

# Po Valley Energy Limited

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## Po Valley raises \$10 million in share placement

Gas explorer and developer **Po Valley** (ASX:PVE) has completed a successful A\$10 million private placement of shares, that will see the Australian company progress four Italian gas development projects towards production.

The new funds will be used to keep debt levels low, whilst driving Po Valley's proven Castello and Sillaro gas fields into production, and drilling the Company's larger scale Bezzecca gas appraisal project in northern Italy. Civil works have already been completed at the Bezzecca No. 1 well site and the well will spud in March.

The A\$10 million private placement was successfully completed via the issue of 8.33 million shares at A\$1.20 per share with Australian institutional and sophisticated investors.

Subject to shareholder approval, Po Valley Director and Chief Executive Officer, Mr Michael Masterman, will also participate in the capital raising by committing up to A\$1 million in new shares.

The placement price compares with the closing price for Po Valley on the ASX on Wednesday, 18 February 2009 of A\$1.30 per ordinary share.

"Our access to these new funds has been achieved despite the uncertainty and volatility across global share markets. It will allow us to maintain low debt levels and drive production growth," Mr Masterman said.

"Investors are attracted to the low costs and high margins of our projects - a defensive investment with significant leverage to future energy price recovery," he said.

Today's announcement continues a successful start to 2009 for Po Valley which is currently prioritising the start-up of production from its flagship Castello and Sillaro gas fields in northern Italy.

Last month, the Company announced it had secured its first gas offtake sales agreement - totalling approximately €38 million (A\$77.5 million) - for emerging production from the Castello and Sillaro fields.

Both gas fields will be brought into production progressively from mid 2009, with maiden production scheduled to commence in July. Also last month, Po Valley revealed it had been formally granted a six year exploration licence for its Podere Gallina prospects near Bologna. The Company has also been granted a preliminary award of the Grattasasso exploration permit near Modena.

It takes to nine the number of preliminary licences awarded by Italian energy authorities to Po Valley over the past two years. These permit awards are in addition to 20-year production concessions won late last year and which cleared the way for first gas flows from the Sillaro and Castello fields.

**Price:** 0.032

**Market Cap:** \$20.71 m

### 1 Year Share Price Graph



### Share Information

**Code:** PVE

**Listing:** ASX

52 week	High	Low
	0.06	0.032

**Sector:** Oil & Gas

**Website:** [www.povalley.com](http://www.povalley.com)

### Company Synopsis:

*Po Valley Energy Ltd (ASX:PVE) is an emerging oil & gas exploration and development company with an expanding portfolio of hydrocarbon assets in northern Italy.*

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