



# PO VALLEY OVERVIEW



- 5 fields: two currently in production and three under development (cumulative onshore 2P reserves + 2C resources of 40.3 bcf)\*
- Significant gas flow and earnings growth in 2015-2016. Work program ready for Sillaro and Bezzecca development. Production capability ramped-up to circa 135,000 scm/day (€14 million in revenue /p.a.)
- Large offshore Adriatic gas licence (AR94PY) with 4 gasfield discoveries – first production field (Teodorico) currently going through regulatory process to be “development ready”
- Large scale onshore oil exploration prospect
- Proven Italy based oil and gas discoveries

# PO VALLEY PORTFOLIO



Company: Po Valley Energy Ltd (ASX:PVE)  
Overall portfolio area: 2,000 km<sup>2</sup> in 15 licences  
2P reserves: 13 bcf  
2C resources: 91 bcf

## PVE strategic action plan:

1. Significant production boost in 2015 (Bezzecca production and Sillaro recompletion, regulatory approvals largely in place);
2. Develop offshore field Teodorico;
3. Appraise and Develop high IRR Selva remaining volume
4. Drill Torre del Moro oil prospect

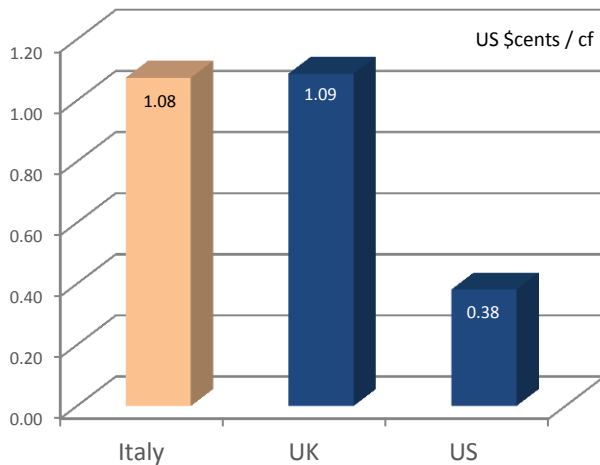
# ITALY: LARGE DEMAND AND HIGHLY IMPORT DEPENDANT

- 2013 gas consumption was 2.42 tcf\* with domestic production covering only 11% at 0.28 tcf\*
- Northern Italy is one of the Europe's largest onshore gas provinces\*
- Central government is supporting domestic production (through the «Sblocca Italia» decree)
- Extensive pipeline grid

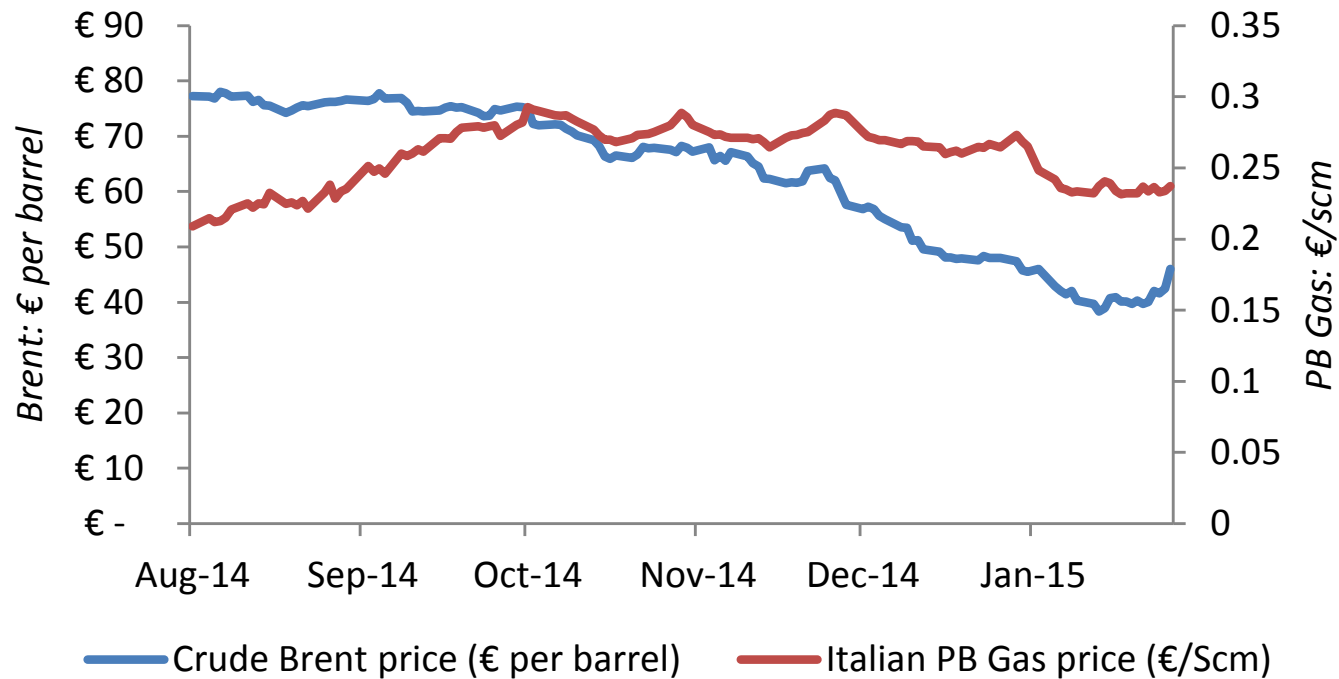


# ITALY: LARGE MARKET AND HIGH GAS PRICES

### Gas market price comparison



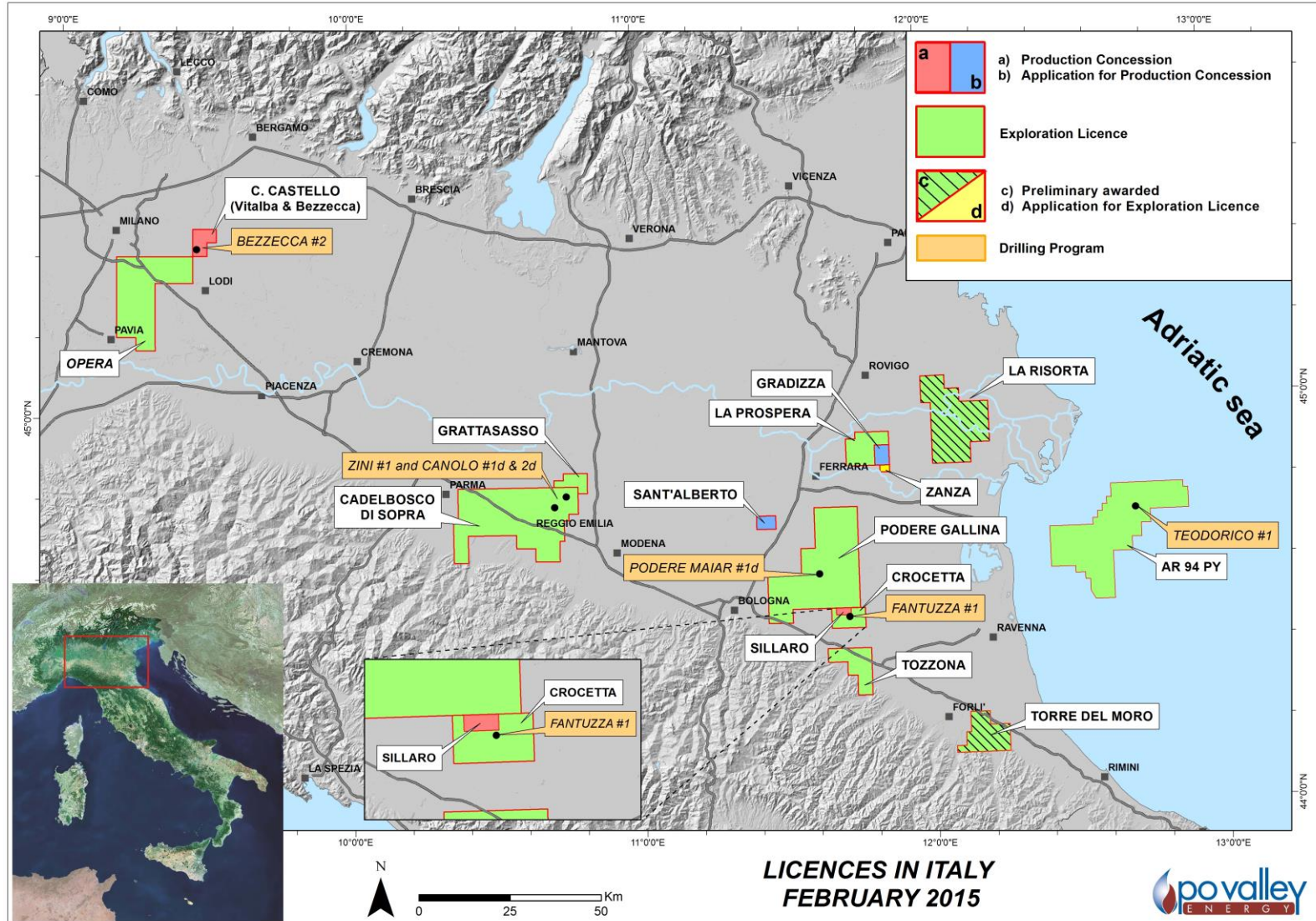
### Brent vs Italian Gas price (6 months)



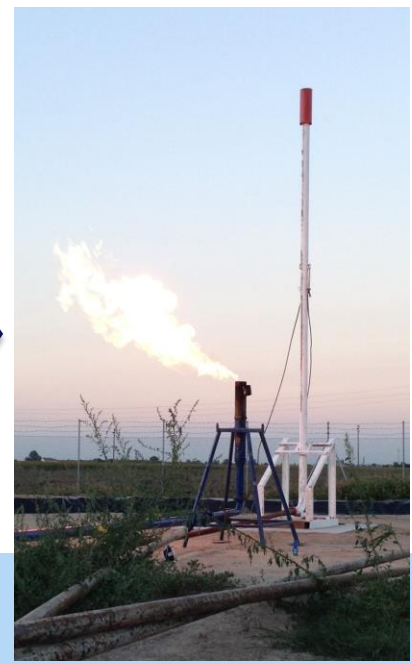
# ITALY HYDROCARBON PROVINCES



# PVE PROJECTS



# PRODUCTION AND NEAR TERM DEVELOPMENT



## SILLARO

## BEZZECA

## SANT'ALBERTO

## GRADIZZA

Status: **Producing**

NPV: **€9.0m**

Reserves: **2P: 4.1 bcf**

First gas: **3Q2015**

NPV [gross]: **€ 4.3m**

Reserves: **2P: 3.7 bcf**

First gas: **2Q 2016**

NPV: **€ 4.3m**

Resources: **2C: 2.1 bcf**

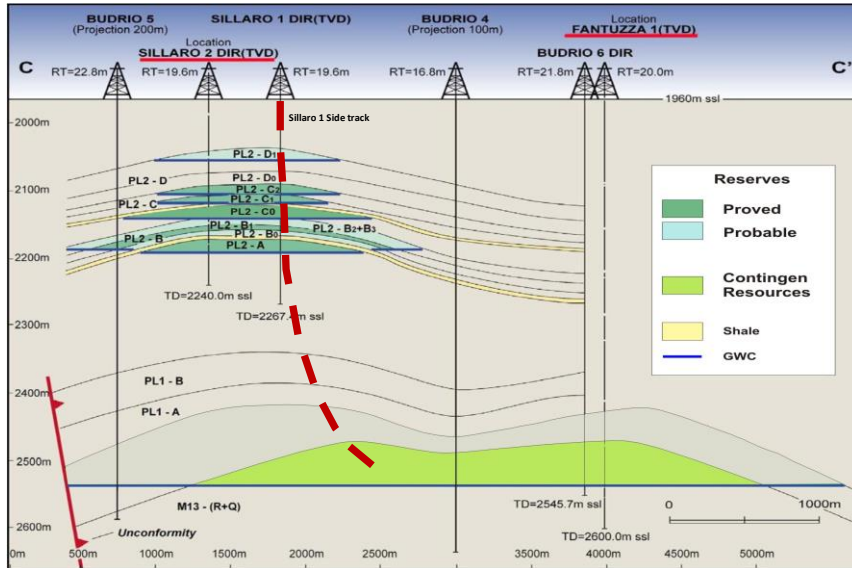
First gas: **1Q 2017**

NPV [gross]: **€ 3.3m**

Resources: **2C: 2.7 bcf**



# SILLARO – 2015 WORK PROGRAM



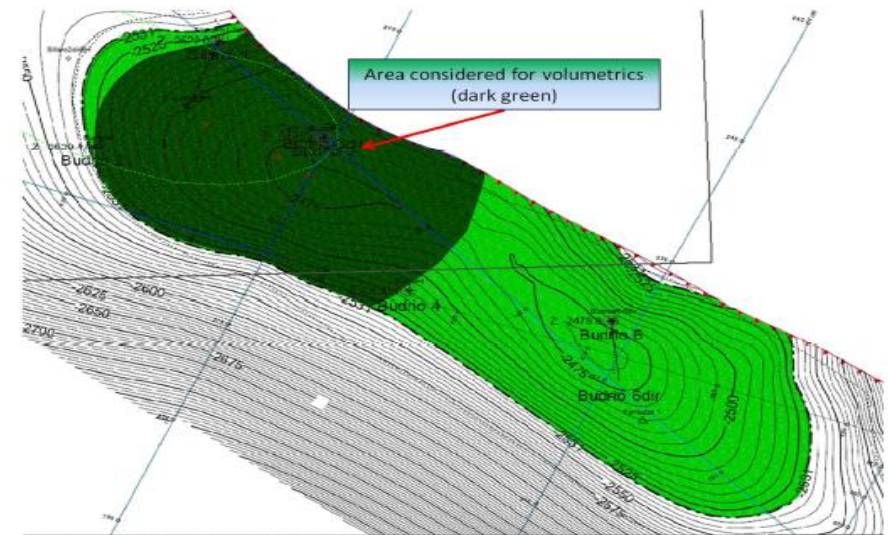
## Unlocking Future Field Potential

- Certified residual reserves – 4.1 bcf (2P)
- Envisaged work-over:
  - re-complete Sillaro-2
  - drill sidetrack from Sillaro-1 (to intersect Miocene)
- 2 targets
  - Pliocene (known levels, never produced)
  - Miocene (known reservoir)

## Sillaro production concession (PVE 100%):

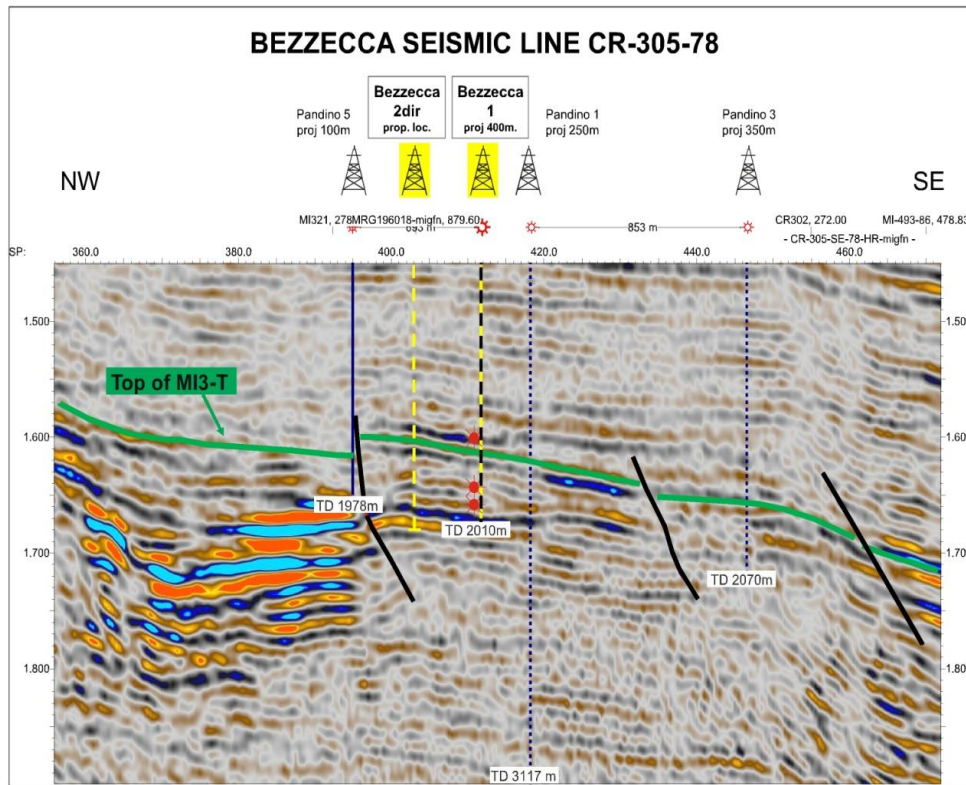
- Proven production capability (approximately 4 bcf produced to date from 2 wells)
- Historically, PVE invested €15 million and generated over €30 million in revenue in 5 years.

## Miocene medium level depth map (c.i. 2.5m)



# BEZZECA – DEVELOPMENT PLAN

Castello/Bezzecca production concession (PVE 90%):



- Bezzecca-1 successfully drilled and tested in 2009. Showed excellent gas indications on logs and tested up to 62,900 scm/day
- Certified 2P reserves: 4.2 bcf
- Authorised to drill second development well (Bez-2)
- Total net development cost (pipe + development well Bez-2): €5.9 million
- Field well defined by nineteen 2D seismic lines totalling 85 km, with 1.3 km to 1.5 km line spacing
- Reservoirs are three levels from upper Miocene to lower Pliocene. Gas bearing structure bound by NE-SW oriented faults

## Large high value projects to follow

- Teodorico: offshore gas (47.3 bcf – 2C)
- Selva: onshore gas (17 bcf – 2C)
- Torre del Moro: onshore oil

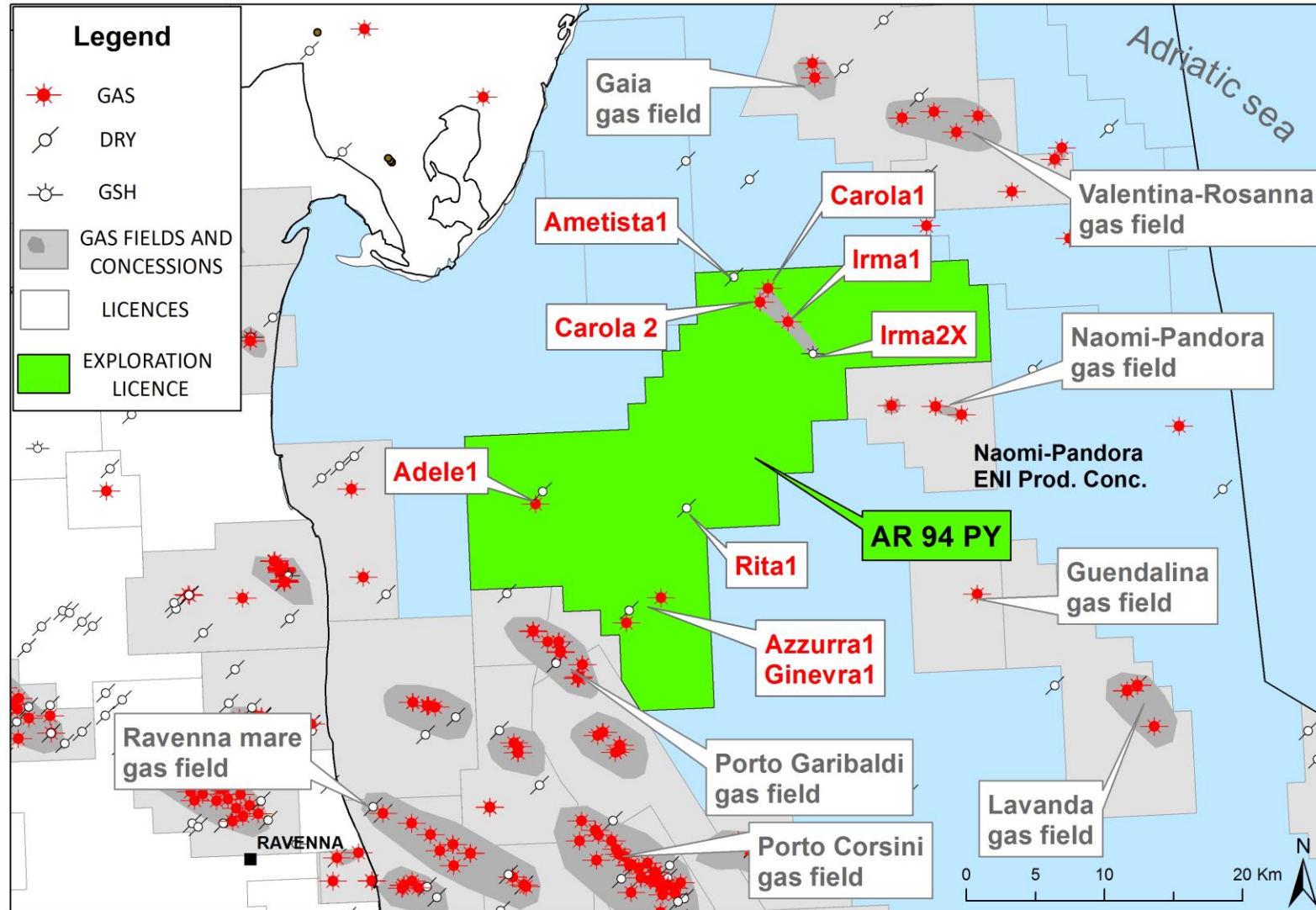
# PO VALLEY

## 3 YEARS WORK PROGRAM

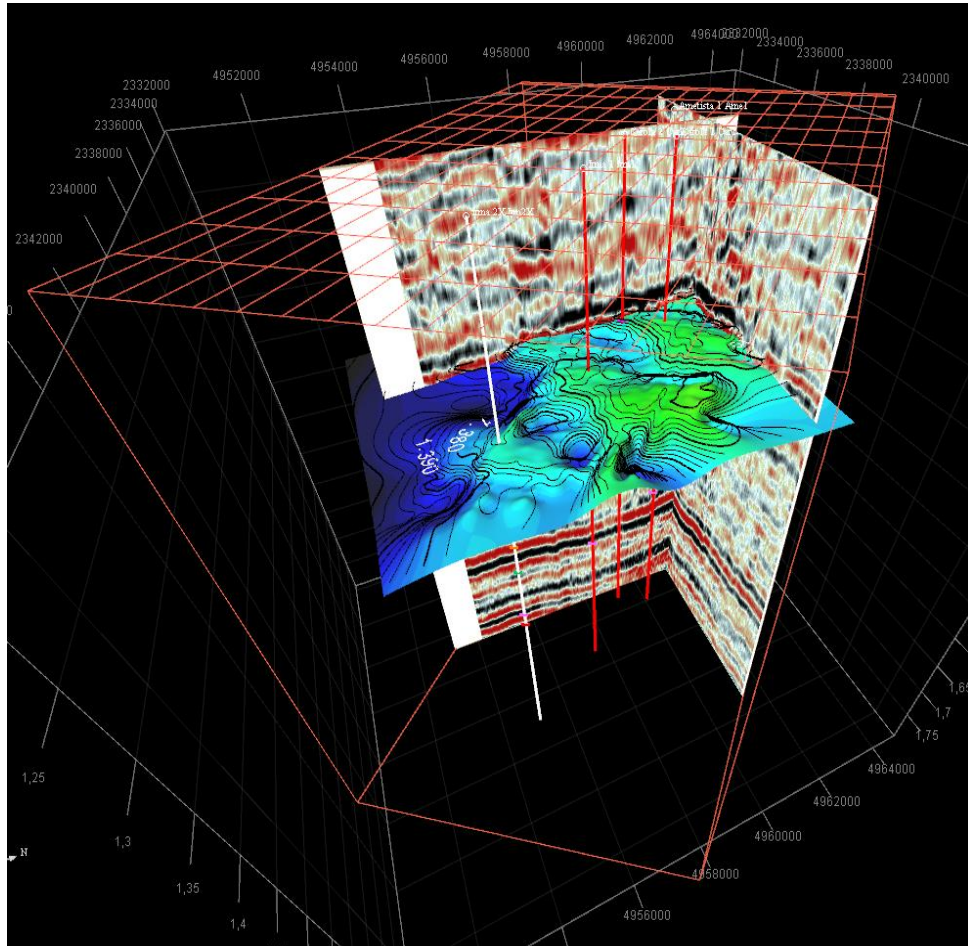
	Net Capex* (€ million)	Δ Production (Scm/day)	Δ Revenue (€m/year)	
<b><u>2015 work plan</u></b>				
1	Recomplete sillaro 2	1.8	50,000	4.9
2	Install Bezzecca pipeline	2.2	15,000	1.5
3	Drill Bezzecca 2 well	3.9	30,000	2.9
	<b>Subtotal 2015</b>	<b>7.9</b>	<b>95,000</b>	<b>9.2</b>
<b><u>2016 work plan</u></b>				
4	Drill Selva**	2.5	100,000	9.7
5	Drill Sillaro 3 sidetrack	4.1	40,000	3.9
6	Production for S.Alberto - Gradizza	2.4	40,000	3.9
	<b>Subtotal 2016</b>	<b>9.0</b>	<b>180,000</b>	<b>17.5</b>
<i>** Selva production will start 18-24 months after succesful drilling</i>				
<b><u>2017 work plan</u></b>				
7	Develop Teodorico (~50 Bcf)	50.0	300,000	29.2
8	Drill Torre del Moro (150-250 mm bbls)	30.0	n/a	n/a
	<b>Subtotal 2017</b>	<b>80.0</b>	<b>300,000</b>	<b>29.2</b>

\* Net of JV partners contributions

# OFFSHORE LICENCE NEAR ALL MAJOR ENI DISCOVERIES



# TEODORICO: DRILLED WITH FULL 3D SEISMIC



- Contingent Resources certified at:
  - 1C : 34.6 bcf
  - 2C : 47.3 bcf
  - 3C : 62.2 bcf
- 120 km<sup>2</sup> of 3D seismic purchased
- 2 wells completed and tested

POTENTIAL NEAR-TERM  
PRODUCTION CONCESSION,  
WITHOUT FURTHER EXPLORATION  
DRILLING REQUIREMENT

# OFFSHORE LICENCE WITH 3D SEISMIC AND ENI WELL DATA

PVE holds the attractive AR94PY licence (Exploration licence awarded in July 2012) which is host to:

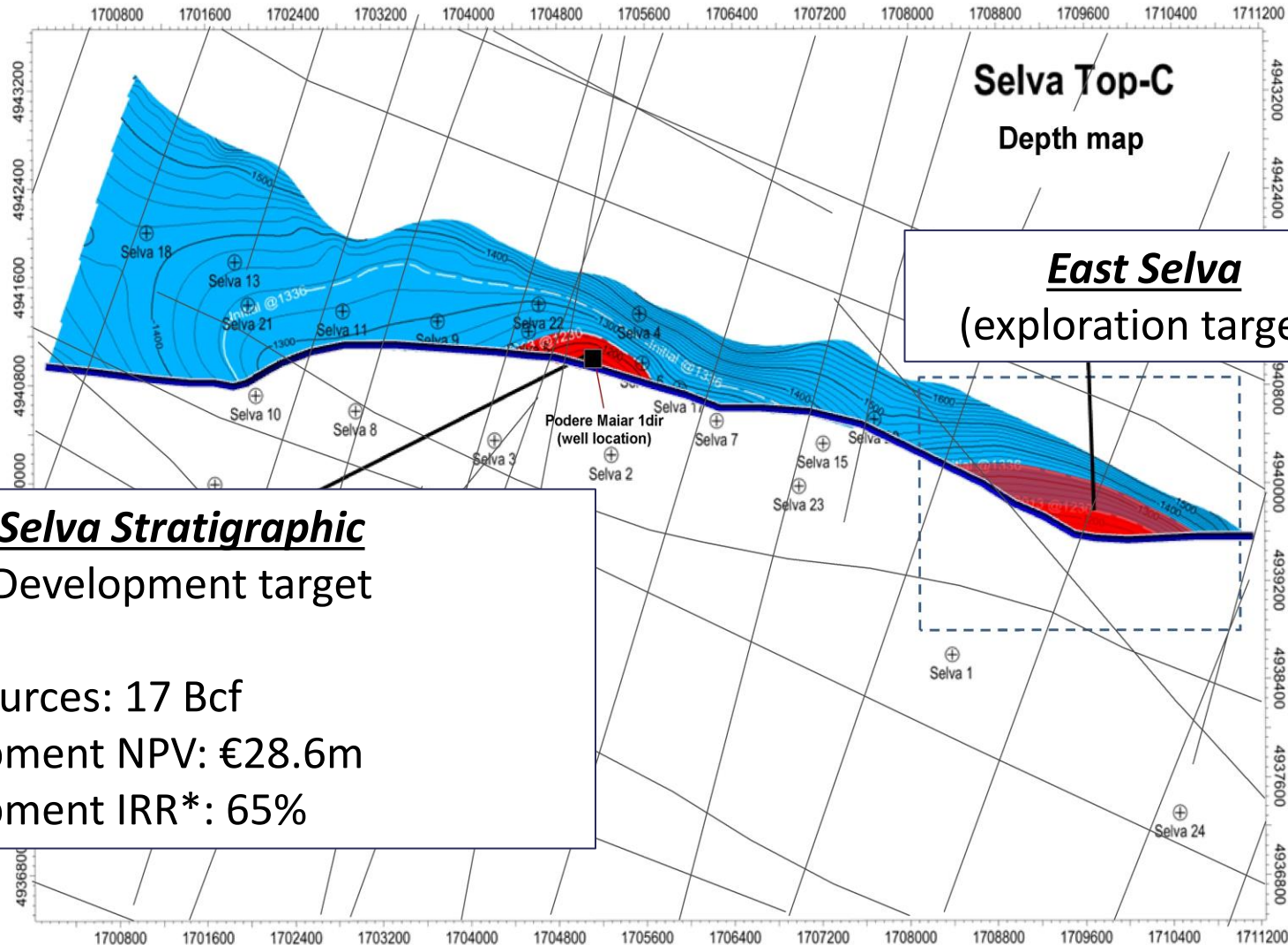
- 1 gas field “Carola / Irma (Teodorico)” – 47 bcf (2C)
- 2 ENI discoveries
  - Adele
  - Azzurra / Ginevra
- 1 Exploration potential upside (Rita) with the same play of nearby producing ENI gas field “Naomi Pandora”

AR49PY licence has:

- Full 3D seismic coverage (under reprocessing) and previous wells information purchased from ENI
- Process and distribution at utility rate through ENI’s adjacent Naomi Pandora processing facility
- Shallow water depth ~ 30 meters
- Deep oil carbonates exploration potential



# NEXT DEVELOPMENT : HIGH IRR ONSHORE SELVA FIELD



- 2C Resources: 17 Bcf
- Development NPV: €28.6m
- Development IRR\*: 65%



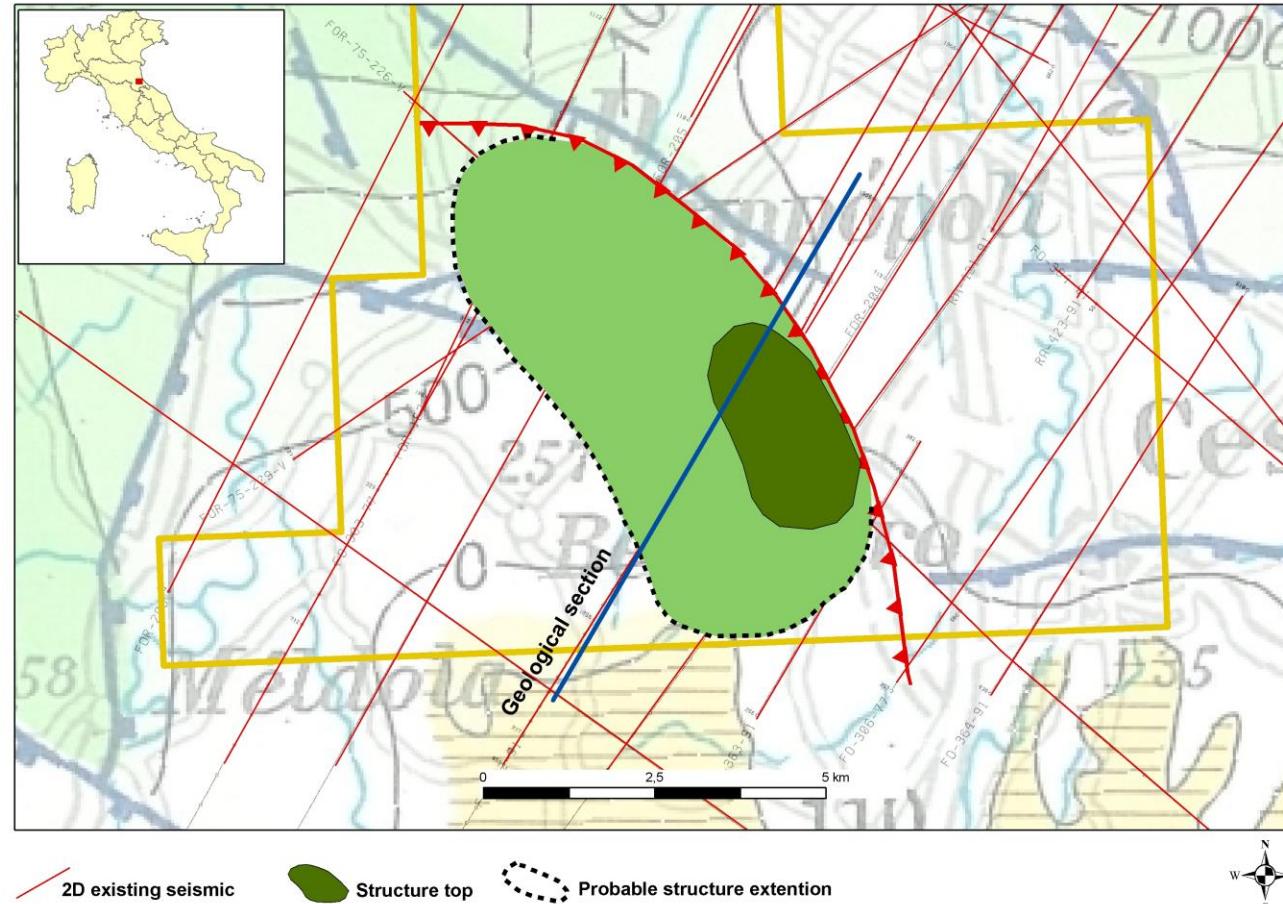
# NEXT DEVELOPMENT : HIGH IRR ONSHORE SELVA FIELD



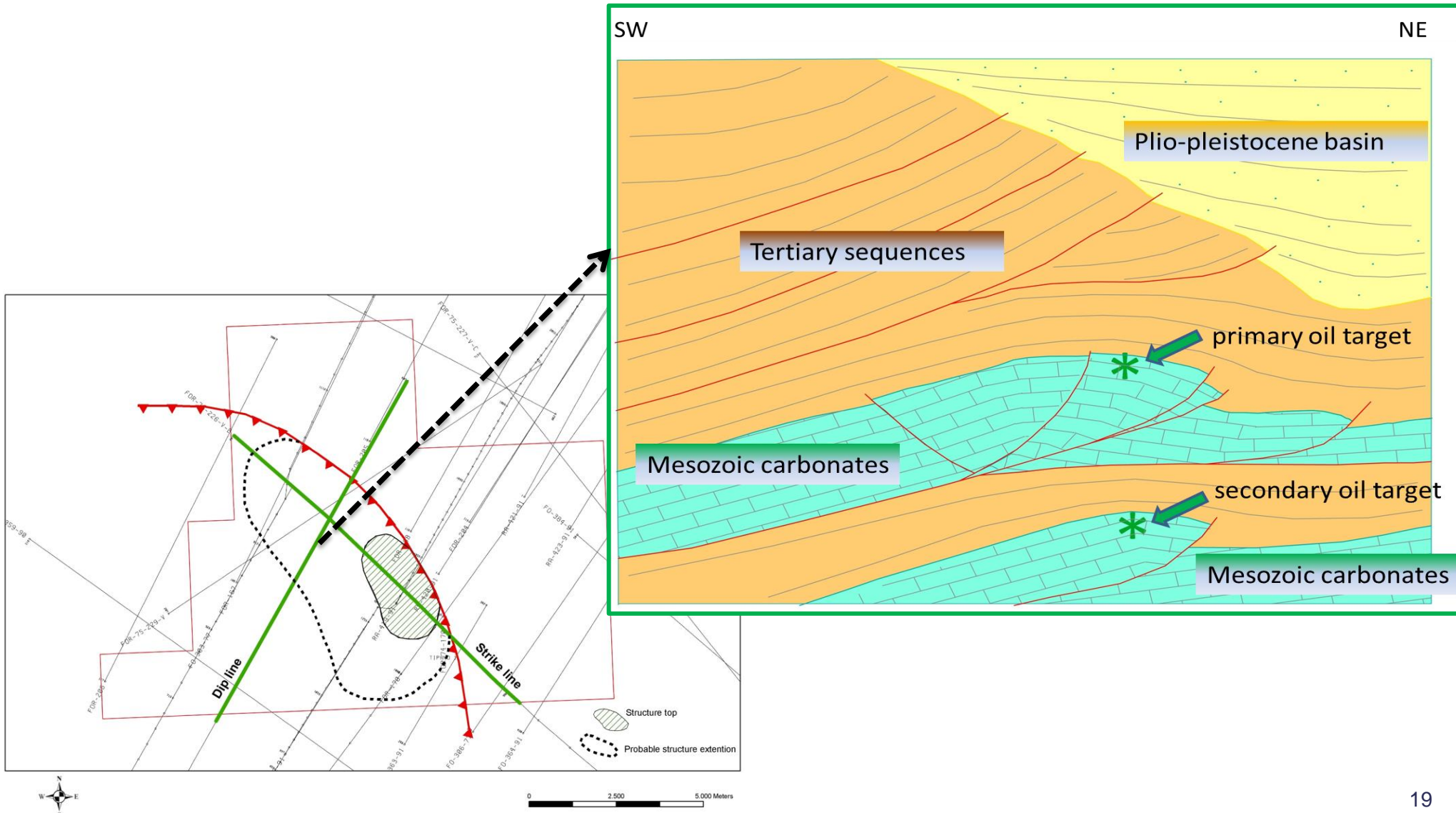
- G&G work carried out in 2012 to assess the residual potential of the Selva gas field (84 bcf already produced)
- License holds two targets: a low risk volume up dip of abandoned producers (named “Selva Stratigraphic”) and a second exploration target on the pinch out edge to the east of the main Selva field
- Drilling application expected to be issued 3Q 2015
- Planned acquisition of 3D seismic data for additional potential at East Selva

# LARGE SCALE OIL EXPLORATION LICENCE

- The “Torre del Moro” oil exploration licence (100% PVE) is a Mesozoic carbonate structure with analogy to ENI Villa Fortuna field (230 MM BBLs)
- 1 well drilled (Sarsina-1) with oil shows at a 15km distance in the same formation
- Relatively shallow depth structure (top at 3,500 / 4,000 mt)
- Seismic analysis indicates large structure with clear top and seal
- PVE obtained EIA and is currently expecting the final grant



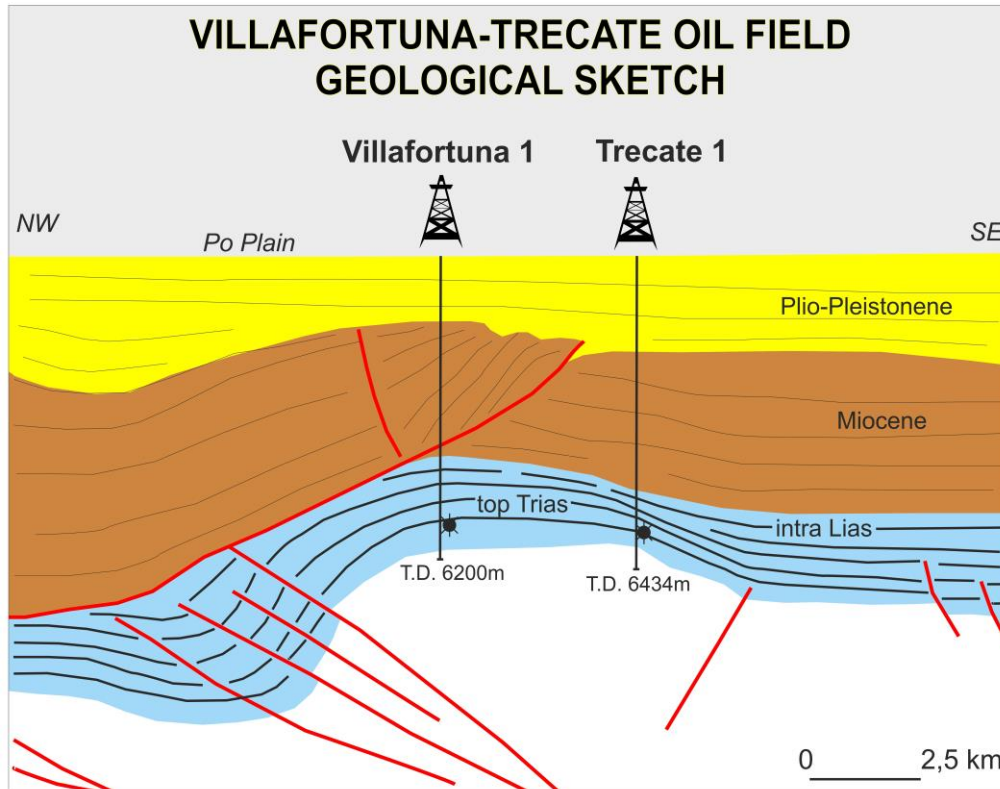
# TORRE DEL MORO G&G



# ENI'S TRECATE - VILLA FORTUNA (ANALOGOUS TO PVE TORRE DEL MORO)



## VILLAFORTUNA-TRECATE OIL FIELD GEOLOGICAL SKETCH



Location: 30km west of Milan

Discovery: 1984

Production to Date: 220 million bbls + 95 bcf of gas

Production: Initial Rate 82,000bbls/day

Current Production: 5,000bbls/day

Oil Gravity: 42 - 45° API

Transport Costs: US\$ ~ 1/bbl

# SUMMARY



- Exceptional portfolio: Production + Development + high exploration upside
- €20m financing facility in place to finance a portion of future Capex
- Major re-evaluation triggers over the next 24 months based on key asset events
  - 2015 production ramp-up work program
  - Teodorico - Grant of production concession and ability to secure debt financing
  - Selva - Drilling approval ensuring a high IRR, low capex and low risk development
  - Torre del Moro - Drilling approval for the large scale oil prospect
- High return investment opportunity prior to re-evaluation

# INFORMATION REQUIRED BY ASX CHAPTER 5 LISTING RULES



- All the reserves and resources referred to in this presentation are as reported in the Company's 2014 Annual Report lodged with ASX on 14 April 2015. Please refer to the Annual Report for full details of the Company's reserves and resources as at 31 December 2014 and details of the independent evaluation of those estimates.
- All estimates have been determined using a probabilistic method except for Sillaro, Vitalba, Bezzecca, Sant'Alberto and Fantuzza, which were determined using a deterministic method;
- The reference point for gas flow from Vitalba & Sillaro is measured through a turbine, located on the wells site, using non standard cubic metres. 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 meters injected in the SNAM gridline. (SNAM is an Italian natural gas infrastructure company and manages the national gas transportation network). The SNAM entry points for Sillaro & Vitalba are located 200 metres and 50 metres respectively from site perimeters. The FFC prints a production report which is authenticated by the Ministry of Economic Development and this official data is then accepted by SNAM, our customers and the Taxation Authority.
- The Company confirms that it is not aware of any new information or data that materially affects the information included in the Company's 2014 Annual Report and that all material assumptions and technical parameters underpinning the estimates in that Annual Report continue to apply and have not materially changed.



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