

28 April 2023

ASX ANNOUNCEMENT

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 MARCH 2023

Highlights

Selva Malvezzi

- Po Valley signs offtake agreement with BP Gas Marketing to supply gas from its Podere Maiar-1 facility in Italy
 - 18-month contract commenced on 1 April 2023 and has extension potential
 - Contract for Po Valley and its joint venture partners to supply 37,000,000 standard cubic metres of gas
- Developments continue on time and budget

Next steps

- First gas on track for early Q2 CY23

Corporate

- Shares issued on exercise of options
- Cash at 31 March 2023 €871k (A\$1,414k)

Australia's Po Valley Energy Limited (ASX: **PVE**) ("**Po Valley**" or "**The Company**") is pleased to provide its Quarterly Activities Report for the period ending 31st March 2023, covering the Company's further gas and oil exploration, development and production outcomes across its onshore and offshore assets in northern Italy.

SELVA MALVEZZI

Selva is an onshore natural gas field in the eastern part of the Po Plain, among the Ferrara and Bologna provinces, in the Emilia Romagna Region. The exploration permit measures 506 sq km and within this permit the Selva Malvezzi production concession is 80.68 sq km.

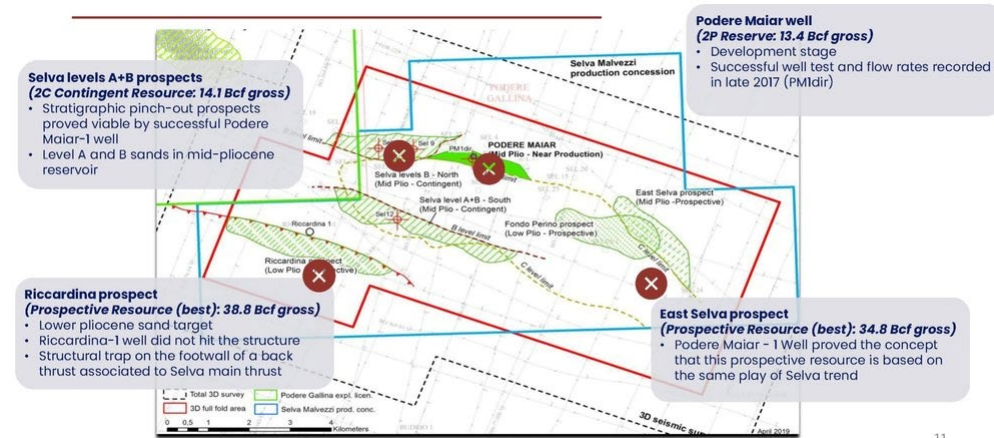


Figure 1: Selva Malvezzi Production Concession Gas fields

Reserve and resources quoted in the figure 1 are 100%, net attributable to PVE is 63%

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

Podere Maiar gas plant and pipeline construction

During the quarter, Po Valley stayed on course to have first gas from Podere Maiar in early Q2 CY2023.

PVO, as Operator of the joint venture, has met all its obligations under the construction contract with TESI, remaining on time and on budget and remains well funded to complete the construction programme at Podere Maiar – 1.

Gas Sales Agreement with BP Gas Marketing

In February, Po Valley's wholly owned subsidiary Po Valley Operations Pty Limited (PVO) signed a gas sales agreement (GSA) with BP Gas Marketing Limited (BPGM), an indirect, wholly owned subsidiary of BP International Limited (BPI).

The GSA between PVO and BPGM relates to forecast gas production from the soon to be completed Podere Maiar – 1 facility in the Selva Malvezzi production concession located in the Po Valley Region of Italy.

PVO is operator of the Selva Malvezzi production concession with 100% ownership interest moving to 63%. Notices to transfer joint venture partner quotas to Prospex Energy plc's two wholly owned subsidiaries UOG Italia Srl (20%) and PXOG Marshall Ltd (17%) were sent to the Italian Ministry during November 2022.

Key terms of the GSA include:

- 18-month contract which commenced on 1 April 2023 with the potential to extend.
- Po Valley and its partners will supply an estimated 37 million standard cubic metres of gas.
- Gas price will be linked to Italy's "Heren PSC day ahead mid" price assessment.

For further information see ASX announcement 14 February 2023.

CORPORATE

Issue of shares

During the quarter, the Company issued 2,000,000 shares upon the exercise of 2,000,000 options at an exercise price of A\$0.05 expiring on 21 July 2023. Proceeds from the options exercised was €64k (A\$100k) in this quarter. Subsequent to the quarter end, a further 2,000,000 of the above options were exercised and the company issued 2,000,000 shares at exercise price of A\$0.05 raising an additional €64k (A\$100k).

At the date of this report, the Company has on issue:

- 1,157,961,621 Ordinary Shares
- 1,000,000 options with exercise price of A\$0.05 expiring 21 July 2023
- 7,500,000 options with exercise price of A\$0.10 expiring 30 June 2024

Cash flow

Net operating cash outflows for the quarter was €144k and gas plant and pipeline development costs of the Podere Maiar-1 well site in the quarter amounted to €556k (net of JV partner capex recoveries).

The Group's cash reserves as at 31st March 2023 was €871k (A\$1,414k).

Regarding Section 6.1 of the Appendix 5B no payments were made to related parties and their associates during the quarter. Director fees accrued at 31 March 2023 of €18k were paid shortly after the quarter end.

Information Provided in Accordance with ASX Listing Rules 5.4.1 and 5.4.2

In accordance with ASX Listing Rule 5.4.1, the Company confirms that, other than the development underway at the Podere Maiar-1 well site, there have been no material developments or changes to its exploration activities. As the focus in this quarter was the development of the Poder Maiar-1 gas plant and pipeline, there were no other substantive exploration activities or costs incurred during the quarter.

In accordance with ASX Listing Rule 5.4.2, the Company advises that the development activities undertaken on the Podere Maiar-1 site and costs incurred are as described in the relevant sections above. There were no production activities during the quarter.

Summary of Tenements

		Tenement	Location	Interest held
PRODUCTION CONCESSIONS	AWARDED	<i>Selva Malvezzi⁽¹⁾</i>	Italy, Emilia Romagna	100% Po Valley ⁽¹⁾
	PREL. AWARDED	<i>Teodorico (d.40.AC-PY)</i>	Italy, Adriatic Offshore	100% Po Valley
EXPLORATION PERMITS	GRANTED	<i>AR94PY</i>	Italy, Adriatic Offshore	100% Po Valley
		<i>Cadelbosco di Sopra</i>	Italy, Emilia Romagna	100% Po Valley
		<i>Grattasasso</i>	Italy, Emilia Romagna	100% Po Valley
		<i>Podere Gallina</i>	Italy, Emilia Romagna	63% Po Valley
		<i>Torre del Moro</i>	Italy, Emilia Romagna	100% Po Valley

¹ Document requesting the transfer of JV partner quotas UOG (20%) and PROSPEX (17%) was sent to the Ministry in November 2022.

Reserves and Resources*

Reserves and Resources			Reserves			Contingent Resources			Prospective Resources		
			Gas BCF								
			1P	2P	3P	1C	2C	3C	Low	Best	High
AR94PY	Teodorico		27	37	48						
	Teodorico					7.4	10.6	14.0			
	PL3-C								7.9	15.9	25.0
Selva Malvezzi [Net] ²	Selva (Podere Maiar1)		2.6	8.4	18.8						
	Selva level A South					0.7	1.1	2.3			
	Selva level B North					2.2	5.6	11.2			
	Selva level B South					0.6	2.2	5.9			
	Fondo Perino								6.4	9.2	12.9
	East Selva								18.3	21.9	25.6
	Riccardina								8.2	24.4	81.2
Cadelbosco di Sopra	Zini (Qu-B)					1.1	2.7	4.6			
	Canolo (Qu-A)					0.7	1.1	1.7			
	Canolo (Plioc)					0.4	3.6	10.5			
	Zini (Qu-A)								0.6	1.4	2.4
Torre del Moro	Torre del Moro								420.7	502.0	596.1

*Reserve and Resource estimated are as reported and CPR report 25th July 2022 (Refer ASX announcement 26th July 2022)

² Net to the PVE 63%

The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcements referred to in this announcement and, in the case of estimates for petroleum reserves, contingent resources and prospective resources, all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not materially changed from the original market announcement.



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

This announcement was approved for release by the Board of Directors of Po Valley Energy Limited

Enquiries to:

Kevin Bailey AM, Po Valley Chairman, +61 417 556 458

Registered Office	Rome Office
Suite 8, 7 The Esplanade Mt Pleasant WA 6153 Australia TEL +61 (08) 9316 9100 FAX +61 (08) 9315 5475	Via Isonzo 34, Rome, 00198 Italy TEL +39 06 4201 4968 FAX +39 06 4890 5824
Directors	
Mr. Kevin Bailey AM, Chairman Ms. Sara Edmonson, Non-executive Director Mr. Joseph Constable, Non-executive Director Ms. Katrina O'Leary, Non-executive Director	

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PO VALLEY ENERGY LIMITED

ABN

33 087 741 571

Quarter ended ("current quarter")

31 MARCH 2023

Consolidated statement of cash flows	Current quarter €'000	Year to date (3 months) €'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(105)	(105)
(e) administration and corporate costs	(120)	(120)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – Recoveries from JV for overheads	78	78
1.9 Net cash from / (used in) operating activities	(144)	(144)
<i>*payments made in current period include accrued director fees to current and previous directors</i>		
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(c) property, plant and equipment – Development of Well plant and pipeline	(556) *	(556) *
(d) exploration & evaluation (if capitalised)	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter €'000	Year to date (3 months) €'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	(556)	(556)

** expenditure is net of JV contributions to capitalised costs*

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	64	64
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1)	(1)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	63	63

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,536	1,536
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(144)	(144)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(556)	(556)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	63	63
4.5	Effect of movement in exchange rates on cash held	(28)	(28)
4.6	Cash and cash equivalents at end of period	871	871

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter €'000	Previous quarter €'000
5.1 Bank balances	871	1,536
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	871	1,536

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter €'000
-
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7.	Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end €’000	Amount drawn at quarter end €’000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other – Convertible Notes	-	-
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end	<div></div> -	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	€'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(144)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(144)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	871
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	871
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	6.04

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

n/a

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

n/a

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

n/a

Compliance statement

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

Date: 28 April 2023

Authorised by: The Board of Po Valley Energy Limited
(Name of body or officer authorising release – see note 4)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.