

28 February 2018

**Saffron Energy plc**

("Saffron Energy" or the "Company")

**Update on South East Asian Acquisitions**

**Withdrawal from the acquisition of Po Valley Operations Limited  
("PVO")**

**Posting of a Supplementary AIM admission Document**

Further to its announcement of 23 February 2018, Saffron Energy, the pan Euro Asian gas explorer, is pleased to confirm significant progress on a number of acquisitions in South East Asia and its withdrawal, by mutual consent, from the acquisition of PVO from Po Valley Energy Limited ("Po Valley Energy").

**South East Asian activities**

The Company confirms that it is currently reviewing and negotiating a number of substantial and highly prospective opportunities in South East Asia. These opportunities are consistent with its multi Tcf exploration gas strategy.

Further announcements in respect of any new asset acquisitions will be released as these various opportunities develop.

**Withdrawal from the PVO acquisition.**

On 16 February 2018, the Company announced that it had published a circular to shareholders comprising an AIM admission document ("AIM Admission Document"), convening a general meeting at which shareholders were invited to approve, *inter alia*, the proposed acquisitions of Sound Energy Holdings Italy Limited ("SEHIL") and PVO and the issue of shares necessary to complete the fundraising announced on 22 January 2018.

Given the rapid pace of development of the Company's activities in South East Asia, the regulatory and taxation issues inherent in the Po Valley Energy corporate approval process and the Saffron board's desire to limit upfront equity dilution, the Company has mutually agreed with Po Valley Energy to terminate the PVO acquisition agreement.

As required by the AIM Rules for Companies, the Company will shortly be issuing a Supplementary AIM admission document reflecting these changes ("Supplementary AIM Admission Document"). The Company believes that the timetable for re-admission is unlikely to be substantially changed from that set out in the AIM Admission Document.

The Supplementary AIM Admission Document is expected to confirm that

the general meeting to approve the acquisition of SEHIL and the issue of shares necessary to complete the fundraising announced on 22 January 2018, will be held on 29 March 2018. The Company has received an irrevocable undertaking from Po Valley Energy, which currently holds 50 per cent. of the Company's Ordinary Shares, to vote in favour of the resolutions. Should Shareholders pass the requisite resolutions and, subject to the satisfaction of certain other conditions, admission of the enlarged Group, and the issue of the shares necessary to complete the fundraising announced on 22 January 2018, is expected to take place on or around 9 April 2018, as envisaged in the AIM Admission Document.

A further announcement will be made once the Company has published its Supplementary AIM Admission Document, which it expects to do by 2 March 2018 when an update on the Company's planned £13.4million funding will also be provided, at which time the Company expects that the suspension of trading in its shares, announced on 23 February 2018, will be lifted.

*Sara Edmonson, Saffron Energy's Chief Executive Officer commented:*

*"A huge amount of work is already in progress as we position our company with a clear runway for our SE Asian gas strategy, which we anticipate will take off in the next few weeks with the announcement of our first proposed acquisition. We are delighted to be able to dedicate a substantial proportion of both management bandwidth and the significant cash resources we expect to have after Admission to our Asian growth strategy for the benefit of a smaller and less diluted shareholder base. We look forward to updating investors on progress in due course."*

**Saffron Energy plc / Coro Energy plc**

Sara Edmonson, Chief Executive Officer

[s.edmonson@coroenergyplc.com](mailto:s.edmonson@coroenergyplc.com)

James Parsons, Non-Executive Chairman

[j.parsons@coroenergyplc.com](mailto:j.parsons@coroenergyplc.com)

**Grant Thornton UK LLP (Financial and Nominated Adviser)**

Colin Aaronson/Jen Clarke/Harrison J Clarke

Tel: +44 (0)20 7383 5100

**Turner Pope Investments (TPI) Ltd (Broker)**

Ben Turner/James Pope

Tel: +44 (0)20 3621 4120

[info@turnerpope.com](mailto:info@turnerpope.com)

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.

The company news service from the London Stock Exchange

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Transaction, Suspension and Business Update

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Company Announcement - General

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