



# 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)

Announcement to ASX

9 February 2021

## SACGASCO CLOSES ALBERTA PLAINS PRODUCTION ACQUISITION

- Acquired a 20% working interest in 500 BOEPD (100%) from Reactivated Oil Fields in Alberta, Canada:
  - Sweet Oil (86%) and Natural Gas (14%)
- Purchase Price: CAD 500,000 cash (~A\$510,000) and 1.92 million SGC shares at an issue price of 7.3 cents each (A\$140,000):
  - Purchase price metric: ~US\$5,000 per flowing BOPD following initial reactivation.
- Remaining Proved Reserves (1P) of 3.7 million BOE (100%) and Proved Plus Probable (2P) Reserves of 5 million BOE estimated by Independent Evaluator at 31 December 2019:
  - Purchase price metric: ~US\$0.64 per BOE of 2P Reserves.
- To be Operated by efficient, low cost private Operator which provides local synergies.
- Acquisition funded from existing cash.
- Drilling of Borba natural gas prospect progressing with early February spud on track-operations updates pending.

Sacgasco Limited (ASX: SGC) (“Sacgasco” or “the Company”) is pleased to report that it has closed on the acquisition of a 20% Working interest (WI) in oil and gas producing assets (“Alberta Plains Assets”) in southern Alberta, Canada. Plans for the acquisition were previously reported on 28 January 2021. The Assets consists of oil and gas fields and associated production equipment, located between Edmonton and the USA border (Refer to Map Below).



Location of Principal Alberta Plains Properties in Alberta, Canada

The principal crude oil and gas properties are located in the Little Bow, Taber and Bellshill areas. The vendor is Blue Sky Resources Limited. Current production is around 100 BOPD and steps are actively being taken to bring selected wells back into production at an expected gross (100%) rate of 500 BOPD before the end of February. The cost to Sagasco of these restoration activities is AUD\$170,000.

The majority of the oil and gas wells being acquired have been produced for many years. The average production for the last 5 years, before the Asset wells were shut-in during 2020 due to COVID-19 related low oil prices, was over 2,000 BOEPD. During 2019 the Asset wells averaged 1,400 BOEPD (16% Natural Gas) (Production information from official Canadian SEDAR Filings).

Gross (100%) and implied Net to SGC Remaining Reserves (Both Reserves are Net Reserves after oil and gas lease royalty has been deducted) estimated on a Deterministic Basis by independent evaluators at 31 December 2019 as follows:

<b>Asset Reserves Table</b> (31 Dec 2019)	100% Working Interest -Net of Royalties (BOE)	<b>Net Entitlement to SGC at 20% Working Interest</b> (BOE)
Proved Developed Producing (PDP)	3,301,800	660,360
Proved Developed Not Producing (PDNP)	272,400	54,480
Proved Undeveloped (PUD)	91,400	18,280
<b>Total Proved (1P) Reserve</b>	<b>3,665,600</b>	<b>733,120</b>
<i>Probable Reserves (Prob)</i>	<i>1,355,700</i>	<i>271,140</i>
<b>Total Proved plus Probable (2P) Reserves</b>	<b>5,021,300</b>	<b>1,004,260</b>

Further detail on the Reserves was provided in the ASX release titled "Sagasco to Acquire 100 BOEPD in reactivated Oil Fields" on 28 January 2021.

The purchase price is equivalent to around US\$0.64 per Barrel of Proved Plus Probable Oil Reserves.



*Representative Asset Oilfield Production Facilities (Little Bow Oilfield Battery)*

At current prices, the Assets are cash flow positive and are highly leveraged to increased oil prices. Essentially all of the producing reservoirs are conventional sandstones with natural aquifer pressure support, variously enhanced by formal waterfloods and produced water re-injection. Around 25% of the wells are drilled horizontally. Producing reservoirs are mostly shallower than 1,150 metres.

Gross leased acreage is approximately 29,000 acres and 3D Seismic covers all of the producing acreage at Taber, Bellshill and Little Bow Fields.



*Little Bow Gas Production Facilities*

### **Borba 1-7 Well Update**

Preparations continue to be on track for spudding the Borba 1-7 well in early February.

The well is planned to be drilled directionally to Basement to intersect multiple stacked, 3D-seismic amplitudes which are interpreted to be indicative of Natural Gas accumulations in conventional sandstone reservoirs.

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

*"Sacgasco is very pleased with the rapid progress in our strategy of acquiring opportunities in underexplored and undervalued assets supported by invaluable infrastructure and facilities.*

*We look forward to working closely with our trusted and proven Operator Blue Sky in Alberta. The acquisitions we are making are the foundations for a solid oil producing business in Canada.*

*The recent strength in the oil prices, up over 40% since we initiated the first agreement to acquire oil assets, with every indication that this will continue, places Sacgasco in an enviable position to benefit from our Operator's ability to significantly enhance current production levels.*

*The assets are non-operated and will allow Sacgasco to focus on its operated assets in the Sacramento Basin, especially the imminent spudding of the Borba Prospect well."*

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

**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 Limited (ASX: SGC) is an Australian-based energy company focused on under-explored, recently over-looked, world class oil and gas opportunities near under-supplied markets.***

*The current prime focus is 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 domestic Californian natural gas and export LNG markets.*

*Sacgasco is in the process of acquiring undervalued oil producing assets in Alberta, Canada to complement its current natural gas assets.*

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