



ABN 33 087 741 571

Suite 8, 7 The Esplanade, Mt Pleasant WA 6153, Australia

Phone: +61 8 9316 9100 Fax: +61 8 9315 5475

### **Po Valley Energy Raises \$2.5m in Convertible Note Issue**

Po Valley Energy Limited ("PVE" or "the Company") is pleased to announce it has secured funding of \$2.5m through the issue of a convertible note with a conversion price of \$0.042 per share and a maturity of 3 years.

The funds will be used to advance the Company's successfully drilled onshore Selva field to the grant of a production concession, advance offshore Teodorico to a final investment decision and complete front end seismic evaluation work on PVE's large oil condensate/gas Torre del Morro explorations licence.

Directors Kevin Bailey and Michael Masterman intend to participate in the note issue at a level of \$700,000 and \$300,000 respectfully, subject to shareholder approval. Shareholder approval will be sought at the Company's AGM planned for 30 May 2018. If these convertible notes are approved and issued the maximum number of PVE shares to be issued on conversion would be 16,666,667 shares to Mr Bailey and 7,142,857 shares to Mr Masterman.

The first \$1.5m has been placed to institutional and sophisticated investors with the receipt of the funds and the issue of the convertible notes expected to be completed in the first two weeks of May. If these convertible notes are ultimately converted to PVE shares the maximum number of PVE shares to be issued will be 35,714,286. The convertible notes will be issued under the Company's placement capacity and ratified subject to shareholder approval at the upcoming AGM.

The convertible notes will have a conversion price of 4.2c per share which is a 2.4% premium to PVE's current share price, a 3 year maturity expiring May 2021 and a coupon interest rate of 8% per annum (to be paid in cash at 6 monthly intervals). The notes will be redeemable by PVE prior to conversion with 30 days notice.

There will be no change to the conversion terms of the convertible notes following PVE's planned distribution of 100,000,000 Saffron Energy Plc shares<sup>1</sup> (which is subject to shareholder approval being sought on 7<sup>th</sup> May 2018).

#### **Media Contacts:**

Po Valley Energy  
Kevin Skinner, Field Public Relations (0414 822 631)

<sup>1</sup> Saffron shares are currently valued at 4.1 pence/share, which equates to \$0.0126 per PVE share at the current exchange rate of 1.83 AUD/GBP.