



ABN 33 087 741 571

ASX ANNOUNCEMENT

11 September 2026

PO VALLEY ENERGY LTD (ASX:PVE)

INTERIM FINANCIAL REPORT FOR SIX MONTHS TO 30 JUNE 2026

Po Valley Energy Limited (**ASX:PVE**) encloses its interim financial report for the period ended 30 June 2026.

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

Enquiries to:

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Po Valley Chairman

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To ask questions directly to the Po Valley Energy view this report and access media content, visit our interactive investor website at: <https://povalley.com/link/eW1DJP>

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Directors	
Mr. Kevin Bailey AM, Chairman and CEO Ms. Sara Edmonson, Non-executive Director Mr. Joseph Constable, Non-executive Director Ms. Katrina O'Leary, Non-executive Director Mr. Michael Gentile, Non-executive Director	



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PO VALLEY ENERGY LIMITED

A.B.N. 33 087 741 571

**INTERIM FINANCIAL REPORT FOR THE
SIX MONTHS ENDED 30 JUNE 2026**

PO VALLEY ENERGY LIMITED
INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2026

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DIRECTORS' REPORT

The Directors present their report together with the interim financial report for the half-year ended 30 June 2026 and the independent auditor's review report thereon, of Po Valley Energy Limited ("the Company" or "Po Valley Energy" or "PVE") and its subsidiary Po Valley Operations Pty Ltd ("PVO") together referred to as "the Group".

Director details

The following persons were Directors of the Company during or since the end of the financial half-year:

- Kevin Bailey AM – Chairman and Chief Executive Officer
- Sara Edmonson - Non-Executive Director
- Joseph Constable – Non-Executive Director
- Katrina O'Leary – Non-Executive Director
- Michael Gentile – Non-Executive Director

Company Secretary

Lucia McLean was appointed Company Secretary on 27 March 2026 following the retirement of former Company Secretary Kevin Hart, who held the position from 9 October 2020 to 27 March 2026.

Principal Activities

The principal continuing activities of the Group in the course of the half-year were:

- Production and sale of gas from the Podere Maiar 1 well
- The exploration for gas and condensate in the Po Valley region of northern Italy
- Appraisal and development of gas and oil fields in that footprint

Review and results of operations***Financial results for the period***

The profit attributable to members of the Company for the half-year was €1,261,791 (30 June 2025: €1,749,745). The Group's cash reserves as at 30 June 2026 were €2,714,144 (31 December 2025: €2,462,580).

A review of the operations and the results of those operations of the Group during the half-year is as follows:

Summary of results table:	30 June 2026	30 June 2025
	Mcm	Mcm
Production volume (net)	8,997	8,810
	€'000	€'000
Gas Sales	4,119	3,908
EBITDA ¹	2,677	2,628
Depreciation and amortisation – production	(273)	(271)
Depreciation	(15)	(14)
Unwind of discount of restoration provision	(19)	(20)
EBIT ¹	2,370	2,323
Net Finance income (costs) other than related to restoration provision	44	(7)
Taxation	(1,153)	(566)
Net profit / (loss) after tax attributable to shareholders	1,261	1,750

¹EBITDA (earnings before interest, tax, depreciation and depletion) and EBIT (earnings before interest and tax) are non-IFRS measures that are presented to provide an understanding of the Group's operations. The non-IFRS measures are unaudited, however, the numbers have been extracted from the financial statements that have been subject to review by the Company's auditor.

DIRECTORS' REPORT

Selva Malvezzi Production Concession (63% PVO)

The Selva Malvezzi Production Concession ("Selva") is an onshore gas asset located in the Po Valley, Italy. Awarded in July 2022, the Selva Malvezzi Production Concession covers 80.68km² carved out from the former Podere Gallina Exploration Permit.

The Group holds a 63% working interest and operates the asset through the Italian Branch operations of Po Valley Operations Pty Ltd ("PVO").

The concession includes:

- Producing asset: Podere Maiar-1 dir well ("PM-1"); and
- Additional discoveries and prospects: Casale Guida (North Selva), Ronchi (South Selva), Selva Malvezzi (East Selva), and Bagnarola (Riccardina).

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 half year to 30 June 2026			
	Q1- 2026	Q2-2026	Total To 30 June 2026
Production	scm	scm	scm
PM-1 – 100%	7,261,834	7,018,568	14,280,402
PM-1 – 63% (PVE share)	4,574,955	4,421,698	8,996,653
Revenue	€'000	€'000	€'000
PM-1 – 100%	3,145,087	3,393,248	6,538,335
PM-1 – 63% (PVE share)	1,981,405	2,137,746	4,119,151

Production has been consistent throughout the period averaging ~77,000-80,000 scm per day. The modest reduction in Q2 reflected planned maintenance activities, including a routine slickline intervention and replacement of the alumina in the dehydration regeneration columns. Field operations continued safely and efficiently throughout the period.

Cumulative production since initial flow has reached 79.9million scm from the C2 level, exceeding the certified P1 reserves reported in the July 2022 CPR (PVE's net share is 63%).

Routine slickline operations performed confirmed the stable performance and pressure evolution of the well. To optimize operations during the scheduled well shutdown, the alumina in the dehydration regeneration columns was successfully replaced. Periodic inspections of the nitrogen generation system were successfully completed in the presence of the UNMIG representatives. The next regulatory inspection, which will include the calibration of the safety valves (PSV), is scheduled for June 2027, in accordance with the biennial maintenance program.

Royalty expenses (on gas production sales) are accrued for the period of €412k. Royalties are payable in the second quarter of the year following the year end. For this period Royalties will be payable in Q2/2027. The Group paid €608k in Royalties in this period in respect of the production for the 2025 FY.

DIRECTORS' REPORT

Casale Guida 1d, Ronchi 1d, Bagnarola 1d, Selva Malvezzi 1d wells

The key area of focus for the Company with the next stages of development in the Selva Malvezzi Production Concession is at

- Casale Guida 1d (Selva North discovery);
- Ronchi 1d (South Selva discovery);
- Selva Malvezzi 1d (East Selva prospect); and
- Bagnarola 1d (Riccardina prospect).

In June 2026, the Groups submitted a new Environmental Impact Assessment (EIA) with Italy's Ministry of Environment and Energy Security covering the drilling, development, commissioning, production and final decommissioning and environmental restoration of these four new production wells above.

The EIA submission incorporates the wells engineering, gas plants and pipelines, technical studies, environmental assessments and mitigation measures developed following previous regulatory consultation.

3D-Geophysical survey over Selva Malvezzi Concession

The Group completed 3D geophysical data acquisition over the whole Selva Malvezzi Concession area in 2025. The program covered approximately 140km². The works were completed by Geotec for permitting and Geofyzika Torun (GT) for acquisition & data recording, with PVO technical team supervision. Data acquired and collected is being processed by Schlumberger Italy for interpretation by the PVO team.

The final delivery will be a high-resolution three-dimensional subsurface model which is expected to enhance reservoir understanding, optimise future drilling locations and further de-risk development planning in the concession.

Teodorico Offshore Gas field development (100% PVO)

The Teodorico gas field is located in shallow waters (approximately 30m deep) off the east coast in the northern Adriatic Sea; the primary source of domestic gas production for much of Italy; and in close proximity to existing east coast offshore gas production facilities. Teodorico has the largest gas-in-place of all of Po Valley Energy's gas fields and is at an advanced stage of assessment, ready for development. The Group holds a preliminary production concession for this area.

The Group advanced preparations for a revised EIA submission for the Teodorico project. This includes addressing additional environmental requirements following the 2024 Regional Administrative Court ruling in relation to protected areas. In early July PVO appointed RINA to carry out updates on both the engineering project and revision of the Environmental Impact Assessment.

Cadelbosco di Sopra and Grattassao exploration licences (100% PVO)

Cadelbosco di Sopra and Grattassao hold shallow gas opportunities with core capabilities and deep oil contingent resources already discovered.

The Group has recommenced engagement with regulatory authorities to advance the Environmental Impact Assessment (EIA) for the proposed Canolo 1 Dir, Canolo 2 Dir and Zini 1 gas exploration wells. During the June quarter, the Company held a preliminary meeting with the Emilia-Romagna Region and with the Ministry. The EIA, originally submitted in 2013, was suspended following the restrictions introduced after the 2012 Emilia-Romagna earthquakes and the subsequent PiTESAI regulatory framework. With these restrictions now lifted,

DIRECTORS' REPORT

the Group is preparing the required documentation to restart the EIA approval process, representing an important step towards progressing these shallow gas opportunities.

Torre del Moro (100% PVO)

Torre del Moro is a large deep gas/condensate prospect.

A regional petroleum system study is in progress to further evaluate Torre del Moro prospectivity and guide future exploration strategy. Specifically at the moment a study aimed at the evaluation of source rock potential is ongoing and will be followed by a structural study aimed to define hydrocarbons migration and material accumulation.

Significant events after balance date

There were no events between the end of the financial period and the date of this report that, in the opinion of the Directors, affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in subsequent financial periods.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6 and forms part of the Directors' report for the half-year ended 30 June 2026.

This report has been made in accordance with a resolution of Directors.



Kevin Bailey AM

Chairman and Chief Executive Officer
11 September 2026

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Po Valley Energy Limited for the half-year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
11 September 2026

M R Ohm
Partner

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PO VALLEY ENERGY LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2026

	NOTE	30 June 2026 €	30 June 2025 €
Continuing Operations			
Revenue from contracts with customers	2	4,119,119	3,908,071
Cost of sales	3	(348,334)	(386,398)
Royalties		(315,677)	(376,631)
Depreciation and amortisation expense - production	3	(272,686)	(270,948)
Gross profit		3,182,422	2,874,094
Other income		154,631	110,322
Employee benefits		(559,779)	(372,330)
Depreciation expense		(15,882)	(14,145)
Corporate overheads		(372,684)	(254,670)
Profit from operating activities	4	2,388,708	2,343,271
Finance income		51,972	198
Finance expense		(25,871)	(27,967)
Net finance income / (expense)	5	26,101	(27,769)
Profit before tax		2,414,809	2,315,502
Income tax expense	6	(1,153,018)	(565,757)
Profit for the period		1,261,791	1,749,745
Other comprehensive income		-	-
Total comprehensive income for the period		1,261,791	1,749,745
Basic and diluted earnings per share from continuing operations	7	0.11 € cents	0.15 € cents

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	NOTE	30 June 2026 €	31 December 2025 €
Current Assets			
Cash and cash equivalents		2,714,144	2,462,580
Financial assets	9	6,063,316	6,028,804
Trade and other receivables	8	1,093,109	839,203
Total current assets		9,870,569	9,330,587
Non-Current Assets			
Inventory – non-current		33,438	33,438
Other assets		4,678	4,678
Property, plant & equipment	10	1,702,502	1,777,499
Resource property costs	11	10,640,112	10,550,134
Total non-current assets		12,380,730	12,365,749
Total assets		22,251,299	21,696,336
Current Liabilities			
Trade and other payables		841,558	1,137,759
Taxation payable		320,173	868,440
Lease liabilities	12	27,888	27,888
Provisions	13	3,855	3,852
Total current liabilities		1,193,474	2,037,939
Non-Current Liabilities			
Provisions	13	969,377	950,585
Lease liabilities	12	38,063	51,874
Deferred tax liabilities	6	430,765	-
		1,438,205	1,002,459
Total Liabilities		2,631,679	3,040,398
Net Assets		19,619,620	18,655,938
Equity			
Issued capital	14	56,847,751	56,847,751
Reserves	15	1,192,269	1,192,269
Accumulated losses		(38,420,400)	(39,384,082)
Total Equity		19,619,620	18,655,938

The accompanying notes from part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2026**

	Issued Capital €	Foreign Currency Translation Reserve €	Accumulated Losses €	Total €
Balance at 1 January 2025	56,847,751	1,192,269	(42,108,345)	15,931,675
Total comprehensive income for the period:				
Profit for the period	-	-	1,749,745	1,749,745
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	1,749,745	1,749,745
Balance at 30 June 2025	56,847,751	1,192,269	(40,358,600)	17,681,420
Balance at 1 January 2026	56,847,751	1,192,269	(39,384,082)	18,655,938
Total comprehensive income for the period:				
Profit for the period	-	-	1,261,791	1,261,791
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	1,261,791	1,261,791
Transactions with members				
Dividends paid	-	-	(298,109)	(298,109)
Balance at 30 June 2026	56,847,751	1,192,269	(38,420,400)	19,619,620

The accompanying notes from part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2026**

	NOTE	30 June 2026 €	30 June 2025 €
Cash flows from operating activities			
Receipts from customers		3,868,442	4,075,191
Receipts from joint operations partners		74,326	102,296
Payment of royalties		(608,266)	(616,131)
Payments to suppliers and employees		(1,220,357)	(941,719)
Taxation paid		(1,189,314)	-
Interest received		177	198
Interest paid		(888)	(227)
Net cash from operating activities		<u>924,120</u>	<u>2,619,608</u>
Cash flows from investing activities			
Payments for property plant and equipment		(15,593)	(6,751)
Payments for resource property costs (net of joint operation partner recoveries)		(342,282)	(146,017)
Net cash used in investing activities		<u>(357,875)</u>	<u>(152,768)</u>
Cash flows from financing activities			
Payment of dividends	14	(298,109)	-
Payments of lease liabilities	12	(13,811)	(14,173)
Net cash used in financing activities		<u>(311,920)</u>	<u>(14,173)</u>
Net increase in cash and cash equivalents		<u>254,325</u>	<u>2,452,667</u>
Cash and cash equivalents at 1 January		2,462,580	4,993,913
Exchange difference on cash and cash equivalents		(2,761)	28,710
Cash and cash equivalents at 30 June		<u><u>2,714,144</u></u>	<u><u>7,475,290</u></u>

The accompanying notes from part of these financial statements

NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2026

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES

1.1 REPORTING ENTITY

Po Valley Energy Limited (“the **Company**” or “**Po Valley Energy**” or “**PVE**”) is a company domiciled in Australia. The consolidated interim financial report for the six-month period ended 30 June 2026 comprises the Company and its interests in subsidiaries and jointly controlled entities and operations (together referred to as “the Group”).

The Group is primarily involved in the exploration, appraisal, development of, and production from, gas properties in the Po Valley region in Italy and is a for profit entity.

1.2 BASIS OF PREPARATION

(a) STATEMENT OF COMPLIANCE

The interim financial report is a condensed general purpose financial report prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2025. They do not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 31 December 2025 and with any public announcements made by Po Valley Energy Limited during the half-year ended 30 June 2026.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(b) BASIS OF MEASUREMENT

These consolidated financial statements have been prepared on the basis of historical cost taking into account, where appropriate, any value adjustments except for certain items required to be recognised at fair value.

(c) FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated financial statements are presented in Euro, which is the Company’s and each of the Group entities’ functional currency.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2026**

(d) USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of non-current assets

The ultimate recoupment of the value of resource property costs and property plant and equipment is dependent on the successful development and commercial exploitation, or alternatively, sale, of the underlying properties. The Group undertakes at least on an annual basis, a comprehensive review for indicators of impairment of these assets. Should an impairment indicator exist, the area of interest or cash generating unit is tested for impairment. No such indicator was identified in the current period.

Rehabilitation provision

The value of the rehabilitation provision represents the discounted value of the present obligations to restore, dismantle and rehabilitate each well site under development or in production.

Significant estimation is required in determining the provisions for rehabilitation and closure which are inherently uncertain and may change in response to amendments to legislation, regulatory requirements, operating plans, technology, costs levels and timing of rehabilitation activities that will affect ultimate costs necessary to rehabilitate the sites. The discounted value reflects a combination of management's best estimate of the cost of performing the work required, the timing of the cash flows and the discount rate.

A change in any, or a combination of, the key assumptions used to determine the provisions could have a material impact on the carrying value of the provisions.

The provision recognised for each site is reviewed at each reporting date and updated based on the facts and circumstances available at that time. Changes to the estimated future costs for operating sites are recognised in the statement of financial position by adjusting both the restoration and rehabilitation asset and provisions.

The Group reviewed the provision at reporting date for works completed during development and revised costs estimates for current prices and conditions to ensure the provision is appropriate at reporting date. There were no changes to estimated costs during the period.

Reserve estimates

Estimation of reported recoverable quantities of Proven and Probable reserves include estimates regarding commodity prices, exchange rates, discount rates, and production and transportation costs for future cash flows. It also requires interpretation of complex geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reservoirs, and their anticipated

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2026**

recoveries. The economic, geological and technical factors used to estimate reserves may change from period to period.

A change in any, or a combination of, the key assumptions used to determine the reserve estimates could have a material impact on the carrying value of the project via depreciation rates or impairment assessments. The reserve estimates are reviewed at each reporting date and any changes to the estimated reserves are recognised prospectively to depreciation and amortisation. Any impact of the change in the reserves is considered on asset carrying values, and impairment losses, if any, are immediately recognised in the profit or loss.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised for temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases, using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply when the temporary differences reverse.

Significant judgement is required in determining the tax bases of the Group's assets and liabilities and the periods over which the associated temporary differences are expected to reverse. This is particularly relevant to production assets, including differences arising from depreciation and depletion rates, capitalised development expenditure and rehabilitation obligations.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only to the extent that it is probable that future taxable profits will be available against which those amounts can be utilised. This assessment requires management to estimate future taxable profits by jurisdiction, having regard to forecast production, commodity prices, operating costs, capital expenditure, the expected timing of temporary-difference reversals and applicable restrictions on the utilisation of tax losses.

These estimates and assumptions are subject to risk and uncertainty. Changes in forecast operating performance, commodity prices, tax legislation or the expected timing of recovery of assets and settlement of liabilities may result in adjustments to the deferred tax assets and liabilities recognised in future reporting periods. Unrecognised deferred tax assets are reassessed at each reporting date.

1.3 MATERIAL ACCOUNTING POLICIES

(a) New and revised Standards and Interpretations on issue not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been early adopted by the Group for the reporting period ended 30 June 2026. The Directors do not believe that these new and revised Standards and Interpretations will have a material effect on the Group.

(b) New Standards and Interpretations applicable for the six-month period ended 30 June 2026

The Directors have reviewed all the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to the Group accounting policies.

PO VALLEY ENERGY LIMITED

NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2026

NOTE 2: REVENUE

	30 June 2026 €	30 June 2025 €
Gas sales contract with customers	4,119,119	3,908,071
All gas sales are recorded as revenue at a point in time.		

NOTE 3: COST OF SALES

Production operating costs	326,913	361,745
Capacity and transportation costs	21,421	24,653
Cash costs of production	348,334	386,398
Depreciation of plant and equipment	74,708	72,379
Depletion of resource property costs	197,978	198,569
Depreciation and amortisation expense	272,686	270,948

NOTE 4: PROFIT AND LOSS INFORMATION

Profit for the half-year includes the following items:

Professional fees	(216,698)	(131,551)
Company administration and compliance	(62,104)	(83,134)
Travel costs	(25,180)	(13,875)

NOTE 5: FINANCE INCOME AND EXPENSE

Recognised in profit and loss:

Interest income	51,972	198
Finance income	51,972	198
Interest expense	(888)	(1,359)
Unwind of discount on site restoration provision	(18,792)	(20,478)
Foreign exchange (gains) / losses (net)	(6,191)	(6,130)
Finance expense	(25,871)	(27,967)
Net finance income / (expense)	26,101	(27,769)

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2026**

NOTE 6: INCOME TAX

	30 June 2026	30 June 2025
	€	€
Current tax		
Current year	722,253	450,081
Deferred tax		
Deferred tax expense	430,765	115,676
Total income tax expense	1,153,018	565,757

Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expenses calculated per the statutory income tax rate:

Profit for the year before tax from continuing operations	2,414,809	2,315,502
Income tax expensed using the Company's domestic tax rate of 30 % (2024: 30%)	724,443	694,650
Effect of tax rates in foreign jurisdictions	(164,691)	(153,791)
Permanent differences	71,662	57,333
Current year losses and temporary differences for which no deferred tax asset was recognised	49,273	16,562
Changes in temporary differences	339,809	(41,912)
Tax losses utilised	-	(107,332)
Foreign regional taxes payable	132,522	100,247
Income tax expense	1,153,018	565,757

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2026**

NOTE 6: INCOME TAX (continued)**Recognised deferred tax assets and liabilities**

The Group has recognised a deferred tax liability in respect of taxable temporary differences arising from its Italian production assets. These temporary differences principally reflect differences between the carrying amounts of the assets in the financial statements and their corresponding tax bases, including differences in the timing and basis of accounting depreciation and depletion compared with deductions available for Italian income tax purposes.

The movement in the net deferred tax liability during the half-year was as follows:

	CONSOLIDATED	
	30 June 2026	31 December 2025
	€	€
Production assets timing differences	430,765	-
Recognised deferred tax liabilities	430,765	-

Deferred tax assets are recognised in respect of tax losses and temporary differences based on management's assessment that future taxable profit will be available against which the Group can utilise the benefits therefrom. Deferred tax assets are recognised in relation to the Italian subsidiary's available tax losses and temporary differences, reduced by amounts utilised. At 30 June 2026 all available tax losses in Italy had been utilised in the prior period and therefore no deferred tax asset has been recognised for these tax losses (31 December 2025: \$Nil).

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	30 June 2026		31 December 2025	
	€		€	
Tax losses (Australia)	4,214,694		3,765,927	
Tax losses (Italy)	-		-	
Deductible temporary differences	(117)		14,752	
Unrecognised deferred tax assets	4,214,577		3,780,679	

Deferred tax benefit will only be obtained if:

- (i) The relevant company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- (ii) The relevant company continues to comply with the conditions for deductibility imposed by tax legislation; and
- (iii) No changes in tax legislation adversely affect the relevant company in realising the benefit from the deductions for the losses.

PO VALLEY ENERGY LIMITED

NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2026

NOTE 7: EARNINGS PER SHARE

	30 June 2026 € (cents)	30 June 2025 € (cents)
Basic and diluted earnings per share from continuing operations	0.11	0.15

The calculation of basic and diluted earnings per share from continuing operations was based on the profit attributable to members of €1,261,791 (2025: €1,749,745) and a weighted average number of ordinary shares outstanding during the half year of 1,158,961,620 (2025: 1,158,961,620).

There are no potential shares.

NOTE 8: TRADE AND OTHER RECEIVABLES

	30 June 2026 €	31 December 2025 €
Trade receivables	217,679	268,464
Indirect taxes receivable	70,192	30,115
Other receivables	61,751	47,814
Accrued revenue	743,487	492,810
Trade and other receivables	1,093,109	839,203

NOTE 9: OTHER FINANCIAL ASSETS

Government Bonds

Italian Government Treasury Bond Portfolio	6,034,411	6,000,000
Accrued interest receivable	28,905	28,804
	6,063,316	6,028,804

The bonds are issued by the Italian Government and carry fixed coupon rates ranging from 1.25% to 3.85%, with maturity dates between July 2026 and December 2026.

PO VALLEY ENERGY LIMITED

NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2026

NOTE 10: PROPERTY, PLANT & EQUIPMENT

	6 Months to 30 June 2026 €	Year to 31 December 2025 €
Land – gas producing well site	58,690	58,690
Gas producing plant and equipment		
At Cost	1,990,254	1,977,011
Accumulated depreciation	(412,190)	(337,482)
	1,578,064	1,639,529
Office Furniture & Equipment:		
At cost	32,016	29,666
Accumulated depreciation	(27,505)	(25,232)
	4,511	4,434
Right-of-use asset: Building (Note 12)		
At Cost	154,556	154,556
Accumulated depreciation	(93,319)	(79,710)
	61,237	74,846
Total property plant & equipment	1,702,502	1,777,499
Reconciliations:		
Reconciliation by class of property plant and equipment:		
<i>Land – production well site</i>		
Carrying amount at beginning of period	58,690	52,100
Additions – improvements on land	-	6,590
Carrying amount at end of period	58,690	58,690
<i>Gas production plant and equipment</i>		
Carrying amount at beginning of period	1,639,529	1,767,971
Additions	13,243	17,906
Depreciation expense	(74,708)	(146,348)
Carrying amount at end of period	1,578,064	1,639,529
<i>Office furniture & equipment</i>		
Carrying amount at beginning of period	4,434	7,487
Additions	2,350	-
Depreciation expense	(2,273)	(3,053)
Carrying amount at end of period	4,511	4,434
<i>Right-of-use assets</i>		
Carrying amount at beginning of year	74,846	95,539
Remeasurement of lease arrangement	-	4,545
Depreciation expense	(13,609)	(25,238)
Carrying amount at end of period	61,237	74,846
	1,702,502	1,777,499

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2026**

NOTE 11: RESOURCE PROPERTY COSTS

	6 Months to 30 June 2026 €	Year to 31 December 2025 €
Resource Property costs		
Exploration and evaluation phase	6,493,328	6,205,372
Development phase	-	-
Production phase	4,146,784	4,344,762
	<u>10,640,112</u>	<u>10,550,134</u>
Reconciliation of carrying amount of resource properties		
<i>Exploration and Evaluation Phase</i>		
Carrying amount at beginning of period	6,205,372	5,148,624
Expenditure during the period	287,956	1,056,748
Carrying amount at end of period	<u>6,493,328</u>	<u>6,205,372</u>
<i>Production Phase</i>		
Carrying amount at beginning of period	4,344,762	4,850,363
Impact of changes to rehabilitation and restoration provision	-	(105,103)
Amortisation	(197,978)	(400,498)
	<u>4,146,784</u>	<u>4,344,762</u>

Resource property costs in the exploration and evaluation phase comprise the carrying value of its exploration and pre-development projects. The ultimate recoupment of resource property costs is dependent upon the successful development and exploitation, or alternatively sale, of the respective areas of interest at an amount greater than or equal to the carrying value. Where activities in the area of interest have, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, the exploration and evaluation assets are assessed for impairment. An impairment assessment will be performed if sufficient data exists to determine technical feasibility and commercial viability and the facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Resource property costs in the production phase comprise the carrying value of the Group's production projects that have reached the completion of development and are ready for or have commenced production of gas having attained the required permits and approvals.

Management assessed the Group's production assets for indicators of impairment at the reporting date in accordance with AASB 136 *Impairment of Assets*. The assessment considered internal and external factors, including current and forecast production performance, commodity prices, operating costs, reserve estimates, regulatory conditions and the carrying value of the assets relative to their expected economic benefits. Based on this assessment, no indicators of impairment were identified and, accordingly, no impairment test was required at the reporting date..

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2026**

NOTE 12: LEASES*Leases as lessee*

The Group leases office facilities in Rome. The lease runs for a period of six years from October 2022 to October 2028.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets (Note 10):

	6 Months to 30 June 2026	Year to 31 December 2025
	€	€
Buildings		
Balance at 1 January	74,846	95,539
Remeasurement of lease assets	-	4,545
Depreciation	(13,609)	(25,238)
Total	<u>61,237</u>	<u>74,846</u>

Amounts recognised in profit and loss:

	6 Months to 30 June 2026	6 Months to 30 June 2025
	€	€
Interest on lease liabilities	888	1,359

Amounts recognised in statement of cash flows:

	6 Months to 30 June 2026	6 Months to 30 June 2025
	€	€
Payment of lease liabilities	13,811	14,173

Lease liabilities:

Lease liabilities are presented in the statement of financial position separately within liabilities as follows:

	30 June 2026	31 December 2025
	€	€
Lease liabilities – current	27,888	27,888
Lease liabilities – non-current	38,063	51,874
	<u>65,951</u>	<u>79,762</u>

Future minimum lease payments at 30 June were as follows:

	Within one year	One to five years	After 5 years	Total
	€	€	€	€
Lease payments	29,160	38,667	-	67,827
Finance charges	(1,272)	(604)	-	(1,876)
Net Present values	<u>27,888</u>	<u>38,063</u>	<u>-</u>	<u>65,951</u>

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2026**

NOTE 12: LEASES (continued)*Lease payments not recognised as a liability*

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

NOTE 13: PROVISIONS

	6 Months to 30 June 2026 €	Year to 31 December 2025 €
Current:		
Employee provisions	3,855	3,852
Non-current:		
Rehabilitation and restoration provision	969,377	950,585
Reconciliation of rehabilitation and restoration provision:		
Opening balance	950,585	1,014,361
Impact of changes to cost estimates	-	-
Impact of changes to assumptions	-	(105,102)
Increase in provision from unwind of discount rate	18,792	41,326
Closing balance	969,377	950,585

Provision has been made based on the net present value of the estimated cost of restoring the environmental disturbances and abandonment of the Podere Maiar-1 well site in the Selva Malvezzi production concession. The estimated net present value at 30 June 2026 is €969,377 (net 63% to the Group) (31 December 2025 €950,585) based on an undiscounted total future liability of €1,122,572 (net) using a discount factor, being the risk-free interest rate, of 3.83% p.a. and inflation rate of 2.82% p.a. Payments of these costs are expected at the end of life of the field in approximately 12 years. The provision will be adjusted at the end of each reporting period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. Increases in the provision due to the passage of time will be recognised as a finance cost whereas increases/decreases due to changes in estimated future cash flows are capitalised where there is a future economic benefit associated with the asset. Actual costs incurred upon settlement of the rehabilitation and restoration obligation are charged against the provision to the extent the provision has been established.

PO VALLEY ENERGY LIMITED

NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2026

NOTE 14: ISSUED CAPITAL

	Issue Price	30 June 2026 Number	30 June 2026 €	31 December 2025 Number	31 December 2025 €
Share Capital					
Opening balance - 1 January		1,158,961,620	56,847,751	1,158,961,620	56,847,751
<u>Shares issued during the reporting period:</u>	-	-	-	-	-
Share issue costs		-	-	-	-
Closing balance – 30 June / 31 December		1,158,961,620	56,847,751	1,158,961,620	56,847,751

All ordinary shares are fully paid and carry one vote per share and the right to dividends. In the event of winding up the Company, ordinary shareholders rank after creditors. Ordinary shares have no par value.

Dividends:

During the half-year, the Company paid its inaugural dividend as follows:

Dividend per ordinary share paid	0.0431 AU-cents
Total dividend paid	€298,109
Franking status	Unfranked
Payment date	31 March 2026

The dividend was paid from the Company's available cash reserves as final dividend for the preceding financial year.

No dividends were declared or paid during the comparative period.

NOTE 15: RESERVES

	30 June 2026 €	31 December 2025 €
Foreign currency translation reserve	1,192,269	1,192,269

The translation reserve comprises all foreign currency differences arising from translation of foreign operations prior to the change in functional currency.

PO VALLEY ENERGY LIMITED

NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2026

NOTE 16: FINANCIAL REPORTING BY SEGMENTS

The Group reportable segments as described below are the Group's strategic business units. The strategic business units are classified according to field licence areas which are managed separately. All strategic business units are in Italy. For each strategic business unit, the Board reviews internal management reports on a monthly basis.

	Exploration and evaluation		Development		Production		Total	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025	30 June 2026	30 June 2025	30 June 2026	30 June 2025
	€	€	€	€	€	€	€	€
External revenues	79,389	73,799	-	-	4,148,326	3,944,593	4,227,715	4,018,392
Segment profit / (loss) before tax	(103,104)	24,642	-	-	3,128,718	2,876,345	3,025,614	2,900,987
Depreciation and amortisation	-	-	-	-	(272,686)	(270,948)	(272,686)	(270,948)
Unwind of discount on site restoration provision	-	-	-	-	(18,792)	(20,478)	(18,792)	(20,478)
	30 June 2026	31 December 2025	30 June 2026	31 December 2025	30 June 2026	31 December 2025	30 June 2026	31 December 2025
	€	€	€	€	€	€	€	€
<i>Reportable segment assets:</i>								
Property plant & equipment	-	-	-	-	1,636,754	1,698,219	1,636,754	1,698,219
Resource property costs	6,493,328	6,205,373	-	-	4,146,784	4,344,762	10,640,112	10,550,135
Receivables	94,819	20,313	-	-	775,613	505,056	870,432	525,369
Other assets	33,438	33,438	-	-	-	-	33,438	33,438
	6,621,585	6,259,124	-	-	6,559,151	6,548,037	13,180,736	12,807,161
Capital expenditure	287,956	1,056,748	-	-	13,243	17,906	301,199	1,074,654
<i>Reportable segment liabilities:</i>								
Rehabilitation and restoration provision	-	-	-	-	(969,377)	(950,585)	(969,377)	(950,585)
Other liabilities	(37,224)	(90,578)	-	-	(520,639)	(779,740)	(557,863)	(870,318)
	(37,224)	(90,578)	-	-	(1,490,016)	(1,730,325)	(1,527,240)	(1,820,903)

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2026**

NOTE 16: FINANCIAL REPORTING BY SEGMENTS (continued)

Reconciliation of reportable segment profit or loss, assets and liabilities	30 June 2026	30 June 2025
	€	€
Profit or loss:		
Total profit for reportable segments	3,025,614	2,900,987
<i>Unallocated amounts:</i>		
Net finance income / (expense)	44,893	(7,291)
Other corporate expenses	(655,698)	(578,194)
Consolidated profit before income tax	<u>2,414,809</u>	<u>2,315,502</u>
	30 June 2026	31 December 2025
	€	€
Assets:		
Total assets for reportable segments	13,180,736	12,807,160
Other assets	9,070,563	8,889,176
Consolidated total assets	<u>22,251,299</u>	<u>21,696,336</u>
Liabilities:		
Total liabilities for reportable segments	(1,527,240)	(1,820,903)
Other liabilities	(1,104,439)	(1,219,495)
Consolidated total liabilities	<u>(2,631,679)</u>	<u>(3,040,398)</u>

NOTE 17: FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The carrying amounts of financial assets and liabilities as disclosed in the consolidated statement of financial position equate to their estimated net fair values.

	30 June 2026	31 December 2025
	€	€
Financial assets		
Cash and cash equivalents	2,714,144	2,462,580
Other financial assets	6,063,316	6,028,804
Receivables – current	1,093,109	839,203
Other assets	4,678	4,678
Total financial assets	<u>9,875,247</u>	<u>9,335,265</u>
Financial liabilities		
Trade and other payables - current	(1,161,731)	(2,006,199)
Lease liabilities – current	(27,888)	(27,888)
Lease liabilities – non-current	(38,063)	(51,874)
	<u>(1,227,682)</u>	<u>(2,085,961)</u>

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2026**

The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Current receivables, current payables and cash & cash equivalents are not measured at fair value. Due to their short- term nature, the carrying amount of current receivables, current payables and cash and cash equivalents is assumed to approximate their fair value.

Other financial assets	Carrying amount €	Fair value €
Italian Government Treasury Bonds	6,063,316	6,057,960

The fair value of Government Treasury Bonds is determined using quoted market prices in active markets (Level 1 inputs).

NOTE 18: COMMITMENTS AND CONTINGENCIES

The table below summarises material commitments for the Group.

	Within one year	One to five years	After 5 years
Leases (refer note 12)	29,160	38,667	-

Other than the above, there are no other material commitments or contingent liabilities not provided for in the financial statements of the Group as at 30 June 2026.

NOTE 19: SUBSEQUENT EVENTS

There were no events between the end of the financial period and the date of this report that, in the opinion of the Directors, affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in subsequent financial periods.

DIRECTORS' DECLARATION

In the opinion of the Directors of Po Valley Energy Limited ("the Company"):

1. the consolidated financial statements and notes, as set out on pages 7 to 25, are in accordance with the *Corporations Act 2001* including:
 - (a) giving a true and fair view of the financial position of the Group as at 30 June 2026 and of its performance for the six-month period ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 "Interim Financial Reporting", the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Kevin Bailey AM
Chairman and Chief Executive Officer
11 September 2026

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Po Valley Energy Limited

Report on the Condensed Interim Financial Report

Conclusion

We have reviewed the interim financial report of Po Valley Energy Limited (the "Company") and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 30 June 2026, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying interim financial report of Po Valley Energy Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibility is further described in the *Auditor's Responsibility for the Review of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2026 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
11 September 2026

M R Ohm
Partner