



ASX / MEDIA RELEASE
25 November 2016

Producing and Near-Production Field Reserves Revision

Po Valley Energy Ltd (ASX:PVE) wishes to update the market on the Sillaro, Bezzecca and Sant'Alberto fields' reserves and resource estimates and forthcoming development schedule.

Throughout the year we have reported the progress on the rigless rework of the Sillaro field aimed to increase production. Whilst the rigless campaign carried out in various steps between December 2015 and June 2016 was unsuccessful, in July we announced that following extensive analysis and assimilation of empirical evidence, our internal technical team is of the view that (i) available static and dynamic data continue to underpin the assumption that level C1 is gas bearing; and (ii) the connectivity of the reservoir and tubing is impaired by residue in the casing tubing annular from the chemical seal used on the level directly above level C1 (i.e. level C2).¹ We further confirmed that the Sillaro-1 sidetrack project originally announced in January 2015 remains valid and would optimize production of the remaining resources from the Pliocene reservoirs along with the development of the Miocene target².

In addition, in April 2016 we reported that the Company's technical team recently completed an internal in-depth integrated study on the Bezzecca field following the re-processing of 2D seismic lines which resulted in improved imaging of reservoir and faults³.

In light of the above, Po Valley has recently completed a comprehensive re-evaluation of the residual potential of these fields. A review of the Sant'Alberto gas field was also carried out given the imminent development planned for early 2017.

Estimates of the revised recoverable volumes for each field are set out in the tables below. Further details on the Reserve and Resource assessment is outlined in the additional information contained on page 5 to 11 as required under Chapter 5 of the ASX Listing Rules.

¹ Refer to the June Quarterly Activities Report dated 29 July 2016

² Refer to the ASX Release "Sillaro Field Reserves Revision and Production Forecast" dated 9 January 2015

³ Refer to the March Quarterly Activities Report dated 29 April 2016



Sillaro Field

Reserves category	Reserves estimated as at December 31, 2015		Production volumes 2016 (up to 31 July)		Reserves estimated as at August 1, 2016	
	MMscm	Bcf	MMscm	Bcf	MMscm	Bcf
P1 ("Proved")	53.8	1.9	2.8	0.1	1.0	0.04
P2 ("Probable")	70.8	2.5	-	-	62.3	2.2
P3 ("Possible")	22.7	0.8	-	-	13.5	0.5
2P ("Proved + Probable")	124.6	4.4	-	-	63.3	2.2

Contingent resources category	Resources estimated as at December 31, 2015		Production volumes 2016 (up to 31 July)		Resources estimated as at August 1, 2016	
	MMscm	Bcf	MMscm	Bcf	MMscm	Bcf
1C	-	-	-	-	16.2	0.6
2C	-	-	-	-	31.3	1.1
3C	-	-	-	-	42.7	1.5

Notes to the table:

- (1) The Company owns 100% of the Sillaro Field.
- (2) Reserve and Resource assessments are estimated in accordance with SPE-PRMS standards.
- (3) Reserve estimates as at 31 December 2015 are those presented in the Company's 2015 Annual Report.
- (4) Further detail on the reserve and resource assessment is outlined in the additional information contained on pages 5 to 11 as per the Chapter 5 Listing Rules.
- (5) The P2 and P3 recoverable volumes for the Sillaro field mainly refer to the Miocene targets (Medium and Deep) and are therefore based on the current development plan of drilling Sillaro-3dir by sidetracking from Sillaro-1.
- (6) The Contingent Resource estimates refer to volumes in the Pliocene reservoir (C1 and B1) which were targeted in the rigless campaign in 2016 but were unable to produce due to operational constraints. In order to be re-classified as reserves, the Sillaro-1 side track (Sillaro-3dir) must be drilled, logged and tested. The significant reduction in 2P reserves is therefore partially the result of the re-classification of the Pliocene levels to Contingent Resources pending the drilling results of Sillaro-3dir.
- (7) P3 reserves are based on better production performance of both Miocene levels and Level C0 and the successful perforation in Sillaro-2dir of Levels E0 and D once Level C0 is fully depleted.

The Sillaro-1 side-track is intended to optimise production of the remaining resources from the Sillaro Pliocene reservoirs along with the development of the Miocene target. The current surface facilities will be used for all production. Plans are for this work to be carried out in late 2017 or early 2018 following the development of the Bezzecca and Sant'Alberto gas fields. It is anticipated that this project will restore Sillaro production rates to approximately 50,000 cubic metres per day.

Currently, the plan is to fund the Sillaro-1 side-track development through the free operating cash flow generated from Bezzecca and Sant'Alberto. A fund raising may be considered to expedite drilling on this field.

Production is anticipated to continue from Level C0 at a rate of around 10,000 cubic metres per day for the next several months.



Bezzecca Field [net]

Reserves category	Reserves estimated as at December 31, 2015		Production volumes 2016 (up to 31 July)		Reserves estimated as at August 1, 2016	
	MMscm	Bcf	MMscm	Bcf	MMscm	Bcf
P1 ("Proved")	76.5	2.7	-	-	71.0	2.5
P2 ("Probable")	31.1	1.1	-	-	42.0	1.5
P3 ("Possible")	39.6	1.4	-	-	42.3	1.5
2P ("Proved + Probable")	107.6	3.8	-	-	113.0	4.0

Contingent resources category	Resources estimated as at December 31, 2015		Production volumes 2016 (up to 31 July)		Resources estimated as at August 1, 2016	
	MMscm	Bcf	MMscm	Bcf	MMscm	Bcf
1C	-	-	-	-	25.6	0.9
2C	-	-	-	-	40.1	1.4
3C	-	-	-	-	54.5	1.9

Notes to the table:

- (1) The Company owns 90% of the Bezzecca Field. Reserves and Resources shown above are those net to PVE.
- (2) Reserve and Resource assessments are estimated in accordance with SPE-PRMS standards.
- (3) Reserve estimates as at 31 December 2015 are those presented in the Company's 2015 Annual Report.
- (4) Further detail on the Reserve and Resource assessment is outlined in the additional information contained on pages 5 to 11 as per the Chapter 5 Listing Rules.
- (5) In the last 12 months, new structural maps were generated from re-processed seismic lines resulting in improved imaging of reservoir and faults and as a result the future development plan has been modified.
- (6) The Contingent Resource estimates refer to volumes in the Central (Bezzecca-1) and South East Block (Bezzecca-3) for which there is evidence of gas but a physical pressure test of the layer or logging will be required to ascertain if it is commercially producible.

The pipeline construction to connect Bezzecca-1 to existing gas treatment facilities commenced in early September⁴ and is on track for completion within year-end 2016. Importantly the weather continues to drive the progress of the installation of the pipeline and as a result, first gas. As previously announced, the construction contract includes a flexible financing arrangement whereby a portion of the fees will be paid upfront and the residual amount to be paid in monthly instalments once production commences. Upfront payments will be in part financed through funds from 10% joint venture owner Petrorep's contribution.

Once the pipeline and tie-in is complete, a short standard commissioning period will follow before regular production can commence. The Company intends to operate by co-mingled production starting in the range of 25,000 to 30,000 scm/day.

The drilling of a second well (Bezzecca-2) is currently planned for late 2018 to drain the North East block of the structure.

⁴ Refer to the ASX release "Bezzecca Update: Master Contract Signed and Pipeline Construction Commenced" dated 12 September 2016



Sant'Alberto Field

Reserves category	Reserves estimated as at December 31, 2015		Production volumes 2016 (up to 31 July)		Reserves estimated as at August 1, 2016	
	MMscm	Bcf	MMscm	Bcf	MMscm	Bcf
P1 ("Proved")	51.0	1.8	-	-	46.8	1.7
P2 ("Probable")	8.5	0.3	-	-	9.7	0.3
P3 ("Possible")	19.8	0.7	-	-	22.2	0.8
2P ("Proved + Probable")	59.5	2.1	-	-	56.5	2.0

Notes to the table:

- (1) The Company owns 100% of the Sant'Alberto Field.
- (2) Reserve assessments are estimated in accordance with SPE-PRMS standards.
- (3) Reserve estimates as at 31 December 2015 are those presented in the Company's 2015 Annual Report.
- (4) Further detail on the Reserve and Resource assessment is outlined in the additional information contained on pages 5 to 11 as per the Chapter 5 Listing Rules.
- (5) P1 and P2 reserves are based on production from the existing Santa Maddalena-1 well.
- (6) The slight change (approximately 5% variance) to P1 and P2 reserve estimates tabled above resulted from a revised economic cut-off being applied.

In September the Company announced the award of the Environmental Impact Assessment (EIA) Decree for its Sant'Alberto gas field. With the award of the EIA Decree the remaining step is local regional administration (Emilia Romagna Region), to formally acknowledge the Decree through a process called "Intesa" which is expected within December 2016. Subsequently, the Ministry of Economic Development is able to issue the final Production Concession.

The field development plan to bring the field into production is well advanced. The plan involves a relatively straight forward installation of a small modular gas treatment plant. The Company intends to pursue a known rent-to-own arrangement to fund the gas treatment facilities. Gas production can then commence from the existing single completed Santa Maddalena-1dir well. First gas is currently targeted for July 2017.

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In accordance with the ASX Listing Rules (Chapter 5) applicable to the reporting of oil and gas activities and reserves and contingent resources for oil and gas projects, additional detailed information is provided in the table below.

Listing Rule	Information required	Commentary
5.26	Basis for confirming the existence of a significant quantity of potentially moveable hydrocarbons	<p>As regards the Sillaro gas field, the existence of a significant quantity of potentially moveable hydrocarbons is confirmed by the historical performance of the field. The Miocene reservoir has been previously intersected by 7 wells, with two wells extensively tested and produced between 1955 and 1964.</p> <p>As regards the Bezzecca and Sant'Alberto gas fields, the existence of a significant quantity of potentially moveable hydrocarbons is confirmed by the successful logging operation and subsequent production testing from Bezzecca-1 and Santa Maddalena-1 respectively.</p>
5.26.5	The entity must disclose the reference point for the purpose of measuring and assessing the estimated reserves	The reference point to measure and assess the estimated reserves will be a turbine, located on the well's site using non standard cubic meters. The figure is standardised using a Fiorentini Fiomec Calculator (FFC) which is a conversion consisting of gas temperature and pressure with gas quality parameters. The outcome of this conversion is the actual gas volume in standard cubic metres injected in the SNAM gridline. The SNAM entry point for Sillaro is 200 metres from site perimeters. The SNAM entry point for Bezzecca is 50 metres from the Vitalba site perimeters whilst the SNAM entry point for Sant'Alberto is expected to be less than 200 metres away. The FFC prints a production report which is authenticated by the Ministry of Economic Development and this official data is then accepted by SNAM, the Company's customers and the Tax Authority.
5.25.6	Provide explanation as to the method used to prepare the estimates of reserves and contingent resources	<p>The method used to prepare the estimates of Sillaro, Bezzecca and Sant'Alberto reserves is deterministic estimation guided by dynamic behaviour.</p> <p>In reference to the Sillaro and Bezzecca contingent resources, the method used to prepare the estimates is deterministic. Contingent resources are expected to be exploited through Sillaro-3dir (yet to be drilled) and Bezzecca-1 (existing well) respectively.</p>
5.32 The first time an entity reports estimates of petroleum reserves in relation to a material oil and gas project that have materially changed from when those estimates were previously reported:		
5.32.1	The entity must provide an explanation of the new data and information	<p>Sillaro - Following an unsuccessful rigless campaign that was hindered by operational constraints, the development plan to access the Pliocene reservoir was modified whereby all residual gas from the Pliocene and Miocene targets will be accessed through Sillaro-3dir.</p> <p>Bezzecca - new structural maps were generated from re-processed seismic lines resulting in improved imaging of reservoir and faults.</p> <p>Sant'Alberto – the slight change (approximately 5% variance) to P1 and P2 reserve estimates tabled above resulted from a new economic cut-off being applied.</p>
5.32.2	The entity must provide an explanation of how	Sillaro - By consequent, in order for the main Pliocene levels to be re-classified as reserves, the Sillaro-1 side track (Sillaro-3dir) must be drilled, logged and tested. The significant reduction in 2P reserves is therefore

	<p>it has affected the estimates of petroleum reserves</p>	<p>partially the result of the re-classification of the Pliocene levels to Contingent Resources pending the drilling results of Sillaro-3dir.</p> <p>Bezzecca - As a result the future development plan has been modified and two new additional adjacent blocks were identified.</p> <p>Sant'Alberto – As a result, a new economic cut-off was applied.</p>
<p>5.32.3</p>	<p>The entity must report any additions or changes to the information provided under rules 5.31.1 to 5.31.7</p>	<p><i>While some of the information below does not constitute a change, for the sake of completeness all relevant information that was not disclosed prior to the adoption of the ASX Listing Rules (Chapter 5) applicable to the reporting of oil and gas activities and reserves for oil and gas projects is included below:</i></p> <p><u>The Sillaro gas field</u></p> <p>5.31.1 – Reserve estimates (under 2P and 3P scenarios) have been based on the future expenditure related to the redrill (sidetrack) of Sillaro-1. Capital expenditure for this redrill has been based on recent drilling and completion experience and verified with key suppliers.</p> <p>It is assumed that the life of the field is 8 years.</p> <p>Economic considerations in confirming commerciality of the relevant reserves include deducting from estimated revenues the estimated operating costs, royalties and taxes. Operating costs have been forecast based on current operating cost levels with a decline towards end of field life.</p> <p>Gas pricing assumptions are derived from market based (Brent futures) low and high price decks.</p> <p>A post tax discount rate of 10% has been used.</p> <p>5.31.2 - The Company holds a 100% equity interest and operatorship.</p> <p>5.31.3 - The Sillaro Production Concession, located in the Bologna province, was awarded in 2008. The Sillaro structure consists of seven vertically stacked, gas charged Pliocene sands above the Top Miocene reservoir of the former Budrio Field.</p> <p>5.31.4 - Sillaro volumes estimates are reported in accordance with SPE/WPC/AAPG/SPEE Petroleum Resource Management System</p> <p>The probable reserves for Sillaro are related to three levels: C0 which has been intercepted by the existing wells (Sillaro-1 and 2) and Miocene Medium and Miocene Deep which were previously produced by nearby wells (Budrio-2 and Budrio 3dir). Hence, the hydrocarbons in these levels have been classified as Probable.</p> <p>The possible reserves for Sillaro are based on better production performance of Level C0 and successful perforation through tubing of levels E0 and D. Estimates of recoverable volumes are partly based on a simulation study for the Medium and Deep Level of the Miocene.</p> <p>The Company has conducted an economic evaluation to establish the value of the Sillaro field with the revised reserves (1P, 2P, and 3P) estimates. A point forward valuation has been generated using the industry standard net present value (NPV) calculation determined from the estimated future net cash flows of Sillaro. The results of the evaluation confirmed commercial producibility and booking petroleum reserves.</p> <p>5.31.5 – All reported quantities will be recovered through a deviated well of Sillaro-1 (sidetrack) and the currently producing Sillaro 2 well. The current</p>

		<p>surface facilities (which are already connected to the SNAM grid) will be used for all production.</p> <p>5.31.6 - Tentative plans are for this work to be carried out late 2017 or early 2018. The development plan will not require approval from the Technical Office within the Italian Ministry of Economic Development however the final drilling program will need to be reviewed from a health and safety standpoint based on current legislation. Commercialisation of the gas will be achieved through the existing off-take agreement or an alternative arrangement if deemed more preferable.</p> <p>5.31.7 - The reported estimates of reserves do not relate to unconventional petroleum reserves. There are no further changes or additions to information to report.</p> <p><u>The Bezzecca gas field</u></p> <p>5.31.1 – Reserve estimates (under 1P, 2P and 3P scenarios) have been based on the ongoing expenditure of the pipeline and tie-in of Bezzecca-1 and future expenditure related to the drilling of Bezzecca-2 and Bezzecca-3. Capital expenditure for the work program described above has been based on the existing construction contract and recent drilling and completion experience and verified with key suppliers.</p> <p>It is assumed that the life of the field is 11 years.</p> <p>Economic considerations in confirming commerciality of the relevant reserves include deducting from estimated revenues the estimated operating costs, royalties and taxes. Operating costs have been forecast based on current operating cost levels with a decline towards end of field life.</p> <p>Gas pricing assumptions are derived from market based (Brent futures) low and high price decks.</p> <p>A post tax discount rate of 10% has been used.</p> <p>5.31.2 - The Company holds a 90% equity interest and operatorship.</p> <p>5.31.3 - The Cascina Castello Production Concession, located in the Cremona province, was awarded in 2008. The Bezzecca structure consists of four isolated structural blocks and six target reservoirs, three in the Pliocene sands and three in the Miocene.</p> <p>5.31.4 - Bezzecca volumes estimates are reported in accordance with SPE/WPC/AAPG/SPEE Petroleum Resource Management System</p> <p>The probable reserves for Bezzecca are related to five levels: PL1-B, PL1-A, MI3-T, MI3-S, MI3-R which have been intercepted by the existing well Bezzecca-1. Hence, the hydrocarbons in these levels have been classified as Probable.</p> <p>The possible reserves for Bezzecca are based on better production performance of all abovementioned levels.</p> <p>The Company has conducted an economic evaluation to establish the value of the Bezzecca field with the revised reserves (1P, 2P, and 3P) estimates. A point forward valuation has been generated using the industry standard net present value (NPV) calculation determined from the estimated future net cash flows of Bezzecca. The results of the evaluation confirmed commercial producibility and booking petroleum reserves.</p> <p>5.31.5 – All reported quantities will be recovered through three wells in three targeted blocks (i) the existing Bezzecca-1 well, (ii) a second well (Bezzecca-2)</p>
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		<p>to drain the North East Block and (iii) a third well (Bezzecca-3) to drain the South East block. The current surface facilities (which are already connected to the SNAM grid) will be used for all production.</p> <p>5.31.6 – The pipeline construction to connect Bezzecca-1 to the existing surface facilities is ongoing and expected to be complete around year-end 2016. Current plans to drill Bezzecca-2 are for this work to be carried out late in 2018 and to drill Bezzecca-3 in late 2020. The drilling programs will need to be reviewed from a health and safety standpoint based on current legislation whilst Bezzecca-3 will require environmental approval. Commercialisation of the gas will be achieved through the existing off-take agreement or an alternative arrangement if deemed more preferable.</p> <p>5.31.7 - The reported estimates of reserves do not relate to unconventional petroleum reserves. There are no further changes or additions to information to report.</p> <p><u>The Sant'Alberto gas field</u></p> <p>5.31.1 – Reserve estimates (under 1P, 2P and 3P scenarios) have been based on the future expenditure related to the installation of basic surface facilities to treat the gas extracted from the existing Santa Maddalena-1 well and as regards 3P a second development well Santa Maddalena-2. Capital expenditure for this plant and second well has been based on preliminary negotiations with the plant construction company and recent drilling and completion experience and verified with key suppliers.</p> <p>It is assumed that the life of the field is 13 years.</p> <p>Economic considerations in confirming commerciality of the relevant reserves include deducting from estimated revenues the estimated operating costs, royalties and taxes. Operating costs have been forecast based on current operating cost levels with a decline towards end of field life.</p> <p>Gas pricing assumptions are derived from market based (Brent futures) low and high price decks.</p> <p>A post tax discount rate of 10% has been used.</p> <p>5.31.2 - The Company holds a 100% equity interest and operatorship.</p> <p>5.31.3 - The Sant'Alberto Production Concession, located in the Bologna province, is expected to be awarded in late 2016 or early 2017. The Sant'Alberto structure consists of two levels Zone A and Zone B.</p> <p>5.31.4 - Sant'Alberto volumes estimates are reported in accordance with SPE/WPC/AAPG/SPEE Petroleum Resource Management System</p> <p>The probable reserves for Sant'Alberto are related to one level: the Zone A culmination which has been intercepted by the existing well. Hence, the hydrocarbons in these levels have been classified as Probable.</p> <p>The possible reserves for Sant'Alberto are based on production from the Zone B culmination which would require an additional well.</p> <p>The Company has conducted an economic evaluation to establish the value of the Sant'Alberto field with the revised reserves (1P, 2P, and 3P) estimates. A point forward valuation has been generated using the industry standard net present value (NPV) calculation determined from the estimated future net cash flows of Sant'Alberto. The results of the evaluation confirmed commercial producibility and booking petroleum reserves.</p> <p>5.31.5 – All reported quantities will be recovered through the existing Santa</p>
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		<p>Maddalena well or as regards 3P only, a second development well to access the Zone B culmination. A small modular gas treatment plant will need to be installed (planned for spring 2017) and the tie in to the SNAM grid will also be required (negotiations ongoing). This gas treatment plant will be used for all production.</p> <p>5.31.6 - Tentative plans are for the installation of the surface facilities to be carried out spring 2017. The development plan will require a final production concession award from the Ministry of Economic Development and final detailed engineering will need to be reviewed from a health and safety standpoint by the Technical Office within the Italian Ministry of Economic Development. Commercialisation of the gas will be achieved through the existing off-take agreement or an alternative arrangement if deemed more preferable.</p> <p>5.31.7 - The reported estimates of reserves do not relate to unconventional petroleum reserves. There are no further changes or additions to information to report.</p>
5.33.1	Type of permit held in respect of the reported estimates of Contingent Resources	<p>Sillaro - The Sillaro Production Concession, located in the Bologna province, was awarded in 2008. Two wells were drilled, surface facilities installed and production began in 2010. Refer to 5.32.3 for a commentary on the reservoir/gas field's structure and tenement title ownership.</p> <p>Bezzecca - The Cascina Castello Production Concession, located in the Cremona province, was awarded in 2008. One well (Bezzecca-1) was drilled and tested in 2009 resulting in a gas discovery. Surface facilities were installed in a nearby gas field (Vitalba) in late 2009 and construction of a pipeline to connect the well with the facilities began in September 2016. Refer to 5.32.3 for a commentary on the reservoir/gas field's structure and tenement title ownership.</p>
5.33.2	Basis for confirming the existence of a significant quantity of potentially moveable hydrocarbons	Refer to 5.32.3
5.33.3	A brief description of (i) the analytical procedures used to estimate contingent resources; (ii) key contingencies ; and (iii) any further appraisal drilling and evaluation work	<p><u>The Sillaro gas field</u></p> <p>1) Basis for assessment of the contingent resource range at Sillaro:</p> <p>Contingent resource volume estimates are reported in accordance with SPE/WPC/AAPG/SPEE Petroleum Resource Management System. The Contingent Resource estimates refer to volumes in the Pliocene reservoir (C1 and B1). Well logs and dynamic well data confirmed the presence of gas bearing sands. These levels were targeted in the rigless campaign throughout 2016 but were unable to produce due to operational constraints. In order to be re-classified as reserves, the Sillaro-1 side track (Sillaro-3dir) must be drilled, logged and tested.</p> <p>Contingent Resources are indicated as those quantities of gas estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies.</p> <p>1C – Denotes low case estimate scenario of contingent resources 2C – Denotes best estimate scenario of contingent resources 3C – Denotes high estimate scenario of contingent resources</p>

		<p>All estimates are based on the successful drilling, logging and testing of Sillaro-3dir. The range from low to high scenarios are based on better production performance of both Level C1 and B1.</p> <p>2) the key contingencies that prevent the contingent resources from being classified as reserves:</p> <p>In order to be re-classified as reserves, the Sillaro-1 side track (Sillaro-3dir) must be drilled and these levels logged and tested.</p> <p>3) No further appraisal drilling and evaluation work will be undertaken to assess the potential for commercial recovery of the field.</p> <p><u>The Bezzecca gas field</u></p> <p>1) Basis for assessment of the contingent resource range at Bezzecca:</p> <p>Contingent resource volume estimates are reported in accordance with SPE/WPC/AAPG/SPEE Petroleum Resource Management System.</p> <p>Contingent Resources are indicated as those quantities of gas estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies.</p> <p>1C – Denotes low case estimate scenario of contingent resources 2C – Denotes best estimate scenario of contingent resources. 3C – Denotes high estimate scenario of contingent resources.</p> <p>The range from low to high scenarios are based on better production performance of three levels, specifically: PL1-B-Central, MI3-T-Central, and PL1-C-SE.</p> <p>In order for them to be reclassified, the following “decision gates” must be met:</p> <p>PL1-B-Central:</p> <ul style="list-style-type: none"> • Pressure tests – there is uncertainty on which layers have been produced. Therefore this is contingent on a physical pressure test of the layer which provides evidence of commercially producible gas. <p>MI3-T-Central:</p> <ul style="list-style-type: none"> • Bezzecca-1 well performance and timing – the layer is contingent on production data and layer performance so that intervention timing can be optimised in order to maximise overall recovery (Reserves + Contingent Resources). If the MI3-T-Central layer volumes accessed via an intervention, once the timing is established, are shown to be commercially producible then these may be moved to reserves. <p>PL1-C-SE:</p> <ul style="list-style-type: none"> • Drilling and successful logging – once Bezzecca 3 is drilled, it may be possible to access this layer so it is contingent on a successful logging operation which establishes commercially producible gas. <p>2) the key contingencies that prevent the contingent resources from being classified as reserves:</p> <p>As summarised above, in reference to the Central levels, the key contingencies are pressure tests and performance whilst the South East block is contingent to the successful drilling and logging of Bezzecca-3.</p>
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		3) Except for the key contingencies listed above, no further appraisal drilling and evaluation work will be undertaken to assess the potential for commercial recovery of the field.
5.33.4	A brief explanation of contingent resources that are contingent on technology under development	The reported estimates of contingent resources attributed to both Sillaro and Bezzecca are not contingent on technology under development.
5.33.5	Further details regarding land area and number of wells for unconventional resources	The reported estimates of contingent resources attributed to both Sillaro and Bezzecca do not relate to unconventional petroleum resources.

Glossary:

Bcf: Billion standard cubic feet

MMscm: Million Standard Cubic Metres

Qualified petroleum reserves and resources evaluator:

The information in this announcement that relates to Hydrocarbon Resources is based on, and fairly represents, information and supporting documentation prepared under the supervision of the Qualified Petroleum Reserves and Resources Evaluator, Mr. Andrew Webb. Mr Webb is a Manager at CGG Services (UK) a geological and petroleum consultancy firm that provides specialist services in field development and the assessment and valuation of upstream and petroleum assets. Mr Webb is an engineer with over 25 years of oil and gas industry experience and a member of the SPE and IChemE. He has consented to the form and context in which the Reserves and the supporting information are presented in this announcement.

About Po Valley Energy:

Po Valley Energy (ASX: PVE) is an oil and gas production and exploration company listed on the Australian Stock Exchange. It has an expanding portfolio of hydrocarbon assets in northern Italy. Po Valley holds 11 license areas, encompassing 2,000 km² and owns and operates two gas treatment plants. The Po Valley region is the main gas production zone in Italy. The Company's web site is <http://www.povalley.com>