

18 April 2017

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

First Gas flows at Bezzecca

Saffron Energy plc (AIM: SRON), the natural gas producer with interests in northern Italy, is pleased to announce that first gas production from the Bezzecca gas field commenced on Thursday 13 April 2017.

Commissioning and ramp-up leading to anticipated flow rates in the range of 30,000-40,000 scm per day, equivalent to 190-250 barrels of oil equivalent per day (boepd) will continue today following a short shut down over the Easter break.

Production from Bezzecca is sold at a price of approximately €0.21 per scm which equates to €190-€250k per month in revenue, on production of 30-40,000 scm.

Reservoir performance will be evaluated during the current quarter on each of the three perforated levels and steady state production is expected mid-year. When combined with the Company's production from the Sillaro gas field, which alone is producing 10,000 scm per day, Saffron expects net production from its Italian assets to increase over four times its current production to 40-50,000 scm per day (approximately 250-315 boepd).

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.

Saffron has an offtake agreement with Shell Energy Italia S.r.l. for the gas produced from the Company's fields, which goes directly into the Italian national grid, owned and operated by SNAM Rete Gas S.p.A.

Chief Executive Officer of Saffron Energy, Michael Masterman commented: "First gas at Bezzecca is a significant financial milestone for Saffron coming within seven weeks of the successful IPO. It has been completed on time and on budget and represents a great technical,

financial and management achievement for the Company and shareholders. The commencement of production will boost revenues and operating cash flows consolidating our portfolio and provides further validation of the Company's strategy.

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.

About Saffron Energy PLC

Saffron Energy is a natural gas producer with interests in Northern Italy. Its portfolio includes one gas production (Sillaro), one near-term gas production field (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.

For more information, please visit www.saffronenergy.co.uk or contact the following:

Saffron Energy plc
Michael Masterman, CEO

+44 (0) 7791288381
info@saffronenergy.co.uk

Grant Thornton UK LLP (Financial & Nominated Adviser)
Colin Aaronson
Samantha Harrison
Harrison J Clarke

+44 (0) 207 383 5100

Turner Pope Investments (TPI) Ltd (Broker)
Ben Turner
James Pope

+44 (0)2036214120
info@turnerpope.com

Cassiopeia Services (PR/IR)
Stefania Barbaglio

+44 (0) 7949690338
Stefania@cassiopeia-ltd.com

END

MSCKDLFFDZFXBBQ

Anonymous (not verified)

First Gas flows at Bezzecca

25814467

A

Tue, 04/18/2017 - 07:00

LSE RNS

Company Announcement - General

CORO