



Sacgasco Limited

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Announcement to ASX

30 APRIL 2019

MARCH 2019 QUARTERLY ACTIVITY REPORT

HIGHLIGHTS

- Anzus Prospect well location surveyed ready for Drilling Application
- Extensive analysis of well production histories and seismic derived gas indicators was carried out during the quarter to develop drilling and workover program
- SGC portfolio now stands at 30 wells – 13 of which are currently producing, providing foundation to scale-up near-term production
- Additional opportunities consistent with the Company's growth strategy are currently under detailed review to further bolster SGC gas flow pipeline

Sacramento Basin-focused natural gas developer and producer Sacgasco Limited (ASX: SGC) ("Sacgasco" or "the Company") is pleased to provide its Quarterly Activities Report for the period ended 31 March 2019.

EXPLORATION, APPRAISAL AND NEW VENTURES

CALIFORNIA

Exploration leases have been maintained within the Sacramento Basin during the quarter. SGC has a net working interest ("WI") of between 10% and 100% in oil and gas leases which cover natural gas prospects ranging in size from 5-20 Bcf to over 2 Tcf of recoverable prospective reserves of natural gas.

Extensive analysis of well production histories and seismic derived gas indicators was carried out during the quarter to develop a drilling and workover program.

"Sacgasco is leading the way in the evaluation of the under-explored, under-evaluated and overlooked opportunities connected to materially under-supplied oil and gas markets. The sediments of interest are a series of Cretaceous sandstones that have flowed clean natural gas to surface from multiple zones in Sacgasco's Dempsey well and two other wells in the Sacramento Basin in 100 years of exploration. These sediments are materially under-explored by industry standards and exhibit 'world-class natural gas potential' attributes." – Gary Jeffery, SGC Managing Director

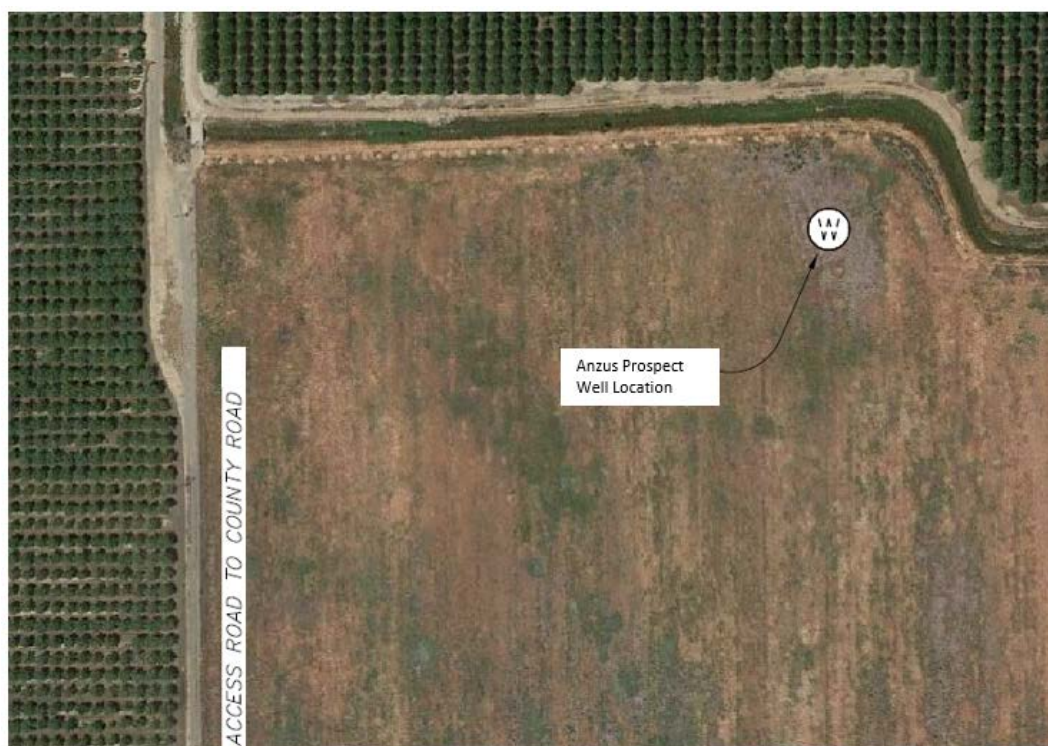
GAS FLOW UPDATE

Combined Gas Flows	March 2019 Quarter	December 2018 Quarter
Gross mcf * (100%)	50,338	52,101
Net SGC mcf (after Royalty)	29,027	25,078
*mcf – Thousand Cubic feet gas		

ONSHORE CALIFORNIA

Anzus Natural Gas Prospect (SGC 46%)

A location has been chosen for the Anzus Prospect Well. The surveying of the well location, delayed due to wet surface conditions, was completed after the end of the reporting quarter. An application to drill is being prepared. The Prospect has multiple stacked conventional reservoir objectives.



Anzus Prospect Surveyed Well Location

Alvares Natural Gas Project (SGC 50% WI)

The Alvares natural gas project is located only 9 miles from large natural gas pipelines and on trend 35 miles from the similarly structured Sites Anticline on which the 1948 Shell James 1 well flowed gas to surface from reservoirs of similar age to those of interest at Alvares.

An application to re-enter the Alvares and sequentially evaluate its casing integrity and potentially test the interpreted gas filled reservoirs is in hand, and the well work is planned to be scheduled in conjunction with a program of other drilling and workover activity.

NEAR TERM OBJECTIVES

Sacgasco's priority is to increase gas flows in the near term through work-over and tie in several wells that have been identified for early production and revenue.

A drilling and workover program is being developed to realise additional gas flows and assess natural gas resource potential. Announcements on these developments will be made progressively, as will significant updates on existing producing wells and other field development activities.

Project Portfolio

As outlined above, SGC's current focus is unlocking the underlying value from its natural gas prospects in the under-explored parts of the Sacramento Basin and elsewhere as opportunities arise.

Projects are continuously reviewed for their strategic fit and are expected to be modified over time to reflect industry conditions and results of operations. Sacgasco is the Operator of all but one of its WI wells:

PROJECT NAMES <i>All located in the Sacramento Basin Onshore northern California</i>	LEASES; RELATED GAS FIELD (HBP LEASES); OR KEY WELL	PROJECT TYPE	TOTAL OPERATED WELLS	GAS PRODUCING WELLS	WORKING INTEREST (WI)*
<i>Dempsey Project</i>	Rancho Capay, Rice Creek, East Gas Fields - HBP Leases; Oil and Gas Mineral Leases	Exploration, Appraisal & Rework	10	4	33-60%
<i>Alvares Project</i>	Oil and Gas Mineral Leases; Alvares 1 well (P&A Re-entry)	Exploration & Appraisal	1	-	50%
<i>Dempsey Trend Projects (3)</i>	Oil and Gas Mineral Leases	Exploration	-	-	46%
<i>Los Medanos Project</i>	Los Medanos Gas Field HBP Leases	Appraisal & Rework	2	1	90%
<i>Malton Project</i>	Malton Gas Field HBP Leases and Oil and Gas Mineral Leases	Exploration, Appraisal & Rework	8	4	35-69%
<i>Dutch Slough Gas Project</i>	Dutch Slough Gas Field HBP Leases	Exploration, Appraisal & Rework	4	-	69%
<i>Denverton Creek Gas Project</i>	Denverton Creek Gas Field HBP Leases	Gas flow & Rework	1	1	70%
<i>Rio Vista Gas Project</i>	Rio Vista Field Wells Ex Romara; HBP Leases	Gas flow, development & Rework	3	2	100%
<i>Willows Gas Field (Non-operated)</i>	Willows Gas Fields HBP Leases	Gas flow & Rework	-	1	10%

Tenement List (as 31ST March 2019)

PROJECT NAME	LOCATION	WORKING INTEREST (WI)*
<i>Dempsey Project</i>	Sacramento Basin Onshore Northern California	60%
<i>Alvares Project</i>	Sacramento Basin Onshore Northern California	50%
<i>Dempsey Trend Prospects</i>	Sacramento Basin Onshore Northern California	46%
<i>Los Medanos Gas Field</i>	Sacramento Basin Onshore Northern California	90%
<i>Malton Gas Field</i>	Sacramento Basin Onshore Northern California	35-69%
<i>Dutch Slough Gas Field</i>	Sacramento Basin Onshore Northern California	69%
<i>Denverton Gas Field</i>	Sacramento Basin Onshore Northern California	70%
<i>Rancho Capay Gas Field</i>	Sacramento Basin Onshore Northern California	43-60%
<i>East Rice Creek Gas Field</i>	Sacramento Basin Onshore Northern California	60%
<i>Rio Vista Field</i>	Sacramento Basin Onshore Northern California	100%
<i>Willows Gas Field</i>	Sacramento Basin Onshore Northern California	10%

Note: WI* – Approximate numbers represent post any farmout working interests

CORPORATE

The company lodged its 2018 Annual Report prior to the end of the quarter. Sacgasco will hold its Annual General Meeting on 31 May 2019.

SACGASCO CAPITAL STRUCTURE

ISSUED CAPITAL at 31 March 2019	
Ordinary Shares	265,280,949
Unlisted Options exercisable @ 10 cents 30 September 2019	10,000,000
Unlisted Options exercisable @ 5 cents 30 December 2019	6,000,000
Unlisted Options exercisable @ 15 cents 31 December 2019	27,000,000
Note:	
In early April 2019, 750,000 shares were issued as part payment of director's fees approved by shareholders.	

For and on behalf of the Board of Sacgasco Limited.

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About Sacgasco Limited (ASX: SGC)

Sacgasco Limited (ASX: SGC) is an Australian-based energy company focused on natural gas exploration and production in the Sacramento Basin, onshore California. SGC has an extensive portfolio of gas prospects at both exploration and appraisal stages, including multi-Tcf opportunities. The Company is targeting gas supply to the local Californian gas market and burgeoning LNG market in North America.

Sacgasco's strategy is to find and develop opportunities in areas that have been overlooked in recent times, but which are close to under-supplied oil and gas markets with attractive product prices.

www.sacgasco.com

Twitter: @SacGasCo

Leases:

US exploration is conducted on leases grant by Mineral Right owners, in SGC's case primarily private individuals or groups. Leases can vary in size from very small parcels (part of an acre) to large landholdings (covering a few square miles). Leases generally are for 5 years and rentals are paid annually. There are no firm work commitments associated with the leases. Some leases are 'Held By Production' and royalties, are paid to mineral right owners in lieu of rentals. SGC has not listed all leases as it is impractical and not meaningful for potential project value assessment in a conventional natural gas play. A detailed listing of leases may also lead to a loss of competitive advantage and consequent reduced value to SGC shareholders.

Competent Persons

This document contains forward looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by many variables which could cause actual results or trends to differ materially. The technical information provided has been reviewed by Mr Gary Jeffery, Managing Director of Sacgasco Limited. He is a qualified geophysicist with over 46 years technical, commercial and management experience in exploration for, appraisal and development, and transportation of oil and gas. Mr Jeffery consents to the inclusion of the information in the form and context in which it appears.

The timing of future events is subject to the normal industry vagrancies of operational matters and equipment availability which are outside the control of Sacgasco and its suppliers. Facilities depicted in images on the Sacgasco website are not necessarily assets of Sacgasco. Some of the images used represent aspects of the oil and gas industry in which Sacgasco is involved or images of equipment owned by companies providing services to Sacgasco.

Before investing it is recommended that investors conduct their own due diligence and consult financial and technical advisors.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

SACGASCO LIMITED

ABN

83 114 061 433

Quarter ended ("current quarter")

31 MARCH 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	301	301
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	(230)	(230)
(d) staff costs	(15)	(15)
(e) administration and corporate costs	(421)	(421)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(5)	(5)
1.6 Income taxes refund / (paid)	1	1
1.7 Research and development refunds	-	-
1.8 Other (<i>Net JV Receipts</i>)	487	487
1.9 Net cash from / (used in) operating activities	118	118

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments (<i>shares in o/s company</i>)	-	-
(d) other non-current assets (<i>DOGGR Bond</i>)	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments (<i>shares in o/s company</i>)	-	-
	(d) other non-current assets (<i>Refund of Bond</i>)	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (<i>Cash held on acquisition of subsidiary</i>)	-	-
2.6	Net cash from / (used in) investing activities	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(6)	(6)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(67)	(67)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(73)	(73)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	953	953
4.2	Net cash from / (used in) operating activities (item 1.9 above)	118	118
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(73)	(73)
4.5	Effect of movement in exchange rates on cash held	(7)	(7)
4.6	Cash and cash equivalents at end of period	991	991

Mining exploration entity and oil and gas exploration entity quarterly report

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	991	953
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	991	953

Included in the above balance is \$811,000 of cash held by PEOCO LLC, a wholly owned subsidiary of Sacgasco, which represents cash calls made by PEOCO LLC for exploration expenditure incurred up to 31 December 2018 but not yet paid. This amount held in PEOCO LLC also includes approximately \$500,000 due back to Sacgasco resulting from overpayment.

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	24
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Includes salaries and fees paid to Directors of the company.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	170	170
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Unsecured loan from a director earning interest at 10% pa, repayable within six months unless extended by mutual agreement.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation (net)	300
9.2 Development	-
9.3 Production	-
9.4 Staff costs	50
9.5 Administration and corporate costs	255
9.6 Other	-
9.7 Total estimated cash outflows	605

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	N/A			

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
Company Secretary

Date: 30 April 2019

Print name: David M McArthur

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.