

Indices and Prices	
All Ordinaries	5,397.30
Energy Index	7,783.70
Brent AU\$/bbl	61.04
AUS\$/US\$	0.7554
Live Gold/AU\$	1,769.35
As at close 20 September 2016	

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## Sacgasco SGC

Code: SGC	
Shares	111 m.
Market Cap	\$ 4 m.
Net Cash	\$ 0.03 m.

- Sacramento Basin gas appraisal and exploration
- Challenging industry dogma in an area where large gas targets are apparent from modern seismic data
- 2.5 Tcf pa Californian gas market imports 6.5 Bcf of gas per day
- Target +Tcf Prospective resource size at Dempsey and Alvares conventional gas prospects
- Known reservoirs, seal, trap, source all confirmed. Now need to test with well on 1+Tcf Dempsey target
- Part appraisal and part exploration. Cost is almost certain to be recovered from sale of known shallow gas. Cost of \$4 million to drill and complete test well
- 40% to 55% interests in permits currently
- Excellent presentation
- Funding remains the last issue to resolve

**Bottom line** Excellent exploration and appraisal appeal. Funding risk remains. StockAnalysis thinks that the company will prevail and drill these targets making the stock a speculative buy.

If SGC retains 30% of its current interest post drilling, StockAnalysis estimates that a 780 Bcf discovery at Dempsey would be worth 35 cps.

Gold Live AU\$



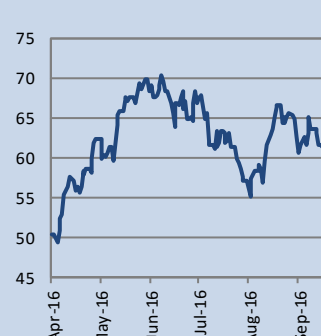
All Ordinaries



S&P ASX 200 Energy Index



Brent Crude Oil \$AU/barrel



AU\$/US\$





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