



**ASX / MEDIA RELEASE  
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**Po Valley Advances Options to List High Margin Gas Fields on London Market**

Po Valley Energy Ltd (ASX: PVE) the Italian based oil & gas exploration, development and production company with interests in Northern Italy (“the Company or PVE”), announces that it has advanced options to list its high margin natural gas production fields on the London Stock Exchange Alternative Investment Market (AIM).

As previously reported, PVE has undertaken a strategic review to explore various options to recapitalize the PVE group including the possible sale of assets or its operating subsidiaries. The Company’s priorities have been to increase production and revenue, to seek funding to bring its near term development assets into production and to progress the licensing of the Company’s more prospective exploration and development assets. Bezzecca was successfully financed in July 2016 and is on schedule to start production in early 2017. The Board has concluded that an initial public offering (IPO) of its production and near term production assets through the listing on AIM of a wholly owned subsidiary offers an attractive route to maximize shareholder value.

The Company has advanced options to undertake a UK IPO and list its high margin natural gas production assets – Sillaro, Bezzecca, and Sant’Alberto - on AIM. The funds raised from the IPO would be intended to meet development expenses for the Sant’Alberto gas field and general working capital. An internal restructure is currently underway which will result in the PVE Group’s subsidiary, NorthSun Italia SpA (NSI) holding 100% of the Po Valley Group’s interest in these assets. The listing vehicle would be the PVE Group’s wholly owned subsidiary Saffron Energy Plc, which will in turn hold 100% of the shares in NSI. Po Valley Energy will maintain a majority shareholding in Saffron Energy following the IPO which is expected to have a pre money valuation in excess of GBP5m (AUD8.5m) and raise GBP2-2.2m (AUD3.4-3.7m).



Preparation for the UK IPO is underway, with brokers and advisors appointed and documentation advanced. While the proposed IPO represents a potentially attractive option it is still subject to final board review, documentation and market conditions and pricing. The Board will update shareholders on the proposed IPO in due course.

The initiatives taken together with those planned are fundamentally aimed at improving the financial position of the Company and creating the preconditions to earn strong returns from the low cost, high return development and exploration assets in our natural gas portfolio.

Mr Michael Masterman, Chairman of Po Valley Energy said: "The listing of Po Valley's Italian gas production assets on the AIM LSE has the potential to lead to an upgrade in the market valuation of these assets. With Bezzecca joining Sillaro in production in early 2017 and Sant'Alberto following later in the year, this package of gas production assets can generate strong returns and cashflows."

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