

RNS Number : 9045G  
Saffron Energy PLC  
07 March 2018

7 March 2018

**Saffron Energy plc**

("Saffron Energy" or the "Company")

**Confirmation of Funding**

**Posting of Supplementary AIM Admission Document**

**Restoration of trading on AIM**

Further to the Company's announcement of 28 February 2018, the Company is delighted to confirm the full subscription under the Company's £13.4 million equity fundraising and the posting today of a Supplementary AIM Admission Document.

As a result of the publication of the Supplementary AIM Admission Document, trading in the Company's Ordinary Shares will be restored with effect from 07.30 this morning, Wednesday 7 March 2018.

The principal change to the arrangements described in the original AIM Admission Document published on 16 February 2018 is to reflect the revised assets that Saffron will own, assuming that Shareholders pass the relevant Resolutions at the General Meeting that will be held, as previously advised, on 29 March 2018 at the offices of Grant Thornton, 30 Finsbury Square, London EC2P 2YU. The Supplementary AIM Admission Document also contains a revised Competent Person's Report which is also available on the Company's website.

All other key aspects of the Transaction remain unchanged, including the proposed acquisition of Sound Energy Holdings Italy Limited ("SEHIL"), the £13.4 million fundraising pursuant to the Placing and Subscription, the Board and management of the Group and its pan Euro-Asian gas strategy.

The Company's 50 per cent. shareholder, Po Valley Energy Limited ("PVE") has agreed to a 12 month lock in, which prohibits the disposal of its shares in the Company save in certain limited circumstances, including a distribution in specie of the shares it holds in the Company to its own underlying shareholders which the Company understands PVE intends to undertake (subject to approval of its shareholders) shortly after Admission.

Should Shareholders pass the relevant Resolutions, the Company's Ordinary Shares will be re-admitted to trading on AIM on or around 9 April 2018 under its proposed new name of Coro Energy plc.

The Supplementary AIM Admission document is available on the Company's website, [www.saffronenergy.co.uk](http://www.saffronenergy.co.uk). The principal changes contained within the Supplementary AIM Admission Document are also set out below.

Save where otherwise provided, defined terms in this announcement have the same meaning as those terms have in the Supplementary AIM Admission Document.

**Saffron's Chief Executive Officer, Sara Edmonson, said:**

*"I am pleased to confirm the support of our new investors as we today publish our supplementary AIM Admission Document and our shares resume trading.*

*With our funding confirmed, we now turn our heads to the exciting developments in South East Asia where we are focused on mutli Tcf gas exploration.*

*We look forward to greeting investors at the general meeting later in the month."*

For further information please contact:

**Saffron Energy plc / Coro Energy plc**

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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.

**Principal changes contained within the Supplementary AIM Admission Document ("Supplementary Admission Document") compared with the AIM Admission Document published on 16 February 2018 ("Admission Document").**

The Supplementary Admission Document supercedes the Admission Document, save as regards the notice of General Meeting at part 7 of the Admission Document. The principal changes are as follows:

- The Company has mutually agreed with ASX listed Po Valley Energy Limited to terminate the agreement to acquire, subject to Shareholder consent, Po Valley Operations Pty Ltd and will now only acquire, subject to Shareholder consent, SEHIL.
- On Admission, the Company will have 716,809,735 Ordinary Shares in issue, with an anticipated market capitalisation of £31.4 million. In addition, it will have 236,817,341 options over Ordinary Shares and Warrants in issue, giving a fully diluted share capital

immediately following Admission of 953,627,076 Ordinary Shares.

- After Admission, and through its three subsidiaries (NSI, SEHIL and APN), the Company will altogether own 2P (proved and probable) gas reserves of 205.10 MMscm, 2C (contingent) gas resources of 660.20 MMscm, and 2C oil resources of 2.40 MMbbls. For NSI, the Licences, Permits, Concessions and Applications are all situated within the Po Valley region. For APN, the Licences, Permits, Concessions and Applications are situated mainly along the East coast of Italy, other than the Costa Del Sole oil discovery which is situated in Sicily and Badile, which is situated in North West Italy.
- A revised Competent Person's Report is included in the Supplementary AIM Admission Document
- Po Valley Energy Limited, presently the Company's largest Shareholder holding 50 per cent. of its issued share capital, has agreed that, if on Admission it holds 10 per cent. or more of the Company's issued share capital, it will be subject to a lock-in under which it cannot dispose of any Ordinary Shares it holds or comes to hold during the 12 months following Admission save in certain limited circumstances including a distribution in specie to Po Valley Energy's underlying shareholders (which the Company understands Po Valley Energy intends to do shortly after Admission), followed by a 12 month orderly market undertaking.
- Should Po Valley Energy distribute the Ordinary Shares it holds to its shareholders in specie, the three directors of Po Valley Energy, Michael Masterman, Kevin Bailey and Byron Pirola, who would have respectively 3.68%, 3.12% and 1.40% of the Company's enlarged share capital following Admission, have agreed that for a period of four months following Admission save in certain limited circumstances they will not dispose of any Saffron Ordinary Shares and that for a further two months they will be subject to an orderly market agreement.
- As previously noted, the Company's new cornerstone investor, CIP, together with Continental Investment Partners S.A., Metano Capital S.A. and Greenberry S.A, Marco Fumagalli and James Parsons (together the "Concert Party"), are deemed to be acting in concert for the purposes of the City Code. The Concert Party currently holds an aggregate of 14,092,500 Ordinary Shares, representing 7.05 per cent. of the Ordinary Shares

In addition, following completion of the Transaction (and assuming the Resolutions are approved by Shareholders) the Concert Party will hold 163,605,640 Ordinary Shares, representing 22.82 per cent. of the Ordinary Shares and will also hold in aggregate a further 88,493,150 options over Ordinary Shares and Warrants.

Assuming the exercise by the Concert Party of all of the options and Warrants held by them and no exercise of options and/or Warrants by any other party and no other issue of Ordinary Shares by the Company, the Concert Party would hold in aggregate 252,098,790 Ordinary Shares, representing 31.30 per cent. of the then issued share capital of the Company.

If the Concert Party was to increase the percentage of the aggregate

voting rights it is interested in to 30 per cent. or more of the then issued share capital of the Company (by virtue of the exercise of options or otherwise), then they would be obliged, except with the consent of the Takeover Panel, to make a mandatory offer as referred to above.

- The general meeting convened by a notice contained within the Admission Document sent to Shareholders on 16 February 2018 will continue to be held at 11.00am on 29 March 2018 at the offices of Grant Thornton UK LLP, 30 Finsbury Square, London EC2P 2YU. The Resolutions to be put to Shareholders remain unchanged, save that the Chairman (with the approval of the meeting) will not put Resolution 2, approving the proposed acquisition of Po Valley Operations Pty Ltd, to the meeting since that acquisition has now been terminated. In addition, the effect of termination of the proposed acquisition of Po Valley Operations Pty Ltd is that, assuming resolutions 3 and 4 set out in the notice of general meeting are approved and notwithstanding such approval, the authority to issue the PVO Consideration Shares (as defined in the Admission Document) will be redundant and not capable of being used for other purposes.

Shareholders who have sold or otherwise transferred all of their Ordinary Shares since the date of the Admission Document should forward the Admission Document, the Supplementary Admission Document and Form of Proxy at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom you have sold or transferred your shares for delivery to the purchaser or transferee. Persons who have acquired Ordinary Shares since the date of the Admission Document should refer to the Notice of General Meeting contained in Part 7 of the Admission Document for details of the General Meeting and the Resolutions. Shareholders who require a Form of Proxy should contact the Company's registrar, Share Registrars Limited, on +44 (0) 1252 821 390.

## DIRECTORS' INTERESTS IN ORDINARY SHARES

<i>Directors' interests</i>	<i>At the date of the Supplementary Admission Document</i>		<i>On Admission</i>	
	<i>Shares</i>	<i>Percentage</i>	<i>Shares</i>	<i>Percentage</i>
James Parsons <sup>1</sup>	-	0.00%	584,150	0.08%
Sara Edmonson <sup>2</sup>	1,000,000	0.50%	1,000,000	0.14%
Marco Fumagalli <sup>3</sup>	-	0.00%	-	0.00%
Ilham Habibie	-	0.00%	-	0.00%
Fiona MacAulay	-	0.00%	-	0.00%
David Garland	-	0.00%	86,073	0.01%

1.

James Parsons is interested in 3,192,283 shares in Sound Energy plc, representing a .31 per cent. interest in

that company. On Admission, he will be issued 584,150 Consideraton Shares pursuant

to the SEHIL

Acquisition Agreement.

2. Sara Edmonson is interested in 2,966,406 shares in Po Valley Energy Limited, representing a 0.50% interest in that company. If the Po Valley Energy Capital Reduction is proposed by PVE to its shareholders and completed (with Po Valley Energy distributing its entire holding of Ordinary Shares to its shareholders, Sara Edmonson will receive 500,018 Ordinary Shares, resulting in a total holding of 1,500,018 Ordinary Shares representing a 0.21% interest in the Company. The figures in the table above do not seek to reflect the results of the Po Valley Energy Capital Reduction.

3.

Marco Fumagalli holds no Ordinary Shares directly. Mr Fumagalli holds a 25 per cent. interest in Continental

Investment Partners S.A, which has a 6.64 per cent. interest in Sound Energy plc and will hold 12,336,561

Ordinary Shares representing a 1.35 per cent. interest in the Company on Admission. In addition, Mr

Fumagalli is a director of and holds a 1.82 per cent interest in CIP Merchant Capital Limited. CIP is interested in

14,092,500 Ordinary Shares representing 7.05 per cent of the Existing Ordinary Shares. Following

Admission, CIP will be interested in 150,684,929 Ordinary Shares, representing 21.02 per cent. of the Enlarged Share Capital.

Information about the interests of the Concert Party, of which Mr Fumagalli is deemed a member, is set out in paragraph 19 of Part 1 of the Admission Document.

4. James Parsons and Sara Edmonson have agreed not to dispose of any of the Company's Ordinary shares for a period of 12 months following admission and have agreed that for the 12 months thereafter, they will be subject to an orderly market agreement.

## **DIRECTORS' OPTIONS**

Subject to Shareholder consent, the Company intends to award the following options over Ordinary Shares:

<i>Director</i>	<i>Number of Options</i>
Sara Edmonson	10,000,000
David Garland	2,000,000
James Parsons	10,000,000
Fiona MacAulay	10,000,000
Marco Fumagalli	10,000,000
Ilham Habibe	10,000,000

## **MAJOR INTERESTS IN ORDINARY SHARES**

Save as disclosed below, the Directors are not aware of any person who, directly or indirectly, jointly or severally at the date of the Supplementary Admission Document and at Admission is or will be interested in 3 per cent. or more of the Company's issued share capital.

*At the date of the  
Supplementary Admission  
Document*

<i>Shareholder</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued ordinary share capital</i>
Po Valley Energy Limited	100,000,000	50.00 %
CIP Merchant Capital Ltd	14,092,500	7.05 %

*At Admission*

<i>Shareholder</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Enlarged Share Capital</i>
CIP Merchant Capital Ltd	150,684,929	21.02 %
Po Valley Energy Limited*	100,000,000	13.95 %
Lombard Odier Asset Management (USA) -1798 Volatis Fund Limited	50,110,403	6.99 %
Cazadores Investments Ltd.	34,246,575	4.78 %
Lombard Odier Asset Management (USA) -LMAP EPSILON Limited	31,569,553	4.40 %

\*Assuming that Po Valley Energy Limited does not distribute its shares by way of capital reduction. Should Po Valley Energy proceed with the Po Valley Energy Capital Reduction, which the Company understands it intends to do shortly after Admission and assuming Po Valley Energy distributes the Ordinary Shares it currently holds in full, Michael Masterman would hold 26,412,190 Ordinary Shares (representing 3.68 per cent. of the Enlarged Share Capital) and Kevin Bailey would hold 22,372,676 Ordinary Shares (representing 3.12 per cent. of the Enlarged Share Capital), in each case assuming no issue of Ordinary Shares between the date of Admission and the date of completion of the Po Valley Energy Capital Reduction.

This information is provided by RNS  
The company news service from the London Stock Exchange

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Posting of Supplementary AIM Admission Document  
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Company Announcement - General  
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