

Quarterly Report

For the period ended 30 September 2016



HIGHLIGHTS

- ▶ Closing cash of \$7.2 million as at 30 September 2016.
- ▶ Conditional settlement with PXP entered into during the quarter and deposit of US\$1.5 million (A\$2 million) received. The Company is progressing towards completion of the settlement.
- ▶ The Company is - focusing on the commercialisation of the Loba discovery in the 100%-owned Nkembe block offshore Gabon. Discussions with potential farmin partners to fund drilling, including a production test of Loba, are ongoing.
- ▶ PVD board strengthened by the appointments of Mr Simon Eley and Mr David Sanders as non-executive directors to enhance governance and bolster the skills and experience on the board.
- ▶ Following the AGM to be held in late November, the Company's current interim Chairman, Mr Ric Malcolm will step down and Mr Eley will be appointed as the new Chair. Mr Malcolm will remain on the board as a non-executive director which will allow Mr Malcolm, a geologist with over 35 years' industry experience, to play an enhanced role supporting the Company's management team as the Company looks to expand its technical and operating capabilities.

EXPLORATION

MAZAGAN PERMIT, OFFSHORE MOROCCO

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

On 12 September 2016, the Company announced that it had entered into a conditional settlement with a subsidiary of Freeport-McMoRan Oil & Gas, PXP Morocco B.V. (PXP) in relation to the second well obligation under the farmin agreement with PXP. The agreement is conditional upon PXP and PVD reaching a further agreement (and obtaining any required approvals thereto) with the Office National des Hydrocarbures et des Mines (ONHYM), the regulator acting on behalf of the Government of the Kingdom of Morocco, in relation to the second well commitment under the Petroleum Agreement between ONHYM, PXP and PVD.

Under the terms of the settlement, PXP paid to the Company an unconditional and non-refundable deposit of US\$ 1.5 million (A\$2 million).

The joint venture is in discussions with the regulator to finalise the matter and satisfy the conditionality for the completion of the PXP settlement. The current exploration phase of the Mazagan permit is scheduled to expire mid-December 2016, accordingly the Company is seeking to resolve the matter as soon as possible. Concluding the PXP settlement will deliver an important value outcome for Pura Vida.

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.

The Loba Oil Field (141 metre gross oil column) lies in shallow water which can be drilled by a jack-up rig and is ideally positioned to access existing pipeline infrastructure, opening up the potential for cost effective development options (see Figure 1).

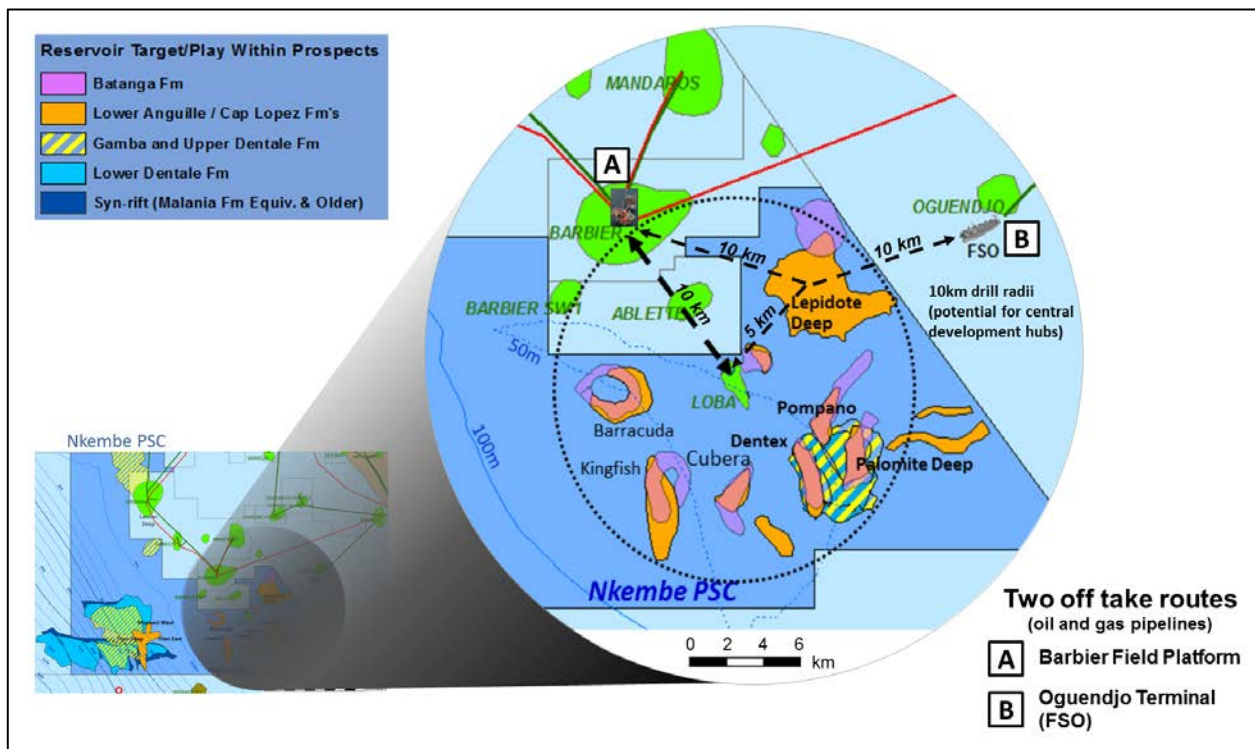


Figure 1 – Shallow water prospectivity offers near term oil potential in close proximity to existing infrastructure

The Company has recently presented to the market the outcome of substantial work demonstrating the commercial potential of the Loba Oil Field and outlined the Company's strategy to realise value through a series of near term catalysts including farmout, drilling and the potential for the fast-track development of the Loba Oil Field.

The Company has a fully costed Concept and Feasibility Study (CFS) for the fast-track development of the Loba Oil Field (refer the Company's announcement of 13 September 2016 for the details of the fast-track CFS). The next critical step is to secure funding through a farmout for a well to carry out a production test, prove a commercial flow rate and book reserves. In this regard, the Company has undertaken a study by an independent flow assurance expert which modelled flow rates in excess of the threshold for a commercial development, which has further de-risked the project.

The results of the economics for the development of the Loba Oil Field demonstrate the significant potential value this strategy can deliver to shareholders in the near term (refer the Company's

announcement of 13 September 2016 for detailed economics). The Company has already identified suitable topside facilities that are readily available on a cost-effective basis. The approach adopted by the Company in the fast-track CFS could allow the Company to achieve first production within a period of as little as 12 months after a successful production test.

Loba provides significant potential to transform the Company from an explorer into a developer and producer whilst generating near term cash flow from early production.

An extension of the current phase of the permit to January 2018 has been agreed with the regulator and is now in circulation for execution. Pura Vida's ability to perform the work commitments in the current phase, which includes acquisition of new 3D seismic data and a well, remains dependent on securing a farm-in partner and the finalisation of the extension.

AMBILOBE BLOCK, OFFSHORE MADAGASCAR

(PURA VIDA 100% AND OPERATOR)

The Ambilobe block is located in the Ambilobe Basin, offshore north-west Madagascar covering an area of 17,650 km² (Figure 2).

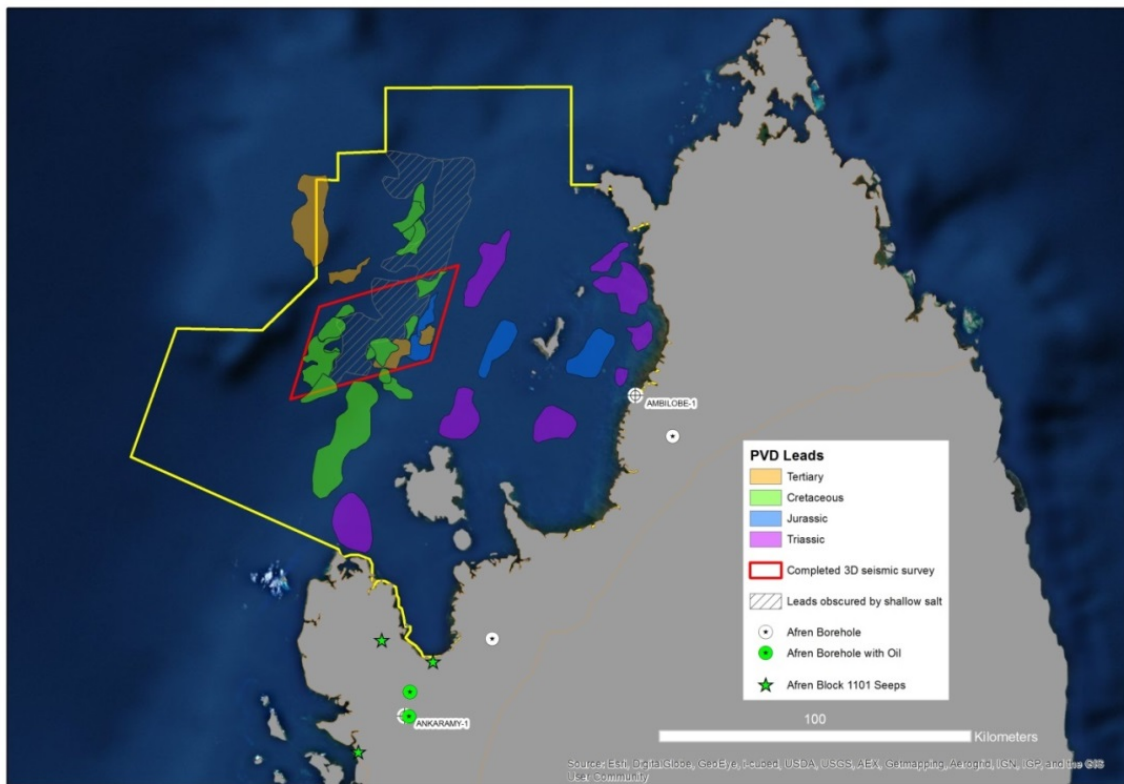


Figure 2 – The Ambilobe block (yellow boundary) showing area of 3D seismic survey (red boundary)

Following the transfer of Operatorship to Pura Vida during the preceding quarter, interpretation of the newly acquired 3D seismic data continues. The evaluation will be focused on defining leads and prospects and building a portfolio with the aim to mature prospects to drill ready candidates, ahead of a farm-out campaign.

Initial interpretation of the newly acquired 3D seismic data has generated encouraging leads which include structural traps with four way dip closure. Trap definition is considered robust with good vertical relief at this level ranging from 400 metres to over 600 metres with independent closure over significant areal extents ranging from 20km² to 65km².

CORPORATE & FINANCIAL

Closing cash at the end of the quarter was \$7.2 million.

The Company has no debt.

On 20 October 2016, Mr Simon Eley and Mr David Sanders were appointed as non-executive directors to enhance governance and bolster the skills and experience on the board. Following the AGM scheduled to be held in late November, the Company's current interim Chairman, Mr Ric Malcolm will step down and Mr Eley will be appointed as the new Chair. Mr Malcolm will remain on the board as a non-executive director allowing Mr Malcolm, a geologist with over 35 years' industry experience, to play an enhanced role supporting the Company's management team as the Company looks to expand its technical and operating capabilities.

ISSUED CAPITAL AS AT 30 SEPTEMBER 2016

Security	Number
Ordinary Shares	255,978,414
Unlisted Partly Paid Shares	10,428,550
Unlisted Performance Rights	4,488,186
Unlisted Retention Rights	3,800,000
Unlisted Options	4,957,500

PETROLEUM TENEMENTS HELD AS AT 30 SEPTEMBER 2016

	% Interest	Tenement	Location
Held at end of quarter	23%	Mazagan Permit	Offshore Morocco
	100%*	Nkembe Block	Offshore Gabon
	100%	Ambilobe Block	Offshore Madagascar
Acquired during the quarter	50%	Ambilobe Block	Offshore Madagascar
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 2016

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

CORPORATE DIRECTORY

Directors

Ric Malcolm	Non-Executive Chairman
Damon Neaves	Managing Director
Nathan Lude	Non-Executive Director
Simon Eley	Non-Executive Director
David Sanders	Non-Executive Director

Registered Office and Principal Place of Business

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Web: www.puravidaenergy.com.au

Company Secretary

Nicholas Ong

Share Registry

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Persons compiling information about hydrocarbons

The resource estimates and/or risking contained in this report 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 and/or risking in this presentation in the form and context in which they are included.

Appendix 5B

Mining exploration entity and oil and gas 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, 01/05/13, 01/09/16

Name of entity

PURA VIDA ENERGY NL

ABN

11 150 624 169

Quarter ended ("current quarter")

30 SEPTEMBER 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	52	52
1.2 Payments for		
(a) exploration & evaluation	(298)	(298)
(b) development	-	-
(c) production	-	-
(d) staff costs	(203)	(203)
(e) administration and corporate costs	(283)	(283)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Freeport settlement	1,984	1,984
1.9 Net cash from / (used in) operating activities	1,259	1,259
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2)	(2)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(2)	(2)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,083	6,083
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,259	1,259
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(2)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(127)	(127)
4.6	Cash and cash equivalents at end of period	7,213	7,213

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	7,127	5,983
5.2 Call deposits	86	100
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,213	6,083

6. Payments to directors of the entity and their associates

	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	96
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments of Directors fees and salaries \$95,812.

7. Payments to related entities of the entity and their associates

	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/A

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	554
9.2 Development	-
9.3 Production	-
9.4 Staff costs	176
9.5 Administration and corporate costs	146
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	876

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Date:
(Director/Company secretary)

Print name:

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.