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## ASX/MEDIA RELEASE

15 January 2019

# PRELIMINARY AWARD OF SELVA PRODUCTION CONCESSION – PVE 63% INTEREST

### Highlights:

- Onshore Selva gas project in northern Italy receives preliminary award of production concession
- Preliminary award of production concession highlights the strength of Po Valley's in-country management team and progresses Selva toward first gas late in CY20.

**Australia's Po Valley Energy Limited**, ("Po Valley" or "The Company") is pleased to announce that the Italian Government has granted preliminary approval for the Company's planned first production well at its onshore Selva Malvezzi field, northeast of Bologna in northern Italy.

Selva is 63%-owned by Po Valley, with the remainder owned 20% by United Oil & Gas Plc and 17% by Prospex Oil & Gas. The field was a significant historic producer for Eni S.p.A, producing 2,380MMscm (84 Bcf) from 24 wells between 1956 and 1984. The Selva field is less than one kilometer from the country's national gas grid.

The Company is targeting final Selva production approvals by the first half of next year and to complete the well and field connection pipework with first gas targeted by late in CY20.

### Chief Executive Officer, Mr Michael Masterman, commented:

"The preliminary award of the Selva production licence is a key and major regulatory milestone in advancing our Selva project towards production. Receipt of the preliminary award furthers our strategy of securing exposure to the surging Italian domestic gas market where prices over CY18 rose more than 50% to ~€0.30/cm (US\$9.60/mcf)."

"Italy continues to have to import more than 90% of its gas consumption so new domestic contributors such as Selva build shareholder value and help deliver Italy's push to use natural gas as a critical transition fuel towards a low carbon economy and with negligible environmental impacts."

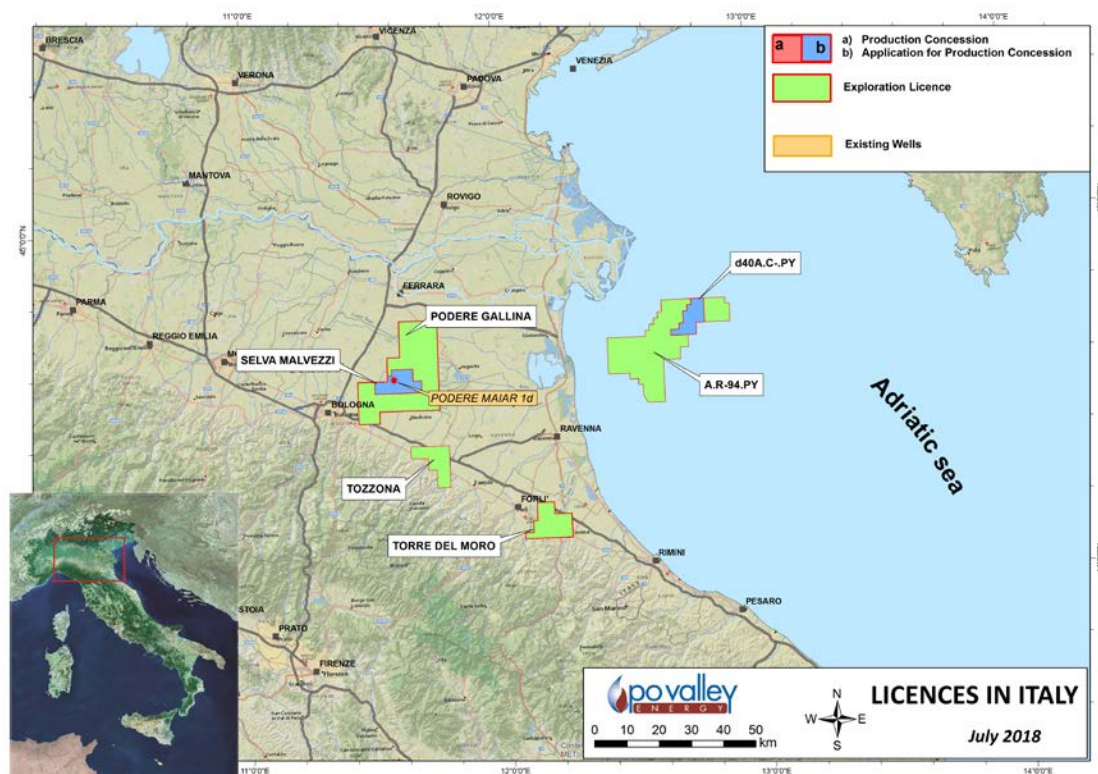
A Po Valley drilling program, Podere Maiar 1 dir, late in 2017, intersected two identified gas reservoirs, C1 and C2, with subsequent good flow rates and a 2C resource of 17 Bcf (refer ASX announcement 19 February 2018).

Given its scale and proximity to the national grid, the development plan for Selva is straightforward and includes installation of an automated gas plant at the existing Podere Maiar 1 dir well site and then a 1km connection to Italy's national gas grid.

The well has generated very high quality gas with a methane content of 99.1%, which is expected to further minimise processing costs. Once operational, the Company is targeting production of up to 5.3 mmscf/day from the C1 and C2 sand levels (refer ASX Announcement 29 May 2018).

Subject to successful 3D seismic results from the upcoming program, additional wells would be drilled across the Selva gas field and nearby prospects existing in the exploration concession.

### Po Valley's licences in northern Italy



### MEDIA CONTACTS:

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The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of contingent resource estimates that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.