



Sacgasco Limited

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Announcement to ASX

9 December 2019

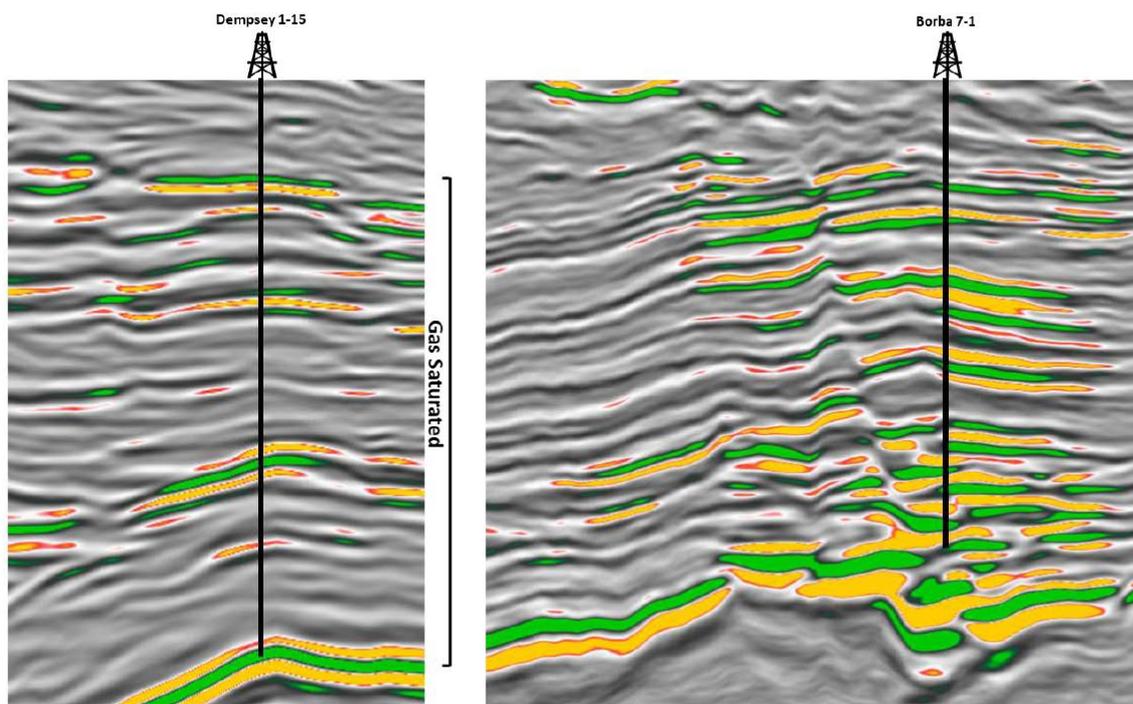
Final Permit Received for Borba Natural Gas Well

- Drilling Permit received from California Division of Oil, Gas and Geothermal Resources for Borba 1-7 well in the Anzus Project.
- Next step is construction of “all-weather” drilling location.
- Innovative drilling contract under negotiation

Sacgasco Limited (ASX: SGC) (“Sacgasco” or “the Company”) is pleased to announce that it has received the permit from the California Division of Oil, Gas and Geothermal Resources (“DOGGR”) for the drilling of the Borba 1-7 well. This well is permitted to drill to basement estimated at 9,100 feet (2,800 metres). Local administrative approval from Glenn County for the Borba 1-7 well was received on 26 September 2019.

Sacgasco advises the drilling pad preparations will commence as weather permits. Highly experienced local contractor, Nor Cal Construction will build the pad which is expected to take 10-14 days.

Sacgasco are planning to commence drilling in late January to early February. The well will be drilled vertically to test 16 stacked seismic anomalies in the interval from 2,300 feet (700 metres) to 9,100 feet (2,800 metres) depth. The prospective interval covers around 6,900 feet (2,100 metres).



Representative Seismic Across Dempsey and Borba
Amplitudes balanced for comparison: Yellow and Red interpreted as Gas Reservoirs

The Sagasco led Borba AMI interests are:

Sagasco Limited (Operator)	46%
Empyrean Energy PLC	30%
Xstate Resources Limited	24%

Another party has lease interests in the Borba area. Working interests in the well are being finalized.

Sagasco's Managing Director Gary Jeffery commented:

"The Borba prospect is a big opportunity for Sagasco and the next logical step in the evaluation of the highly prospective, under-explored older strata in the Northern Sacramento Basin. After calibrating the seismic with the Dempsey well, Sagasco and independent technical teams have homed in on the Borba area as being the best place to test the higher quality conventional reservoir development identified in a revised sedimentary model. Success at Borba will provide proof of concept which will upgrade the many Sagasco mapped follow up well locations.

Sagasco is excited about drilling the Borba 1-7 well. It is worth observing the market interest created by the recent successful West Erregulla gas well in the Perth Basin. This well was drilled in similar circumstances in an under explored part of the producing gas basin. A key similarity is that Borba 1-7 well is expected to have high pressures, which when combined with interpreted reasonable reservoirs will result in high gas flow rates. Importantly the Borba prospect is shallower, with a total well depth of less than 3,000 metres compared to over 5,000 metres in the Perth Basin. Borba is also close to gas infrastructure and industry support centres.

The California gas market is 7 times the size of the Western Australian (WA) gas market and less than 10% of the California market is supplied locally (cf. 100% in WA). This enables Sagasco to monetize all gas discovered almost immediately.

The Directors of Sagasco are looking forward to a positive start for the Company in 2020."



Figure 1: Easily accessible Borba 1-7 Location

For and on behalf of the Board of Sagasco Limited.

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About Sacgasco Limited (ASX: SGC)

Sacgasco's strategy is to find, acquire and develop undervalued and under-developed opportunities connected to materially under supplied oil and gas markets around the Pacific Rim.

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, including those in Asia.

www.sacgasco.com

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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 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.