



ASX / MEDIA RELEASE

Thursday 15 April, 2010

**Two-stage development path for Po Valley's
fourth gas field in northern Italy**

A development plan has been announced by Po Valley Energy (ASX: PVE) to bring its Bezzecca gas field in northern Italy into production by 2012.

The field will be the Company's fourth production field in Italy, following the start-up early this year of its Castello field east of Milan, which produced 190 million cubic feet in the first quarter, the imminent maiden production from its Sillaro field east of Bologna and Sant'Alberto, currently under application, which is north of Bologna.

Po Valley said today it expected to lodge next month the development plan for Bezzecca, also near Milan, with the Italian Ministry.

"Our field assessment work confirmed that our best strategy is to put the Bezzecca-1 appraisal well into production first by connecting it to the existing Castello surface plant via an eight kilometre gathering line and then drill a second production well, Bezzecca-2" Po Valley Chief Executive Officer, Mr Michael Masterman, said today.

"Bezzecca-1 was drilled to a depth of 2,010 metres in April last year and tested at a combined flow rate of 3.8 million cubic feet per day across three gas bearing levels" Mr Masterman said.

"Our reservoir evaluation work over the past 12 months indicates that the field's geology is more complicated and reservoir characterization more difficult to define than in our other projects in northern Italy and there is uncertainty over key levels not tested in Bezzecca-1 which comprised the original reserves estimate".

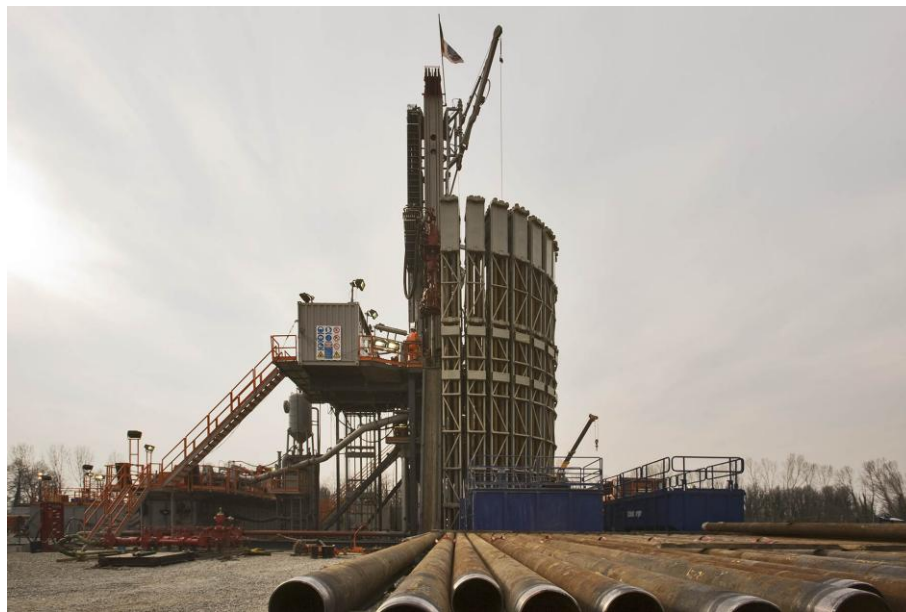
Taken in combination, these factors substantially reduce the estimated volume of gas that is expected to be recovered from the gas bearing reservoirs accessed by the Bezzecca-1 well.



The two-well production plan will access a revised 2P reserves estimate of 3 bcf. Combined production rates from the two Bezzecca wells is expected to be about 2 million cubic feet per day”.

Mr Masterman said that, while future drilling could indicate upside potential from the Bezzecca field, the Company had made the appropriate decision to revise current estimates downwards to 3 bcf. This is based on the results of the substantial reservoir modeling work undertaken by the Company in the past 12 months.

Mr Masterman said that, once the Bezzecca development plan was submitted to the Italian Ministry in May, the Company expected preliminary award of the production concession by early in 2011 and full award, following environmental approval, in 2012, allowing installation and production start-up.



Drilling Bezzecca-1, April 2009

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