

Entitlement Offer Document

For a non-renounceable pro-rata offer of one (1) New Share for every three (3) existing Shares held by Eligible Shareholders registered at 5.00 pm (AWST) Monday, 29 February 2016 at an issue price of \$0.027 per New Share to raise up to approximately \$1.7 million (before costs and fees) (**Offer**).

Eligible Shareholders are entitled to apply for Excess Shares under the Excess Entitlement Facility to receive Shares in addition to their Entitlement (subject to availability).

Hartleys Limited is the Lead Manager with Advantage Management Pty Ltd as Co-Manager to the Offer.

IMPORTANT NOTICE

This document is not a prospectus and has not been lodged with ASIC. It is for information purposes only.

Accordingly, this document does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding whether or not to invest in the Securities offered by this document.

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

This Offer opens on Wednesday, 2 March 2016 and closes at 5.00 pm (AWST) on Thursday, 24 March 2016, unless extended at the Directors' discretion.

Valid acceptances must be received before the Closing Date of the Offer.

Please read the instructions in this document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.

IMPORTANT NOTES

This Offer Document is dated 22 February 2016.

This Offer Document is important and requires your immediate attention. It should be read in its entirety together with the Entitlement and Acceptance Form accompanying it. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker, accountant or professional adviser without delay.

No person is authorised to give information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

This Offer Document has been prepared in accordance with section 708AA of the Corporations Act. In broad terms, section 708AA relates to rights issues by certain companies that do not require the provision of a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than that required in a prospectus and this Offer Document does not contain all of the information which a prospective investor may require to make an investment decision or which would otherwise be required under Australian Law or any other law to be disclosed in a prospectus. The Offer Document is not required to be, and will not be, lodged with ASIC. Eligible Shareholders should therefore consider whether the Securities offered under this document are a suitable investment in light of their own investment objectives and financial circumstances and the merits or risks involved, having regard to their own knowledge of the Company and the disclosures made by the Company to the ASX. If, after reading this Offer Document, Eligible Shareholders have any questions regarding the Offer, they should contact their stockbroker, accountant or other independent professional adviser before deciding whether to accept the Offer. The information in this Offer Document does not constitute securities recommendation or financial product advice.

Neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on any investment made under this Offer Document. Neither ASX nor ASIC takes any responsibility for the contents of this Offer Document or the merits of the investment to which this Offer Document relates.

Capitalised terms in this Offer Document are generally defined terms. Their meaning is set out on page 19 of this Offer Document.

Eligibility and Offering Restrictions

Applications for Securities by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer. Refer to Sections 1.1, 1.14, 1.15 below for more information on entitlements, eligibility and Eligible Shareholders.

Overseas Shareholders – Offer Restrictions

This Offer Document does not, and is not intended to, constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer or issue. This Offer Document has not been, nor will it be lodged, filed or registered with any regulatory authority under the securities laws of any other country outside Australia.

If you are resident in a country other than Australia and New Zealand you should consult your professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. If you are outside Australia and New Zealand it is your responsibility to obtain all necessary approvals for the issue of the Securities pursuant to this Offer Document. The return of a completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

The total consideration of the Offer is less than Euro €2,500,000. Therefore, in accordance with section 85 of the Financial Services and Markets Act 2000, this document does not constitute a prospectus for the purposes of the Prospectus Rules of the Financial Conduct Authority in the United Kingdom and a copy of it has not been, and will not be, approved or reviewed by the Financial Conduct Authority in the United Kingdom or the UK Listing Authority.

The distribution of this Offer Document in jurisdictions outside of Australia, New Zealand and the United Kingdom may be restricted by law and therefore persons who come into possession of this Offer Document should seek advice on and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the applicable securities law.

Lead Manager Arrangement

The Company has engaged Hartleys Limited (**Hartleys**) pursuant to the terms of a Lead Manager Arrangement as the Lead Manager to the Offer and for the placement of any Shortfall that arises as a result of the Offer. Refer to Section 1.11 for further details of the Lead Manager Arrangement.

Co-Manager Arrangement

The Company has engaged Advantage Management Pty Ltd (**Advantage**) pursuant to the terms of a Co-Manager Arrangement as the Co-Manager to the Offer and for the placement of any Shortfall that arises as a result of the Offer. Refer to Section 1.12 for further details of the Co-Manager Arrangement.

Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's Share Registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration. The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its Share Registry if you wish to do so at the relevant contact numbers set out in this Offer Document. Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1998 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

<p>This document is not a prospectus and does not contain all of the information that an investor would find in a prospectus or which may be required to make an informed decision regarding, or about the rights attaching to, New Shares offered by this Offer Document.</p>

CORPORATE DIRECTORY

DIRECTORS

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

COMPANY SECRETARY

Dennae Lont

PRINCIPAL AND REGISTERED OFFICE

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PERTH WA 6000
Telephone: +61 8 9226 2011
Facsimile: +61 8 9226 2099
Web: www.puravidaenergy.com.au

STOCK EXCHANGE LISTING

Australian Securities Exchange Limited
ASX Code – PVD

SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
PERTH WA 6000
Telephone: 1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

LEGAL ADVISER

Nova Legal
Level 2, 50 Kings Park Road
WEST PERTH WA 6005

LEAD MANAGER

Hartleys Limited
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PERTH WA 6000

CO-MANAGER

Advantage Management Pty Ltd
Level 4, 11 Harvest Street
WEST PERTH WA 6005

AUDITOR*

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

*This party has been included for information purposes only. They have not been involved in the preparation of this Offer Document.

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MANAGING DIRECTOR'S LETTER

Dear Shareholder,

On behalf of the Board, it is my pleasure to invite you to participate in a pro-rata non-renounceable entitlement offer of one (1) New Share for every three (3) existing Shares held by you on the Record Date (5.00 pm (AWST) on Monday, 29 February 2016) at an issue price of \$0.027 per New Share to raise approximately \$1.7 million (before costs and fees) (**Offer**).

On Tuesday, 16 February 2016, the Company announced a capital raising, comprising a Placement to sophisticated and professional investors to raise approximately \$987,000 and the Offer, to raise up to approximately \$2.7 million (together, the **Capital Raising**). The Placement successfully completed on Friday, 19 February 2016. This Offer Document relates to the Offer.

Funds raised from the Capital Raising (after costs and fees) will be used to primarily fund the Company's capital expenditure for exploration activities on its licence permits.

Overview of the Offer

The Offer is being made to Eligible Shareholders who are registered as a holder of Pura Vida Shares as at 5.00 pm (AWST) on the Record Date, Monday, 29 February 2016.

Under the Offer, Eligible Shareholders have the opportunity to subscribe for one (1) New Share for every three (3) existing Shares of which they are the registered holder at 5.00 pm (AWST) on the Record Date at an issue price of \$0.027 per New Share. The Offer is non-renounceable. Eligible Shareholders are also invited to apply for additional New Shares in excess of their entitlement under the Excess Entitlement Facility if there is a shortfall between applications received from Eligible Shareholders and the number of New Shares proposed to be issued under the Offer.

Company Strategy

Following the disappointing results of the first well in the Mazagan permit, offshore Morocco and the sustained low oil prices, the Company has been focusing inwardly to cut costs and ensure the Company remains well funded to pursue its future strategic objectives. The Company has previously announced the details of these cost saving initiatives, and I am pleased to advise that the Company is on track to deliver meaningful cost savings this year.

As noted in our announcement of 12 February 2016, the Company has written to PXP Morocco B.V. (**PXP**) (a subsidiary of Freeport-McMoRan Oil & Gas) reserving its rights in relation to the second well obligation in the Mazagan permit. The joint venture parties are in discussions and timely resolution of this matter is an important priority for the Company.

Sustained low oil prices has hampered progress in securing a farmin partner for the work program in Gabon, however, the Company believes the Nkembe block has excellent potential. Whilst there is a lot of speculation about future oil prices, the consensus view amongst analysts sees oil prices making a recovery during this year. Our technical efforts have recently been focusing on the shallow oil plays within the Nkembe block which present low cost, near-term drilling opportunities. The Company remains committed to finding a partner to fund drilling on the Nkembe block.

In Madagascar, new 3D seismic data has been acquired and we are finalising the processing and interpretation of that data ahead of commencing a farmout process later this year.

In pursuit of the strategies outlined above, the Company reviewed its funding requirements and on 19 February 2016 announced the successful Placement to sophisticated and professional investors of 36.5 million Shares to raise \$986,640 (before costs and fees). These investors are supportive of the Company's strategy and, we believe, will be instrumental in rebuilding the value of the Company. The Board recognises the loyalty and support shown by existing Shareholders and, by this Offer, has ensured existing Shareholders have an opportunity to participate at the same price as the Placement.

On behalf of the Board, I invite you to participate in this Offer and join us in our endeavours to rebuild the value of the Company.

Yours sincerely



DAMON NEAVES
MANAGING DIRECTOR

1 DETAILS OF THE OFFER

1.1 The Offer

The Company is making a pro-rata non-renounceable offer of one (1) New Share for every three (3) existing Shares held by Eligible Shareholders registered at 5.00 pm (AWST) Monday, 29 February 2016 at an issue price of \$0.027 per New Share to raise up to approximately \$1.7 million (before costs and fees) (**Offer**).

The Offer is non-renounceable, which means that to the extent that any entitlement under the Offer is not taken up by any Eligible Shareholder prior to the Closing Date, the entitlement will lapse.

The choices available to Eligible Shareholders in respect of the Offer are described in Section 2. The Offer is currently scheduled to close at 5.00 pm (AWST) on Thursday, 24 March 2016.

Eligible Shareholders (being those with a registered address in Australia, New Zealand and the United Kingdom) may apply for Shares in excess of their Entitlement under the Excess Entitlement Facility, subject to availability and at the Company's discretion (refer Section 1.9).

Fractional Entitlements will be rounded up to the nearest whole number.

All of the Shares offered under this Offer Document will rank equally with the Shares on issue at the date of this Offer Document.

1.2 Use of Funds

Completion of the Offer will result in an increase in cash in hand by up to approximately \$1.7 million (before the payment of costs and fees associated with the Offer). The Company intends to apply the funds raised from the Offer towards exploration expenditure (including new ventures), costs and fees associated with this Offer and working capital. The Company intends to apply the funds raised under the Offer as follows:

Use of Funds ¹	\$
Exploration expenditure (including new ventures)	1,225,000
Working capital ²	300,000
Costs of the Offer	50,000
Lead Manager and Co-Manager fees ³	125,000
Total funds applied	<u>1,700,000</u>

1 The above use of funds table assumes that all the New Shares under the Offer are issued.

2 Working capital includes corporate administration and operating costs and may be applied to ASX and share registry fees, legal, tax, audit, corporate advisory fees, insurance and other costs.

3 The fees payable to Hartleys and Advantage are set out in Sections 1.11 and 1.12 respectively.

The table above is a statement of the Board's current intentions as at the date of this Offer Document. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

1.3 Current Capital Structure

As at the date of this Offer Document, the Company has on issue:

Shares	Number
Listed ordinary fully paid shares	<u>189,232,393</u>
Partly Paid Shares	Number
Unlisted partly paid shares	<u>10,428,550</u>

Options	Number
Unlisted Options exercisable at \$0.70 expiring 3 June 2016	300,000
Unlisted Options exercisable at \$0.60 expiring 20 June 2016	2,000,193
Unlisted Options exercisable at \$0.40 expiring 6 September 2016	3,750,000
Unlisted Options exercisable at \$1.03 expiring 2 October 2016	775,000
Unlisted Options exercisable at \$1.08 expiring 4 November 2016	32,500
Unlisted Options exercisable at \$0.82 expiring 16 December 2016	250,000
Unlisted Options exercisable at \$0.91 expiring 13 January 2017	1,500,000
Unlisted Options exercisable at \$0.35 expiring 20 August 2017	2,400,000
Total Options on issue	<u>11,007,693</u>

Performance Rights	Number
Unlisted performance rights subject to performance conditions, expiring 30 October 2016	135,954
Unlisted performance rights subject to performance conditions, expiring 4 November 2016	24,375
Unlisted performance rights subject to performance conditions, expiring on 30 June 2017	697,214
Unlisted performance rights subject to performance conditions, expiring on 30 June 2018	4,603,464
Total performance rights on issue	<u>5,461,007</u>

Retention Rights	Number
Unlisted retention rights expiring 30 June 2016	2,400,000
Unlisted retention rights expiring 30 June 2017	2,400,000
Total retention rights on issue	<u>4,800,000</u>

The above capital structure may change if existing Options are exercised or partly paid shares are paid in full prior to the Record Date. Any increase to the number of Shares on issue will increase the number of New Shares which may be issued under the Offer by a corresponding amount. New Shares are fully paid ordinary Shares which upon issue will rank equally with existing Shares on issue.

The performance rights and retention rights in the above capital structure will not meet the relevant vesting conditions prior to the Record Date. Holders of performance rights and retention rights are not eligible to participate in the Offer.

Partly paid shareholders are entitled to participate in the Offer pro-rata to the proportion of the total issue price paid (\$0.01).

Optionholders who do not hold Shares on the Record Date are not entitled to participate in the Offer.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction, such fraction will be rounded up to the nearest whole number.

1.4 Terms and Conditions of New Shares

The New Shares issued under this Offer Document will be on the same terms and conditions as the ordinary fully paid Shares in the Company currently on issue.

1.5 Effect of the Offer on the Capital Structure and Financial Position of the Company

The capital structure of the Company following completion of the Offer (**if fully subscribed**) is summarised below:

Shares	Number
Shares on issue at the date of the Offer ¹	189,232,393
New Shares now offered under the Offer ²	63,251,274
Total Shares on issue at completion of the Offer	<u>252,483,667</u>

- 1 The Shares on issue at the date of the Offer may increase if:
 - (a) existing Options are exercised before the Record Date, and the Options on issue will correspondingly decrease; and
 - (b) partly paid shareholders pay in full (\$0.19) some or all of the partly paid shares prior to the Record Date, the partly paid shares on issue will correspondingly decrease.
- 2 The New Shares to be offered under the Offer includes the Entitlement of fully paid ordinary shareholders as well as the pro-rata Entitlement of the partly paid shares to the proportion of the total issue price paid (\$0.01). The New Shares to be offered under the Offer may increase if existing Options are exercised or the partly paid shares are paid in full prior to the Record Date.

Partly Paid Shares	Number
Unlisted partly paid shares on issue at completion of the Offer	10,428,550

Options	Number
Unlisted Options exercisable at \$0.70 expiring 3 June 2016	300,000
Unlisted Options exercisable at \$0.60 expiring 20 June 2016	2,000,193
Unlisted Options exercisable at \$0.40 expiring 6 September 2016	3,750,000
Unlisted Options exercisable at \$1.03 expiring 2 October 2016	775,000
Unlisted Options exercisable at \$1.08 expiring 4 November 2016	32,500
Unlisted Options exercisable at \$0.82 expiring 16 December 2016	250,000
Unlisted Options exercisable at \$0.91 expiring 13 January 2017	1,500,000
Unlisted Options exercisable at \$0.35 expiring 20 August 2017	2,400,000
Total Options on issue at completion of the Offer	11,007,693

Performance Rights ³	Number
Unlisted performance rights subject to performance conditions, expiring 30 October 2016	135,954
Unlisted performance rights subject to performance conditions, expiring 4 November 2016	24,375
Unlisted performance rights subject to performance conditions, expiring on 30 June 2017	697,214
Unlisted performance rights subject to performance conditions, expiring on 30 June 2018	4,603,464
Total performance rights on issue at completion of the Offer	5,461,007

- 3 Performance rights holders are not eligible to participate in the Offer.

Retention Rights ⁴	Number
Unlisted retention rights expiring 30 June 2016	2,400,000
Unlisted retention rights expiring 30 June 2017	2,400,000
Total retention rights on issue at completion of the Offer	4,800,000

- 4 Retention rights holders are not eligible to participate in the Offer.

The Company's cash reserves following completion of the Offer, Excess Entitlement Facility and Shortfall (assuming they are fully subscribed) will increase by approximately \$1.7 million (before any payment of costs and fees associated with the Offer).

1.6 Timetable

Event	Date
Announcement of Offer, Offer Document Appendix 3B and First Cleansing Notice	Monday, 22 February 2016
Notice sent to Security holders	Tuesday, 23 February 2016
Ex Date (date from which securities commence trading without the Entitlement to participate in the Offer)	Thursday, 25 February 2016
Record Date (date for determining Entitlements of Eligible Shareholders to participate in the Offer as at 5:00 pm (AWST))	Monday, 29 February 2016
Offer Opens and Dispatch of Offer Document to Shareholders (expected date of dispatch of Offer Document and Entitlement and Acceptance Form)	Wednesday, 2 March 2016
Closing Date 5.00 pm (AWST)¹	Thursday, 24 March 2016
New Shares quoted on a deferred settlement basis	Tuesday, 29 March 2016

ASX notified of Shortfall

Thursday, 31 March 2016

Issue Date²

Monday, 4 April 2016

Dispatch Holding Statements²

Tuesday, 5 April 2016

- 1 Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the Securities.
- 2 Dates are indicative only.

1.7 Entitlements and Acceptance

The Entitlement of Eligible Shareholders to participate in the Offer was determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance Form accompanying this Offer Document.

Acceptance of Entitlement in Full

If you wish to take up all of your Entitlement under the Offer, please complete the Entitlement and Acceptance Form in accordance with instructions on that form.

Shareholders who subscribe for their maximum Entitlement will also have the opportunity to subscribe for additional New Shares that are not subscribed for by other Shareholders under the Offer. Please refer to Section 1.9 on how to apply for Excess Shares.

Partial Acceptance of Entitlement

You may accept a lesser number of New Shares should you wish to take up only part of your Entitlement under the Offer, please complete the Entitlement and Acceptance Form in accordance with instructions on that form.

Please refer to Section 2 of this Offer Document for further information.

1.8 Directors' Participation

The relevant interest of the Directors in Shares of the Company as at the date of the Offer Document together with their respective Entitlement is set out in the table below.

Director	Existing Shares	Partly Paid Shares	Entitlement to New Shares	Entitlement Monies (\$)
Mr Jeff Dowling	350,000	-	116,667	3,150
Mr Damon Neaves	5,675,000	236,250	1,970,417	53,201
Mr Ric Malcolm	420,717	-	140,239	3,786

- 1 Mr Dowling and Mr Malcolm intend to take up their Entitlement under the Offer.
- 2 Mr Dowling holds 1,000,000 options exercisable at \$0.91 on or before 13 January 2017, which will provide an additional Entitlement should they be exercised prior to the Record Date. This is unlikely as the exercise price is out of the money as at the date of this Offer Document.
- 3 Mr Malcolm holds 500,000 options exercisable at \$0.91 on or before 13 January 2017, which will provide an additional Entitlement should they be exercised prior to the Record Date. This is unlikely as the exercise price is out of the money as at the date of this Offer Document.
- 4 Mr Neaves holds 2,500,000 options exercisable at \$0.40 on or before 6 September 2016, which will provide an additional Entitlement should they be exercised prior to the Record Date. This is unlikely as the exercise price is out of the money as at the date of this Offer Document.
- 5 Mr Neaves holds 4,725,000 partly paid shares of which \$0.01 per Share has been paid. In accordance with the terms and conditions of the partly paid shares, Mr Neaves is entitled to participate in the Offer pro-rata to the proportion of the total issued price paid (\$0.01). Mr Neaves may have an additional Entitlement should he pay in full (\$0.19) the partly paid shares prior to the Record Date.

Due to restrictions under the Corporations Act and the Listing Rules, the Directors cannot participate in the Excess Entitlement Facility or Shortfall, as described in Sections 1.9 and 1.10 below.

1.9 Excess Entitlement Facility

If you decide not to accept all or part of your Entitlement pursuant to the Offer Document, you are not required to take any action under this Section.

Eligible Shareholders who have subscribed for their full Entitlement may apply for additional New Shares (**Excess Shares**) in excess of their Entitlement (**Excess Entitlement Facility**). Excess Shares will only be available where there is a shortfall between applications received from Eligible Shareholders and the number of New Shares proposed to be issued under the Offer (**Entitlement Shortfall**). Excess Shares will be issued on the same terms and conditions as the New Shares under the Offer at an issue price of \$0.027 per New Share.

The Company proposes to adopt the following allocation policy for Excess Shares subscribed pursuant to the Excess Entitlement Facility:

- (a) the Excess Shares will be allocated at the Company's discretion;
- (b) no person is permitted to increase its relevant interest to more than 20% of the total number of Shares on issue following the Offer through an application for Excess Shares under this mechanism;
- (c) if a relevant interest of 20% or more is already held by a person, then no increase is permitted;
- (d) the Excess Shares will be allocated on the Issue Date; and
- (e) if any Shortfall remains after the Excess Entitlement Facility allocation has been completed, it will be dealt with in accordance with Section 1.10 below.

Accordingly, Eligible Shareholders who apply for Excess Shares may be allocated a lesser number of Excess Shares than applied for (whether wholly or partially) in which case excess application money will be refunded without interest in accordance with the Corporations Act. The Company does not guarantee that you will receive any Excess Shares.

For the avoidance of doubt, the Directors will allocate Excess Shares under the Excess Entitlement Facility before the allocation of any Shortfall in accordance with Section 1.10 below. In the event all Excess Shares are subscribed for by Eligible Shareholders under the Excess Entitlement Facility, there will be no Shortfall.

If you wish to subscribe for Excess Shares in addition to your full Entitlement, then you should complete the Entitlement and Acceptance Form filling in the spaces provided and make the corresponding payment for your full Entitlement plus the value of any Excess Shares subscribed for, or follow the instructions for BPAY set out in the Entitlement and Acceptance Form.

The Directors and any related parties are unable to participate in the Excess Entitlement Facility due to restrictions under the Corporations Act and Listing Rules. Accordingly, no Excess Shares will be issued to the Directors or any related parties.

1.10 Shortfall Shares

After the issue and allocation of Excess Shares under the Excess Entitlement Facility, and subject to the Corporations Act and Listing Rules, the Directors reserve the right to deal with the New Shares which are not taken up by Eligible Shareholders under the Offer or the Excess Entitlement Facility (**Shortfall Shares**).

The Shortfall Shares will be issued at the same issue price as offered to Eligible Shareholders pursuant to this Offer Document, being \$0.027 per New Share issued under the Shortfall.

Following completion of the Offer and Excess Entitlement Facility, the Directors may invite persons to apply for Shortfall Shares under this Offer Document by completing an application form for Shortfall Shares and returning it to the Company together with the relevant application money.

The Directors reserve the right to place the Shortfall Shares as set out below within three (3) months following the Closing Date of the Offer.

The Directors and any related parties are unable to be issued Shortfall Shares due to restrictions under the Corporations Act and Listing Rules. Accordingly, no Shortfall Shares will be issued to the Directors or any related parties.

The Company has retained Hartleys to act as Lead Manager and Advantage to act as Co-Manager for the placement of any Shortfall that arises as a result of the Offer. Fees under the Lead Manager Arrangement and Co-Manager Arrangement in respect to the Shortfall are outlined at Sections 1.11 and 1.12 respectively.

The Directors have agreed, following the allocation of Excess Shares to Eligible Shareholders under the Offer, to grant:

- (a) Hartleys a first right of refusal to place 30% of any Shortfall under the Offer; and
- (b) Advantage a first right of refusal to place 70% of any Shortfall under the Offer.

Under the Co-Manager Arrangement with Advantage, the Directors have also agreed that a minimum of \$500,000 of the Shortfall will be made available to Advantage (depending on Shortfall availability and on a best endeavours basis). In the event this level of Shortfall is not available to Advantage, the Directors reserve the right to conduct a further placement on the same terms and conditions of the Placement to Advantage, subject to Shareholder and regulatory approval.

1.11 Lead Manager Arrangement

The Company has entered into a mandate (**Lead Manager Arrangement**) whereby it has engaged Hartleys as the Lead Manager for the Company's recent Placement (as announced on 16 February 2016), the Offer under this Offer Document, and for the placement of any Shortfall (as described in Section 1.10) that arises as a result of the Offer. Under the Lead Manager Arrangement, Hartleys will receive a fee of 6% of the amount raised under the Offer and Shortfall from investors introduced by Hartleys (excluding GST) to be settled in cash or Shares (subject to any relevant Shareholder and regulatory approval).

The Lead Manager Arrangement otherwise contains terms and conditions considered standard for an agreement of its type.

1.12 Co-Manager Arrangement

The Company has entered into a mandate (**Co-Manager Arrangement**) whereby it has engaged Advantage as the Co-Manager for the Company's recent Placement (as announced on 16 February 2016), the Offer under this Offer Document, and for the placement of any Shortfall (as described in Section 1.10) that arises as a result of the Offer. Under the Co-Manager Arrangement, Advantage will receive a fee of 6% of the amount raised under the Offer and Shortfall from investors introduced by Advantage (excluding GST) to be settled in cash or Shares (subject to any relevant Shareholder and regulatory approval).

The Company will also pay Advantage a monthly retainer of \$10,000 (excluding GST) from February to April 2016 for services under the Co-Manager Arrangement.

Under the Co-Manager Arrangement with Advantage, the Directors have also agreed that a minimum of \$500,000 of the Shortfall will be made available to Advantage (depending on Shortfall availability and on a best endeavours basis). In the event this level of Shortfall is not available to Advantage, the Directors reserve the right to conduct a further placement on the same terms and conditions of the Placement to Advantage, subject to Shareholder and regulatory approval.

The Co-Manager Arrangement otherwise contains terms and conditions considered standard for an agreement of its type.

1.13 No Underwriting

The Offer is not underwritten.

1.14 Overseas Shareholders

This Offer Document does not, and is not intended to, constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer or issue. This Offer Document has not been, nor will it be lodged, filed or registered with any regulatory authority under the securities laws of any other country outside Australia.

Shareholders who are not Eligible Shareholders are **Ineligible Shareholders**.

The Company has determined, in reliance of Listing Rule 7.7.1, that it would be unreasonable to extend the Offer to Ineligible Shareholders, having regard to:

- (a) the small number of Ineligible Shareholders;
- (b) the small number and value of the New Shares which would be offered to Ineligible Shareholders if they were Eligible Shareholders; and
- (c) the cost of complying with the legal and regulatory requirements in the respective overseas jurisdictions.

Accordingly, the Offer is not being extended to any Shareholders outside Australia, New Zealand and the United Kingdom unless those Shareholders would be eligible under all applicable securities laws to receive an offer of, and be issued, New Shares under the Offer.

Where this Offer Document has been dispatched to an Ineligible Shareholder and where that jurisdiction's law, code or legislation prohibits or restricts in any way the making of the Offer, this Offer Document is provided for information purposes only.

1.15 Nominees, Trustees and Custodians

Shareholders resident in Australia, New Zealand and the United Kingdom holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Shareholders resident in Australia, New Zealand and the United Kingdom holding shares on behalf of persons who are resident overseas should seek independent advice as to how they should proceed.

1.16 No Rights Trading

The rights to Securities under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for Securities under the Offer to any other party. If you do not take up your Entitlement to Securities under the Offer by the Closing Date, the Offer to you will lapse.

1.17 Opening and Closing Dates

The Offer opens on the Opening Date, being Wednesday, 2 March 2016. The Company will accept Entitlement and Acceptance Forms until 5.00 pm AWST on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the Listing Rules.

1.18 Issue and Dispatch

The expected dates for issue of Securities offered by this Offer Document and dispatch of holding statements is expected to occur on the dates specified in the timetable set out in Section 1.6 of this Offer Document.

It is the responsibility of Applicants to determine the allocation prior to trading in the New Shares. Applicants who sell Securities before they receive their holding statements will do so at their own risk.

1.19 ASX Listing

Application has been made to the ASX for quotation of the New Shares. The fact that ASX may grant official quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription. Issues of New Shares under the Offer will only be made after permission for their quotation on the ASX has been granted.

1.20 CHESS

The Company will apply to ASX to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares issued to them under this Offer Document. The notice will also advise holders of their Holder Identification Number (**HIN**) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

1.21 Taxation Implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for Securities under this Offer Document.

1.22 Risk Factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are described in Section 3 of this Offer Document.

1.23 Enquiries concerning Offer Document

Enquiries concerning the Offer Document and Entitlement and Acceptance Form should be directed to the Company on +61 8 9226 2011.

1.24 Governing Law

This Offer Document and the contracts formed on acceptance of the Entitlement and Application Forms are governed by the laws applicable in Western Australia. Each applicant for Securities under this Offer Document submits to the non-exclusive jurisdiction of the courts of Western Australia.

1.25 Entire Agreement

The terms contained in this Offer Document constitute the entire agreement between the Company and you as to the Offer and your participation in it is to the exclusion of all prior representations, undertakings and agreements between the Company and you.

2 ACTION REQUIRED BY SHAREHOLDERS

2.1 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement in full:

- (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - (ii) attach your cheque for the amount indicated on the Entitlement and Acceptance Form or follow the instructions for BPAY set out in the Entitlement and Acceptance Form;
- (b) if you only wish to accept part of your Entitlement:
- (i) fill in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque for the appropriate amount or follow the instructions for BPAY set out in the Entitlement and Acceptance Form;
- (c) if you wish to accept your Entitlement in full and apply for Excess Shares:
- (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - (ii) attach your cheque for the appropriate amount or follow the instructions for BPAY set out in the Entitlement and Acceptance Form; and
- (d) if you do not wish to accept any part of your Entitlement, you are not obliged to do anything.

2.2 Payment by Cheque – Eligible Shareholders

All cheques must be drawn on an Australian Bank or Bank Draft made payable in Australian currency to “**Pura Vida Energy NL Share Issue**” and crossed “**Not Negotiable**”.

Your completed Entitlement and Acceptance Form, together with your cheque, must be forwarded to:

Computershare Investor Services Pty Limited
GPO Box 505
MELBOURNE VIC 3001

Completed Entitlement and Acceptance Forms must be received no later than 5.00 pm (AWST) on the Closing Date.

2.3 Payment by BPAY – Eligible Shareholders

Those who elect to pay via BPAY must follow the instructions for BPAY set out in the Entitlement and Acceptance Form. **Investors who elect to pay via BPAY will not need to return their completed Entitlement and Acceptance Form.**

Please note that payment via BPAY must be made by no later than 5.00 pm AWST on Thursday, 24 March 2016. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the date and time mentioned above. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

2.4 Excess Entitlement Facility

The Company will treat Eligible Shareholders as applying for as many New Shares and Excess Shares as their payment will pay for in full, subject to any scale back on a pro-rata basis as the Company may determine to implement in respect of the Excess Entitlement Facility described in Section 1.9 above. Amounts received by the Company in excess of the full Entitlement of an Eligible Shareholder (**Excess Amounts**) may be treated as an application to apply for as many Excess Shares by that Eligible Shareholder as the Excess Amount will pay for in full.

3 RISK FACTORS

3.1 Introduction

The Securities offered under this Offer Document should be considered speculative because of the nature of the Company's business.

Whilst the Directors recommend that Shareholders take up their Entitlement, there are numerous risk factors involved. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which Securities will trade.

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. Prospective investors should read this Offer Document in its entirety before deciding whether to apply for New Shares under this Offer Document.

These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for New Shares pursuant to this Offer Document.

The Company maintains a risk register that addresses the specific risks related to the following material business risks to the Company. The risk register is reviewed by the Directors bi-annually.

3.2 Material Business Risks

Pura Vida is an African oil explorer with licence permits in Morocco, Gabon and Madagascar which are currently in the exploration phase. There are certain risks that the Company is not currently exposed to due to the Company not being in the development and production phases, however, these risks are common and/or relevant to the exploration and general operations of the Company and are highlighted below.

The international scope of the Company's operations, the nature of the oil industry and external economic factors mean that a range of factors may impact results. The following is not intended to be an exhaustive list of the risk factors that could impact the Company's results and performance and should be read in conjunction with specific matters referred to in the Company's announcements and reports. Potential investors should examine the contents of this Offer Document in its entirety and consult their professional advisers before deciding whether to apply for New Shares.

(a) **Financing, Future Capital Needs and Additional Funding Risk**

As the Company is in the exploration phase and has finite financial resources, additional financing will be required in order to meet its minimum expenditure commitments for its licence permits and to carry out its oil exploration activities.

The Company's ability to effectively implement its business strategy over time and keep its permits in good standing will depend on its ability to raise additional funds, or find alternative ways to keep its assets in good standing. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms or at all. Failure to obtain appropriate financing on a timely basis could cause the Company to have an impaired ability to expend the capital necessary to undertake or complete exploration programs, forfeit its exploration interests in its licence permits, and reduce or terminate its operations entirely. If the Company raised additional funds through the issue of equity securities, this may result in dilution to the existing shareholders and/or a change of control of the Company.

The Company also relies on funding from industry partners through farmout arrangements. There is a risk that farmout partners may not be secured to fund activities and contractual risk that the counterparties to the farmout agreements may not fully perform their obligations.

(b) Exploration Risk

Oil exploration is a speculative endeavour and the nature of the business carries a degree of risk associated with the discovery of hydrocarbons in commercial quantities. Exploration risk may be adversely influenced by a number of different factors including, amongst other things, new subsurface geological and geophysical data (e.g. seismic data), drilling results from either wells drilled by the Company or other industry players, where the well drilled has direct relevance to the plays and prospects being pursued in its licence permits. This information impacts knowledge of the fundamental geological factors that are required to be present in order to have a hydrocarbon accumulation. These fundamental elements require there to be an effective; trap, reservoir, seal, source rock presence, maturity of source rock for hydrocarbon generation and migration of hydrocarbon charge from the source rocks into a trap. Each of these elements are required and their presence needs to be effective in order to have a hydrocarbon discovery that may or may not be able to be commercialised.

The business of oil exploration involves risks and hazards. For example, in an exploration context, no assurance can be given that hydrocarbons will be detected and if they are, whether they are in quantities likely to be commercialised under conventional conditions within the term of the licence permit. High risk and substantial expense can be incurred without the requisite or expected degree of reward. Even if commercial quantities of oil are discovered unforeseen risks can arise in the development and production phases.

(c) Operational Risk

The business of oil exploration, development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on, amongst other things:

- (i) the discovery and/or acquisition of economically recoverable reserves;
- (ii) access to adequate capital for project development;
- (iii) securing and maintaining licence permits;
- (iv) obtaining consents and approvals necessary for the conduct of oil exploration,
- (v) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants; and
- (vi) availability of equipment, such as seismic vessels or drilling rigs, within the necessary time frame.

Whether or not income will result from licence permits depends on successful exploration, appraisal and establishment of production facilities.

There is no assurance that any exploration on current or future licence permits will result in the discovery of economic reserves. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

(d) Other Operational Risks

In addition to the risks listed above, industry operating risks include fire, explosions, blow outs, pipe failures, abnormally pressured formations and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures, or discharge of toxic gases. The occurrence of any of these risks could result in substantial losses to the Company due to injury or loss of life; damage to or destruction of property, natural resources, or equipment; pollution or other environmental damage; clean-up responsibilities; regulatory investigation and penalties or suspension of operations. Damages occurring to third parties as a result of such risks may also give rise to claims against the Company.

The Company manages operational risk through a variety of means including selecting suitably experienced qualified joint venture partners and operators, regular monitoring the performance of operators in accordance with the Company's policies, recruitment and retention of appropriately qualified employees and contractors, establishment and use of a Company risk management system. In addition, the Company has insurance programs in place and specific policies in relation to drilling operations that are consistent with good industry practice.

(e) Uncertainty of Exploration and Development Programs

Among the many uncertainties inherent in any exploration and development program are the location of oil, the development of appropriate processes, the receipt of necessary governmental permits, access to permits and the construction of processing facilities. Assuming the discovery of oil, several years may lapse from the initial phases of drilling until commercial operations commence and, during such time, the economic feasibility of production may change. Accordingly, the Company's exploration and development program may not result in any new economically viable operations.

(f) Joint Venture Risk

The Company is a party to various contracts. In particular, the Company's interest in its various licence permits where it does not hold a 100% ownership interest arises by virtue of a joint venture agreement which operates to regulate the risks and obligations of the owners of those licence permits. The use of joint ventures is common in the oil industry and usually exist through all stages of the oil lifecycle. The Company currently has joint venture agreements for the Mazagan permit, offshore Morocco and also the Ambilobe block, offshore Madagascar which are subject to the joint venture risks described below.

Joint venture arrangements, amongst other things, mainly serve to mitigate the risk associated with exploration success and capital intensive development phases. However, failure to establish alignment between joint venture partners, poor performance of third party joint venture operators or the failure of joint venture partners to meet their commitments and share of costs and liabilities could have a material impact on the Company's business.

The Company manages joint venture risk through careful partner selection and relationship management. However, there is a contractual risk that joint venture partners may not perform their obligations under these contractual arrangements. In the event the Company's joint venture partners do not meet their contractual obligations there is a risk the Company's licence permits may be at risk of regulatory penalties, including financial penalties and/or forfeiture or cancellation of the permits (refer paragraph (g) below).

(g) Government and Regulator Risk

The Company's rights, obligations and commercial arrangements through all stages of the oil lifecycle (exploration, development and production) in international oil licence permits are commonly defined in agreements entered into with the relevant country's Government as well as in the Country's petroleum and tax related legislation and other laws. These agreements and laws are at risk of amendment in the future by Governments which accordingly could have a materially adverse impact on the Company's rights and commercial arrangements.

Due to the evolving nature of exploration work programs such as new technical data becoming available, the fluctuating availability of petroleum equipment and services or lack of funding, the Company may seek to negotiate variations to licence permit agreements. In particular in respect to the duration of the exploration phases and work program commitments. There is a risk that the Company may be unsuccessful in obtaining these variations or extensions from the relevant country's Government or the regulator.

The Company manages Government and regulator risk through careful relationship management. Failure to maintain mutually acceptable arrangements between the Company, Government and the regulator could have an adverse material impact on the Company's business including the payment of financial penalties or compensation, forfeiture or relinquishment of licence permits resulting in less commercially advantageous terms being imposed on licence permits.

(h) Sovereign Risk

The Company's strategy is focused on oil exploration in Africa, in countries that are considered to be still developing and maturing. Uncertainty exists as to the stability of the regulatory and political environment in which the Company operates and there is potential for sovereign events to have a material impact on the investment and security environment within the country. The Company manages sovereign risk through closely monitoring political developments and events and careful country due diligence prior to new country entry.

(i) **Environmental Risk**

Oil operations have inherent risks and liabilities associated with ensuring they are carried out in a manner that is responsible to the environment. The Company complies with prevailing environmental laws and regulations imposed by each country in which it operates. Such laws and regulations could be revised at any time and result in new obligations and limitations brought about by unanticipated environmental restrictions which may impact operations as well as costs.

The Company identifies risks, threats, hazards and other environmental considerations and implements control measures to mitigate such risks. Any accidents, incidents or near misses are reported to the Board. Careful selection and engagement of contractors is undertaken to ensure adherence to the Company's policies and appropriate contingency arrangements are put in place which include but are not limited to having insurances in place that are consistent with good industry practice and selection and retention of appropriately qualified personnel.

(j) **Resource Estimates**

The estimated quantities of petroleum that may potentially be recoverable by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development.

Resource estimates are expressions of judgment based on knowledge at that time as well as experience and industry practice. Estimates that were valid when made may change significantly when new information or techniques become available. As a consequence, resource estimates are necessarily imprecise and depend on interpretations, which may prove to be inaccurate. Even if the Company identifies a resource or reserve, actual oil reserves and resources (including grade and quantity) may differ from those estimated at an earlier time which may result in alterations to development plans that may, in turn, adversely affect the Company's operations.

3.3 General Economic Climate

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on opening costs, commodity prices and stock market prices. The Company's future revenues and Share price may be affected by these factors, as well as by fluctuations in the price of oil or other commodities, which are beyond the Company's control.

3.4 Sharemarket Conditions

The market price of the Company's Shares may be subject to varied and unpredictable influences on the market for equities in general and resources stocks in particular.

3.5 Speculative Nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Offer Document. Therefore, the Securities offered pursuant to this Offer Document carry no guarantee with respect to the payment of dividends or returns of capital of the market value of the Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares under the Offer.

DEFINED TERMS

Advantage means Advantage Management Pty Ltd, the Co-Manager to the Offer.

Applicant refers to a person who submits an Entitlement and Acceptance Form.

Application refers to the submission of an Entitlement and Acceptance Form.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

AWST means Australian Western Standard Time.

Closing Date means 5.00 pm AWST on Thursday, 24 March 2016.

Company means Pura Vida Energy NL (ACN 150 624 169).

Corporations Act means the Corporations Act 2001 (Cth).

Co-Manager means Advantage in accordance with the Co-Manager Arrangement as outlined in Section 1.12.

Directors means the directors of the Company.

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date with a registered address in Australia, New Zealand and the United Kingdom or who are otherwise eligible to take up the Offer.

Entitlement means the entitlement to subscribe for New Shares under this Offer, and Entitlements has a corresponding meaning.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

Excess Entitlement Facility means the facility described in Section 1.9.

Excess Shares means those Securities applied for by Eligible Shareholders in excess of their Entitlement (after the issue of the full Entitlement of Eligible Shareholders).

Hartleys means Hartleys Limited, the Lead Manager to the Offer.

Ineligible Shareholders means a shareholder who has a registered address outside Australia, New Zealand and the United Kingdom.

Lead Manager means Hartleys in accordance with the Lead Manager Arrangement as outlined in Section 1.11.

Listing Rules means the Listing Rules of the ASX.

New Share means a new Share proposed to be issued pursuant to this Offer.

Offer means the offer of Securities offered under this Offer Document.

Offer Document means this Offer Document dated 22 February 2016.

Opening Date means Wednesday, 2 March 2016.

Optionholder means a holder of Options.

Options means an option to acquire a Share.

Placement means the Company's recent Placement to institutional and sophisticated investors as announced on 16 February 2016 of 36.5 million Shares to raise a total of approximately \$987,000.

Record Date means 5.00 pm AWST on Monday, 29 February 2016.

Securities means the New Shares offered under this Offer Document.

Share means an ordinary fully paid share in the capital of the Company.

Share Registry means Computershare Investor Services Pty Limited.

Shortfall Shares or Shortfall means those Securities under the Offer not applied for by Shareholders under their Entitlement (after the issue of Excess Shares, if any).

Shareholder means a holder of Shares.