



ASX Announcement

21 January 2016

## **Update on Restructure of Company's Borrowing Arrangements**

Po Valley Energy Ltd (ASX: PVE) the Italian based oil & gas exploration, development and production company with interests in Northern Italy provides the market with the following update further to its request for a trading halt<sup>1</sup> and voluntary suspension. The Company has requested that the voluntary suspension be lifted following this announcement.

As previously disclosed, the Company has been negotiating to restructure its borrowing arrangements with its primary lender Nedbank Limited. The Company and Nedbank Limited have signed a letter agreement outlining the key terms of this restructure and expect to finalise an Amendment and Restatement Agreement within the next few days. In accordance with the agreed terms, the Company repaid €2.2 million on 19 January 2016 reducing the outstanding amount to €576,000. Under the revised agreement, the Loan Facility will be changed from a reserve based loan to a standard loan with an agreed repayment plan in the form of monthly instalments in order to extinguish the facility by 30 September 2016. Cash at bank following the initial €2.2million repayment amounted to approximately €440,000.

Directors are currently reviewing several funding options to supplement the Company's cash at bank and revenue in order to fund the Company's operations in the short to medium term. The options under consideration include the issue of new equity, convertible debt and sale of operating or non-operating interests in assets.

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<sup>1</sup> Please refer to the ASX Announcement "Trading Halt" lodged on 14 January 2016 and "Suspension" lodged on 18 January 2016