



**ASX / MEDIA RELEASE
9 May 2016**

Po Valley Energy Refinances and Reduces Debt

Po Valley Energy, the Italian gas production company, is pleased to announce a reduction and refinancing of its outstanding debt.

Debt Reduction and Refinancing

The outstanding debt has been reduced to EUR 450,000 and refinanced through a streamlined facility provided by existing and former Directors of the Company. The new facility arrangement is unsecured, has a term of 12 months and an interest rate of 10%.

The new facility provides a streamlined flexible arrangement and removes the onerous administrative and security requirements of the Nedbank reserve based lending facility. Po Valley has successfully reduced its debt from EUR 2.78 million at the end of 2015 by 84% to EUR 0.45 million.

The new facility agreement has been reached with entities associated with Byron Pirola and Kevin Bailey (Directors) and Graham Bradley (former Director) and will come into effect on or around 9 May 2016.

Sillaro Update

Last week we reported that the perforation of level C1 in Sillaro carried out during April was inconclusive and the blockage was unable to be removed. Following analysis Po Valley has decided to re-perforate level C1 on Sillaro-2 and will also perforate this level on Sillaro-1. Perforation operations are expected to commence this week.

Commenting on refinancing, Chairman Michael Masterman said "Po Valley has achieved a very significant reduction and now refinancing of its debt. The new arrangements provide the flexibility for the management team to focus on the development of our Italian gas fields. We hope to be successful with the planned perforation of level C1 at Sillaro in both production wells in the coming weeks."

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