

Po Valley Energy Limited

14:10 16 Sep 2019

Po Valley Energy focused on bringing low-cost Italian gas projects into production

Po Valley Energy Limited (ASX:PVE) expects to complete the regulatory approval process for the Teodorico Offshore Gas field development in northern Italy during the December quarter or early in 2020.

Teodorico has the largest gas-in-place of all of Po Valley's Italian gas fields and is at an advanced stage of assessment, ready for development.

The 100%-owned project is being advanced through the regulatory approval process following grant of primary environmental approval and PVE has submitted the key related EIA approval documentation.

Teodorico approval process

PVE has already received a preliminary award for the Teodorico Production Concession and in the March quarter of this year was granted the primary environmental approval.

Additional requests from the Ministry for specific plans for water treatment and decommissioning have been submitted.

In the interim financial report for the six months ending June 30, chairman and chief executive officer Michael Masterman said PVE's priority was very focused on bringing the low-cost Selva and Teodorico fields into gas production.

"While the 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, both of which continue to progress through the normal approval procedures.

"Gas a critical transition fuel"

"Gas remains a critical transition fuel in Italy's move to greater renewables and the development and employment generation from the company's two advanced projects enjoy good local support," he said.

The 63%-owned Selva Gas Field advanced significantly in the half-year with the addition of significant additional 2C and 2P resources to existing reserves in the production concession application area.

Good progress is also being made with the environmental approval process.

Selva Gas Field progress

The Selva Malvezzi preliminary gas Production Concession covering 80.68 square kilometres was granted by the Italian Ministry for the Economic Development.

Price: 0.048

Market Cap: \$31.07 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

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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An EIA study was officially submitted to competent authorities on April 19 and officially illustrated to the Ministry of Environment on July 11.

With the benefit of the successful Podere Maiar well, and access to well and seismic data, the East Selva field's chance of success has been increased to 40% and a new large prospective resource for the Riccardina structure added, taking this concession's total Prospective Resources (best) to 91.5bcf.

Under the first phase of the development plan, PVE will install a fully automated gas plant at the existing Selva/Podere Maiar 1dir well site and install a 1-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 daily rate of up to 150,000 cubic metres (5.3 mmscf) from successfully tested C1 and C2 production levels in the Medium-Upper Pliocene sands of the Porto Garibaldi Formation.

Other prospects

Fields and prospects in the Torre del Moro, Bagnolo in Piano, and Ravizza granted exploration licences 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 as the Ministry conducts an environmental clearance program.

This aligns with PVE's technical advancement program on Torre del Moro, Bagnolo in Piano and Ravizza, allowing the company to advance and prioritise low-cost geological and geophysical evaluation, and to advance drilling location selection and prepare 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.

Private placement

During August the company completed the first tranche of a private placement of A\$1.4 million.

This tranche raised A\$800,000 from sophisticated investors.

A second tranche relating to director participation is subject to shareholder approval at an upcoming extraordinary general meeting.

Proceeds will be used for the continued development of the company's assets.

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