
Conversion of partly paid shares	20-Mar-15	(275,000)	0.01	(2,750)
Conversion of partly paid shares	8-May-15	(650,000)	0.01	(6,500)
Conversion of partly paid shares	29-May-15	(1,150,000)	0.01	(11,500)
Conversion of partly paid shares	23-Jun-15	(500,000)	0.01	(5,000)
Balance at 30 June 2015		10,928,550		109,286

(iii) Employee share scheme

Information relating to the Employee Share Scheme, including details of shares issued under the scheme, is set out in Note 12.

(iv) Options

Information relating to the Pura Vida Incentive Option Scheme, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 12.

(v) Performance rights

Information relating to the Pura Vida Performance Rights Plan, including details of performance rights issued, vested and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 12.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

11. ISSUED CAPITAL (continued)

(b) Accumulated losses

	2015 \$	Restated ⁽¹⁾ 2014 \$
Balance at 1 July	(27,200,775)	(26,159,012)
Net loss attributable to owners of the Company	(16,589,080)	(1,041,763)
Balance at 30 June	(43,789,855)	(27,200,775)

1 Refer Note 14 for details regarding the restatement as a result of a change in accounting policy

(c) Reserves

The following table shows a breakdown of the reserves and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided.

	2015 \$	Restated ⁽¹⁾ 2014 \$
Share-based payments reserve		
Balance at 1 July	3,881,239	3,113,533
Performance rights expense	277,298	257,842
Performance rights settlement	-	(36,673)
Options expense	99,977	546,537
Balance at 30 June	4,258,514	3,881,239
Foreign currency translation reserve		
Balance at 1 July	(26,674)	-
Currency translation differences arising during the year	(39,570)	(26,674)
Balance at 30 June	(66,244)	(26,674)

1 Refer Note 14 for details regarding the restatement as a result of a change in accounting policy

12. SHARE-BASED PAYMENT TRANSACTIONS

Share-based payment transactions are recognised at fair value in accordance with AASB 2.

Significant accounting estimates and assumptions

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes or Monte-Carlo model taking into account the assumptions detailed within this note.

At 30 June 2015 the Group had the following share-based payments arrangements:

Share-based payments reserve

The share-based payments reserve is used to recognise: (a) the grant date fair value of options issued to employees and directors but not exercised; (b) the grant date fair value of market based performance rights granted to employees but not yet vested; and (c) the fair value non-market based performance rights granted to employees but not yet vested.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entities are recognised in other comprehensive income as described in Note 26(c) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

12. SHARE-BASED PAYMENT TRANSACTIONS (continued)

(a) Pura Vida Incentive Option Scheme

The Pura Vida Incentive Option Scheme is used to reward Directors and employees for their performance and to align their remuneration with the creation of shareholder wealth. The scheme is designed to provide long-term incentives to deliver long-term shareholder returns. Participation is at the discretion of the Board and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The options are not listed and carry no dividend or voting right. Upon exercise, each option is convertible into one ordinary share to rank pari passu in all respects with the Company's existing fully paid ordinary shares.

Set out below are summaries of options granted under the scheme:

	2015		2014	
	Average exercise price per option	Number of options	Average exercise price per option	Number of options
As at 1 July	\$0.51	13,107,693	\$0.41	13,050,193
Granted during the year	-	-	\$0.94	2,557,500
Exercised during the year	\$0.28	(2,100,000)	-	-
Forfeited during the year	-	-	(\$0.40)	(2,500,000)
As at 30 June	\$0.56	11,007,693	\$0.51	13,107,693
Vested and exercisable	\$0.56	11,007,693	\$0.47	12,050,193

Series	Grant date	Expiry date	Exercise price	2015	2014
				Number of options	Number of options
(i)	06-Sep-11	06-Sep-16	\$0.40	2,500,000	2,500,000
(ii)	20-Aug-12	20-Aug-17	\$0.35	2,400,000	3,000,000
(iii)	19-Oct-12	06-Sep-16	\$0.40	250,000	250,000
(iv)	26-Nov-12	03-Dec-14	\$0.25	-	1,500,000
(v)	05-Feb-13	06-Sep-16	\$0.40	1,000,000	1,000,000
(vi)	21-Jun-13	20-Jun-16	\$0.60	2,000,193	2,000,193
(vii)	21-Jun-13	03-Jun-16	\$0.70	300,000	300,000
(viii)	30-Oct-13	02-Oct-16	\$1.03	775,000	775,000
(ix)	07-Nov-13	04-Nov-16	\$1.08	32,500	32,500
(x)	16-Dec-13	16-Dec-16	\$0.82	250,000	250,000
(xi)	13-Jan-14	13-Jan-17	\$0.91	1,500,000	1,500,000
				11,007,693	13,107,693
Weighted average remaining contractual life of options outstanding at the end of the year:				1.41 years	2.22 years

The fair value of services received in return for options granted to employees and consultants is measured by reference to the fair value of options granted. The estimate of the fair value of the services is measured based on a Black-Scholes option valuation methodology. The life of the options and early exercise are built into the option model.

No options were granted during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

12. SHARE-BASED PAYMENT TRANSACTIONS (continued)

(b) Performance Rights Plan

Prior to the introduction of the new long-term incentive plan, performance rights were issued at the discretion of the Board to any full-time or part-time employee of the Group. Each performance right will vest as an entitlement to one fully paid ordinary share provided that certain performance milestones are met. If the performance milestones are not met, the performance rights will lapse and the eligible participant will have no entitlement to any shares.

Performance rights are not listed and carry no dividend or voting rights. Upon exercise each performance right is convertible into one ordinary share to rank pari passu in all respects with the Company's existing fully paid ordinary shares.

Movement in the performance rights is shown below:

Grant date	Series	Expiry date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at year end	Vested and exercisable at year end
Year ended 30 June 2015									
21-Jun-13	2	03-Jun-16	n/a	265,105	-	(70,694)	(194,411)	-	-
30-Oct-13	3	30-Oct-16	n/a	775,000	-	(56,473)	(151,323)	567,204	-
07-Nov-13	4	07-Nov-16	n/a	32,500	-	-	-	32,500	-
16-Dec-13	5	16-Dec-16	n/a	250,000	-	-	-	250,000	-
01-Jul-14	6	30-Jun-17	n/a	-	717,929	-	(111,429)	606,500	-
31-Oct-14	7	30-Jun-17	n/a	-	275,000	-	-	275,000	-
Total				1,322,605	992,929	(127,167)	(457,163)	1,731,204	-
Year ended 30 June 2014									
21-Jun-13	2	03-Jun-16	n/a	353,474	-	(88,369)	-	265,105	-
30-Oct-13	3	30-Oct-16	n/a	-	775,000	-	-	775,000	-
07-Nov-13	4	07-Nov-16	n/a	-	32,500	-	-	32,500	-
16-Dec-13	5	16-Dec-16	n/a	-	250,000	-	-	250,000	-
Total				353,474	1,057,500	(88,369)	-	1,322,605	-

The weighted average remaining contractual life of performance rights outstanding at 30 June 2015 was 1.69 years (30 June 2014: 1.85 years).

Key inputs to the Monte-Carlo simulation valuation models used in the calculation of each grant of long-term incentive performance rights during the year ended 30 June 2015 were as follows:

Series	Expected price volatility ⁽¹⁾	Exercise price	Vest date	Expiry date	Share price at grant date	Risk free interest rate ⁽²⁾	Fair value per performance right
Grant date: 1 July 2014							
6	75%	n/a	30-Jun-17	30-Jun-17	\$0.46	2.61%	\$0.352
Grant date: 31 October 2014							
7	68%	n/a	30-Jun-17	30-Jun-17	\$0.50	2.59%	\$0.350

1 Expected price volatility is based on the historical volatility adjusted for any expected changes to future volatility due to publically available information

2 Risk free rate of securities with comparable terms to maturity

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

12. SHARE-BASED PAYMENT TRANSACTIONS (continued)

(c) Expense arising from share-based payment transaction

The total expense arising from share-based payment transactions recognised during the reporting period were as follows:

	2015	2014
	\$	\$
Performance rights issued under the Performance Rights Plan	277,298	257,842
Options issued under Incentive Option Scheme	99,977	546,537
	377,275	804,379

13. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This Note provides an overview of the areas that involved a higher degree of judgement or complexity and items which are more likely to be materially adjusted. Detailed information about each of these estimates and judgements is included in the Notes together with information about the basis of calculation for each affected line item in the financial statements.

Significant accounting estimates and judgements

The areas involving significant estimates or judgements are:

- recognition of deferred tax asset for carried forward tax losses — Note 5;
- income taxes — Note 5; and
- estimation of fair value of share-based payments – Note 12.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

There have been no actual adjustments this year as a result of an error and of changes to previous estimates.

14. EXPLORATION AND EVALUATION ASSET

The financial report has been prepared on the basis of retrospective application of a voluntary change in accounting policy relating to exploration and evaluation expenditure in accordance with standard *AASB 6: Exploration for and Evaluation of Mineral Resources*.

Previously, the Group capitalised, accumulated exploration and evaluation expenditure and carried forward to the extent that they were expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

The result of this accounting change means that the Group will expense exploration and evaluation expenditure as incurred in respect of each identifiable area of interest until a time where an asset is in development.

The Board have determined that the change in accounting policy will result in more relevant and no less reliable information as the policy is more transparent and less subjective. Recognition criteria of exploration and evaluation assets are inherently uncertain and expensing as incurred results in a more transparent Consolidated Statement of Financial Position and Consolidated Statement of Profit or Loss and Other Comprehensive Income. Furthermore, the change in policy aids in accountability of line management's expenditures and the newly adopted policy is consistent with industry practice.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

14. EXPLORATION AND EVALUATION ASSET (continued)

The following table summarises the adjustments made to the Consolidated Statement of Profit or Loss and Other Comprehensive Income and to the Consolidated Statement of Financial Position on implementation of the new accounting policy.

	Exploration expenditure	Foreign exchange reserve	Retained earnings
	\$	\$	\$
Balances at 1 July 2013, as previously reported	16,828,888	-	9,330,124
Impact of the change in accounting policy	(16,828,888)	-	16,828,888
Restated balances at 1 July 2013	-	-	26,159,012
Balances at 30 June 2014, as previously reported	22,361,237	52,657	4,813,555
Impact of the change in accounting policy at 1 July 2013	(16,828,888)	-	16,828,888
Impact of the change in accounting policy during 2014	(5,532,349)	(25,983)	5,558,332
Restated balance at 30 June 2014	-	26,674	27,200,775

The effects on the Consolidated Statement of Profit or Loss and Other Comprehensive Income were as follows:

	For the year ended 30 June 2014
Increase in loss for the year	5,558,332

The table below summarises the impact on the earnings per share for the comparative period:

	30 June 2014 Cents
Loss per share	
Previously reported – basic earnings per share	3.32
Previously reported – diluted earnings per share	3.11
Restated – basic and diluted loss per share	(0.77)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

15. RECONCILIATION OF GAIN/(LOSS) AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Note	2015 \$	Restated ⁽¹⁾ 2014 \$
Gain/(Loss) for the period		(16,589,080)	(1,041,763)
Add/(Less) non-cash items:			
Depreciation		58,347	78,290
Write off of plant and equipment		-	11,015
Non-cash employee/consultants benefits expense		-	-
Share-based payments	12(c)	377,275	804,379
Unrealised foreign exchange loss		(2,472,370)	(34,256)
Loan arrangement fees	4	-	584,755
Add/(Less) items classified as invested/financing activities:			
Gain on sale of subsidiary	3	-	(14,680,789)
Changes in assets and liabilities during the financial year:			
Decrease/(Increase) in receivables		(2,226,834)	(210)
Increase/(Decrease) in payables		(651,943)	1,057,031
Increase/(Decrease) in employee provision		(4,156)	48,206
Net cash outflow from operating activities		(21,508,761)	(13,173,342)

1 Refer Note 14 for details regarding the restatement as a result of a change in accounting policy

16. FINANCIAL AND CAPITAL RISK MANAGEMENT

Overview

The financial risks that arise during the normal course of the Group's operations comprise market risk, credit risk and liquidity risk. In managing financial risk, it is policy to seek a balance between the potential adverse effects of financial risks on financial performance and position, and the "upside" potential made possible by exposure to these risks and by taking into account the costs and expected benefits of the various risk management methods available to manage them.

General objectives, policies and processes

The Board is responsible for approving policies on risk oversight and management and ensuring management has developed and implemented effective risk management and internal control. The Board receives reports as required from the Chief Financial Officer and Managing Director in which they review the effectiveness of the processes implemented and the appropriateness of the objectives and policies it sets. The Board oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced.

These disclosures are not, nor are they intended to be an exhaustive list of risks to which the Group is exposed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

16. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

Financial Instruments

The Group has the following financial instruments:

	2015	2014
	\$	\$
Financial assets		
Cash and cash equivalents	7,329,004	20,460,177
Other receivables	9,485	62,570
	7,338,489	20,522,747
Financial liabilities		
Trade and other payables	964,695	1,616,638
Borrowings	-	-
	964,695	1,616,638

(a) Market Risk

Market risk can arise from the Group's use of interest bearing financial instruments, foreign currency financial instruments and exposure to commodity prices. It is a risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rate (currency risk) and fluctuations in commodity prices (commodity price risk).

(i) Interest rate risk

As at the year ended 30 June 2015, the Group has interest-bearing assets and liabilities being liquid funds on deposit and unsecure funds. As such, the Group's income and operating cash flows (other than interest income from funds on deposit and interest expense from the senior secured revolving credit facility) are somewhat dependent on changes in market interest rates. The Board manages the Group's exposure to interest rate risk by regularly assessing exposure, taking into account funding requirements and selecting appropriate instruments to manage its exposure.

Sensitivity analysis

Based on the financial instruments held at the reporting date, with all other variables assumed to be held constant, the table sets out the notional effect on consolidated profit after tax for the year and on equity at the reporting date under varying hypothetical changes in prevailing interest rates.

	2015	2014
	\$	\$
Impact on post-tax profits and equity		
Hypothetical basis points increase in interest	36,645	184,142
Hypothetical basis points decrease in interest	(36,645)	(184,142)

A hypothetical change of 50 basis points was used to calculate the Group's sensitivity to future interest rate movements as this figure approximates the movement in bond yields published by the Reserve Bank of Australia for bonds with a 12 month maturity (30 June 2014: 0.90%).

The weighted average effective interest rate of funds on deposit is 0.55% (30 June 2014: 0.68%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

16. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

(ii) Currency risk

The Group operates in Morocco, Madagascar and Gabon however, maintains a corporate listing in Australia. As a result of various operating locations, the Group is exposed to foreign exchange risk arising from fluctuations in primarily the US dollar.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Group manages risk by matching receipts and payments in the same currency and monitoring movements in exchange rates. The exposure to risks is measured using sensitivity analysis and cash flow forecasting.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	US \$	Euro \$	Other \$	Total \$
At 30 June 2015				
Financial assets				
Cash	5,345,540	49,459	2,774	5,397,773
Financial liabilities				
Trade and other payables	497,463	29,845	9,293	536,601
At 30 June 2014				
Financial assets				
Cash	15,824,856	106,507	4,107	15,935,470
Financial liabilities				
Trade and other payables	590,195	34,417	-	624,612

Sensitivity analysis

The following table demonstrates the estimated sensitivity to a 10% increase/decrease in the US/Australian dollar exchange rate and a 10% increase/decrease in the Euro/Australian dollar exchange rate, with all variables held consistent, on post tax profit and equity. These sensitivities should not be used to forecast the future effect of movement in the Australian dollar exchange rate on future cash flows. The sensitivity to currency risk of 5% was used for the year ended 30 June 2014.

	2015		2014	
	%	\$	%	\$
Impact on post-tax profits and equity				
US\$/A\$ + %	10	484,808	5	761,733
US\$/A\$ - %	10	(484,808)	5	(761,733)
Euro/A\$ + %	10	1,961	5	3,605
Euro/A\$ - %	10	(1,961)	5	(3,605)

A hypothetical change of 10% in the US dollar and Euro dollar exchange rates was used to calculate the Group's sensitivity to foreign exchange rate movements as the Company's estimate of possible rate movements over the coming year taking into account current market conditions and past volatility.

(iii) Commodity price risk

As the Group has not yet entered into production, the risk exposure to changes in commodity price is not considered significant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

16. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

(b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with financial institutions, as well as trade receivables. Credit risk is managed on a Group basis. For cash balances held with bank or financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

The Board are of the opinion that the credit risk arising as a result of the concentration of the Group's assets is more than offset by the potential benefits gained.

The maximum exposure to credit risk at the reporting date is the carrying amount of the assets as summarised, none of which are impaired or past due.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	2015	2014
	\$	\$
Cash and cash equivalents	7,329,004	20,460,177
Other receivables	9,485	62,570
	7,338,489	20,522,747

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

	2015	2014
	\$	\$
Cash at bank and short term deposits		
<i>Held with Australian banks and financial institutions</i>		
AA S&P rating	7,273,849	20,330,131
A S&P rating	51,917	80,623
Unrated	3,238	49,423
Total	7,329,004	20,460,177
Other receivables		
<i>Counterparties with external credit ratings</i>	-	-
<i>Counterparties without external credit ratings⁽¹⁾</i>		
Group 1	-	-
Group 2	9,485	62,570
Group 3	-	-
Total	9,485	62,570

¹ Group 1 — new customers (less than 6 months)

Group 2 — existing customers (more than 6 months) with no defaults in the past

Group 3 — existing customers (more than 6 months) with some defaults in the past. All defaults were fully recovered

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

16. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Through continuous monitoring of forecast and actual cash flows the Group manages liquidity risk by maintaining adequate reserves to meet future cash needs. The decision on how the Group will raise future capital will depend on market conditions existing at that time.

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 6 months	6 - 12 months	1 - 5 years	Over 5 years	Total contractual cash flows	Carrying amount liabilities
	\$	\$	\$	\$	\$	\$
At 30 June 2015						
Trade and other payables	964,695	-	-	-	964,695	964,695
At 30 June 2014						
Trade and other payables	1,616,638	-	-	-	1,616,638	1,616,638

(d) Capital risk management

The Group's objective when managing capital is to safeguard the ability to continue as a going concern. This is to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Board monitors capital on an ad-hoc basis. No formal targets are in place for return on capital, or gearing ratios, as the Group has not derived any income from exploration.

(e) Fair value measurements

The Group did not have any financial instruments that are recognised in the financial statements where their carrying value differed from the fair value. The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The carrying amounts of cash and short-term trade and other receivables, trade payables and other current liabilities approximate their fair values largely due to the short-term maturities of these payments.

Fair value hierarchy

The fair value of financial assets and liabilities held by the Group must be estimated for recognition, measurement and/or disclosure purposes. The Group measures fair values by level, per the following fair value measurement hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

17. EARNINGS PER SHARE

	2015	Restated⁽¹⁾ 2014
Basic and Diluted earnings/(loss) per share		
Net loss after tax attributable to the members of the Company	(\$ 16,596,912)	(\$ 1,041,763)
Weighted average number of ordinary shares	152,930,021	135,868,744
Basic loss per share	(\$ 0.1085)	(\$ 0.0077)

1 Refer Note 14 for details regarding the restatement as a result of a change in accounting policy

Information concerning the classification of securities

(i) Partly paid ordinary shares

Partly paid ordinary shares carry the right to participate in dividends and have been recognised as ordinary share equivalents in the determination of earnings per share.

(ii) Options

Options granted to employees and Directors under the Incentive Option Scheme are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in Note 12

(iii) Deferred shares

Rights to deferred shares granted to employees under the Performance Rights Plan are included in the calculation of diluted earnings per share assuming all outstanding rights will vest. The rights are not included in the determination of basic earnings per share. Further information about the rights is provided in Note 12.

18. DIVIDENDS

No dividend has been paid or is proposed in respect of the year ended 30 June 2015 (30 June 2014: Nil).

19. COMMITMENTS

(a) Capital commitments

Gabon, Nkembe block

The Group is currently in the first exploration phase of the block, which covers a period of 4 years (January 2013 – January 2017). The commitment under the first exploration phase is US\$17 million. The remaining portion of the commitment as at the reporting date has been included in the above commitments. It is anticipated by the Group that upon a successful farmout of the Nkembe block some or all of these costs will be funded by the potential farmout partner.

The other acreage of the Group, being the Mazagan permit (Morocco) and Ambilobe block (Madagascar) do not have and capital commitments at year end (30 June 2014: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

19. COMMITMENTS (continued)

Significant capital expenditure contracted for at the end of the reporting period but not recognised as a liability is as follows:

	2015 ⁽¹⁾ \$	2014 ⁽²⁾ \$
Within one year	1,235,853	1,009,135
Later than one year but no later than five years	21,908,654	18,487,499
Later than five years	-	-
	23,144,507	19,496,634

1 The US\$ commitments have been translated at a rate of 0.7687 to AUD

2 The US\$ commitments have been translated at a rate of 0.9415 to AUD

(b) Non-cancellable operating leases

The Group leases offices in Perth and Melbourne under non-cancellable operating leases expiring within one to three years. The leases have varying terms and on renewal, the terms are renegotiated.

	2015 \$	2014 \$
Rent		
Within one year	272,578	159,240
Later than one year but no later than five years	244,839	269,240
Later than five years	-	-
	517,417	428,480

20. CONTINGENCIES

(a) Contingent liabilities

The Group currently has no other contingent liabilities as at 30 June 2015 (30 June 2014: Nil).

(b) Contingent assets

The Group has no contingent assets as at 30 June 2015 (30 June 2014: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

21. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related parties and non-related audit firms:

	2015 \$	2014 \$
(a) BDO Australia		
<i>Audit and assurance services</i>		
Audit and review of financial statements	50,526	52,269
<i>Taxation services</i>		
Tax compliance services	12,816	14,881
International tax consulting and tax advice	31,738	77,230
Total remuneration for taxation services	44,554	92,111
<i>Other services</i>		
Report for Notice of Meeting	1,530	-
Total remuneration for BDO Australia	96,610	144,380
(b) Network firms of BDO		
<i>Audit and assurance services</i>		
Audit and review of financial statements	19,087	-
Total auditors remuneration	115,697	144,380

From time to time the Consolidated Entity may decide to employ an external auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Consolidated Entity are important. These assignments are principally tax advice and due diligence on acquisitions, which are awarded on a competitive basis. It is the Group's policy to seek competitive tenders for all major consulting projects. The Board is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

22. RELATED PARTY TRANSACTIONS

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Parent entities

The ultimate parent entity and ultimate controlling party is Pura Vida Energy NL (incorporated in Australia) which at 30 June 2015 owns 100% of the issued ordinary shares of the subsidiaries set out in Note 23.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 23.

(c) Key management personnel compensation

	2015 \$	2014 \$
Short-term employee benefits	1,216,497	895,020
Post-employment benefits	109,966	80,977
Long-term benefits	-	-
Termination benefits	-	86,034
Share-based payments	68,924	315,519
	1,395,387	1,377,550

Detailed remuneration disclosures are provided within the Remuneration Report.

(d) Transaction with other related parties

During the 2014 year, whilst Non-Executive Chairman, B Tarratt, provided additional financial consulting services to the Company for \$95,409. No formal contract was in place in regard to these transactions. All transactions were conducted on normal commercial terms and conditions.

Aggregate amounts of each type of other transactions with key management personnel of the Group are shown in the table.

	2015 \$	2014 \$
Office management	-	-
Consultancy fees	-	95,409
Accounting & bookkeeping expenses	-	-
	-	95,409

(e) Outstanding balances arising from sales/purchases of goods and services

There are no outstanding balances arising from sales/purchases of goods and services (30 June 2014: Nil).

(f) Loan to/from related parties

There are no outstanding loans arising to or from related parties (30 June 2014: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

23. CONSOLIDATED ENTITIES

(a) Investments in controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 26(a):

Name of entity	Country of incorporation	2015 Equity holding	2014 Equity holding
Pura Vida Mazagan Pty Ltd	Australia	100%	100%
Pura Vida Nkembe Pty Ltd	Australia	100%	100%
Pura Vida Energy Sdn Bhd	Malaysia	100%	100%
PVD Exploration Morocco SARL AU	Morocco	100%	100%
PVD Belgium SA	Belgium	100%	100%
PVD Gabon SARL	Gabon	100%	100%
Pura Vida Africa Pty Ltd	Australia	100%	100%
Pura Vida Mauritius	Mauritius	100%	100%
Pura Vida Belgium SA	Belgium	100%	100%
Pura Vida Gabon SARL	Gabon	100%	100%
Pura Vida 1 Pty Ltd	Australia	100%	100%
Pura Vida Holdings Limited ⁽¹⁾	Mauritius	-	100%
Pura Vida 2 Pty Ltd	Australia	100%	100%
Pura Vida International Limited ⁽²⁾	Mauritius	-	100%
Pura Vida 3 Pty Ltd	Australia	100%	100%
Pura Vida Investments Limited	Mauritius	100%	100%
Buda Veda Energy Pty Ltd	Australia	100%	100%

1 On the 27 February 2015 the company was deregistered as it was no longer required

2 On the 27 February 2015 the company was deregistered as it was no longer required

(b) Transactions with controlled entities

The Company provides working capital to its controlled entities. Transactions between the Company and other controlled entities in the wholly owned Group during the year ended 30 June 2015 consisted of:

- working capital advanced;
- provision of services; and
- expenses paid on behalf of its controlled entities.

The above transactions were made interest free with no fixed terms for the repayment of principal on amounts advanced by the Company.

Details of transactions with controlled entities during the year are shown in the table.

	Company	
	2015 \$	2014 \$
Sale of goods and services		
Management fees and expenses recharged to subsidiaries	-	-
Loans to subsidiaries		
Balance at the beginning of the year	1,610,347	169,121
Loans advanced	192,587	1,441,226
Loans repaid	-	-
Balance at year end	1,802,934	1,610,347

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

24. PARENT ENTITY INFORMATION

The following information relates to the parent entity, Pura Vida Energy NL as at 30 June 2015. The information presented here has been prepared using consistent accounting policies as presented in Note 26.

(a) Summary of financial information

The individual aggregate financial information for the parent entity is shown in the table.

(b) Guarantees entered into by the parent entity

The parent entity did not have any guarantees as at 30 June 2015 or 30 June 2014.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2015 or 30 June 2014.

(d) Contractual commitments for the acquisition of property, plant and equipment

The parent entity did not have any contractual commitments for the acquisition of property, plant and equipment as at 30 June 2015 or 30 June 2014.

¹ Refer Note 14 for details regarding the restatement as a result of a change in accounting policy

	Company	
	2015 \$	Restated ⁽¹⁾ 2014 \$
Financial position		
Current assets	9,652,520	20,493,864
Total assets	9,750,596	20,681,681
Current liabilities	1,090,027	1,733,878
Total liabilities	1,090,027	1,733,878
Equity		
Contributed equity	48,258,153	42,294,014
Share-based payment reserve	4,100,755	3,723,479
Accumulated losses	(43,698,339)	(27,069,689)
Total equity	8,660,569	18,947,804
Financial performance		
Loss for the year	(16,628,650)	(1,008,562)
Total comprehensive loss	(16,628,650)	(1,008,562)

25. EVENTS OCCURRING AFTER REPORTING DATE

On 11 August 2015, the Company announced the preliminary final results from the MZ-1 exploration well offshore Morocco which indicated that no significant oil shows had been encountered.

In the opinion of the Directors, no other event of a material nature or transaction, has arisen since year end and the date of this report that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or its state of affairs in subsequent financial years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

26. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pura Vida Energy NL (**Company** or **Pura Vida**) is a company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. Pura Vida is the ultimate parent entity of the Group.

The consolidated financial statements of Pura Vida Energy NL for the year ended 30 June 2014 comprise the Company and its controlled subsidiaries (together referred to as the **Group** and individually as **Group entities**).

Statement of compliance

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Company Interpretations and the Corporations Act 2001. Pura Vida is a for-profit entity for the purpose of preparing the financial statements.

The financial statements of the Company also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis of preparation

The financial statements of the Group are presented in Australian dollars, which is the Company's functional currency.

Historical cost convention

These financial statements have been prepared under the historical cost convention, except for costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Critical accounting estimates and significant judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within Note 13.

New and amended standards adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New standards and interpretations not yet adopted

AASB 9 Financial Instruments

AASB 9 *Financial Instruments* (AASB 9) addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2013 it also sets out new rules for hedge accounting.

When adopted, the standard will affect the Group's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. The Group does not have any such assets.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities.

The new hedging rules align hedge accounting more closely with the Group's risk management practices. As a general rule it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.

Adoption of AASB 9 is only mandatory for the year commencing 1 January 2017. There are no other standards that are not yet effective and that are expected to have a material impact on the Group in the current or future reporting period and in the foreseeable future.

Accounting policies

In order to assist in the understanding of the accounts, the following summary explains the principle accounting policies that have been adopted in the preparation of the financial report. These policies have been applied consistently to all of the periods presented, unless otherwise stated.

(a) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of subsidiaries of the Company at the end of the reporting period. Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. Where a subsidiary has entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of subsidiaries is contained in Note 23 to the financial statements.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

(b) Joint arrangements

Under AASB 11 *Joint Arrangements* investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group only has joint operations.

Joint operations

The Group recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated into the financial statements under the appropriate headings. Details of joint operations are set out in Note 8.

(c) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities at the reporting date are translated at the exchange rate existing at reporting date. Exchange differences are recognised in profit or loss in the period in which they arise.

No dividends were paid or proposed during the period.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange difference is reclassified to profit or loss, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(d) Segment reporting

Operating segments are reported in a manner that is consistent with the internal reporting to the chief operating decision maker, which has been identified by the Group as the Managing Director and other members of the Board.

(e) Revenue recognition

Revenue is measured as the fair value of the consideration received or receivable. The Group recognises revenue when the amount of revenue can be reliably measured it is probable that future economic benefits will flow to the entity.

Revenue for other business activities is recognised on the following basis:

Recharge income

Revenue from consulting services is recognised in the accounting period in which the services are rendered.

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(f) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at re-valued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had the impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at the re-valued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(g) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit or loss comprehensive income during the reporting period in which they are incurred.

Depreciation is calculated using the diminishing value or straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

- Office furniture and equipment 4 - 15 years
- Computer software and equipment 2 - 4 years

Assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An assets carrying amount is written down immediately to its recoverable amount if the assets carrying value is greater than its estimated recoverable amount (Note 26(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statements of profit or loss.

(h) Income tax and other taxes

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from

the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The Group may be entitled to claim special tax deductions for investments in qualifying assets (investment allowances). The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

(i) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST component of cash flow arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

(j) Exploration and evaluation expenditure

In the year ending 30 June 2015, the Group has changed its accounting treatment of exploration and evaluation expenditure in accordance with standard AASB 6: Exploration for and Evaluation of Mineral Resources.

Previously, the Group capitalised, accumulated exploration and evaluation expenditure and carried forward to the extent that they were expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

The result of this accounting change means that the Group will expense exploration and evaluation expenditure as incurred in respect of each identifiable area of interest until a time where an asset is in development.

Exploration and Evaluation expenditure

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area as well as the determination of the technical feasibility and commercial viability of extracting mineral resource.

Exploration and evaluation expenditure is expensed to the profit or loss as incurred except when existence of a commercially viable oil and/or gas reserve has been established and it is anticipated that future economic benefits are more likely than not to be generated as a result of the expenditure.

Cash and cash equivalents

For the purposes of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cash in bank accounts, money market investments readily convertible to cash within two working days, and bank bills but net of outstanding bank overdrafts.

(k) Investments and other financial assets

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired, management determines the classification of its investments at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the statement of financial position date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

Recognition and de-recognition

Investments are initially recognised at fair value plus transactions costs for all financial assets not carried at fair value through profit or loss. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method and available for sale assets are carried at fair value.

Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in profit or loss.

(l) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of Management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as an interest expense.

(m) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including short-term incentive payments, non-monetary benefits and accumulating annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Other long-term employee benefits

Provision is made for long service leave and annual leave estimated to be payable to employees on the basis of statutory and contractual requirements. The liability for long service leave and annual leave which is not expected to be settled within twelve months after the end of the period in which the employees render the related service is recognised in the provision for employee entitlements and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Share-based payments

The Group has provided benefits to its employees (including key management personnel) in the form of share-based payments, whereby services were rendered partly or wholly in exchange for shares or rights over shares. The Remuneration Committee has also approved the grant of options or performance rights as incentives to attract executives and to maintain their long-term commitment to the Company. These benefits were awarded at the discretion of the Board, or following approval by shareholders.

The costs of these equity settled transactions are measured by reference to the fair value of the equity instruments at the date on which they are granted. The fair value of performance rights granted under the Pura Vida performance rights plan is determined using the Monte-Carlo simulation valuation model. The fair value of options granted is determined by using the Black-Scholes option pricing technique. Further details of options and performance rights granted are disclosed in Note 12.

The cost of these equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period).

At each subsequent reporting date until vesting, the cumulative charge to the profit or loss is the product of: (i) the fair value at grant date of the award; (ii) the current best estimate of the number of equity instruments that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and (iii) the expired portion of the vesting period.

The charge to the profit or loss for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding credit to equity.

Until an equity instrument has vested, any amounts recorded are contingent and will be adjusted if more or fewer equity instruments vest than were originally anticipated to do so. Any equity instrument subject to a market condition is valued as if it will vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the recipient of the award, as measured at the date of modification.

If an equity-settled transaction is cancelled (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new equity instrument is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new equity instrument are treated as if they were a modification of the original award, as described in the preceding paragraph.

The dilutive effect, if any, of outstanding performance rights and options is reflected as additional share dilution in the computation of diluted earnings per share (refer Note 17).

(n) Earnings per share

Basic earnings per share

Basic earnings per share is determined by dividing the operating loss attributable to the equity holders of the Company after income tax by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(o) Trade and other receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less any provision for doubtful debts. Current receivables for GST are due for settlement within 30 days and other current receivables within 12 months.

(p) Trade and other payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

(q) Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the effective interest rate amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in profit or loss.

Transaction costs are included in borrowings and measured at amortised cost using the effective interest rate method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset, and, therefore are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale.

(r) Parent entity financial information

The financial information for the parent entity, Pura Vida Energy NL, disclosed in Note 24 has been prepared on the same basis as the consolidated financial statements, except as set out below:

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost.

DIRECTORS' DECLARATION

In the Directors' opinion:

1. the financial statements, and accompanying notes set out above, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2015 and its performance for the financial year ended on that date.
2. there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable;
3. the financial statements and accompanying notes are presented in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board; and
4. the remuneration disclosures set out in the Directors' Report (as part of the audited Remuneration Report) for the year ended 30 June 2015 comply with section 300A of the *Corporations Act 2001*.

The Directors have been given the declarations by the Managing Director and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the Directors



Damon Neaves
Managing Director

Perth, Western Australia

14 September 2015

INDEPENDENT AUDITOR'S REPORT

To the members of Pura Vida Energy NL

Report on the Financial Report

We have audited the accompanying financial report of Pura Vida Energy NL, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 26, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Pura Vida Energy NL, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Pura Vida Energy NL is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 26.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 15 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Pura Vida Energy NL for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO



Phillip Murdoch

Director

Perth, 14 September 2015

ADDITIONAL INFORMATION

The following additional information is required by ASX in respect of listed public companies only.

Information as at 11 September 2015

1 Distribution of shareholders

Category (size of holding)	Number ordinary
1 - 1,000	172
1,001 - 5,000	1,354
5,001 - 10,000	827
10,001 - 100,000	1,666
100,001 and above	223
Total	4,242

The number of shareholdings held in less than marketable parcels is 1,967.

2 Voting rights

The voting rights attached to each class of equity security are as follows:

Fully paid ordinary shares

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Partly paid shares

The holder will be entitled to exercise any vote attaching to a Partly Paid Share at general meetings of members in accordance with the Constitution of the Company. Under the Constitution, on a poll, partly paid shares have a vote pro rata to the proportion of the total issue price paid up. Amounts paid in advance of a call will be ignored when calculating the proportion.

Performance rights

There are no voting rights attached to any class of performance rights on issue.

Options

There are no voting rights attached to any class of options on issue.

3 20 largest shareholders - ordinary shares as at 11 September 2015

Name	N° of ordinary fully paid shares held	% held of issued ordinary capital
1 MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	9,303,295	6.15
2 J P MORGAN NOMINEES AUSTRALIA LIMITED	4,651,958	3.07
3 MR DAMON NEAVES	4,421,562	2.92
4 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	3,608,649	2.38
5 CITICORP NOMINEES PTY LIMITED	3,298,675	2.18
6 DR MD ZULFIKAR ALI + MRS HAMIDA AKHTER <ALI AKHTER SUPER FUND A/C>	2,587,950	1.71
7 CRESCENT NOMINEES LIMITED	2,203,872	1.46
8 MR BRIAN LESLEIGH WILLIAMS + MRS VALERIE RUBY DAWN WILLIAMS <WILLIAMS S/F A/C>	1,700,000	1.12
9 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,358,866	0.90
10 ISHTAH SFAX PTY LTD <ISHTAH SFAX FUND A/C>	1,253,438	0.83
11 BNP PARIBAS NOMS PTY LTD <DRP>	1,130,250	0.75
12 MS JEWEL OKWECHIME + MS ROSE OKWECHIME	1,012,500	0.67
13 ALLGREEN HOLDINGS PTY LTD	1,000,000	0.66
14 L K ENGINEERING PTY LTD <KABLE FAMILY A/C>	900,000	0.59
15 M & C COGHLAN PTY LTD <COGHLAN FAMILY SUPER A/C>	900,000	0.59
16 MR RICHARD DAVID SIMPSON	870,277	0.57
17 NATIONAL NOMINEES LIMITED	842,775	0.56
18 CELTIC CAPITAL PTE LTD <INVESTMENT 1 A/C>	700,000	0.46
19 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	652,968	0.43
20 MR CHRISTOPHER MARIUS FLYNN	595,250	0.39
TOTAL	42,992,285	28.39

ADDITIONAL INFORMATION

4 Unquoted securities

1. 10,428,550 partly paid shares with an issue price of \$0.20 of which \$0.01 was paid upon issue
2. 135,954 performance rights expiring 30 October 2016
3. 24,375 performance rights expiring 4 November 2016
4. 697,214 performance rights expiring 30 June 2017
5. 300,000 options exercisable at \$0.70 expiring 3 June 2016
6. 2,000,193 options exercisable at \$0.60 expiring 20 June 2016
7. 3,750,000 options exercisable at \$0.40 expiring 6 September 2016
8. 775,000 options exercisable at \$1.03 expiring 2 October 2016
9. 32,500 options exercisable at \$1.08 expiring 4 November 2016
10. 250,000 options exercisable at \$0.82 expiring 16 December 2016
11. 1,500,000 options exercisable at \$0.91 expiring 13 January 2017
12. 2,400,000 options exercisable at \$0.35 expiring 20 August 2017

5 Unquoted equity securities holders with greater than 20% of an individual class

As at 11 September 2015, the following classes of unquoted securities had holders with greater than 20% of the class on issue.

Partly paid shares

Holder	N ^o securities held	% held
Damon Neaves <The DA Neaves Family A/C>	4,725,000	45.31
David Ormerod <Ormerod Family Inv A/C>	2,225,000	21.34

Performance rights

Holder	N ^o securities held	% held
Damon Neaves	275,000	32.07

Options

Exercise price	Expiry date	Holder	N ^o securities held	% held
\$0.70	3 June 2016	Matthew Worner	300,000	100
\$0.60	20 June 2016	The Skye Alba Fund	500,000	25
		Pheakes Pty Ltd	500,000	25
\$0.40	6 September 2016	Damon Neaves	2,500,000	66.67
		Andrew Morrison	1,000,000	26.67
\$1.03	2 October 2016	Dorte Macrae	400,000	51.61
\$1.08	4 November 2016	Elizabeth Elliott	32,500	100
\$0.82	16 December 2016	Timothy Carter	250,000	100
\$0.91	13 January 2017	Starwood Holdings Pty Ltd <JP Dowling Family A/C>	1,000,000	66.67
\$0.91	13 January 2017	Mr Richard John Malcolm <Malcolm Family Super FD A/C>	500,000	33.33
\$0.35	20 August 2017	Zenix Nominees Pty Ltd	2,400,000	100