



Sacgasco Limited

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Announcement to ASX

25 August 2017

Drilling of High Potential Targets to Commence

- **Shallow gas reservoirs protected by casing for future production**
- **Drilling about to recommence after installing and testing high pressure protection equipment.**
- **Multiple reservoir targets predicted from regional geology and 3D seismic anomalies in next 1,300 m (~4,300 feet) of drilling**
- **Dempsey is testing the largest undrilled structure in northeastern Sacramento Basin**

Sacramento Basin-focused natural gas developer and producer, Sacgasco Limited (ASX: SGC) (“Sacgasco” or “the Company”) advises that the Dempsey 1-15 well in the Sacramento Basin in California has recommenced drilling operations after installation and cementing of planned 9 5/8” casing at an optimum depth of approximately 1,760 metres (5,800 feet).

The casing depth was chosen, based on observed drilling parameters, for effective drilling control and protection of deeper reservoirs intersected in the well. The well is planned to be drilled vertically from this point to total depth.

The casing has protected, for future production, the previously announced 4 zones of gas saturated sandstones at field production levels. As previously reported, these sands are interpreted to contain sufficient gas to pay for the Dempsey well.

All 10,000 psi blowout prevention equipment for the premium high pressure grade 9 5/8” casing string has been inspected, tested and approved by the California Department of Conservation, Division of Oil and Gas, as required prior to re-commencing drilling operations. Well drill fluids have been treated post-casing cementing operations, and mud weights taken up to 12.5 ppg as a precautionary measure for drilling through the Guinda Formation.

Extensive gas shows are expected while drilling Guinda sands and shales. It is expected that the section of Guinda will be approximately 400’-600’ thick and is expected to take 36-48 hours to drill prior to moving on to the deeper targeted objectives.

The well is currently drilling ahead at the base of casing.

Multiple reservoir targets are predicted from regional geology and 3D seismic anomalies in the 1,300 m (~4,300 feet) of section to be drilled before reaching planned Total Depth of around 3200 metres in basement rocks.

Dempsey is drilling the largest undrilled mapped structural closure in the northeastern part of the prolific Sacramento Gas Basin and is interpreted to be optimally located to trap gas migrating out of gas generating areas located to the west and south.

Working Interests in the Dempsey Gas Project:

Sacgasco Limited (ASX: SGC) (Operator)	50%
Empyrean Energy PLC (LON: EME)	30%
Pancontinental Oil and Gas NL (ASX: PCL)	10%
Xstate Resources Limited (ASX: XST)	10%

Further updates will be provided on meaningful results from the evaluation of the target sandstone reservoirs spread across the interval to be drilled.

Shareholders and investors are advised that the next wireline logging run is planned after reaching the proposed total drilling depth of approximately 3,200 metres.



Image of part of the Well Protection Equipment prior to Installation

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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This document contains forward looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by many variables which could cause actual results or trends to differ materially. The technical information provided has been reviewed by Mr Gary Jeffery, Managing Director of Sacgasco Limited. He is a qualified geophysicist with over 43 years technical, commercial and management experience in exploration for, appraisal and development, and transportation of oil and gas. Mr Jeffery consents to the inclusion of the information in the form and context in which it appears.