



ASX / MEDIA RELEASE

29 May 2018

Australia's Po Valley submits production concession for new high return gas field in northern Italy

ASX-listed Australian gas producer, Po Valley Limited (ASX:"PVE") has submitted the production concession application to develop a new high return gas field in northern Italy.

The application covers the installation of a fully automatic gas plant at the recently proven up Selva gas field with a capacity to produce at 150,000 cubic metres (5.3mmscf/day) of gas a day – and with plans by Po Valley for extensional drilling and resource and production additions later this year.

The formal submission of the production concession application to the Italian Ministry for the development of the 80.8km² Selva Malvezzi field, followed the successful flow testing of the field's recently drilled Podere Maiar 1dir exploration well within the Podere Gallina Exploration licence in northern Italy (PVE 63% Operator; United Oil & Gas Plc 20%; Prospex Oil & Gas Plc 17%).

Under the first phase of the development plan, Po Valley will install a fully automated gas plant at the existing Selva/Podere Maiar 1dir well site at a cost of EUR2.4m and run a one kilometre long pipeline to connect with the nearby Italian National Grid connection. Based on dynamic reservoir studies, the field development is designed to produce in the first phase at a rate of up to 150,000 cubic metres (5.3 mmscf/day) a day from successfully tested C1 and C2 production levels in the Medium-Upper Pliocene sands of the Porto Garibaldi Formation.

In the second phase of the development (contingent on 3D seismic results), additional wells would be drilled in the field's highly prospective Selva East, Selva South Flank, and Riccardina prospects, all of which fall within the production concession application area. Following the success of the Podere Maiar 1dir Well in January this year, 3D seismic will be acquired (subject to JV approval) across these areas in the second half of 2018 or early 2019 with a view to significantly increase the size of the Selva natural gas resource.

The Selva production concession application will now be considered for preliminary award at the next Italian Ministry Hydrocarbon Commission meeting expected in July. In the interim, Po Valley will prepare EIA documentation so as to be able to commence the next stage of environmental approval pending preliminary award.



Po Valley Energy Limited Chairman and CEO, Mr Michael Masterman:

"We are very pleased to formally submit the Production Concession application for Selva to the Italian Ministry and expect the submission to be considered for preliminary award at the Ministry's July Hydrocarbon committee meeting.

"The plan outlines a highly attractive, high return natural gas field development from the existing production well."

"And that is just the first step. The production concession application area includes not only the Selva stratigraphic reservoir successfully drilled by Podere Miar, but also the highly prospective Selva East, Selva South Flank and Riccardina extensions - each of which has potential to significantly increase the size of the overall Selva development."



MEDIA CONTACTS:

Po Valley Energy
+61 414 822 631

Background on the Podere Gallina exploration license

The Podere Gallina licence measures 331km² and is situated in the eastern part of the Po Plain, south of the Po Delta, among the Ferrara and Bologna provinces in the Emilia Romagna Region. The licence was awarded in 2008.

During 2012, the Company carried out the Geological and Geophysical work to assess the Selva field's residual gas potential. The technical team identified a new low risk prospect named "Selva Stratigraphic" and a second exploration target (East Selva) on the pinch out edge to the east of the main Selva field. Approximately 70km of 2D seismic was purchased from ENI and reprocessed to further evaluate the exploration potential. Contingent Resources for the Podere Gallina exploration licence were independently evaluated in 2013 by the UK geological and petroleum reservoir consultancy, CGG Services Ltd. Please refer to page 72 of the technical summary in the 2017 Annual Report.