



ASX / MEDIA RELEASE

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First Gas flows at Bezzecca

Australian gas producer, Po Valley Energy, (ASX: "PVE") is pleased to announce it has commenced first gas production from the Bezzecca gas field on Thursday 13 April 2017. Commissioning and ramp-up leading to anticipated flow rates in the range of 30,000-40,000 scm per day, equivalent to 190-250 barrels of oil equivalent per day ("boepd"), will continue today following a short shut down over the Easter break.

Production from Bezzecca is sold at a current market price of approximately €0.21 per scm which equates to €190-€250k per month in revenue, on production rates of 30-40,000 scm.

Reservoir performance will be evaluated during the current quarter on each of the three perforated levels and steady state production is expected mid-year. When combined with the Company's production from the Sillaro gas field, which is producing about 10,000 scm per day, PVE expects net production from its Italian assets to increase over four times its current production to 40-50,000 scm per day (approximately 250-315 boepd).

The Bezzecca gas field is located east of Milan within the established prolific, gas-producing Po Valley region of northern Italy and is processed at the existing Vitalba gas processing plant.

Bezzecca gas goes directly into the Italian national grid, owned and operated by SNAM Rete Gas S.p.A.

Chairman of Po Valley, Michael Masterman commented: "First gas at Bezzecca is a significant financial milestone. It has been completed on time and on budget and represents a great technical, financial and management achievement for the Company and shareholders. The commencement of production will boost revenues and operating cash flows consolidating our portfolio and provides further validation of the Company's strategy.

Note:

Po Valley Energy holds 65% of the shares in Saffron Energy Plc (SRON) which hold a 90% JV interest in Bezzecca

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