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## ASX ANNOUNCEMENT

### Po Valley signs Gas Sales Agreement with BP Gas Marketing

#### Highlights

- Po Valley signs offtake agreement with BP Gas Marketing to supply gas from its Podere Maiar-1 facility in Italy
- 18-month contract to commence on 1 April 2023 with potential to extend
- Po Valley and its joint venture partners will supply an estimated 37,000,000 standard cubic metres of gas under the contract
- Gas supply price will be linked to the Italy's "Heren PSV day ahead mid" price assessment
- Po Valley is well funded to complete Podere Maiar-1, and first gas is on track for early Q2 CY23.

Po Valley Energy Limited (ASX: PVE) is pleased to announce that its wholly owned subsidiary Po Valley Operations Pty Limited (PVO) has signed a gas sales agreement (GSA) with BP Gas Marketing Limited (BPGM), an indirect, wholly owned subsidiary of BP International Limited (BPI).

The GSA between PVO and BPGM relates to forecast gas production from the soon to be completed Podere Maiar – 1 facility in the Selva Malvezzi production concession located in the Po Valley Region of Italy. PVO is Operator of the Selva Malvezzi production concession with 100% ownership interest moving to 63%. Notices to transfer joint venture partner quotas to Prospex Energy plc's two wholly owned subsidiaries UOG Italia Srl (20%) and PXOG Marshall Ltd (17%) were sent to the Italian Ministry during November 2022.

**Po Valley Chairman Kevin Bailey said:** *"We are delighted to have successfully negotiated a gas sales agreement (GSA) with a major player of the caliber of BP Gas Marketing Ltd, which is a major milestone for Po Valley and one we have been working toward for some time.*

*"We look forward to our scheduled gas production commencing at Podere Maiar-1 in April, bringing to fruition the first step of this exciting project. We continue to progress developments on time and on budget, and are fully funded to production."*

Key terms of the GSA (on a 100% basis) include:

<b>Parties</b>	PVO and BPGM
<b>Start date</b>	1 April 2023
<b>End date</b>	30 September 2024 (18 months duration)
<b>Extension of contract</b>	No automatic right to extend, parties to commence extension discussions 30 days before 30 September 2024

<b>Termination rights</b>	Termination conditions standard for a contract of this nature including gas quality and delivery specifications and payment
<b>SNAM delivery point</b>	Budrio 50202301
<b>Gas supply volumes (estimate) - standard cubic metres (scm)</b>	<ul style="list-style-type: none"> <li>- 12,142,200 scm for the thermal year ending 30 Sep 2023 (6 months)</li> <li>- 24,970,400 scm for the thermal year ending 30 Sep 2024 (12 months)</li> </ul>
<b>GSA gas pricing</b>	<ul style="list-style-type: none"> <li>- Linked to Heren PSV day ahead mid</li> <li>- Heren PSV day ahead mid is a virtual, market based price assessment announced in the ICIS Heren report at 530pm on any Banking Day for gas prices in Italy. PSV is short for “Punto di Scambio Virtuale” which translates to “virtual trading point”</li> <li>- Heren PSV day ahead mid is the arithmetic mean of the Day-ahead Offer price and the Day-ahead Bid price for Natural Gas at the PSV on such Banking Day; and (ii) in respect of a Day that is a non-Banking Day, the arithmetic mean of the Weekend Offer price and Weekend Bid price for Natural Gas at the PSV on such non-Banking Day as published, in each case, on the Banking Day immediately preceding the relevant Day by ICIS Heren under the heading: “PSV Price Assessment” in “European Spot Gas Markets”, and expressed in Euros per MWh</li> <li>- As Heren PSV day ahead mid pricing is only available in ICIS Heren reports (private and subscription based), Dutch TTF spot price is considered a useful proxy which is publicly available. Refer competent persons report July 2022, page 72 (ASX release 26 July 2022)</li> </ul>
<b>PVO supply volume nominations</b>	<ul style="list-style-type: none"> <li>- PVO to provide provisional nominations monthly, weekly and daily</li> <li>- Actual and binding nominations required by 2pm on any Banking Day</li> </ul>
<b>GSA payment terms</b>	GSA includes detailed invoicing process for gas sales and SNAM transport costs. Settlement and payment process completes 20 days after month end
<b>Podere Maiar – 1 operating costs</b>	Expected to be Euro 0.60 million per annum, abandonment costs expected to Euro 2.70 million. Refer competent persons report July 2022, page 72 (ASX release 26 July 2022)

### **Podere Maiar - 1 construction and funding update**

PVE’s December 2022 quarterly report (ASX release 30 January 2023) provided a detailed update on progress at the Podere Maiar – 1 production facility.

PVO, as Operator of the joint venture, has made approximately 50% of required payments under the fixed price construction Podere Maiar – 1 contract. It is expected that 70% of required payments under the construction contract will have been made by 1 April 2023 with the final 30% of payments expected to be made after gas sales commence.

PVE remains well funded to complete the construction programme at Podere Maiar – 1. The fixed price construction contract agreed with TESI was Euro 3.45 million, Euro 2.20 million net to PVO (ASX release 11 August 2022).

*This announcement was approved for release by the Board of Directors of Po Valley Energy Limited*

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