



**ASX / MEDIA RELEASE
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Bezzecca completed on schedule and within budget

Australian gas producer, Po Valley Energy, (ASX: "PVE") is pleased to announce its 65% owned AIM listed subsidiary, Saffron Energy (AIM:SRON) has achieved mechanical completion of the Bezzecca natural gas project outside Milan within budget and on schedule. Certificates for mechanical and instrumentation completion have been issued and safety and performance testing is underway.

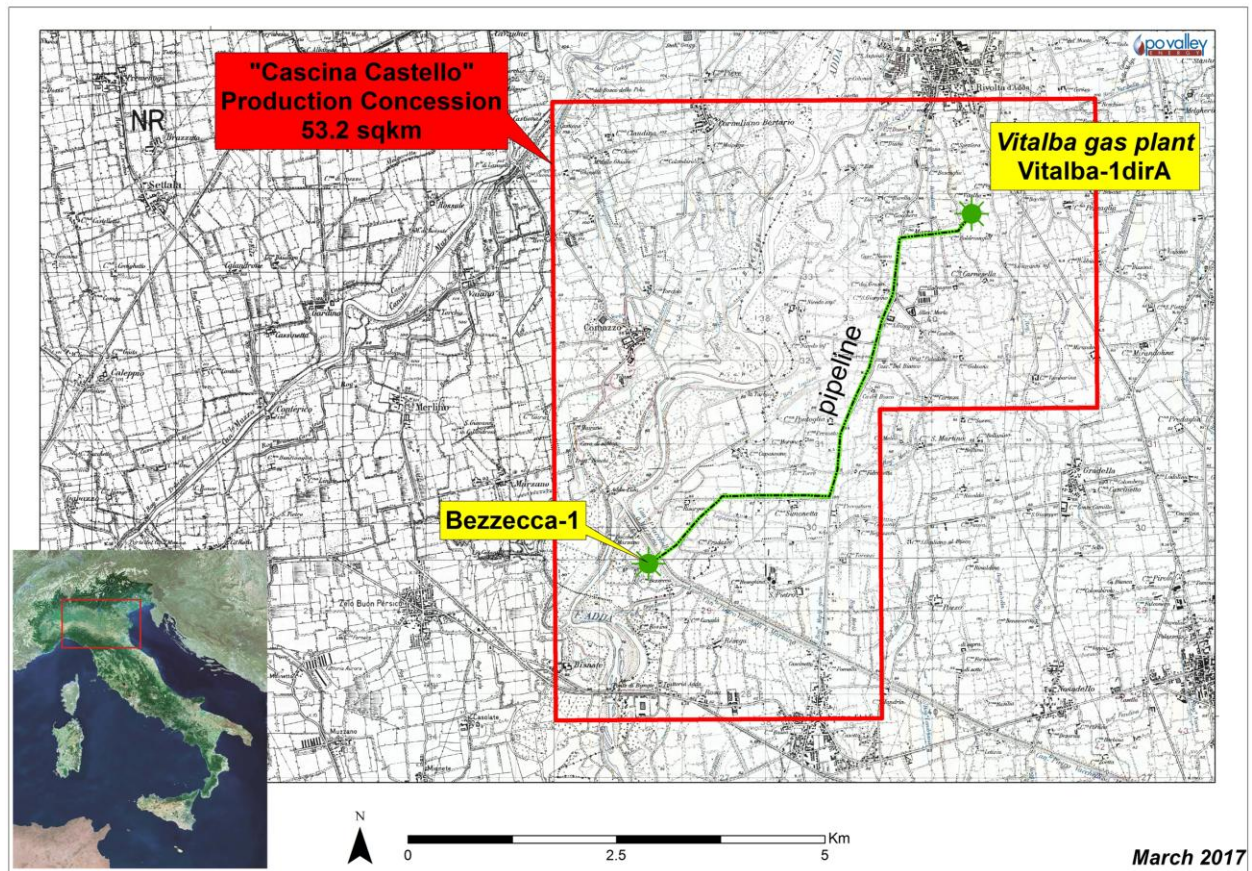
The Bezzecca project includes the Bezzecca gas field, the 7.5km newly constructed tie-in pipeline, the Vitalba gas plant and national grid connection.

The Bezzecca gas field is an approved production licence located east of Milan within the established gas-producing Po Valley region in northern Italy. Gas from Bezzecca 1 will be processed at the Vitalba processing plant.

An offtake agreement for gas supplied from all the Group's Italian gas fields is in place with Shell Energy Italia S.r.l. Gas produced from the Company's fields is transported directly into the Italian national grid, which is owned and operated by SNAM Rete Gas S.p.A.

The next key step will be the inspection by Italian Ministry of Economic Development (the "Ministry") and the Lodi and Cremona fire brigades, which is expected to occur in early April. Following a satisfactory inspection, the Ministry will then issue approval to start the first commercial natural gas production and revenue.

Final Ministry approval to commence gas production is expected in early April 2017. The Company will update the market when this final milestone occurs.



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