



ASX Code: PVD

18 May 2016

## STRATEGIC OVERVIEW EXTRACTING VALUE FROM ASSET PORTFOLIO

Pura Vida Energy NL (**Pura Vida** or **Company**) (ASX: PVD) holds a diversified portfolio of exploration acreage spanning North, West and East Africa and remains committed to a strategy of generating value from within that portfolio. The Company is currently pursuing value accretive transactions on each of its assets. The Company is currently in a very sound cash position with \$6.35 million as at 29 April 2016.

By way of example, the Company recently concluded arrangements to increase its stake in the Ambilobe block to 100% and take over Operatorship (refer announcement of 10 May 2016). In conjunction, the Company successfully renegotiated the terms of the PSC enhancing the cost profile and longevity of the block. These developments are a critical step that increase our prospects of a farmout and enhance our value expectations on the block. Following completion of the remaining final processing and interpretation, we will then undertake a competitive farmout process and seek to realise this value.

A strategic overview of each of the Company's assets is set out below.

### ***Mazagan Permit, Offshore Morocco (23%)***

The drilling of a second well in Morocco is a commitment under the farmin arrangement with PXP Morocco P.V. (a subsidiary of Freeport-McMoRan Oil & Gas) and the Petroleum Agreement with the Kingdom of Morocco. The Mazagan permit represents a sizable acreage position (8,717 km<sup>2</sup>) and the joint venture continues to evaluate potential targets for the second well.

As previously advised, the Company has written to PXP reserving its rights in relation to the second well obligation under the farmin agreement. Discussions are continuing between the joint venture parties as to how this matter may be progressed or resolved and timely resolution is an important priority for the Company.

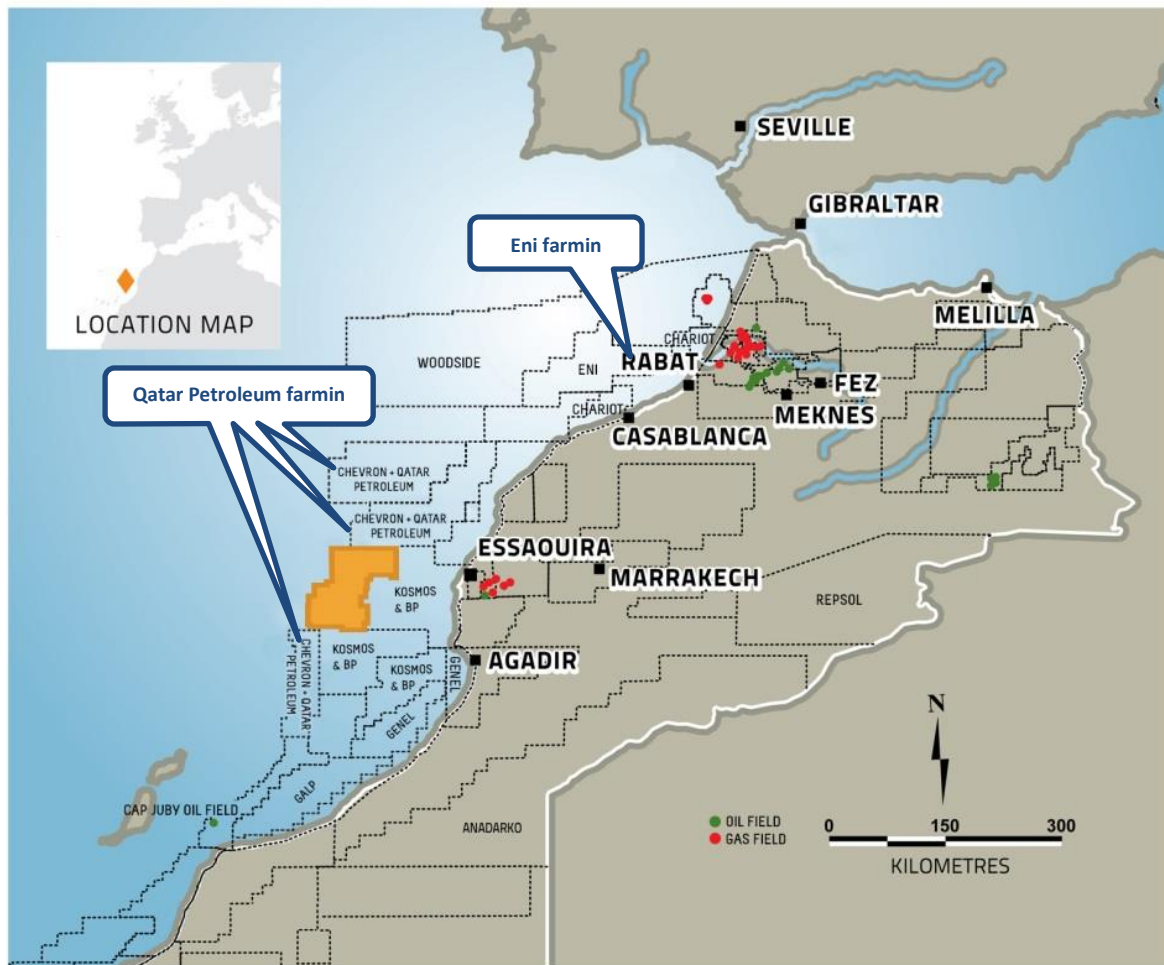


Figure 1 - Location map of Mazagan permit showing recent farmin activity

Recent farmin deals on nearby acreage offshore Morocco demonstrates the industry’s continued belief in the exploration potential of the region (refer Figure 1). Qatar Petroleum (state-owned NOC) farmed into three blocks surrounding Mazagan which are held by Chevron and Eni (Italian Oil Major) farmed into a block to the north of Mazagan held by Chariot and Woodside.

The Company believes the Mazagan permit continues to represent significant value for the Company and Management is actively seeking an outcome to realise this value.

***Nkembe Block, Offshore Gabon (100%, Operator)***

The Nkembe block is complimentary to Pura Vida’s frontier exploration acreage in Morocco and Madagascar. The Nkembe block offers lower risk opportunities and brings diversity to the portfolio. It’s attractiveness lies in a number of factors:

- the block is located in a proven oil-prone basin with significant oil production;
- the block contains a cluster of prospects in shallow water near existing infrastructure that provide low cost and rapid tie-back development opportunities;
- an existing oil discovery on the block (Loba Oil Field);
- there is a range of play types with significant resource potential; and
- recent significant pre-salt gas/condensate discoveries offshore Gabon de-risk this play.

Pura Vida is currently in discussions with the regulator to secure an extension of the current phase of the Nkembe PSC as well as other changes to PSC terms. Like the negotiations affecting the Ambilobe block that were recently successfully concluded, the renegotiation of the PSC terms for Nkembe is an important outcome towards securing an attractive farmout.

Sustained low oil prices have affected the Company’s efforts to secure a farmin partner to date. Oil prices have come off recent lows and industry farmout activity is starting to gain momentum. The Nkembe block is a quality asset and the Company has a high conviction of the appraisal and exploration potential of this block and remains committed to securing a farmin partner. A farmin deal will add value and fund future drilling activity with the potential to bring about a transformational change for the Company, given the block’s potential for near term development and production.

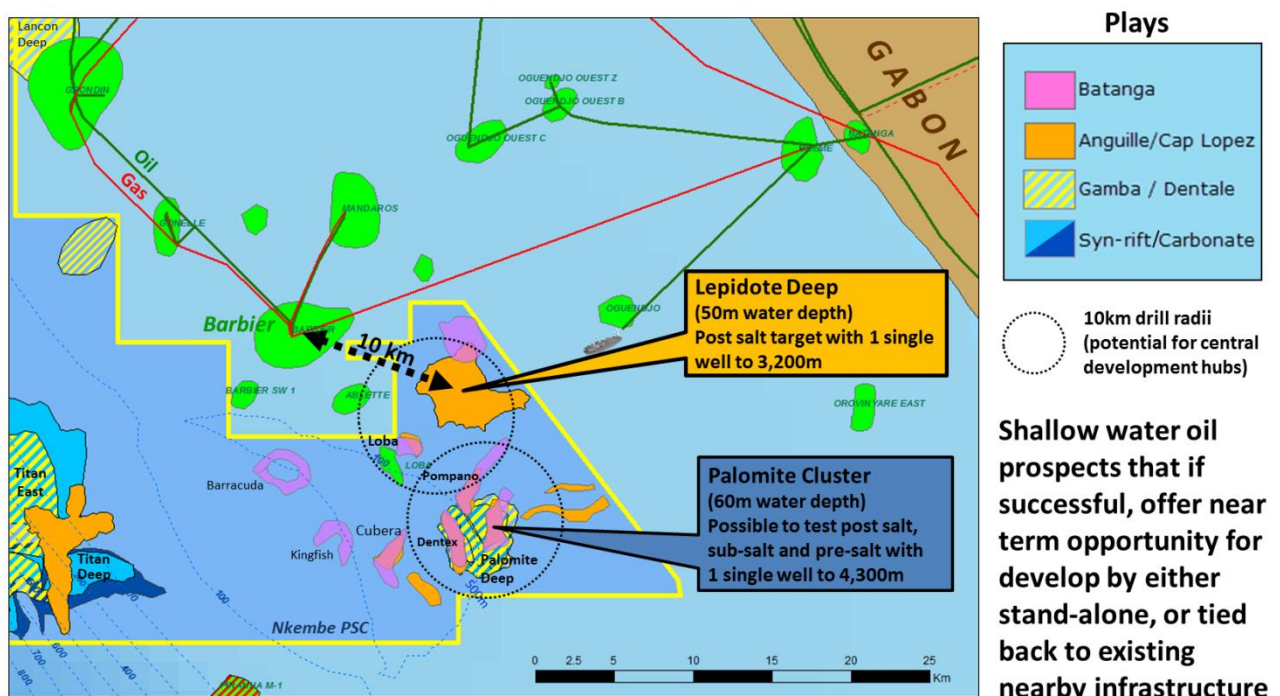


Figure 2 – Shallow water prospectivity offers near term oil potential in close proximity to existing infrastructure

**Ambilobe Block, Offshore Madagascar (100%, Operator)**

The newly acquired 3D seismic data on the Ambilobe block adds value and allows the Company to progress to the farmout phase to fund drilling. Preliminary interpretation has revealed large four-way structural closures with exciting potential (refer Figure 3). For example, the areal extent of the Fossa lead is some 65 km<sup>2</sup> with up to 650 metres of vertical relief.

The Company recently announced that it increased its equity in the Ambilobe block to 100% and has taken over Operatorship. In conjunction with our increase in equity, the Company has successfully renegotiated the terms of the PSC (the new terms are conditional upon ratification by Presidential Decree).

Securing 100% interest and Operatorship is important in opening up additional strategic options and provides Pura Vida with maximum flexibility in how it progresses the Ambilobe block.

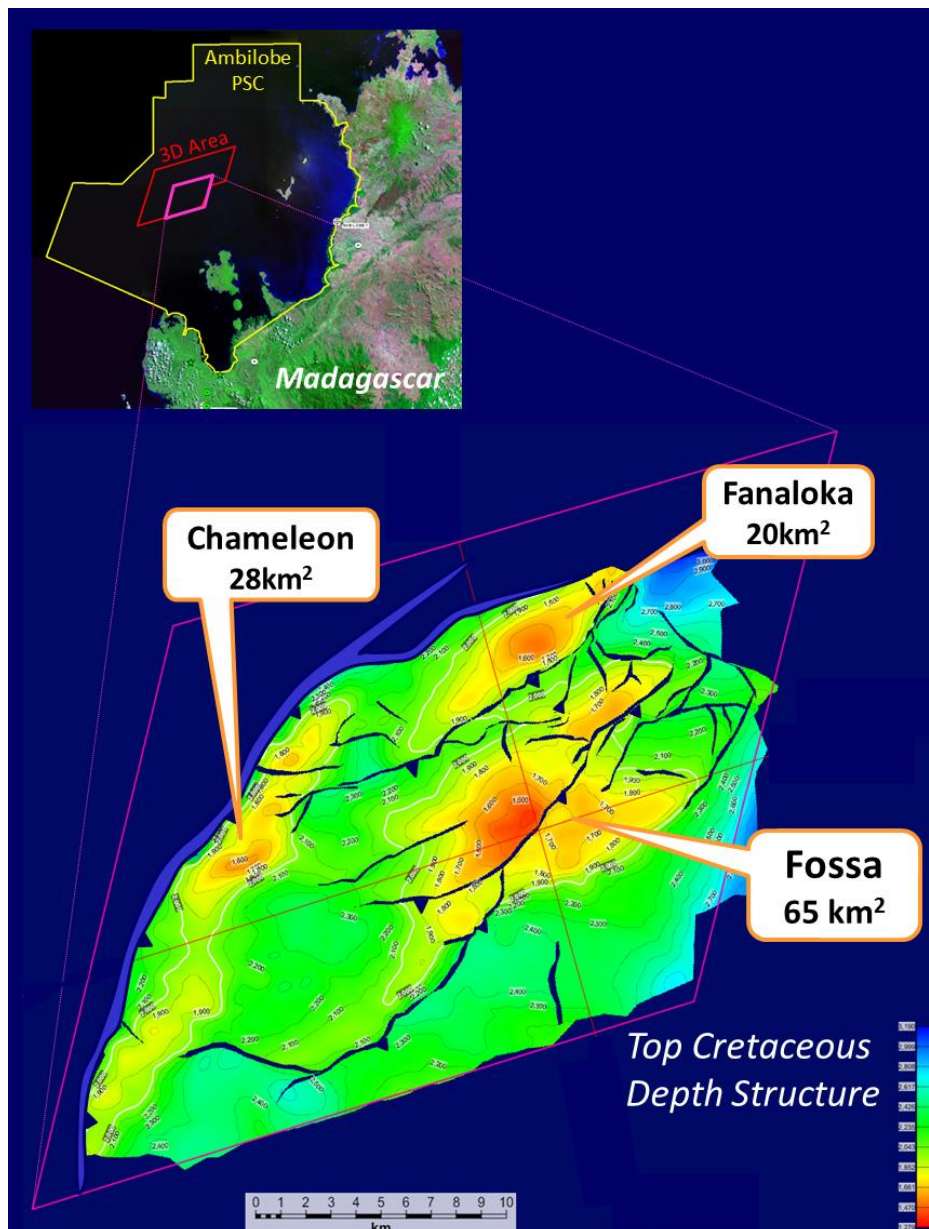


Figure 3 – Creteaceous aged leads mapped on 3D seismic

Work going forward includes finalising processing and interpretation over the next 3 to 4 months to build an inventory of drill-ready candidates ahead of the farmout campaign.

Managing Director, Damon Neaves, said:

*“The newly constituted Board announced yesterday has endorsed the Company’s strategy outlined in this announcement and we look forward to delivering on key outcomes on each of the assets to drive future value of the Company.”*

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