



Investor update

November 2018

Investment highlights

63%-owned Selva onshore gas project

Low capex (€3m, gross) and high IRR (+120%)

3D seismic in 2Q 2019 targeting East Selva (35 Bcf) and Riccardina (35 Bcf target)

Targeting to 5x the current resource at Selva

Exposure to the surging Italian domestic gas market

+50% increase in 2018 to €0.30/cm (US\$9.60/mcf)

100%-owned Teodorico offshore gas project

~€29m EBITDA p.a., 31% IRR at €0.30/cm (US\$9.60/mcf)

Deep Italian/global oil and gas expertise

Team includes former management of Eni S.p.A, ex. Technical Director at Woodside/AWE and exceptional resource financing expertise

Corporate snapshot



An emerging oil & gas developer in Italy with visibility on near term domestic gas production

Financial Information (1 Nov 2018)

Share price	A\$0.042
52 week high / low	A\$0.063 / A\$0.031
Number of shares (undiluted) ¹	593.3M
Market Capitalisation	A\$24.9M
Cash (30-Sep-18)	A\$0.1M
Debt (30-Sep-18)	A\$4.5M
VAT Receivable	A\$0.6M
Enterprise Value	A\$29.3M

Source: IRESS

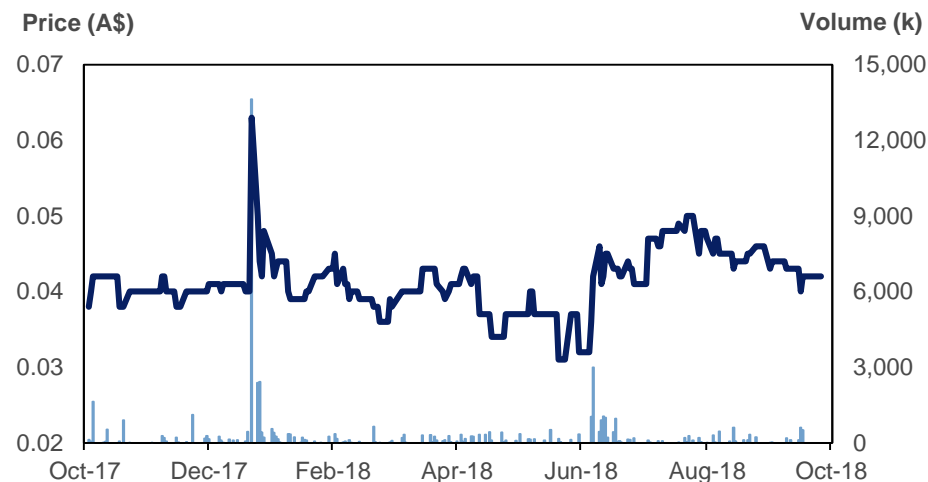
Notes:

- 1 Excludes a A\$2.5m convertible note issued on 26 June 2018 with interest of 8% per annum, a conversion price of A\$0.042 per fully paid ordinary share, and a maturity of 3 years from issue
- 2 Undrawn loan facility of €155k (A\$250k) as at 30 September 2018

Substantial shareholders

	%
Michael Masterman	26.4%
Kevin Bailey	22.4%
Byron Pirola and associates	10.0%
Supervised Investments	7.1%

Share price performance (1 year)



Source: IRESS

Board of Directors

Michael Masterman – Chairman and Chief Executive Officer

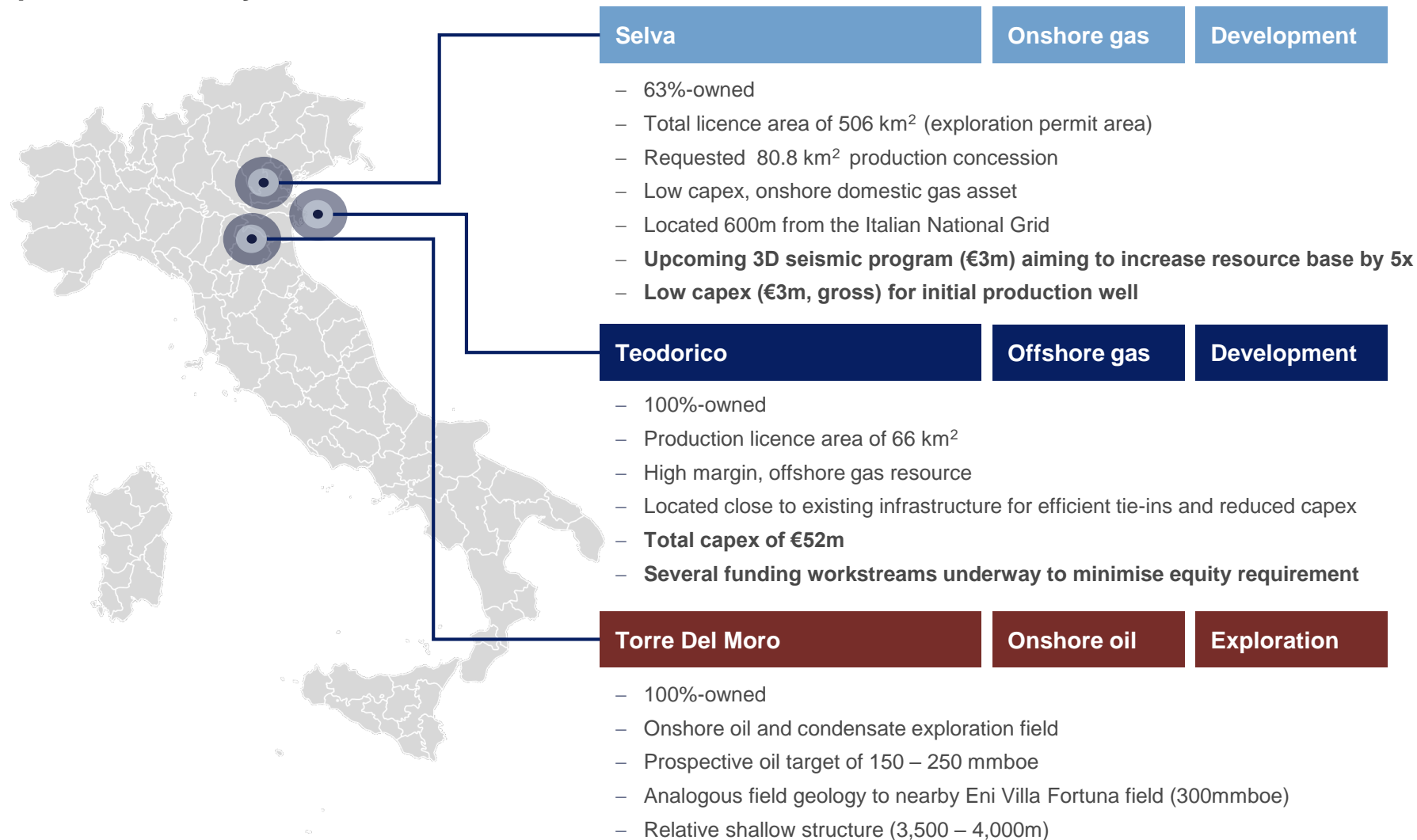
Byron Pirola – Non Executive Director

Kevin Bailey – Non Executive Director

Portfolio overview



Po Valley Energy has ownership over three large oil and gas assets in the prolific hydrocarbon provinces in Italy

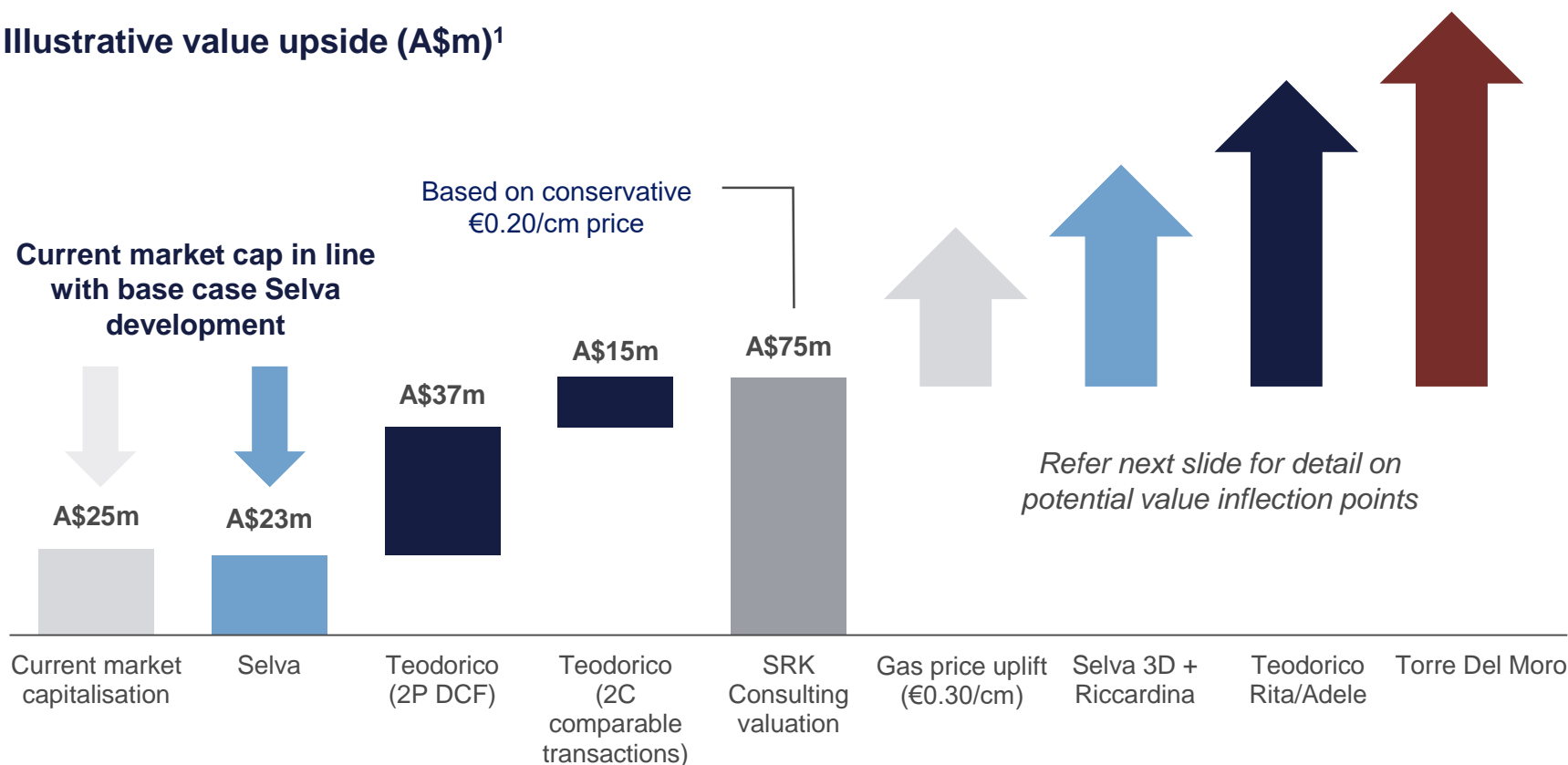


Potential asymmetric payment payoff



Based on independent analysis, the current market valuation of Po Valley is completely underwritten by the value of Selva's base case development – implying a potential asymmetric payout profile

Illustrative value upside (A\$m)¹



Source:
1 - SRK Independent Experts Report (2018). Refer to ASX release 28 February 2018

Potential upcoming value inflection points



Po Valley has several major potential operational catalysts over the next 12 months

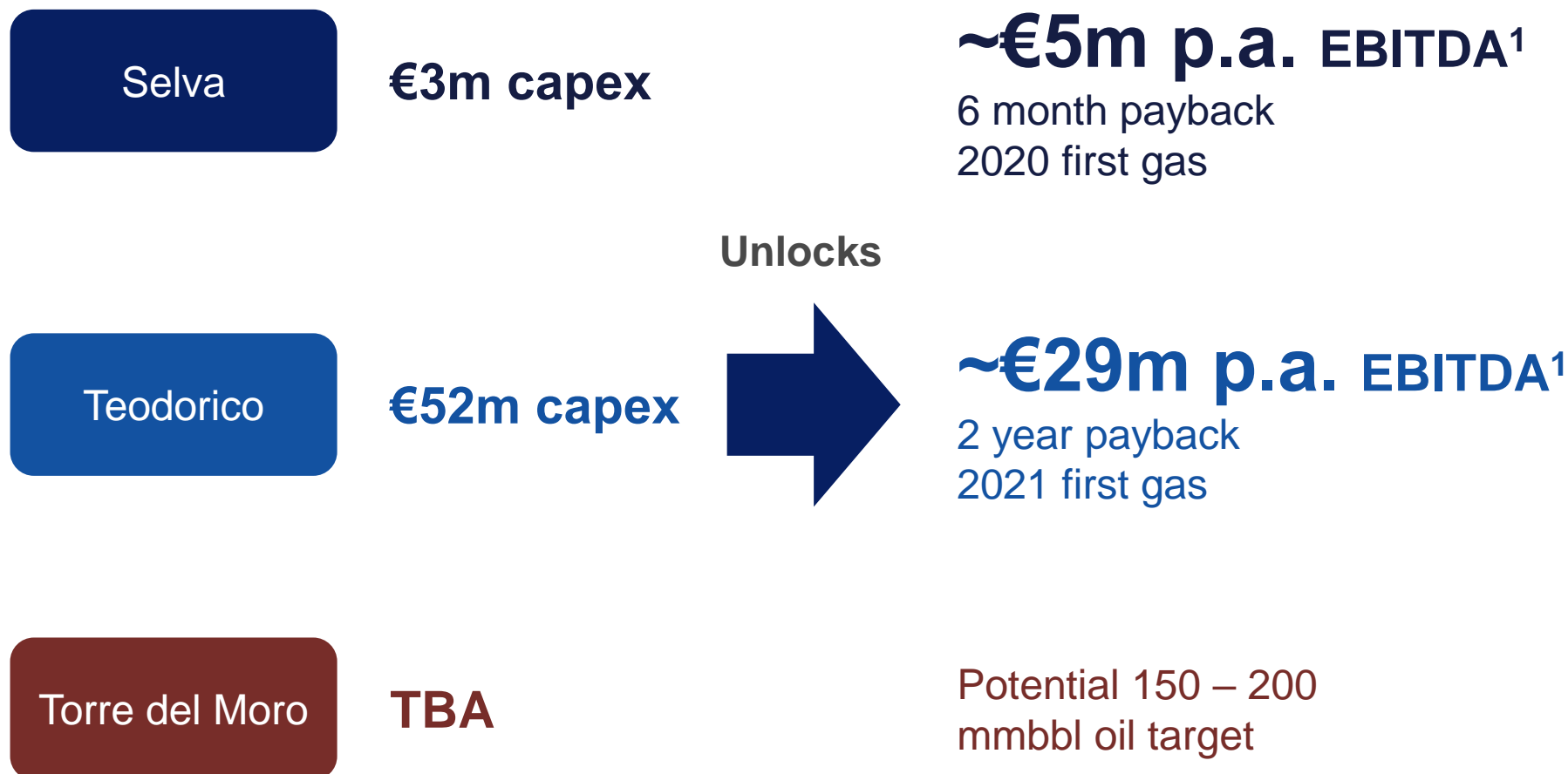


Source:
1 - Refer to ASX release 30 May 2018

Highly compelling project economics



Significant EBITDA can be unlocked with very limited capital expenditure — providing strong economics which will deliver significant shareholder value



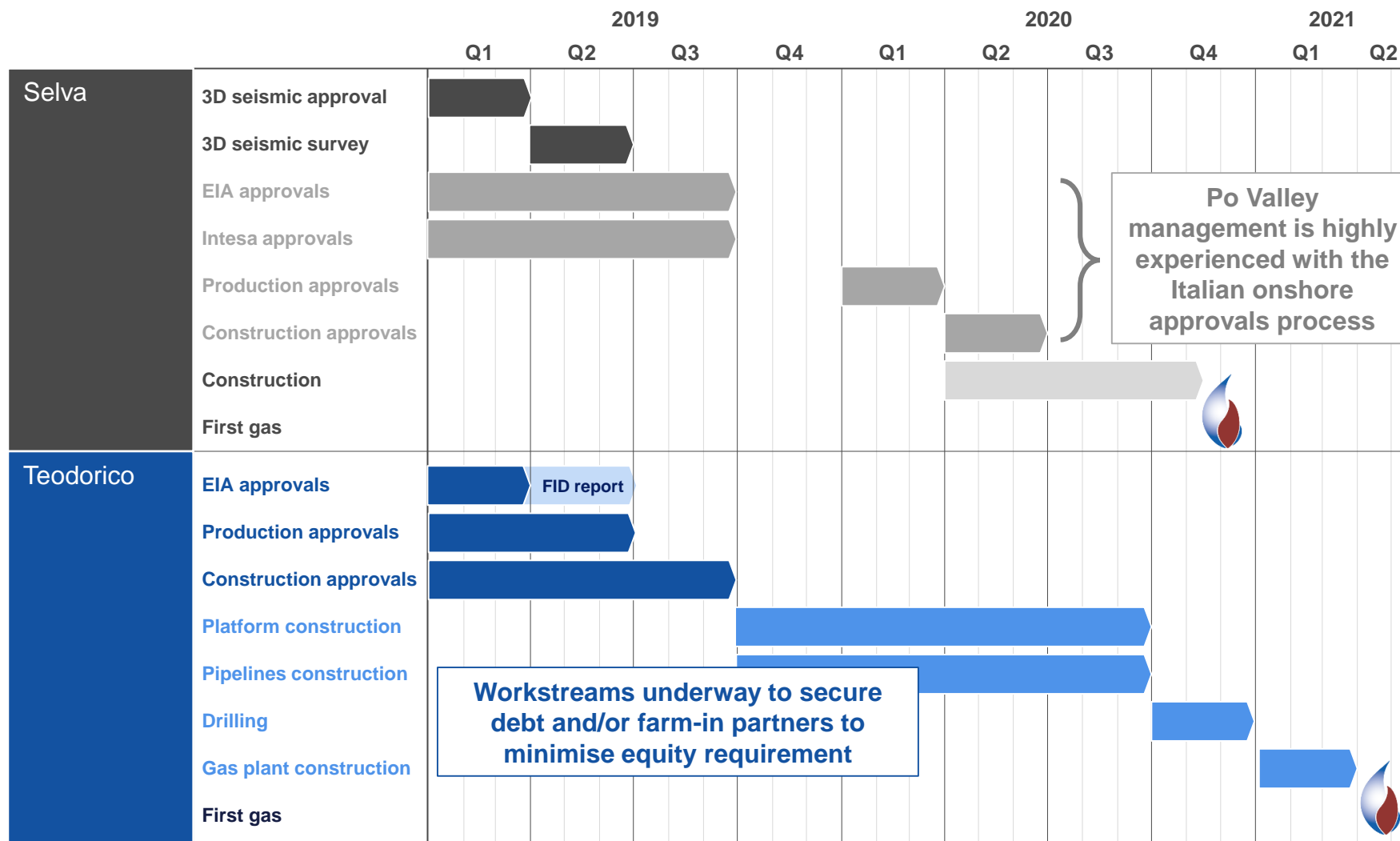
Note:

1 Based on spot market price of domestic gas of €0.30/cm / US\$9.60/mcf (up from €0.20/cm / US\$6.40/mcf at time of SRK report. Refer to ASX release dated 28 February 2018)

Project development schedule



Executing on clear development path targeting first gas in Q4 2020 (Selva) and Q2 2021 (Teodorico)

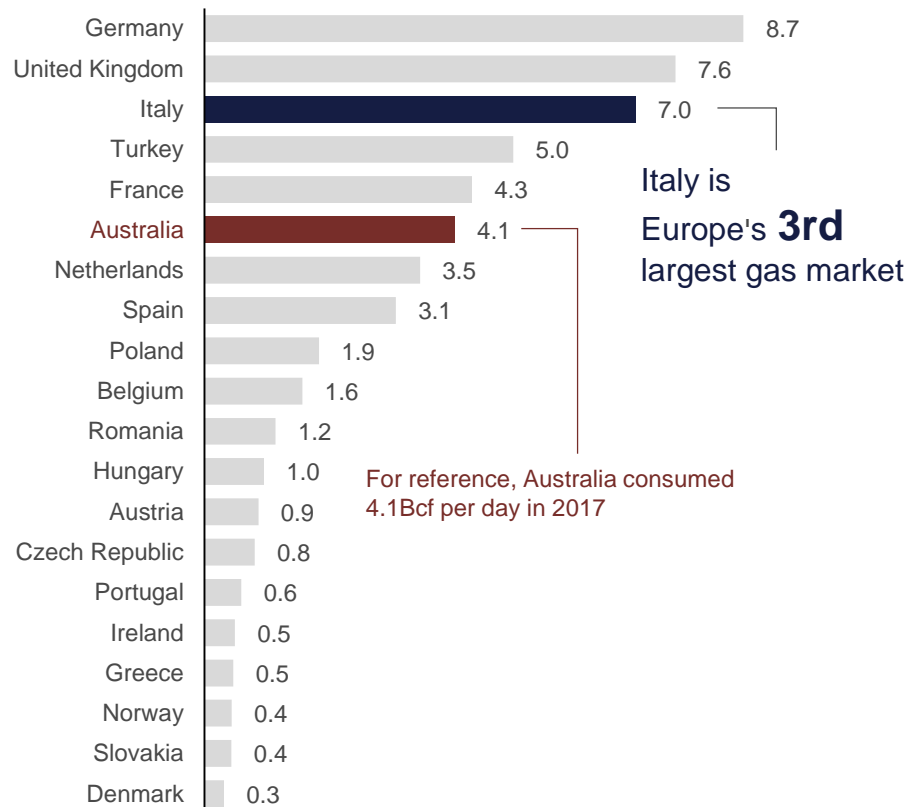


Italian oil and gas overview



Italy's natural gas market is the third largest in Europe, recently investing in sizeable infrastructure projects across the country

Europe's largest gas markets (Bcf/d consumption, 2017)



Overview

- Italy is one of the most developed oil & gas markets in Europe, demonstrated by it hosting two of Europe's largest oil fields
 - Val d'Agri**: currently produces 95,000 bpd
 - Tempa Rossa**: expected production 50,000 bpd
- The regime has transformed over the last few decades into an industry friendly regime with low royalty rates (7% offshore, 10% onshore)
- In the 2000s, the Italian government moved to reduce the concentration of ownership away from Eni S.p.A and forced them to release a large number of licences
 - Licences were generally high potential discoveries that Eni S.p.A had not yet developed

Po Valley Energy capitalised on this release and acquired a number of ex. Eni S.p.A high potential exploration projects

Our exploration team also worked on the exploration of these licences while at Eni S.p.A

Source: BP Statistical Review (2017)

Italian domestic gas market

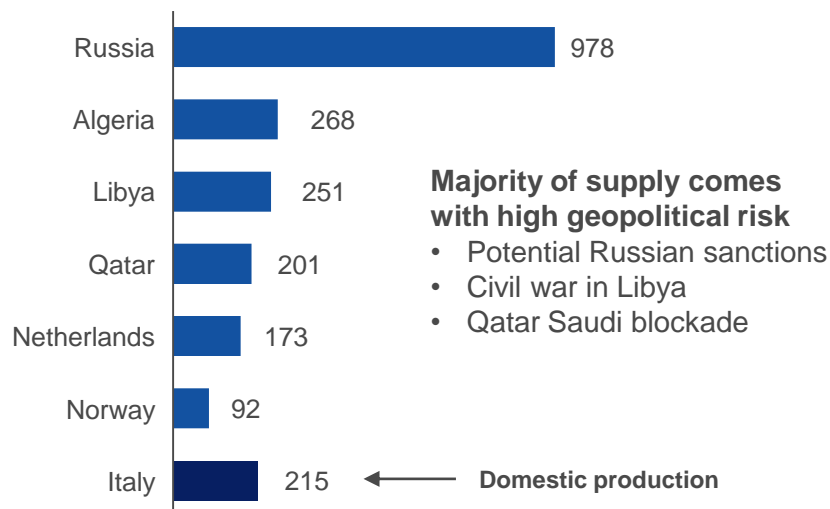


Italy's domestic gas market is facing supply concerns, putting upward pressure on gas prices

Supply

91% of Italian gas consumption is imported

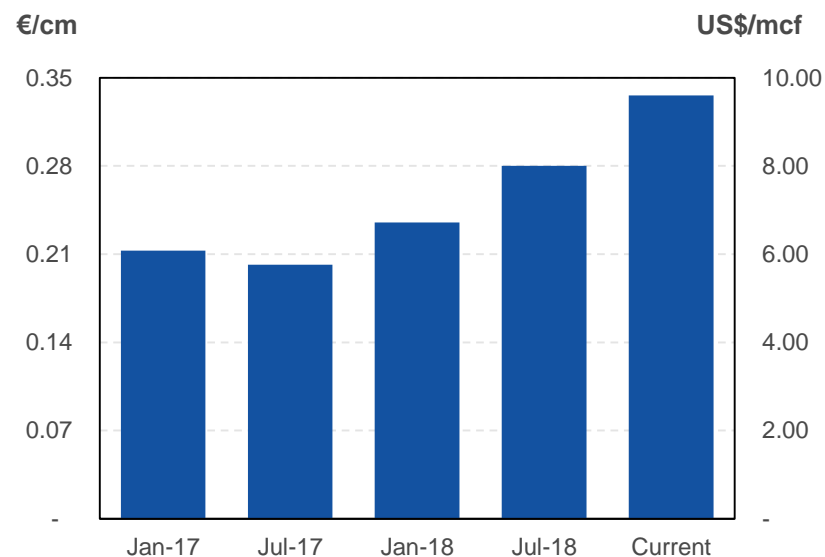
Gas consumption (Bcf)



Energy prices

Domestic gas prices continue to increase

In October 2018, prices have rallied to over €0.30/cm (US\$9.60/mcf)



Selva – project overview



Selva is a low capex, near term gas development project developing one of Eni S.p.A's largest onshore gas fields

Overview

- Onshore gas development asset, located in the eastern part of the Po Plain, Italy
 - 63%-owned by Po Valley (20% United Oil & Gas Plc, 17% Prospek Oil & Gas)
 - Total requested Production Concession licence area of 81 km² Located < 1,000m from Italy's national grid
- Historic field which produced between 1956 and 1984 for Eni S.p.A, penetrated by ~24 wells
 - Historic production of 2,380 MMscm (84 Bcf)
 - Very well known geology will de-risk future development across the permit
- Po Valley's late 2017 drilling program, Podere Maiar 1 dir, intersected two identified gas reservoirs, C1 and C2
 - Total net pay 41m across C1 and C2
 - **C1:** flow rate of 129,658 scm/d (3/8" choke)
 - **C2:** flow rate of 148,136 scm/d (3/8" choke)
- Success with Podere Maiar 1dir opens up substantial expansion potential
- Very high quality methane gas content (99.1%) minimises processing costs to feed into the grid
 - Wholesale prices expected at the wellhead

Podere Maiar 1dir exploration well (drilled 4Q 2017)



Key metrics

Ownership	63%
Resources (2C, attributable)	10.7 Bcf
Resources (Best Prospective, attributable)	21.9 Bcf
First gas	4Q 2020
Capital expenditure (gross/net)	€3m / €2m
NPV (10%)	€23m ¹
IRR (real)	120%

Notes:

¹ Based on 2P Reserve only

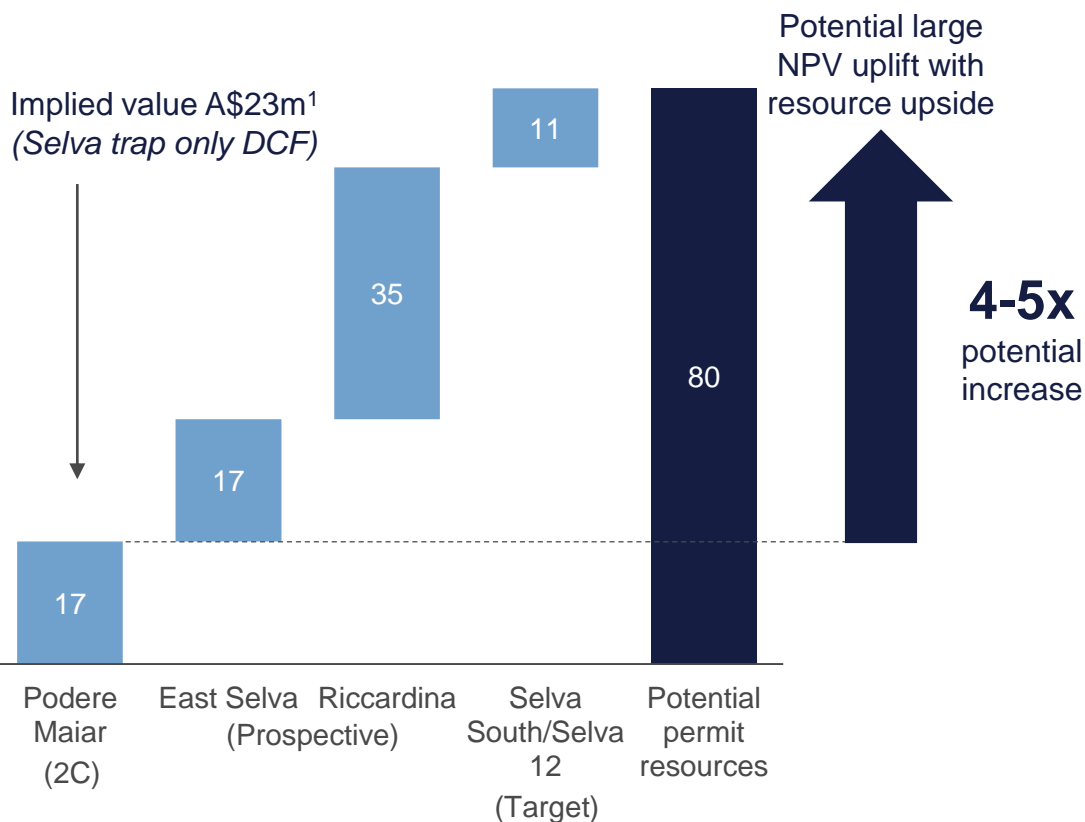
² Refer ASX release dated 28 February 2018

Potential upside at Selva



There is significant potential for value upside at Selva if economic resources can be defined and subsequently developed

Potential resource upside (Bcf, PVE owns 63%)



Podere Maiar

(2C Resource: 17 Bcf)

- Initial development focus
- Successful well test and flow rates recorded in late 2017 / early 2018
- To be developed across 2019 with first gas in 2020

Riccardina lead

(Exploration target: 35 Bcf)

- Lower pliocene sand target
- Riccardina-1 well did not hit the structure
- Structural trap on the footwall of a back thrust associated to Selva main thrust

East Selva lead

(2C Prospective: 17 Bcf)

- On the same trend of Selva structure
- Mid pliocene reservoir never drilled
- Amplitude anomaly in seismic in top C level

Selva South / Selva 12

(Prospective: 11 Bcf)

- On the same trend of Selva structure

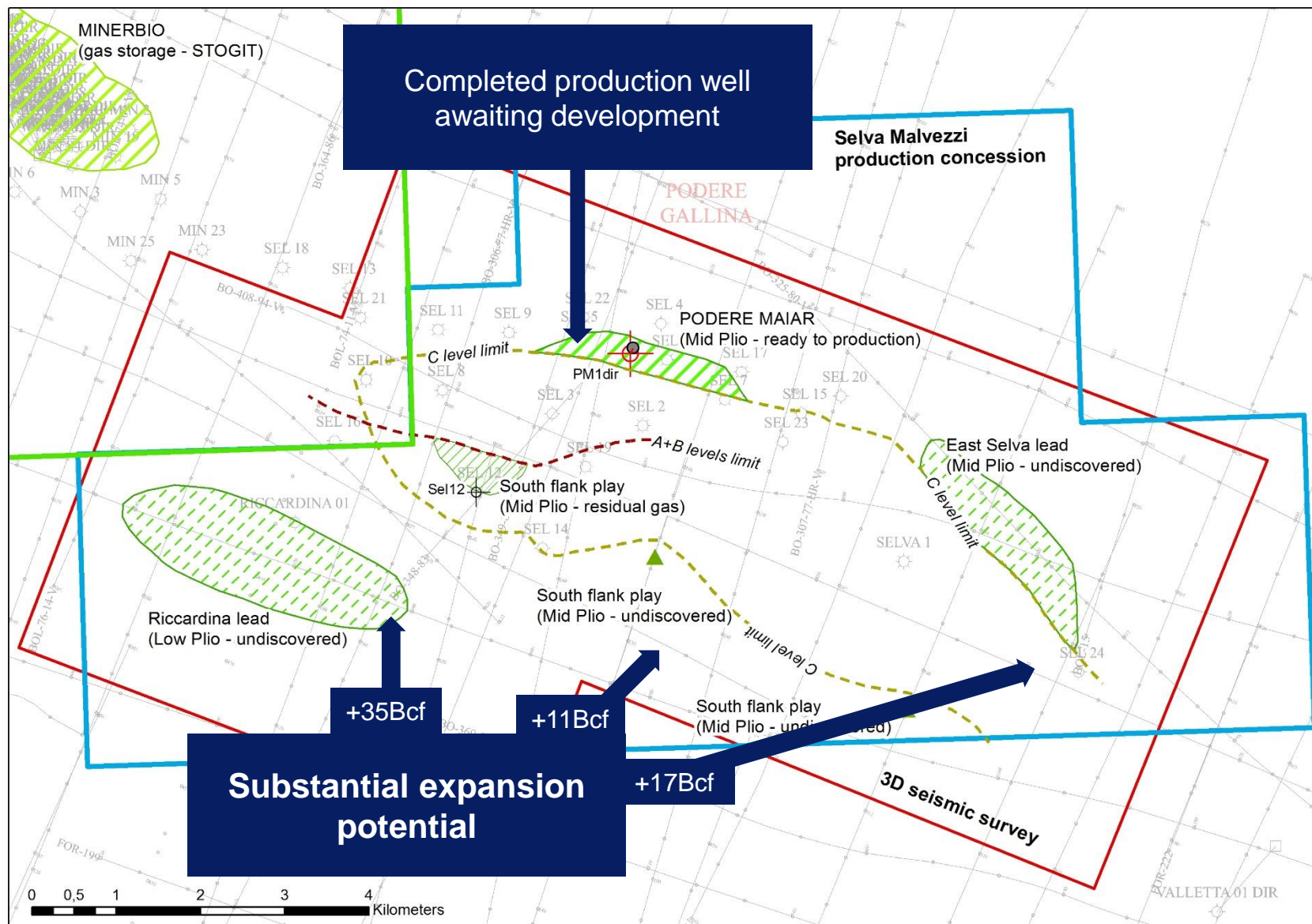
Note:

¹ SRK Independent Experts Report (2018). Refer ASX release dated 28 February 2018.

² Converted at 1.00 EUR = 1.60 AUD as at 31 October 2018

Upcoming 3D Seismic focused on defining more resources across the permit

Selva – Production concession



Selva – development plan



Po Valley has a simple development plan for Selva which includes the installation of an automated gas plant and then 1km connection to Italy's National Gas Grid

Overview

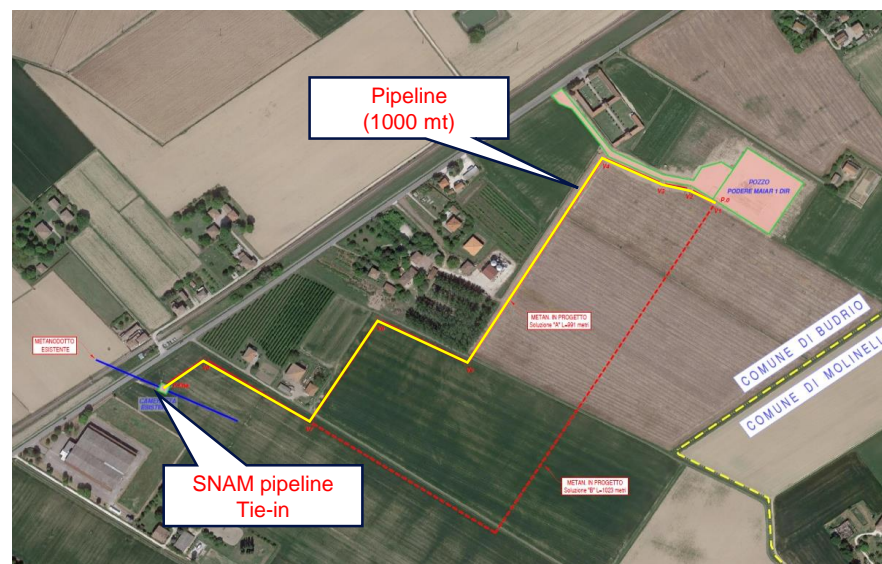
- Successful well test in early 2018 demonstrated strong flow rates from C1 and C2 sands
- Po Valley has formally submitted the Production Concession application (80.8 km²) in mid-2018
- **Simple straight forward development**
 - Install fully automated gas plant at the existing Podere Maiar 1dir well site (€3m gross)
 - Install a 1km long pipeline to connect to the National Grid



Production of up to 5.3 mmscf/day from C1 and C2 sand levels

- Pending successful 3D seismic results (upcoming program), additional wells would be drilled across the Selva gas field (i.e. Selva East and Riccardina)
 - Preparations are being made for the 3D seismic program to proceed in 1Q 2019

Pipeline location



Short distance to pipeline means low transport costs and low capex

Teodorico - overview

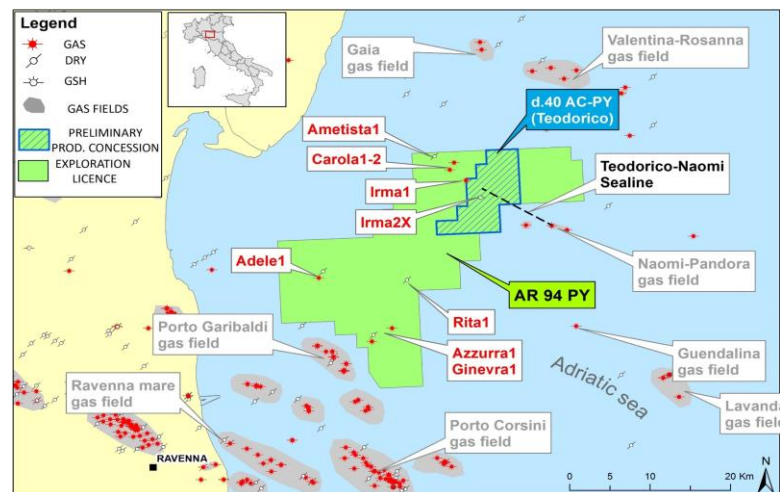


Teodorico is Po Valley's largest scale asset, it is at an advanced stage of assessment and is ready for development pending final approvals

Overview

- Offshore gas development asset located in the shallow waters of the Adriatic Sea (d 40 AC-PY), 30km south-east of Venice
 - 100%-owned by Po Valley Energy
 - Total licence area of 65.9km²
- Major milestone achieved with a preliminary 20-year Production Concession awarded in 4Q 2015
 - Provides permission to drill 2 development wells to be connected to nearby infrastructure
- Since then, 120km² of 3D seismic and well data has been since purchased from Eni S.p.A
- Two nearby gas discoveries were drilled and tested by the former operator Eni S.p.A
 - Carola:** discovery well drilled in 1986 to 2,620m and recorded flow rates of 62,000cm/d (1/4" choke)
 - Irma:** drilled in 1988 to 2,572m and recorded flow rates of 131,000cm/d (5/16" choke)

Location



Key metrics

Ownership	100%
Reserves (2P)	36.5 Bcf
Resources (2C)	10.6 Bcf
First gas	2Q 2021
Average EBITDA (first 2 years)	€19.3m ¹
Capital expenditure	€51.7m
NPV (10%)	€23.2m ¹
IRR (real)	21% ¹

Notes:

¹ Based on 2P Reserve only and at a gas price of €0.20/cm (US\$6.40/mcf) compared with spot prices of €0.30/cm (US\$9.60/mcf)

Teodorico – development and funding overview



Po Valley is executing on a comprehensive development and funding strategy for Teodorico that optimises returns for equity holders

Development plan

- Developed with 2 production wells in 30m water depth
 - Located 12 miles offshore from Ravenna
- Drilling expected to commence in 2H 2020
- Competitive capex total (€52m) driven by use of existing infrastructure
- Low risk with 5 tested production wells in the permit and 3D seismic coverage
- Well known geology (>1,000 wells drilled in onshore and offshore basin) reduces technical risk
- The platform will tie-in to the nearby Naomi-Pandora processing plant (operated by Eni S.p.A) through a 12km long pipeline
 - Naomi-Pandora will pipe the gas to the Italian National Grid using existing infrastructure
- Key contracts with major operators will further de-risk the Teodorico development



Shell: potential offtake contract discussions underway for gas production from Teodorico



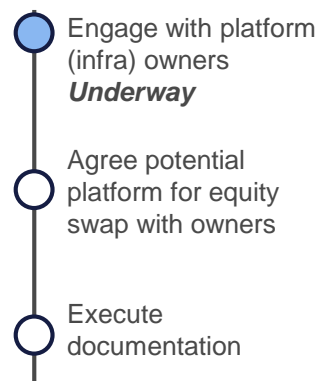
Eni S.p.A: in principle agreement under regulatory access provisions to access Naomi-Pandora infrastructure with Eni S.p.A

Capex¹

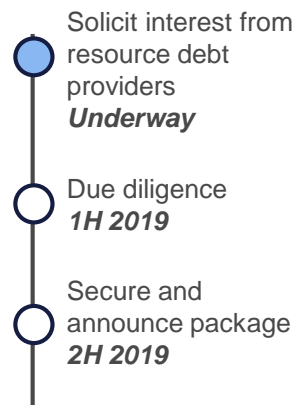
– Platform	€ 22.6m	}	€ 51.6m total
– Drilling	€ 21.4m		
– Sealines	€ 4.4m		
– Direct costs	€ 3.2m		

**Focus on minimising equity dilution
with 3 funding workstreams**

Construction finance



Debt finance



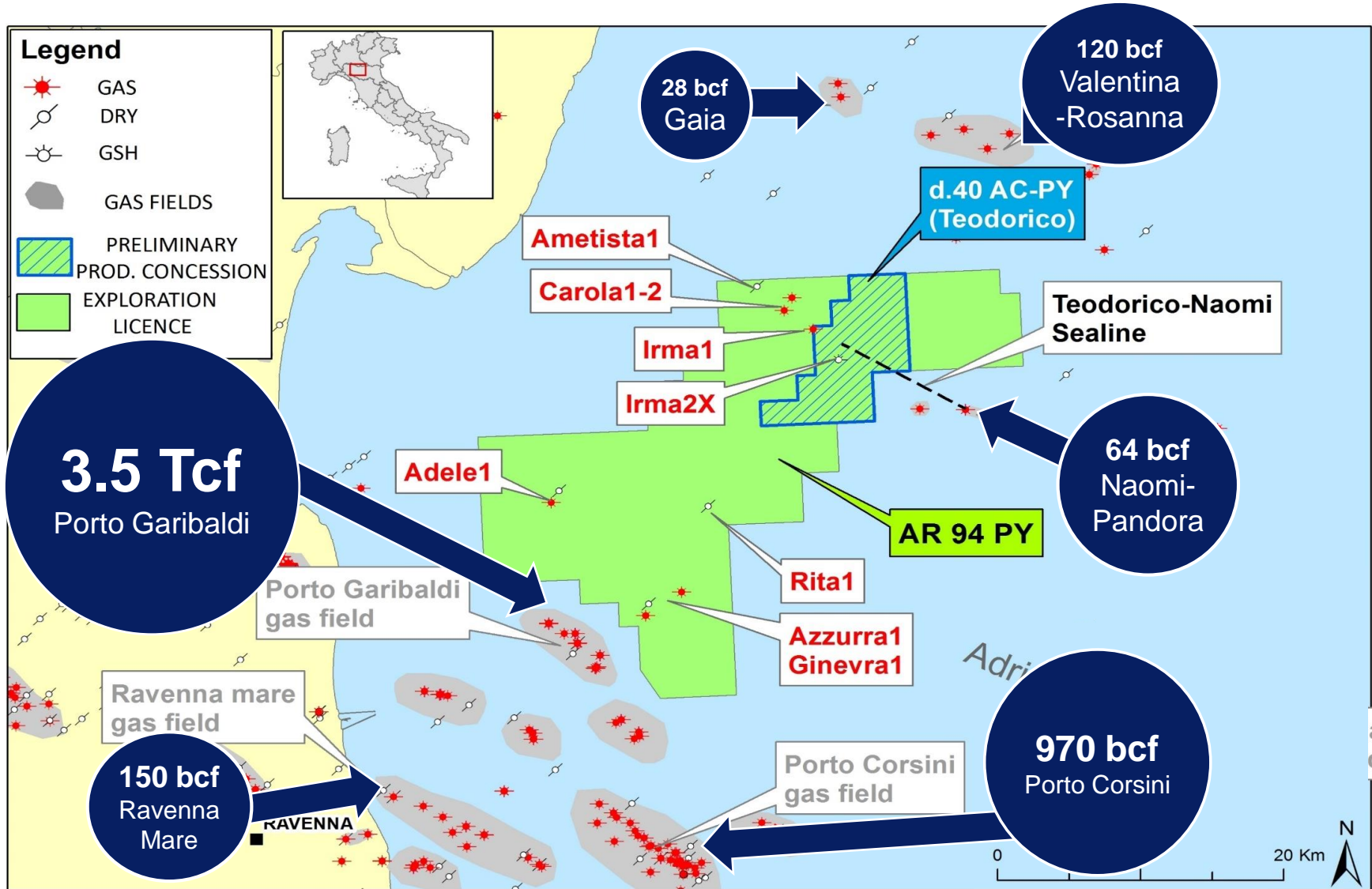
Farm-in with carry



Note:

1 Independent Specialist Report SRK Consulting – ASX release dated 28 February 2018

Teodorico – in the fairway of significant gas discoveries



Notes:

1 Size of resource on discovery

Core management team



Highly experienced in discovering, developing and operating oil and gas projects in the Po Valley

- Po Valley management team based in Australia (corporate) and Italy (technical), with deep industry links in country with local operators



Michael Masterman

Chief Executive Officer

- Former GM Fortescue Metals Group, CEO W Resources and CFO Anaconda Nickel
- Strong commercial and strategy background with 8 years McKinsey & Company



Giorgio Bertuzzi

Exploration & New Projects

- **30 years experience** in international explorations management
- **Former Exploration Project Manager at Eni**, Italy's largest oil & gas company, with over 30 wells evaluated resulting in several oil & gas discoveries



Daniele Marzorati

Engineering & Operations

- **30 years experience with ENI and Stogit**
- Proven experience in the operation of oil & gas projects in Po Valley with Italian oil & gas incumbents **Eni & Stogit**



Gianluca De Rosa

Senior Geophysicist

- **20 years experience** in the Italian oil & gas industry
- **10 years experience an Eni**

Reserves & Resources table



Gas reserves (Bcf)	Gross			Net Attributable			Operator
	1P	2P	3P	1P	2P	3P	
Teodorico	26.7	36.5	47.5	26.7	36.5	47.5	PVE

Gas Resources (Bcf)	Gross			Net Attributable			CoS %
	1C	2C	3C	1C	2C	3C	
Teodorico	7.4	10.6	14.0	7.4	10.6	14.0	75%
Selva Strat Trap	11.4	17.0	23.0	7.2	10.7	14.5	>80%
Total (Bcf)	18.8	27.6	37.0	14.6	21.3	28.5	

Gas Prospects (Bcf)	Gross			Net Attributable			CoS %
	Low	Best	High	Low	Best	High	
East Selva	29.1	34.8	40.6	18.3	21.9	25.6	13%
Cembalina	2.1	3.3	4.7	1.3	2.1	3.0	51%
Fonda Perino	10.2	14.6	20.5	6.4	9.2	12.9	34%
PLC3-C	8.3	15.9	25.0	7.9	15.9	25.0	17%
Total	49.7	68.6	90.8	34.0	49.1	66.5	

Source: CGG Services (UK) Limited, 2018. Refer ASX release dated 19 February 2018

Why invest now?



1

Near term resource upside

3D seismic program in 2Q 2019



targeting

Success at East Selva (17 Bcf prospective) and Riccardina (35 Bcf target) would 5x current resource

2

Highly economic projects

Selva: €3m capex
Teodorico: €52m capex



unlocks

Selva:
€4m EBITDA,
+120% IRR
Teodorico:
€29m EBITDA,
+31% IRR at €0.30/cm
(US\$9.60/mcf)

3

Market dynamics

Continued supply uncertainty



resulting in

Domestic gas market prices have spiked from €0.20/cm to €0.30/cm (US\$6.40/mcf to US\$9.60/mcf) in 2018

4

Large scale potential

Upside following near-term projects

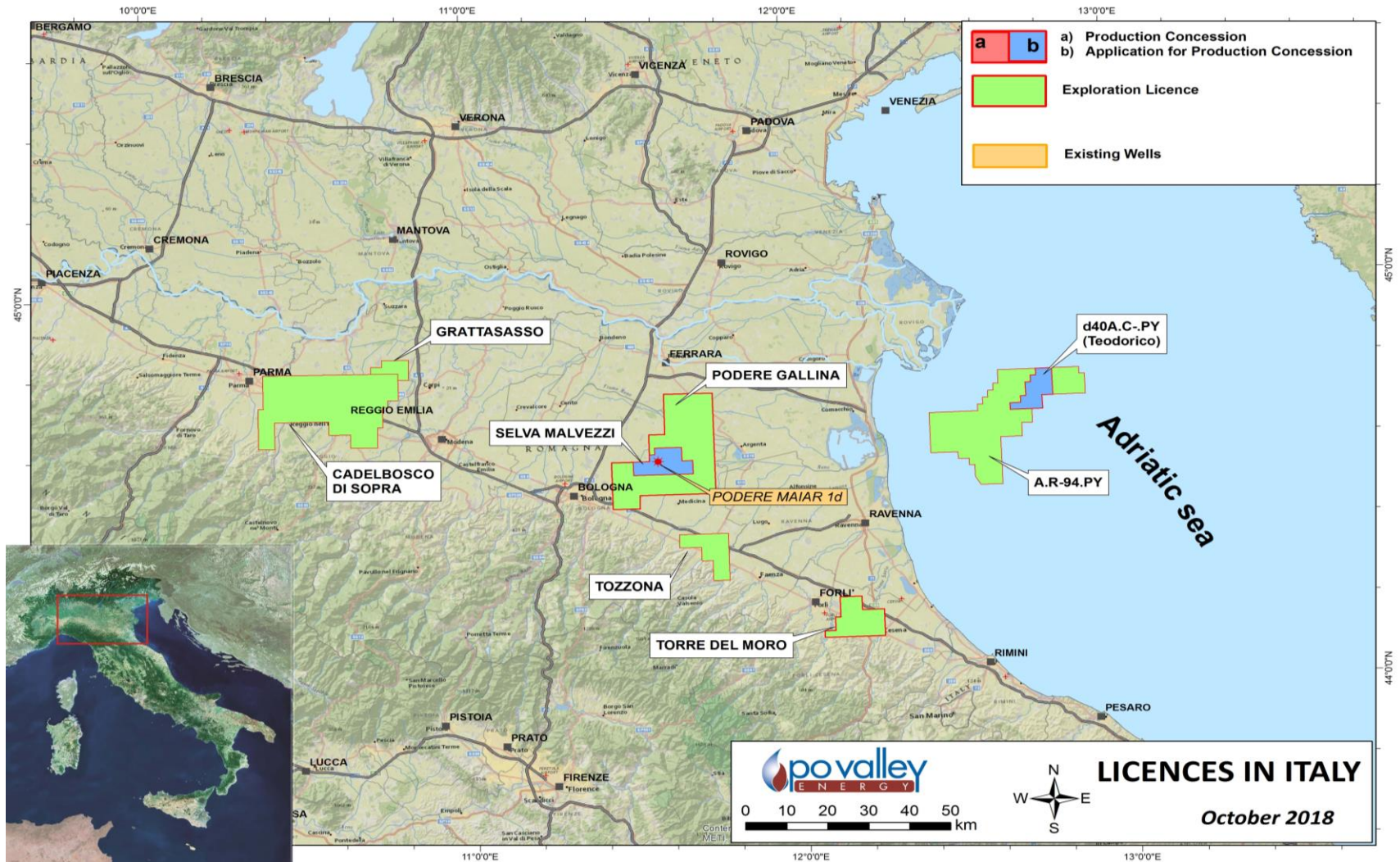


Exploration potential at Selva, Teodorico and Torre del Morro provides a significant value catalyst

Tenement map



Po Valley's three core assets; Selva, Teodorico and Torre del Moro, are located onshore in northern Italy and in the Adriatic sea





Competent Persons Statement

The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of oil and gas Reserves and Contingent Resource Estimates, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

Disclaimer

This presentation is for informational purpose only and should not be considered as an invitation or recommendation to purchase securities in Po Valley Energy Limited. This presentation may contain forward looking statements that are subject to risk factors associated with the oil and gas industry. Po Valley Energy Limited has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this presentation. Accordingly, to the maximum extent permitted by applicable laws, Po Valley Energy Limited makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and take no responsibility and assume no liability for, the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission, from any information, statement or opinion contained in this presentation. The statements contained in this presentation may be affected by variables and changes in underlying assumptions which could cause actual results or trends to differ, including but not limited to price fluctuations, actual demand, currency fluctuations drilling and production results, reserve estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates. You should not act or refrain from acting in reliance on this presentation material. This overview of Po Valley Energy Limited does not purport to be all inclusive or to contain all information which its recipients may require in order to make an informed assessment of Po Valley Energy Limited's prospects. You should conduct your own investigation and perform your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this presentation and making any investment decision. The contents of this presentation are confidential. This presentation is being provided to you on the condition that you do not reproduce or communicate it or disclose it to, or discuss it with, any other person without the prior written permission of Po Valley Energy Limited. The views express within this document are solely those of Po Valley Energy Limited.

