



# Sacgasco Limited

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Announcement to ASX

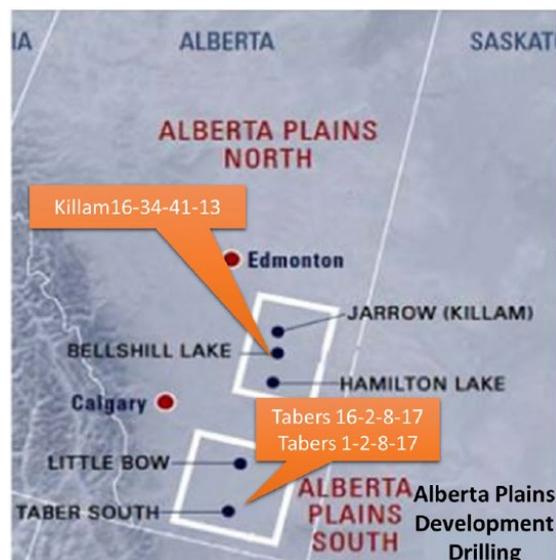
14 April 2022

## 2<sup>nd</sup> CANADIAN OIL DEVELOPMENT WELL DUAL LATERAL

- Second of 3 Oil Development Wells Finished Drilling
- 2 Laterals drilled into Sunburst Sand Reservoir from single casing
- Oil and gas shows reported as expected
- Bonanza 3 rig moving to 3<sup>rd</sup> well
- Drilling program funded by Canadian cashflow
- Targeting 10% increase in oil production from 3 well program
- SGC share of Production in Canada is 481 BOEPD- 150% of the 2021-year-end production rate

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 which spud on 7 April has been drilled and the Bonanza 3 rig is moving to the third oil development well. After setting the Intermediate Casing two laterals were drilled through the Sunburst Sand reservoir to Total Depths of 1835 and 1837 metres respectively. Good oil and gas shows were observed. The well has been drilled in a very efficient manner and under budget.



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 a dual lateral to Probable Undeveloped Reserves
3. Killam 16-34-41-13: Rig Moving to location-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:***

*"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 proceeded so well that a second lateral was added to drain the sand reservoir more efficiently. Again, we thank the Operator, Blue Sky and the Bonanza Drilling and service provider team for their performance to date.*

*Sacgasco's most recent net production was over 481 BOEPD which is 50% above the production at the beginning of 2022.*

*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.***

**[www.sacgasco.com](http://www.sacgasco.com)**

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