

AGM Presentation

May 2018

po valley ENERGY

Company Overview

Po Valley Energy Limited (PVE) is an Oil & Gas exploration and development company with a portfolio of hydrocarbon assets in northern Italy.

Listed on the Australian Stock Exchange

Ticker: **ASX:PVE**

Market cap: **AUD20m[1]**



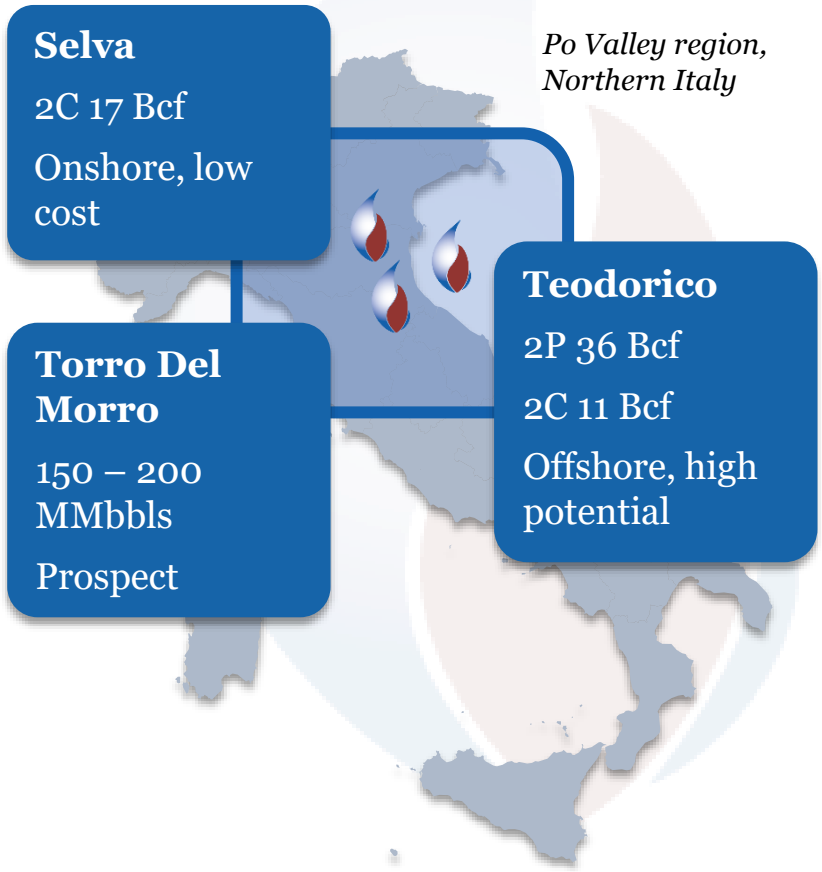
Michael Masterman – Chairman & CEO
- Founding shareholder and GM Fortescue Metals Group
- CEO W Resources, CFO Anaconda Nickel
- 8 years McKinsey & Company



Kevin Bailey – Non-Executive Director
- Over 30 years' corporate finance experience
- Founder of Shadworth Financial Group
- Member of the Order of Australia for philanthropy



Byron Pirola – Non-Executive Director
- 30 years' experience in strategy consulting
- Co-Founder of Po Valley Energy
- Director of Port Jackson Partners Limited

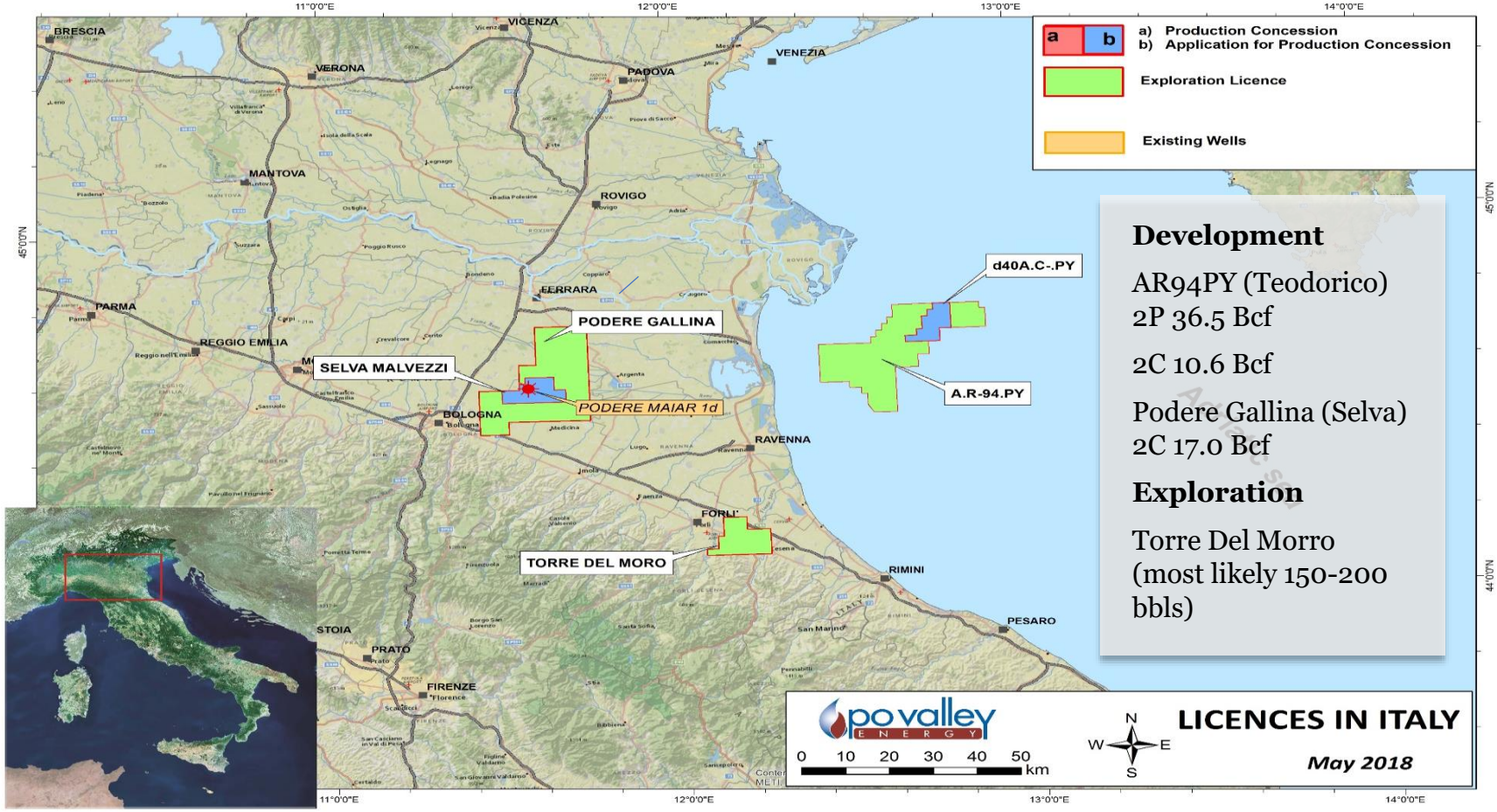


Po Valley region, Northern Italy

1 – Market cap is ex share distribution of 1 CORO for every 5.9 PVE shares

Summary of Assets

PVE has three large gas and oil assets - offshore Teodorico and onshore Selva gas developments, and the large Torre del Morro oil/gas condensate exploration play



Competitive Advantages

Natural gas development in

Northern Italy

91% gas imported, leading to 10% premium gas price

Favourable market

High value, low cost gas portfolio

2P	**36.5 Bcf**
2C	**21.3 Bcf**

Operating in the region since 1997

Proven track record

Oil prospect

150 – 200 MMbbls

Deep managerial and technical capability

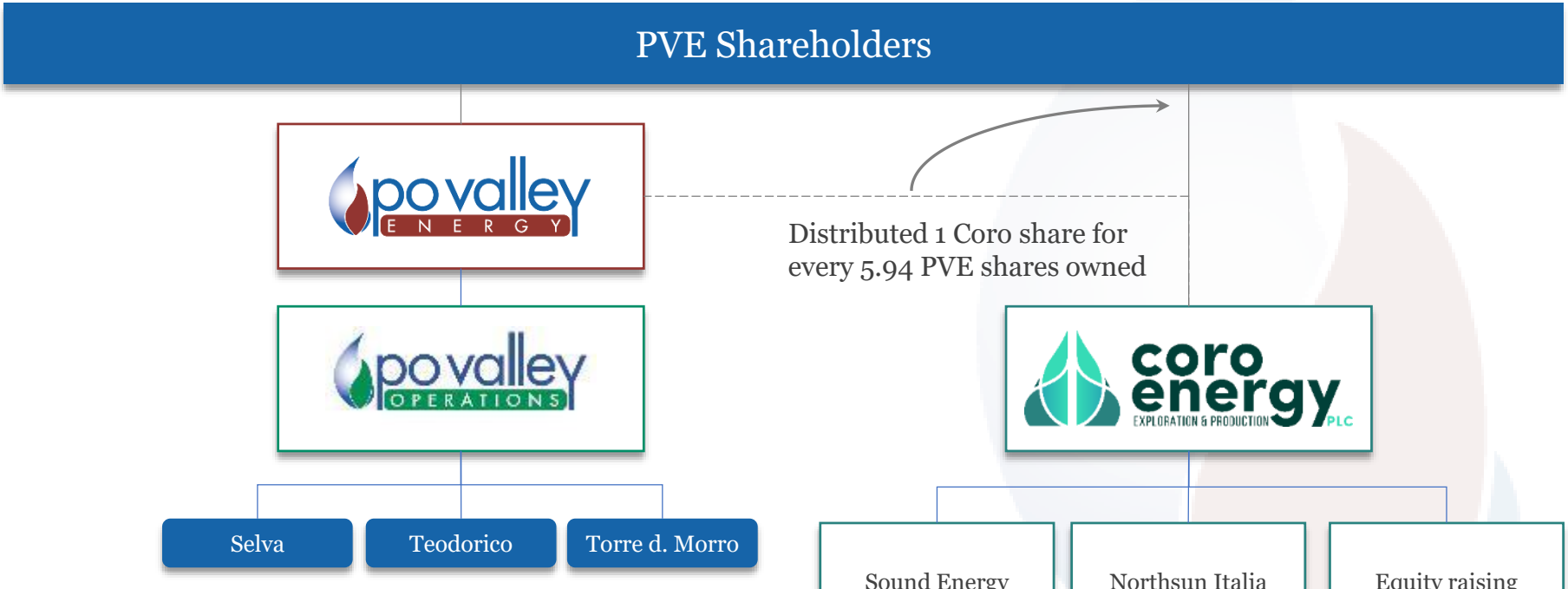
People



Capital Restructuring

Successfully spun off Coro Energy plc and distributed shares to PVE shareholders

Ownership structure, post spin-off:



Resource	2C 17.1 Bcf	2C 10.6 Bcf	TBD
Reserve	-	2P 36.5 Bcf	TBD
SKR Valuation[1]	AUD23.1M	AUD51.7M	AUD0.2m

1 – Independent Specialist Report on the petroleum assets of PVO, SRK Consulting (Feb 2018)

PVE Team



Daniele Marzorati
Engineering & Operations

- 30 years' experience with Italian based oil & gas incumbents, ENI / Stogit

Michael Masterman
Chief Executive Officer

- GM Fortescue Metals Group
- CEO W Resources, CFO Anaconda Nickel
- 8 years McKinsey & Company

Pierpaolo Poncia
Approvals & Geology

- 20 years' experience

Giorgio Bertuzzi
Exploration & New Projects

- 30 years' experience in international exploration management with ENI

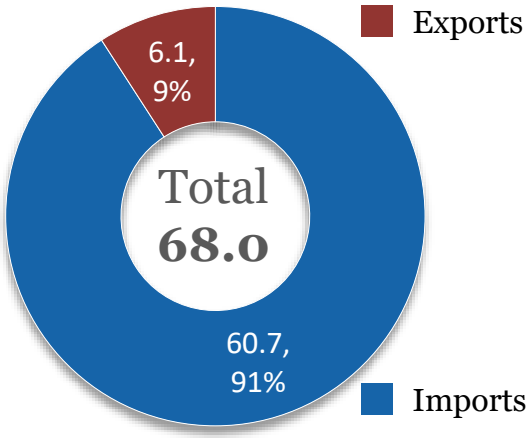
Gianluca De Rosa
Senior Geophysicist

- 20 years' experience in the Italian oil & gas industry

Italy – Favourable Market Dynamics

91% of Italian gas consumption needs to be imported

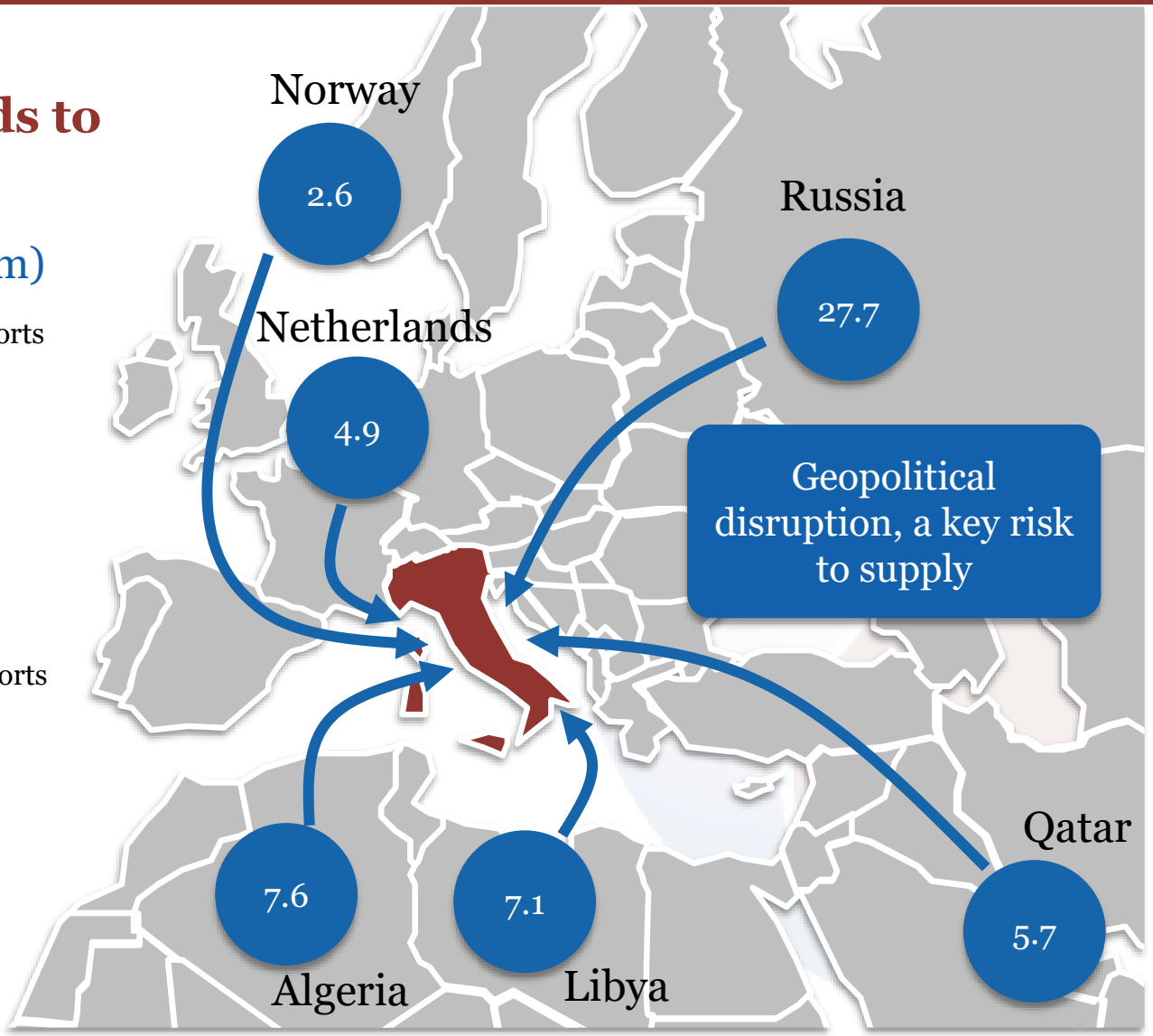
Gas Consumption (Bscm)



€0.20 – 0.22 / scm

(AUD9.1 – 10.0 / Mcf)

Favourable domestic prices



Assets

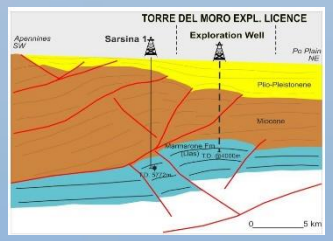
Teodorico



Selva

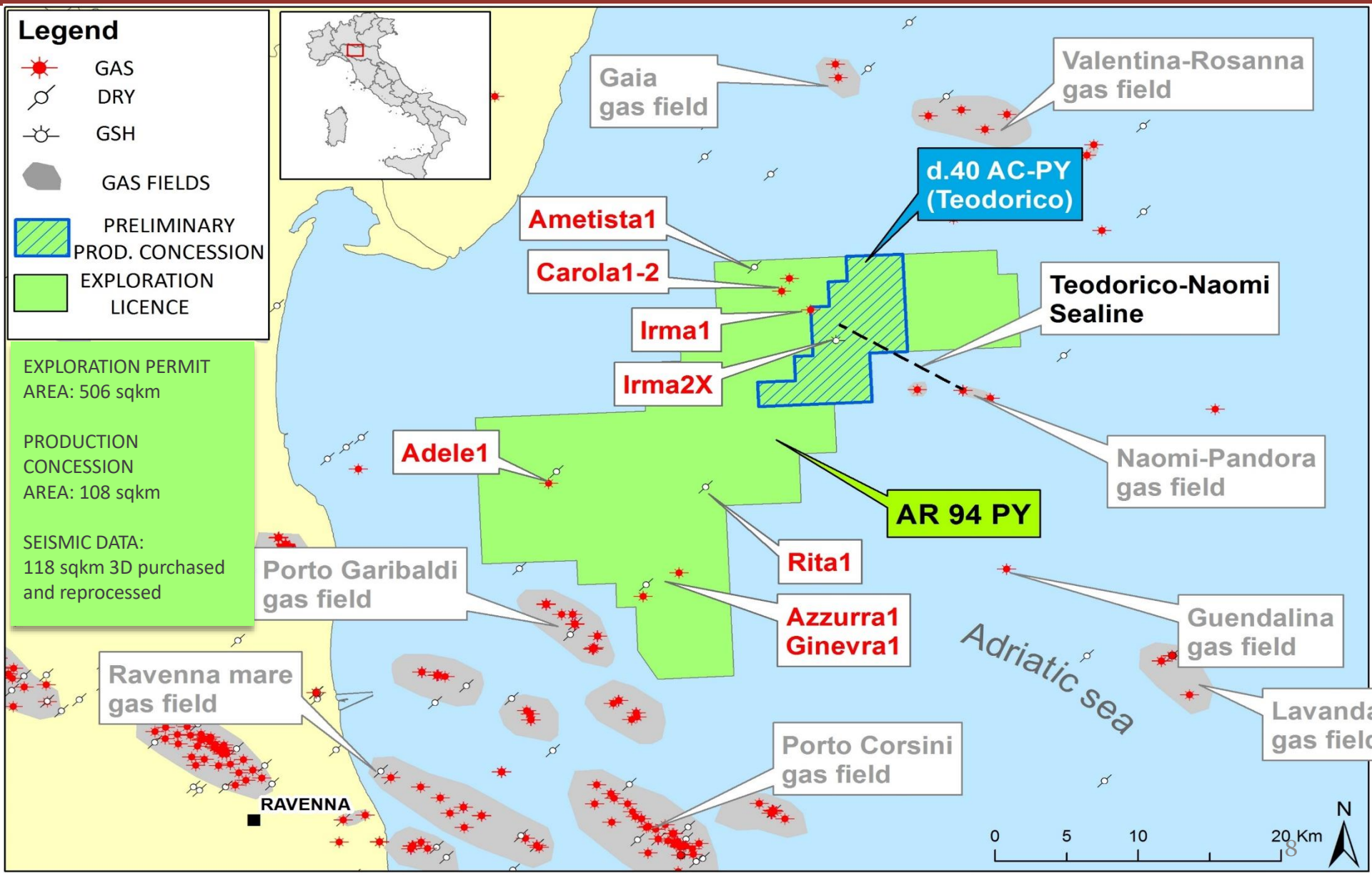


Torre Del Moro





Teodorico – Large scale offshore

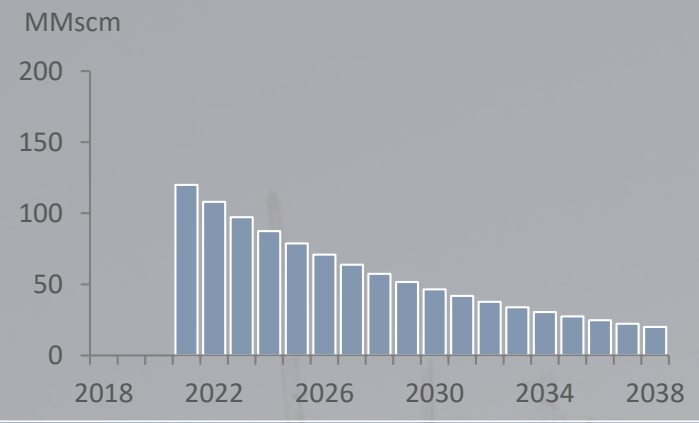


Teodorico - Development Plan

Development Plan

- 2 wells will be drilled from "Teodorico" platform
- Three legs platform @ about 12 miles offshore Ravenna; ~ 30 m water depth
- Gas production sent to Naomi–Pandora Eni platform through 12 kilometers sealine
- Water separation on Teodorico platform, gas treatment and compression in the Eni network

Gas Production (MMscm)



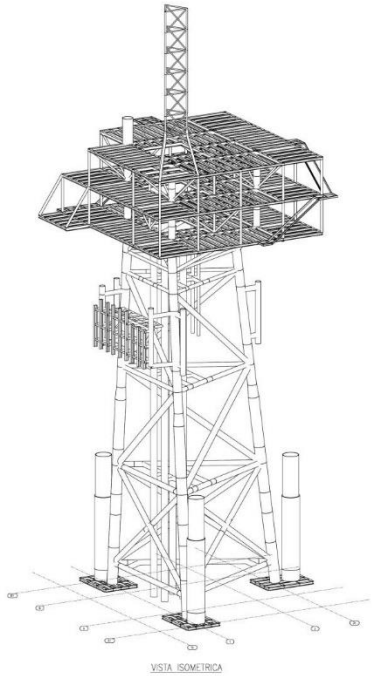
First Gas	3Q 2020
Capex	AUD 82.7m
Total FCF	AUD 144.6m
NPV (10%)	AUD 37.1m[1]
IRR (real)	21%

1 – Based on 2P Reserve only

Source – Independent Specialist Report on the petroleum assets of PVO, SRK Consulting (Feb 2018)

Teodorico Development

Teodorico Tripod



12km tie line



Naomi Pandora

Pipeline to onshore Italy

Italian National Grid

Assets

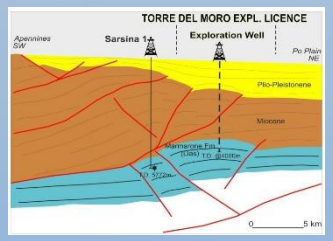
Teodorico



Selva



Torre Del Moro





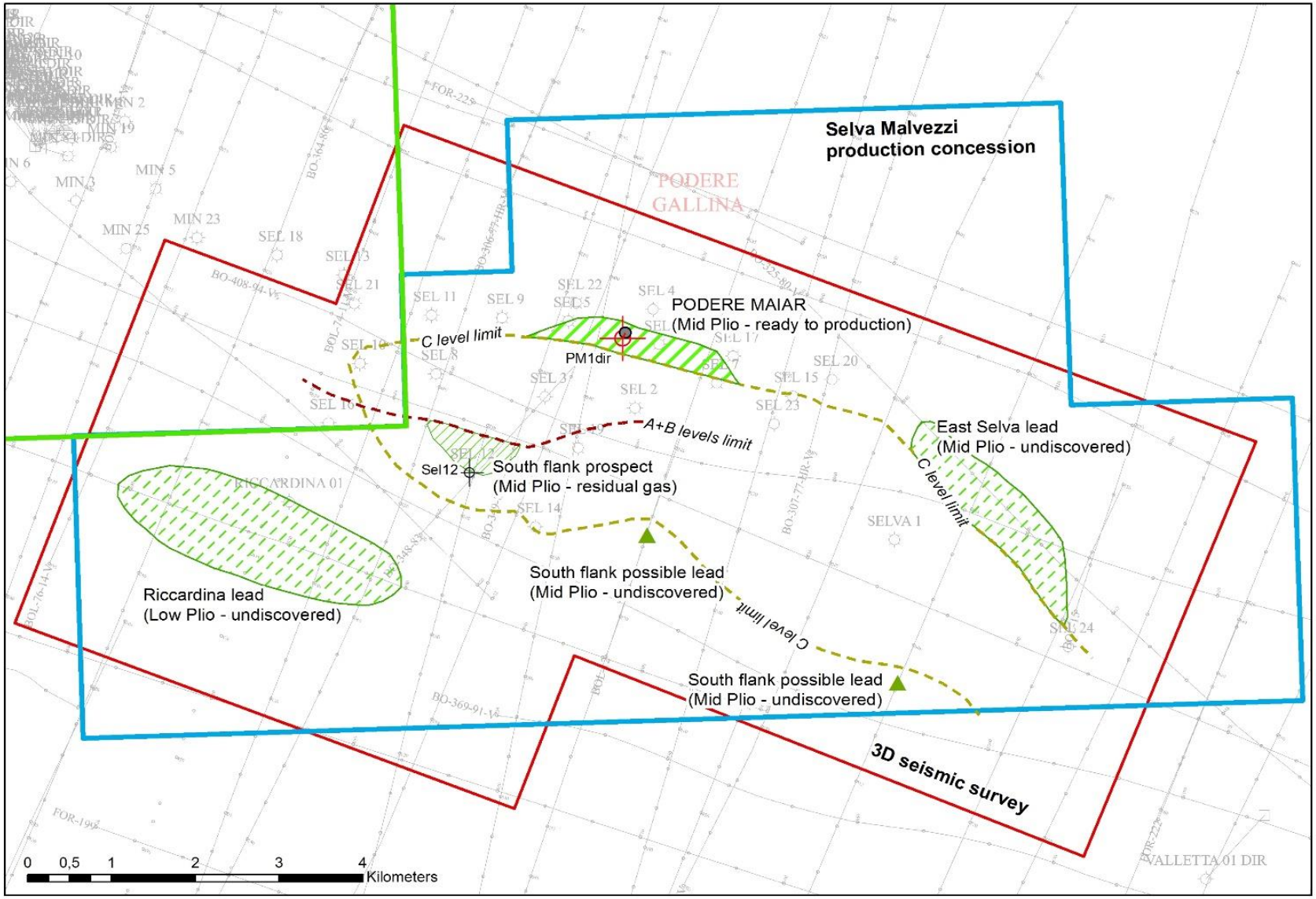
Drilling success at Selva



Drilling Podere Maiar 1dir

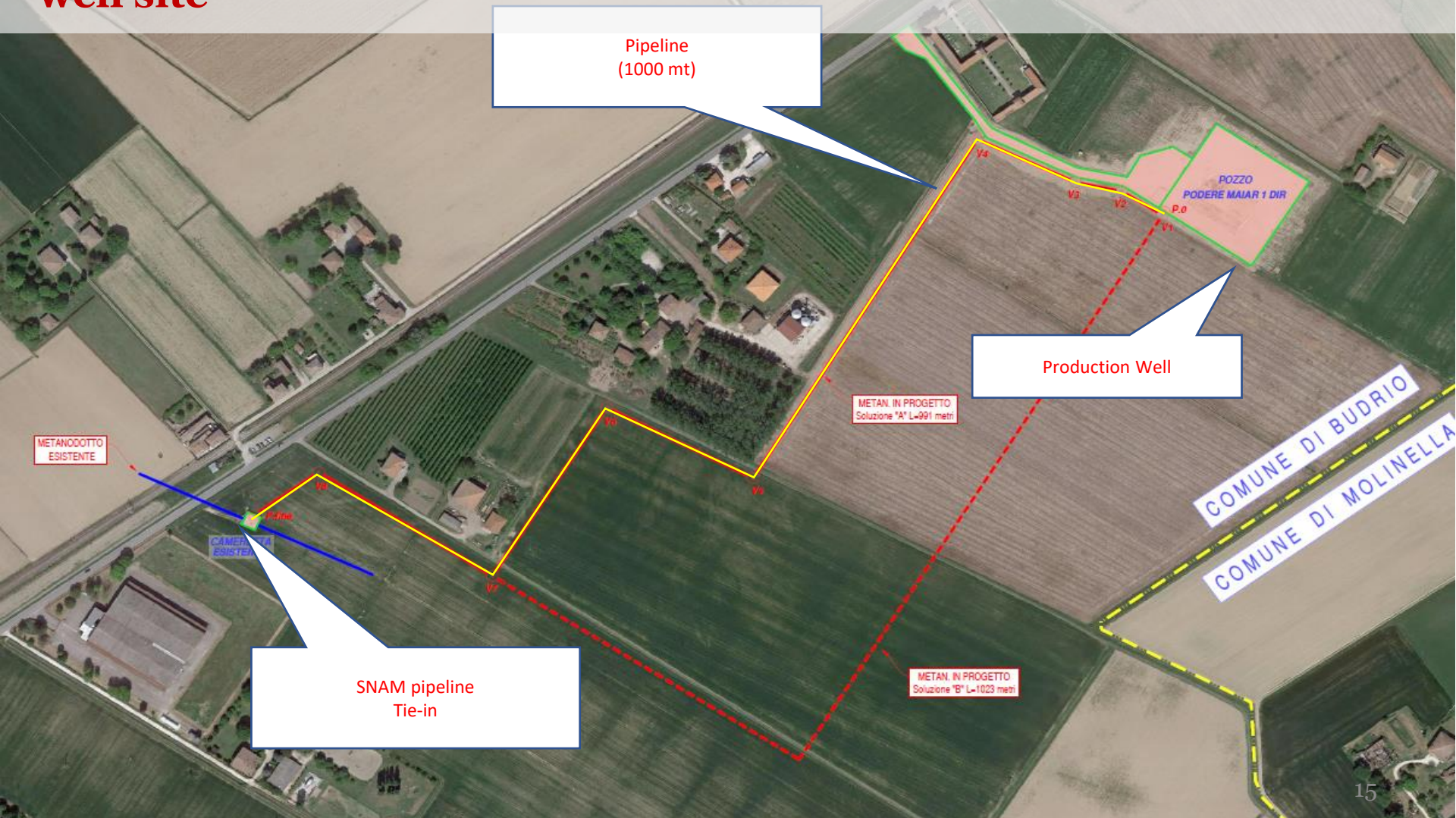


Selva Production Concession



Selva Development

Tie-in to 70bar SNAM pipeline 1,000 m away from Podere Maiar well site

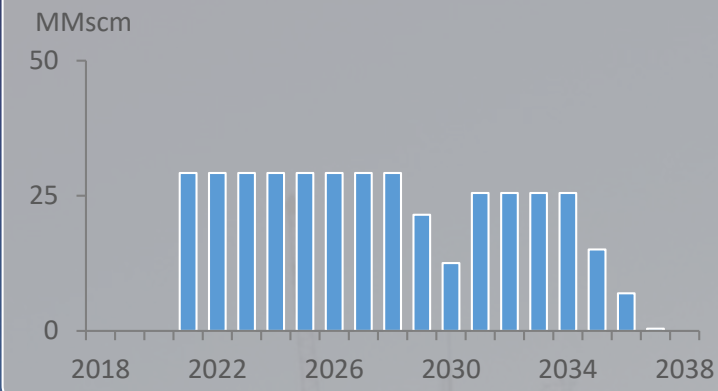


Selva - Development Plan

Development Plan

- G&G work carried out in 2012 to assess the Selva gas field residual potential
- Podere Maiar 1dir well (2017) resulted gas bearing in two pliocenic sandy layers
- Production concession «Selva Malvezzi» submitted on May 2018
- Planned acquisition of 3D seismic data for additional potential (East Selva – Riccardina – South Selva flank)

Gas Production (MMscm)



First Gas	2Q 2020
Capex	AUD 3.7m
Total FCF	AUD 86.2m
NPV (10%)	AUD 35.2m
IRR (real)	120%

Note: Shown on a 100% equity basis

Source – Independent Specialist Report on the petroleum assets of PVO, SRK Consulting (Feb 2018); company financial model

Assets

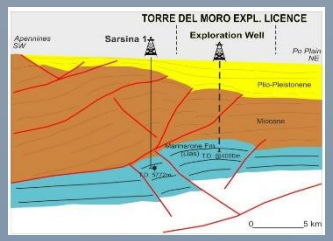
Teodorico



Selva

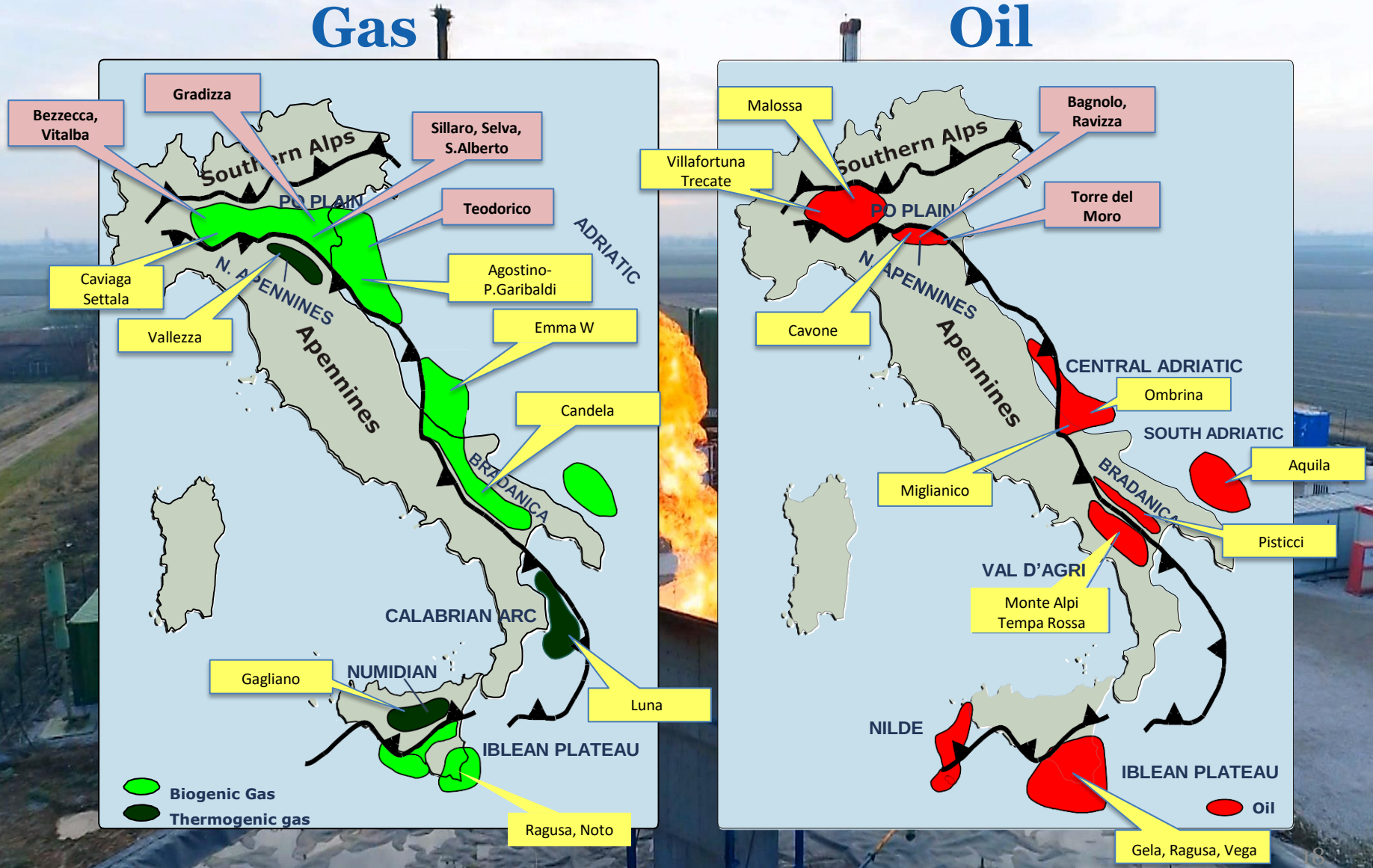


Torre Del Moro





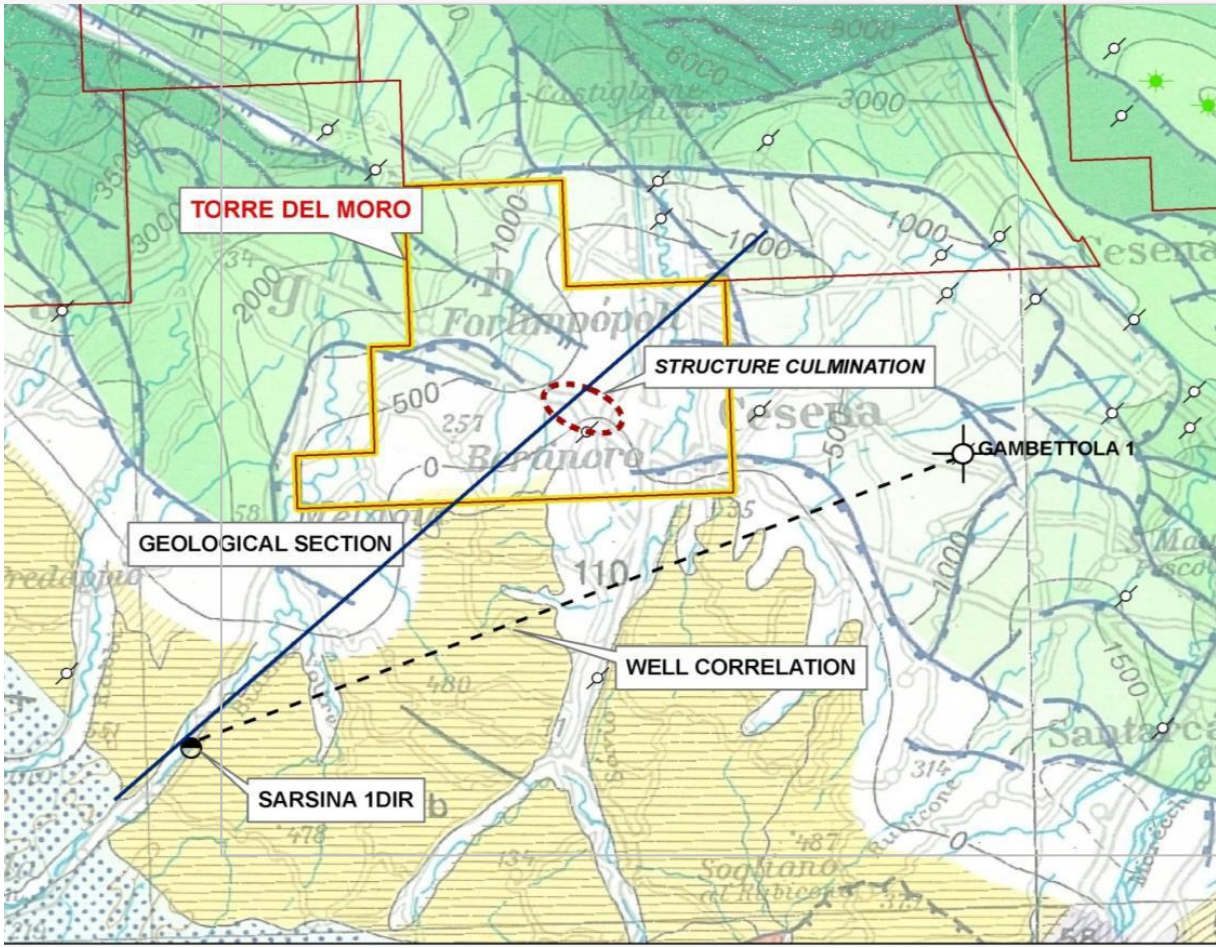
Large Hydrocarbon Provinces – holds the two largest oil fields in Europe



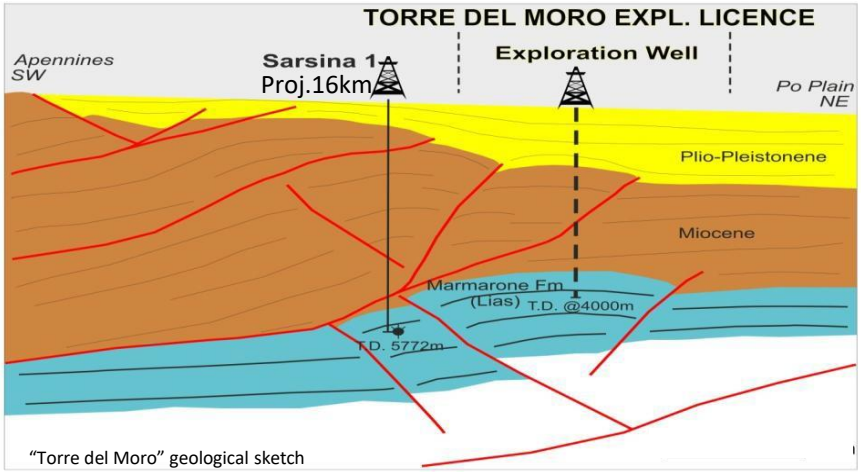
Torre del Moro

Torre del moro licence is a 150 – 250m bbl oil prospect target

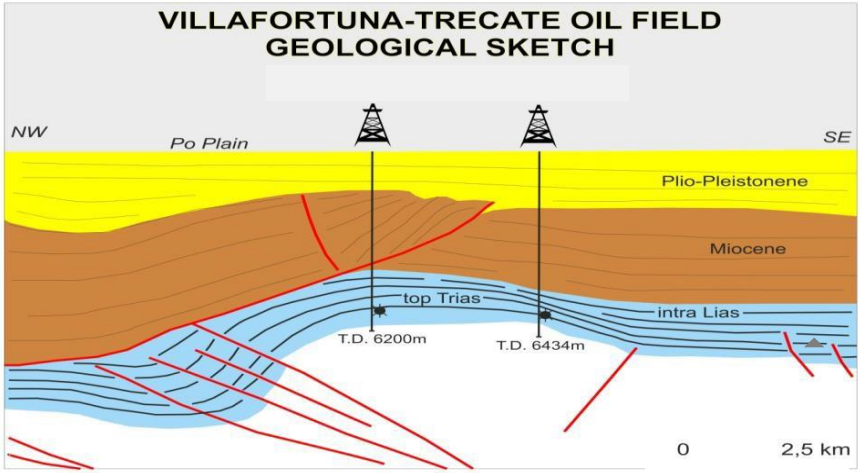
- The "Torre del Moro" exploration licence (100% PVE) contain a Mesozoic carbonate structure (oil prospect) with strong analogy to ENI Villa Fortuna field (300m bbls)
- 1 well drilled (Sarsina-1) with oil 15km distance in the same formation
- Relatively shallow depth structure (top at 3,500/4,000mt)
- Seismic analysis indicates large structure with clear trap
- PVE obtained EIA and is currently expecting the final grant
- PVE 2D seismic data licence of use: 86,4 sqkm (cost AUD$570k)



Torre del Moro



"Torre del Moro" geological sketch



Villafortuna Analogous Structure

Location:	30km west of Milan
Discovery:	1984
Original Oil in Place:	300 million bbls
Production to Date:	220 million bbls of condensate + 70bcf of gas
Production:	Initial Rate 82,000bbls/day
Current Production:	5,000bbls/day
Oil Gravity:	42 - 45º API
Transport Costs:	US$ ~ 1/bbl

Independent Valuation



Independent Expert Valuation

SRK Consulting's Independent Specialist Report values the petroleum assets held by PVE at AUD 75.0m

Project	Asset Type	Method	Low (AUD m)	High (AUD m)	Preferred (AUD m)
Teodorico	Development	DCF – 2P Reserve	24.5	53.8	37.1
		Comparable transaction – 2C	7.2	21.6	14.6
Selva (net attributable)	Exploration	Comparable transactions – 2C + Prospective Resources	11.8	35.4	23.2
Torre del Moro	Exploration	Comparable transactions – Ex potential	0.2	0.2	0.2
Total			**43.7**	**110.9**	**75.0**

Source – Independent Specialist Report on the petroleum assets of PVO, SRK Consulting (Feb 2018); valuation undertaken in EURO and converted using EUR-AUD 1.60 exchange rate