



Sacgasco Limited

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Announcement to ASX

19 March 2021

Borba 1-7: High Gas Shows in Lower Guinda Formation Sandstone

- 100 feet of High Gas shows (C1 + C2) in Lower Guinda Formation Sandstones
- Gas in all three Seismic Amplitude predicted Reservoir Targets to date
- Highest gas shows to date in Borba 1-7 well
- Gas shows up to 39 times background with 13 Pound per gallon mud weight
- Drilling ahead to next target reservoir

Sacgasco Limited (ASX:SGC) ("Sacgasco" or "the Company") is pleased to announce that it has intersected a further 100 feet interval of high gas shows in Lower Guinda Formation sandstones at the Borba 1-7 well below a measured depth of 6,165 feet.

The gas shows which are the best seen to date in the well exhibited a gas peak of 385 units over a background of 10U (39x increase) from a 100 feet zone with very high sand content. The gas shows are predominantly Methane (C1 or CH₄), but the Ethane (C2 or C₂H₄) has been detected in the Lower Guinda indicating potentially higher heating content and more valuable gas. Natural Gas is priced on Heating Content when sold.

It should be noted that the Borba 1-7 well is being drilled in well 8 ½" diameter hole, using 13 ppg mud weight pursuant to good well control practices. At 6 AM the well was drilling ahead below 6,430 feet in the Lower Guinda Formation.

Drilling will continue to the next objective. The next suite of petrophysical reservoir evaluation logs are planned to be run at the TD of the well after drilling through 8 or more High Amplitude Reservoir Targets.

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%

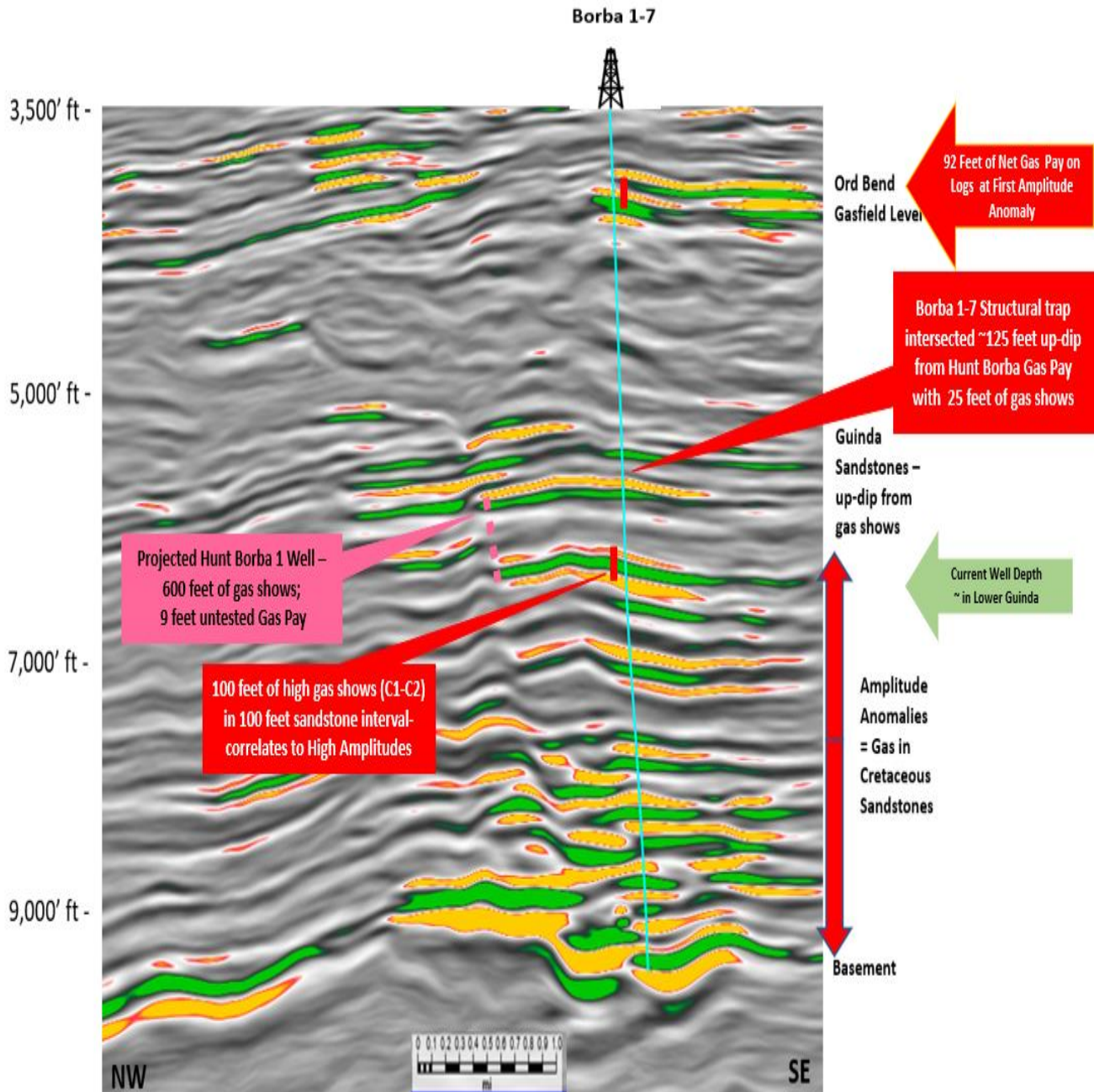


Fig. 1: Schematic based on 3D Seismic along the Borba 1-7 well path

Sacgasco's Managing Director commented:

The Borba 1-7 well is going to plan. The third interval of high seismic amplitudes, interpreted to be Natural Gas reservoirs, has been intersected on target and with the highest gas shows to date, and in a solid interval of sandstone. The sandstone description fits with our revised model of deposition.

With many more targets to be drilled in this well it is living up to our predictions and I am increasingly confident that there is much more positive news to come as we drill for older reservoir "sweet spots".

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 overlooked, 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.