



ASX / MEDIA RELEASE

7 August 2015

Po Valley Announces 2015 First Half Results

Po Valley Energy Ltd. (ASX: PVE) announced today its 2015 half year results for the six months ended 30 June 2015.

Financial Results

Half year operating results were adversely affected by reduced gas production at the Company's Sillaro gasfield resulting in a half year statutory loss of Euro 1.2 million (Euro 0.5 million at 30 June 2014). As previously announced¹, the Sillaro gas field experienced a reduction in production caused by depletion of several reservoirs and water arrival and associated sand production from some completions. Subsequently, in May² the Company provided the market with an overview of the two core initiatives to increase production, revenue and profitability. Production at Sillaro has since been improved and is running at approximately 35,000 sm³ per day. As a result the Company is operating at a small positive cashflow on a monthly basis. At 30 June 2015 the Company had cash at bank of €815,000

Significant Developments

As previously announced at the AGM in May 2015, the Sillaro production expansion coupled with the Company's planned development of its Bezzecca gas field are expected to be funded primarily from a third party farm-in. Discussions with a potential farm-in partner for both fields are well advanced and the Company looks forward to providing the market with more details in due course. The Company is also exploring the potential sale of a number of non-core assets as part of a plan to reduce the Company's debt level and to reduce borrowing costs.

Outlook

The work programme at Sillaro combined with the development of Bezzecca are expected to materially improve revenue and earnings for Po Valley in 2016 compared to the current year. Significant progress was made on the Company's development assets in the first six months of the year including

¹ Please refer to the ASX announcement "**Sillaro Field Reserves Revision and Production Forecast**" lodged on 9 January 2015 and to the Company's 2014 Annual Report lodged on 14 April 2015 for full details of the Company's reserves and resources.

² Please refer to the ASX announcement "**Po Valley to increase Sillaro Production**" lodged on 15 May 2015.



Sant'Alberto, which is currently undergoing the Environment Impact Assessment and Teodorico for which a development plan has been finalised. The Company is working diligently to bring these additional fields into production in future periods. Debt reduction has been a Company priority for 2015 and steps have been taken to evaluate a range of possible refinancing and debt reduction opportunities. The Company expects to report improved results in upcoming months in light of the increase in production from the Sillaro field, the development of the Bezzacca well and continued careful management of operating expenses.

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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. Greg Short. Mr Short is a Non-Executive Director of Po Valley Energy Limited, a geologist with over 40 years of oil and gas industry experience and a member of AAPG. 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>