



30 April 2024

## ASX ANNOUNCEMENT

### QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 MARCH 2024

#### Highlights

##### **Selva Malvezzi Production Concession – PVE (operator) 63% Interest**

- PM1 well continued to perform well throughout the March 2024 quarter
- Average daily production for the quarter was in the order of ~80,000 scm/day
- A standard slick line operation in March confirmed strong pressure build up confirming the average daily production rate for the foreseeable future
- PM1 is supplying the gas to BP Gas Marketing under an 18-month offtake agreement
- Gas prices have risen substantially on the back of the Middle East crisis
- The average weighted gas sales price for the quarter was €0.30/scm
- Quarterly production was 6,385,255 scm of gas (on a 100% basis) and revenue for the quarter was €1,906,891 (on a 100% basis).

#### Next steps

- Po Valley Energy continues to advance other projects within the Selva Malvezzi Production Concession. Top of mind in 2024 will be the preparation for an upcoming 3D seismic campaign on various targets within the license and a multi well drilling program which will require prior approval from the relevant authorities.

#### Corporate

- Operating cashflow for the quarter was €874k (net to PVE), with a one-month lag between revenue and cash receipts due to normal trading terms with BP Gas Marketing.
- Cash at 31 March 2024 €2,108k (~A\$3,510k).

Australia's Po Valley Energy Limited (ASX: **PVE**) ("**Po Valley**" or "**The Company**") is pleased to provide its Quarterly Activities Report for the period ending 31 March 2024, covering the Company's gas exploration, development and production outcomes across its onshore and offshore assets in northern Italy.

#### **Selva Malvezzi**

Selva is an onshore natural gas field located in the eastern part of the Po Plain, in the Bologna province, in the Emilia Romagna Region. The Selva Malvezzi Production Concession awarded in July 2022 measures 80.68km<sup>2</sup> and includes the Podere Maiar Gas field (**PM-1**) (in production) and the gas prospects known as East Selva, Selva North and South, Riccardina and Fondo Perino carved out from the former Podere Gallina Exploration Permit.

Po Valley Operations (100% subsidiary of the Company, "PVO") is the operator under a Joint Operating Agreement ("JOA") and holds a 63% interest in the Selva gas field with Prospex Oil and Gas Plc ("Prospex") holding 37% (includes 20% held by Prospex subsidiary UOG Italia S.r.l.).



balance sheet and solid production and gas price performance from PM-1. The Company is well positioned for this next phase of growth which compliments the Italian government's objectives to strengthen its own energy security as the neighbouring geopolitical situation increases in complexity."

### **Other Assets**

The Company continues to assess how best to realise value from its 100%-owned Teodorico (d.40.AC-PY) off-shore asset, either via a joint venture or sale. In December 2023, the Italian government published a New Energy Decree in response to Italy's energy security needs which include measures to strengthen the production and security of domestic natural gas supply. An accelerated permit regime is envisaged as an integral part of this decree. The decree was converted into law in February 2024. This law must now be operationalised, and the Italian Government has assigned this mandate to Gestore Servizi Energetici "GSE", an existing regulated body for energy in Italy. Po Valley is currently investigating this new law in consultation with its legal advisers and the relevant Ministry, MASE, to determine its implications for Teodorico. Ultimately the law is promoting domestic production citing the Northern Adriatic as a key source of natural gas for the country therefore the impact on Teodorico is positive. However the details are still being worked through from an operational perspective.

In addition, the company is reviewing optimal development paths for its residual assets (Cadelbosco di Sopra, Grattasasso and Torre del Moro) including the potential for introduction of third-party investors / partners who have interest in participating in their development.

Cadelbosco di Sopra and Grattasasso are shallow gas opportunities which fit neatly with the Company's proven exploration and development capabilities whilst Torre del Moro is a large deep gas prospect.

## **CORPORATE**

### **Cash flow**

Net operating cashflows for the quarter were €874k, which included receipts from gas sales of €1,157k and production operating costs of €146k. Development costs for the production well at PM-1 were completed in the previous quarter, amounts spent in this quarter were for minor additions to the plant. Work programs for other fields within the Selva Malvezzi Production concession commenced, with minor costs incurred in the quarter of €6k. As the work programme is further developed costs will begin to increase in this area. Receipts and costs are net of any Joint Venture Partner contribution or distributions. Joint Venture Partner interest is 37%.

The Group's cash balance at 31 March 2024 was €2,108k (~A\$3,510k).

Regarding Section 6.1 of the Appendix 5B amounts payable to related parties and their associates, which consist of current director fees for the quarter totalling €34k were made subsequent to the period end due to timing of public holidays at the end of March 2024.

### **Information Provided in Accordance with ASX Listing Rules 5.4.1 and 5.4.2**

In accordance with ASX Listing Rule 5.4.1, the Company confirms that, other than the development and production underway at the Podere Maiar-1 well site, there have been no material developments or changes to its exploration or production activities. The focus in this quarter was monitoring and managing gas production at the Poder Maiar-1 gas plant and pipeline, with some initial work commencing on developing a work program around the other gas prospects in the Selva Malvezzi Production concession.

In accordance with ASX Listing Rule 5.4.2, the Company advises that the development, production and exploration activities undertaken and costs incurred are as described in the relevant sections above.

### Summary of Tenements

		Tenement	Location	Interest held
PRODUCTION CONCESSIONS	AWARDED	<i>Selva Malvezzi</i> <sup>1(2)</sup>	Italy, Emilia Romagna	63% Po Valley 37% Prospex Group
	PREL. AWARDED	<i>Teodorico (d.40.AC-PY)</i>	Italy, Adriatic Offshore	100% Po Valley
EXPLORATION PERMITS	GRANTED	<i>AR94PY</i>	Italy, Adriatic Offshore	100% Po Valley
		<i>Cadelbosco di Sopra</i>	Italy, Emilia Romagna	100% Po Valley
		<i>Grattasasso</i>	Italy, Emilia Romagna	100% Po Valley
		<i>Torre del Moro</i>	Italy, Emilia Romagna	100% Po Valley

<sup>1</sup> Net to PVE is 63%, JV partners' 37% held by Prospex Group (Prospex Oil & Gas Plc 17% and UOG Italia S.r.l. 20%, UOG Italia S.r.l is a wholly owned subsidiary of Prospex Oil & Gas Plc. Notices of the quota transfers were submitted to Italian ministry in November 2022 and formally approved by MASE on 6<sup>th</sup> March 2024.)

<sup>2</sup> Selva Malvezzi Production Concession includes exploration areas that are deemed suitable for exploration, these areas were previously held under the Podere Gallina exploration permit and are included in the Selva Malvezzi Production Concession awarded in 2022.

### Reserves and Resources\*

Licence	Project	Reserves			Contingent Resources			Prospective Resources		
		1P	2P	3P	1C	2C	3C	Low	Best	High
Gas Bcf										
		2.38	8.18	18.58						
	Selva (Podere Maiar1)				0.7	1.1	2.3			
	Selva level A South									
<b>Selva Malvezzi</b>	Selva level B North				2.2	5.6	11.2			
<b>[Net]</b>	Selva level B South				0.6	2.2	5.9			
	Fondo Perino							6.4	9.2	12.9
	East Selva							18.3	21.9	25.6
	Riccardina							8.2	24.4	81.2
	Teodorico	27	37	48						
<b>AR94PY</b>	Teodorico				7.4	10.6	14.0			
	PL3-C							7.9	15.9	25.0
	Zini (Qu-B)				1.1	2.7	4.6			
<b>Cadelbosco</b>	Canolo (Qu-A)				0.7	1.1	1.7			
<b>di Sopra</b>	Canolo (Plioc)				0.4	3.6	10.5			
	Zini (Qu-A)							0.6	1.4	2.4
<b>Torre del Moro</b>	Torre del Moro							420.7	502	596.1

\* Gas Reserves and Resources by Field (as per CPR dated 25 July 2022 ASX announcement 26 July 2022) less depletion from production for the year 2023.



**Prospective Resources** are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcements referred to in this announcement and, in the case of estimates for petroleum reserves, contingent resources and prospective resources, all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not materially changed from the original market announcement.

*This announcement was approved for release by the Board of Directors of Po Valley Energy Limited*

**Enquiries to:**

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<b>Directors</b>	
Mr. Kevin Bailey AM, Chairman Ms. Sara Edmonson, Non-executive Director Mr. Joseph Constable, Non-executive Director Ms. Katrina O'Leary, Non-executive Director	

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PO VALLEY ENERGY LIMITED

ABN

33 087 741 571

Quarter ended ("current quarter")

31 MARCH 2024

Consolidated statement of cash flows	Current quarter €'000	Year to date (3 months) €'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,157	1,157
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	(146)	(146)
(d) staff costs	(109)	(109)
(e) administration and corporate costs	(71)	(71)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – Recoveries from JV for overheads	43	43
<b>1.9 Net cash from / (used in) operating activities</b>	<b>874</b>	<b>874</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(c) property, plant and equipment – Development of PM1 (net to PVE)	(3)	(3)
(d) exploration & evaluation (if capitalised)	(6)	(6)
(e) investments	-	-
(f) other non-current assets	-	-

**Appendix 5B**

**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

<b>Consolidated statement of cash flows</b>		<b>Current quarter €'000</b>	<b>Year to date (3 months) €'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(9)</b>	<b>(9)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other - Lease liabilities	(7)	(7)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(7)</b>	<b>(7)</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,253	1,253
4.2	Net cash from / (used in) operating activities (item 1.9 above)	874	874
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9)	(9)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(7)	(7)
4.5	Effect of movement in exchange rates on cash held	(3)	(3)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,108</b>	<b>2,108</b>

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

5.	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter €'000</b>	<b>Previous quarter €'000</b>
5.1	Bank balances	2,108	1,253
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,108</b>	<b>1,253</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
€'000**

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*\*directors remuneration accrued for the quarter of €34k was paid after quarter end due timing of public holidays.*

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7.	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end €'000</b>	<b>Amount drawn at quarter end €'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other – Convertible Notes	-	-
7.4	<b>Total financing facilities</b>		
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

**Appendix 5B**

**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

<b>8. Estimated cash available for future operating activities</b>	<b>€'000</b>
8.1 Net cash from operating activities (Item 1.9)	874
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(6)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	868*
8.4 Cash and cash equivalents at quarter end (Item 4.6)	2,108
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	2,108
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	n/a as quarter net cash inflow of *€868k

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

*n/a*

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

*n/a*

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

*n/a*

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2024

Authorised by: The Board of Po Valley Energy Limited  
(Name of body or officer authorising release – see note 4)

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**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

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**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.