

Po Valley Energy Limited

08:30 10 May 2019

Po Valley Energy holds gas assets in Italy at Selva and Teodorico

- Po Valley hopes to put Selva into production next year
- Selva has 13.3 billion cubic feet of gas reserves
- The company is assessing funding alternatives for its ongoing and planned activities
- Po Valley also holds the Teodorico project which is progressing through regulatory stages
- Two other assets are key to Po Valley's portfolio

What does Po Valley Energy do?

Po Valley Energy Limited (ASX:PVE) is a Western Australian oil & gas exploration and development company with hydrocarbon assets in northern Italy. The company owns and operates several gas treatment plants.

The Perth company is led by executive chairman Michael Masterman who also leads W Resources PLC (LON:WRES) as its chairman.

Masterman previously headed up iron ore leader Fortescue Metals Group Limited's venture FMG Iron Bridge as its chief executive officer. Prior to joining Po Valley, he was also an executive director and chief financial officer of Glencore PLC (LON:GLEN) (JSE:GLN) (OTCMKTS:GLCNF) (OTCMKTS:GLNCY) buy-up Minara Resources Limited (ASX:MRE), back when it was known as Anaconda Nickel Ltd (ASX:ANL).

What does Po Valley Energy own?

A key asset is the Podere Gallina (P.Gallina) licence at the Selva Malvezzi onshore gas field in northern Italy.

The company wants to put the field into production next year after reporting a maiden 2P gas reserve of 13.3 billion cubic feet (bcf) for the project this year.

Selva would require an estimated capital expenditure (capex) of \$4.7 million to contribute annual earnings before interest, tax, depreciation and amortisation (EBITDA) of about \$6.4 million.

Po Valley would hope to advance the gas fields into through a targeted incremental production increase of 111 million cubic metres in its first year of production.

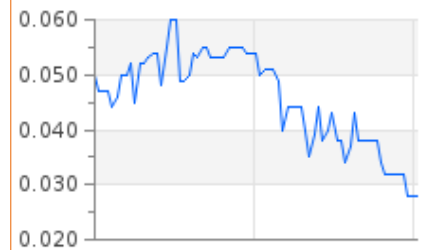
The company has preliminary production concession and has submitted environmental approval documentation, with more documentation to follow.

P.Gallina's area was licensed 11 years ago and extends over 331 square kilometres in the eastern part of the Po Plain.

Price: 0.028

Market Cap: \$18.12 m

1 Year Share Price Graph



November 2019 March 2020 September 2020

Share Information

Code: PVE

Listing: ASX

52 week High Low
0.06 0.028

Sector: Oil & Gas

Website: 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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The field is south of Po Delta, among the Ferrara and Bologna provinces, in Italy's Emilia Romagna region.

During the March quarter of 2019 the company added new contingent resources in the Selva North and South Flank of 14.1 bcf (2C).

Po Valley believes its resource addition increased its chance of success at East Selva after the company's Podere Maiar well and seismic data was used in the resource estimate.

A large prospective resource for the Riccardina structure was also added in the March quarter, taking the field's prospective resources to 91.5 bcf.

The company plans to install a fully automated gas plant at the existing Selva/Podere Maiar 1dir well site.

It also hopes to install a 1-kilometre pipeline to connect the well to the Italian National Gas Grid which is located nearby to the project.

The field development plan envisages daily production of up to 150,000 cubic metres from the already tested C1 and C2 production levels in the medium-upper Pliocene sands of Porto Garibaldi formation.

Another Italian Po Valley project, Teodorico — which has the formal name of d40 PY AC or d40A.C-.PY — is located offshore of Emilia Romagna region in the Adriatic sea and has primary environmental approval.

Po Valley would hope to progress to 28 million cubic metres per year in the offshore field's first year of production.

A capex of about \$82 million would fund a yearly EBITDA of about \$31 million for Teodorico.

The company said in its annual report for 2018, published last month, that achieving first gas for Selva and Teodorico fields remained its primary priority.

A ministry-requested water treatment plan for Teodorico is being prepared for government, with Po Valley currently following an environmental impact assessment (EIA) pathway with a goal of securing full environmental approval in the September quarter of 2019.

Two other assets are the large-scale gas condensate exploration licence at Torro del Moro and the expanded Ravizza and Bagnolo oil reservoirs.

Torre del Moro oil condensate prospect's maiden prospective resource was 106 million barrels recoverable from original oil-in-place (OOIP) of 312 million barrels.

A large and structurally closed faulted ramp anticline was a feature at the Torre del Moro prospect and was reportedly similar geologically to the Villafortuna oil field discovery, also in northern Italy.

The company views Torre Del Moro as having further potential upside with a prospective oil target of 150-250 million barrels of oil equivalent.

Inflection points

Conclusion of company evaluation of funding alternatives for ongoing and planned activities

Finalisation of quarterly budget following approval of \$424,000 placement at April 30 meeting

Additional funding milestones and capital raising successes

Gas treatment plant revenues, profits and developments

Continued resource statement updates and reserve definition activity

Future Italian Selva Malvezzi onshore field development studies and plans and investment decision making milestones

Early revenues from first gas at Selva field and ramp-up to targeted levels

Teodorico project advancement and generation of revenue for the company

Final investment decisions and first gas and revenues for offshore Teodorico field

Significant transactions, partnerships, project acquisitions or developments

Po Valley Energy chairman Michael Masterman flags upgrades for Selva licence

"We announced good results and a very significant upgrade on Selva — our onshore low-cost high-rate-of-resource gasfield development outside of Bologna in northern Italy," Po Valley Energy chairman Michael Masterman noted last week when speaking to Proactive Investors.

"We declared 13 million billion cubic feet of reserves on that field earlier this year and what we were able to announce on Friday (April 26, 2019) was from zero to 14.1 bcf of contingent resources in the north and south plank of Selva.

"That's low-risk gas that we can add into the Selva production profile quickly.

"We also, after some very, very good and very systematic evaluation, announced an additional 90 bcf of speculative resources, all of which is in this one production

licence."

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