



Sacgasco Limited

ABN 83 114 061 433

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

T +61 8 9388 2654 E info@sacgasco.com

Announcement to ASX

29 March 2021

Borba 1-7 Gas Shows Continue in Key Target Formations

- Drilling Break with gas shows near top of Key Target Sandstones
- A gas peak of 68 units (14 times than background) is among the latest to be measured with the well drilling with 14.3 pound per gallon mud weight
- Drilling ahead below 8,700 feet in Key Target Zones
- C1 (Methane) and C2 (Ethane) Gas Shows continue in all zones of apparent porosity below the Lower Guinda; 880 feet of C2 Gas over 20 parts per million (Maximum around 200 ppm)
- Lower Guinda Shows exhibited much improved properties when compared directly to Dempsey 1-15, which flowed natural gas from a correlative interval in the Guinda. The Guinda Formation produced gas from the Willows Field located south of the Borba 1-7 well.
- Drilling performance and sample descriptions support Sacgasco interpretation that Borba 1-7 well is in Different Depositional Position to Dempsey 1-15 well.

Sacgasco Limited (ASX:SGC) (“Sacgasco” or “the Company”) is pleased to announce that it has intersected multiple natural gas shows in all zones of the Borba 1-7 mud log described with apparent porosity while drilling below the excellent shows previously reported in the Lower Guinda Sandstone.

A gas peak of 68 units (14 times greater than background) in sandstone at around 8,600 feet is among the latest to be measured. Encouragingly indicating higher heating value gas, over 880 feet of C2 (Ethane) gas shows greater than 20 parts per million (ppm) in coincident zones of higher C1 (Methane) have been measured. The peak C2 levels have been just over 200ppm. The well is currently drilling ahead below 8,700 feet with 14.3 pound per gallon mud to control the background gas in accordance with good drilling practice in what is considered to be an overpressured zone.

Drilling is continuing to the multiple remaining objectives, with the next suite of petrophysical logs to be run after reaching the TD of the well in basement rocks at around 9,700 feet.

The characteristics of the Borba 1-7 well continue to be better than previous drilling in the area. The Lower Guinda sandstone mud logs exhibited much improved properties when compared directly to Dempsey 1-15 well which flowed natural gas from a correlative interval in the Guinda.

The comparison below in Figure 1 shows the Borba 1-7 Lower Guinda Formation to have much improved reservoir potential and gas shows than Dempsey 1-15. It is described as a sandstone rather

than the siltier equivalent in Sagasco’s Dempsey 1-15 well. The Borba sand is a blockier more continuous sand interval covering over 100 feet.

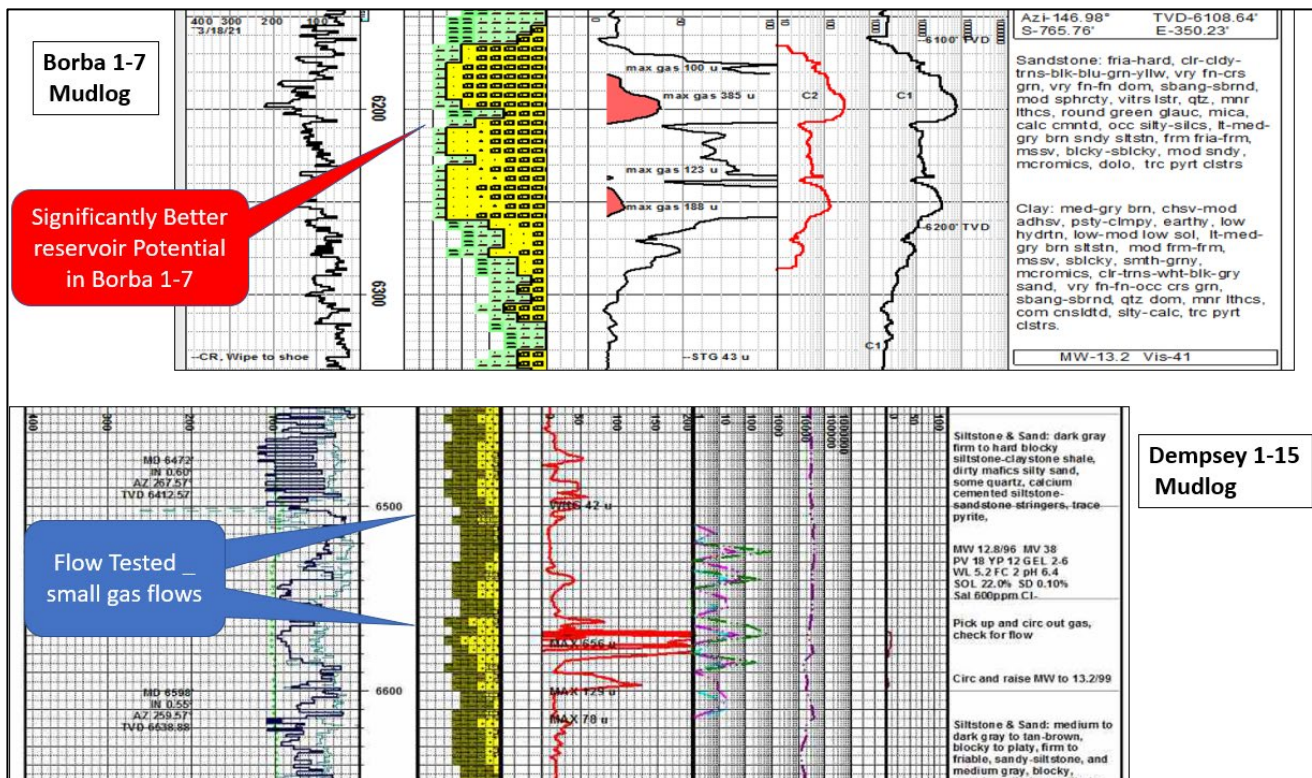


Fig. 1: Comparison of Lower Guinda Formation Mudlogs – Borba 1-7 and Dempsey 1-15

The rocks encountered as the Borba 1-7 well has penetrated into the older formations below the Guinda Formation have contained beds of high clay content which have slowed drilling progress. This and the need for equipment changes and the removal of the downhole directional drilling equipment, which is no longer needed to finish the well, have resulted in slower progress. However, the well bore is in excellent condition and the drilling is proceeding to the overall evaluation plan.

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

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

Sagasco’s Managing Director commented:

“The Borba 1-7 well drilling is continuing to plan. All the intervals of high seismic amplitudes, interpreted to be Natural Gas reservoirs, that have been drilled to date, have been intersected with indications of porosity on the mud logs and coincident gas shows.

Currently we are near the top of the Key Targets in the deeper intervals of the Borba well. Operational observations and the need to change out some of the drilling components means that progress last week was less than expected. However we are now drilling ahead.

We already have more than three zones of key interests, the Kione with over 92 feet of logged pay; the upper Guinda with 25 feet of mud log sandstone about 120 feet high on the same structure to

an offset well with logged pay, and 100 feet of blocky sandstone in the lower Guinda with high natural gas shows.

With many more targets still to be drilled in this well, Borba is well and truly living up to our predictions. We already have at least three zones that currently justify being tested, and I am increasingly confident there is much more positive news to come as we now drill for the key older reservoir 'sweet spots'."

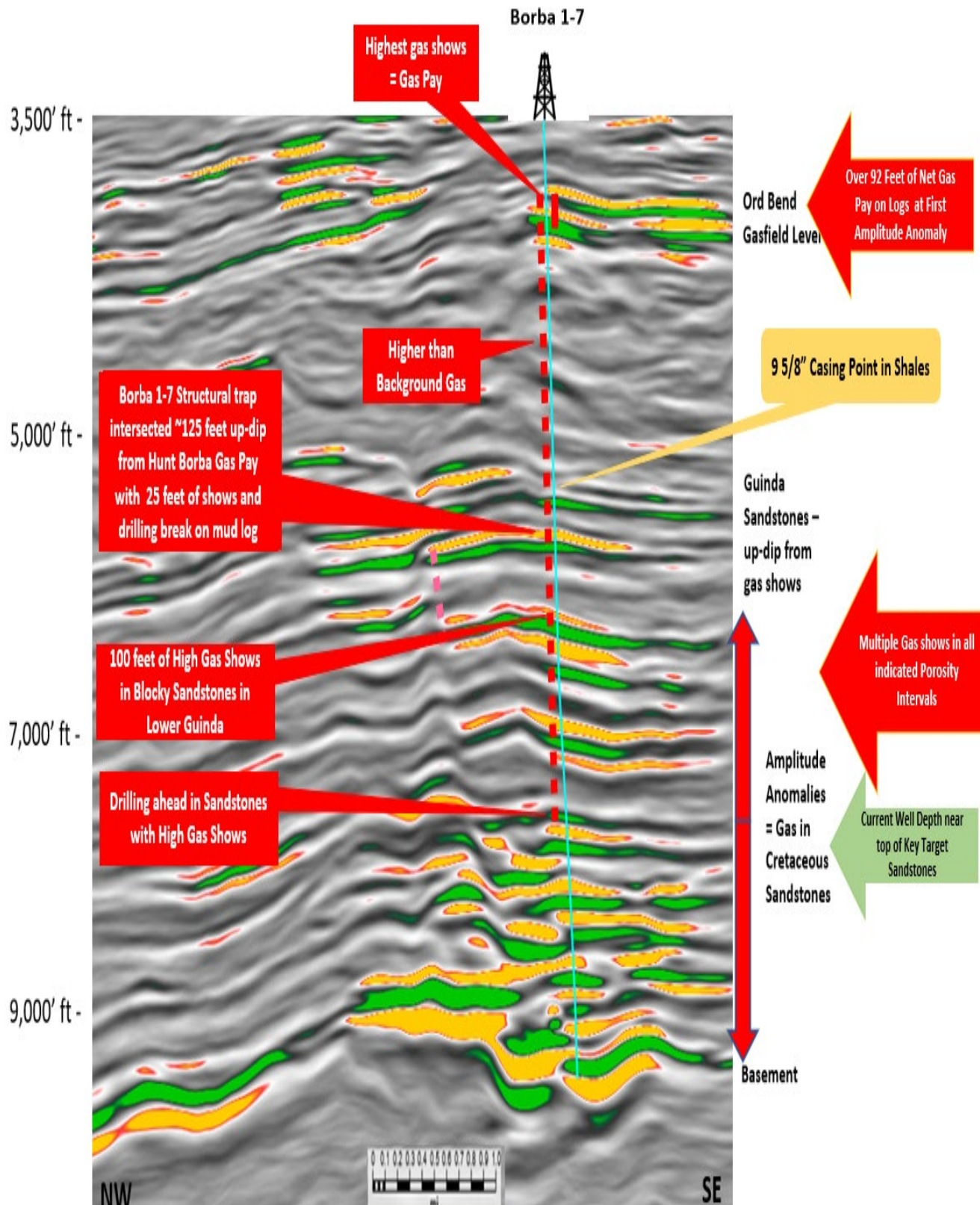


Fig. 2: Schematic based on 3D Seismic along the Borba 1-7 well path

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 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.

www.sacgasco.com

Twitter: @SacGasCo

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.