



11 August 2015

## **MZ-1 EXPLORATION WELL - PRELIMINARY FINAL RESULTS UPDATE ON SECOND WELL**

### **MZ-1 Exploration Well - Preliminary Final Results**

Pura Vida Energy NL (**Pura Vida** or **Company**) (ASX: PVD) advises that the MZ-1 exploration well offshore Morocco has drilled through the three prognosed Jurassic fans and the well has reached a final depth of 6,150 metres Sub Sea True Vertical Depth (SSTVD) within Triassic aged sediments and wireline logs are expected to be run shortly. Preliminary results from available drilling data (excluding wireline logs) indicate that no oil shows have been encountered. After completion of wireline logging, the well is expected to be plugged and abandoned as planned.

Whilst final costs in relation to the well are not yet available, the Company anticipates costs to be in line with budget expectations.

The decision was made by the joint venture to deepen the well to 6,150 metres to intersect the Lower Jurassic source rocks and test Jurassic Fan-3, which has provided valuable information and the ability to fully calibrate all data prior to selection of the location of the second well.

Pura Vida's Managing Director, Mr Damon Neaves commented:

*"MZ-1 is Pura Vida's first exploration well and although this result is a set-back, we will now renew our efforts in pursuing the prospectivity in the Mazagan permit with the benefit of the information we have gained from this well. Mazagan represents a large acreage position containing multiple play types and prospects, what we've learned from MZ-1 will help us define the best prospect for our next well on the Mazagan permit. We congratulate the Operator for safely and efficiently completing the MZ-1 deep water well.*

*Pura Vida has built a diversified portfolio that ensures a pipeline of future opportunities to create value for our shareholders."*

### **Update on Second Well**

In February 2014, PXP Morocco BV, a subsidiary of Freeport-McMoRan Oil & Gas as Operator of the Mazagan permit (**Operator**), entered into a rig share agreement with Kosmos Energy Ventures for two well slots with the Atwood Achiever deep water drillship to drill two wells in the Mazagan permit. Pura Vida has been advised by the Operator that it has agreed with Kosmos to cancel the second slot under those arrangements. Rates for deep water drillships have fallen sharply since the Atwood Achiever was contracted and the Operator has cancelled the second slot under the rig share agreement in order to contract another vessel to take advantage of the current weakness in market conditions for rigs with the aim to reduce the cost of the second well.

Under the farmin agreement between the Operator and Pura Vida entered into in January 2013, the drilling of the second well must be commenced by no later than September 2016. If the joint venture is successful in securing a drillship at a lower rate, the risk of the cost of the two wells exceeding the US\$215 million limit on carry under the farmin agreement will be reduced. This will also have the benefit of reducing Pura Vida's reliance (if any) on the option for an additional carry in excess of the US\$215 million limit, thereby reducing the risk that Pura Vida's equity in the permit will be diluted.

**About Pura Vida Energy:** Pura Vida is an Australian-based African oil explorer building a portfolio of high quality assets. Pura Vida currently has operations offshore Morocco, Gabon and Madagascar with significant resource potential and a fully funded high-impact drilling program.

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