



Pura Vida Energy NL

ACN 150 624 169

ANNUAL FINANCIAL REPORT 2019

CORPORATE DIRECTORY

DIRECTORS

Mr Bevan Tarratt	<i>Non-Executive Chairman</i>
Mr Nathan Lude	<i>Executive Director</i>
Dr Andrew Matharu	<i>Executive Director</i>
Mr Christopher Lewis	<i>Technical Director</i>
Mr David Sanders	<i>Non-Executive Director</i>
Mr Bruce Lane	<i>Non-Executive Director</i>

COMPANY SECRETARY

Mr John Kay

PRINCIPAL AND REGISTERED OFFICE

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PERTH WA 6000
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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)
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AUDITOR

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

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Dear Shareholder,

On behalf of the Board of Pura Vida Energy NL (Pura Vida or Company) I am pleased to present the Company's 2019 Annual Report. 2019 has seen the Company focus upon extracting value from existing assets and seeking new investment opportunities.

Pura Vida has recently completed a transaction to acquire a 35% interest in 2 Polish companies that each own Oil and Gas assets in Poland. These assets provide the company with exposure to significant near term well appraisals to test 1.6 Tcg of gas (Gora: Siciny-2) and 36 MMbbls of oil (Nowa Sol: Jany-C1). Both Siciny-2 and Jany-C1 have been independently assessed by Netherland and Sewell who have estimated 2C contingent resources. In addition, Netherland and Sewell have estimated 210 Bcf of conventional prospective gas resources are contained within the Gora licence.

In conjunction with the acquisition the Company is undertaking an entitlements offer and in addition recently completed a placement with the two offers set to raise a combined total of \$3.7m to support development of the new projects. It is anticipated that the entitlements offer will be completed in the coming weeks. At the completion of the rights issue and underwriting the Company will change its name to Ansila Energy NL (ASX code: ANA)

In addition, with a more favourable pricing environment renewed investment driving increased interest in off-shore oil and gas assets, the Company continues to actively seek funding partners for the Ambilobe project in off-shore Madagascar. The Company has engaged in discussions with service providers, private equity groups and companies with experience in the region as well as the Madagascan government regulator to help evaluate alternative for progressing development of the asset.

Given the recently announced Polish Oil and Gas acquisition, the Board feels that the Company, has started to re-positioned itself to provide shareholders with the opportunity to test potentially significant nearer term value accretive assets.

On behalf of the Board, thank you for your continued support and patience during this transitional period.

Yours sincerely



Bevan Tarratt
Non-Executive Chairman

Nkembe block, offshore Gabon 100% interest (Operator)*

* Pura Vida's interest is subject to the right of the State of Gabon to participate in any development for up to a 20% interest under the Production Sharing Contract

The Nkembe block covers an area of 1,210 km² in water depths of 50-1,100 metres approximately 30 km off the coast of Gabon. The eastern part of the Nkembe block is in shallow water within a proven petroleum system proximate to producing fields and pipeline infrastructure.

The block contains the Loba Oil Field discovered in 1976 where the original well intersected a 141-metre gross oil column. An attempt to flow test the well was made without success, however during abandonment oil was recovered to surface and identified to be very similar oil quality to that of neighbouring producing fields.

Pura Vida has claimed force majeure on the Nkembe Production Sharing Contract (PSC), suspending all obligations. In accordance with Pura Vida's independent legal advice from a CEMAC Registered Legal Practitioner, Pura Vida has asserted that the PSC start date is the date of the issue of the Presidential Decree (4 December 2014) and that, based on this start date, no funds contributions are outstanding as at the date of the force majeure.

Pura Vida has committed substantial investment over a number of years in Gabon, including a US\$9,000,000 signing bonus paid in January 2013 and accordingly has reserved all its rights in relation to the PSC, including the right to seek recovery of the signing bonus.

In the circumstances Pura Vida does not intend to commit any further resources to the Nkembe Project unless and until Pura Vida reaches a resolution with the Directorate General for Hydrocarbons, that enables Pura Vida to obtain third party funding to conduct further exploration under the PSC.



Ambilobe block, offshore Madagascar 100% interest and Operator

The Ambilobe block is located in the offshore part of the Ambilobe Basin, north-west Madagascar covering an area of 17,650 km². Recent independent Ambilobe block evaluation highlighted the need to further process and interpret the 3D seismic data for the purposes of improving the definition of previously identified leads.

Under the Ambilobe Production Sharing Contract (Ambilobe PSC), Pura Vida's subsidiary that holds the Ambilobe block is required to relinquish a portion of the block. The Company has completed an independent review of a relinquishment proposal and the proposal is for Pura Vida to retain a continuous area, which amounts to 11,480 km².

A representative of the Company's subsidiary has presented the final relinquishment proposal to the Madagascan Government (OMNIS) and the Company has applied for the 2nd special two (2) year extension of the Ambilobe PSC. Discussions with OMNIS are ongoing and at the date of this report the Company has not reached agreement with OMNIS on the terms of the 2nd special two (2) year extension of the Ambilobe PSC.

During the year the Company announced an on-market share buy-back of up to 26,138,633 shares in the Company. As announced on 27 June 2019, the Company completed its on-market share buyback which it began in October of last year, with a total of 13,375,462 Shares bought back to date for a total consideration of \$281,177.51.

Pura Vida holds 102,387,953 ordinary shares and has an option on 10,611,411 shares for 14.7% of the total voting power in Jacka Resources Limited (ASX: JKA), being the largest shareholder of JKA. Jacka continues to assess oil and gas opportunities and we await further market updates. Pura Vida holds 109,104,742 ordinary shares in Factor Therapeutics Limited (FTT) for 10.46% of the total voting power in FTT. Pura Vida's closing cash at 30 June 2019 was AU\$5.8 million with the Company holding an additional ~\$800,000 in listed ASX securities based on market prices as at 30 June 2019.



BUSINESS REVIEW

Oil & Gas assets in Poland

35% interest

Subsequent to year end, the Company announced that it has completed its transaction with Gemini Resources Limited and will proceed to earn into the Gora and Nowa Sol projects (together the **Projects**) for a 35% interest by spending a total of £3.38 million on those concessions.

Work programmes will now proceed on the Projects to test significant oil & gas targets identified by Netherland Sewell & Associates, Inc. in a proven basin, focussed on fracture stimulation and flow testing of existing wells.

On 24 September 2019, the Company advised, the work programmes on the Projects are designed to unlock and prove the commercial viability of two potentially large unconventional resources plays:

- Siciny-2 (Gora): Targeting 2C contingent resources of 1.6 Tcf² (circa 270 MMboe) of unconventional gas in an extensive Carboniferous structure scheduled for completion in November/December 2019; and
- Jany-C1 (Nowa Sol): Targeting 2C contingent resources of 36 MMbbls² of oil within tight Zechstein Dolomite formation scheduled for completion in Q2 2020.

In addition, PVD has the option to drill several conventional prospects, targeting the Rotliegendes reservoir, with aggregate prospective (P50) resources of 210 Bcf². These prospects are located adjacent to the proven, producing Rawicz (100 Bcf) and Zalecze-Wiewierz (900 Bcf) gas fields and offer PVD additional upside on the Gora Concession which is de-risked due to 3D seismic coverage and surrounding well control from surrounding fields. Estimated completed well costs attributable are US\$1.3 million.

Competent Persons Statement

As an Australian public company with securities listed on the ASX, the oil and gas reserves and resource estimates in this presentation are prepared in accordance with the PRMS and ASX Listing Rule reporting guidelines.

The reserves and resources information of Pura Vida in this document is based on, and fairly represents, information and supporting documentation prepared by, under the supervision of, or reviewed by Mr Christopher Lewis (Technical Director). Unless otherwise stated, references in this report to reserves and resources are as at 23 September 2019 as contained in the NSAI reserves and resources estimate report prepared for Gemini Resources Limited. Petroleum reserves and contingent resources reported herein have been prepared using a combination of deterministic and probabilistic methods.

Mr Lewis is a Director designate of Pura Vida Energy and has a BSc from the Imperial College, University of London and is a member of the American Association of Petroleum Geologists (AAPG) and the European Association of Geoscientists and Engineers (EAGE). The reserve and resource information is consistent with the definitions of proved, probable, and possible hydrocarbon reserves and resources that appear in the ASX Listing Rules. Mr Lewis is qualified in accordance with ASX Listing Rule 5.41 and consents to the inclusion of the Pura Vida reserves and resources figures in the form and context in which they appear in this report. Mr Lewis confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report.

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 financial year ended 30 June 2019.

FINANCIAL PERFORMANCE

The Group made a net profit after tax of \$1,785,250 for the year (30 June 2018: loss of \$2,976,768).

At 30 June 2019, the Group had net assets of \$6,318,290 (30 June 2018: \$4,887,602) and cash assets of \$5,794,861 (30 June 2018: \$8,976,805).

PRINCIPAL ACTIVITIES

Pura Vida is an Australian-based oil and gas explorer. The Company has an interest in the Nkembe block, offshore Gabon and the Ambilobe block, offshore Madagascar. The Company's strategy is to extract value from the company's assets and build a diversified portfolio of assets.

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

INFORMATION ON DIRECTORS

The following information is current as at the date of this report.

Mr Bevan Tarratt, Non-Executive Chairman

BBus

Appointment date	24 May 2018	
Experience and expertise	Mr Tarratt has an extensive background in the accounting industry primarily focused on small cap resource companies. This experience has allowed Mr Tarratt to develop an in-depth understanding of the resource sector within Western Australia and globally, allowing Mr Tarratt to systematically evaluate project and corporate opportunities. Mr Tarratt has extensive equity capital markets experience with Paterson's Securities Ltd.	
Other ASX listed directorships	Protean Energy Limited, Fenix Resources Ltd and Jacka Resources Ltd	
Former directorships in the last three years of ASX listed companies	None	
Committee Memberships	None	
Interest in ordinary shares and options, performance rights and retention rights to acquire shares	Fully paid ordinary shares	1,263,572
	Partly paid shares	1,075,000

Mr Nathan Lude, Executive Director

BBus, Msud

Appointment date	Appointed Non-Executive Director 16 May 2016, assumed Executive role 1 May 2017	
Experience and expertise	Mr Lude has broad experience working in Asset Management, Mining and the Energy Industry. He operates a boutique advisory firm, Advantage Management Pty Ltd and works with private and public companies, focused on enhancing business growth and development through introducing new investors and capital. Mr Lude has worked in a Business Development Management role for a large Canadian Energy Company and previously held the Managing Director position for a listed ASX mining company. Since 2007, he has been involved in asset and fund management. His business network spreads across Australia and Asia and has strong ties with Australian broking firms, institutions, Asian investors and institutions.	
Other ASX listed directorships	Frontier Resources Limited GTI Resources Limited	
Former directorships in the last three years of ASX listed companies	Roto-Gro Limited – appointed 28th February 2019, retired 30th June 2019	
Committee Memberships	None	

DIRECTORS' REPORT

Interest in ordinary shares and options, performance rights and retention rights to acquire shares	Fully paid ordinary shares	6,321,541
	Unlisted Options	4,000,000

Dr Andrew Matharu, Executive Director

BEng (Honns), EngD, CEng

Appointment date	24 September 2019
Experience and expertise	<p>Dr Matharu is an oil & gas sector professional with over 24 years' experience and commenced his career as a Petroleum Engineer with Chevron and Kerr-McGee Oil working in the UK North Sea.</p> <p>Following a move into oil & gas investment banking he has acquired extensive experience of advising small and mid-cap oil & gas companies in the area of equity capital markets following a variety of corporate finance and institutional equity roles at JP Morgan-Cazenove, Bridgewell Securities, Numis and Westhouse Securities. His most recent role was in corporate and business development with the Africa-focussed AIM-listed explorer, Tower Resources plc, where he was involved in several corporate and asset M&A transactions and capital raisings.</p>
Other ASX listed directorships	None
Former directorships in the last three years of ASX listed companies	None
Committee Memberships	None
Interest in ordinary shares and options, performance rights and retention rights to acquire shares	None

Mr Chris Lewis, Technical Director

BSc

Appointment date	24 September 2019
Experience and expertise	<p>Mr Lewis is a geophysicist with over 25 years oil & gas experience. He has held senior technical and executive positions for the last 15 years, has managed E&P operations in Europe and Africa, and was the CEO and founder of a Romanian focussed E&P company from 2005 to 2009. Mr Lewis was VP Exploration for Centric Energy in 2010, during which time the company was awarded a highly prospective license onshore Kenya, secured an attractive farm-out to Tullow Oil and eventually sold the company to Africa Oil Corp. Chris has also been involved in other successful ventures including Lion Petroleum which was reversed into a TSX listed entity and Blackstar Exploration, sold to Impact Oil and Gas.</p> <p>Mr Lewis also has very broad operational experience with exploration and development projects, planning and executing seismic acquisition programs, planning and delivering well workovers and drilling of new wells. As a geophysicist has expertise in 2D/3D seismic interpretation, velocity modelling and depth conversion, quantitative seismic interpretation, exploration workflows from basin scale evaluations to prospect generation, appraisal and development planning, volumetric estimations, risking, reserves estimation and A&D evaluations.</p>
Other ASX listed directorships	None
Former directorships in the last three years of ASX listed companies	None
Committee Memberships	None
Interest in ordinary shares and options, performance rights and retention rights to acquire shares	None

DIRECTORS' REPORT

Mr Bruce Lane, Non-Executive Director

BCom, MSc, GAICD

Appointment date	24 May 2018	
Experience and expertise	<p>Mr Lane has held leadership roles with a number of ASX listed companies and significant blue-chip companies in Europe and Australasia. He has experience in a range of industries including resources, consumer & industrial products and venture capital.</p> <p>Mr Lane has successfully managed the acquisition of new assets for a number of ASX listed companies and numerous private & public capital raisings including Initial Public Offerings, mergers and Reverse Take Overs, via the ASX.</p>	
Other ASX listed directorships	GTI Resources Limited – appointed 3 September 2018	
Former directorships in the last three years of ASX listed companies	None	
Committee Memberships	None	
Interest in ordinary shares and options, performance rights and retention rights to acquire shares	Fully paid ordinary shares	30,000

Mr David Sanders, Non-Executive Director

BCom, BJuris, LLB (Hons) (all UWA) and Graduate Diploma of Applied Finance

Appointment date	20 October 2016	
Experience and expertise	<p>Mr. Sanders is a lawyer with over 15 years of experience in corporate and resources law. He advises numerous ASX listed companies, including companies in the resources sector, on capital raising, mergers and acquisitions, Corporations Act and ASX Listing Rules compliance and corporate governance. He holds Bachelor of Law and Bachelor of Commerce degrees from the University of Western Australia and a Graduate Diploma of Applied Finance and Investments from the Securities Institute of Australia.</p>	
Other ASX listed directorships	<p>Oakajee Corp. Limited (alternative director) - appointed 13 September 2017</p> <p>Caeneus Minerals Limited – appointed 7 December 2018</p> <p>Victory Mines Limited – appointed 31 January 2019</p>	
Former directorships in the last three years of ASX listed companies	<p>Marenica Energy Limited - appointed 4 August 2008, retired 27 November 2017</p> <p>World Titanium Resources Limited - appointed 20 May 2016, delisted January 2017</p> <p>Force Commodities Limited - appointed 5 June 2017, retired 4 February 2019</p>	
Committee Memberships	None	
Interest in ordinary shares and options, performance rights and retention rights to acquire shares	Unlisted Options	4,000,000

Company Secretary

Mr John Kay, Appointed 30 November 2018

John holds a Bachelor of Laws from the University of Western Australia and has over 12 years' experience as a corporate and commercial lawyer, including practicing as a senior associate for Perth corporate law firm Steinepreis Paganin. John is currently a Non-Executive Director of StarGroup Ltd and Company Secretary for Pura Vida Energy NL and GTI Resources Ltd.

DIRECTORS' REPORT

Former company Secretary

Mr Kevin Hart, Appointed 12 May 2017, resigned 30 November 2018

Mr Hart a Chartered Accountant and holds a Bachelor of Commerce degree from the University of Western Australia. He has over 30 years' experience in accounting and the management and administration of public listed entities in the mining and exploration industry.

Mr Hart is currently a partner in an advisory firm, Endeavour Corporate, which specialises in the provision of company secretarial and accounting services to ASX listed entities.

Audit Committee

At the date of this report, the Company does not have a separately constituted Audit Committee as all matters normally considered by an audit committee are dealt with by the full Board.

Remuneration Committee

At the date of this report, the Company does not have a separately constituted Remuneration Committee and as such, no separate committee meetings were held during the year. All resolutions made in respect of remuneration matters were dealt with by the full Board.

Directors' Meetings

The table sets out the number of Directors' meetings (including meetings of committees of the Board of Directors of Pura Vida) held during the financial year, which each Director of the Company was eligible to attend and the number of meetings attended by each Director of the Company (while they were a Director or committee member).

Directors	Board of Directors	
	Held	Attended
B Tarratt	7	6
N Lude	7	6
B Lane	7	7
D Sanders	7	6

INDEMNIFYING OFFICERS

During the financial year, the Company paid a premium in respect of a policy insuring the Company's Directors, secretaries, executive officers and any related body corporate against a liability incurred as such a director, secretary or officer to the extent permitted by the *Corporations Act 2001*. The policy of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Company has entered into Deeds of Indemnity, Insurance and Access with the Company's Directors, secretary and executive officers.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or any of the related body corporates against a liability incurred as such an officer or auditor.

DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year or prior financial year.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of Pura Vida, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of Pura Vida for all or part of these proceedings.

No proceedings have been brought or intervened in on behalf of Pura Vida with leave of the Court under section 237 of the *Corporations Act 2001*.

CHANGES IN STATE OF AFFAIRS

There were no other significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year not otherwise disclosed in this report or the financial statements.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to year end:

- On 4 July 2019 the Company entered into a binding agreement with Gemini Resources Limited (Gemini or GRL), a private UK company to earn into the Gora and Nowa Sol projects (together the Projects) for a 35% interest by spending a total of A\$6.15m on those concessions (Transaction) subject to various conditions precedent including completion of due diligence and obtaining any necessary shareholder or regulatory approvals. With operations set to occur from Q4 in 2019, the technical work programmes are focused on unlocking and proving the commercial viability of two potentially large unconventional resources plays:
 - Siciny-2 (Gora): Targeting 2C contingent resources of 1.6 Tcf (circa 270 MMboe) of unconventional gas in an extensive Carboniferous structure scheduled for completion in Q4 2019; and
 - Jany-C1 (Nowa Sol): Targeting 2C contingent resources of 36 MMbbls of oil within tight Zechstein Dolomite formation scheduled for completion in the first half of 2020.

In addition, the Transaction gives PVD an option to drill several conventional prospects, at the Rotliegendes reservoir, with aggregate prospective (P50) resources of 210 Bcf. These prospects are located adjacent to the proven, producing Rawicz (100 Bcf) and Zalecze-Wiewierz (900 Bcf) gas fields and offer PVD additional upside on the Gora Concession which is de-risked due to 3D seismic coverage and surrounding well control from surrounding fields. Estimated completed well costs attributable are US\$1.3m.

- On 16 July 2019, the Company completed the placement of 55,555,556 shares to sophisticated investors at an issue price of \$0.018 to raise AU\$1,000,000 as part of the Transaction. The Company has released a Prospectus for a non-renounceable one (1) for two (2) entitlement issue to be fully underwritten by CPS Capital Group Pty Ltd to raise a further \$2,732,098 (before costs).
- On 18 July 2019, the Company invested approximately \$326,000 into a UK private entity, Hartshead Resources Ltd which is undertaking an application process to acquire certain prospective oil & gas licences in the South of the North Sea, offshore United Kingdom.
- On 4 July 2019 and again on 10 September 2019 the Company announced that it will be undertaking a fully underwritten non-renounceable entitlement offer to raise \$2,732,098. The Entitlement Offer is fully underwritten. A prospectus containing information in respect of the Entitlement Offer was lodged with the Australian Securities and Investments Commission on 10 September 2019.
- On 24 September 2019 the Company announced;
 - that it had successfully completed its transaction with Gemini Resources Limited and will now proceed to earn into the Gora and Nowa Sol projects for a 35% interest by spending a total of A\$6.15m on those concessions;
 - Dr Andrew Matharu and Mr Christopher Lewis had been appointed to the board, Dr Matharu as Executive Director and Mr Lewis as Technical Director; and
 - the undertaking a non-renounceable entitlements issue to offer approximately 151,783,212 shares at an issue price of A\$0.018 to raise \$2,732,098 (before costs), fully underwritten by CPS Capital Group Pty Ltd.

In the opinion of the Directors, no other event of a material nature or transaction, has arisen since year 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 in subsequent financial years.

LIKELY DEVELOPMENTS AND FUTURE PROSPECTS

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

ENVIRONMENTAL REGULATION

The Company's policy is to comply with, or exceed, its environmental obligations in each jurisdiction in which it operates. No known environmental breaches have occurred during the financial year or prior financial year.

REMUNERATION REPORT (Audited)

The Directors of Pura Vida Energy NL (**Company** or **Pura Vida**) present the Remuneration Report of the Company and the entities it controlled (**Consolidated Entity** or **Group**) for the year ended 30 June 2019. The report outlines the remuneration arrangements for the Company's key management personnel (**KMP**) in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

This report is presented in the following sections:

1. Introduction
2. Governance
3. Key Management Personnel
4. 2019 Remuneration
 - Executive Remuneration Structure
 - Non-Executive Directors
5. Executive Service Agreements
6. Share-Based Compensation
7. Details of Remuneration
8. Other Transactions
9. Voting and Comments – 2018 Annual General Meeting

1. INTRODUCTION

Remuneration paid to Directors and Officers of the Company is set by reference to such payments made by other ASX listed companies of a similar size and operating in the oil and gas exploration industry. In addition, reference is made to the specific skills and experience of the Directors and Officers.

The objective of the Company's reward structure is to ensure reward for performance is competitive and appropriate for the results delivered. The structure aligns individual reward with achievement of strategic objectives and the creation of value for shareholders and reflects current market practice for delivery of reward. The Board aims to ensure that individual reward practices are aligned with the following key criteria:

- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligned to the Company's strategic and business objectives, and the creation of shareholder value; and
- transparent.

Details of the nature and amount of remuneration of each Director, and other Key Management Personnel if applicable, are disclosed annually in the Company's Annual Report.

2. GOVERNANCE

The Board has adopted the Formal Remuneration Committee Charter which provides a framework for the consideration of remuneration matters.

The Company did not have a separate Remuneration Committee for the full year and as such all remuneration matters are considered by the Board as a whole, with no Member deliberating or considering such matter in respect of their own remuneration.

In the absence of a separate Remuneration Committee, the Board is responsible for:

1. Setting remuneration packages for Executive Directors, Non-Executive Directors and other Key Management Personnel; and
2. Implementing employee incentive and equity-based plans and making awards pursuant to those plans.

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) (continued)

3. KEY MANAGEMENT PERSONNEL

The KMP disclosed in this report are as follows:

Executive – Current

- N Lude – appointed 1 May 2017

Non-Executive Directors

- B Tarratt (Chairman) – appointed 24 May 2018
- D Sanders – appointed 20 October 2016
- B Lane – appointed 24 May 2018

4. 2019 REMUNERATION

The broad remuneration policy is to ensure that packages offered properly reflect a person's duties and responsibilities and that remuneration is competitive and attracts, retains and motivates people of the highest quality. The board has consciously focussed on conserving funds and the remuneration policy reflects this. At the date of this report, the Company has not entered into any remuneration packages with current Directors or senior executives which include performance-based components.

Remuneration related to Performance

Given the Company's size, stage of development, and the need to attract and retain directors of high calibre, whilst still maintaining cash reserves the Board may from time to time consider the issue of equity instruments to Directors, subject to shareholder approval. No such instruments have been issued during the year.

Non-Executive Directors' Remuneration Structure

In line with corporate governance principles, Non-Executive Directors of the Company are remunerated solely by way of fees and statutory superannuation. The annual fee is set to reflect current market levels based on the time, responsibilities and commitments associated with the proper discharge of their duties as members of the Board.

Non-Executive Directors' fees and payments are reviewed annually by the Board and for the year ended 30 June 2019, is \$25,000 per annum, excluding superannuation. Fees provided to Non-Executive Directors are exclusive of superannuation. There are no termination or retirement benefits paid to Non-Executive Directors (other than statutory superannuation). The aggregate amount of remuneration for Non-Executive Directors approved by shareholders at the 2014 Annual General Meeting is \$400,000 per annum.

In addition, the Directors are entitled to receive additional remuneration at a rate of \$1,000 per day or part thereof (or as otherwise approved by the Board) in addition to their fees for performing additional duties as requested by the Board.

Participation in equity-based remuneration schemes by Non-Executive Directors is subject to consideration and approval by the Company's shareholders.

5. EXECUTIVE SERVICE AGREEMENTS

Remuneration and other terms of employment for executives are formalised in service agreements. The service agreements specify the components of remuneration, benefits and notice periods. Participation in STI and LTI plans is subject to the Board's discretion. Other major provisions of the agreements relating to remuneration are set out below. Termination benefits are within the limits set by the *Corporations Act 2001* such that they do not require shareholder approval.

Nathan Lude – Executive Director

Mr Nathan Lude supports the company in assessing new market opportunities and financial management in his role as an Executive Director of the Company. Mr Lude is entitled to receive \$1,000 per day or part thereof for his executive duties in addition to his Non-Executive Director fees.

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) (continued)

6. SHARE-BASED COMPENSATION

For the year ended 30 June 2019, there were no share-based awards granted, vested and/or lapsed to KMP.

7. DETAILS OF REMUNERATION

Remuneration of KMP for the 2019 financial year is set out below:

Short-term benefits				Post-employment benefits		Share-based payments	Total remuneration	Performance related
Cash, salary & fees	Additional fees	Consulting fees	Non-cash benefit ⁽¹⁾	Super-annuation	Termination			
\$	\$	\$	\$	\$	\$	\$	\$	%
Non-Executive Directors – Current								
B Tarratt								
25,000	105,000	-	1,830	12,350	-	-	144,180	-
B Lane								
25,000	91,500	-	1,830	11,068	-	-	129,398	-
D Sanders								
25,000	1,500	-	1,830	2,518	-	-	30,848	-
Executives								
N Lude								
157,500	-	-	1,830	14,962	-	-	174,292	-
232,500	198,000	-	7,320	40,898	-	-	478,718	-

1 Other benefits include the provision of car parking and provisions of Working Directors' Personal Accident & Sickness insurance.

Remuneration of KMP for the 2018 financial year is set out below:

Short-term benefits				Post-employment benefits		Share-based payments ⁽²⁾	Total remuneration	Performance related
Cash, salary & fees	Bonus	Consulting fees	Non-cash benefit ⁽¹⁾	Super-annuation	Termination			
\$	\$	\$	\$	\$	\$	\$	\$	%
Non-Executive Directors – Current								
B Tarratt ⁽³⁾								
2,536	-	10,000	112	1,191	-	-	13,839	-
B Lane ⁽⁴⁾								
2,536	-	-	112	241	-	-	2,889	-
D Sanders								
25,000	-	-	1,755	2,375	-	105,370	134,500	78%
Executives								
N Lude								
56,750	-	77,750	1,755	12,587	-	141,350	290,192	36%

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) (continued)

Short-term benefits				Post-employment benefits		Share-based payments ⁽²⁾	Total remuneration	Performance related
Cash, salary & fees	Bonus	Consulting fees	Non-cash benefit ⁽¹⁾	Super-annuation	Termination			
\$	\$	\$	\$	\$	\$	\$	\$	%
Executives – Former								
S Eley ⁽⁵⁾								
22,917	-	211,500	1,643	2,177	-	105,370	343,607	31%
109,739	-	299,250	5,377	18,571	-	352,090	785,027	

1 Other benefits include the provision of car parking and provisions of Working Directors' Personal Accident & Sickness insurance.

2 Options granted as part of remuneration package, AASB 2 – Share Based Payments requires the fair value at grant date of the options granted to be expensed over the vesting period.

3 B Tarratt was appointed Non-Executive Chairman on 24 May 2018.

4 B Lane was appointed Non-Executive Director on 24 May 2018.

5 S Eley resigned on 24 May 2018.

The following table sets out a reconciliation of each KMP's relevant interest in ordinary shares and options, performance rights and retention rights to acquire shares in the Company:

KMP	Balance at start of the year / appointment	Granted / Acquired	Exercised	Lapsed	Other changes	Balance at year end
Non-Executive Directors - Current						
B Tarratt						
Fully paid ordinary shares	1,263,572	-	-	-	-	1,263,572
Partly paid shares	1,075,000	-	-	-	-	1,075,000
B Lane						
Fully paid ordinary shares	30,000	-	-	-	-	30,000
D Sanders						
Fully paid ordinary shares	-	-	-	-	-	-
Options	4,000,000	-	-	-	-	4,000,000
Executive - current						
N Lude						
Fully paid ordinary shares	6,321,541	-	-	-	-	6,321,541
Options	4,000,000	-	-	-	-	4,000,000

8. OTHER TRANSACTIONS

During the period the following related party transaction have occurred:

Purchases from entities associated with key management personnel

A Director, Mr. D Sanders, was a Director and shareholder in the firm of Bennett + Co during the period. Bennett + Co has provided legal services to Pura Vida Energy NL on normal commercial terms and conditions. The legal services recognised as an expense during the year was \$69,737 (excluding GST) (30 June 2018: \$50,259).

A Director, Mr Nathan Lude, is a Director and shareholder of Battler Corporate Pty Ltd which has provided office space and shared office services per a leasing arrangement and with the Company on normal commercial terms and conditions. The expenses recognised during the year was \$58,094 (ex GST) (30 June 2018: \$11,463).

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) (continued)

Receipts from entities associated with key management personnel

A Director, Mr Nathan Lude, is a Director of Battler Corporate Pty Ltd which during the period utilized shared office facilities. Income of \$1,008 has been recognised in the statement of profit or loss (30 June 2018: \$2,960).

There are no other outstanding loans or other transaction arising to or from with key management personnel during the year related parties (30 June 2018: Nil).

9. VOTING AND COMMENTS - 2018 ANNUAL GENERAL MEETING

At the 2018 Annual General Meeting (AGM) held on 30 November 2018, 92% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2018. There were no comments made on the remuneration report at the Company's last AGM.

This concludes the Remuneration Report which has been audited.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration, as required under section 307C of the *Corporations Act 2001* for the year ended 30 June 2019 has been received and can be found on the following page.

NON-AUDIT SERVICES

From time to time the Consolidated Entity may decide to employ an external auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Consolidated Entity are important.

The Board is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

During the year ended 30 June 2019, the following amounts were paid or payable for non-audit services provided to the Group by the auditor:

	2019 \$	2018 \$
Taxation services		
<i>BDO Tax (WA) Pty Ltd</i>		
Tax compliance services	5,610	2,040
International tax consulting and tax advice	1,450	17,500
Total remuneration for taxation services	7,060	19,540

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



Bevan Tarratt
Non- Executive Chairman

Perth, Western Australia
25 September 2019

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF PURA VIDA ENERGY NL

As lead auditor of Pura Vida Energy NL for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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



Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 25 September 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Income from continuing operations			
Interest income		118,954	101,598
Other income	2	47,254	74,200
Total income		166,208	175,798
Expenses			
Exploration and evaluation expenditure	3	2,689,060	(1,854,714)
Depreciation expenses		(159)	(1,136)
Administrative expenses	3	(1,160,203)	(1,244,599)
Share-based payments (expense)/reversal	3	-	(312,467)
Unrealised foreign exchange gain/(loss)	3	90,344	260,350
(Loss)/Profit before income tax		1,785,250	(2,976,768)
Income tax expense	4	-	-
(Loss)/Profit attributable to the owners of the Company		1,785,250	(2,976,768)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(3,612)	(26,458)
<i>Items that will not be reclassified to profit or loss</i>			
Changes in the fair value of financial assets at fair value through other comprehensive income (FVOCI)	8	(20,171)	-
Other comprehensive loss for the year, net of tax		(23,783)	(26,458)
Total comprehensive profit/(loss) for the year attributable to the owners of Pura Vida Energy NL		1,761,467	(3,003,226)
Earnings per share for loss from continuing operations attributable to the ordinary equity holders			
Basic (loss)/earnings per share (cents per share)	16	0.68	(1.10)
Diluted (loss)/earnings per share (cents per share)	16	0.68	(1.10)

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 30 JUNE 2019

	Note	2019 \$	2018 \$
Current assets			
Cash and cash equivalents	5	5,794,861	8,976,805
Other receivables	6	489,597	120,658
Total current assets		6,284,458	9,097,463
Non-current assets			
Property, plant and equipment		-	159
Financial assets at FVOCI	8	797,970	-
Total non-current assets		797,970	159
Total assets		7,082,428	9,097,622
Current liabilities			
Trade and other payables	9	764,138	4,191,726
Provisions		-	18,294
Total current liabilities		764,138	4,210,020
Total liabilities		764,138	4,210,020
Net assets		6,318,290	4,887,602
Equity			
Issued capital	11(a)	50,830,012	51,160,791
Share-based payment reserve	11(c)	4,466,741	4,466,740
Financial assets at FVOCI	11(c)	(20,171)	-
Foreign exchange reserve	11(c)	(106,231)	(102,618)
Accumulated losses	11(b)	(48,852,061)	(50,637,311)
Total equity		6,318,290	4,887,602

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Issued capital \$	Reserves \$	Accumulated loss \$	Total equity \$
Balance at 1 July 2017	51,086,638	4,078,113	(47,660,543)	7,504,208
Loss for the year	-	-	(2,976,768)	(2,976,768)
Other comprehensive loss for the year	-	(26,458)	-	(26,458)
Total comprehensive loss for the year	-	(26,458)	(2,976,768)	(3,003,226)
Transactions with owners in their capacity as owners				
Contributed equity	85,980	-	-	85,980
Share issue costs	(11,827)	-	-	(11,827)
Retention and performance rights converted during the year	-	312,467	-	312,467
Balance at 30 June 2018	51,160,791	4,364,122	(50,637,311)	4,887,602
Profit for the year	-	-	1,785,250	1,785,250
Other comprehensive profit / (loss) for the year	-	(23,783)	-	(23,783)
Total comprehensive profit / (loss) for the year	-	(23,783)	1,785,250	1,761,467
Transactions with owners in their capacity as owners				
Contributed equity	(327,972)	-	-	(327,972)
Share issue costs	(2,807)	-	-	(2,807)
Retention and performance rights expense recognised during the year	-	-	-	-
Balance at 30 June 2019	50,830,012	4,340,339	(48,852,061)	6,318,920

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Payments to suppliers, consultants and employees		(1,083,380)	(1,055,679)
Payments for exploration and evaluation expenditure		(768,481)	(899,289)
Interest received		128,380	94,533
Other income		-	74,200
Net cash (outflow)/inflow from operating activities	13	(1,723,481)	(1,786,235)
Cash flows from investing activities			
Payments for investments financial assets at FVOCI	8	(893,086)	-
Prepayment of exclusivity fee	6	(459,534)	-
Proceeds for investments financial assets at FVOCI	8	74,945	-
Net cash (outflow)/inflow from investing activities		(1,277,675)	-
Cash flows from financing activities			
Payment for share buy-back	11	(280,722)	-
Share issue costs	11	(2,807)	(11,827)
Net cash (outflow)/inflow from financing activities		(283,529)	(11,827)
Net increase/(decrease) in cash and cash equivalents		(3,284,685)	(1,798,062)
Cash and cash equivalents at the beginning of the year		8,976,805	10,510,690
Effects of exchange rate changes on cash and cash equivalents		102,741	264,177
Cash and cash equivalents at the end of the year	5	5,794,861	8,976,805

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. SEGMENT INFORMATION

Management has determined that the Group has two reportable segments, being an interest to explore for oil in acreage known as the, 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.

	Gabon	Madagascar	Other corporate activities	Total
	\$	\$	\$	\$
For the year ended 30 June 2019				
Income from external sources	-	-	166,208	166,208
Reportable segment profit/(loss)	3,401,886	(553,344)	(1,063,292)	1,785,250
Reportable segment assets ⁽¹⁾	59,085	9,451	7,013,892	7,082,428
Reportable segment liabilities	(140,231)	(424,349)	(199,558)	(764,138)
For the year ended 30 June 2018				
Income from external sources	-	-	175,798	175,798
Reportable segment profit/(loss)	(1,643,632)	(108,564)	(1,224,572)	(2,976,768)
Reportable segment assets ⁽²⁾	60,146	11,185	9,026,291	9,097,622
Reportable segment liabilities	(4,088,152)	(6,139)	(115,729)	(4,210,020)

1 Other corporate activities includes cash held of \$5,794,861.

2 Other corporate activities includes cash held of \$8,919,652.

2. OTHER INCOME

	2019	2018
	\$	\$
Other income		
Recharge income	4	74,200
Share buy-back of partly paid shares	47,250	-
Total other income	47,254	74,200

1 On 23 November 2018, shareholders approved the buy-back agreement between the Company and Mr Neaves for the selective buy back of 4,725,000 ordinary partly paid shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

3. EXPENSES

	2019 \$	2018 \$
Profit/(Loss) before income tax includes the following specific items:		
Exploration and evaluation expenditure		
Mazagan permit, offshore Morocco	-	28,482
Nkembe block, offshore Gabon ⁽¹⁾	(3,540,186)	1,520,021
Ambilobe block, offshore Madagascar	541,109	89,984
New venture activity costs	310,017	216,227
Total exploration and evaluation expenditure	(2,689,060)	1,854,714
Share-based payments expenses		
Performance rights ⁽²⁾	-	(3,644)
Options	-	316,111
Total share-based payments expenses/(reversal)	-	312,467
Administrative expenses		
Employee benefits expense	488,383	705,836
Advisory and audit fees	117,603	56,768
Travel & accommodation ⁽³⁾	24	191
Other expenses	554,193	481,804
Total administrative expenses	1,160,203	1,244,599
Foreign exchange (gain)/loss ⁽⁴⁾	(90,344)	(260,350)

1 During the prior period included within the other payables is an amount payable to the Directeur Général des Hydrocarbures (DGH) in Gabon in relation to fund contributions pursuant to the Nkembe PSC for approximately US\$2.91 million (AU\$3,935,154), based on the liability for fund contributions commencing on the date on which the Nkembe PSC was signed, being 11 January 2013. The date from which fund contributions were required to commence and therefore the Company's liability to make this payment is, however, currently in dispute with the DGH, refer Note 19 for further details.

Pura Vida has received legal advice that its obligations to make the fund contributions under the Nkembe PSC commenced on the issue of the Presidential Decree, being 4 December 2014. Based on this advice, no fund contributions are outstanding. For the year ended 30 June 2019, the amount has been reclassified as a contingent liability, see Note 18 and as a result the liabilities previously recognised have been reversed and recognised in the Statement of Profit or Loss.

2 Forfeitures occurred during the year as a result of staff departures. Performance rights on issue that hadn't met the performance hurdles on the employee's final day, were cancelled by the Board. The cancellation resulted in a reversal of current and prior period expenditure

3 Travel costs directly related to operational activities have been classified as exploration and evaluation expenditure.

4 Foreign exchange gain was recognised upon cash held and payments of United States and Euro dollar denominated balances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

4. TAXATION

	2019 \$	2018 \$
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
Income tax expense	-	-
(b) Reconciliation of income tax to prima facie tax payable		
(Loss)/Profit before income tax	1,785,250	(2,976,768)
Income tax (benefit)/expense at 30% (30 June 2018: 27.5%)	535,575	(818,611)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share-based payments	-	85,928
Other	68,214	125,618
Deferred tax assets relating to tax losses and timing differences not recognised	-	-
Timing differences previously unrecognised now recognised	(603,789)	607,065
Total income tax expense	-	-
Unrecognised deferred tax assets		
Deferred tax assets and liabilities not recognised relate to the following:		
Tax losses/(gain)	1,349,084	1,191,383
Exploration assets	12,957,597	12,593,388
Other temporary differences	(206,078)	47,974
Net deferred tax assets unrecognised	14,100,603	13,832,745

Significant accounting judgment

Deferred tax assets

The Group expects to have carried forward tax losses, which have not been recognised as deferred tax assets, as it is not considered sufficiently probable that these losses will be recouped by means of future profits taxable in the relevant jurisdictions. The utilisation of the tax losses is subject to the Group passing the required Continuity of Ownership and Same Business Test rules at the time the losses are utilised. Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary difference can be utilised.

Income taxes

The Group is subject to income taxes in Australia and overseas and at times significant judgement is required in determining the Group's provision for income taxes. The Group estimates its tax liabilities based on the Group's understanding of the tax law in the local jurisdiction in which it operates. During the period, the Group has treated the cash component with respect to the Mazagan farmout as being non-assessable based upon tax advice received from its Moroccan tax advisors. Should the final tax outcome of these matters be different from the initial assessment, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

5. CASH AND CASH EQUIVALENTS

(a) Risk exposure

Refer to Note 15 for details of the risk exposure and management of the Group's cash and cash equivalents.

(b) Deposits at call

Deposits at call are presented as cash equivalents if they have a maturity of three months or less and include the term deposit held by the company as an office bond. Refer Note 26(m) for the Group's other accounting policies on cash and cash equivalents. Deposits at call held with Australian banks and financial institutions and are bearing interest rates between 2.10% and 2.36%.

	2019 \$	2018 \$
Cash at bank	5,754,861	5,365,805
Deposits at call	40,000	3,611,000
	5,794,861	8,976,805

6. OTHER RECEIVABLES

The Group has no impairments to other receivables or have receivables that are past due but not impaired. Refer to Note 15 for detail of the risk exposure and management of the Group's other receivables.

The Company has paid an exclusivity fee in the amount of £250,000 in consideration for the exclusive right to acquire an interest in the Gora and Nowa Sol Projects. On completion, the exclusivity fee will automatically convert into ordinary shares in GRL.

Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

	2019 \$	2018 \$
Other receivables	3,730	35,561
Prepayments	26,333	85,097
Exclusivity fee	459,534	-
	489,597	120,658

7. JOINTLY CONTROLLED OPERATIONS

At the reporting date, the Group has operator working interests in the following projects:

Project	Activity	Working interest ⁽¹⁾			
		Exploration phase		Exploitation phase	
		2019 %	2018 %	2019 %	2018 %
Ambilobe block (Madagascar)	Exploration	100	100	100	100
Nkembe block (Gabon)	Exploration	100	100	100 ⁽²⁾	100 ⁽²⁾

¹ Working interest denotes the percentage share of costs to be borne by the Group in relation to its interests in the projects.

² Subject to the right of the State of Gabon to participate in any development for up to a 20% interest under the Production Sharing Contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at fair value through other comprehensive income comprise of listed equity securities on the Australian Securities Exchange (ASX).

	2019 \$	2018 \$
Opening balance	-	-
Purchase of securities	893,086	-
Sale of securities	(74,945)	-
Revaluation movement recognised in other comprehensive income	(20,171)	-
Closing balance	797,970	-

On disposal of these equity investments, any related balance within the FVOCI reserve remain within other comprehensive income.

Significant accounting estimates, assumptions and judgements

Classification of financial assets at fair value through other comprehensive income

During the year, Pura Vida purchased 102,387,595 ordinary shares and acquired an option on 10,611,411 shares for 14.7% of the total voting power in Jacka Resources Limited. Further, during the period Mr Bevan Tarratt was appointed as Non-Executive Director of Jacka Resources Limited. The Company has considered the requirements of AASB 128 Investments in Associates and Joint Ventures as to whether the Company has significant influence over Jacka Resources Limited. As the Company has a holding of less than 20% and it is not clearly demonstrable that the Company has and/or exerts significant influence the investment has been treated as a Financial Asset at FVOCI.

In addition, Pura Vida holds 109,104,742 ordinary shares in Factor Therapeutics Limited for 10.46% of the total voting power of Factor Therapeutics Limited. The Company has considered the requirements of AASB 128 Investments in Associates and Joint Ventures as to whether the Company has significant influence over Jacka Resources Limited. As the Company has a holding of less than 20% and it is not clearly demonstrable that the Company has and/or exerts significant influence the investment has been treated as a Financial Asset at FVOCI.

Investments are designated at fair value through other comprehensive income where management have made the election in accordance with AASB 9: Financial Instruments.

Fair value for financial assets at fair value through other comprehensive income

Information about the methods and assumptions used in determining fair value is provided in Note 10.

9. TRADE AND OTHER PAYABLES

	2019 \$	2018 \$
Trade payables	677,980	223,567
Other payables	86,158	3,968,159
	764,138	4,191,726

All amounts recognised as trade and other payables, but not yet invoiced, are expected to settle within 12 months.

Refer to Note 15 for details of the risk exposure and management of the Group's trade and other payables.

Other payables

During the prior period included within the other payables is an amount payable to the Directeur Général des Hydrocarbures (DGH) in Gabon in relation to fund contributions pursuant to the Nkembe PSC for approximately US\$2.91 million, based on the liability for fund contributions commencing on the date on which the Nkembe PSC was signed, being 11 January 2013. The date from which fund contributions were required to commence and therefore the Company's liability to make this payment is, however, currently in dispute with the DGH, refer Note 19 for further details.

9 TRADE AND OTHER PAYABLES (continued)

Pura Vida has received legal advice that its obligations to make the fund contributions under the Nkembe PSC commenced on the issue of the Presidential Decree, being 4 December 2014. Based on this advice, no fund contributions are outstanding. For the year ended 30 June 2019, the amount has been reclassified as a contingent liability, see Note 18.

10. FAIR VALUE MEASUREMENTS

This note provides an update on the judgements and estimates made by the group in determining the fair values of the financial instruments since the last annual financial report.

Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The following table presents the group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2019 on a recurring basis (30 June 2018: none):

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at 30 June 2019				
Financial assets at FVOCI – Equity securities	797,970	-	-	797,970

There were no transfers between levels during the year. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels at balance date.

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).

Valuation techniques used to determine fair values

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 payables and other current liabilities approximate their fair values largely due to the short-term maturities of these payments.

Financial assets at fair value through other comprehensive income – equity securities

The fair value of the equity holdings held in ASX listed companies are based on the quoted market prices from the ASX on 28 June 2019, being the last traded price prior to year-end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

11. ISSUED CAPITAL

(a) Contributed equity

	2019 Securities	2018 Securities	2019 \$	2018 \$
Fully paid ordinary shares	248,010,868	261,386,330	50,772,976	51,056,505
Partly paid ordinary shares	5,703,550	10,428,550	57,036	104,286
			50,830,012	51,160,791

(i) Fully paid ordinary shares

Fully paid ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. At 30 June 2019, there are no ordinary shares subject to escrow (30 June 2018: Nil).

Movement in fully paid ordinary shares

	Date	Number of Securities	Issue price \$	\$
Balance at 1 July 2017		259,633,604		50,982,352
Conversion of retention rights	10-Jul-17	450,000	-	-
Share based payment ⁽¹⁾	30-Nov-17	1,302,726	-	85,980
Share issue costs				(11,827)
Balance at 30 June 2018		261,386,330		51,056,505
Share buy-back ⁽²⁾	27-Mar-19	(13,375,462)	0.02	(280,722)
Share issue costs				(2,807)
Balance at 30 June 2019		248,010,868		50,772,976

¹ Share based payment on the settlement of director fees to N Lude, made at the value of the benefit.

² During the year the Company announced an on-market share buy-back of 13,375,462 shares in the Company, issue price is based upon the average share buy-back price.

(ii) Partly paid ordinary shares

Partly paid ordinary shares have an issue price of \$0.20 of which \$0.01 is paid. The balance of the issue price is payable at the election of the holder at any time by the issue of a payment notice in writing and delivered to the registered office of the Group. Partly paid shares participate in any dividends on the same basis as if the partly paid share were fully paid and are not listed.

Movement in partly paid shares

	Date	Number of securities	Issue price \$	\$
Balance at 1 July 2017		10,428,550		104,286
		-		-
Balance at 30 June 2018		10,428,550		104,286
Share buy-back ⁽¹⁾	13-Dec-18	(4,725,000)	0.01	(47,250)
Balance at 30 June 2019		5,703,550		57,036

¹ On 23 November 2018, shareholder approved the buy-back agreement between the Company and Mr Neaves for the selective buy back of 4,725,000 ordinary partly paid shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

11. ISSUED CAPITAL (continued)

(iii) Options

Information relating to the Pura Vida Incentive Option Scheme, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 12.

(iv) Performance rights and Retention rights

Information relating to the Pura Vida Performance Rights Plan, including details of performance and retention rights issued, vested and lapsed during the financial year and rights outstanding at the end of the reporting period, is set out in Note 12.

(b) Accumulated losses

	2019 \$	2018 \$
Balance at 1 July	(50,637,311)	(47,660,543)
Net (loss)/profit attributable to owners of the Company	1,785,250	(2,976,768)
Balance at 30 June	(48,852,061)	(50,637,311)

(c) Reserves

The following table shows a breakdown of the reserves and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided.

	2019 \$	2018 \$
Share-based payments reserve		
Balance at 1 July	4,466,740	4,154,274
Performance rights reversal	-	(3,643)
Options expense	-	316,111
Balance at 30 June	4,466,740	4,466,740
Foreign currency translation reserve		
Balance at 1 July	(102,618)	(76,161)
Currency translation differences arising during the year	(3,613)	(26,457)
Balance at 30 June	(106,231)	(102,618)
Fair value through other comprehensive income reserve		
Balance at 1 July	-	-
Movement during the period	(20,171)	-
Balance at 30 June	(20,171)	-

Share-based payments reserve

The share-based payments reserve is used to recognise: (a) the grant date fair value of options issued to employees and directors but not exercised; (b) the grant date fair value of market based performance rights granted to employees but not yet vested; and (c) the fair value non-market based performance and retention rights granted to employees but not yet vested.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entities are recognised in other comprehensive income as described in Note 26(d) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Financial assets at FVOCI

The Group has elected to recognise changes in the fair value of certain investments in equity securities in OCI, as explained in Note 8. These changes are accumulated within the FVOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

12. SHARE-BASED PAYMENT TRANSACTIONS

Share-based payment transactions are recognised at fair value in accordance with AASB 2.

	Note	2019 \$	2018 \$
As part of share-based payments expense:			
Performance rights issued	12(b)	-	(3,643)
Options issued	12(a)	-	316,111
As part of administrative expense:			
Shares issued	3	-	85,980
		-	398,448

During the year the Group had the following share-based payments arrangements:

(a) Share options

Pura Vida Incentive Option Scheme

Pura Vida has in prior periods issued options to Directors and employees for their performance and to align their remuneration with the creation of shareholder wealth. The estimate of the fair value of the services is measured based on a Black-Scholes option valuation methodology. The life of the options and early exercise are built into the option model.

No incentive options were granted during the year.

The options are not listed and carry no dividend or voting right. Upon exercise, each option is convertible into one ordinary share to rank pari passu in all respects with the Company's existing fully paid ordinary shares.

Set out below are summaries of options granted:

	2019		2018	
	Average exercise price per option	Number of options	Average exercise price per option	Number of options
As at 1 July	\$0.065	12,000,000	\$0.350	2,400,000
Granted during the year	-	-	\$0.065	12,000,000
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Expired during the year	-	-	\$0.350	(2,400,000)
As at 30 June	\$0.065	12,000,000	\$0.065	12,000,000
Vested and exercisable	\$0.065	12,000,000	\$0.065	12,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

12. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Grant date	Expiry date	Exercise price	2019 Number of options	2018 Number of options
30-Nov-17	30-Nov-19	\$0.065	12,000,000	12,000,000
Weighted average remaining contractual life of options outstanding at the end of the year:			0.42 years	1.42 years

The total expense arising from options issued recognised during the reporting period were as follows:

	2019 \$	2018 \$
Options issued under Incentive Option Scheme	-	316,111

(b) Rights over shares

Performance Rights Plan

Performance rights are issued under the long-term incentive plan and will vest as an entitlement to one fully paid ordinary share provided that certain performance milestones are met. If the performance milestones are not met, the performance rights will lapse, and the eligible participant will have no entitlement to any shares.

No rights remained outstanding at year end (30 June 2018: nil). No long-term incentive performance rights or retention rights were granted during the year ended 30 June 2019 (30 June 2018: nil).

Rights are not listed and carry no dividend or voting rights. Upon exercise each right is convertible into one ordinary share to rank pari passu in all respects with the Company's existing fully paid ordinary shares.

The total expense/(reversal) arising from performance rights transactions recognised during the reporting period were as follows:

	2019 \$	2018 \$
Performance rights issued under the Performance Rights Plan	-	(3,643)
	-	(3,643)

Significant accounting estimates and assumptions

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees and vendors by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes or Monte-Carlo model taking into account the assumptions detailed within this note.

Probability of vesting conditions being achieved

Inputs to pricing models may require an estimation of reasonable expectations about achievement of future vesting conditions. Vesting conditions must be satisfied for the counterparty to become entitled to receive cash, other assets or equity instruments of the entity, under a share-based payment arrangement.

Vesting conditions include service conditions, which require the other party to complete a specified period of service, and performance conditions, which require specified performance targets to be met (such as a specified increase in the entity's profit over a specified period of time).

The Company recognises an amount for the goods or services received during the vesting period based on the best available estimate of the number of equity instruments expected to vest and shall revise that estimate, if necessary, if subsequent information indicates that the number of equity instruments expected to vest differs from previous estimates. On vesting date, the entity shall revise the estimate to equal the number of equity instruments that ultimately vested.

The achievement of future vesting condition is reassessed every reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

13. RECONCILIATION OF GAIN/(LOSS) AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Note	2019 \$	2018 \$
(Loss)/Gain for the year		1,785,250	(2,976,768)
Add/(Less) non-cash items:			
Depreciation		159	1,136
Non-cash employee benefits expense	12	-	85,980
Share-based payments	12	-	312,467
Share buy-back – partly paid shares	11	(47,250)	
Unrealised foreign exchange (gain)/loss		(102,740)	(290,635)
Changes in assets and liabilities during the financial year:			
(Increase)/Decrease in receivables		90,594	(15,484)
(Decrease)/Increase in payables		(3,431,199)	1,099,636
Decrease in employee provision		(18,295)	(2,567)
Net cash (outflow)/inflow from operating activities		(1,723,481)	(1,786,235)

14. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity and items which are more likely to be materially adjusted. Detailed information about each of these estimates and judgements is included in the notes together with information about the basis of calculation for each affected line item in the financial statements.

Significant accounting estimates and judgements

The areas involving significant estimates or judgements are:

- recognition of deferred tax asset for carried forward tax losses — Note 4;
- income taxes — Note 4;
- classification of financial assets – Note 8;
- estimation of fair value of financial assets – Note 8;
- estimation of fair value of share-based payments – Note 11;
- estimation of probability of vesting conditions being satisfied – Note 11;
- disclosure of commitments – Note 18; and
- disclosure of contingencies – Note 19.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

There have been no actual adjustments this year as a result of an error and of changes to previous estimates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

15. FINANCIAL AND CAPITAL RISK MANAGEMENT

Overview

The financial risks that arise during the normal course of the Group's operations comprise market risk, credit risk and liquidity risk. In managing financial risk, it is policy to seek a balance between the potential adverse effects of financial risks on financial performance and position, and the "upside" potential made possible by exposure to these risks and by taking into account the costs and expected benefits of the various risk management methods available to manage them.

General objectives, policies and processes

The Board is responsible for approving policies on risk oversight and management and ensuring management has developed and implemented effective risk management and internal control. The Board receives reports as required from the Chief Financial Officer and Executive Director in which they review the effectiveness of the processes implemented and the appropriateness of the objectives and policies it sets. The Board oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced.

These disclosures are not, nor are they intended to be an exhaustive list of risks to which the Group is exposed.

Financial Instruments

The Group has the following financial instruments:

	2019 \$	2018 \$
Financial assets		
Cash and cash equivalents	5,794,861	8,976,805
Other receivables	3,730	35,561
	5,798,591	9,012,366
Financial liabilities		
Trade and other payables	764,138	4,191,726
	764,138	4,191,726

(a) Market Risk

Market risk can arise from the Group's use of interest-bearing financial instruments, foreign currency financial instruments and exposure to commodity prices. It is a risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rate (currency risk) and fluctuations in commodity prices (commodity price risk).

(i) Interest rate risk

As at the year ended 30 June 2019, the Group has interest-bearing assets and liabilities being liquid funds on deposit and unsecured funds. As such, the Group's income and operating cash flows (other than interest income from funds on deposit and interest expense from the senior secured revolving credit facility) are somewhat dependent on changes in market interest rates. The Board manages the Group's exposure to interest rate risk by regularly assessing exposure, taking into account funding requirements and selecting appropriate instruments to manage its exposure.

Sensitivity analysis

Based on the financial instruments held at the reporting date, with all other variables assumed to be held constant, the table sets out the notional effect on consolidated profit after tax for the year and on equity at the reporting date under varying hypothetical changes in prevailing interest rates.

	2019 \$	2018 \$
Impact on post-tax profits and equity		
Hypothetical basis points increase in interest	26,764	18,055
Hypothetical basis points decrease in interest	(26,764)	(18,055)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

15. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

A hypothetical change of 50 basis points was used to calculate the Group's sensitivity to future interest rate movements as this figure approximates the movement in bond yields published by the Reserve Bank of Australia for bonds with a 12-month maturity (30 June 2018: 0.50%).

The weighted average effective interest rate of funds on deposit is 0.75% (30 June 2018: 0.97%).

(ii) Currency risk

The Group operates in Madagascar and Gabon however, maintains a corporate listing in Australia. As a result of various operating locations, the Group is exposed to foreign exchange risk arising from fluctuations in primarily the US dollar.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Group manages risk by matching receipts and payments in the same currency and monitoring movements in exchange rates. The exposure to risks is measured using sensitivity analysis and cash flow forecasting.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	US \$	Euro \$	XAF \$	Other \$	Total \$
At 30 June 2019					
Financial assets					
Cash	13,181	1,343	46,924	176	61,624
Financial liabilities					
Trade and other payables	438,241	141,741	-	49,259	629,241
At 30 June 2018					
Financial assets					
Cash	4,939,770	17,591	45,718	168	5,003,247
Financial liabilities					
Trade and other payables	3,966,035	124,869	12,129	-	4,103,033

Sensitivity analysis

The following table demonstrates the estimated sensitivity to a 10% increase/decrease in the US/Australian dollar exchange rate and a 10% increase/decrease in the Euro/Australian dollar exchange rate, with all variables held consistent, on post tax profit and equity. These sensitivities should not be used to forecast the future effect of movement in the Australian dollar exchange rate on future cash flows.

	2019		2018	
	%	\$	%	\$
Impact on post-tax profits and equity				
US\$/A\$ + %	10	30,743	10	72,086
US\$/A\$ - %	10	(30,743)	10	(72,086)
Euro/A\$ + %	10	8,749	10	6,797
Euro/A\$ - %	10	(8,749)	10	(6,797)

A hypothetical change of 10% in the US dollar and Euro dollar exchange rates was used to calculate the Group's sensitivity to foreign exchange rate movements as the Company's estimate of possible rate movements over the coming year taking into account current market conditions and past volatility.

(iii) Commodity price risk

As the Group has not yet entered into production, the risk exposure to changes in commodity price is not considered significant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

15. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

(b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with financial institutions, as well as trade receivables. Credit risk is managed on a Group basis. For cash balances held with bank or financial institutions, independently rated parties with a minimum rating of 'A' are preferred.

The Board are of the opinion that the credit risk arising as a result of the concentration of the Group's assets is more than offset by the potential benefits gained.

The maximum exposure to credit risk at the reporting date is the carrying amount of the assets as summarised, none of which are impaired or past due.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	2019 \$	2018 \$
Cash and cash equivalents	5,794,861	8,976,805
Other receivables	3,730	35,561
	5,798,591	9,012,366

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

	2019 \$	2018 \$
Cash at bank and short-term deposits		
<i>Held with Australian banks and financial institutions</i>		
AA S&P rating	5,733,235	8,915,946
A S&P rating	10,793	10,766
B S&P rating	46,924	46,387
Unrated	3,909	3,706
Total	5,794,861	8,976,805
Other receivables		
<i>Counterparties with external credit ratings</i>	170	9,593
<i>Counterparties without external credit ratings⁽¹⁾</i>		
Group 1	-	12,763
Group 2	3,560	13,205
Group 3	-	-
Total	3,730	35,561

¹ Group 1 — new customers (less than 6 months).

Group 2 — existing customers (more than 6 months) with no defaults in the past.

Group 3 — existing customers (more than 6 months) with some defaults in the past. All defaults were fully recovered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

15. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Through continuous monitoring of forecast and actual cash flows the Group manages liquidity risk by maintaining adequate reserves to meet future cash needs. The decision on how the Group will raise future capital will depend on market conditions existing at that time.

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 6 months \$	6 - 12 months \$	1 - 5 years \$	Over 5 years \$	Total contractual cash flows \$	Carrying amount liabilities \$
At 30 June 2019						
Trade and other payables	764,138	-	-	-	764,138	764,138
At 30 June 2018						
Trade and other payables	4,191,726	-	-	-	4,191,726	4,191,726

(d) Capital risk management

The Group's objective when managing capital is to safeguard the ability to continue as a going concern. This is to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Board monitors capital on an ad-hoc basis. No formal targets are in place for return on capital, or gearing ratios, as the Group has not derived any income from exploration.

(e) Fair value measurements

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 payables 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

16. EARNINGS PER SHARE

	2019	2018
Basic (loss)/earnings per share		
Net (loss)/profit after tax attributable to the members of the Company	\$ 1,785,250	(\$ 2,976,768)
Weighted average number of ordinary shares	263,608,596	271,256,478
Basic (loss)/earnings per share (cents)	0.68	(1.10)
Diluted earnings per share		
Net (loss) / profit after tax attributable to the members of the Company	\$ 1,785,250	(\$ 2,976,768)
Weighted average number of ordinary shares	263,608,596	271,256,478
Adjustments for calculation of diluted earnings per share		
Deferred shares	-	-
Weighted average number of ordinary shares and potential ordinary shares	-	-
Diluted (loss)/earnings per share (cents)	0.68	(1.10)

Information concerning the classification of securities

(i) Partly paid ordinary shares

Partly paid ordinary shares carry the right to participate in dividends and have been recognised as ordinary share equivalents in the determination of earnings per share.

(ii) Options

Options granted to employees and Directors under the Incentive Option Scheme are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in Note 12.

(iii) Deferred shares

Rights to deferred shares granted to employees under the Performance Rights Plan are included in the calculation of diluted earnings per share assuming all outstanding rights will vest. The rights are not included in the determination of basic earnings per share. Further information about the rights is provided in Note 12.

17. DIVIDENDS

No dividend has been paid or is proposed in respect of the year ended 30 June 2019 (30 June 2018: Nil).

18. COMMITMENTS

(a) Capital commitments

Gabon, Nkembe block

The Group is currently in the first exploration phase of the Block, which initially covered a period of four years. On 3 November 2016, Pura Vida was granted a 12-month extension of the current exploration phase with no additional work commitments. A dispute has arisen with the Directeur Général des Hydrocarbures (DGH) as to whether the first exploration stage commenced when the Nkembe PSC was signed, on 11 January 2013 or on the date of issue of the Presidential Decree, 4 December 2014. As a consequence of this dispute Pura Vida has claimed force majeure in relation to the Nkembe PSC since 1 April 2018 until such time as the dispute is resolved. In the meantime, the Nkembe PSC remains on foot.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

18. COMMITMENTS (continued)

The work commitments for the first exploration stage under the Nkembe PSC includes the acquisition and processing of 3D seismic data and an exploration well. The Nkembe PSC included an estimate of US\$17 million for the work commitments for the first exploration phase and Pura Vida has expended approximately US\$1.4 million towards these work commitments. Separately to the committed work program an additional US\$8.6 million of allowable costs have been incurred during the first exploration phase. The effect of the dispute with the DGH has meant that Pura Vida has been unable to make any progress with potential funding partners for an exploration well. Accordingly, until such time as the dispute is resolved it is not possible to quantify the likely commitment and/or payable (if any) in relation to the Nkembe PSC.

Pura Vida has received legal advice that its obligations to make the fund contributions (refer Note 19) under the Nkembe PSC commenced on the issue of the Presidential Decree, being 4 December 2014. Based on this advice, no fund contributions are outstanding. This issue, however, remains unresolved between Pura Vida and the DGH and accordingly until this matter is resolved the Board believe it is prudent to recognise a contingent liability.

Madagascar, Ambilobe block

The third phase of the Ambilobe block began in January 2017, the work commitments for the third phase includes drilling one exploration well (to be funded by a future farminee) prior to the expiry of the third phase which reached its anniversary in July 2019. The third phase may be extended, at Pura Vida's option, to July 2021, and the company is continuing its discussions with OMNIS regarding the 2nd special two (2) year extension of the PSC. The Company is endeavouring to meet with OMNIS prior to the end of the calendar year, aiming to finalise the terms of a 2nd special two (2) year extension of the PSC. The Ambilobe PSC includes an estimate of US\$2.5 million for the work commitments of the third phase. The remaining portion of the work commitment as at the reporting date has been included in the table below (30 June 2018: US\$2.5 million).

The capital expenditure estimated within the PSC's noted above, less any amounts already spent, for the end of the reporting period but not recognised as a liability are as follows:

	2019 ⁽¹⁾ \$	2018 ⁽²⁾ \$
Within one year	-	-
Later than one year but no later than five years	3,563,650	3,377,009
Later than five years	-	-
	3,563,650	3,377,009

1 The US\$ commitments have been translated at a rate of 0.7015 to AUD

2 The US\$ commitments have been translated at a rate of 0.7403 to AUD

19. CONTINGENCIES

(a) Contingent liabilities

Gabon, Nkembe block

A dispute has arisen with the Directeur Général des Hydrocarbures (DGH) as to whether the first exploration stage commenced when the Nkembe PSC was signed, on 11 January 2013 or on the date of issue of the Presidential Decree, 4 December 2014. As a consequence of this dispute Pura Vida has claimed force majeure in relation to the Nkembe PSC since 1 April 2018 until such time as the dispute is resolved. In the meantime, the Nkembe PSC remains on foot, which the DGH has recently confirmed.

Pura Vida has received legal advice that its obligations to make the fund contributions under the Nkembe PSC commenced on the issue of the Presidential Decree, being 4 December 2014. Based on this advice, no fund contributions are outstanding. During the prior period, included within the other payables was an amount payable to the Directeur Général des Hydrocarbures (DGH) in Gabon in relation to fund contributions pursuant to the Nkembe PSC for approximately US\$2.91 million, based on the liability for fund contributions commencing on the date on which the Nkembe PSC was signed, being 11 January 2013. This issue, however, remains unresolved between Pura Vida and the DGH. The potential undiscounted amount of the total payments that the group could be required to make if there was an adverse decision is estimated to be up to US\$2.91 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

19. CONTINGENCIES (continued)

Moroccan settlement

During the prior year the Group completed a settlement agreement with Freeport-McMoRan and the Moroccan regulatory authorities which resulted in the Company receiving US\$7 million and taking possession of surplus drilling inventory in January. There is a potential liability attached to this payment however no provision has been booked at 30 June 2019 as the Company is currently seeking advice in relation to the matter.

The Group currently has no other contingent liabilities as at 30 June 2019.

(b) Contingent assets

The Group has no contingent assets as at 30 June 2019 (30 June 2018: Nil).

Significant judgments

Contingencies & commitments

As the Group is subject to various laws and regulations in the jurisdictions in which it operates, significant judgment is required in determining whether any potential contingencies are required to be disclosed and/or whether any capital or operating leases require disclosure (refer to Note 18).

20. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related parties and non-related audit firms:

	2019 \$	2018 \$
(a) BDO Australia		
<i>Audit and assurance services</i>		
Audit and review of financial statements	41,826	42,964
<i>Taxation services</i>		
Tax compliance services	5,610	2,040
International tax consulting and tax advice	1,450	17,500
Total remuneration for taxation services	7,060	19,540
Total remuneration for BDO Australia	48,886	62,504
(b) Network firms of BDO		
<i>Audit and assurance services</i>		
Audit and review of financial statements ⁽¹⁾	26,592	25,473
Total auditors remuneration	75,478	87,977

¹ Fees incurred from BDO Reviseurs d'Enterprises SCRL in relation to the audit of the Groups Belgium subsidiaries.

From time to time the Consolidated Entity may decide to employ an external auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Consolidated Entity are important. These assignments are principally tax advice and due diligence on acquisitions, which are awarded on a competitive basis. It is the Group's policy to seek competitive tenders for all major consulting projects. The Board is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

21. RELATED PARTY TRANSACTIONS

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Parent entities

The ultimate parent entity and ultimate controlling party is Pura Vida Energy NL (incorporated in Australia) which at 30 June 2019 owns 100% of the issued ordinary shares of the subsidiaries set out in Note 22.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 22.

(c) Key management personnel compensation

	2019 \$	2018 \$
Short-term employee benefits	430,500	414,366
Post-employment benefits	40,898	18,571
Long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	352,090
	471,398	785,027

Detailed remuneration disclosures are provided within the Remuneration Report.

(d) Transaction with other related parties

The following transaction occurred with related parties:

	2019 \$	2018 \$
<i>Sale and purchase of services</i>		
Purchase of legal services	62,737	50,259
Rent expense	58,094	11,463

Purchases from entities associated with key management personnel

A Director, Mr. D Sanders, was a Director and shareholder in the firm of Bennett + Co during the financial year. Bennett + Co has provided legal services to Pura Vida Energy NL on normal commercial terms and conditions. The legal services recognised as an expense during the year was \$62,737 (excluding GST) (30 June 2018: \$50,259).

A Director, Mr Nathan Lude, is a Director and shareholder of Battler Corporate Pty Ltd which has provided office space and shares office costs per a leasing arrangement and with the Company on normal commercial terms and conditions. The expenses recognised during the year was \$58,094 (ex GST) (30 June 2018: \$11,463).

Receipts from entities associated with key management personnel

A Director, Mr Nathan Lude, is a Director of Battler Corporate Pty Ltd which during the period utilized from shared office facilities. Income of \$1,008 has been recognised in the statement of profit or loss (30 June 2018: \$2,960).

(e) Outstanding balances arising from sales/purchases of goods and services

There are no outstanding balances arising from sales/purchases of goods and services (30 June 2018: Nil).

(f) Loan to/from related parties

There are no outstanding loans arising to or from related parties (30 June 2018: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

22. CONSOLIDATED ENTITIES

(a) Investments in controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 26(a):

Name of entity	Country of incorporation	2019	2018
		Equity holding	Equity holding
Pura Vida Mazagan Pty Ltd	Australia	100%	100%
Pura Vida Nkembe Pty Ltd	Australia	100%	100%
Pura Vida Energy Sdn Bhd	Malaysia	100%	100%
PVD Exploration Morocco SARL AU	Morocco	100%	100%
PVD Belgium SA	Belgium	100%	100%
PVD Gabon SARL	Gabon	100%	100%
Pura Vida Africa Pty Ltd	Australia	100%	100%
Pura Vida Mauritius	Mauritius	100%	100%
Pura Vida Belgium SA	Belgium	100%	100%
Pura Vida Gabon SARL	Gabon	100%	100%
Pura Vida 3 Pty Ltd ⁽¹⁾	Australia	-	100%

1 Entity was divested on 1 May 2019

23. PARENT ENTITY INFORMATION

The following information relates to the parent entity, Pura Vida Energy NL as at 30 June 2019. The information presented here has been prepared using consistent accounting policies as presented in Note 26.

(a) Summary of financial information

The individual aggregate financial information for the parent entity is shown in the table.

(b) Guarantees entered into by the parent entity

The parent entity did not have any guarantees as at 30 June 2019 or 30 June 2018.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2019 or 30 June 2018.

(d) Contractual commitments for the acquisition of property, plant and equipment

The parent entity did not have any contractual commitments for the acquisition of property, plant and equipment as at 30 June 2019 or 30 June 2018.

	Company	
	2019 \$	2018 \$
Financial position		
Current assets	6,215,922	9,023,753
Total assets	7,081,920	9,101,141
Current liabilities	763,630	4,213,539
Total liabilities	763,630	4,213,539
Equity		
Contributed equity	50,830,012	51,160,791
Reserves	4,446,569	4,466,741
Accumulated losses	(48,958,291)	(50,739,930)
Total equity	6,318,290	4,887,602
Financial performance		
(Loss)/Gain for the year	(1,781,638)	(3,003,226)
Total comprehensive (loss)/gain	(1,761,467)	(3,003,226)

24. EVENTS OCCURRING AFTER REPORTING DATE

Subsequent to year end Pura Vida has:

- On 4 July 2019 the Company announced that it had entered into a binding agreement with Gemini Resources Limited (Gemini or GRL), a private UK company to earn into the Gora and Nowa Sol projects (together the Projects) for a 35% interest by spending a total of AU\$6.15m on those concessions (Transaction) subject to various conditions precedent including completion of due diligence and obtaining any necessary shareholder or regulatory approvals. With operations set to occur from Q4 in 2019, the technical work programmes are focused on unlocking and proving the commercial viability of two potentially large unconventional resources plays:
 - Siciny-2 (Gora): Targeting 2C contingent resources of 1.6 Tcf (circa 270 MMboe) of unconventional gas in an extensive Carboniferous structure scheduled for completion in Q4 2019; and
 - Jany-C1 (Nowa Sol): Targeting 2C contingent resources of 36 MMbbls of oil within tight Zechstein Dolomite formation scheduled for completion in the first half of 2020.

In addition, the Transaction gives PVD an option to drill several conventional prospects, at the Rotliegendes reservoir, with aggregate prospective (P50) resources of 210 Bcf. These prospects are located adjacent to the proven, producing Rawicz (100 Bcf) and Zalecze-Wiewierz (900 Bcf) gas fields and offer PVD additional upside on the Gora Concession which is de-risked due to 3D seismic coverage and surrounding well control from surrounding fields. Estimated completed well costs attributable are US\$1.3 million.

- On 16 July 2019, the Company completed the placement of 55,555,556 shares to sophisticated investors at an issue price of \$0.018 to raise A\$1,000,000 as part of the Transaction. The Company has released a Prospectus for a non-renounceable one (1) for two (2) entitlement issue to be fully underwritten by CPS Capital Group Pty Ltd to raise \$2,732,098 (before costs).
- On 18 July 2019, the Company invested approximately \$326,000 into a UK private entity, Hartshead Resources Ltd which is undertaking an application process to acquire certain prospective oil & gas licences in the South North Sea, offshore United Kingdom.
- On 4 July 2019 and again on 10 September 2019 the Company announced that it will be undertaking a fully underwritten non-renounceable entitlement offer to raise \$2,732,098. The Entitlement Offer is fully underwritten. A prospectus containing information in respect of the Entitlement Offer was lodged with the Australian Securities and Investments Commission on 10 September 2019.
- On 24 September 2019 the Company announced;
 - that it had successfully completed its transaction with Gemini Resources Limited and will now proceed to earn into the Gora and Nowa Sol projects for a 35% interest by spending a total of A\$6.15m on those concessions;
 - Dr Andrew Matharu and Mr Christopher Lewis had been appointed to the board, Dr Matharu as Executive Director and Mr Lewis as Technical Director; and
 - the undertaking a non-renounceable entitlements issue to offer approximately 151,783,212 shares at an issue price of A\$0.018 to raise \$2,732,098 (before costs), fully underwritten by CPS Capital Group Pty Ltd.

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

25. CHANGES IN ACCOUNTING POLICIES

This note explains the changes in the Group's accounting policies as a result of the adoption of AASB 9 Financial instruments and AASB 15 Revenue from Contracts with Customers, however the prior year financial statements did not have to be restated as a result.

New and amended standards adopted by the Group

(a) AASB 15 Revenue from Contracts with Customers ("AASB 15")

AASB 15 Revenue from contracts with Customers replaces AASB 118 Revenue. AASB 15 was adopted by the Group on 1 July 2018. AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers. The Group has considered AASB 15 in detail and determined that the impact on the Group's sales revenue from contracts under AASB 15 is insignificant for the period. The Group's new revenue accounting policy is detailed below:

Revenue is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expects to be entitled. If the consideration promised includes a variable component, the Group estimates the expected consideration for the estimated impact of the variable component at the point of recognition and re-estimated at every reporting period.

(b) AASB 9 Financial Instruments ("AASB 9")

AASB 9 replaces the provisions of AASB 139 Financial Instruments: Measurement and Recognition ("AASB 139") that relate to the recognition, classification and measurement of financial assets and liabilities, recognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 resulted in minimal changes in accounting policies. The new accounting policies are set out below. Transitional adjustments were however required, as set out below, which were recognised on 1 July 2018, in accordance with the transitional provisions of AASB 9.

AASB 9 - Impact of adoption

Classification and measurement of financial assets

The adoption of AASB 9 on the Group's trade and other receivables did not have a material impact.

AASB 9 - Accounting policies applied from 1 July 2018

Investments and other financial assets

Classification

From 1 July 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

25. CHANGES IN ACCOUNTING POLICIES (continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

From 1 July 2018, the Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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26. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pura Vida Energy NL (**Company** or **Pura Vida**) is a company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. Pura Vida is the ultimate parent entity of the Group.

The consolidated financial statements of Pura Vida Energy NL for the year ended 30 June 2019 comprise the Company and its controlled subsidiaries (together referred to as the **Group** and individually as **Group entities**).

Statement of compliance

This general-purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Company Interpretations and the Corporations Act 2001. Pura Vida is a for-profit entity for the purpose of preparing the financial statements.

The financial statements of the Company also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis of preparation

The financial statements of the Group are presented in Australian dollars, which is the Company's functional currency.

Historical cost convention

These financial statements have been prepared under the historical cost convention, except for costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Critical accounting estimates and significant judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within Note 14.

New and amended standards adopted by the Group

The Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to their operations and effective for the current annual reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the first time for the annual reporting period commencing 1 July 2018 that are relevant to the Group include:

- AASB 9 Financial Instruments
- AASB 15 Revenue from Contracts with Customers
- AASB 2016-5 Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions
- Interpretation 22 Foreign Currency Transactions and Advance Consideration.

The group also elected to adopt the following amendments early:

- AASB 2018-1 Amendments to Australian Accounting Standards - Annual Improvements 2015- 2017 cycle.

The Group had to change its accounting policies and make certain retrospective adjustments following the adoption of AASB 9. This is disclosed in Note 25. Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior years. However, the above standards have affected the disclosures in the notes to the financial statements.

New standards and interpretations not yet adopted

AASB 16 Leases

AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its Statement of Financial Position in a similar way to how existing finance leases are treated under AASB 117. An entity be required to recognise a lease liability and a right of use asset in its Statement of Financial Position for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases.

Lessor accounting remains largely unchanged from AASB 117.

The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

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.

Accounting policies

In order to assist in the understanding of the accounts, the following summary explains the principle accounting policies that have been adopted in the preparation of the financial report. These policies have been applied consistently to all of the periods presented, unless otherwise stated.

(a) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of subsidiaries of the Company at the end of the reporting period. Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that

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control ceases. Where a subsidiary has entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of subsidiaries is contained in Note 22 to the financial statements.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Going concern

The Directors have prepared the financial report on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

During the year the Group incurred cash outflows from operating activities of \$1,723,481;

As at 30 June 2019 Pura Vida Mauritius (a subsidiary of the Company) had commitments with an estimated value of \$3.4 million (US\$2.5 million) pertaining to the current exploration phase of the Ambilobe PSC. The third phase ended in July 2019 and may be extended to July 2021, and the company is continuing its discussions with OMNIS regarding the 2nd special two (2) year extension of the PSC to July 2021; and

Pura Vida is currently in a dispute with the Gabonese Government with regards to the Nkembe PSC, (refer to Note 18 for details on the dispute). Until such a time as the dispute is resolved it is not possible to quantify the likely commitments and/or payable (if any) in relation to the Nkembe PSC.

In the event the Company is unable to secure funding to complete the current exploration phase in Madagascar and resolve the dispute with the Gabonese Government the Group may be unable to realize its assets and discharge its liabilities in the normal course of business. These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its asset and discharge its liabilities in the normal course of business.

Management believe there are sufficient funds to meet the consolidated entity's working capital requirements at the date of this report for the following reasons:

- at 30 June 2019 the consolidated entity had \$5.79 million of cash and a current working capital position of \$5.5 million; and
- the Company is progressing realisation of the value of the consolidated entity's assets in Madagascar through ongoing discussions with potential farm-in partners to secure the remaining funding required to complete the current exploration phase.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the consolidated entity not continue as a going concern.

(c) Joint arrangements

Under AASB 11 *Joint Arrangements* investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group only has joint operations.

Joint operations

The Group recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated into the financial statements under the appropriate headings. Details of joint operations are set out in Note 7.

(d) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities at the reporting date are translated at the exchange rate existing at reporting date. Exchange differences are recognised in profit or loss in the period in which they arise.

No dividends were paid or proposed during the period.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

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On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange difference is reclassified to profit or loss, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(e) Segment reporting

Operating segments are reported in a manner that is consistent with the internal reporting to the chief operating decision maker, which has been identified by the Group as the Executive Director and other members of the Board.

(f) Revenue recognition

Revenue is measured as the fair value of the consideration received or receivable. The Group recognises revenue when the amount of revenue can be reliably measured it is probable that future economic benefits will flow to the entity.

Revenue for other business activities is recognised on the following basis:

Recharge income

Revenue from consulting services is recognised in the accounting period in which the services are rendered.

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Settlement income

Revenue from settlement is recognised in the accounting period in which the settlement occurred.

(g) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's values in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing

operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at re-valued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had the impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at the re-valued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(h) Inventory

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit or loss comprehensive income during the reporting period in which they are incurred.

Depreciation is calculated using the diminishing value or straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

- Office furniture and equipment 4 - 15 years
- Computer software and equipment 2 - 4 years

Assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset carrying amount is written down immediately to its recoverable amount if the assets carrying value is greater than its estimated recoverable amount (Note 24(g)).

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Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statements of profit or loss.

(j) Income tax and other taxes

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The Group may be entitled to claim special tax deductions for investments in qualifying assets (investment allowances). The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A

deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

(k) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST component of cash flow arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(l) Exploration and evaluation expenditure

The Group expenses exploration and evaluation expenditure as incurred in respect of each identifiable area of interest until a time where an asset is in development.

Exploration and Evaluation expenditure

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area as well as the determination of the technical feasibility and commercial viability of extracting mineral resource.

Exploration and evaluation expenditure are expensed to the profit or loss as incurred except when existence of a commercially viable oil and/or gas reserve has been established and it is anticipated that future economic benefits are more likely than not to be generated as a result of the expenditure.

(m) Cash and cash equivalents

For the purposes of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cash in bank accounts, money market investments readily convertible to cash within two working days, and bank bills but net of outstanding bank overdrafts.

(n) Investments and other financial assets

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired, management determines the classification of its investments at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the statement of financial position date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

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Recognition and de-recognition

Investments are initially recognised at fair value plus transactions costs for all financial assets not carried at fair value through profit or loss. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method and available for sale assets are carried at fair value.

Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in profit or loss.

(o) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

Provisions are measured at the present value of Management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as an interest expense.

(p) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including short-term incentive payments, non-monetary benefits and accumulating annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Other long-term employee benefits

Provision is made for long service leave and annual leave estimated to be payable to employees on the basis of statutory and contractual requirements. The liability for long service leave and annual leave which is not expected to be settled within twelve months after the end of the period in which the employees render the related service is recognised in the provision for employee entitlements and measured as the present value of expected future payments to be made in

respect of services provided by employees up to the end of the reporting period. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

Share-based payments

The Group has provided benefits to its employees (including key management personnel) in the form of share-based payments, whereby services were rendered partly or wholly in exchange for shares or rights over shares. The Remuneration Committee has also approved the grant of options, retention rights or performance rights as incentives to attract executives and to maintain their long-term commitment to the Company. These benefits were awarded at the discretion of the Board or following approval by shareholders.

The costs of these equity settled transactions are measured by reference to the fair value of the equity instruments at the date on which they are granted. The fair value of retention rights and performance rights granted under the Pura Vida performance rights plan is determined using the Monte-Carlo simulation valuation model. The fair value of options granted is determined by using the Black-Scholes option pricing technique. Further details of options and performance rights granted are disclosed in Note 11.

The cost of these equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period).

At each subsequent reporting date until vesting, the cumulative charge to the profit or loss is the product of: (i) the fair value at grant date of the award; (ii) the current best estimate of the number of equity instruments that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and (iii) the expired portion of the vesting period.

The charge to the profit or loss for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding credit to equity.

Until an equity instrument has vested, any amounts recorded are contingent and will be adjusted if more or fewer equity instruments vest than were originally anticipated to do so. Any equity instrument subject to a market condition is valued as if it will vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the recipient of the award, as measured at the date of modification.

If an equity-settled transaction is cancelled (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new equity instrument is substituted for the cancelled award and designated as a replacement award on the date that it is

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

granted, the cancelled and new equity instrument are treated as if they were a modification of the original award, as described in the preceding paragraph.

The dilutive effect, if any, of outstanding performance rights and options is reflected as additional share dilution in the computation of diluted earnings per share (refer Note 16).

(q) Earnings per share

Basic earnings per share

Basic earnings per share is determined by dividing the operating loss attributable to the equity holders of the Company after income tax by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(r) Trade and other receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less loss allowances. Current receivables for GST are due for settlement within 30 days and other current receivables within 12 months.

(s) Trade and other payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

(t) Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the effective interest rate amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in profit or loss.

Transaction costs are included in borrowings and measured at amortised cost using the effective interest rate method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset, and, therefore are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale.

(u) Parent entity financial information

The financial information for the parent entity, Pura Vida Energy NL, disclosed in Note 23 has been prepared on the same basis as the consolidated financial statements, except as set out below:

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost.

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 30 June 2019 and its performance for the financial 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;
3. the financial statements and accompanying notes are presented in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board; and
4. the remuneration disclosures set out in the Directors' Report (as part of the audited Remuneration Report) for the year ended 30 June 2019 comply with section 300A of the *Corporations Act 2001*.

The Directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

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



Bevan Tarratt
Non- Executive Chairman
Perth, Western Australia
25 September 2019

INDEPENDENT AUDITOR'S REPORT

To the members of Pura Vida Energy NL

Report on the Audit of the Financial Report

Qualified opinion

We have audited the financial report of Pura Vida Energy NL (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, 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 year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion, except for the effects of the matter described in the Basis for qualified opinion section of our report, the accompanying financial report of Pura Vida Energy NL, is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for qualified opinion

As disclosed in note 18 and 19(a) to the financial statements, there is a dispute over the commencement date of the Group's obligations under the Nkembe Production Sharing Contract (PSC), which has prevented the Group progressing funding discussions to meet its obligations under the PSC and has therefore resulted in force majeure being claimed by the Group. The Group has stated that until such time as the dispute is resolved, it is not possible to quantify the likely commitment and/or payable (if any) under the PSC. As such, management were unable to provide support as to its commitment or obligation under the PSC as at 30 June 2019 and we were unable to obtain sufficient appropriate audit evidence to determine whether any adjustments to the commitments or other payables note disclosure was necessary.

Our 30 June 2018 Audit Report was also qualified with respect to this matter.

As disclosed in note 3, 18 and 19(a) the Group has received legal advice that its obligations to make the fund contributions under the Nkembe PSC commenced on the issue of the Presidential Decree, being 4 December 2014. Based on this advice, the Group has determined there are no fund contributions outstanding and as such for the year ended 30 June 2019, the related liability was derecognised and disclosed as a contingent liability. This has resulted in a material gain of \$3,935,154 being recorded within exploration and evaluation expenditure in the statement of profit or loss and other comprehensive income for the year. In light of circumstances noted above, management were unable to provide support as to the accuracy of the obligation owing as at 30 June 2019. Consequently, we were unable to determine whether any adjustments might have been necessary in respect of the carrying amount of other payables as at 30 June 2019 and the related elements making up the statement of profit or loss and other comprehensive income including the gain on reversal of liability.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material uncertainty related to going concern

We draw attention to Note 26(b) in the financial statements which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not further modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matters described in the Basis for qualified opinion and Material uncertainty related to going concern sections, we have determined that there are no other key audit matters to be communicated in our report.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Group's annual report year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 15 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Pura Vida Energy NL, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

A handwritten signature in dark ink, appearing to read 'J Prue', is written over the printed name 'Jarrad Prue'.

Jarrad Prue

Director

Perth, 25 September 2019

ADDITIONAL INFORMATION

The following additional information is required by ASX in respect of listed public companies only.

Information as at 5 September 2019

1 Distribution of shareholders

Category (size of holding)	Number ordinary
1 - 1,000	102
1,001 - 5,000	223
5,001 - 10,000	213
10,001 - 100,000	1,159
100,001 and above	381
Total	2,078

The number of shareholdings held in less than marketable parcels is 1,137.

2 Voting rights

The voting rights attached to each class of equity security are as follows:

<i>Fully paid ordinary shares</i>	Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.
<i>Partly paid shares</i>	The holder will be entitled to exercise any vote attaching to a partly paid share at general meetings of members in accordance with the Constitution of the Company. Under the Constitution, on a poll, partly paid shares have a vote pro rata to the proportion of the total issue price paid up. Amounts paid in advance of a call will be ignored when calculating the proportion.
<i>Options</i>	There are no voting rights attached to any class of options on issue.

ADDITIONAL INFORMATION

3 20 largest shareholders - ordinary shares as at 5 September 2019

	Name	N° of ordinary fully paid shares held	% held of issued ordinary capital
1	TERRA CAPITAL PTY LTD <NATURAL RESOURCE FUND A/C>	13,888,889	4.58
2	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LTD	11,833,333	3.90
3	BARCLAY WELLS LTD	8,333,332	2.75
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	7,461,000	2.46
5	MS EVI MEISA	5,528,821	1.82
6	CITICORP NOMINEES PTY LIMITED	4,861,632	1.60
7	TIRUMI PTY LTD <TIRUMI SUPER FUND A/C>	4,786,892	1.58
8	MR JAMES MICHAEL SCOTT	4,000,000	1.32
9	MR RICHARD DAVID SIMPSON	3,918,488	1.29
10	ATX INDUSTRIES PTY LTD	3,646,297	1.20
11	BETTY CHIN HOLDINGS PTY LTD <BETTY CHIN FAMILY A/C>	3,549,981	1.17
12	LUDE NOMINEES PTY LTD <NATHAN LUDE SUPER FUND A/C>	3,502,238	1.15
13	P & D INSTRUMENT & ELECTRICAL SERVICES PTY LTD	3,500,000	1.15
14	L K ENGINEERING PTY LTD <KABLE FAMILY A/C>	3,250,000	1.07
15	SABRE POWER SYSTEMS PTY LTD	3,222,222	1.06
16	MR PETER SCOTT	3,194,252	1.05
17	SOLEQUEST PTY LTD	2,750,000	0.91
18	THANG PTY LTD	2,550,000	0.84
19	NICK MARTIN SUPERANNUATION PTY LTD <NICK MARTIN SUPER A/C>	2,543,703	0.84
20	BROWN BRICKS PTY LTD <HM A/C>	2,500,000	0.82
20	MR TERRENCE CHARLES INDERSMITH <TC INDERSMITH FAMILY A/C>	2,500,000	0.82
20	TT NICHOLLS PTY LTD <TT NICHOLLS S/F A/C>	2,500,000	0.82
Total		103,821,080	34.20
Balance of register		199,745,344	65.80
Grand total		303,566,424	100.00

4 Unquoted securities

1. 5,703,550 partly paid shares with an issue price of \$0.20 of which \$0.01 was paid upon issue

5 Unquoted equity securities holders with greater than 20% of an individual class

As at 5 September 2019, the following classes of unquoted securities had holders with greater than 20% of the class on issue.

Partly paid shares

Holder	N° securities held	% held
David Ormerod <Ormerod Family Inv A/C>	2,225,000	39.01

Options

Expiry date	Holder	N° securities held	% held
30 November 2019	Advantage Management Pty Ltd <ADVANTAGE MANAGEMENT A/C>	4,000,000	33.33
	CS Logistics Pty Ltd <JEPSAK DISCRETIONARY A/C>	4,000,000	33.33
	MR DAVID GRANT SANDERS	4,000,000	33.33