



Sacgasco Limited

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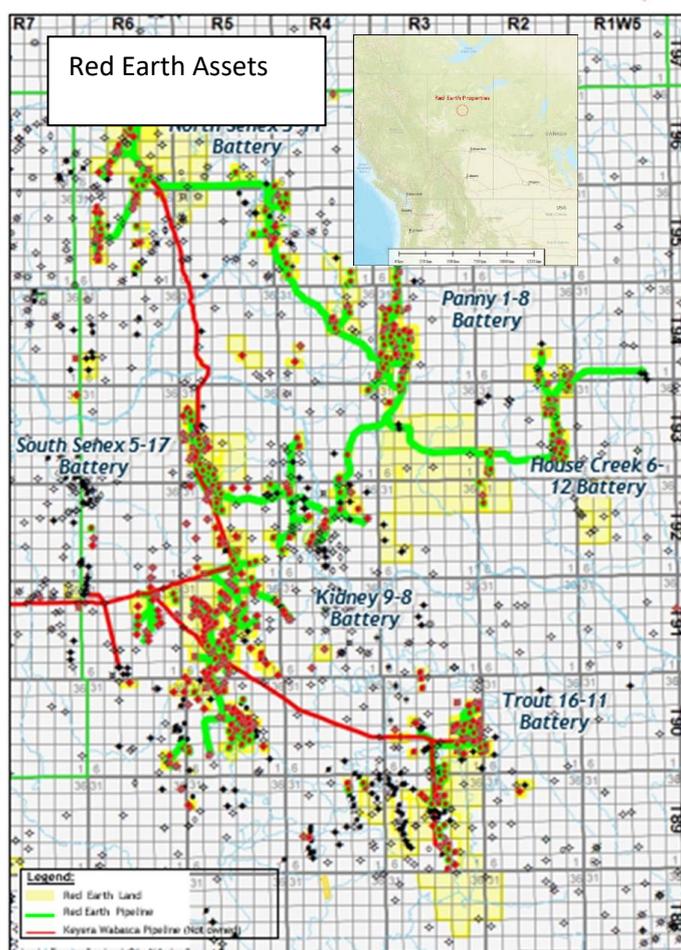
Announcement to ASX

26 March 2021

ACQUIRED LIGHT SWEET OIL PRODUCTION ASSETS

- Closed on 30 % working interest in 1,070 BOEPD from Producing Oil Fields in Alberta, Canada
 - Sweet light oil with an average oil quality of 39° API

Sacgasco Limited (ASX: SGC) (“Sacgasco” or “the Company”) is pleased to report that it has settled the acquisition of a 30% Working interest (WI) in an oil producing asset in northern Alberta, Canada. The Red Earth asset consists of 6 oilfields and associated infrastructure, located 450 km north of Edmonton.



The planned acquisition was reported in the ASX release dated 20 November 2020. The fields are currently producing ~1,070 BOEPD (gross) (320 BOEPD Net to Sacgasco). As previously released the remaining 2P reserves are 6.6 Million barrels of Oil (gross), of which Sacgasco’s 30% share is 2 Million barrels (net).

The vendor was Blue Sky Resources Limited which recently acquired the Red Earth assets. The effective date is 25 March 2021.



Figure 1: Pump jack at Red Earth field

The acquiring Joint Venture parties are :

- | | | |
|--------------------------------------|-----|----------|
| ▪ Sagasco Limited (ASX: SGC) | 30% | |
| ▪ Blue Sky Resources Ltd (Private) | 45% | Operator |
| ▪ Xstate Resources Limited (ASX:XST) | 25% | |

Blue Sky operates other oilfields in the vicinity and operational synergies are expected.



Figure 2: Red Earth oil producing assets Location

Sacgasco's Managing Director Gary Jeffery commented:

"This acquisition brings Sacgasco net oil production in Alberta to around 400 BOEPD (mostly oil) with the expectation of further significant acquisitions and production increases to come.

We note that the price of WTI oil has risen from US\$41 (C\$54) to US\$61 (C\$76) over the period from acquisition announcement to settlement, making this a very attractive purchase.

The oil and gas production in Canada complements our gas activities in California. Both sets of assets provide very attractive upside opportunities as well as production revenues."

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.

www.sacgasco.com

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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.