



30 APRIL 2020

QUARTERLY ACTIVITIES REPORT

For the 2020 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 2020, covering the Company's further progress on gas and oil exploration, development and production outcomes across its onshore and offshore assets in northern Italy.

Highlights

Highlights for the quarter include:

- **Selva Malvezzi (Onshore Gas):** The Ministry of Environment published the technical positive opinion on environmental compatibility for the Selva gas field development in January 2020; production concession approval is expected in the second half of 2020.
- **Teodorico (Offshore Gas):** Final production concession approval is expected in 2nd half 2020.
- **Covid-19 and Italian Government state of emergency.** Team has moved to 'Smart Working' from home and is safe, with minimal field operations.
- **Corporate:** PVE is actively looking to expand its portfolio of large, low-cost, onshore gas fields in Europe.

Po Valley CEO, Michael Masterman:

"In a very challenging Covid-19 environment, Po Valley has advanced its gas field developments in Italy while keeping its people safe and streamlining costs."

Selva Malvezzi Production Concession – 100% PVE (Operator)¹

With the Italian Government confirming technical environmental approval for the Selva gas field, east of Bologna, development and preliminary work has now commenced to prepare the field for gas production in 2021. Final EIA decree is expected in 2Q 2020.

This follows the granting early last year to Po Valley of the formal Selva Malvezzi preliminary gas Production Concession (80.68km²) by the Italian Ministry for Economic Development.

Under the first phase of the development plan, Po Valley will install a fully automated gas plant at the existing Selva/Podere Maiar 1dir 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 maximum rate of up to 150,000 cubic metres/day (5.3 mmscf/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).

(1) PVO holds the quota for 100% of the Podere Gallina and Selva Malvezzi licences. United Oil and Gas and Prospex have 20% and 17% economic interests; the Italian Government has preliminarily approved the 20% and 17% licences quotas to be transferred to them in Podere Gallina Permit; transfer approval for Selva Malvezzi has to be formally requested.

Teodorico Offshore Gas Field Development (100% PVE)

The Teodorico gas field is located in shallow east coast waters (30m) 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.

Following the granting of the primary environmental approval in 2019, Teodorico continued during the March quarter to advance through the regulatory approval process. Key related EIA approval integrated documentation has now been submitted and Po Valley expects to complete the regulatory approval process in the second half 2020.

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.

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

Torre del Moro is a very large oil prospect at a maiden Prospective Resource of 106 million barrels best estimate and has the potential to transform the size and scale of the company's operations.

The current focus of activities for the Torre del Moro site, south of Forli, is to identify the best drilling location, prepare a petroleum system study and the drilling plan for submission to the Government as soon as the exploration activities ban ends in August 2021.

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

Development design work for these two proven undeveloped oil fields between Bologna and Parma has advanced with production profiles, development plan, design and verification work at an advanced stage. Po Valley's objective is to complete production planning and well design during 2020.

COVID-19

Italy has been severely affected by the COVID-19 virus and at this time, our thoughts are with the Italian people. The Company's priority has been to keep our team safe. We are pleased to report that none of our team members or their families have been affected by the virus.

The team has been 'Smart Working' from home and has effectively advanced several key workstreams. The various Italian Government programs have also allowed Po Valley to streamline our cost structure while at the same time advancing our projects through the approval process. We know that when this crisis passes, it will be important that Po Valley is ready to invest and create new jobs in the Italian energy sector.

Corporate

Dr Byron Pirola resigned from the Board on 3 March 2020. Dr Pirola was a co-founder of Po Valley and long-standing director and contributed to the strategic and financial direction of the Company and maintains a strong shareholding investment.

Po Valley remains a northern Italy-focused energy development, exploration and near-term production company with a streamlined focus on five large assets:

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

In these challenging times, it is a credit to our team, with the support of the Italian authorities, that we have been able to advance our natural gas projects through the approval process.

This announcement has been authorised for release by the Board of Directors of the Company

Summary of Tenements

	Tenement	Location	Interest held
PRODUCTION CONCESSIONS	PREL. AWARDED	Teodorico (d.40.AC-PY)	Italy, Adriatic Offshore
	PREL. AWARDED	Selva Malvezzi⁽¹⁾	Italy, Emilia Romagna
EXPLORATION PERMITS	GRANTED	AR94PY	Italy, Adriatic Offshore
		Cadelbosco di Sopra⁽²⁾	Italy, Emilia Romagna
		Grattasasso	Italy, Emilia Romagna
		Podere Gallina⁽¹⁾	Italy, Emilia Romagna
		Torre del Moro	Italy, Emilia Romagna

1. PVO holds the quota for 100% of the Podere Gallina and Selva Malvezzi licences. United Oil and Gas and Prospex have 20% and 17% economic interests; the Italian Government has preliminarily approved the 20% and 17% licences quotas to be transferred to them in Podere Gallina Permit; as consequence transfer approval for Selva Malvezzi to be formally requested.
2. After Petrorep Italiana request, Italian Government on 25 February 2020 approved the 15% licence quota to be transferred from Petrorep Italiana to Po Valley Operations, now operator at 100%.

Reserves and Resources*

Licence	Project	Reserves			Contingent Resources			Prospective Resources		
		1P	2P	3P	Gas Bcf			Low	Best	High
AR94PY	Teodorico outside 12miles	26.7	36.5	47.5						
	Teodorico Inside 12miles				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	3.0
	Fondo Perino							6.4	9.2	12.9
	EastSelva							18.3	21.9	25.6
Riccardina							8.2	24.4	81.2	
Cadelbosco di Sopra	Zini (Qu-B)				1.1	2.7	4.6			
	Canolo (Qu-A)				0.7	1.1	1.7			
	Canolo (Plioc)				0.4	3.6	10.5			
	Zini (Qu-A)							0.6	1.4	2.4

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

Reserves and Resources*

Licence	Project	Reserves			Contingent Resources			Prospective Resources		
		1P	2P	3P	1C	2C	3C	Low	Best	High
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 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.

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