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ASX MEDIA RELEASE
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Gas production capacity confirmed in initial Po Valley tests on Sillaro-2 well in northern Italy

Production capacity has been confirmed in the PL2A level and additional production potential identified, by Po Valley Energy (ASX: "PVE") during initial clean up and testing of the Sillaro- 2 gas well, east of Bologna in northern Italy.

The Company announced today that short confirmatory tests on Level PL2A in the Sillaro-2 well had confirmed the results in the levels previously flow tested in the Sillaro-1 well. The wells are 500 metres apart at target depth.

The PL2A level was perforated from 2,304 metres to 2,309 metres measured depth (MD) and tested at a maximum rate of 4.33 million cubic feet per day (122,700 cubic metres a day) on a 1/4 inch choke.

Po Valley's Chief Executive Officer, Mr Michael Masterman, said the outcome was a positive early sign for future field production rates.

"Successful results were also achieved in a new level, PL2C0, adding potential new productive capacity to the field," Mr Masterman said.

The PL2C0 level was perforated from 2,246m to 2,261m MD, and tested at a maximum rate of 1.79 million cubic feet per day (50,600 cubic metres a day) on a 3/16th inch choke.

"These initial results are solid and validate our expectations for the development of this field," Mr Masterman said.

"Two additional levels in Sillaro-2, comprising the previously tested PL2C2 and a new shallow level at 2,000m, will be tested this week."

Mr Masterman said the log results in Sillaro-2 confirmed the main payzones in the nearby Sillaro-1production well across a gross interval of 140 metres from 2,180-2,320 metres MD, "with a very good match between the two wells".

Po Valley has secured two gas sales contracts totalling about A$150 million with Italian gas distributors, Elettrogas and Italtrading SpA. These contracts are for the first three years of gas produced at Sillaro and another field in northern Italy, Castello – the first of two imminent production contributors for the Company.

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Note: All Depths are Measured Depths (MD)

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