



30 April 2019

QUARTERLY ACTIVITIES REPORT

For the 2019 March quarter and to the date of this report

Australia's Po Valley Energy Limited, ("Po Valley" or "The Company") is pleased to provide its Quarterly Activities Report for the period ending 31 March 2019, covering the Company's gas and oil exploration, development and production outcomes across its onshore and offshore assets in northern Italy.

Highlights

Highlights for the quarter include:

- **Selva (Gas):** Maiden gas reserves of 13.3bcf (2P) with preliminary Production Concession granted and environmental approval documentation submitted. On-track for 2020 development.
- **Selva (Gas):** Addition of significant 2C gas resources of 14.1bcf in Selva North and South Flanks and increase in Prospective Resources (best estimate) to 91.5bcf in Production Concession area.
- **Teodorico (Gas):** Primary Environmental approval published. Initial project and finance preparation underway.
- **Torre del Moro (Oil/Gas condensate):** Maiden Prospective Resource Estimate of 106 million barrels recoverable from an Original Oil-In-Place (OOIP) of 312 million barrels.
- **Bagnolo in Piano and Ravizza (Oil):** Large increase in Ravizza and Bagnolo in Piano Contingent Resources to 16.1 and 27.3 million barrels recoverable (2C). Maiden Prospective Resource (best estimate) for Bagnolo SW of 54.5 million barrels recoverable from an OOIP of 272 million barrels.

Po Valley CEO, Michael Masterman:

"This has been a robust opening to calendar 2019, with significant inventory and approvals process gains across our gas and oil assets in northern Italy. A key milestone was the award of the preliminary Production Concession for Selva. This maintains our momentum to have this field into first production next year while the new resource estimates have provided a richer platform on which to now progress our work on these reservoirs to more commercial standing and certainty to deliver Po Valley a pipeline of emerging production assets in northern Italy over the medium term."

Selva Malvezzi Production Concession – 63% PVE

Po Valley was formally granted the Selva Malvezzi preliminary gas Production Concession (80.68km²) by the Italian Ministry, for the Economic Development of the Selva Malvezzi gas field.

Following award, Reserves of 13.3bcf (2P) (refer ASX announcement 8 February 2019) were certified and new Contingent Resources in the Selva North and South Flank of 14.1bcf (2C) have been added (refer ASX announcement 26 April 2019).

With the benefit of the successful Podere Maiar well, and access to well and seismic data, the East Selva chance of success has been increased and a new large prospective resource for the Riccardina structure added, taking this field's total Prospective Resources to 91.5bcf (Refer ASX announcement 26 April 2019).

Under the first phase of the development plan, Po Valley will install a fully automated gas plant at the existing Selva / Podere Maiar 1 dir well site and install a one-kilometre long pipeline to connect the well with the nearby Italian National Gas Grid. Based on dynamic reservoir studies, the field development is designed to produce at a rate of up to 150,000 cubic metres (5.3 mmscf/day) a day from successfully tested C1 and C2 production levels in the Medium-Upper Pliocene sands of the Porto Garibaldi Formation (refer ASX announcement 29 May 2018).

Po Valley has submitted the environmental approval documentation and continues to work closely with local and Ministry authorities to advance this important project.

Teodorico Offshore Gas Field Development (100% PVE)

The Teodorico gas field is located in shallow waters of the northern Adriatic Sea – the primary source of domestic gas production for much of Italy – and in close proximity to existing east coast offshore gas production facilities.

Teodorico has the largest gas-in-place of all of Po Valley's gas fields and is at an advanced stage of assessment, ready for development. The Company received a preliminary award for the Teodorico Production Concession last year and understands environmental approval is imminent. EIA approval is the main step before full grant of the Production Concession.

In the March quarter, Teodorico was granted the primary environmental approval. Additional requests from the Ministry for specific plans for water treatment are under preparation and Po Valley hopes to complete the EIA process and obtain full environmental approval in 3Q 2019.

Torre del Moro Gas / Oil Condensate Exploration (100% PVE)

Following the purchase of existing 2D seismic lines for Torre del Moro, geological and geophysical evaluations of this large gas / oil condensate prospect have advanced. The PVE team, with third party assessment and validation from independent French consultancy, CGG, have announced a Maiden Prospective Resource of 106 million barrels recoverable (best estimate) from an OOIP of 312 million barrels (refer ASX announcement 26 April 2019).

The evaluation highlighted a large and clearly structurally closed faulted ramp anticline feature structurally and geological similar to the already discovered Villafortuna oil field in northern Italy Po valley plain area (in excess of 300 MMbbls oil already produced). The presence of an active petroleum system is demonstrated by the oil shows in the nearby Sarsina-1 well drilled downdip from Po Valley's Torre del Moro prospect. Further work is underway to progressively de-risk this large scale exploration prospect.

Ravizza, Bagnolo in Piano, and Bagnolo SW Exploration (100% PVE)

The significant upgrade in the estimated 2C resources in Bagnolo in Piano and Ravizza oil discoveries from 5.6 million and 4.4 million barrels respectively to 27.3 million and 16.1 million barrels flows from fresh seismic revision and geological evaluation work enhancing structure volumes and recovery factor increase derived from the use of horizontal development wells (extensively drilled in these kind of reservoirs). In addition, available data of similar oil fields such as Cavone and Villafortuna were utilised (refer ASX announcement 26 April 2019).

In addition to these Contingent Resources estimates, a maiden Prospective Resource of 54.5 million barrels (best estimate) has been defined in the Bagnolo SW prospect, being a geological / structural south-western extension of the Bagnolo in Piano oil discovery (refer ASX announcement 26 April 2019).

Corporate

Po Valley remains a northern Italy focused energy development and exploration company with a streamlined focus on four large assets:

- The onshore gas development at Selva
- Offshore Adriatic gas development at Teodorico;
- The large-scale gas/oil condensate exploration licence at Torre del Moro, and
- The expanded Ravizza and Bagnolo oil reservoirs and extensions.

The Company's priority is very focused on bringing the low cost Selva and Teodorico fields into gas production. The size and scale of Torre del Moro and Ravizza / Bagnolo in Piano, warrant initiatives to de-risk and prioritise the projects and design drilling programs. PVE's focus and progress is continuing to yield significant results.

The current Italian regulatory environment remains challenging. The Italian Ministry has confirmed that recent government amendments to energy policy will not affect the approval processes for Selva and Teodorico, which both continue to progress through the normal approval procedures. Gas is a critical transition fuel in Italy's move to greater renewables and the development and employment generation from our two advanced projects has good local support.

The fields and prospects in granted exploration licences (Torre del Moro, Bagnolo in Piano, and Ravizza) are covered under the Italian Government's Plan of Areas Program. Under this program, the timeframe for field activities such as drilling and related approvals is suspended to between July 2020 and January 2021 (18-24 months) as the Ministry conducts an environmental clearance program. This aligns with the Company's technical advancement program on Torre del Moro, Bagnolo in Piano, and Ravizza, allowing Po Valley to advance and prioritise geological and geophysical evaluation and advance and prepare drilling location selection and drilling programs over a prudent timeframe. PVE's drilling programs have very small footprints and are designed to the highest environmental and safety standards. While the Company is confident that the areas in which it operates should clear the environmental clearance process, there is always a risk of delay or non-clearance.

Consolidated cash-at-bank at the end of the quarter was €122,000 (AU\$191,000).

Summary of Tenements

	Tenement	Location	Interest held
PROD. CONCESSIONS	PREL. AWARDED <i>Teodorico (d.40.AC-PY)</i>	Italy, Adriatic Offshore	100% Po Valley
	PREL. AWARDED <i>Selva Malvezzi</i>	Italy, Emilia Romagna	63% Po Valley
EXPL. PERMITS	<i>AR94PY</i>	Italy, Adriatic Offshore	100% Po Valley
	<i>Cadelbosco di Sopra</i>	Italy, Emilia Romagna	85% Po Valley
	GRANTED <i>Grattasasso</i>	Italy, Emilia Romagna	100% Po Valley
	<i>Podere Gallina</i>	Italy, Emilia Romagna	63% Po Valley
	<i>Torre del Moro</i>	Italy, Emilia Romagna	100% Po Valley

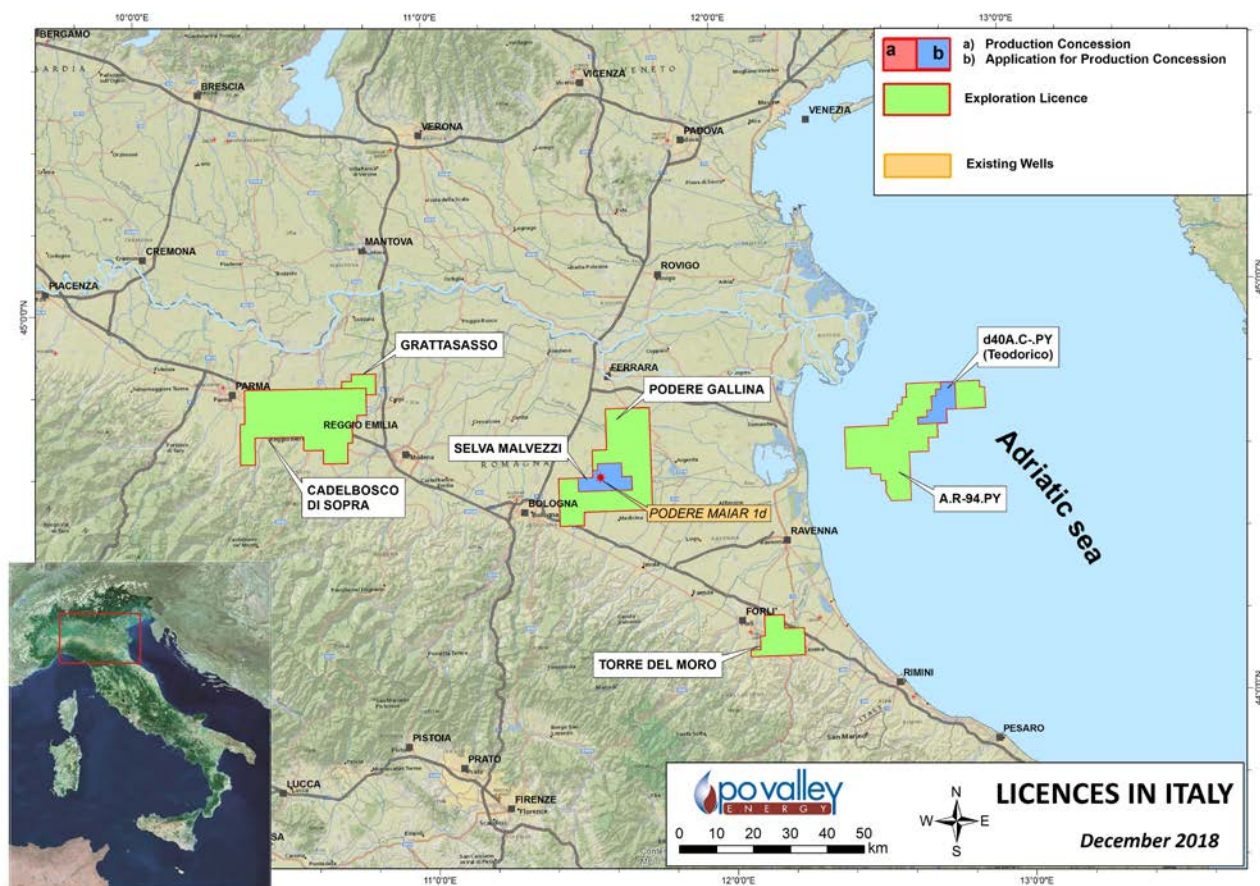
Reserves and Resources*

Licence	Project	Reserves			Contingent Resources			Prospective Resources		
		1P	2P	3P	1C	2C	3C	Low	Best	High
Gas Bcf										
AR94PY	Teodorico outside 12 miles	26.7	36.5	47.5						
	Teodorico Inside 12 miles				7.4	10.6	14.0			
	PL3-C							7.9	15.9	25.0
Podere Gallina [Net]	Selva (Podere Maiar1)	2.6	8.4	18.8						
	Selva level A South				0.7	1.1	2.3			
	Selva level B North				2.2	5.6	11.2			
	Selva level B South				0.6	2.2	5.9			
	Cembalina							1.3	2.1	2.9
	Fondo Perino							6.4	9.2	12.9
	East Selva [Net]							18.3	21.9	25.6
	Riccardina							8.2	24.4	81.2
Cadelbosco di Sopra [Net]	Zini (Qu-B)				0.9	2.3	3.9			
	Canolo (Qu-A)				0.6	0.9	1.4			
	Canolo (Plioc)				0.3	3.1	8.9			
	Zini (Qu-A)							0.5	1.2	2.0
Oil MMbbl										
Torredel Moro	Torredel Moro							65.0	106.0	240.0
Cadelbosco	Bagnolo in Piano				6.6	27.3	80.6			
	Bagnolo SW							22.1	54.5	112.0
Grattasasso	Ravizza				2.8	16.1	41.6			

*Refer ASX announcements and CPR reports dated 19 February 2018, 8 February 2019, 26 April 2019

The Company confirms it is not aware of any information or data 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 modified from the original market announcement.

Licences in Italy



Registered Office	Rome Office
Suite 8, 7 The Esplanade Mt Pleasant WA 6153 Australia	Via Francesco Crispi 90, Rome, 00187 Italy
TEL +61 (08) 9316 9100 FAX +61 (08) 9315 5475	TEL +39 06 4201 4968 FAX +39 06 4890 5824