



ASX / MEDIA RELEASE

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Po Valley Energy 2009 Financial Report

Po Valley Energy (ASX:PVE) announces the lodgement today of its Financial Report for the year ended 31 December 2009.

The financial results reflect the continued progress of the Company, which brought into production its first north Italian gas field, Castello, near Milan, late in 2009.

Highlights

- Maiden gas production achieved with the completion of construction and the successful start up of the Castello gas field, in northern Italy
- Sillaro 2 near Bologna drilled successfully in August 2009 and completed ready for production
- Installation of the Sillaro gas production facility significantly advanced and expected to commence commissioning in the first half of 2010
- Bezzecca 1 drilled and tested on a combined flow of 3.8 million cubic feet per day.
- The consolidated loss after income tax amounted to €7,202,805 (AUD10.91 million)
- The Bank of Scotland reservoir finance facility was drawn to €10,279,269 (AUD15.57m) and Cash at Bank was €6,622,329 (AUD10.03m) as at 31 December 2009

Subsequent and Planned Developments

- Commercial production officially designated on 12 January 2010 in conjunction with the Official Inauguration of the Castello field.
- Current Castello production rates are approximately 60,000 cubic meters per day (2.1 million cubic feet per day)
- Production preparation at the second field, Sillaro, is more than 90% complete and scheduled to commence commissioning over March/April 2010
- Po Valley plans to drill the Fantuzza appraisal well and the Gradizza exploration well during 2010



Michael Masterman, CEO of Po Valley Energy, commented:

“In a year of global financial crisis, Po Valley ended 2009 with low net debt and the commencement of production from its Castello gas field, the Company’s first output. We were also active drilling two wells and substantially advancing our second gas production field – Sillaro – to the cusp of gas production”

“With two fields entering production and firming gas prices, Po Valley is expected to generate operating cashflows this year. This, in combination with the planned drilling of two new gas targets suggests 2010 is shaping up to be an exciting year for the company”.

MEDIA CONTACTS:

Michael Masterman
Po Valley Energy
0417 851 303

Kevin Skinner
Field Public Relations
(08) 8234 9555 / 0414 822 631

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