



ASX / MEDIA RELEASE

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Po Valley announces positive log results at Italian gas well - Podere Maiar 1dir

Positive log results have been announced by Australian ASX-listed natural gas company, Po Valley Energy Limited, from the drilling of its Podere Maiar 1dir ("PM1") well in the Selva Gas Field in northern Italy's Podere Gallina licence area.

It will now be completed as a production well.

PM1 was successfully drilled to a total depth of 1,330 metres in the Pliocene ahead of schedule and on budget.

Downhole log results from Schlumberger confirm a gross gas pay of 53m. The top of the reservoir was encountered at 1,245m TVD (1,223m TVDSS), some 12m above the level of any previous production wells, including the nearby Selva 6 well.

The two main sand levels show high resistivity in the logs, indicating in accordance with sonic, a gas-bearing reservoir.

Po Valley (63%) and its joint venture partners, United Oil and Gas (20%) and Prospex Oil and Gas (17%), have agreed to proceed to case, perforate and complete the well and install downhole production equipment.

Well completion is targeted to be completed mid this month with flow testing on a rigless basis planned for early January, 2018.

Commenting on the results, PVE Chairman, Mr Michael Masterman, said "We are very pleased with these results from our first well Podere Maiar 1dir in the Selva gas field and will proceed to case and test the well."

Po Valley will continue to update the market on well progress, and further log result evaluation and testing.

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Background on the Podere Gallina exploration license

The Podere Gallina licence measures 331 km² and it is situated in the eastern part of the Po Plain, south of the Po Delta, among the Ferrara and Bologna provinces, in the Emilia Romagna Region. The licence was awarded in 2008.

During 2012, the Company carried out the Geological and Geophysical work to assess the Selva residual gas potential and the technical team identified a new low risk prospect named "Selva Stratigraphic" and a second exploration target (East Selva) on the pinch out edge to the east of the main Selva field. Approximately 70km of 2D seismic was purchased from ENI to further evaluate the exploration potential and reprocessed.

Contingent Resources for the Podere Gallina exploration licence were independently evaluated in 2013 by the geological and petroleum reservoir consultancy UK firm CGG Services Ltd. Please refer to page 76 of the technical summary in 2016 Annual Report.

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