



ASX / MEDIA RELEASE

1 November 2017

**Australia's Po Valley secures additional London partner funding
for new drill campaign this month on major Italian gas play**

Australian gas producer, Po Valley Energy Limited, (ASX: "PVE" or the "Company") is pleased to announce that the Company has secured an additional London-based partner to help fund a new drill program commencing this month on a large and historically proven onshore Italian gas field.

Prospex Oil and Gas Plc ("Prospex"), listed on London's AIM market, will join existing PVE partner, United Oil and Gas Plc ("United"), in farming into Po Valley's Podere Gallina licence containing the Selva natural gas field, in the province of Bologna, Northern Italy. The Podere Gallina permit area hosts the Podere Maiar-1 gas well which will commence drilling mid this month.

Under the new farm-in terms, a wholly-owned subsidiary of Prospex with energy interests in onshore Europe, will earn a 17% interest in the licence in exchange for funding 34% of the cost of the completed Podere Maiar-1 well. In total, United and Prospex will cover 74% of the estimated completed well cost.

Drilling of Podere Maiar-1 is imminent as civil works are completed and the Archimede HH Rig will be mobilized to site in the coming days for an anticipated 30-day drilling program.

The Selva gas field historically produced 83 bcf for ENI from 15 wells over a 35 year period. Po Valley now commands an 80% stake in both the Selva field and also the highly prospective nearby Selva East prospect. Current estimated 2C resources in Selva stratigraphic are 17bcf.¹ There is a national grid connection point 400 metres from the drill site.

¹ The estimates of contingent resources for Selva is based on information that has previously been reported in the Company's 2016 Annual Report, which was lodged with the ASX on 28 April 2017. The Company is not aware of any new information or data that materially affects the information included in this announcement and that all the material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.



Background on Prospex Oil and Gas Plc

Prospex Oil and Gas Plc is an AIM quoted investment company focussed on high impact onshore and shallow offshore European opportunities with short timelines to production. Prospex's management is looking to acquire undervalued projects with multiple, tangible value trigger points that can be realised within 12 months of acquisition and then applying low cost re-evaluation techniques to identify and de-risk prospects.

Background on the Podere Gallina exploration license

The Podere Gallina licence measures 331 km² and it 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 residual gas potential and 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 to further evaluate the exploration potential and reprocessed.

Contingent Resources for the Podere Gallina exploration licence were independently evaluated in 2013 by the geological and petroleum reservoir consultancy UK firm CGG Services Ltd. Please refer to page 76 of the technical summary in 2016 Annual Report.

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