



Sacgasco Limited

ABN 83 114 061 433

Unit 14, 210 Bagot Road, Subiaco, WA, 6008.

T +61 8 9388 2654 E info@sacgasco.com

Announcement to ASX

3 February 2021

Placement raises Funds for Borba Drilling and Production Growth

- \$5,000,000 (before costs) raised from strongly supported placement.
- Proceeds to fund SGC share of costs of the imminent drilling of the Borba 1-7 well in California.
- Enhanced working capital for further enhancement of oil and gas production.
- Sacgasco has reduced its working Interest in the Borba Project to ~67% and decided to fund the balance (~62.5%) of the imminent Borba 1-7 well costs from capital raised.

Sacgasco Limited (ASX: SGC) (“Sacgasco” or “the Company”) is pleased to announce that it has raised \$5,000,000 (before costs) via a private placement to new and existing domestic investors (“Placement”).

The Placement will result in the issue of 76.92 million new fully paid ordinary shares in the Company (“Shares”), at an issue price of \$0.065 per share.

The Placement was made follows:

1. 37,755,805 shares were placed under the Company’s ASX LR 7.1 placement capacity.
2. 39,167,271 shares were placed under the Company’s ASX LR7.1A placement capacity.
3. All shares were placed pursuant to s708 of the Corporations Act.

Borba Working Interest

Sacgasco and Xstate Resources Limited (ASX:XST) have entered an agreement whereby Sacgasco will reduce its costs in the Borba well by 13.5% in return for assigning 9.33% Working Interest in the Borba Project. The funds realised from the Placement cover Sacgasco’s well cost. Preparations to move the drilling rig onto the drilling pad are underway. A further update will be provided in the coming days.

The Working Interests in the Borba 1-7 well after farmout will be:

Sacgasco Limited (Operator) (ASX: SGC)	67.67%
Xstate Resources Limited (ASX: XST)	33.33%



Borba 1-7 Well Pad and Production Platform Ready for Drilling Rig

Use of Additional Funds:

The additional funds raised above in the referenced Placement, will see the Company very well placed to invest to enhance production growth from its North American Properties. The funds will also enable further investigation of other available opportunities.

Alberta Plains Acquisition Update:

On 28 January 2021, Sagasco announced the acquisition of further production interest in Alberta Canada. The announcement stated that the acquisition by Sagasco was subject to the completion of the acquisition of the assets by the vendor, Blue Sky Resources Limited ("**Blue Sky**"). Sagasco can now confirm that Blue Sky has completed the acquisition enabling Blue Sky to assign a 20% interest in the assets to Sagasco on the terms previously announced.

Sagasco's Managing Director Gary Jeffery commented:

"We are very pleased by overwhelming support by shareholders for the Placement.

We can now enter a period of intense activity with confidence as the funding is in place for the drilling of the Borba well and production growth activities in Canada.

The Borba well is the logical next step in evaluating the world class potential of the older sediments in the Sacramento Basin. Investors and shareholders are reminded of the similarities between our Sacramento Basin opportunities and the recent success achieved in the older and much deeper sediments of the Perth Basin.

The fundamentals of the oil and gas industry have never been stronger in my view. Low asset costs, continuing strong demand for hydrocarbon sourced energy, despite aspirations for alternatives, and reduced exploration and development activity point the way for a profitable future for Sagasco.

We will keep shareholders informed of progress as well as other opportunistic initiatives we are progressing."

For and on behalf of the Board of Sacgasco Limited.

Gary Jeffery
Managing Director
+61 8 9388 2654

About Sacgasco Limited (ASX: SGC)

Ben Jarvis
Six Degrees Investor Relations
+61 (0) 413 150 448

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

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

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 48 years technical, commercial and management experience in exploration for, appraisal and development, and transportation of oil and gas. Mr Jeffery is a member of the American Association of Petroleum Geologists. Mr Jeffery consents to the inclusion of the information in the form and context in which it appears.