

## Po Valley Targets Increased Italian Acreage

Australian gas explorer Po Valley Energy Limited is seeking additional exploration acreage in northern Italy as it prepares for first commercial production from the province by early next year.

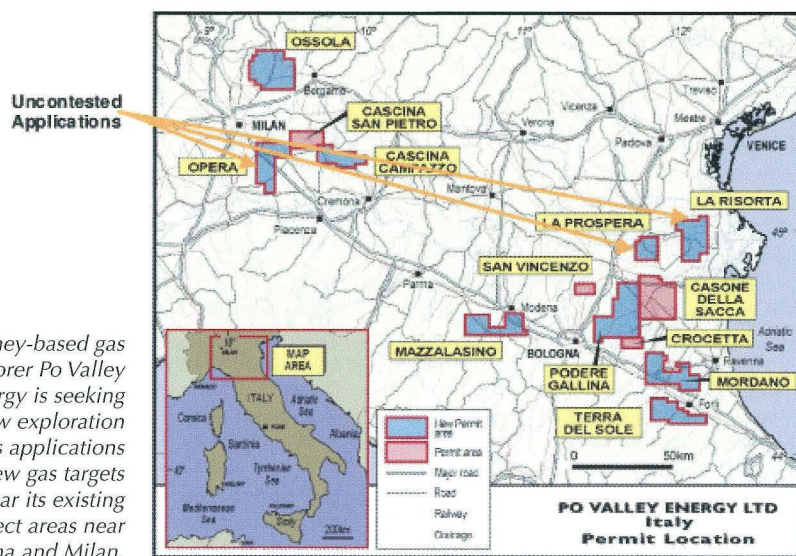
Po Valley Chairman, Graham Bradley, said the company is seeking eight new exploration licences applications over new gas targets near its existing project areas near Bologna and Milan.

"Three of the best applications are for uncontested areas and hosting what we believe are attractive gas exploration targets", Bradley said. "The proposed expansion of our Italian exploration assets is timely, as the likely final grant of the first licences, will coincide with our pending gas production in the first half of 2007."

Bradley said, if approved, all eight licences should be granted progressively through 2007, assisting Po Valley to build on its successful exploration drilling programs in northern Italy in 2004-2005. "Our focus remains northern Italy – we know the geology and regulatory processes applying to the province", he said.

"Acquisition by application for the region is very cost effective and if at least 3-4 applications are approved, I am confident that Po Valley will find its next generation of successful gas field discoveries on this expanded acreage opportunity." Bradley said the licence

*Sydney-based gas explorer Po Valley Energy is seeking eight new exploration licences applications over new gas targets near its existing project areas near Bologna and Milan.*



applications covered an area of 2,005 km<sup>2</sup>, almost twice Po Valley's current licence area.

"There is extensive seismic and well data that can be used as the base for geological investigations which are underway", he said. "In the three uncontested applications- Opera, La Prospera, and La Risorta - there is more than one target of potential gas development."

La Prospera and La Risorta are located in the eastern part of northern Italy near Po Valley's successful Sillaro development field. Four targets have been identified in these two

licences with geological and geophysical studies underway. Opera is located south of Milan and Po Valley's successful Vitalba gasfield and has two target fields.

The applications are expected to be reviewed by mid year by Italy's Hydrocarbon Commission followed by environmental clearance reviews prior to full granting of the licences. "Five of the eight applications have competing bids. This may present an opportunity to work with other competing applicants in joint venturing and discussions towards this end have commenced with a number of bidders." ■