ASX / MEDIA RELEASE

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MAIDEN GAS RESERVES FOR PO VALLEY's SELVA FIELD

Highlights:

- **Maiden gross 2P reserves of 13.3 billion cubic feet ("bcf") assigned to Po Valley's onshore Selva gas field in northern Italy**
- **Equates to 8.38 bcf of net 2P reserves attributable to Po Valley's 63% ownership**
- **Represents Po Valley's first reserves for Selva, due to commence production in 2020 after last month securing Italian Government's preliminary award of Production Concession**
- **In addition, prospective resources of 34.8 bcf (100% best case; CoS 30%) are estimated for East Selva**
- **Estimate follows reclassification by France's respected independent geophysical services consultancy, CGG, of previously reported gross contingent resources**
- **Update includes results from successful drilling and testing of field's Podere Maiar well ("PM-1") in January 2018**

Australia's Po Valley Energy Limited, ("Po Valley" or "The Company") is pleased to announce maiden gas reserves for its majority-owned onshore Selva Malvezzi field, northeast of Bologna in northern Italy.

The maiden gross 2P reserves for Selva of 13.3 were prepared by France's respected independent geophysical services consultancy, CGG, from previously reported gross contingent resources ("2C") but also includes results from new drilling on the field early last year (Podere Maiar 1 well).

The milestone estimate announced today delivers 8.38 bcf of net 2P reserves attributable to Po Valley and represents the Company's first reserves for this gas field.

In addition to the Selva reserves, the Production Concession area contains on a best estimate basis, 34.8 bcf (100%; CoS 30%) of Prospective Resources in East Selva which will be a priority for drilling following the final grant of the Production Concession, and the Fondo Perino prospect (prospective resources 100% best estimate, 14.6 bcf, CoS 34%). The prospects for success of East Selva were significantly upgraded to 30% following the successful Podere Maiar 1dir well. Additional resources in Selva South Flank and Riccardina which are also within the Production Concession licence application area, will be estimated during the June Quarter. In addition, the Podere Gallina Exploration Licence contains the Cembalina prospect (prospective resources 100% best estimate 3.3 bcf, CoS 51%).

Last month, the Italian Government granted the Selva field a preliminary award for the Production Concession and Selva remains on course to commence first production in 2020.

Selva is 63%-owned by Po Valley. The remainder is owned 20% by United Oil & Gas Plc and 17% by Prospex Oil & Gas.

The Selva gas field sits within the Podere Gallina Exploration Permit and was a significant historic producer for Eni S.p.A, producing 2,380 MMscm (84 bcf) from 24 wells between 1956 and 1984.

“Selva is less than one kilometre from the country’s national gas grid, and offers a low start-up capex (€3m gross) and a high IRR (+120%),” Po Valley CEO, Mr Michael Masterman, said today.

“Release of its reserve estimate is a welcome step forward after positive flow testing of the Podere Maiar-1 well (“PM-1”) from two targeted reservoirs was achieved in January last year.

”As well as Selva, there is additional prospectivity within both the Selva Malvezzi Production Concession including the East Selva, Fondo Perino, Selva South Flank and Riccardina structures and in the Podere Gallina Exploration licence with the Cembalina prospect. The field partners plan to later this year acquire 3D seismic data over these additional structures, the results of which will inform further development drilling activity in the Production Concession.”

Table 1: Selva Gas Field Reserves

	Selva Gas Field Reserves (Bcf) February 2019		
	1P	**2P**	**3P**
Gross	4.1	13.3	29.8
Net to Po Valley	2.6	8.4	18.8

Table 2: Selva Gas Prospective Resources **(refer ASX 19 February 2018)**

	Selva Gas Prospective Resources (Bcf) by Prospect						
	Gross			**Net Attributable to Po Valley**			**CoS%**
	Low	**Best**	**High**	**Low**	**Best**	**High**	
East Selva	29.1	34.8	40.6	18.3	21.9	25.6	30%
Fondo Perino	10.2	14.6	20.5	6.4	9.2	12.9	34%
Cembalina	2.1	3.3	4.7	1.3	2.1	3.0	51%

Mr Masterman said today’s maiden reserve announcement demonstrated the considerable progress made by the partners in de-risking the field and advancing it towards production.

“We are totally focused on progressing Selva toward first gas in CY20 at a gross rate of up to 150,000 cubic metres per day,” Mr Masterman said,” and then building from there”.

“At this rate, Selva will be generating significant cash flows for Po Valley with longer term upside from the licence’s additional prospectivity.”

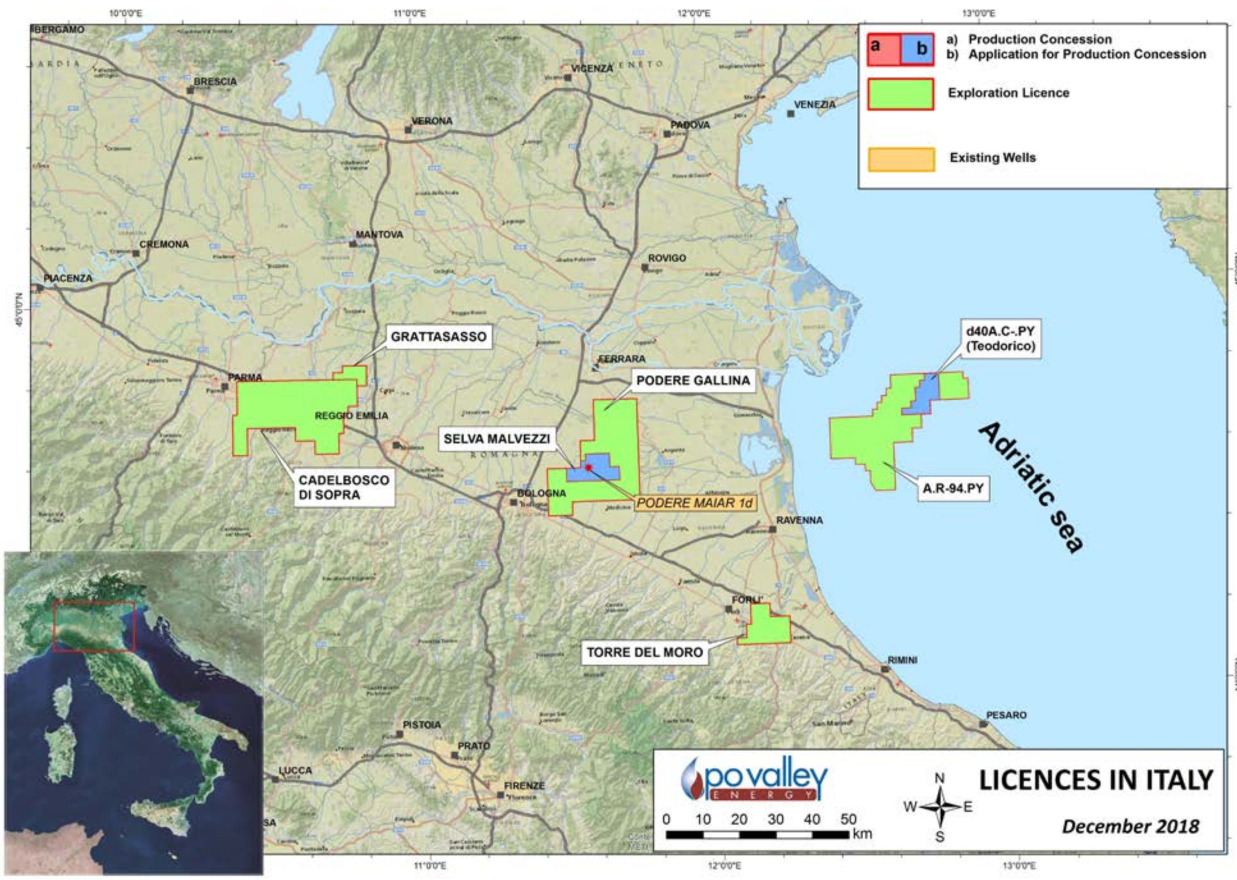
Mr Masterman said the robust reserve estimate reinforced Po Valley’s strategy of securing exposure to the surging Italian domestic gas market where prices over CY18 rose more than 50% to ~€0.30/cm (US$9.60/mcf).

"Italy continues to have to import more than 90% of its gas consumption so new domestic contributors such as Selva build shareholder value and help deliver Italy's push to use natural gas as a critical transition fuel towards a low carbon economy and with negligible environmental impacts."

MEDIA CONTACT:

Po Valley CEO, Michael Masterman (0418 951 792)

Po Valley's gas-oil licences in northern Italy:



Reserve Estimate background:

CGG completed the updated Competent Person's Report (CPR) for the Selva field on the basis that the contingent resources can now be categorised as reserves, following the provisional award of the Production Concession. The updated CPR is based on information gained from positive flow testing of the Podere Maiar-1 well ('PM-1') from two targeted reservoirs in January 2018 (refer ASX announcement 19 January 2018). The thickest level C2 (net pay 25.5m) reported a peak flow rate of 148,136 scm/day on a 3/8 inch choke and a pressure differential of 11 bar with no water production. The higher level C1 (net pay 15.5m) also reported strong flow test results with a peak flow rate of 129,658 scm/day on a 3/8 inch choke with good pressure recovery. There is additional prospectivity in the Licence, including the Selva East, Selva South Flank, and Riccardina structures.

Previously gross contingent resources of 7.2Bcf (1C); 18Bcf (SC); and 29.6Bcf (3C) have been reported for Selva (refer ASX Announcement 19 February 2018). While CGG's estimate for 3P Reserves of 29.6Bcf remains unchanged from the previously reported 3C Contingent Resources of 29.6Bcf, the 1P/2P numbers do not currently correspond with the previously quoted 1C/2C figures. This is due to CGG linking the 1P/2P figures to the submitted development plan, which is based solely on production from the PM-1 well. CGG's 1P and 2P cases are therefore based on a situation in which the entire Selva structure is not drained. This has led to the reduction in 1P/2P volumes when compared to the previously reported 1C/2C figures, which were not based on a specific development plan. Po Valley's Directors believe that once PM-1 establishes a production history, a clearer picture will emerge which could result in a higher proportion of 3P reserves being upgraded into the 1P and 2P categories.

Key Assumptions and Notes:

- Po Valley's reserve review has been completed in conjunction with reporting requirements of Po Valley's joint venture partners United Oil & Gas Plc (20%) and Prospex Oil & Gas (17%).

- The reserves review is based on the CGG report dated 6 February 2019.

- Reserves and resources have been evaluated in accordance with Petroleum Resourced Management Systems (2007) as published by the Society of Petroleum Engineers (SPE).

- Economic valuation of assets uses industry standard discounted cash flow technique.

- Gas Prices:
  It is assumed that future gas production is sold at the Italian spot gas price (PSV) price. CGG have assumed that the PSV price will follow the forward curve for the Dutch TTF spot price plus Euro 1.9/Mwh, which was the average difference between the two prices in 2018. Beyond the end of the current quoted forward curve in 2025, it is further assumed that the price escalates at 2% per year. In order to capture gas price uncertainty, low and high price decks have been taken as +/- 15% for 2019 and 2020, and +/-20% for 2021 onwards. The narrower near-term range reflects the greater certainty of near-term pricing.

- Fiscal System:
  Italy's upstream oil and gas industry operates under a concessionary royalty and taxation system. Royalty is paid on the wellhead value of production, with certain volumes exempt depending on the region and type of development. The applicable royalty rate for Selva is assumed to be 10%, with an annual royalty free allowance of 25 million cubic metres. Profits are subject to standard Italian corporate income tax (IRES), for which the current rate is 24.0%. Tax losses can be carried forward indefinitely, and allowances are applied for exploration and appraisal costs, depreciation, abandonment expenditure, operating costs and royalty payments. In addition to IRES, companies with onshore production are also subject to a regional income tax (IRAP). The IRAP rate is assumed to be 3.9%, and is calculated in a similar way to IRES.

- Other Economic assumptions:

Economic Parameters	Value
Discount Factor	10%
Discount Methodology	Mid-Year
Cost /Price Inflation	2% per annum
Discount Date	1st January 2019

- The volumes associated with the “Selva Stratigraphic” redevelopment opportunity have been updated since the previous CPR according to the positive results of the well Podere Maiar 1dir that confirmed the presence of undrained gas in the structure, and has further de-risked the progression towards a commercial development. These volumes have been based on integrating all of the geological and historic production data, including the well test results, to arrive at a range of reserves that reflects the uncertainties that exist in the Selva field. Once production has started, over time it is expected that this range of reserves will narrow as the production history gives certainty to the recoverable volumes.

- Producibility and booking of gas reserves are confirmed by:
  Production test
  Economics based upon production forecast, CAPEX, OPEX estimates
  Positive opinion by Economic Development Ministry (MISE) with CIRM Committee resolution

- The Gas plant is designed for the natural flow from well head. Gas from the well will be separated from water (formation water and gas humidity) and after the fiscal measure, it will be sent to the national gas pipeline.

- Development costs estimated of €3 million includes estimated costs for Surface facilities (€1.42m), Compressor and pipeline costs (€0.41m) and project management, environmental and insurance costs (€0.51).

- IRR is based on company financial model using 2P Reserves and the key assumptions and notes outlined above.

The Qualified Petroleum Reserves and Resources Evaluator Statement

The estimates in this report that relates to the oil and gas Reserves and Contingent and Prospective Resources are based on, and fairly represents information and supporting documentation prepared by or under the supervision of Andrew Webb, Manager of Petroleum Reservoir and Economics of CGG Services (UK) Limited (‘CGG’) Reference no 8P512. CGG has compiled these estimates to confirm with the definitions of the Petroleum Resourced Management Systems (2007) as published by the Society of Petroleum Engineers (SPE). The estimates were prepared as part of a CPR dated 6 February 2019 which has been lodged by Po Valley Energy with the ASX in conjunction with this release and will be loaded on the Po Valley website. Mr Webb is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of prospective resource estimates that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

A Note Regarding Forward Looking Information

This announcement includes certain statements related to our future business and financial performance and future events or developments involving Po Valley Energy Limited (‘PVE’ or ‘the Company’) that may constitute forward-looking statements. All statements, other than statements of historical fact, that refer to any future oil and gas production, resources or reserves, exploration results and events that the Company expects to occur are forward-looking statements. Although the Company believes that the expectations in those forward looking statements are based upon reasonable assumptions, such statements are not a guarantee of future performance and actual results or developments may differ materially from the outcomes anticipated. This may be due to several factors, including market prices, exploration and exploitation success, and the continued availability of capital and financing, plus general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance, and actual results or performance may differ materially from those projected in the forward-looking statements. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.