



Sacgasco Limited

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Announcement to ASX

10 July 2017

Drilling Contract Signed for 1+ Tcf Dempsey Well

Sacramento Basin-focused natural gas developer and producer, Sacgasco Limited (ASX: SGC) (“Sacgasco” or “the Company”) is pleased to advise that a drilling contract has been signed with Paul Graham Drilling of Rio Vista, California to drill the Dempsey 1-15 well on the Dempsey Appraisal and Exploration Project.

The contract was signed by Sacgasco’s wholly-owned US subsidiary Peoco LLC. Graham Rig No. 9 will be used for the drilling. Dempsey 1-15 well is planned to intersect 7 or more conventional sandstone gas reservoir targets on the way to a planned Total Depth of 3200 metres (approximately 10,500 feet). Rig 9 is a high capability rig with a depth rating of up to 16,500 feet. The drilling equipment will be combined with a 10,000 psi well head and stack to allow for a wide range of outcomes from the under-explored primary sandstone targets in Dempsey.

Gary Jeffery, Sacgasco’s Managing Director said: “Sacgasco has used Paul Graham rigs previously in California and has been impressed by their performance and is pleased to be teaming up with them on this exciting Dempsey well.”

More information on Rig 9 is available by following the web address:
<http://www.paulgrahamdrilling.com/RIG9-pg.html>

Dero Parker, Sacgasco’s highly experienced VP Operations who has been responsible for drilling over 300 wells in California said upon signing the contract: “The Dempsey 1-15 well will be one of the most watched wells in the history of drilling in the prolific Sacramento Basin California. We have contracted an Elephant to tame a Gorilla.”

Additional drilling service and material supply contracts are expected to be completed in the next few days.

Operational updates will be provided in the lead up to Dempsey 1-15 spudding, which is on track for late July. Dempsey is a 1+ Tcf natural gas Appraisal and Exploration Project with seven stacked conventional reservoir targets.



Dempsey Drill site



Paul Graham Rig 9

Dempsey 1-15 Working Interests participants are:

Sacgasco Limited (ASX: SGC) -Operator	50%
Empyrean Energy plc (LON: EME)	30%
Xstate Resources Limited (ASX: XST)	10%
Bombora (being acquired by Pancontinental (ASX: PCL)	10%

For and on behalf of the Board of Sacgasco Limited.

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About Sacgasco Limited (ASX: SGC)

Sacgasco Limited (ASX: SGC) is an Australian-based energy company focused on conventional gas exploration and production in the Sacramento Basin, onshore California. Sacgasco has an extensive portfolio of natural gas producing wells and prospects at both exploration and appraisal stages, including multi-Tcf opportunities. The Company is targeting gas supply to the local Californian gas market and burgeoning LNG market in North America. Sacgasco is of the view that the size of the prospects in California have the potential to supply both the domestic Californian gas market and export LNG markets.

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