



30 April 2021

QUARTERLY ACTIVITIES REPORT

For the 2021 March quarter and to the date of this report

Australia's Po Valley Energy Limited (ASX: **PVE**), ("**Po Valley**" or "**The Company**") provides its Quarterly Activities Report for the period ending 31 March 2021, 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):** on 29 March 2021 Italy's newly appointed Ecological Transition Ministry (MiTE) issued the Environmental Impact Assessment (EIA) decree with the positive opinion about Selva Malvezzi Production Concession and work program to put in production Podere Maiar 1dir gas well. The EIA decree has been published on Ministry website. Final Production Concession approval is expected in the third quarter calendar 2021.
- **Teodorico (Offshore Gas):** on 29 March 2021 Italy's newly appointed Ecological Transition Ministry (MiTE) issued the EIA decree with the positive opinion about d40 AC PY Production Concession and work program to put in production the Teodorico gas field. The EIA decree has been published on Ministry website. Final Production Concession approval is expected in the third quarter calendar 2021.
- **COVID-19 and Italian Government state of emergency:** Restrictions connected to COVID-19 have been extended in Italy to the end of July 2021. Despite the state of emergency, Po Valley's team has maintained working at the office, under all government anti-COVID rules.
- **Regulatory:** The new Italian Government transferred the Energy Division previously located in the Economic Development Ministry to Ecological Transition Ministry (MiTE, former Environmental Ministry). The Company is actively in touch with MiTE along with the Emilia Romagna Region authorities to expedite the granting of the Selva Malvezzi and Teodorico final Production Concession decrees.

Po Valley CEO, Michael Masterman:

"Through these challenging times the team have reached a major milestone with the grant of both the Selva and Teodorico full Environmental approvals. This clears the way to move forward on development on both these highly economic natural gas fields"

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 license at Torre del Moro, and
- The expanded Ravizza (Grattasasso Permit) and Bagnolo (Cadelbosco Permit) oil reservoirs and extensions and nearby gas prospects

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

The Company continues to progress its preliminary work in the Selva gas field, east of Bologna, to prepare for development and maiden gas production.

The Italian Ministry for Economic Development granted Po Valley the Selva Malvezzi preliminary gas Production Concession (80.68km²) in 2019. Italy's new MiTE issued the final EIA decree, effective date of 29 March 2021, with its positive opinion about Selva Malvezzi Production Concession and work program to put into production the Podere Maiar 1dir gas well. The EIA decree was published on the official Ministry website in late March 2021 (refer ASX announcement 6 April 2021).

The EIA paves the way for the grant of full production concession. An application will now be made for an INTESA between the regional government and the national government which is standard procedure for onshore gas fields in Italy. Following this process, Po Valley can move toward the grant of final production concession. The latest government guidance points to final Production Concession expected to be granted in the third quarter 2021.

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 meters/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 Transfer approval of JV Partners, UOG (20%) and PROSPEX (17%), quotas for Selva Malvezzi production concession are to be formally requested as soon as final Production Concession is awarded. The relevant quotas to the JV partners on the Podere Gallina exploration licence was formally transferred in October 2020

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. 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.

Preliminary environmental approval was granted in 2019 and Italy's newly appointed MiTE issued the final EIA decree, effective date of 29 March 2021, with its positive opinion about d40 AC PY Production Concession and work program to put into production the Teodorico gas field. The EIA decree was published on the official Ministry website in late March 2021 (refer ASX announcement 6 April 2021).

The EIA paves the way for the grant of full production concession and Po Valley expects final Production Concession approval from MiTE in the third quarter of 2021.

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

Torre del Moro is a very large oil prospect with a maiden Prospective Resource of 106 million barrels best estimate² 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 the study of the petroleum system and the drilling plan for submission to the Government which is planned to be carried out as soon as the exploration activities ban ends in September 2021.

² refer ASX announcement 26 April 2019

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. Additional gas prospects firmed up in the license.

COVID-19 Impact

COVID-19 continues to have a significant impact in Italy. The Company's priority remains keeping our operations team safe. The team continues to work safely from PVO premises and is operating under all the anti-COVID 19 health and safety rules, with minimal field operations but continues to advance several key workstreams and progression of approvals for Selva and Teodorico.

Regulatory

The newly appointed Italian Government transferred the Energy Division, previously located in Economic Development Ministry, to Ecological Transition Ministry (MiTE, former Environmental Ministry). This Ministry is now appointed for awarding of hydrocarbon licenses. PVO is actively in touch with MiTE and the Emilia Romagna Region authorities to expedite the granting of the Selva Malvezzi and Teodorico final production concession decrees.

Corporate

Additional loans of AU\$300k (equivalent to €191k) were provided during the quarter by Directors and their related parties with the following terms:

- a) The Company is not restricted on how it may utilise the funds. However, the loans are intended for general working capital purposes;
- b) Maturity date has been extended to April 2022;
- c) The principal attracts interest of 10% p.a.

Exploration expenditure incurred in the quarter was kept at minimal levels with payments in the quarter amounting to €17k.

There were no amounts paid during the quarter to related parties.

With the final EIA's in place for Selva Malvezzi and Teodorico, Po Valley can now progress toward completing a more significant fund raising as plans progress with granting of final production concession and development approval for the Selva project in the next quarter.

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

Summary of Tenements

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

¹ Transfer approval for UOG (20%) and PROSPEX (17%) quotas Selva Malvezzi to be formally requested as soon as Concession will be awarded.

Reserves and Resources*

Licence	Project	Reserves			Contingent Resources			Prospective Resources		
		1P	2P	3P	1C	2C	3C	Low	Best	High
AR94PY	Teodorico outside 12miles	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] ²	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
Cadelbosco di Sopra	East Selva							18.3	21.9	25.6
	Riccardina							8.2	24.4	81.2
	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

*Reserve and Resource estimated are as reported per CPR reports dated 19 February 2018, 8 February 2019, 26 April 2019 (Refer ASX announcements 19 February 2018, 8 February 2019, 26 April 2019)

² Net to the Company's 63% economic interest in Podere Gallina

Reserves and Resources*

Licence	Project	Reserves			Contingent Resources			Prospective Resources		
		1P	2P	3P	1C	2C	3C	Low	Best	High
Torre del Moro	Torre del 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			

**Reserve and Resource estimated are as reported per CPR reports dated 19 February 2018, 8 February 2019, 26 April 2019 (Refer ASX announcements 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.

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.

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