



ASX / MEDIA RELEASE

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Po Valley's new Italian gas well to be flow tested next month after being cased for production

A new Italian gas production well for Australia's Po Valley Energy Limited ("PVE" or the "Company"), is to be flow tested next month after being successfully cased for production.

The Company announced today that it had successfully cased, perforated and completed the Podere Maiar 1dir exploration well on the Selva gas field within the Podere Gallina Exploration licence in Northern Italy (PVE 63% Operator; United Oil & Gas Plc 20%; Prospex Oil & Gas Plc 17%). Perforations of a total of 11m were executed successfully on two identified gas reservoirs C1 and C2 in the Medium-Upper Pliocene sands of the Porto Garibaldi Fm. The well is now completed (single selective) for production and is "on gas". Rig demobilisation is underway and flow testing on a rigless basis is scheduled for early January 2018. Full flow test results will be reported at that time.

Log analysis including pressure testing has delineated two gas bearing reservoirs with a total gross of 62m and a net pay of 41m. The thickest level C2 (net pay 25.5m) which runs from 1282.5mMD to 1328.5mMD with a Gas Water Contact ("GWC") at 1320mMD has been perforated over a combined 8.5m and is expected to be the largest reservoir and producer. The shallower level C1 (net pay 15.5m) runs from 1253.5mMD to 1275.5mMD with a GWC at 1270.5mMD and has been perforated over 2.5m in the uppermost portion. Both sands have excellent reservoir properties, with porosities averaging more than 28%.

Po Valley Energy Limited CEO, Mr Michael Masterman:

"We are very pleased with the results to date and that the well has been completed on budget and on schedule. The Po Valley operations team and JV Partners have executed strongly and we keenly await flow test results in the New Year. We have identified two gas bearing reservoirs and the net pay zones are very much in line with our pre-drill expectations."

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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.