ASX / MEDIA RELEASE
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Gradizza-1 Contingent Resource Assessment

Po Valley Energy Ltd (ASX: PVE) drilled Gradizza-1 in the La Prospera exploration permit in early September 2013 and carried out additional rigless testing in November.

The production test results, together with the reservoir static model, confirmed its commercial viability.

Gradizza-1 is located on the top of the crest and intersected 10 metres of net gas sand. No Gas Water Contact was detected (GDT).

The well intersected less net pay than pre drilling estimates resulting in a decrease of the 2C Contingent Resources compared to previously reported Prospective Resources.

Prospective Resources are now reclassified as Contingent Resources and are summarised as follows:

Contingent Resource Category	Contingent Resource Estimate - (Bcf) 100%	Contingent Resource Estimate - (Bcf) PVE 75% equity interest
1C	**1.6**	**1.2**
2C	**3.6**	**2.7**
3C	**8.8**	**6.6**

Notes to the table:

(1) Contingent resource assessments are estimated in accordance with SPE-PRMS standards.

(2) Further detail on the Contingent Resource assessment is outlined in the additional information contained on page 2

As previously announced, the Company and its partners have agreed to apply for a production concession which will be filed with the Ministry of Economic Development in February.

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Additional information on the field:

La Prospera exploration licence, located in the Ferrara province north of Bologna, was awarded in September 2008. A subsequent seismic interpretation of 68km of ENI seismic lines identified the Gradizza prospect.
The Gradizza structure consists of a sandstone Quaternary target (Asti sands Fm.) at a total measured depth of 856 metres. The Company holds a 75% equity interest and operatorship, in Joint Venture with Petrorep Italiana Spa (15%) and AleAnna Resources LLC (10%).

Basis for assessment of the contingent resource range at Gradizza:

Gradizza volumes estimates are reported in accordance with SPE/WPC/AAPG/SPEE Petroleum Resource Management System.
Contingent Resources are indicated as those quantities of gas estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies.
Within the context of the Italian regulatory framework, Contingent Resources can be re-classified as Reserves once a preliminary Production Concession is granted by the relevant Authority (Ministry of Economic Development).

1C - Denotes low case estimate scenario of contingent resources - When applied to Gradizza, they include the gas volume limited to the GDT and the petro-physical features deriving from the electrical logs and the surrounding wells drilled in the past.
2C - Denotes best estimate scenario of contingent resources. When applied to Gradizza, the 2C includes1C plus the volume limited to the structural closures of the fault block tested by the well.
3C – *Denotes high estimate scenario of Contingent Resources. When applied to Gradizza, the 3C resource* includes *the 2C resource plus the volume limited to the spill point.*

Glossary:
Bcf: Billion standard cubic feet
GDT: Gas Down To

Qualified petroleum reserves and resources evaluator:

The information in this announcement that relates to Hydrocarbon Resources is based on, and fairly represents, information and supporting documentation prepared under the supervision of the Qualified Petroleum Reserves and Resources Evaluator, Mr. Greg Short. Mr Short is a Non-Executive Director of Po Valley Energy Limited, a geologist with over 40 years of oil and gas industry experience and a member of AAPG. He has consented to the form and context in which the Contingent Resources/Prospective Resources and the supporting information are presented in this announcement.

About Po Valley Energy:

Po Valley Energy (ASX: PVE) is an oil and gas production and exploration company listed on the Australian Stock Exchange. It has an expanding portfolio of hydrocarbon assets in northern Italy. Po Valley holds 11 license areas, encompassing 2,000 km^2 and owns and operates two gas treatment plants. The Po Valley region is the main gas production zone in Italy. The Company's web site is http://www.povalley.com