ABN 33 087 741 571

ASX ANNOUNCMENT
12 September 2025

PO VALLEY ENERGY LTD (ASX:PVE)

INTERIM FINANCIAL REPORT FOR SIX MONTHS TO 30 JUNE 2025

Po Valley Energy Limited (**ASX:PVE**) encloses its interim financial report for the period ended 30 June 2025.

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

Enquiries to:
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Po Valley Chairman
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***To ask questions directly to the Po Valley Energy view this report and access media content, visit our interactive investor website at:* https://povalley.com/link/Pdx9YP**

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Directors	
Mr. Kevin Bailey AM, Chairman and CEO Ms. Sara Edmonson, Non-executive Director Mr. Joseph Constable, Non-executive Director Ms. Katrina O'Leary, Non-executive Director Mr. Michael Gentile, Non-executive Director	

PO VALLEY ENERGY LIMITED

A.B.N. 33 087 741 571

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2025

PO VALLEY ENERGY LIMITED

INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2025

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DIRECTORS' REPORT

The Directors present their report together with the interim financial report for the half-year ended 30 June 2025 and the independent auditor's review report thereon, of Po Valley Energy Limited ("the Company" or "Po Valley Energy" or "PVE") and its subsidiary Po Valley Operations Pty Ltd ("PVO") together referred to as "the Group".

Director details

The following persons were Directors of the Company during or since the end of the financial half-year:

- Kevin Bailey AM – Chairman
- Sara Edmonson - Non-Executive Director
- Joseph Constable – Non-Executive Director
- Katrina O'Leary – Non-Executive Director
- Michael Gentile – Non-Executive Director

Company Secretary

The Company Secretary during and since the end of the financial half-year was:

- Kevin Hart

Principal Activities

The principal continuing activities of the Group in the course of the half-year were:

- Production and sale of gas from the Podere Maiar 1 well
- The exploration for gas and condensate in the Po Valley region of northern Italy
- Appraisal and development of gas and oil fields in that footprint

Review and results of operations

Financial results for the period

The profit attributable to members of the Company for the half-year was €1,749,745 (30 June 2024: €930,241). The Group's cash reserves as at 30 June 2025 were €7,475,290 (31 December 2024: €4,993,913).

A review of the operations and the results of those operations of the Group during the half-year is as follows:

Summary of results table:	**30 June 2025**	**30 June 2024**
	Mcm	**Mcm**
Production volume (net)	8,810	8,153
	€'000	**€'000**
Gas Sales	3,908	2,658
EBITDA[1]	2,628	1,635
Depreciation and amortisation – production	(271)	(255)
Depreciation	(14)	(13)
Unwind of discount of restoration provision	(20)	(20)
EBIT[1]	2,323	1,347
Finance costs other than restoration provision discounting	(7)	(4)
Taxation	(566)	(413)
Net profit / (loss) after tax attributable to shareholders	1,750	930

[1]EBITDA (earnings before interest, tax, depreciation and depletion, exploration expensed and impairment losses) and EBIT (earnings before interest and tax) are non-IFRS measures that are presented to provide an understanding of the Group's operations. The non-IFRS measures are unaudited, however, the numbers have been extracted from the financial statements that have been subject to review by the Company's auditor.

Selva Malvezzi Production Concession (63% PVO)

Selva is an onshore natural gas field located in the eastern part of the Po Plain, in the Bologna province of the Emilia Romagna Region. Awarded in July 2022, the Selva Malvezzi Production Concession covers 80.68km^2 carved out from the former Podere Gallina Exploration Permit.

It includes the Podere Maiar Gas field (in production) and the gas prospects Selva Malvezzi (East Selva), Casale Guida (Selva North), Ronchi (Selva South) and Bagnarola (Riccardina).

Po Valley Operations (100% subsidiary of the Company, "PVO") is the operator under a Joint Operating Agreement ("JOA") and holds a 63% interest in the Selva Malvezzi Production Concession with Prospex Energy Plc ("Prospex Group") holding 37% (17% Prospex Energy, 20% UOG Italia).

PM-1 gas production and well management

Gas production at PVO's 63%-owned Podere Maiar – 1 (PM-1) gas facility in the Selva Malvezzi Production Concession for the quarter is shown in the table below:

PM1 Gas Production half year to 30 June 2025			
	Q1- 2025	**Q2-2025**	**Total To 30 June 2025**
Production	**scm**	**scm**	**scm**
PM-1 – 100%	6,724,409	7,260,290	13,984,699
PM-1 – 63% (PVE share)	4,236,377	4,573,983	8,810,360
Revenue	**€'000**	**€'000**	**€'000**
PM-1 – 100%	3,338	2,864	6,202
PM-1 – 63% (PVE share)	2,103	1,805	3,908

Production has been consistent throughout the period averaging ~79,000 scm per day, with the exception of days during which slick line operations were undertaken and brief scheduled production halts for routine plant maintenance. Routine slick line operations in the period confirmed well pressure evolution as per expectations and there was no sand or water detected during the slick lines. There also has not been any unexpected readings on surface sand detection equipment during the period. Production since commencement in July 2023 totals 51,384,665 scm from the C2 level (PVE share is 63% of total). Total (100%) P1 reserves of C2 Level certified in the July 2022 CPR by CGG are 69MMscm, the remaining P1 gas volume from C2 level at period end was 18 MMscm (PVE share 63% of total). PM-1 gas during the period was supplied to BP Gas Marketing under a supply agreement and will continue up to the date of expiration on 1 October 2025 when supply will be made to the Hera Group under the newly executed supply agreement.

Casale Guida 1d, Ronchi 1d, Bagnarola 1d, Selva Malvezzi 1d wells

The Selva Malvezzi Production Concession is the key area of focus for the Company with the next stages of development at Casale Guida 1d (Selva North), Ronchi 1d (South Selva), Selva Malvezzi (East Selva) and Bagnarola 1d (Riccardina) prospects.

The drilling programs for the four new drilling projects were submitted to the UNMIG department of the Italian Ministry of Environment and Energy Security (MASE) for drilling authorisation in September 2024. The Environmental Impact Study (EIA) covering the drilling, development and production phases of the four wells was filed in December 2024.

During May 2025, the EIA technical commission of the Ministry (MASE) requested further studies specifically covering assessment of flood risk in the area given flooding events that occurred in the region in 2023 and 2024. In addition, the Budrio Municipality requested a relocation of Casale Guida and Ronchi well site due to community concerns regarding visual and noise impacts on the surrounding area. The Selva Malvezzi-1 well site location will also be evaluated further to mitigate flooding risk concerns raised by the Civil Protection of Emilia Romagna Region. PVO is preparing an updated EIA for resubmission which aligns with the Ministry's observations and recommendations outlined.

3D-Geophysical survey over Selva Malvezzi Concession

PVO received INTESA from the Region and the final authorisation by the MASE for the 3D geophysical survey acquisition on the Selva Malvezzi Production Concession in early April 2025. Field activities, including the seismic acquisition, are scheduled for early October 2025 in accordance with guidance from landowners and relevant Farmer's Associations, ensuring no impact on their late summer harvest.

Teodorico Offshore Gas field development (100% PVO)

The Teodorico gas field is located in shallow waters (approximately 30m deep) off the east coast in the northern Adriatic Sea; the primary source of domestic gas production for much of Italy; and in close proximity to existing east coast offshore gas production facilities. Teodorico has the largest gas-in-place of all of Po Valley Energy's gas fields and is at an advanced stage of assessment, ready for development. The Group holds a preliminary production concession for this area.

The Company is progressing works in preparation of a revised EIA addressing additional requirements, particularly in relation to the two environment protection areas to be addressed, following the Regional Administrative Court (TAR) ruling in 2024. This EIA revision will align with the recommendations from the Directorate of the Ministry of Environment addressing the protected areas not considered in the original EIA submission. The revision is timely given the existing EIA decree, if it were upheld, is set to expire in 2026. The Company has already commenced preliminary works on the study with the focus on the engineering design associated with the preparation of this revised EIA. The Company intends to complete and submit the revised EIA as soon as possible.

Torre del Moro, Cadelbosco di Sopra and Grattasasso exploration licences (100% PVO)

The Company is reviewing optimal exploration and development paths for the other onshore exploration assets (Cadelbosco di Sopra, Grattasasso and Torre del Moro) including the possibility for introduction of third-party investors / partners who might have interest in participating in their exploration and development. Cadelbosco di Sopra and Grattasasso are shallow gas opportunities which fit neatly with the Company's proven exploration and development capabilities whilst Torre del Moro is a large deep gas prospect.

Following the repeal of the 2024 Environmental Decree, which replaced the previous 'PITESAI' framework for suitable hydrocarbon exploitation areas, and confirmation from MASE that oil exploration activities may resume, the Company is now able to expand its evaluation to include, alongside the gas prospects, the oil contingent resources at Cadelbosco and Grattasasso, as well as the oil prospective resources at Torre del Moro.

Significant events after balance date

As announced on 21 August 2025, the Company has entered into a new Gas Sales Agreement ("GSA")with the Hera Group. The GSA will be commencing on 1 October 2025 for gas production from the Podere Maiar facility (PM-1d well) in the Selva Malvezzi production concession, replacing the current GSA with BP Gas Marketing which expires on 1st October 2025. The process was conducted through a competitive tender process, with local player Hera Trading emerging as the successful bidder.

Other than the above, there were no events between the end of the financial period and the date of this report that, in the opinion of the Directors, affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in subsequent financial periods.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6 and forms part of the Directors' report for the half-year ended 30 June 2025.

This report has been made in accordance with a resolution of Directors.

Kevin Bailey AM

Chairman
12 September 2025

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Po Valley Energy Limited for the half-year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia	**M R Ohm**
12 September 2025	**Partner**

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PO VALLEY ENERGY LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	NOTE	30 June 2025 €	30 June 2024 €
Continuing Operations			
Revenue from contracts with customers	**2**	3,908,071	2,657,510
Cost of sales	**3**	(386,398)	(284,112)
Royalties		(376,631)	(243,500)
Depreciation and amortisation expense - production	**3**	(270,948)	(255,284)
Gross profit		2,874,094	1,874,614
Other income		110,322	80,439
Employee benefits		(372,330)	(361,452)
Depreciation expense		(14,145)	(13,266)
Corporate overheads		(254,670)	(213,536)
Profit from operating activities	**4**	2,343,271	1,366,799
Finance income		198	359
Finance expense		(27,967)	(24,119)
Net finance expense	**5**	(27,769)	(23,760)
Profit before tax		2,315,502	1,343,039
Income tax expense	**6**	(565,757)	(412,798)
Profit for the period		1,749,745	930,241
Other comprehensive income		-	-
Total comprehensive income for the period		1,749,745	930,241
Basic and diluted earnings per share from continuing operations	**7**	**0.15 € cents**	0.08 € cents

The accompanying notes from part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	NOTE	30 June 2025 €	31 December 2024 €
Current Assets			
Cash and cash equivalents		7,475,290	4,993,913
Trade and other receivables	**8**	797,798	1,107,553
Total current assets		**8,273,088**	6,101,466
Non-Current Assets			
Inventory – non-current		33,438	33,438
Other assets		4,678	4,678
Deferred tax assets	**6**	-	115,676
Property, plant & equipment	**9**	1,843,660	1,923,097
Resource property costs	**10**	9,909,776	9,998,987
Total non-current assets		**11,791,552**	12,075,876
Total assets		**20,064,640**	**18,177,342**
Current Liabilities			
Trade and other payables		1,257,048	1,126,932
Lease liabilities	**11**	24,851	24,851
Provisions	**12**	2,974	2,974
Total current liabilities		**1,284,873**	1,154,757
Non-Current Liabilities			
Provisions	**12**	1,034,839	1,014,361
Lease liabilities	**11**	63,508	76,549
		1,098,347	**1,090,910**
Total Liabilities		**2,383,220**	**2,245,667**
Net Assets		**17,681,420**	**15,931,675**
Equity			
Issued capital	**13**	56,847,751	56,847,751
Reserves	**14**	1,192,269	1,192,269
Accumulated losses		(40,358,600)	(42,108,345)
Total Equity		**17,681,420**	**15,931,675**

The accompanying notes from part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Issued Capital €	Foreign Currency Translation Reserve €	Share Based Payment Reserve €	Accumulated Losses €	Total €
Balance at 1 January 2024	**56,847,751**	**1,192,269**	**107,714**	**(44,607,210)**	**13,540,524**
Total comprehensive income for the period:					
Profit for the period	-	-	-	930,241	930,241
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	930,241	930,241
Transactions with members recorded directly in equity:					
Options expired	-	-	(107,714)	107,714	-
Balance at 30 June 2024	**56,847,751**	**1,192,269**	**-**	**(43,569,255)**	**14,470,765**
Balance at 1 January 2025	**56,847,751**	**1,192,269**	**-**	**(42,108,345)**	**15,931,675**
Total comprehensive income for the period:					
Profit for the period	-	-	-	1,749,745	1,749,745
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,749,745	1,749,745
Balance at 30 June 2025	**56,847,751**	**1,192,269**	**-**	**(40,358,600)**	**17,681,420**

The accompanying notes from part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	NOTE	30 June 2025 €	30 June 2024 €
Cash flows from operating activities			
Receipts from customers		4,075,191	2,531,510
Receipts from joint operations partners		102,296	92,496
Payment of royalties		(616,131)	-
Payments to suppliers and employees		(941,719)	(712,646)
Interest received		198	359
Interest paid		(227)	-
Net cash from operating activities		2,619,608	1,911,719
Cash flows from investing activities			
Payments for property plant and equipment		(6,751)	-
Payments for resource property costs (net of joint operation partner recoveries)		(146,017)	(34,263)
Net cash used in investing activities		(152,768)	(34,263)
Cash flows from financing activities			
Payments of lease liabilities	**11**	(14,173)	(14,340)
Net cash used in financing activities		(14,173)	(14,340)
Net increase in cash and cash equivalents		2,452,667	1,863,116
Cash and cash equivalents at 1 January		4,993,913	1,252,717
Exchange difference on cash and cash equivalents		28,710	(1,514)
Cash and cash equivalents at 30 June		7,475,290	3,114,319

The accompanying notes from part of these financial statements

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES

1.1 REPORTING ENTITY

Po Valley Energy Limited ("the **Company**" or "**Po Valley Energy**" or "**PVE**") is a company domiciled in Australia. The consolidated interim financial report for the six-month period ended 30 June 2025 comprises the Company and its interests in subsidiaries and jointly controlled entities and operations (together referred to as "the Group").

The Group is primarily involved in the exploration, appraisal, development of, and production from, gas properties in the Po Valley region in Italy and is a for profit entity.

1.2 BASIS OF PREPARATION

(a) STATEMENT OF COMPLIANCE

The interim financial report is a condensed general purpose financial report prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2024. They do not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 31 December 2024 and with any public announcements made by Po Valley Energy Limited during the half-year ended 30 June 2025.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(b) BASIS OF MEASUREMENT

These consolidated financial statements have been prepared on the basis of historical cost taking into account, where appropriate, any value adjustments except for certain items required to be recognised at fair value.

(c) FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated financial statements are presented in Euro, which is the Company's and each of the Group entities' functional currency.

(d) USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of non-current assets

The ultimate recoupment of the value of resource property costs and property plant and equipment is dependent on successful development and commercial exploitation, or alternatively, sale, of the underlying properties. The Group undertakes at least on an annual basis, a comprehensive review for indicators of impairment of these assets. Should an impairment indicator exist, the area of interest or CGU is tested for impairment. There is significant estimation involved in determining the inputs and assumptions used in determining the recoverability amounts.

The key areas of estimation involved in determining recoverable amounts include:

- Recent drilling results and reserves and resources estimates
- Environmental issues that may impact the underlying licences
- The estimated market value of assets at the review date
- Fundamental economic factors such as the gas price and current and anticipated operating costs in the industry
- Future production rates

The post-tax discount rate used for impairment purposes is 10%.

Rehabilitation provisions

The value of these provisions represents the discounted value of the present obligations to restore, dismantle and rehabilitate each well site under development or in production.

Significant estimation is required in determining the provisions for rehabilitation and closure as there are many transactions and other factors that will affect ultimate costs necessary to rehabilitate the sites. The discounted value reflects a combination of management's best estimate of the cost of performing the work required, the timing of the cash flows and the discount rate.

A change in any, or a combination of, the key assumptions used to determine the provisions could have a material impact on the carrying value of the provisions.

The provision recognised for each site is reviewed at each reporting date and updated based on the facts and circumstances available at that time. Changes to the estimated future costs for operating sites are recognised in the statement of financial position by adjusting both the restoration and rehabilitation asset and provisions.

The Group reviewed the provision at reporting date for works completed during development and revised costs estimates for current prices and conditions to ensure provision is appropriate at the reporting date. There were no changes to estimated costs during the period.

Reserve estimates

Estimation of reported recoverable quantities of Proven and Probable reserves include estimates regarding commodity prices, exchange rates, discount rates, and production and transportation costs for future cash flows. It also requires interpretation of complex geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reservoirs, and their anticipated recoveries. The economic, geological and technical factors used to estimate reserves may change from period to period.

A change in any, or a combination of, the key assumptions used to determine the reserve estimates could have a material impact on the carrying value of the project via depreciation rates or impairment assessments. The reserve estimates are reviewed at each reporting date and any changes to the estimated reserves are recognised prospectively to depreciation and amortisation. Any impact of the change in the reserves is considered on asset carrying values, and impairment losses, if any, are immediately recognised in the profit or loss.

Recognition of deferred tax assets

The recoupment of deferred tax assets is dependent on the availability of profits in future years. The Group undertakes a forecasting exercise at each reporting date to assess its expected utilisation of these losses.

The key areas of estimation involved in determining the forecasts include:

- Future production rates
- Economic factors such as the gas price and current and anticipated operating costs in the industry
- Capital expenditure expected to be incurred in the future

A change in any, or a combination of, the key assumptions used to determine the estimates could have a material impact on the carrying value of the deferred tax asset. Changes to estimates are recognised in the period in which they arise.

1.3 MATERIAL ACCOUNTING POLICIES

(a) New and revised Standards and Interpretations on issue not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been early adopted by the Group for the reporting period ended 30 June 2025. The Directors do not believe that these new and revised Standards and Interpretations will have a material effect on the Group.

(b) New Standards and Interpretations applicable for the six-month period ended 30 June 2025

The Directors have reviewed all the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to the Group accounting policies.

NOTE 2: REVENUE

	30 June 2025 €	30 June 2024 €
Gas sales contract with customers	3,908,071	2,657,510

All gas sales are recorded as revenue at a point in time.

NOTE 3: COST OF SALES

Production operating costs	361,745	264,485
Capacity and transportation costs	24,653	19,627
Cash costs of production	386,398	284,112
Depreciation of plant and equipment	72,379	67,564
Depletion of resource property costs	198,569	187,720
Depreciation and amortisation expense	270,948	255,284

NOTE 4: PROFIT AND LOSS INFORMATION

Profit for the half-year includes the following items:

Professional fees	(131,551)	(101,080)
Company administration and compliance	(83,134)	(69,234)
Travel costs	(13,875)	(13,393)

NOTE 5: FINANCE INCOME AND EXPENSE

Recognised in profit and loss:		
Interest income	198	359
Finance income	198	359
Interest expense	(1,359)	(1,914)
Unwind of discount on site restoration provision	(20,478)	(19,680)
Foreign exchange (gains) / losses (net)	(6,130)	(2,525)
Finance expense	(27,967)	(24,119)
Net finance expense	(27,769)	(23,760)

NOTE 6: INCOME TAX EXPENSE

	30 June 2025 €	30 June 2024 €
Current tax		
Current year	450,081	72,065
Deferred tax		
Deferred tax expense	115,676	340,733
Total income tax expense	565,757	412,798

Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expenses calculated per the statutory income tax rate:

Profit for the year before tax from continuing operations	2,315,502	1,343,039
Income tax expensed using the Company's domestic tax rate of 30 % (2024: 30%)	694,650	402,912
Effect of tax rates in foreign jurisdictions	(153,791)	(92,757)
Permanent differences	57,333	(15,366)
Current year losses and temporary differences for which no deferred tax asset was recognised	16,562	78,398
Changes in temporary differences	(41,912)	(32,454)
Tax losses utilised	(107,332)	-
Foreign regional taxes payable	100,247	72,065
Income tax expense	565,757	412,798

Recognised deferred tax assets

Deferred tax assets are recognised in respect of tax losses and temporary differences based on management's assessment that future taxable profit will be available against which the Group can utilise the benefits therefrom. Deferred tax assets are recognised in relation to the Italian subsidiary's available tax losses and temporary differences, reduced by amounts utilised in the current period. The balance on deferred tax assets at 30 June 2025 were $Nil (31 December 2024: $115,676).

NOTE 7: EARNINGS PER SHARE

	30 June 2025 € (cents)	30 June 2024 € (cents)
Basic and diluted earnings per share from continuing operations	0.15	0.08

The calculation of basic and diluted earnings per share from continuing operations was based on the profit attributable to members of €1,749,745 (2024: €930,241) and a weighted average number of ordinary shares outstanding during the half year of 1,158,961,620 (2024: 1,158,961,620).
There are no potential shares.

NOTE 8: TRADE AND OTHER RECEIVABLES

	30 June 2025 €	31 December 2024 €
Trade receivables	10,660	188,811
Indirect taxes receivable	80,982	142,234
Other receivables	113,950	17,182
Accrued revenue	592,206	759,326
Trade and other receivables	**797,798**	**1,107,553**

NOTE 9: PROPERTY, PLANT & EQUIPMENT

	30 June 2025 €	31 December 2024 €
Land – gas producing well site	52,100	52,100
Gas producing plant and equipment		
At Cost	1,966,192	1,959,105
Accumulated depreciation	(263,513)	(191,134)
	1,702,679	1,767,971
Office Furniture & Equipment:		
At cost	29,666	29,666
Accumulated depreciation	(23,705)	(22,179)
	5,961	7,487
Right-of-use asset: Building (Note 11)		
At Cost	150,011	150,011
Accumulated depreciation	(67,091)	(54,472)
	82,920	95,539
Total property plant & equipment	1,843,660	1,923,097

NOTE 9: PROPERTY, PLANT & EQUIPMENT (continued)

	6 Months to 30 June 2025	Year to 31 December 2024
	€	€
Reconciliations:		
Reconciliation by class of property plant and equipment:		
Land – production well site		
Carrying amount at beginning of period	52,100	52,100
Carrying amount at end of period	52,100	52,100
Gas production plant and equipment		
Carrying amount at beginning of period	1,767,971	1,886,626
Additions – reclassified from resource property costs		-
Additions	7,087	22,201
Depreciation expense	(72,379)	(140,856)
Carrying amount at end of period	1,702,679	1,767,971
Office furniture & equipment		
Carrying amount at beginning of period	7,487	9,569
Additions	-	-
Depreciation expense	(1,526)	(2,082)
Carrying amount at end of period	5,961	7,487
Right-of-use assets		
Carrying amount at beginning of year	95,539	119,328
Remeasurement of lease arrangement	-	1,333
Depreciation expense	(12,619)	(25,122)
Carrying amount at end of period	82,920	95,539
	1,843,660	1,923,097

NOTE 10: RESOURCE PROPERTY COSTS

	30 June 2025	31 December 2024
	€	€
Resource Property costs		
Exploration and evaluation phase	5,257,982	5,148,624
Development phase	-	-
Production phase	4,651,794	4,850,363
	9,909,776	9,998,987

NOTE 10: RESOURCE PROPERTY COSTS (continued)

	6 Months to 30 June 2025	Year to 31 December 2024
Reconciliation of carrying amount of resource properties		
Exploration and Evaluation Phase		
Carrying amount at beginning of period	5,148,624	4,733,654
Expenditure during the period	109,358	414,970
Carrying amount at end of period	5,257,982	5,148,624
Production Phase		
Carrying amount at beginning of period	4,850,363	5,241,713
Amortisation	(198,569)	(391,350)
	4,651,794	4,850,363

Resource property costs in the exploration and evaluation phase comprise the carrying value of its exploration and pre-development projects. The ultimate recoupment of resource property costs is dependent upon the successful development and exploitation, or alternatively sale, of the respective areas of interest at an amount greater than or equal to the carrying value. Where activities in the area of interest have, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, the exploration and evaluation assets are assessed for impairment. Impairment will occur if sufficient data exists to determine technical feasibility and commercial viability and the facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Resource property costs in the development phase comprise the carrying value of the development costs for areas that have reached the stage of reasonable assessment of economically recoverable reserves and have attained required permits and approvals to develop into a producing field.

NOTE 10: RESOURCE PROPERTY COSTS (continued)

Resource property costs in the production phase comprise the carrying value of the Group's production projects that have reached the completion of development and are ready for or have commenced production of gas having attained the required permits and approvals.

The Group assessed each asset or cash generating unit (CGU) for any indication of impairment, reviewing the carrying value of these assets and in relation to significant projects in conjunction with reviewing the recoverable amount using a Value in Use CGU valuation.

The Group bases its calculation on detailed budgets and forecasts, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecasts generally cover the forecasted life of the CGUs. VIU does not reflect future cash flows associated with improving or enhancing an asset's performance.

The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal (FVLCD) and value in use (VIU). In calculating VIU, the estimated future cash flows are discounted to their present value using an after-tax discount rate (10%) that reflects current market assessments of the time value of money and the risks specific to the assets.

As a result of this assessment, with the recoverable amount exceeding the carrying value of these assets, no impairment was required on the carrying value of these material projects.

NOTE 11: LEASES

Leases as lessee

The Group leases office facilities in Rome. The lease runs for a period of six years from October 2022 to October 2028.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets (Note 9):

	6 Months to 30 June 2025 €	**Year to 31 December 2024 €**
Buildings		
Balance at 1 January	95,539	119,328
Remeasurement of lease assets	-	1,333
Depreciation	(12,619)	(25,122)
Total	82,920	95,539

Amounts recognised in profit and loss:

	6 Months to 30 June 2025 €	**6 Months to 30 June 2024 €**
Interest on lease liabilities	1,359	1,914

NOTE 11: LEASES (continued)

Amounts recognised in statement of cash flows:

	6 Months to 30 June 2025	6 Months to 30 June 2024
	€	€
Payment of lease liabilities	14,173	14,340

Lease liabilities:
Lease liabilities are presented in the statement of financial position separately within liabilities as follows:

	30 June 2025	31 December 2024
	€	€
Lease liabilities – current	24,851	24,851
Lease liabilities – non-current	63,508	76,549
	88,359	101,400

Future minimum lease payments at 30 June were as follows:

	Within one year	One to five years	After 5 years	Total
	€	€	€	€
Lease payments	28,800	64,800	-	93,600
Finance charges	(3,949)	(1,292)	-	(5,241)
Net Present values	24,851	63,508	-	88,359

Lease payments not recognised as a liability
The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

NOTE 12: PROVISIONS

	6 Months to 30 June 2025	Year to 31 December 2024
	€	€
Current:		
Employee provisions	2,974	2,974
Non-current:		
Rehabilitation and restoration provision	1,034,839	1,014,361
Reconciliation of rehabilitation and restoration provision:		
Opening balance	1,014,361	974,991
Impact of changes to cost estimates	-	-
Impact of changes to assumptions	-	-
Increase in provision from unwind of discount rate	20,478	39,370
Closing balance	1,034,839	1,014,361

NOTE 12: PROVISIONS (continued)

Provision has been made based on the net present value of the estimated cost of restoring the environmental disturbances and abandonment of the Podere Maiar-1 well site in the Selva Malvezzi production concession. The estimated net present value at 30 June 2025 is €1,034,839 (net 63% to the Group) (31 December 2024 €1,014,361) based on an undiscounted total future liability of €1,122,572 (net) using a discount factor, being the risk-free interest rate, of 4.04% p.a. and inflation rate of 2.79% p.a. Payments of these costs are expected at the end of life of the field in approximately 13 years. The provision will be adjusted at the end of each reporting period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. Increases in the provision due to the passage of time will be recognised as a finance cost whereas increases/decreases due to changes in estimated future cash flows are capitalised where there is a future economic benefit associated with the asset. Actual costs incurred upon settlement of the rehabilitation and restoration obligation are charged against the provision to the extent the provision has been established.

NOTE 13: ISSUED CAPITAL

	Issue Price	30 June 2025 Number	30 June 2025 €	31 December 2024 Number	31 December 2024 €
Share Capital					
Opening balance - 1 January		1,158,961,620	56,847,751	1,158,961,620	56,847,751
Shares issued during the reporting period:	-	-	-	-	-
Share issue costs			-		-
Closing balance – 30 June / 31 December		1,158,961,620	56,847,751	1,158,961,620	56,847,751

All ordinary shares are fully paid and carry one vote per share and the right to dividends. In the event of winding up the Company, ordinary shareholders rank after creditors. Ordinary shares have no par value.

No dividends were paid or declared during the current or previous period.

NOTE 14: RESERVES

	30 June 2025 €	31 December 2024 €
Foreign currency translation reserve	1,192,269	1,192,269
Share based payment reserve	-	-
	1,192,269	1,192,269

The translation reserve comprises all foreign currency differences arising from translation of foreign operations prior to the change in functional currency.

The share based payment reserve comprises the fair value of vested options and performance rights issued.

	6 Months to 30 June 2025 €	Year to 31 December 2024 €
Share based payment reserve reconciliation for the period:		
Opening balance	-	107,714
Options expired during the period transferred to accumulated losses	-	(107,714)
Vesting of performance rights during the period	-	-
Closing balance	-	-

NOTE 15: FINANCIAL REPORTING BY SEGMENTS

The Group reportable segments as described below are the Group's strategic business units. The strategic business units are classified according to field licence areas which are managed separately. All strategic business units are in Italy. For each strategic business unit, the Board reviews internal management reports on a monthly basis.

	Exploration and evaluation		Development		Production		Total	
	30 June 2025 €	30 June 2024 €	30 June 2025 €	30 June 2024 €	30 June 2025 €	30 June 2024 €	30 June 2025 €	30 June 2024 €
External revenues	73,799	-	-	-	3,944,593	2,737,949	4,018,392	2,657,510
Segment profit / (loss) before tax	24,642	-	-	-	2,876,345	1,935,373	2,900,987	1,935,373
Depreciation and amortisation	-	-	-	-	(270,947)	(255,284)	(270,947)	(255,284)
Unwind of discount on site restoration provision	-	-	-	-	(20,478)	(19,680)	(20,478)	(19,680)

	30 June 2025 €	31 December 2024 €	30 June 2025 €	31 December 2024 €	30 June 2025 €	31 December 2024 €	30 June 2025 €	31 December 2024 €
Reportable segment assets:								
Property plant & equipment	-	-	-	-	1,754,779	1,820,071	1,754,779	1,820,071
Resource property costs	5,257,982	5,148,625	-	-	4,651,794	4,850,362	9,909,776	9,998,987
Receivables	9,921	24,269	-	-	673,905	923,869	683,826	948,138
Other assets	33,438	33,438	-	-	-	-	33,438	33,438
	5,301,341	5,206,332	-	-	7,080,478	7,594,302	12,381,819	12,800,634
Capital expenditure	109,356	414,970	-	-	7,088	22,201	116,444	437,171
Reportable segment liabilities:								
Rehabilitation and restoration provision	-	-	-	-	(1,034,839)	(1,014,361)	(1,034,839)	(1,014,361)
Other liabilities	(4,681)	(61,312)	-	-	(497,910)	(734,546)	(502,591)	(795,858)
	(4,681)	(61,312)	-	-	(1,532,749)	(1,748,907)	(1,537,430)	(1,810,219)

NOTE 15: FINANCIAL REPORTING BY SEGMENTS (continued)

Reconciliation of reportable segment profit or loss, assets and liabilities	30 June 2025 €	30 June 2024 €
Profit or loss:		
Total profit for reportable segments	2,900,987	1,935,373
Unallocated amounts:		
Net finance expense	(7,291)	(4,080)
Other corporate expenses	(578,194)	(588,254)
Consolidated profit / (loss) before income tax	2,315,502	1,343,039

	30 June 2025 €	31 December 2024 €
Assets:		
Total assets for reportable segments	12,381,819	12,800,634
Other assets	7,682,821	5,376,708
Consolidated total assets	20,064,640	18,177,342
Liabilities:		
Total liabilities for reportable segments	(1,537,430)	(1,810,219)
Other liabilities	(845,790)	(435,448)
Consolidated total liabilities	(2,383,220)	(2,245,667)

NOTE 16: SHARE BASED PAYMENTS

Performance rights and Options:

There were no performance rights or options granted in this period nor are there any outstanding over unissued ordinary shares at 30 June 2025. There have been no rights or options granted subsequent to the period end.

The table below summarises the movement in options for the period:

	30 June 2025		31 December 2024	
	No.	WAEP (€ cents)	No.	WAEP (€ cents)
Options outstanding at the start of the period	-	-	7,500,000	0.068
Expired in the period	-	-	(7,500,000)	0.068
Performance rights at the end of the period	-	-	-	-

No options were issued or cancelled subsequent to the period end.

NOTE 17: FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The carrying amounts of financial assets and liabilities as disclosed in the consolidated statement of financial position equate to their estimated net fair values.

	30 June 2025 €	31 December 2024 €
Financial assets		
Cash and cash equivalents	7,475,290	4,993,913
Receivables – current	797,798	1,107,553
Other assets	4,678	4,678
Total financial assets	8,277,766	6,106,144
Financial liabilities		
Trade and other payables - current	(1,257,048)	(1,126,932)
Lease liabilities – current	(24,851)	(24,851)
Lease liabilities – non-current	(63,508)	(76,549)
	(1,345,407)	(1,228,332)

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- 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 (i.e. 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).

Current receivables, current payables and cash and cash equivalents are not measured at fair value. Due to their short- term nature, the carrying amount of current receivables, current payables and cash and cash equivalents is assumed to approximate their fair value.

The are no other financial assets and liabilities at fair value.

NOTE 18: COMMITMENTS AND CONTINGENCIES

The table below summarises material commitments for the Group.

	Within one year	One to five years	After 5 years
Leases (refer note 11)	28,800	64,800	-

Other than the above, there are no other material commitments or contingent liabilities not provided for in the financial statements of the Group as at 30 June 2025.

NOTE 19: SUBSEQUENT EVENTS

As announced on 21 August 2025, the Company has entered into a new Gas Sales Agreement with the Hera Group. The GSA will be commencing on 1 October 2025 for gas production from the Podere Maiar facility (PM-1d well) in the Selva Malvezzi production concession, replacing the current GSA with BP Gas Marketing which expires on 1st October 2025. The process was conducted through a competitive tender process, with local player Hera Trading emerging as the successful bidder.

Other than the above, there were no events between the end of the financial period and the date of this report that, in the opinion of the Directors, affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in subsequent financial periods.

DIRECTORS' DECLARATION

In the opinion of the Directors of Po Valley Energy Limited ("the Company"):

1. the consolidated financial statements and notes, as set out on pages 7 to 26, are in accordance with the *Corporations Act 2001* including:

   (a) giving a true and fair view of the financial position of the Group as at 30 June 2025 and of its performance for the six-month period ended on that date; and

   (b) complying with Australian Accounting Standard AASB 134 "Interim Financial Reporting", the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements; and

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

This declaration is made in accordance with a resolution of the Directors.

Kevin Bailey AM
Chairman
12 September 2025

INDEPENDENT AUDITOR'S REVIEW REPORT
To the Members of Po Valley Energy Limited

Report on the Condensed Interim Financial Report

Conclusion

We have reviewed the interim financial report of Po Valley Energy Limited (the "Company") and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 30 June 2025, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying interim financial report of Po Valley Energy Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the half-year ended on that date; and

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

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibility is further described in the *Auditor's Responsibility for the Review of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of 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 (including Independence Standards*) (the "Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the Financial Report

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

HLB MANN JUDD
ADVISORY AND ACCOUNTING

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

M R Ohm
Partner

Perth, Western Australia
12 September 2025