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Announcement to ASX

15 March 2021

92 Feet of Gas Pay in Borba 1-7 well

- Petrophysical logs acquired in Borba 1-7 well after drilling to 5,510 feet
- 92 feet of Net Pay interpreted in four zones, in a gross interval of 185 feet in Lower Kione Formation sandstones
- Good to Excellent average zone porosity of 14% to 27%
- At 6am this morning, the rig was making preparations to test the well protection equipment and then drill out towards the Guinda Sandstones, the second objective in the drilling program - expected to be encountered as soon as 200 feet below the casing

Sacgasco Limited (ASX:SGC), ("Sacgasco" or "the Company") is pleased to announce that the Borba 1-7 well has intersected 92 feet of net gas pay in four pay zones in the Lower Kione Formation, the first reservoir objective.

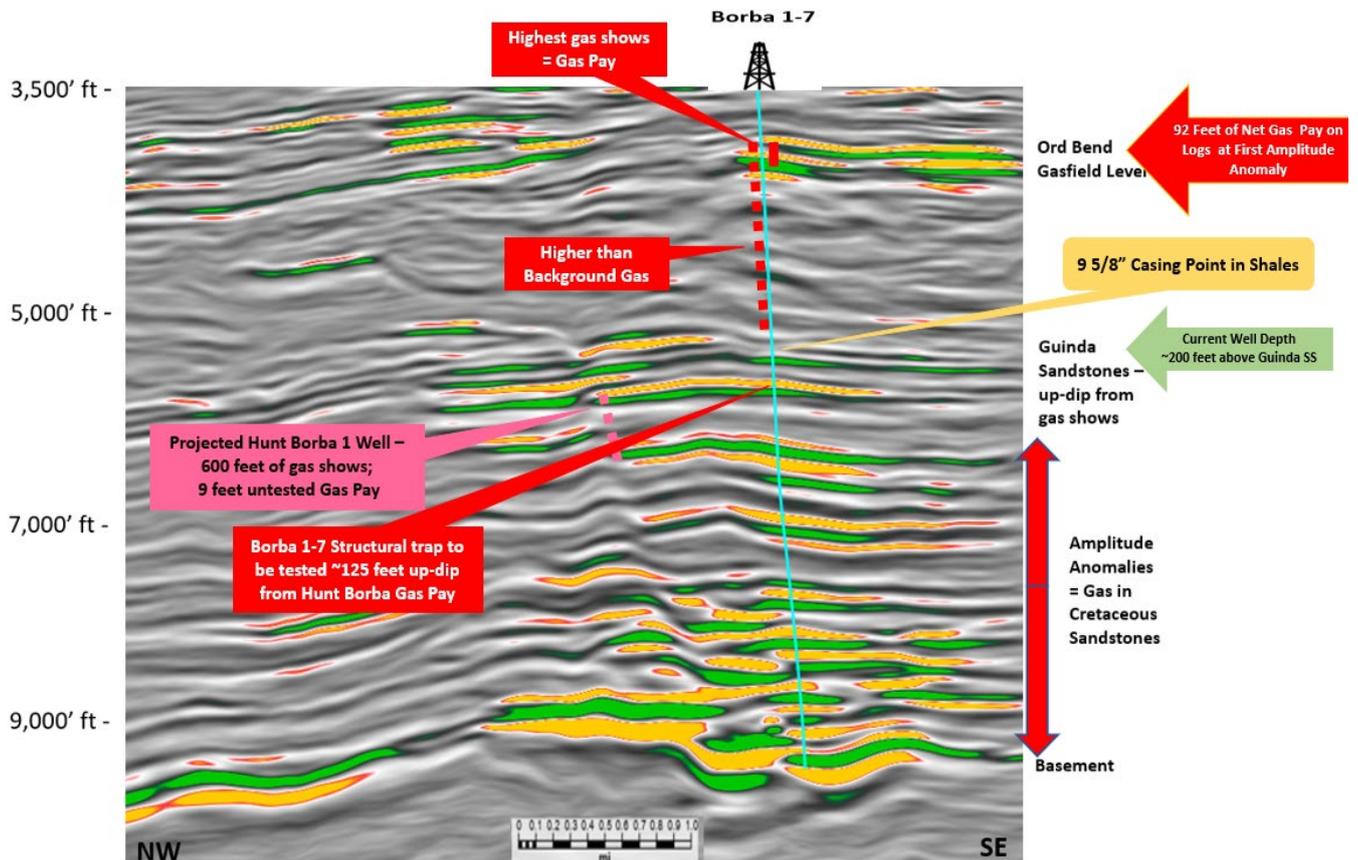


Fig. 1: Schematic based on 3D Seismic along the Borba 1-7 well path

A larger scale version of the above diagram is provided for clarity in Attachment 1 at the end of this release.

The Borba well is a near vertical well located on an Oil And Gas Minerals Lease, from private owners, located in Glenn County in the northern Sacramento Basin, onshore California.

The pay zones are all sandstone reservoirs below 3,795 feet.

There are 92 feet of net gas pay in four sand zones with good to excellent average zone porosity ranging from 14% to 27%.

The petrophysical log interpretation has identified additional lower-confidence, possible net pay intervals covering 45 feet.

The interpreted pay intervals will, for practical and safety reasons, be flow tested after drilling is completed and deeper natural gas pay intervals have been tested.

The gross interval of interpreted pay covers 185 feet. The pay zones are co-incident with the gas shows previously reported (ASX:SGC release date 8 March 2021) and correlate to the first of the multiple (11 or more) 3D seismic Amplitude Anomalies in the path of the directionally drilling Borba 1-7.

The Kione Sands are productive across the region. Wells in the adjacent Ord Bend Gas Field produced natural gas from the Kione Sands at initial rates of up to 4.6 million cubic feet per day (CALGEM well record API # 02120736).

Based on the gas shows and regional production experience the Natural Gas in Borba-7 is expected to be mostly methane.

The well has been lined with a cemented 9 5/8" diameter casing from the surface to a depth of 5,493 feet. A 10,000 PSI rated Blow Out Preventer has been installed and is being tested, after which the well will be drilled in 8 1/2" diameter hole to multiple older reservoir objectives on the path to a planned Total Depth of some 9,700 feet in Basement Rocks.

The next 3D seismic 'Amplitude Anomaly based Targets' are Guinda Sandstones. These are expected some 200 feet or so below the casing shoe.

The Guinda sand reservoirs are located in a dip-closed structural trap and are expected to be intersected 125 feet higher in Borba 1-7, in the same structural trap as the correlative sands in the Hunt Borba 1 well located 1 mile to the north of the Borba 1-7 well.

The Hunt Borba 1 well intersected good gas shows over a 600 feet gross interval. (CALGEM well records API # 02120708). The upper sand interval in the downdip well is interpreted from petrophysical logs to have 9 feet of untested gas pay with no gas water contact, i.e. gas fills the reservoir sands to their base. Porosities averaged 15% and the logs indicated a mud cake build up in the well bore over these sands, a good indicator of the presence of permeability.

The 3D Seismic anomaly at the Hunt Borba 1 location is very weak, commensurate with that expected from a thin gas sand interval. However, the seismic anomaly thickens and is much stronger (350% larger) in the updip location to be intersected in the Borba 1-7 well bore, indicating potential for a

much improved, thicker reservoir expected to be gas filled. Similar patterns in seismic amplitudes are present at a deeper interval of gas shows in the Hunt Borba 1 well.

The Working Interests (“WI”) in the Borba 1-7 well and Borba AMI are:

	Drilling Costs	After Drilling WI
Sacgasco Limited (Operator) (ASX: SGC)	62.5%	66.67%
Xstate Resources Limited (ASX: XST)	37.5%	33.33%

Sacgasco’s Managing Director. Gary Jeffery commented:

“We are very pleased with results to date from the Borba 1-7 well.

The discovery of Natural Gas Pay in the first of over 11 amplitude anomaly correlative reservoirs augurs well for the rest of the drilling.

It is reassuring that to date all of the amplitude anomalies in the previously drilled Dempsey 1-15 well and this well have been correlated to ‘gas filled sandy or silty reservoirs’, and the extent of gas shows while drilling are explained by log interpretation.

Borba is the most important well drilled in the northern Sacramento Basin for years, if not decades, and Borba 1-7 is a play opening well to in a multi TCF potential natural gas trend in the Northern Sacramento Basin.

I have observed that the stratigraphic section drilled to date in the Borba 1-7 well has been significantly more sandy than in offset wells. This observation fits in neatly with our new model for predicting sandstone reservoir ‘sweet spots’ and gives encouragement for the potential ahead in Borba 1-7.

Drilling the next 4,200 feet of gas saturated sediments with 11 or more mapped potential reservoir intervals in one well, is one of the most exciting undertakings in my 48 year career.

Opportunities like this are few and far between in the oil and gas industry and I am confident we have much to look forward to as we drill ahead to total depth.”

The Greater Borba-Dempsey Trend

The Borba Prospect (refer Fig 2 below) is located just north of the Willows Gas Field (650 Bcf produced from Princeton Canyon, Kione, Forbes, Dobbins and Guinda reservoirs) on an extensive prospective Sandstone trend for Natural Gas in the North Eastern Sacramento Basin. The potential traps mapped by Sacgasco along this trend range from Channel Sands wrapping around structural highs to stratigraphic traps created by sandstones onlapping onto structural highs. The interpretation of the 3D data reveals traps that are significantly larger than the Borba Prospect with multi-Tcf-potential. Success at Borba 1-7 is expected to open-up these plays for follow-up evaluation within the Borba AMI and within JV AMI on trend with Borba.

For and on behalf of the Board of Sacgasco Limited.

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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.

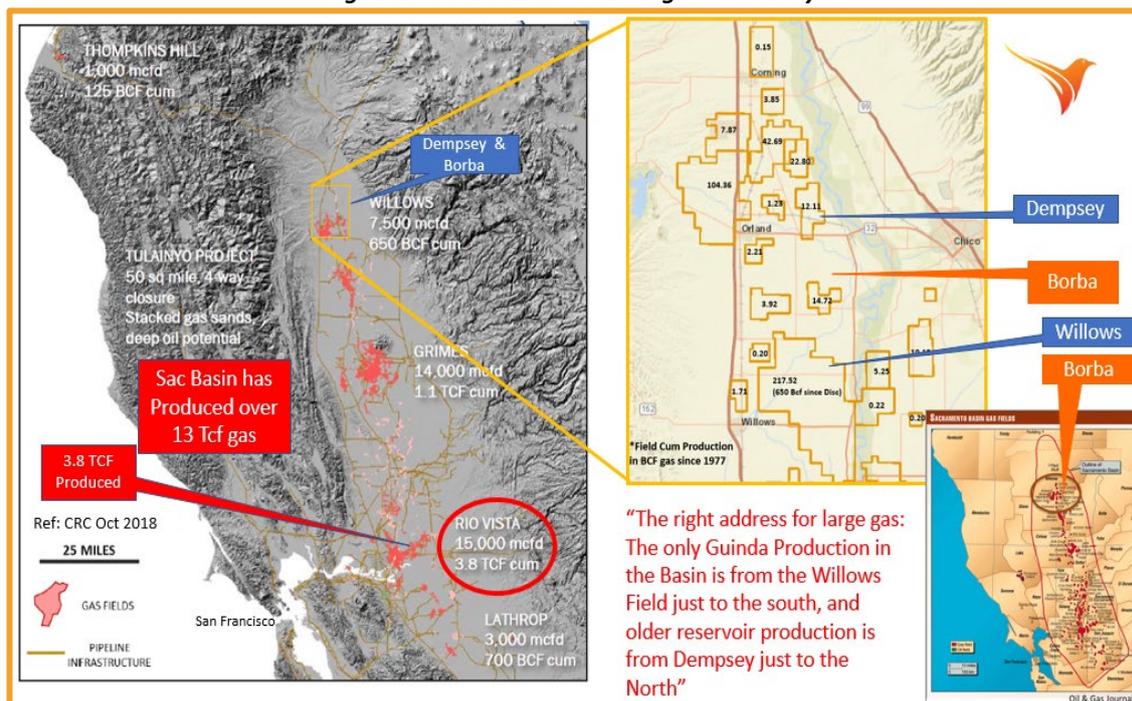
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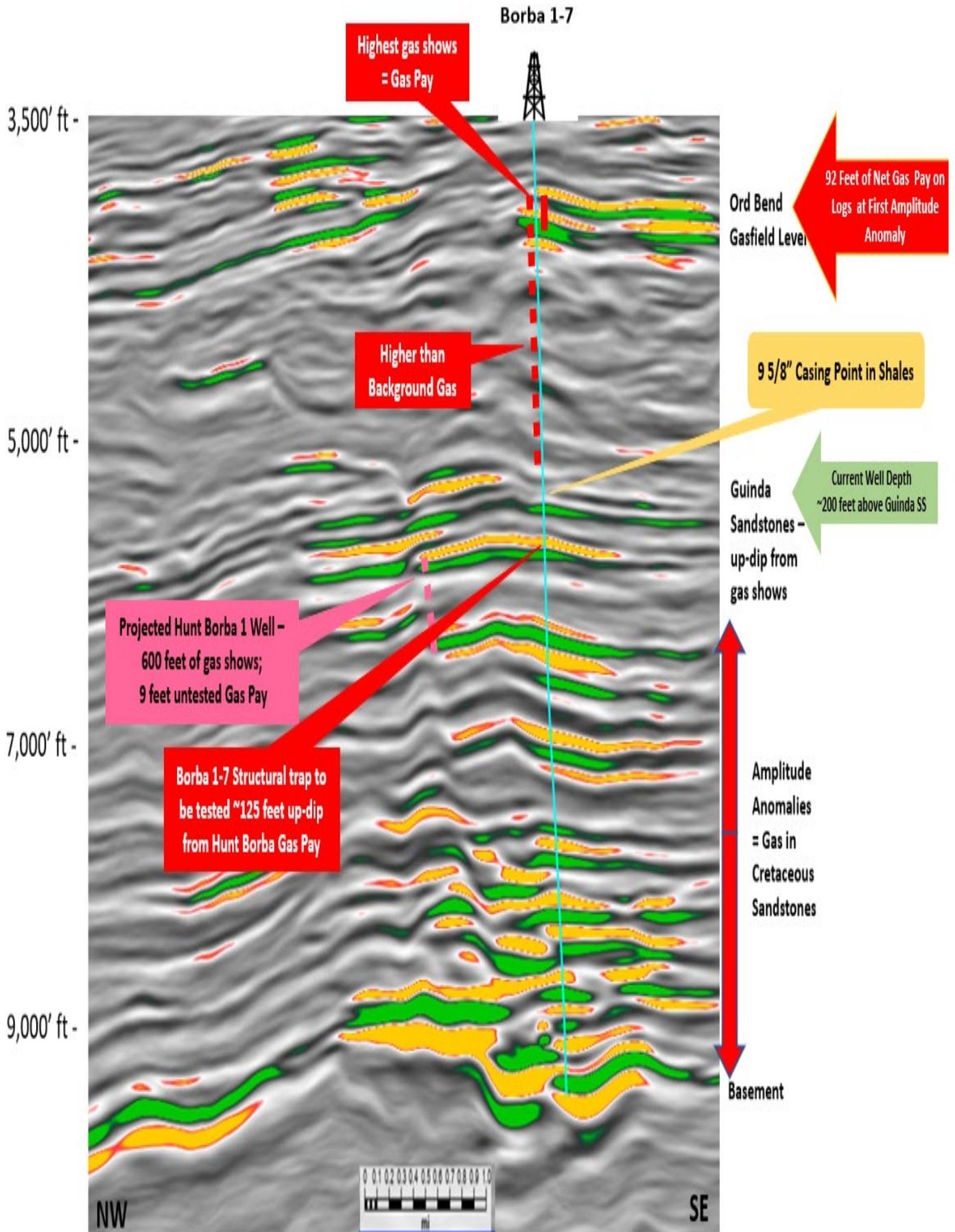
The technical information provided has been supervised and reviewed by Mr Gary Jeffery, Managing Director of Sacgasco Limited. He is a qualified geophysicist with over 48 years technical, commercial and management experience in exploration for, appraisal and development, and transportation of oil and gas and mineral resources . Mr Jeffery is a member of the American Association of Petroleum Geologists with over 48 years of oil and gas Industry experience. He is a Competent Person under the relevant ASX Listing Rules and has supervised the interpretation reported on in this release, and consents to the inclusion of the information in the form and context in which it appears.

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.

Fig. 2: Borba 1-7 Located in 'Big Gas Country'



Attachment 1:



Larger scale Fig. 1: Schematic based on 3D Seismic along the Borba 1-7 well path