



31 October 2024

**ASX ANNOUNCEMENT  
SEPTEMBER 2024 QUARTERLY ACTIVITIES REPORT**

**Highlights**

**Selva Malvezzi Production Concession – PVE (operator) 63% Interest  
Production from Podere Maiar-1 – strong and steady results**

PM-1 Production Data	December 2023 Quarter	March 2024 Quarter	June 2024 Quarter	September 2024 Quarter
Avg. daily production rate (scm)	45,808	69,976	74,904	76,910
Quarterly production ('000 scm)	2,633	4,023	4,306	4,421
Weighted average price (per scm)	€ 0.40	€ 0.30	€ 0.34	€ 0.39
Revenue ('000)	€ 1,117	€ 1,201	€ 1,456	€ 1,737
Field Operating costs ('000) <sup>1</sup>	€149	€146	€174	€179
Quarterly Cashflow from production ('000) <sup>2</sup>	€ 1,128	€ 1,011	€ 1,201	€ 1,511

*Note: All figures in the table above, other than the daily production rate, are quoted on a net-63% share to PVE*

1. Cash outflows from field operating costs per quarter excludes accrued royalties
2. Net cash from production before staff and administration costs

- Steady gas production from PM-1 for the quarter averaging approximately ~80,000 scm/day continuing to meet predicted levels of production
- Strong gas prices with the average weighted gas sales price for the quarter at €0.39/scm reflecting an increase on last quarter
- Quarterly production was 7,018k scm of gas (on a 100% basis) and revenue for the quarter was €2.8 million (on a 100% basis).
- Routine slick line operation carried out in September with results in line with expectations and confirming an average daily production rate of 80,000 scm/day for the foreseeable future

**Broader Selva Development Program - multi-well drilling program milestones being met**

- Key development milestone met end of September with the filing of 4 new drilling applications with the Ministry of Environment and Energy Security. All four wells are located within the Selva Malvezzi Production Concession.
- Environmental Impact Studies for these 4 new wells are well advanced and on track for submission in 4Q24. Upon submission, the Ministry of Environment and Energy Security will commence their formal assessment.
- Preparation for the 3D geophysical survey acquisition on the Selva Malvezzi Production Concession was significantly progressed during the quarter. All environmental approvals have been received. Geophysical campaign will commence once final sign off from the Region is received which is expected after the regional elections scheduled for the second half of November.

## Teodorico – New Decree supports natural gas supply security

- As recently disclosed in the ASX released dated 21 October 2024, a new Environmental Decree published during the quarter has provided further regulatory certainty for Po Valley’s largest gas development – Teodorico – located in the shallow waters of the Northern Adriatic. Once formalised into law in mid-December, this new legislation (along with the existing Energy Decree introduced in 2023) will further enhance the potential for and value of Teodorico.

## Corporate

- Operating cashflow for the quarter was €1.2 million (net to PVE), with a one-month lag between revenue and cash receipts due to normal trading terms with BP Gas Marketing.
- Expenditure on exploration for the quarter was €156k (net to PVE)
- Cash at 30 September 2024 was €4,159k (~A\$6,698k).

Australia's Po Valley Energy Limited (ASX: **PVE**) ("**Po Valley**" or "**The Company**") is pleased to provide its Quarterly Activities Report for the period ending 30 September 2024, covering the Company's gas exploration, development and production outcomes across its onshore and offshore assets in northern Italy.

## Selva Malvezzi

Selva is an onshore natural gas field located in the eastern part of the Po Plain, in the Bologna province of the Emilia Romagna Region. The Selva Malvezzi Production Concession was awarded in July 2022 and measures 80.68km<sup>2</sup>. It includes the Podere Maiar Gas field (**PM-1**) (in production) and the gas prospects at East Selva, Selva North and South and Riccardina carved out from the former Podere Gallina Exploration Permit.

Po Valley Operations (100% subsidiary of the Company, “PVO”) is the operator under a Joint Operating Agreement (“JOA”) and holds a 63% interest in the Selva Malvezzi Production Concession with Prospex Energy plc (“Prospex”) holding 37% (includes 20% held by Prospex subsidiary UOG Italia S.r.l).

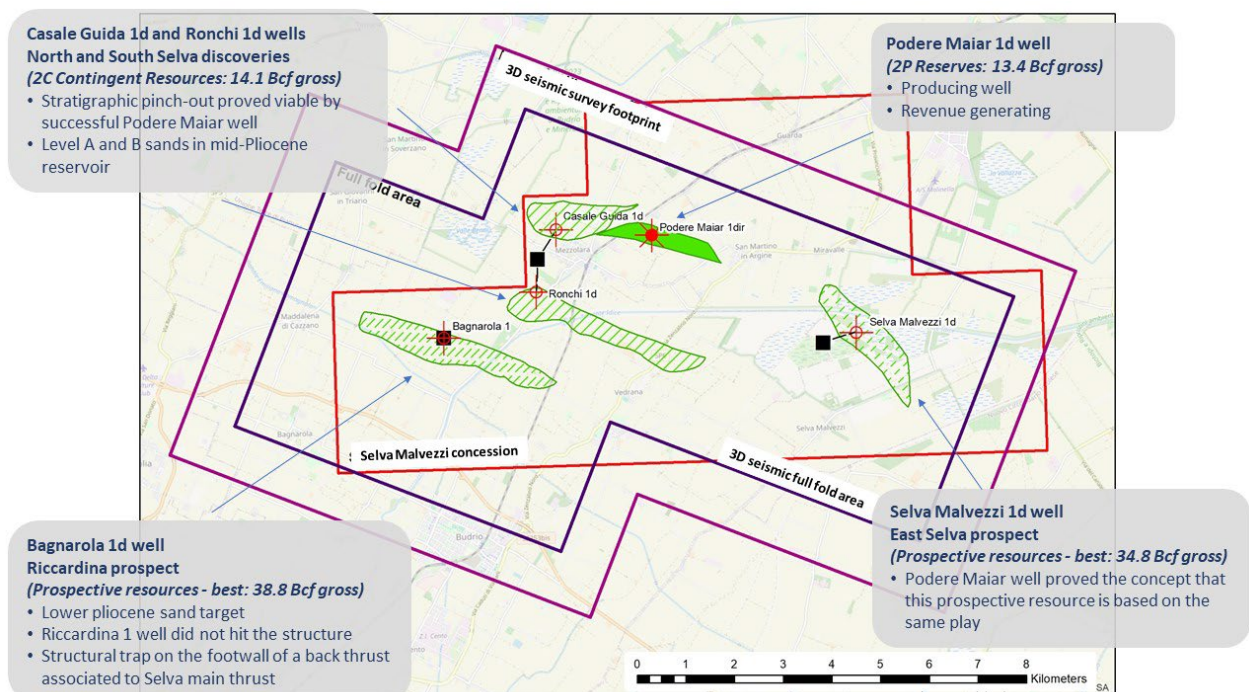


Figure 1: Selva Malvezzi Production Concession

### PM-1 gas production and well management

Gas production at PVO's 63%-owned Podere Maiar – 1 (PM-1) gas facility in the Selva Malvezzi Production Concession for the quarter is shown in the table below:

PM1 Gas Production September 2024 quarter			
Production (scm)	July 2024	August 2024	September 2024
PM-1 – 100%	2,477,096	2,462,810	2,078,475*
PM-1 – 63% (PVE share)	1,560,570	1,551,570	1,309,439
Revenue (€)			
PM-1 – 100%	898,287	1,025,937	833,508
PM-1 – 63% (PVE share)	565,921	646,340	525,110

\*Gas production impacted due to shutdown in September for routine slick line tests

PM-1 gas is being supplied to BP Gas Marketing. The original 18-month supply agreement was extended during the quarter for an additional 12 months to 30 September 2025.

Production has been consistent through the quarter averaging ~78,000 scm to ~80,000 scm per day, with exception of days during which slick line operations were undertaken. Total revenue for the quarter to 30 September 2024 was €2,757,732 (100%) with PVE share at 63% €1,737,371.

The routine slick line operation in late September re-confirmed the pressure evolution as per expectations and no sand or water detected. There were also no unexpected readings during the period on the surface sand detection equipment that is now operational on site. Three and a half days were allowed for pressure buildup during this shutdown operation with the well re-opening on 25<sup>th</sup> September and production recommencing at ~80,000 scm/day. The current production rate is expected to continue for the foreseeable future. PVO took advantage of the September slick line shutdown to undertake routine maintenance of the production plant and successfully replacing aluminium in the plant regeneration columns.

### Other Selva projects

The Selva Malvezzi Production Concession is the key area of focus for the Company with the next stages of development at Selva North, South, Selva East and Riccardina prospects.

Drilling program applications for the 4 new wells (renamed as per Ministry topographical convention) Casale Guida 1d (North Selva), Ronchi 1d (South Selva), Selva Malvezzi 1d (East Selva) and Bagnarola 1d (Riccardina) were filed with the Italian Ministry of Environment and Energy Security in September 2024.

During the quarter, the Company made significant progress on the Environmental Impact Assessment (EIA) study for the new drilling programs. These are expected to be submitted in Q4 2024, on submission the Ministry will commence their assessment of the EIA.

Additionally, planning and permitting from the 3D geophysical campaign across the entire Production Concession continued to advance smoothly. The geophysical campaign will commence once the final sign-off from the Region is obtained which anticipated after the regional elections in late November.

Expenditure for the quarter in relation to the above progression of work programs on the Selva prospects was \$156k (net to PVE).

### **Teodorico**

In a positive development reported in the ASX released dated 21 October 2024, a new Environmental Decree 2024 was published on 17 October 2024. The area defined as suitable for gas production by the Decree includes where Po Valley's 100%-owned Teodorico (d.40.AC-PY) off-shore asset is located. The Decree is due to be converted into law by mid-December 2024. Po Valley continues to investigate both the 2023 Energy Decree and the new Environmental Decree in consultation with its legal advisers and the relevant Ministry, MASE, to determine its implications for Teodorico. Although the formalisation of the Environmental Decree into law is still pending, and details of the Energy Decree are still being worked through from an operational perspective, the Teodorico field is well positioned within this updated regulatory framework. This bodes extremely well for maximising the value of the Teodorico asset via a joint venture or sale

### **Other Assets**

In addition, the company is reviewing optimal development paths for its residual assets (Cadelbosco di Sopra, Grattasasso and Torre del Moro) including the potential for introduction of third-party investors / partners who have interest in participating in their development.

Cadelbosco di Sopra and Grattasasso are shallow gas opportunities which fit neatly with the Company's proven exploration and development capabilities whilst Torre del Moro is a large deep gas prospect.

## **CORPORATE**

### **Cash flow**

Net operating cashflows for the quarter were €1,223k, which included receipts from gas sales of €1,690k and production operating costs of €179k. Costs on the production well at PM-1 in this quarter were for minor additions to the plant. Revenue receipts and costs are net of any Joint Venture Partner contribution or distributions.

Work programs for other fields within the Selva Malvezzi Production concession are on track with costs incurred in the quarter of €156k. As the work programme is further developed additional costs will be added.

The Group's cash balance at 30 September 2024 was €4,159k (~A\$6,698k).

Regarding Section 6.1 of the Appendix 5B amounts paid to related parties and their associates totalled €67k, consisting of director remuneration and consulting fees.

### **Information Provided in Accordance with ASX Listing Rules 5.4.1 and 5.4.2**

In accordance with ASX Listing Rule 5.4.1, the Company confirms that there have been no material developments or changes to its exploration or production activities. The focus in this quarter was gas production at the Podere Maiar-1 and progression of the work program on the development plan of the new wells in the Selva Malvezzi Production Concession.

In accordance with ASX Listing Rule 5.4.2, the Company advises that the development, production and exploration activities undertaken, and costs incurred are as described in the relevant sections above.

### Summary of Tenements – No change from the June 2024 Quarter

		Tenement	Location	Interest held
PRODUCTION CONCESSIONS	AWARDED	<i>Selva Malvezzi<sup>(1)(2)</sup></i>	Italy, Emilia Romagna	63% Po Valley 37% Prospex Group
	PREL. AWARDED	<i>Teodorico (d.40.AC-PY)</i>	Italy, Adriatic Offshore	100% Po Valley
EXPLORATION PERMITS	GRANTED	<i>AR94PY</i>	Italy, Adriatic Offshore	100% Po Valley
		<i>Cadelbosco di Sopra</i>	Italy, Emilia Romagna	100% Po Valley
		<i>Grattasasso</i>	Italy, Emilia Romagna	100% Po Valley
		<i>Torre del Moro</i>	Italy, Emilia Romagna	100% Po Valley

<sup>1</sup> Net to PVE is 63%, JV partners' 37% held by Prospex Group (Prospex Energy plc 17% and UOG Italia S.r.l. 20%, UOG Italia S.r.l is a wholly owned subsidiary of Prospex Energy plc .

<sup>2</sup> Selva Malvezzi Production Concession includes areas that are deemed suitable for exploration, these areas were previously held under the Podere Gallina exploration permit and are included in the Selva Malvezzi Production Concession awarded in 2022.

### Reserves and Resources\*

Licence	Project	Reserves			Contingent Resources			Prospective Resources		
		1P	2P	3P	1C	2C	3C	Low	Best	High
Gas Bcf										
	Selva (Podere Maiar1)	2.38	8.18	18.58						
	Selva level A South				0.7	1.1	2.3			
<b>Selva Malvezzi</b>	Selva level B North				2.2	5.6	11.2			
<b>[Net]</b>	Selva level B South				0.6	2.2	5.9			
	Fondo Perino							6.4	9.2	12.9
	East Selva							18.3	21.9	25.6
	Riccardina							8.2	24.4	81.2
	Teodorico	27	37	48						
<b>AR94PY</b>	Teodorico				7.4	10.6	14.0			
	PL3-C							7.9	15.9	25.0
	Zini (Qu-B)				1.1	2.7	4.6			
<b>Cadelbosco</b>	Canolo (Qu-A)				0.7	1.1	1.7			
<b>di Sopra</b>	Canolo (Plioc)				0.4	3.6	10.5			
	Zini (Qu-A)							0.6	1.4	2.4
<b>Torre del Moro</b>	Torre del Moro							420.7	502	596.1

\* Gas Reserves and Resources by Field (as per CPR dated 25 July 2022 ASX announcement 26 July 2022) less depletion from PM1 production for the year to 31 December 2023.

**Prospective Resources** are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcements referred to in this announcement and, in the case of estimates for petroleum reserves, contingent resources and prospective resources, all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not materially changed from the original market announcement.

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

**Enquiries to:**

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Directors	
Mr. Kevin Bailey AM, Chairman Ms. Sara Edmonson, Non-executive Director Mr. Joseph Constable, Non-executive Director Ms. Katrina O’Leary, Non-executive Director	

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PO VALLEY ENERGY LIMITED

ABN

33 087 741 571

Quarter ended ("current quarter")

30 SEPTEMBER 2024

Consolidated statement of cash flows	Current quarter €'000	Year to date (9 months) €'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,690	4,222
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	(179)	(499)
(d) staff costs	(136)	(358)
(e) administration and corporate costs	(177)	(339)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid (including regional taxes)	(32)	(32)
1.7 Government grants and tax incentives	-	-
1.8 Other – Recoveries from JV for overheads	57	140
<b>1.9 Net cash from / (used in) operating activities</b>	<b>1,223</b>	<b>3,134</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(c) property, plant and equipment – Development of PM1 (net to PVE)	(12)	(21)
(d) exploration & evaluation (if capitalised)	(156)	(181)
(e) investments	-	-
(f) other non-current assets	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter €'000</b>	<b>Year to date (9 months) €'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(168)</b>	<b>(202)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other - Lease liabilities	(8)	(22)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(8)</b>	<b>(22)</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,114	1,253
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,223	3,134
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(168)	(202)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(8)	(22)
4.5	Effect of movement in exchange rates on cash held	(2)	(4)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>4,159</b>	<b>4,159</b>



5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter €'000	Previous quarter €'000
5.1 Bank balances	4,159	3,114
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,159</b>	<b>3,114</b>

6. Payments to related parties of the entity and their associates	Current quarter €'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	67
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end €'000	Amount drawn at quarter end €'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other – Convertible Notes	-	-
7.4 <b>Total financing facilities</b>		
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>€'000</b>
8.1 Net cash from operating activities (Item 1.9)	1,223
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(156)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	1,067*
8.4 Cash and cash equivalents at quarter end (Item 4.6)	4,159
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	4,159
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	n/a as quarter net cash inflow of *€1,067k

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

*n/a*

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

*n/a*

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

*n/a*

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2024

Authorised by: The Board of Po Valley Energy Limited  
(Name of body or officer authorising release – see note 4)

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**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

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**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.