The Board of Directors of SARAS SpA

approves the Interim Financial Report as of 30th September 2018[1]

Results for the first nine months of 2018:

- **Revenues at EUR 8,961 million** (+58% versus 9M/17) mainly due to higher oil prices
- **Group reported EBITDA at EUR 448 million** (strongly up versus EUR 303 million in 9M/17) boost by the scenario effect on inventories
- **Group comparable EBITDA at EUR 273 million** (EUR 413 million in 9M/17) due to lower unitary margins versus previous year partly offset by strong Power Generation and Marketing results
- **Group reported Net Results at EUR 154 million** (EUR 109 million in 9M/17). **Group comparable Net result at EUR 59 million** (EUR 162 million in 9M/17)
- **Positive Net Financial Position at 30th September 2018 equal to EUR 74 million**

Milan, 29th October 2018: The Board of Directors of Saras SpA met today chaired by Mr Massimo Moratti and approved the Interim Financial Report as of 30th September 2018, which is not subject to audit review. It should be noted that, in accordance with EU Directive 2013/50 transposed with Italian Leg. Decree n.25 dated 15th February 2016, which repealed the obligation to prepare the Interim Financial Reports, this Interim Financial Report has been issued on a voluntary basis, in order to ensure information continuity to the financial community in line with previous quarterly disclosure.

Saras Group key financial and operational results [2]

EUR Million	9M 2018	9M 2017	Change %	Q3/18	Q3/17	Change %
REVENUES	8,961	5,658	58%	3,370	1,729	95%
EBITDA	448.0	303.1	48%	176.6	161.8	9%
Comparable EBITDA	**272.8**	**412.6**	**-34%**	**122.4**	**160.1**	**-24%**
EBIT	318.8	139.3	129%	132.3	105.0	26%
Comparable EBIT	**143.6**	**248.9**	**-42%**	**78.1**	**103.8**	**-25%**
NET RESULT	154.1	109.4	41%	72.7	54.9	32%
***Comparable* NET RESULT**	**59.0**	**161.6**	**-64%**	**44.1**	**51.7**	**-15%**

EUR Million	9M 2018	9M 2017	Q3/18	Q3/17
NET FINANCIAL POSITION	**74**	**110**	**74**	**110**
CAPEX	**131**	**138**	**46**	**38**

[1] Pursuant to the provisions of article 154 bis, paragraph 2, of the Consolidated Finance Act, **Mr. Franco Balsamo, the Executive Director responsible for the preparation of the company's financial reporting,** states that the financial information set out in this press release corresponds to the company's documents, books and accounting records.

[2] In order to give a better representation of the Group's operating performance better reflecting the more recent market dynamic, and in line with the standard practice in the oil industry, the operating results and the Net Result are displayed valuing inventories with FIFO methodology but, compared to reported results, excluding unrealized inventories gain and losses due to changes in the scenario by valuing beginning-of-period inventories at the same unitary value of the end-of-period ones. Moreover the realized and unrealized differentials on oil and exchange rate derivatives with hedging nature which involve the exchange of physical quantities, are reclassified in the operating results, as they are related to the Group industrial performance, even if non accounted under the hedge accounting principles. Non-recurring items by nature, relevance and frequency and derivatives related to physical deals not of the period under analysis, are excluded by the operating results and the Net Result Comparable. Results calculated as above, called "comparable", are performance indicators not defined by the International Accounting Standards (IAS/IFRS) and they are not subject to audit.

Comments to First Nine Months of 2018 Group Results

The Groups revenues in 9M/18 were EUR 8,961 million. The difference compared to EUR 5,658 million in the first nine months of last year is due to the higher average oil prices and rising oil and products trading activity of the subsidiary Saras Trading SA. In particular, in 9M/18 the price of gasoline averaged at 684 $/ton (compared to the average of 536 $/ton in 9M/17), while the price of diesel averaged out to 639 $/ton (compared to the average of 471 $/ton in 9M/17). This increase in the prices resulted in higher revenues of approximately EUR 2,935 million in the Refining segment and approximately EUR 310 million in the Marketing segment. Finally, the revenues from the Power Generation segment were higher by approximately EUR 60 million compared to first nine months of last year also thanks to higher CIP6/92 tariff.

The Group's reported EBITDA in 9M/18 was EUR 448.0 million, well above the EUR 303.1 million in 9M/17. This difference was almost entirely attributable to the Refining segment that, even if operated in a less favourable market environment and achieved lower volumes compared to the same period last year, enjoyed a positive scenario effect inventories. On opposite, such effect was negative in 9M/17.

The reported Group Net Result, equal to EUR 154.1 million, compared to EUR 109.4 million in 9M/17, essentially due to the reason shown at EBITDA level. In 9M/18, amortisation and depreciation charges were lower (EUR 129.2 million as compared to EUR 163.8 million in 9M/17) following changes to the amortisation plan for the IGCC plant, which took place in Q4/17. On the opposite the financial charges (of EUR 12.2 million) were slightly higher than in the same period of last year, and other financial items (which comprise realised and unrealised differentials on derivative instruments, net exchange rate differences and other financial income and charges) were negative by approximately EUR 90 million in 9M/18 compared to a positive amount of approximately EUR 29 million in 9M/17.

The comparable Group EBITDA was EUR 272.8 million in 9M/18, down from EUR 412.6 million achieved in 9M/17. This result was mainly due to the Refining segment which operated in a less favourable market scenario and achieved had lower runs, only partially offset by better results achieved in the Power and Marketing segments. **The comparable Group Net Result in 9M/18 was EUR 59.0 million,** versus EUR 161.6 million in 9M/17.

Investments in 9M/18 were EUR 130.9 million mainly focused on the Refining segment (EUR 115.9 million).

The **Net Financial Position as at 30th September 2018 was positive by EUR 74 million,** compared to the positive amount of EUR 87 million as at 31 December 2017. The cash flow generated by operations was absorbed by the investments, the dividend payment on May 2018 and the inventories increase.

Comments to Third Quarter 2018 Group Results

The Groups revenues in Q3/18 were EUR 3,370 million up 95% versus the EUR 1,729 million in the third quarter of last year as effect of higher average oil prices in the period and rising trading activity of the subsidiary Saras Trading SA. In Q3/18 the price of gasoline averaged at 713 $/ton (compared to the average of 544 $/ton in Q3/17), while the price of diesel averaged out to 669 $/ton (compared to the average of 485 $/ton in Q3/17). This increase in the prices resulted in higher revenues of approximately EUR 1,475 million in the Refining segment and approximately EUR 145 million in the Marketing segment. The revenues from the Power Generation segment were higher by approximately EUR 28 million compared to Q2/17 mainly thanks to higher CIP6/92 tariff.

The Group's reported EBITDA in Q3/18 was EUR 176.6 million, higher than the EUR 161.8 million in Q3/17 almost entirely due to the Refining segment. In fact, in the third quarter of 2018 the positive effect of the scenario on the inventory differences between the beginning and end of the period, due to the sharp rise in the Brent price, more than offset lower unitary refining margins compared to the same period of last year.

The reported Group Net Result was equal to EUR 72.7 million, compared to EUR 54.9 million in Q3/17, essentially due to the reason shown at EBITDA level. In Q3/18, amortisation and depreciation charges were lower (EUR 44.3 million as compared to EUR 56.8 million in Q3/17) following above mentioned changes to the amortisation plan for the IGCC. The financial charges (of EUR 5.5 million) were slightly above the level of the same quarter last year. Finally other financial items (which comprise realised and unrealised differentials on derivative instruments, net exchange rate differences and other financial income and charges) were negative in both the periods under analysis and equal to approximately EUR -25 million in Q3/18 and EUR -26 million in Q3/17.

The comparable Group EBITDA was EUR 122.4 million in Q3/18, down from EUR 160.1 million in Q3/17. This result was mainly due to the Refining segment that operated in a favourable market scenario but achieved lower unitary margins due to higher Brent prices. During the summer, the refinery operated at full capacity delivering a good industrial performance while the runs in September were influenced by the shutdown of the distillation units as a consequence of a fire that affected some refinery service areas. **The comparable Group Net Result in Q3/18 was EUR 44.1 million,** down from EUR 51.7 million in the same quarter of last year.

Investments in Q3/18 were EUR 45.9 million mainly focused on the Refining segment (EUR 40.6 million).

Outlook

The year 2018 opened with Brent on the maximum levels of the last 3 years (about 70 $/bl) also thanks to the growth in demand. In the first half of the year the supply was influenced by the production cuts implemented by OPEC and Russia, by some geopolitical tensions in Libya and Nigeria and by the involuntary reductions of Venezuela and Mexico, which were only partly offset by rising volumes from United States. In mid-May, the Brent hit 80 $/bl following the announcement of the US exit from the nuclear agreement with Iran and then fall back thanks to the response of the OPEC countries (Saudi Arabia in particular) that decided to increase their supply by around 1 mbl/d. From the second half of August, the prices of the Brent rose again in the wake of the continuous decline of Venezuelan production, the approach of the date of November 4 starting from which the US sanctions against Iran will have effect and growing concerns about the limited global oil spare capacity. Brent current forward curves point to approx. 76 $/bl for the last quarter of the year.

The foreseeable scenario for the last quarter of the year is confirmed as positive for middle distillates with robust crack spreads and quite low inventories approaching the winter period, which typically sees an increase in the consumption of heating oil. Experts predict that the weakness of the gasoline crack spread, penalized by the sharp rise in the price of crude oil, is set to persist even if they anticipate a slight recovery compared to the values recorded in October.

From an operational point of view, no significant maintenance activities are planned in the last quarter and therefore the refinery will be able to operate at full capacity. The fire, due to the storm that hit the plants on the night of 18 September, involved a service area belonging to the distillation units that were temporarily stopped. The last distillation unit (RT2) was back in operation from October 15th while the other two units (T1 and T2) had been restarted by the end of September. Therefore there will be no significant effect on last quarter runs.

All in all, considering the above described conditions, **the Saras Group will aim to achieve, in Q4/18, a premium above the EMC benchmark margin of approx. 2.5 ÷ 3.0 $/bl (net of maintenance).**

With reference to **Power Generation and Marketing segments it is foreseeable the consolidation of the good results achieved in 9M/18.**

Net Financial Position is expected to further improve by year end.

Conference call on 29th October 2018 and other information

At 15:30, CET of Monday 29th October there will be a conference call for analysts and investors, during which the Top Management will illustrate Saras Group results for Third Quarter and Nine Months 2018, and afterwards will answer all the relevant questions.

Dial in numbers:

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Link for the live webcast: http://services.choruscall.eu/links/saras181105.html

Playback and transcript of the webcast will also be available on the Company's website. For enquiries, please contact the Investor Relations department.

This press release has been prepared pursuant to the Regulation implementing Legislative Decree 24th February 1998 number 58, adopted by CONSOB under resolution 14th May 1999 number 11971, as amended and supplemented. It is available to the general public on the Company's website under "Investor Relations/Financial News/Press Releases", and also on the "1Info" authorised storage mechanism (**www.1info.it**). Moreover, the Interim Financial Report as of 30th September 2018 is also available to the public at the Company's registered Office in Sarroch (CA) S.S. 195 Sulcitana Km. 19, at the administrative office in Milan, Via dell'Unione n. 1, on the Company's website under "Investor Relations/Quarterly Report", and on the "1Info" authorised storage mechanism.

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THE SARAS GROUP

The Saras Group, founded by Angelo Moratti in 1962, has approximately 1,900 employees and total revenues of about 7.7 billion Euros as of 31st December 2017. Today, the Group is a leading European crude oil refiner and it is active also in the energy sector. It sells and distributes petroleum products in the domestic and international markets, directly and through its subsidiaries. The Group also operates in the production and sale of electricity, through its subsidiaries Sarlux Srl (IGCC plant) and Sardeolica Srl (Wind plant). Moreover, the Group provides industrial engineering and research services to the oil, energy and environment sectors through its subsidiary Sartec Srl.