



## Sacgasco Limited

ABN 83 114 061 433

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

T +61 8 9388 2654 E [info@sacgasco.com](mailto:info@sacgasco.com)

ASX ANNOUNCEMENT

11 May 2020

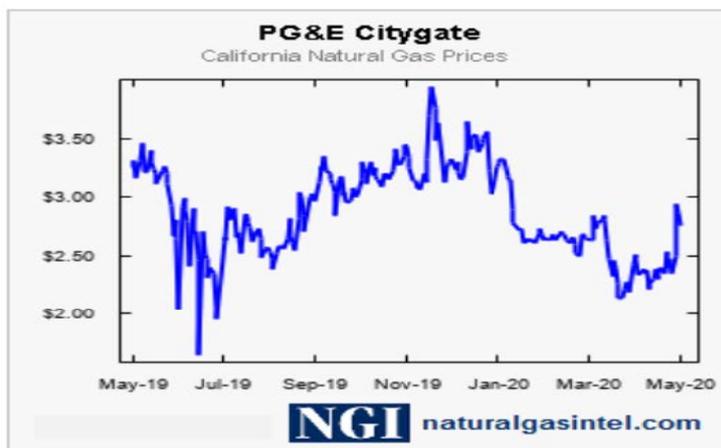
### SACGASCO RAISES FUNDS FOR MULTI-WELL WORKOVER PROGRAM

- Convertible note issue raises \$400,500
- Conversion price of \$0.01 is approximately 80% of SGC's 20-day VWAP
- Funds to be immediately deployed to workovers of existing natural gas wells to increase gas flows and revenue from premium gas price
- First three wells identified with work to commence this month

The Directors of Sacgasco Limited (**ASX:SGC**) are pleased to advise that the Company has entered into agreements with SGC shareholders who are sophisticated investors (Section 708) for the subscription and issue of unsecured convertible notes ("**Notes**") to raise \$400,500.

Conventional Natural Gas projects have recently regained a relative advantage over the shale-focused oil and natural gas industry following the collapse of world oil prices. Sacgasco is responding to the opportunity provided by initiating an active workover program to enhance cash flows from its existing portfolio of conventional Natural Gas wells to capitalise on the premium prices it can secure for its gas in California.

The relevant Natural Gas prices in the Sacramento Basin in California normally command a significant premium to the USA benchmark Henry Hub Natural Gas prices. Currently the price is 150% of the reported Henry Hub price.



Funds will be primarily be deployed for low-cost workovers on existing wells in two fields to improve gas flows. These workovers are to be undertaken with relatively small-scale mobile equipment and few personnel, and increased gas flows can be sold using existing connected equipment and pipelines. The first three wells have been identified for workovers with activity scheduled to commence this month.

Shareholders will be updated on the work program and achievements.

Terms of Notes:

1. Notes mature 12 months from the date of issue.
2. Notes will convert into fully paid shares in Sacgasco Limited at a conversion price of 1.0 cents per share at maturity, or earlier subject to the consent of the Company.
3. Notes will be unsecured.
4. Notes will bear interest at a rate of 10%, payable quarterly in arrears. Note holders have the election to be paid their interest in shares at the same price as the Note conversion price at maturity of the Notes.
5. Conversion of the Notes is subject to, and conditional upon, the Company obtaining all necessary approvals from its shareholders for the conversion of the Notes into Shares, including in accordance with ASX Listing Rule 7.1 and item 7 of Section 611 of the Corporations Act (if required).

Authorised for lodgment by Jordan McArthur, Company Secretary.

**Gary Jeffery**  
**Managing Director**  
**+61 8 9388 2654**

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

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

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