



# Sacgasco Limited

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Announcement to ASX

21 January 2019

## ACQUISITION OF ADDITIONAL SACRAMENTO BASIN ASSETS

- Agreement executed to acquire JV partner's interests in Sacgasco Operated Projects in the northern Sacramento Basin.
- Workover program to grow production underway.
- Alvares 1 back on track for re-entry and testing program in early North American summer.

Sacgasco Limited (ASX: SGC) ("Sacgasco" or "the Company") has executed an Agreement with **Raven Energy Limited (Raven)** (ASX: REL) and its Bombora subsidiaries (**Bombora**) to acquire various working interests in the Alvares, Dempsey and Dempsey Trend Projects in the Sacramento Basin.

Sacgasco has received A\$79,000 from Bombora to settle JV invoices. As consideration for Bombora's working interests, Sacgasco will issue to Raven 2 million Sacgasco shares which will be voluntarily escrowed for 12 months from their date of issue.

The effective date of the agreement is 31 December 2018. As a consequence of the Agreement, Xstate Resources (Xstate) (ASX: XST) will assume certain interest in the Alvares Project as defined in the tables that follow.

As a result of the agreement, Bombora confirmed it will not participate further in the Alvares Project, and the beneficial interests in the Alvares Project will be:

<b>Alvares Project Working Interests (WI)</b>	<b>WI before 31 December 2018</b>	<b>WI AFTER 31 December 2018</b>
Sacgasco (SGC) (Operator)	39%	<b>50%</b>
Empyrean *	25%	25%
Xstate (XST)	21%	<b>25%</b>
Bombora (REL) *	15%	

Note: \* These WI are subject to the satisfaction of previously announced farm-in agreements.

Bombora will have no further involvement in the Dempsey and Dempsey Trend Projects and the WI in these projects will change as follows:

<b>Dempsey Project Working Interests (WI)</b>	<b>WI before 31 December 2018</b>	<b>WI AFTER 31 December 2018</b>
Sacgasco (SGC) (Operator)	50%	<b>60%</b>
Empyrean	30%	30%
Xstate (XST)	10%	10%
Bombora (REL)	15%	

<b>Dempsey Trend Projects</b> including Anzus Working Interests (WI)	WI before 31 December 2018	<b>WI AFTER</b> <b>31 December 2018</b>
Sacgasco (SGC) (Operator)	36%	<b>46%</b>
Empyrean*	30%	30%
Xstate (XST)	24%	24%
Bombora (REL) *	10%	

Note: \* These WI are subject to the satisfaction of previously announced farm-in agreements.

**Sacgasco's Managing Director Gary Jeffery commented:**

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*"We are pleased to increase our interests and simplify the Joint Venture in a way that will allow SGC to accelerate activities.*

*The planned Alvares 1 well re-entry and related testing has been delayed due to Joint Venture negotiations, and the increased operational and financial risks related to the rainy season in the Sacramento Valley.*

*Sacgasco has already commenced activities to increase production from its recently acquired Rio Vista gas field wells and we look forward to advising shareholders on other production enhancement activities."*

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**For and on behalf of the Board of Sacgasco Limited.**

**Gary Jeffery**  
**Managing Director**  
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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 domestic Californian natural gas and export LNG markets. Sacgasco is also seeking investments in other under-explored oil and gas basins near under-supplied oil and gas markets.*

**[www.sacgasco.com](http://www.sacgasco.com)**

**Twitter: @SacGasCo**

***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 and or their timing 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 46 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.***