

10 July 2017

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

Saffron Energy 104% gas production increase in June quarter

Saffron Energy (LON:SRON), the AIM quoted European natural gas company is pleased to announce its quarterly production update for the three months ended 30 June 2017.

Q2 Gas Production

Production from the Saffron Energy operated gas fields, Sillaro (100%) and Bezzecca (90%), has increased by 104% from 862,000 standard cubic metres (30.4 mmcf) in the quarter ended 31 March 2017 to 1.762 million standard cubic metres (62.2 mmscf) in the quarter ended 30 June. This increase was driven primarily by the commencement of production from the Bezzecca field in mid-April 2017.

Revenue from gas sales to Shell Energy Italia has also increased by 93%; in line with the increase in production. Saffron attained a gas price of approximately €0.21 per cubic metre in Q2 compared to €0.226 in the previous winter months' quarter.

Gas Production and Sales

	Q1 17	Q2 17	Change (%)	YTD 17
Total production ('000 cubic metres)	862	1,762	104%	2,624
Total production ('000 cubic feet)	30,441	62,224	104%	92,665
Daily production (cubic metres per day)	9,370	19,368	104%	
Daily production ('000 cubic feet per day)	331	684	104%	
Daily production (boepd)	57	118	104%	
Revenue (€)	195,000	376,000	93%	571,000
Average gas price (€ per cubic metre)	0.226	0.213	- 6%	

Current activity

Saffron expects that gas production and revenue will increase further in

the third quarter ending 30 September 2017, driven by a full three months contribution of production from the Bezzecca field.

The Bezzecca gas field was completed and commissioned in Q2 with first gas flows on 18 April and full commercial production commencing at a steady state from Level A interval in mid-May 2017.

Over the first two weeks of July, the Company will install a downhole choke at Bezzecca and production from the field will recommence immediately afterwards from several levels, namely Level A, S and possibly R. Production rates in Level A will be adjusted down to allow for increased aggregate production from multiple levels.

Chief Executive Officer of Saffron Energy, Michael Masterman commented: "After a successful IPO in February 2017 and first gas achieved at Bezzecca in April, I am pleased to announce the significant increase in our natural gas production, which translates into higher revenues. We have been able to deliver Bezzecca on time and despite the short delay on the production concession grant we are making good progress of Sant'Alberto. We are at the beginning of a journey to make Saffron a mid-cap European natural gas production company".

About Saffron Energy PLC

Saffron Energy is a natural gas producer with interests in Northern Italy. Its portfolio includes two gas production fields; Sillaro (100%) and Bezzecca (90%) and an application for a near gas production field called Sant'Alberto. All of Saffron's assets are located near Milan and Bologna. Saffron Energy commenced trading on the London AIM Market under the ticker of SRON on 24 February 2017.

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Anonymous (not verified)

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