

Quarterly Report

For the period ended 30 September 2015



HIGHLIGHTS

- ▶ Closing cash of \$6.2 million*
- ▶ 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
- ▶ 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

* Excluding unspent cash deposited by the Company in Joint Venture accounts

EXPLORATION

MAZAGAN PERMIT, OFFSHORE MOROCCO

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

The Mazagan permit covers an area of 8,717 km² and is located off the Atlantic coast of Morocco, in water depths of 1,370-3,000 metres. The Mazagan permit contains significant potential, including Miocene, Cretaceous and Jurassic targets.

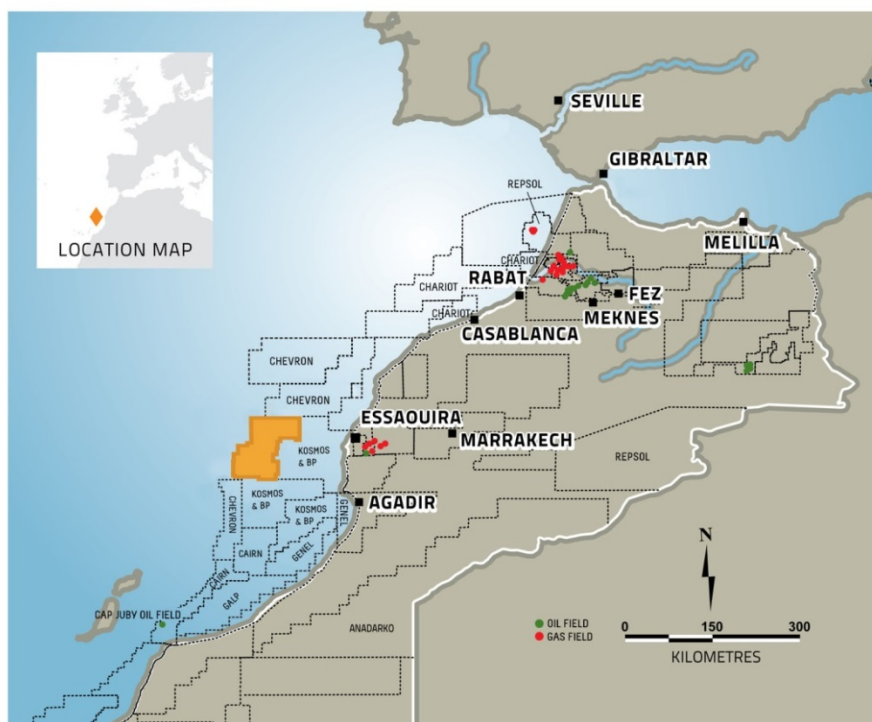


Figure 1-Permit location map of Mazagan permit

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 the collected data is underway with analysis of the samples to be completed in Q1 2016. 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

(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 km² in water depths of 50-1,100 metres approximately 30 km off the coast of Gabon in the prolific oil prone Gabon Basin. The block is adjacent to producing oil fields and infrastructure, including several fields operated by Total, the largest producer in Gabon.

Pura Vida is undertaking a farmout process to secure an industry partner to fund future exploration on the Nkembe block, including drilling. The farmout process is ongoing with a number of potential partners. The fall in oil price in late 2014 has had an effect on the industry and investment in exploration activity which has impacted farmout activity across the industry as a whole. Industry investment in Gabon remains buoyant with activity across the full spectrum including seismic acquisition as well as exploration, appraisal and development drilling during the year.

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 mmbbl), 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.

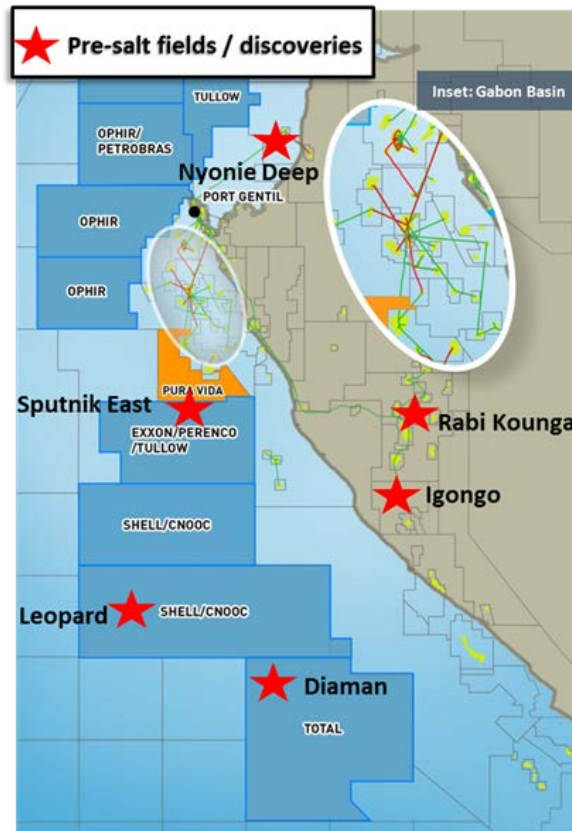


Figure 2 - Pre-salt fields/discoveries around the Nkembe block

AMBILOBE BLOCK, OFFSHORE MADAGASCAR

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

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

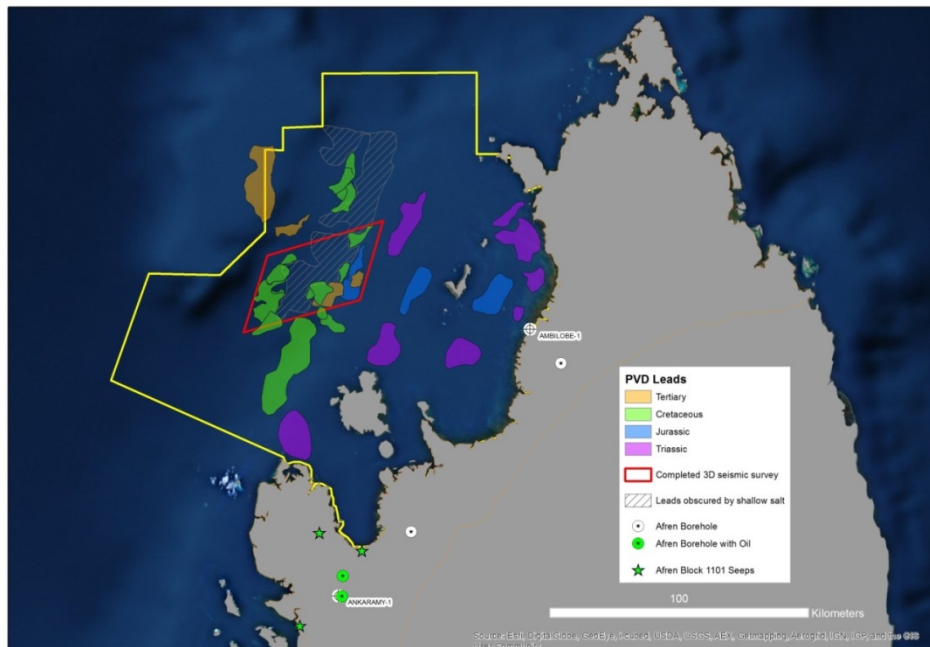


Figure 3 – Approximate location of completed 3D seismic survey area

Processing of the newly acquired 3D data was ongoing during the quarter. Intermediary products will be available during Q4 2015, allowing early interpretation, with the final processed data available in early 2016.

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 undertaken by Afren 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.

CORPORATE & FINANCIAL

As at 30 September 2015, the Company had a net cash position of \$6.2 million*.

** Excluding unspent cash deposited by the Company in Joint Venture accounts*

Implementation of Cost Reduction Program

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.

ISSUED CAPITAL AS AT 30 SEPTEMBER 2015

Security	Number
Ordinary Shares	152,690,185
Unlisted Partly Paid Shares	10,428,550
Unlisted Performance Rights	3,829,651
Unlisted Options	11,007,693

PETROLEUM TENEMENTS HELD AS AT 30 SEPTEMBER 2015

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

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

INTERESTS IN FARM-IN OR FARM-OUT AGREEMENTS AS AT 30 SEPTEMBER 2015

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

CORPORATE DIRECTORY

Directors

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

Company Secretary

Dennae Lont

Share Registry

Computershare
 Level 11, 172 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

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

PURA VIDA ENERGY NL

ABN

11 150 624 169

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	19	19
1.2 Payments for (a) exploration & evaluation	(609)	(609)
(b) development	-	-
(c) production	-	-
(d) administration	(1,022)	(1,022)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	10	10
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(1,602)	(1,602)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(2)	(2)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(2)	(2)
1.13 Total operating and investing cash flows (carried forward)	(1,604)	(1,604)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,604)	(1,604)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	48	48
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (costs associated with issue of shares and other financing costs)	-	-
	Net financing cash flows	48	48
	Net increase (decrease) in cash held	(1,556)	(1,556)
1.20	Cash at beginning of quarter/year to date	7,329	7,329
1.21	Exchange rate adjustments to item 1.20	480	480
1.22	Cash at end of quarter¹	6,253	6,253

Note 1 – Excluding unspent cash deposited by the Company in Joint Venture accounts

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	484
4.2	Development	-
4.3	Production	-
4.4	Administration	938
Total		1,422

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	6,103	6,158
5.2	Deposits at call	150	1,171
5.3	Bank overdraft	-	-
5.4	Other	-	-
Total: cash at end of quarter (item 1.22) ²		6,253	7,329

Note 2 - Excluding unspent cash deposited by the Company in Joint Venture accounts

Changes in interests in mining tenements

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

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

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

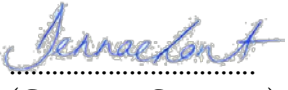
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	152,690,185	152,690,185	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	500,000 201,875 1,304,259 -	500,000 201,875 1,304,259 -	\$0.20 \$0.00 \$0.00 -	\$0.20 (conversion of partly paid shares) \$0.00 (conversion of performance rights following vesting) \$0.00 (issue of shares to employees as short term incentive) -
7.5 +Convertible securities				
<i>Unquoted partly Paid Securities</i>	10,428,550	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- 500,000	- -	- -	- -
7.7 Options <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	2 October 2016
	32,500	-	\$1.08	4 November 2016
	250,000	-	\$0.82	16 December 2016
	1,500,000	-	\$0.91	13 January 2017
	2,400,000	-	\$0.35	20 August 2017

+ See chapter 19 for defined terms.

7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures <i>(totals only)</i>	-	-		
7.12	Unsecured notes <i>(totals only)</i>	-	-		
7.13	Performance Rights	3,829,651	-		
7.14	Retention Rights	3,550,000			

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: 30/10/15
(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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