



Sacgasco Limited

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Announcement to ASX

26 April 2022

CANADIAN DEVELOPMENT UPDATE

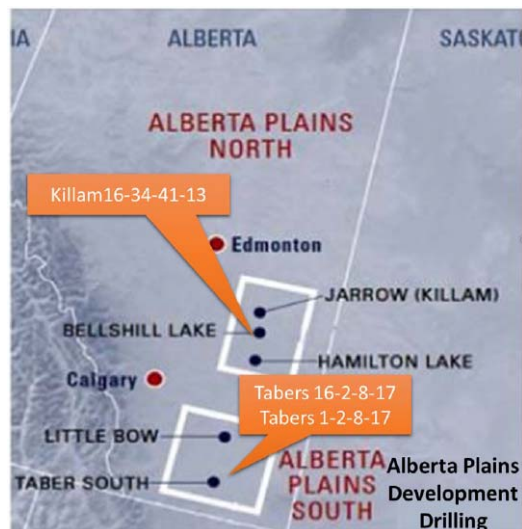
- **Taber Development wells (2) being connected for production**
- **Third Oil Development Wells to be drilled**
- **Drilling program funded by Canadian cashflow**
- **Targeting 10% increase in oil production from 3 well program**
- **SGC share of Production in Canada is 475 BOEPD- ~150% of the 2021-year-end 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 oil development wells in Alberta, Canada.

The Taber new drills have been completed with pump, tubing, rods, and surface drivers. The pipelines are currently being trenched and pressure tested.

It is expected the surface piping and coating to be completed and installed shortly. A temporary generator will be installed until the power company can upsize the transformer.

The third well, Killam 16-34-41-13, drilling rig expected to be on location in approximately two weeks depending on weather.



The drilling program will be funded from the net cashflow resulting from production in Canada.

The development wells are:

1. **Tabers 16-2-8-17:** **Drilled to Produce Proved Undeveloped Reserves**
2. **Tabers 1-2-8-17:** **Drilled a dual lateral to Probable Undeveloped Reserves**
3. Killam 16-34-41-13: Rig expected on 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 progress:

"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 first and second wells, including a second lateral in Tabers 1-2-8-17 well to drain the sand reservoir more efficiently, proceeded according to plan. Again, 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 approximately 50% improvement in production rates achieved already this year from our Canadian oil and gas fields.

Sacgasco's most recent reported production was over 475 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.

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