



30th January 2023

ASX ANNOUNCEMENT

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022

Highlights

Selva Malvezzi

- Po Valley received final approval from Italy's UNMIG/Ministry to commence Podere Maiar development activity
- Po Valley commenced and has made significant progress on gas plant and pipeline construction at Podere Maiar
 - Civil works for Podere Maiar-1 well site (concrete slabs, exit tunnel) are complete
 - Steel frame for the water disposal tank is also complete
 - Excavation, welding and pipe laying for 4-inch pipes is complete
 - Electrical system and lightning protection for the well both more than 50% complete - First phase of backfilling is 70% complete
 - Piping procurement is complete, equipment procurement is at 35%
 - Skids and equipment prefabrication has commenced
- Works to prepare tie-in to SNAM gas grid network have also commenced
- Po Valley is in discussion with off-take partners for the sale of gas from Podere Maiar

Next steps

- Podere Maiar development is fully funded; PVE remains on schedule and budget, on track for first gas in early Q2 CY2023

Corporate

- Remainder of \$4.5M placement completed to fund PVE to production at its Podere Maiar gas field
- Cash at 31 December 2022 was €1.536k (A\$2.413k)

Australia's Po Valley Energy Limited (ASX: **PVE**) ("**Po Valley**" or "**The Company**") is pleased to provide its Quarterly Activities Report for the period ending 31st December 2022, covering the Company's further gas and oil exploration, development and production outcomes across its onshore and offshore assets in northern Italy.

SELVA MALVEZZI

Selva is an onshore natural gas field in the eastern part of the Po Plain, among the Ferrara and Bologna provinces, in the Emilia Romagna Region. The licence measures 80,68 sq km and is included in the Selva Malvezzi Permit.

Podere Maiar gas plant and pipeline construction

During the quarter, Po Valley continued to stay on track for first gas from Podere Maiar in early Q2 CY2023, due to the successful commencement and progress of civil and construction works. By the end of the quarter, concrete slabs and exit tunnel for the pipeline are both complete, a steel frame for the water

disposal tank is complete and concrete casing for the tank was close to completion, at 90% complete. The electrical system was 70% complete, and lightning protection work had reached 60% completion.

Works on the pipeline are underway, with the work strip and pipe welding complete. Excavation for the 4-inch pipes and laying of the 4-inch pipeline is complete. Backfilling has also commenced, and the first phase is now at 70% completion.

Piping procurement is complete, with equipment procurement at 30% completion, while prefabrication work is also underway, with skids at 35% and prefabrication of equipment items such as the separator and water tank commenced.

Po Valley is fully funded to bring its Podere Maiar gas project into production following a \$4.5 million Share Placement completed in August 2022.

Once installed, the gas plant capacity will be ~150,000 standard cubic metres (scm) per day, and the pipeline capacity will be ~300,000 scm per day.



CORPORATE

Final Tranche of \$4.5M Placement Complete

As announced on 4 November 2022 and 8 December 2022, Po Valley issued the remaining shares under Share Placement announced on 10 August 2022, which included 10,909,092 ordinary shares at 5.5c raising the final \$600,000 (before costs) under the placement.

Cash flow

Net operating cash outflows for the quarter was €542k, exploration expenditure payments €59k and development costs of the Podere Maiar-1 well site in the quarter amounted to €986k (net of JV partner capex recoveries).

The Group's cash reserves as at 31st December 2022 was €1,536k.

Regarding Section 6.1 of the Appendix 5B payments totalling €77k to related parties and their associates, the Company advises that these payments consisted of director fees (including a portion of accrued fees from the prior financial year).

This announcement was approved and authorised for release by the Board of Directors of Po Valley Energy Limited

For further information please contact:

Kevin Bailey AM, Po Valley Chairman, +61 417 556 458

Summary of Tenements

		Tenement	Location	Interest held
PRODUCTION CONCESSIONS	AWARDED	<i>Selva Malvezzi⁽¹⁾</i>	Italy, Emilia Romagna	100% Po Valley ⁽¹⁾
	PREL. AWARDED	<i>Teodorico (d.40.AC-PY)</i>	Italy, Adriatic Offshore	100% Po Valley
EXPLORATION PERMITS	GRANTED	<i>AR94PY</i>	Italy, Adriatic Offshore	100% Po Valley
		<i>Cadelbosco di Sopra</i>	Italy, Emilia Romagna	100% Po Valley
		<i>Grattasasso</i>	Italy, Emilia Romagna	100% Po Valley
		<i>Podere Gallina</i>	Italy, Emilia Romagna	63% Po Valley
		<i>Torre del Moro</i>	Italy, Emilia Romagna	100% Po Valley

¹ Document requesting the transfer of JV partner quotas UOG (20%) and PROSPEX (17%) was sent to the Ministry in November 2022.

Reserves and Resources*

			Reserves			Contingent Resources			Prospective Resources		
			Gas BCF								
			1P	2P	3P	1C	2C	3C	Low	Best	High
AR94PY	Teodorico		27	37	48						
	Teodorico					7.4	10.6	14.0			
	PL3-C								7.9	15.9	25.0
Selva Malvezzi [Net] ²	Selva (Podere Maiar1)		2.6	8.4	18.8						
	Selva level A South					0.7	1.1	2.3			
	Selva level B North					2.2	5.6	11.2			
	Selva level B South					0.6	2.2	5.9			
	Fondo Perino								6.4	9.2	12.9
	East Selva								18.3	21.9	25.6
	Riccardina								8.2	24.4	81.2
Cadelbosco di Sopra	Zini (Qu-B)					1.1	2.7	4.6			
	Canolo (Qu-A)					0.7	1.1	1.7			
	Canolo (Plioc)					0.4	3.6	10.5			
	Zini (Qu-A)								0.6	1.4	2.4
Torre del Moro	Torre del Moro								420.7	502.0	596.1

*Reserve and Resource estimated are as reported and CPR report 25th July 2022 (Refer ASX announcement 26th July 2022)

² Net to the PVE 63%

The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcements referred to in this announcement and, in the case of estimates for petroleum reserves, contingent resources and prospective resources, all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not materially changed from the original market announcement.

Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

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Directors	
Mr. Kevin Bailey AM, Chairman Ms. Sara Edmonson, Non-executive Director Mr. Joseph Constable, Non-executive Director Ms. Katrina O’Leary, Non-executive Director	

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PO VALLEY ENERGY LIMITED

ABN

33 087 741 571

Quarter ended ("current quarter")

31 DECEMBER 2022

Consolidated statement of cash flows	Current quarter €'000	Year to date (12 months) €'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(36)	(36)
(b) development	-	-
(c) production	-	-
(d) staff costs	(476)*	(702)
(e) administration and corporate costs	(84)	(486)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	3
1.5 Interest and other costs of finance paid	(7)	(37)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – Recoveries from JV for overheads	59	211
1.9 Net cash from / (used in) operating activities	(542)	(1,047)
<i>*payments made in current period include accrued director fees to current and previous directors</i>		
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(3)	(17)
(c) property, plant and equipment – Development of Well plant and pipeline	(986)*	(1,406)*
(d) exploration & evaluation (if capitalised)	(59)*	(372)*
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter €'000	Year to date (12 months) €'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – JV Contribution to Bond previously paid by the Company	-	280
2.6	Net cash from / (used in) investing activities	(1,048)	(1,515)

** expenditure is net of JV contributions to capitalised costs*

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	404	3,071
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(7)	(232)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	397	2,839

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,848	1,262
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(542)	(1,047)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,048)	(1,515)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	397	2,839

Consolidated statement of cash flows		Current quarter €'000	Year to date (12 months) €'000
4.5	Effect of movement in exchange rates on cash held	(119)	(3)
4.6	Cash and cash equivalents at end of period	1,536	1,536

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter €'000	Previous quarter €'000
5.1	Bank balances	1,536	2,848
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,536	2,848

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter €'000
77
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7.	Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end €’000	Amount drawn at quarter end €’000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other – Convertible Notes	-	-
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

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8.	Estimated cash available for future operating activities	€'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(542)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(59)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(601)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	1,536
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	1,536
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	2.6

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

n/a

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

n/a

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

n/a

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2023

Authorised by: The Board of Po Valley Energy Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.