

12 May 2017

Saffron Energy Plc
("Saffron" or "Saffron Energy" or the "Company")

Bezzecca commercial production begins. Testing now complete.

Saffron Energy plc (AIM: SRON), the natural gas producer with interests in northern Italy, is pleased to announce that testing of the primary production layers from the Bezzecca well is complete and production planning has been finalised. The initial plan now is to operate all three levels with an estimated combined flow of 30,000-35,000 cubic meters per day (scm/day). Steady commingled production will be achieved through the installation of a downhole choke above the Miocene level R.

Level A in the Pliocene has flowed in excess of the planned production rates at stabilised flows of 20,000-25,000 scm/day and is on production. This flow rate is above the levels estimated in the CPR.

Level R in the Miocene has also been tested and flowed at 25,000 scm/day slightly below CPR estimates.

In addition, **level S** was flow tested for a shorter period, and will contribute to production at around 5,000-10,000 scm/day.

Production will continue in level A at 20,000-25,000 scm/day up to the end of June, with production levels increasing to 30,000-35,000 scm/day from early July when levels R and S will be added, once the bottom hole choke is delivered and installed.

Bezzecca is located east of Milan within the established prolific, gas-producing Po Valley region in northern Italy and operated by Saffron's subsidiary Northsun Italia SPA (NSI). Gas from Bezzecca 1 is processed at the Vitalba processing plant and directly connected to the national grid, which is owned and operated by SNAM Rete Gas S.p.A. The gas is sold to Shell Energy Italia S.r.l. under an existing off-take agreement.

The Company will provide a trading update in due course to include the Group revenue and profit figures, along with updated flow rates.

Chief Executive Officer of Saffron Energy, Michael Masterman commented: "It's a very important achievement for Saffron to have moved into revenue producing commercial production at Bezzecca following completion of the commissioning and testing stage. Level A is now in production, producing above expected rates. We look forward to further increasing production in July when we move to comingled production from all three levels. We are also on track to bring Sant'Alberto on stream in Q4 2017 as well as actively seeking new opportunities to substantially increase revenue and production within the Group."

About Saffron Energy PLC

Saffron Energy is a natural gas producer with interests in Northern Italy. Its portfolio includes two gas production fields (Sillaro) and (Bezzecca (90%)) and an application for a near-term gas production field (Sant'Alberto), all near Milan and Bologna. Saffron Energy commenced trading on the London AIM Market under the ticker of SRON on 24 February 2017.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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Company Announcement - General

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