



Sacgasco Limited

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Announcement to ASX

5 April 2022

CANADIAN OIL DEVELOPMENT WELL IN RESERVOIR

- **First of 3 Planned Oil Development Wells preparing to set Intermediate casing in target reservoir**
- **Drilling ahead of schedule; intersected target with expected oil and gas shows**
- **Drilling program funded by Canadian cashflow**
- **Targeting 10% increase in oil production from 3 well program**

Sacgasco Limited (ASX: SGC) (“Sacgasco”, “SGC” or “the Company”) is pleased to provide its shareholders and the market with an update on the first of 3 planned oil development wells.

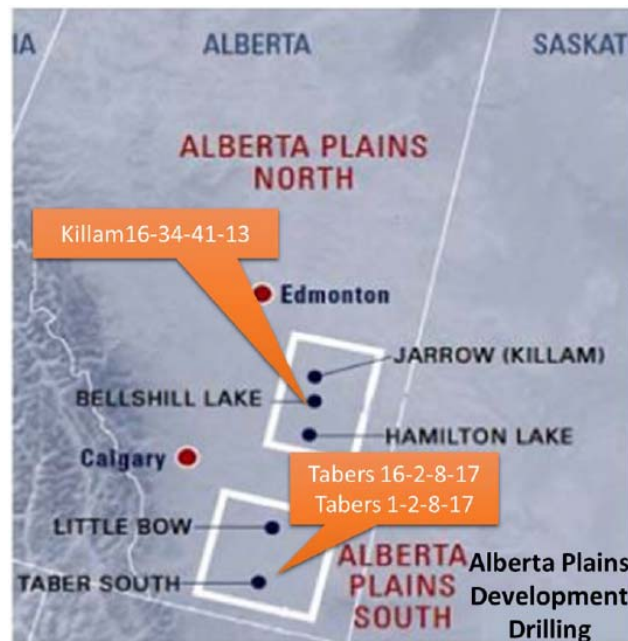
The Tabers 16-2-8-17 well has been drilled to intermediate casing point ahead of schedule. The well has intersected the target sandstone reservoir as expected with oil and gas shows.

The well is being drilling using a Bonanza Drilling Inc Rig 3 (Pictured below on the Taber location).



The next planned operation is to run intermediate casing and then drill a near horizontal lateral through the reservoir section.

This is the first of 3 oil development wells that Sagasco intends to participate in drilling in SGC's Alberta Plains Asset. The drilling program will be funded from the net cashflow resulting from production in Canada.



The planned development wells are:

1. Tabers 16-2-8-17: Targeting Proved Undeveloped Reserves
2. Tabers 1-2-8-17: Targeting Probable Undeveloped Reserves
3. Killam 16-34-41-13: Targeting Probable Undeveloped Reserves

The wells are considered independent of each other.

The cost the 3 well development program is estimated at A\$2.7 million (gross), which will be A\$560,000 net to Sagasco. We anticipate a gross increase in production of 200 BOPD (gross) which is 40 BOPD net to SGC. Given the current benchmark oil price of around US\$100/bbl, these wells are projected to pay back the capital expenditure in less than 12 months.

The Alberta Plains Working Interests are:

Sagasco Group (ASX: SGC)- 20%

Xstate Group (ASX: XST)- 35%)

Blue Sky Resources- 45%

Sagasco's Managing Director, Gary Jeffery commented on the Drilling Plans:

"These three wells represent an opportunity to increase production and revenues for Sagasco during the current period of high oil prices.

It is pleasing to report that the drilling of the first well is ahead of schedule and delivering the expected results.

The production from these wells is anticipated to supplement the 30% improvements in production rates achieved already this year from our Canadian oil and gas fields as reported in the latest Sagasco Annual Report last week. Sagasco's most recent reported production was 423 BOEPD.

We believe further production increases are possible as our Operator Blue Sky seeks and implements field work programs.”

The Company looks forward to providing shareholders with updates on further progress of its assets shortly with a number of initiatives gathering momentum.

For and on behalf of the Board of Sacgasco Limited.

Gary Jeffery
Managing Director
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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. Sacgasco’s Natural Gas activities include Hydrogen and Helium.

The Company is currently focussed on conventional oil and gas exploration and production in the Sacramento Basin in California, Alberta Province in Canada and offshore The Philippines.

Sacgasco has an extensive portfolio of natural gas and oil producing wells as well as prospects and discoveries at various exploration and appraisal stages. The Company is targeting supply to the local Californian and Canadian oil and gas markets and the burgeoning Asian market.

Sacgasco is in the process of acquiring additional undervalued oil and gas producing and exploration assets.

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