Pura Vida Energy NL

ACN 150 624 169

Interim report for the half-year ended 31 December 2014

DIRECTORS

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

COMPANY SECRETARIES

Matthew Worner
Dennae Lont

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STOCK EXCHANGE LISTING

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AUDITOR

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

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DIRECTORS' REPORT

The Directors of Pura Vida Energy NL (**Company** or **Pura Vida**) and the entities it controls (**Consolidated Entity** or **Group**) present their report for the half-year ended 31 December 2014.

DIRECTORS

The names of the Directors in office during the financial period and since the end of the financial period are:

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

COMPANY SECRETARIES

- Matthew Worner, Joint Company Secretary (appointed 2 July 2014)
- Dennae Lont, Joint Company Secretary (appointed 2 July 2014)

PRINCIPAL ACTIVITIES

Pura Vida is an Australian-based African oil explorer. The Company has an interest in the Mazagan permit, offshore Morocco, the Nkembe block, offshore Gabon and the Ambilobe block, offshore Madagascar. The Company's strategy is to explore for oil and to build a diversified portfolio of assets over time.

There were no significant changes in the nature of these activities during the half-year.

DIVIDENDS

No dividends have been declared, provided for or paid in respect of the half-year (31 December 2013: Nil).

FINANCIAL SUMMARY

The Group made a net loss after tax of $503,777 for the financial half-year ended 31 December 2014 (31 December 2013: profit of $9,601,845).

At 31 December 2014, the Group had net assets of $41,863,761 (30 June 2014: $41,309,041) and cash assets of $18,157,816 (30 June 2014: $20,460,177).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The significant changes in the state of affairs of the Consolidated Entity during the financial period and to the date of this report are set out in the review of operations below.

REVIEW OF OPERATIONS

Mazagan permit, offshore Morocco
(Pura Vida 23%, subsidiary of Freeport-McMoRan Oil & Gas LLC Operator)

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

Company Activities

In December 2014, the Company announced the location of the first well in its two well Moroccan drilling campaign. The well named Mazagan-1 (**MZ-1**) will target the Ouanoukrim prospect in the northern part of the block. The decision of the Joint Venture to select MZ-1 as the location for the first well followed a detailed review by the Joint Venture of the prospectivity of the Mazagan permit and careful consideration of the benefits offered through investing more capital to drill deeper and test multiple prospects in the first well of the two well program, for which Pura Vida is fully carried.

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

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

This well not only provides a greater chance of finding oil but will greatly enhance the Joint Venture's understanding of the potential of the Mazagan permit ahead of the selection of the second well.

The MZ-1 well has an estimated cost of US$136.6 million (including contingencies other than deepening). Pura Vida is carried by its Joint Venture partner, a subsidiary of Freeport-McMoRan Oil & Gas, PXP Morocco B.V. (**Freeport**), for the cost of both this well and the second well in the program up to a maximum of US$215 million. In order to further protect itself against cost overruns which may occur, Pura Vida has secured an option to continue to be carried beyond the cap of US$215 million. If the option is exercised, Pura Vida will dilute its present 23% interest in the permit on the basis of one percentage point per US$4.5 million of gross expenditure in excess of the US$215 million cap. However, Pura Vida's interest shall not be reduced below 4% as a result of additional well costs relating to carried wells.

Nkembe block, offshore Gabon
(Pura Vida 80% and Operator)

The Nkembe block covers an area of 1,210 km^2 in water depths of 50 to 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.

Company Activities

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

Pre-salt discoveries

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 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 mmboe), 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 as 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 and a thick pre-salt sandstone reservoir, some 300 metres net. 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.

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. 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.

Company Activities

Planning of the 3D seismic survey covering approximately 1,250 km^2 progressed during the half-year with required environmental and government permitting approved. The acquisition is planned for late Q1 2015.

Following the period, approval has been granted by the Government regulator to extend the current phase of the Ambilobe Production Sharing Contract to July 2016. All work commitments in the current phase have been completed.

Surrounding Activity

In December 2014, Afren completed a borehole program in Block 1101 which is the onshore area adjacent to the Ambilobe block. Afren announced the discovery of oil in two boreholes at multiple levels.

Pura Vida understands ExxonMobil is planning to drill the 1.5 billion barrel Sifaka prospect in the Ampasindava block (adjacent to the Ambilobe block) in late 2015/early 2016. This will have the potential to add significant value to the region.

Prospective Resource Estimates Cautionary Statement

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

Prospective Resources

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

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

Persons compiling information about hydrocarbons

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

RISK MANAGEMENT AND CORPORATE GOVERNANCE

The Company's risk management and corporate governance statements were presented in the 2014 Annual Report. These statements remain current.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS FROM OPERATIONS

The Company intends to continue its present range of activities during the forthcoming period. In accordance with its strategy, the Company may participate in exploration and appraisal wells, and may grow its exploration portfolio by farming into or acquiring new exploration licences.

EVENTS AFTER THE REPORTING PERIOD

Issue of Shares

On 24 February 2015, the Company announced it had completed a capital raising of approximately $4 million through the issue 11,165,000 million shares at $0.36 cents per share. The funds raised will be used for general working capital.

Payment for 3D seismic data

Under the farmin agreement, Pura Vida will fund the acquisition and processing of 1,250 km^2 of 3D seismic data up to a maximum cost of US$15 million. Planning of the 3D seismic survey progressed during the half-year with acquisition planned for late Q1 2015. During the period, the Company was cash called for the estimated cost of the program in the amount of US$9.7 million. On 9 January 2015, the Company paid the outstanding amount.

In the opinion of the Directors, no other event of a material nature or transaction has arisen since period end and the date of this report that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or its state of affairs.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on the following page of the half-year report.

On behalf of the Directors

Damon Neaves
Managing Director

3 March 2015

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DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF PURA VIDA ENERGY NL

As lead auditor for the review of Pura Vida Energy NL for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Pura Vida Energy NL and the entities it controlled during the period.

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 3 March 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For The Half-Year Ended 31 December 2014

	Note	31 December 2014 $	31 December 2013 $
Revenue from continuing operations			
Interest income		32,646	23,890
Other income	2	-	11,558,055
Total income		32,646	11,581,945
Expenses			
Finance costs	4	(20)	(690,369)
Depreciation expenses		(28,616)	(41,436)
Administrative expenses	4	(2,389,787)	(2,179,054)
Share-based payments expense	4	(309,791)	(78,285)
Unrealised foreign exchange gain	4	2,191,791	1,009,044
Profit/(Loss) before income tax		(503,777)	9,601,845
Income tax expense		-	-
Profit/(Loss) after income tax attributable to the owners of the Company		(503,777)	9,601,845
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		95,831	854
Other comprehensive income for the half-year, net of tax		95,831	854
Total comprehensive income/(loss) for the half-year attributable to the owners of the Company		(407,946)	9,602,699
		cents	**cents**
Earnings per share for the half-year attributable the owners of the Company			
Basic earnings/(loss) per share		(0.34)	9.64
Diluted earnings/(loss) per share		(0.34)	8.54

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Note	31 December 2014 $	30 June 2014 $
Current assets			
Cash and cash equivalents		18,157,816	20,460,177
Other receivables		73,754	159,070
Non-current assets held for sale	6	-	-
Total current assets		18,231,570	20,619,247
Non-current assets			
Exploration and evaluation assets	7	37,149,988	22,361,237
Property, plant and equipment		65,008	73,941
Total non-current assets		37,214,996	22,435,178
Total assets		**55,446,566**	**43,054,425**
Current liabilities			
Trade and other payables	8	13,481,855	1,616,638
Provisions		100,950	128,746
Total current liabilities		13,582,805	1,745,384
Total liabilities		**13,582,805**	**1,745,384**
Net assets		**41,863,761**	**41,309,041**
Equity			
Issued capital	9	42,946,889	42,294,014
Share-based payment reserve		4,191,029	3,881,239
Foreign exchange reserve		43,175	(52,657)
Accumulated losses		(5,317,332)	(4,813,555)
Total equity		**41,863,761**	**41,309,041**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
For the Half-Year Ended 31 December 2014

	Issued capital $	Reserves $	Accumulated gain/(loss) $	Total equity $
Balance at 1 July 2013	**22,523,835**	**3,113,533**	**(9,330,124)**	**16,307,244**
Gain for the half-year	-	-	9,601,845	9,601,845
Other comprehensive income for the half-year	-	854	-	854
Total comprehensive income for the half-year	-	854	9,601,845	9,602,699
Transactions with owners in their capacity as owners				
Contributed equity	20,606,250	-	-	20,606,250
Share issue costs	(1,333,744)	-	-	(1,333,744)
Option and performance rights expense recognised during the half-year	-	78,285	-	78,285
Performance rights converted during the half-year	36,231	(36,231)	-	-
Balance at 31 December 2013	**41,832,572**	**3,156,441**	**271,721**	**45,260,734**
Balance at 1 July 2014	**42,294,014**	**3,828,582**	**(4,813,555)**	**41,309,041**
Loss for the half-year	-	-	(503,777)	(503,777)
Other comprehensive income for the half-year	-	95,831	-	95,831
Total comprehensive income/(loss) for the half-year	-	95,831	(503,777)	(407,946)
Transactions with owners in their capacity as owners				
Contributed equity	652,875	-	-	652,875
Share issue costs	-	-	-	-
Option and performance rights expense recognised during the half-year	-	309,791	-	309,791
Performance rights converted during the half-year	-	-	-	-
Balance at 31 December 2014	**42,946,889**	**4,234,204**	**(5,317,332)**	**41,863,761**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

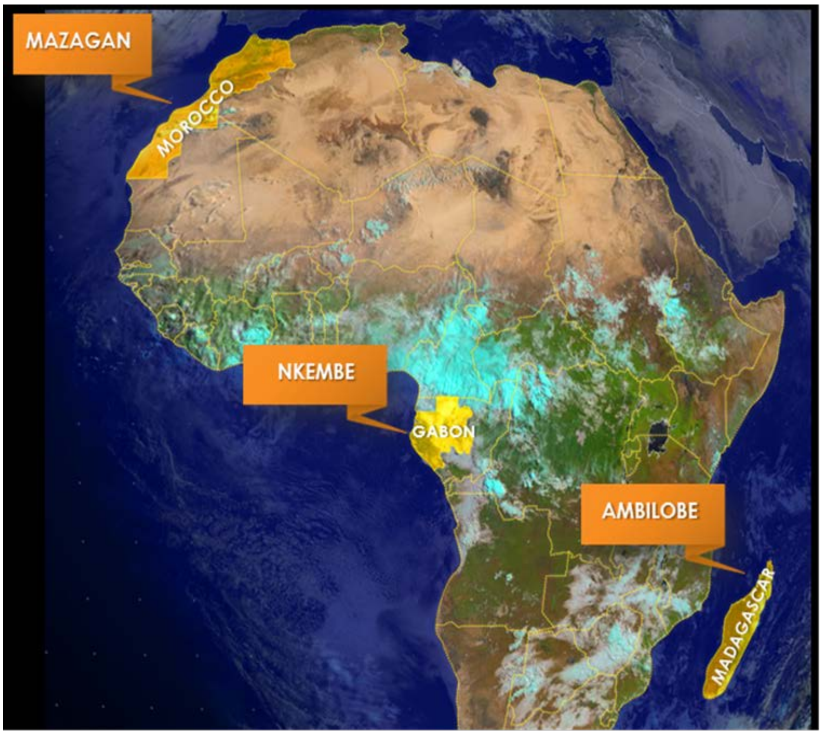
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	31 December 2014 $	31 December 2013 $
Cash flows from operating activities		
Payments to suppliers, consultants and employees	(2,485,287)	(2,307,836)
Interest received	66,833	-
Finance costs	(20)	(329,856)
Other income	-	18,578
Net cash outflow from operating activities	(2,418,474)	(2,619,114)
Cash flows from investing activities		
Proceeds from sale of investment	-	15,809,250
Payments of exploration and evaluation assets	(2,708,870)	(5,190,647)
Payments for property, plant and equipment	(19,683)	(36,371)
Net cash inflow/(outflow) from investing activities	(2,728,553)	10,582,232
Cash flows from financing activities		
Proceeds from issue of shares	652,875	20,606,250
Share issue costs	-	(1,333,744)
Proceeds from borrowings (net of transaction costs)	-	929,939
Repayment of borrowings	-	(2,709,371)
Net cash inflow from financing activities	652,875	17,493,074
Net increase/(decrease) in cash and cash equivalents	(4,494,152)	25,456,192
Cash and cash equivalents at the beginning of the half-year	20,460,177	3,378,472
Effects of exchange rate changes on cash and cash equivalents	2,191,791	124,328
Cash and cash equivalents at the end of the half-year	18,157,816	28,958,992

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. SEGMENT INFORMATION

Management has determined that the Group has three reportable segments, being an interest to explore for oil in acreage known as the Mazagan permit, offshore Morocco, the Nkembe block, offshore Gabon and the Ambilobe block, offshore Madagascar. This determination is based on the internal reports that are reviewed and used by the Board (chief operating decision maker) in assessing performance and determining the allocation of resources. As the Group is focused on oil exploration, the Board monitors the Group based on actual versus budgeted exploration expenditure incurred by area of interest. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.



	Morocco $	Gabon $	Madagascar $	Other corporate activities $	Total $
For the half-year ended 31 December 2014					
Revenue from external sources	-	-	-	32,646	32,646
Reportable segment profit/(loss)	12,548	(70,303)	(10,085)	(435,937)	(503,777)
Reportable segment assets[(1)]	1,967,381	18,395,786	16,956,728	18,126,671	55,446,566
Reportable segment liabilities	69,402	776,440	12,292,935	444,028	13,582,805
For the half-year ended 31 December 2013					
Revenue from external sources	-	-	-	23,890	23,890
Reportable segment profit/(loss)	11,928,241	(690,369)	-	(1,636,027)	9,601,845
For the year ended 30 June 2014					
Reportable segment assets[(2)]	1,605,832	16,719,928	4,173,340	20,555,325	43,054,425
Reportable segment liabilities	116,300	246,425	715,396	667,263	1,745,384

1 *Other corporate activities includes cash held of $18,071,795*
2 *Other corporate activities includes cash held of $20,334,794*

2. OTHER INCOME

	Note	31 December 2014 $	31 December 2013 $
Other income			
Gain on sale of subsidiary	3	-	11,558,055
Total other income		-	11,558,055

3. SUBSIDIARIES DISPOSED OF DURING THE PRIOR PERIOD

On 1 November 2013 in accordance with the farmout agreement, the Group disposed of its wholly owned subsidiary, PXP Morocco BV, to Freeport-McMoRan Oil & Gas LLC (**Freeport**). PXP Morocco BV held a 52% interest in the Mazagan permit.

The carrying value of the assets and liabilities as at the date of sale were as follows:

	1 November 2013 $
Current assets	6,840
Non-current assets (interest in the Mazagan permit)	3,122,734
Total assets	**3,129,574**
Total liabilities	**71,230**
Equity	
Issued share capital	3,122,734
Accumulated losses	(64,390)
Total equity	**3,058,344**

	1 November 2013 $
Consideration received (net of transaction costs)	14,683,473
Less: Carrying value of net assets disposed	3,058,344
Less: Receivable from PXP Morocco BV	67,074
Net gain on sale after income tax	**11,558,055**

4. EXPENSES

	31 December 2014 $	31 December 2013 $
Profit/(Loss) before income tax includes the following specific items:		
Finance costs		
Loan interest expense	-	347,184
Loan arrangement fee	-	342,231
Other interest expense	20	954
Total finance costs	20	690,369
Share-based payments expenses		
Options	99,977	21,204
Performance rights	209,814	57,081
Total share-based payments expenses	309,791	78,285
Administrative expenses includes		
Consulting fees	-	107,000
Corporate advisory fees	72,137	185,232
Director benefits expense(1)	244,257	119,744
Employee benefits expense(2)	697,813	270,914
Legal fees	60,253	78,285
Travel and accommodation	160,653	226,918
Advertising and marketing	56,130	112,531
Seminars and conferences(3)	11,988	137,679
Investor relations	105,587	27,621
Unrealised foreign exchange gain(4)	(2,191,791)	(1,009,044)

1 *Increase results from a change in board structure in January 2014*
2 *Increase results from a rise in the number of staff employed*
3 *Expenditure incurred for attendance and presentation at seminar and conferences*
4 *Foreign exchange gain was recognised in relation to the retranslation of United States and Euro dollar denominated balances*

5. DIVIDENDS

No dividend has been paid or is proposed in respect of the half-year ended 31 December 2014 (31 December 2013: Nil).

6. NON-CURRENT ASSETS HELD FOR SALE

	Note	31 December 2014 $	30 June 2014 $
Opening balance		-	4,823,963
Exploration assets reclassified - Mazagan permit		-	-
Disposal of part interest - Mazagan permit	3	-	(3,122,734)
Held for sale assets reclassified – Mazagan permit	7	-	(1,701,229)
Closing balance		-	-

Farmout of Mazagan Permit, offshore Morocco

On 1 November 2013, Pura Vida and Freeport completed the terms of the farmout agreement, the Group disposed of its wholly owned subsidiary, PXP Morocco BV, to Freeport, refer Note 3. PXP Morocco BV held a 52% interest in the Mazagan permit and Pura Vida retained a 23% interest. As part of the sale Pura Vida received a cash payment of US$15 million and Freeport will fund 100% of the work program to a maximum of US$215 million. The carried costs include a firm commitment by Freeport to fund and drill two deepwater exploration wells.

7. EXPLORATION AND EVALUATION ASSET

	Note	Total $
Balance at 1 July 2013		12,004,925
Licence acquisition costs[(1)]		2,411,575
Exploration expenditure incurred[(2)]		5,191,119
Prepaid exploration costs[(3)]		1,062,100
Assets reclassified from held for sale[(4)]	6	1,701,229
Foreign exchange fluctuation in capitalised expenditure		(9,711)
Balance at 30 June 2014		22,361,237
Exploration expenditure incurred		2,763,883
Payable exploration costs[(5)]		11,956,046
Foreign exchange fluctuation in capitalised expenditure		68,822
Balance at 31 December 2014		37,149,988

1 *Licence acquisition costs of the current year were from the acquisition of the Ambilobe block, Madagascar*
2 *Included in exploration expenditure is capitalised borrowing costs totalling $1,089,687 relating to the loan facility*
3 *Payment of US$1 million was made to Sterling Energy Plc into a Joint Operating account for 3D seismic acquisition to be carried out on the Ambilobe block*
4 *Assets reclassified from held for sale represent the carrying value of the exploration assets post the disposal of the 52% interest in the Mazagan permit, refer Note 6*
5 *Payable of US$9.7 million to Sterling Energy Plc for 3D seismic acquisition to be carried out on the Ambilobe block*

Ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation.

8. TRADE AND OTHER PAYABLES

	31 December 2014 $	30 June 2014 $
Trade payables(1)	12,491,382	1,140,397
Other payables	990,473	476,241
	13,481,855	1,616,638

1 Under the farmin agreement, Pura Vida will fund the acquisition and processing of 1,250 km² of 3D seismic data up to a maximum cost of US$15 million. Planning of the 3D seismic survey progressed during the year with acquisition planned for late Q1 2015. As at 31 December 2014 the Company had been cash called for the estimated cost of the program in the amount of US$9.7 million.

Trade and other payables are normally settled within 30 days from receipt of invoice. All amounts recognised as trade and other payables, but not yet invoiced, are expected to settle within 12 months.

9. ISSUED CAPITAL

	31 December 2014 Securities	31 December 2013 Securities	31 December 2014 $	31 December 2013 $
Fully paid ordinary shares	131,730,698	126,341,883	42,766,991	41,613,787
Partly paid shares	17,989,735	21,878,550	179,898	218,785
			42,946,889	41,832,572

Movement in fully paid ordinary shares

	Date	Number of Securities	Issue price $	$
Balance at 1 July 2013		**92,528,514**		**22,304,300**
Conversion of partly paid shares	01-Aug-13	75,000	0.20	15,000
Placement	16-Sep-13	12,150,000	0.58	7,047,000
Conversion of performance rights	26-Nov-13	88,369	-	36,231
Placement	12-Dec-13	21,500,000	0.63	13,545,000
Share issue costs				(1,333,744)
Balance at 31 December 2013		**126,341,883**		**41,613,787**
Balance at 1 July 2014		**128,768,198**		**42,099,491**
Conversion of partly paid shares	27-Aug-14	112,500	0.20	22,500
Conversion of partly paid shares	13-Oct-14	550,000	0.20	110,000
Conversion of partly paid shares	22-Oct-14	700,000	0.20	140,000
Conversion of partly paid shares	17-Dec-14	100,000	0.20	20,000
Exercise and conversion of options	17-Dec-14	1,500,000	0.25	375,000
Share issue costs				-
Balance at 31 December 2014		**131,730,698**		**42,766,991**

9. ISSUED CAPITAL (continued)

Movement in partly paid shares

	Date	Number of securities	Issue price $	$
Balance at 1 July 2013		**21,953,550**		**219,535**
Conversion of partly paid shares	01-Aug-13	(75,000)	0.01	(750)
Balance at 31 December 2013		**21,878,550**		**218,785**
Balance at 1 July 2014		**19,452,235**		**194,523**
Conversion of partly paid shares	27-Aug-14	(112,500)	0.01	(1,125)
Conversion of partly paid shares	13-Oct-14	(550,000)	0.01	(5,500)
Conversion of partly paid shares	22-Oct-14	(700,000)	0.01	(7,000)
Conversion of partly paid shares	17-Dec-14	(100,000)	0.01	(1,000)
Balance at 31 December 2014		**17,989,735**		**179,898**

10. COMMITMENTS

There are no material changes to the commitments as disclosed at 30 June 2014.

11. CONTINGENCIES

(a) Contingent liabilities

The Group currently has no contingent liabilities as at 31 December 2014 (31 December 2013: Nil).

(b) Contingent assets

The Group currently has no contingent assets as at 31 December 2014 (31 December 2013: Nil)

12. FAIR VALUE MEASURMENTS

The Group did not have any financial instruments that are recognised in the financial statements where their carrying value differed from the fair value. The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The carrying amounts of cash and short-term trade and other receivables, trade payable and other current liabilities approximate their fair values largely due to the short-term maturities of these payments.

Fair value hierarchy

The fair value of financial assets and liabilities held by the Group must be estimated for recognition, measurement and/or disclosure purposes. The Group measures fair values by level, per the following fair value measurement hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

13. EVENTS OCCURRING AFTER REPORTING PERIOD

Issue of Shares

On 24 February 2015, the Company announced it had completed a capital raising of approximately $4 million through the issue 11,165,000 million shares at $0.36 cents per share. The funds raised will be used for general working capital.

Payment for 3D seismic data

Under the farmin agreement, Pura Vida will fund the acquisition and processing of 1,250 km^2 of 3D seismic data up to a maximum cost of US$15 million. Planning of the 3D seismic survey progressed during the half-year with acquisition planned for late Q1 2015. During the period, the Company was cash called for the estimated cost of the program in the amount of US$9.7 million. On 9 January 2015, the Company paid the outstanding amount.

In the opinion of the Directors, no other event of a material nature or transaction has arisen since period end and the date of this report that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or its state of affairs.

14. BASIS OF PREPARATION

This consolidated interim financial report for the half-year reporting period ended 31 December 2014 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Pura Vida during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below:

New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

New standards and interpretations not yet adopted

AASB 9 Financial Instruments

AASB 9 *Financial Instruments* (AASB 9) addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2013 it also sets out new rules for hedge accounting.

When adopted, the standard will affect the Group's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. The Group does not have any such assets.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities.

The new hedging rules align hedge accounting more closely with the Group's risk management practices. As a general rule it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.

Adoption of AASB 9 is only mandatory for the year commencing 1 January 2017. There are no other standards that are not yet effective and that are expected to have a material impact on the Group in the current or future reporting period and in the foreseeable future.

Changes to accounting estimates and judgements

In the process of applying the accounting policies, management has made certain judgements or estimations which may have an effect on the amounts recognised in the financial statements. The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. Key estimates and assumptions may have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities. Key estimates and judgements are consistent with 30 June 2014.

DIRECTORS' DECLARATION

In the Directors' opinion:

1. the financial statements, and accompanying notes set out above, are in accordance with the *Corporations Act 2001* and:

   (a) comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   (b) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date;

2. there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the Directors

Damon Neaves
Managing Director

Perth, Western Australia

3 March 2015

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pura Vida Energy NL

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Pura Vida Energy NL, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Pura Vida Energy NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the directors of Pura Vida Energy NL, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Pura Vida Energy NL is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth, 3 March 2015