



Sacgasco Limited

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Announcement to ASX

11 April 2022

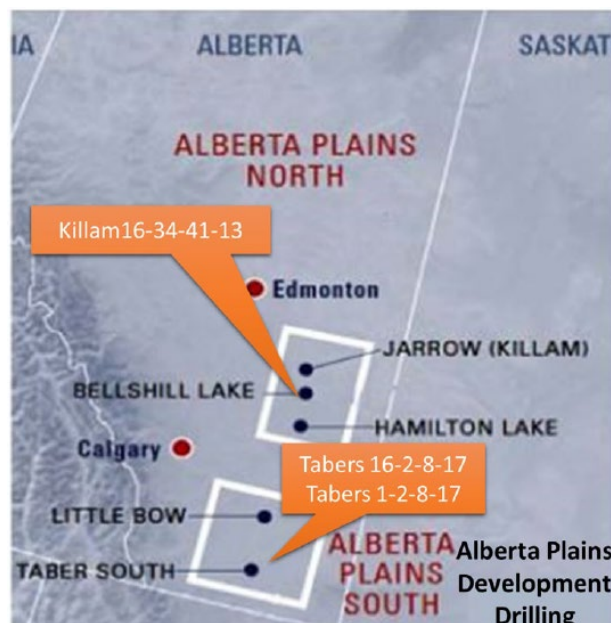
2nd CANADIAN OIL DEVELOPMENT WELL IN RESERVOIR

- **Second of 3 Oil Development Wells Spudded April 7**
- **Setting Intermediate Casing in top of Sand Reservoir**
- **Oil and gas shows and free oil reported in mud system**
- **Next step is to drill near horizontal lateral through sandstone reservoir**
- **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 planned oil development wells.

The second well, Tabers 01-03-08-17 spud on 7 April and has been drilled to the intermediate casing point 1.5 metres into the reservoir sand. The sand exhibited porosity of 12-18%, strong oil and gas shows, with free oil in drilling mud system samples. After setting the intermediate casing a near horizontal lateral will be drilled through the reservoir sands.

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:** **Drilled to Produce Proved Undeveloped Reserves**
2. **Tabers 1-2-8-17:** **Drilling ahead- 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 Sacgasco. SGC 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:

Sacgasco Group (ASX: SGC) - 20%

Xstate Group (ASX: XST) - 35%

Blue Sky Resources - 45%

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

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

It is pleasing to report that the drilling of the second well is proceeding well with expected results. We thank the Operator, Blue Sky and the Bonanza Drilling and service provider team for their performance to date.

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 Sacgasco Annual Report last week. Sacgasco's most recent reported production was over 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 being implemented and 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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