



# Quarterly Report

For the period ended 31 March 2015



## HIGHLIGHTS

- ▶ Closing cash of \$20.3 million\*
- ▶ High impact MZ-1 well currently expected to spud in May 2015
- ▶ MZ-1 will be drilled in a unique location to test the Ouanoukrim prospect, a series of four independently risked stacked targets (and a fifth target if the well is deepened)
- ▶ MZ-1 will test total gross mean prospective resources of over 1.4 billion barrels (328 mmbbl net to Pura Vida), with a high case of over 3.0 billion barrels (*refer ASX announcement of 17 December 2014*)

\* Includes money held in joint operating account for Madagascar 3D seismic program

## MANAGING DIRECTOR'S REPORT

Pura Vida is fortunate to be one of the few junior oil explorers with an active exploration program this year, including high impact drilling offshore Morocco.

At the time of writing, Pura Vida is expectantly awaiting handover of the Atwood Achiever for the commencement of the MZ-1 well and has commenced the acquisition of 3D seismic data in the Ambilobe block, offshore Madagascar. Discussions with a view to farming out Gabon are ongoing and we take encouragement from the recent industry activity and investment in Gabon which has seen a number of successful discoveries in the emerging pre-salt play as well as continued exploration and development activity in the traditional post-salt play.

2015 is an exciting year for Pura Vida and I look forward to reporting the results of our activities in the months ahead.

# EXPLORATION

## MAZAGAN PERMIT, OFFSHORE MOROCCO

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

The Mazagan permit covers an area of 8,717 km<sup>2</sup> and is located off the Atlantic coast of Morocco, in water depths of 1,370-3,000 metres. The Mazagan permit contains significant potential, including Miocene, Cretaceous and Jurassic targets.

During the quarter, work was ongoing in respect to the 2015 drilling campaign. The Atwood Achiever deepwater drillship (pictured in Figure 1) is currently expected to spud the MZ-1 exploration well in May 2015.

The drillship is contracted under a rig sharing arrangement amongst several operators. The drillship is currently operating for another operator and, following the completion of these operations, will move to the MZ-1 well location (refer Figure 2).



Figure 1 -The Atwood Achiever Deepwater Drillship

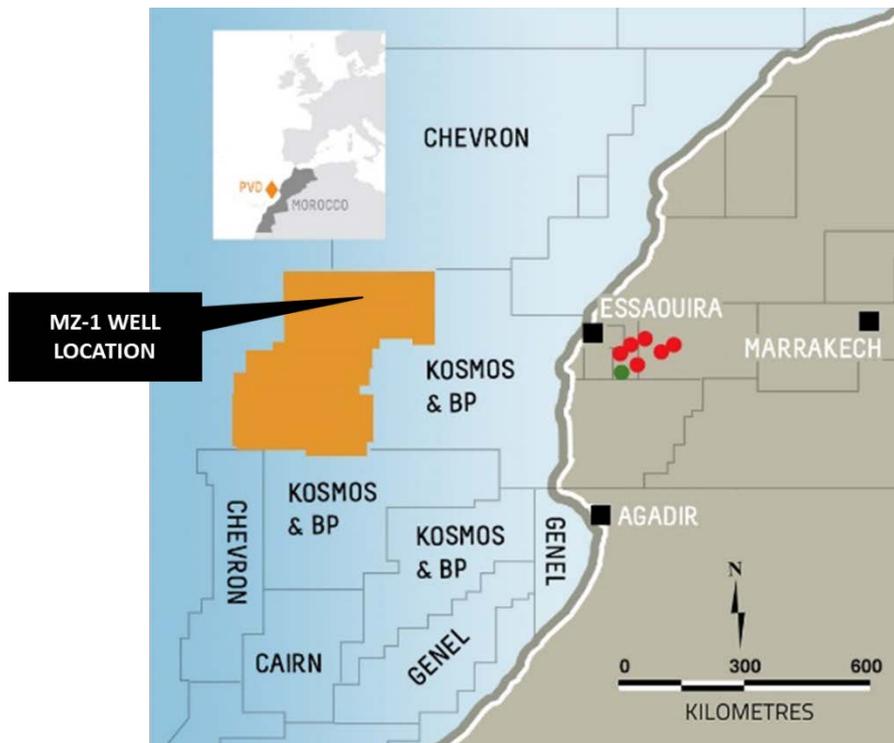


Figure 2 - Location of MZ-1 well

The MZ-1 well will target the Ouanoukrim prospect which comprises a series of independently risked stacked targets that are defined on 3D seismic (refer Figure 3). MZ-1 is located in water depths of 2,176 metres and will be drilled to 5,600 metres Total Vertical Depth Subsea with potential to deepen to 6,150 metres. The total gross un-risked mean prospective resource potential to be targeted by the MZ-1 well is over 1.4 billion barrels, with a high case of over 3.0 billion barrels (*reference: ASX announcement 17 December 2014. Refer to cautionary statement in relation to prospective resources at the end of this Report*).

MZ-1 will test four separate independently risked stacked objectives and a fifth objective if the well is deepened. MZ-1 provides the opportunity to test the full prospective stratigraphy of the basin including large traps in the Cretaceous and Jurassic, as well as providing valuable data on the potential of the Mid-Miocene. In drilling through the Jurassic targets the well will also sample the source rocks as they are interbedded with the Jurassic fans. Another significant benefit of this prospect will be the opportunity to drill through the shallower Tertiary, including the Mid-Miocene, where deep water turbidite channels are evident on seismic that are believed to be the same age as those at Toubkal.

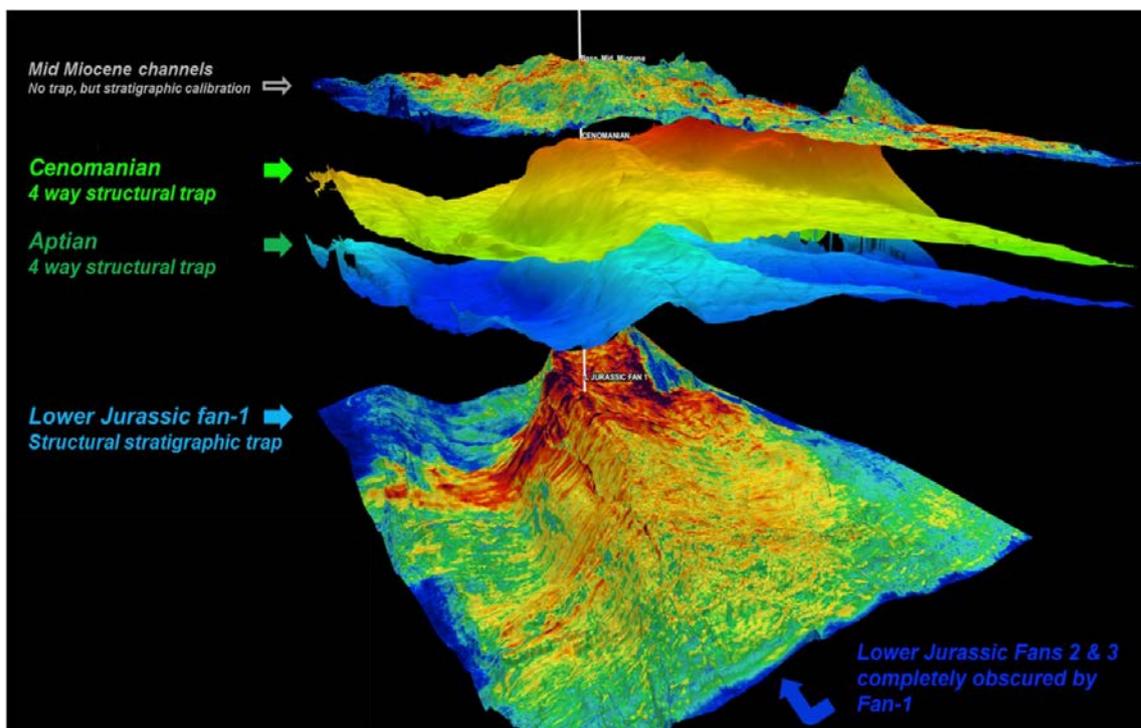


Figure 3 - 3D view showing MZ-1 well path intersecting multiple stacked targets

## NKEMBE BLOCK, OFFSHORE GABON

(PURA VIDA 100%\* AND 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 km<sup>2</sup> in water depths of 50-1,100 metres approximately 30 km off the coast of Gabon in the prolific oil prone Gabon Basin. The block is adjacent to producing oil fields and infrastructure, including several fields operated by Total, the largest producer in Gabon.

The farmout process to secure a partner for the Nkembe block continued during the quarter. Pura Vida is in discussions with a number of potential partners, and remains confident of securing an agreement in the near term.

Pura Vida was awarded the Nkembe block in early 2013 and since then there have been a number of important pre-salt discoveries in Gabon. The first was in August 2013 with a discovery by Total with the Diaman-1 well to the south of the Nkembe block which encountered a 50-55 metre gas/condensate column in pre-salt reservoir. Following Total's success, there was a string of pre-salt discoveries in Gabon in 2014, including the Nyonie Deep discovery drilled by Eni (estimated at 500 mboe), the Leopard discovery drilled

by Shell (approximately 200 metres net gas pay), and the Igongo discovery (90 metres net oil and gas pay) drilled by Tullow. Appraisal wells are now being planned for all of these recent discoveries. These discoveries prove the pre-salt potential in Gabon is a significant play. Due to the proximity of these discoveries to the Nkembe block, it is now established that the pre-salt fairway extends through the Nkembe block substantially de-risking the pre-salt prospects within the block.

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

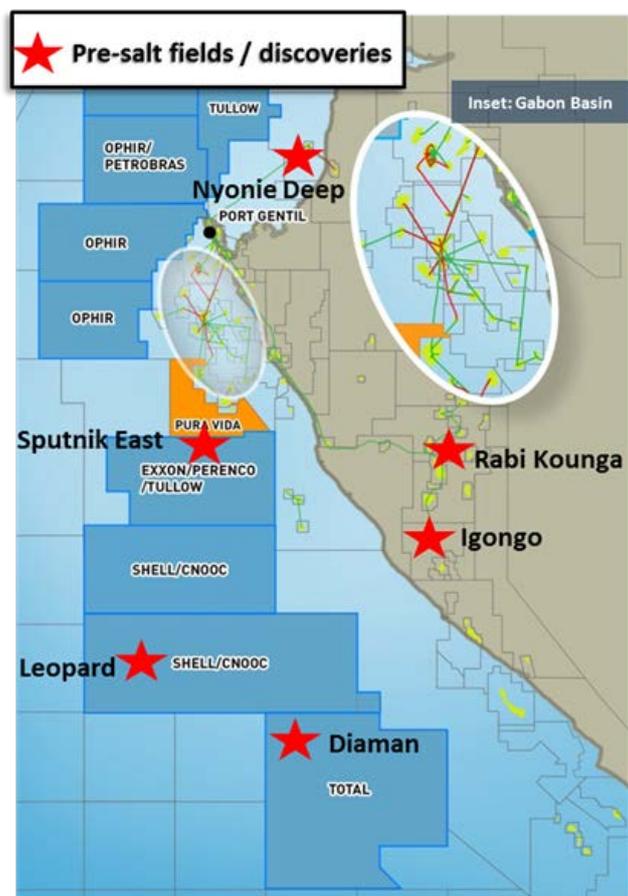


Figure 4- Pre-salt fields/discoveries around the Nkembe block

## AMBILOBE BLOCK, OFFSHORE MADAGASCAR

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

The Ambilobe block is located in the Ambilobe Basin, offshore north-west Madagascar covering an area of 17,650 km<sup>2</sup>.

There has been limited exploration in the Ambilobe Basin, where the offshore area remains undrilled. There are several onshore heavy oil discoveries in the Morondava Basin, southern Madagascar that are currently being developed. 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 and where effective source rocks, reservoirs and seals in combination with salt in the basin form large structural trends that provide the potential for a significant hydrocarbon province. These fundamental elements have been correlated from the onshore part of the basin, where a recent coring program in late 2014 revealed Cretaceous and Jurassic oil bearing reservoirs to the offshore and into 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 therefore there is significant running room in the event that a discovery is made.

Planning of the 3D seismic survey covering approximately 1,250 km<sup>2</sup> progressed during the quarter with required environmental and government permitting approved. On 28 April 2015, Pura Vida announced that the 3D seismic survey commenced on the Ambilobe block, offshore Madagascar. The survey is being conducted by CGG using the Geo Celtic 3D seismic vessel (pictured below).



Figure 1 - Geo Celtic 3D seismic survey vessel

Image Courtesy of CGG

The objective of the survey is to acquire approximately 1,250 km<sup>2</sup> of 3D seismic data which will allow leads (currently defined on 2D data) to be matured for drilling and enable a farmout process to commence later this year.

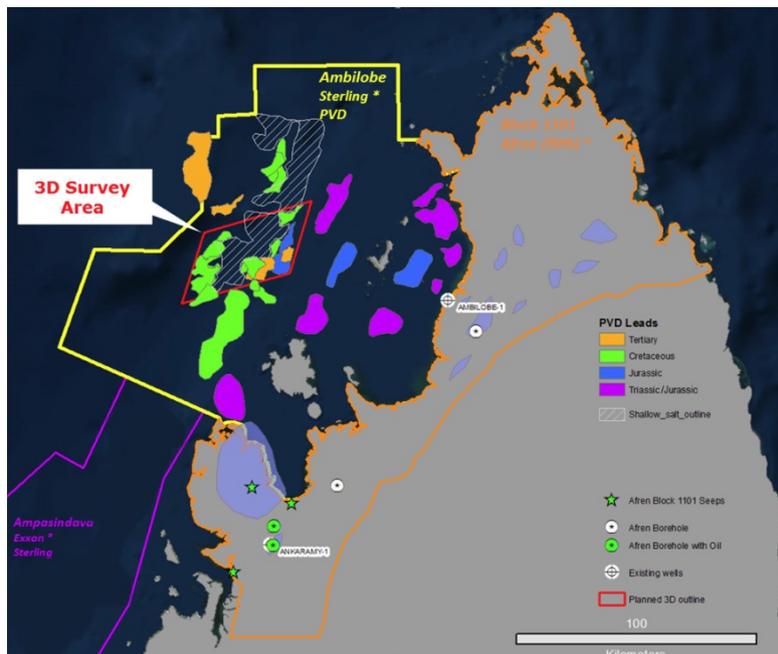


Figure 6 – Approximate location of 3D seismic survey area

## CORPORATE & FINANCIAL

As at 31 March 2015, the Company had a net cash position of \$20.3 million\*.

\* Includes money held in joint operating account for Madagascan 3D seismic program

### ISSUED CAPITAL AS AT 31 MARCH 2015

Security	Number
Ordinary Shares	147,656,883
Unlisted Partly Paid Shares	13,228,550
Unlisted Performance Rights	2,030,000
Unlisted Options	11,607,693

### PETROLEUM TENEMENTS HELD AS AT 31 MARCH 2015

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

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

### INTERESTS IN FARM-IN OR FARM-OUT AGREEMENTS AS AT 31 MARCH 2015

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

## CORPORATE DIRECTORY

### Directors

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

### Company Secretary

Dennae Lont

### Share Registry

Computershare  
Level 2, 45 St Georges Terrace  
PERTH WA 6000  
Telephone: 1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)

### Registered Office and Principal Place of Business

Level 3, 89 St Georges Terrace  
PERTH WA 6000  
Telephone: +61 8 9226 2011  
Facsimile: +61 8 9226 2099  
Web: [www.puravidaenergy.com.au](http://www.puravidaenergy.com.au)

### Disclaimers

#### \* Prospective Resource Estimates Cautionary Statement

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

#### Prospective Resources

Prospective resource estimates presented in this report are prepared as at 7 October 2014 (reference: ASX announcement 17 December 2014). The resource estimates have been prepared using the internationally recognised Petroleum Resources Management System to define resource classification and volumes. The resource estimates are in accordance with the standard definitions set out by the Society of Petroleum Engineers, further information on which is available at [www.spe.org](http://www.spe.org). The estimates are unrisks and have not been adjusted for both an associated chance of discovery and a chance of development. The 100% basis and net to Pura Vida prospective resource estimates includes Government share of production.

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

#### Persons compiling information about hydrocarbons

The resource estimates contained in this report for the Mazagan permit, Morocco have been prepared by Mr Andrew Morrison BSc. Geology (Hons) a Geologist who has over 30 years of experience in petroleum geology, geophysics, prospect generation and evaluations, prospect and project level resource and risk estimations and is a member of the Society of Petroleum Engineers. Mr Morrison is a full time employee of the Company and has consented to inclusion of the resource estimates in this presentation in the form and context in which they are included.

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

PURA VIDA ENERGY NL

ABN

11 150 624 169

Quarter ended ("current quarter")

31 March 2015

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	15	15
1.2 Payments for (a) exploration & evaluation	(1,770)	(4,424)
(b) development	-	-
(c) production	-	-
(d) administration	(1,088)	(3,628)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	9	76
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(2,834)</b>	<b>(7,961)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(20)
1.9 Proceeds from sale of:		
(a) prospects (Mazagan)	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>(20)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(2,834)</b>	<b>(7,981)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(2,834)	(7,981)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	4,924	5,577
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (costs associated with issue of shares and other financing costs)	(260)	(260)
	<b>Net financing cash flows</b>	<b>4,664</b>	<b>5,317</b>
	<b>Net increase (decrease) in cash held</b>	<b>1,830</b>	<b>(2,664)</b>
1.20	Cash at beginning of quarter/year to date	18,158	20,462
1.21	Exchange rate adjustments to item 1.20	317	2,507
1.22	<b>Cash at end of quarter<sup>1</sup></b>	<b>20,305</b>	<b>20,305</b>

Note 1 – Includes money held in joint operating account for Madagascar 3D seismic program

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	160
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Payments of Directors fees and salaries \$160,144.	

**Non-cash financing and investing activities**

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows	
2.2	Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest	

**Financing facilities available**

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	
	-	-

+ See chapter 19 for defined terms.

3.2	Credit standby arrangements	-	-
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### Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	13,748
4.2	Development	-
4.3	Production	-
4.4	Administration	1,070
<b>Total</b>		<b>14,818</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	6,670	16,602
5.2 Deposits at call	1,679	2,222
5.3 Bank overdraft	-	-
5.4 Other <sup>2</sup>	11,956	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>20,305</b>	<b>18,824</b>

Note 2 - Money held in joint operating account for Madagascar 3D seismic program

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 <b>+Ordinary securities</b>	147,656,883	147,656,883	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	4,761,185 11,165,000 -	4,761,185 11,165,000 -	\$0.20 \$0.36 -	\$0.20 (conversion of partly paid shares) \$0.36 -
7.5 <b>+Convertible securities</b>				
<i>Unquoted partly Paid Securities</i>	13,228,550	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- 4,761,185	- -	- -	- -
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<u>Exercise price</u>	<u>Expiry date</u>
	300,000	-	\$0.70	3 June 2016
	2,000,193	-	\$0.60	20 June 2016
	3,750,000	-	\$0.40	6 September 2016
	775,000	-	\$1.03	30 October 2016
	32,500	-	\$1.08	4 November 2016
	250,000	-	\$0.82	16 December 2016
	1,500,000	-	\$0.91	13 January 2017
	3,000,000	-	\$0.35	20 August 2017
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-

+ See chapter 19 for defined terms.

7.11	<b>Debentures</b> <i>(totals only)</i>	-	-
7.12	<b>Unsecured notes</b> <i>(totals only)</i>	-	-
7.13	<b>Performance Rights</b>	2,030,000	-

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 30/04/15  
(Company Secretary)

Print name: Denna Lont

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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