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Announcement to ASX

8 March 2021

Borba 1-7 discovers gas shows over a 190 ft interval in Kione Reservoirs

- Borba 1-7 drilling confirms the first Reservoir Target (first Anomalous Amplitude) with gas shows adding confidence to interpretation of deeper gas reservoirs.
- Gas shows are in sandstones correlative with the productive Knight Sands and underlying Basal Kione Gas reservoirs that produced Natural Gas from the adjacent Ord Bend Gas Field. Wells in this field tested at rates up to 4,600 mcf per day from thin Knight Sands*
- Borba 1-7 drilled to 4,737 feet and will be drilled to test multiple stacked 3D seismic amplitude anomalies in the interval from 3,200 feet (975 metres) to 9,500 feet (2,800 metres).

Sagasco Limited (ASX: SGC) ("Sagasco" or "the Company") is pleased to announce that the Borba 1-7 well has intersected anomalous gas shows in the first reservoir objective, called the Kione sands. The well intersected high gas shows peaking at 65 units (13 times higher than the normal background gas level of 5 units). The gas shows covered a gross interval of 190 feet (58m) below 3,790 feet measured depth.

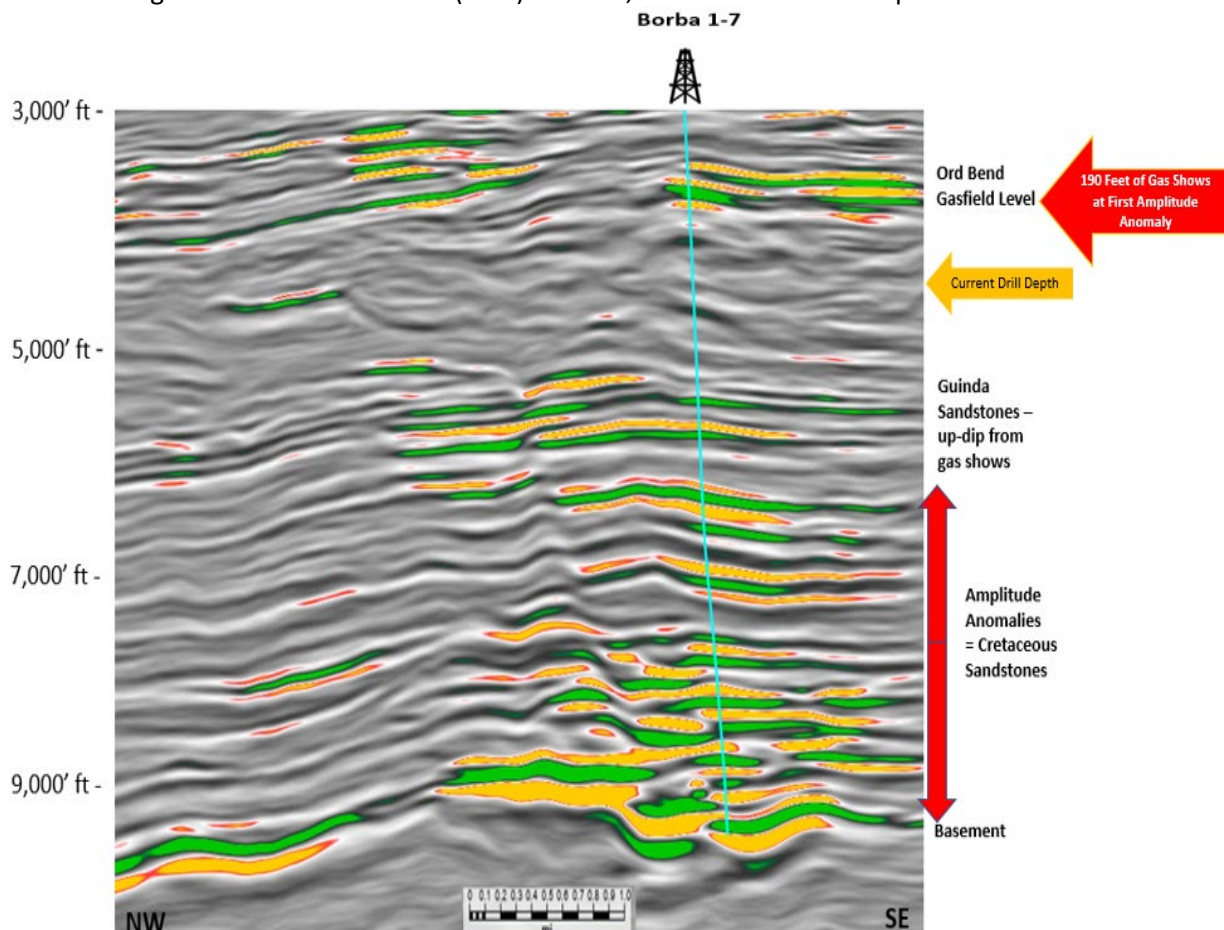


Fig 1: Seismic Profile along Borba 1-7 Drill Path

Source: * CALGEM well records API # 02120736; <https://maps.conservation.ca.gov/doggr/wellfinder/#openModal>

The lithology containing the gas shows was reported by the wellsite geologist to be fine to coarse grained unconsolidated sandstone.

The well is currently (6 AM) drilled directionally to 4,737 feet in 12 ¼" diameter hole in the Forbes Formation. Background gas is increasing with some zones below 4,300 recording gas measurements over 4 times higher than the background gas levels. The significance of the shows will be assessed further using future petrophysical log analysis.

The well will continue drilling to the 9 5/8" casing point (nominally 6,000 feet), which is expected in the coming days. The actual casing point will be determined by mud weights, in order to not damage the Kione 'gas-shows' reservoirs. At that time, the bit will be tripped to the surface, conditioning the hole in readiness for logging. The section below 1,800 feet will then be petrophysically logged for further assessment of the gas shows, and then cased to secure the 'gas-shows' zone for later testing.

The Borba 1-7 well is being drilled directionally to test multiple stacked 3D seismic anomalies in the interval from 3,200 feet (975 metres) to 9,500 feet (2,800 metres) depth and finish in Basement rocks. The prospective interval covers more than 6,300 feet (1,920 metres).

The well is expected to take a further 20-25 days to drill the entire prospective interval.



Fig. 2: Rig 5 operating on Borba 1-7 well this weekend

The Working Interests ("WI") in the Borba 1-7 well and Borba AMI are:

	Drilling Costs	After Drilling WI
Sacgasco Limited (Operator) (ASX: SGC)	62.5%	66.67%
Xstate Resources Limited (ASX: XST)	37.5%	33.33%

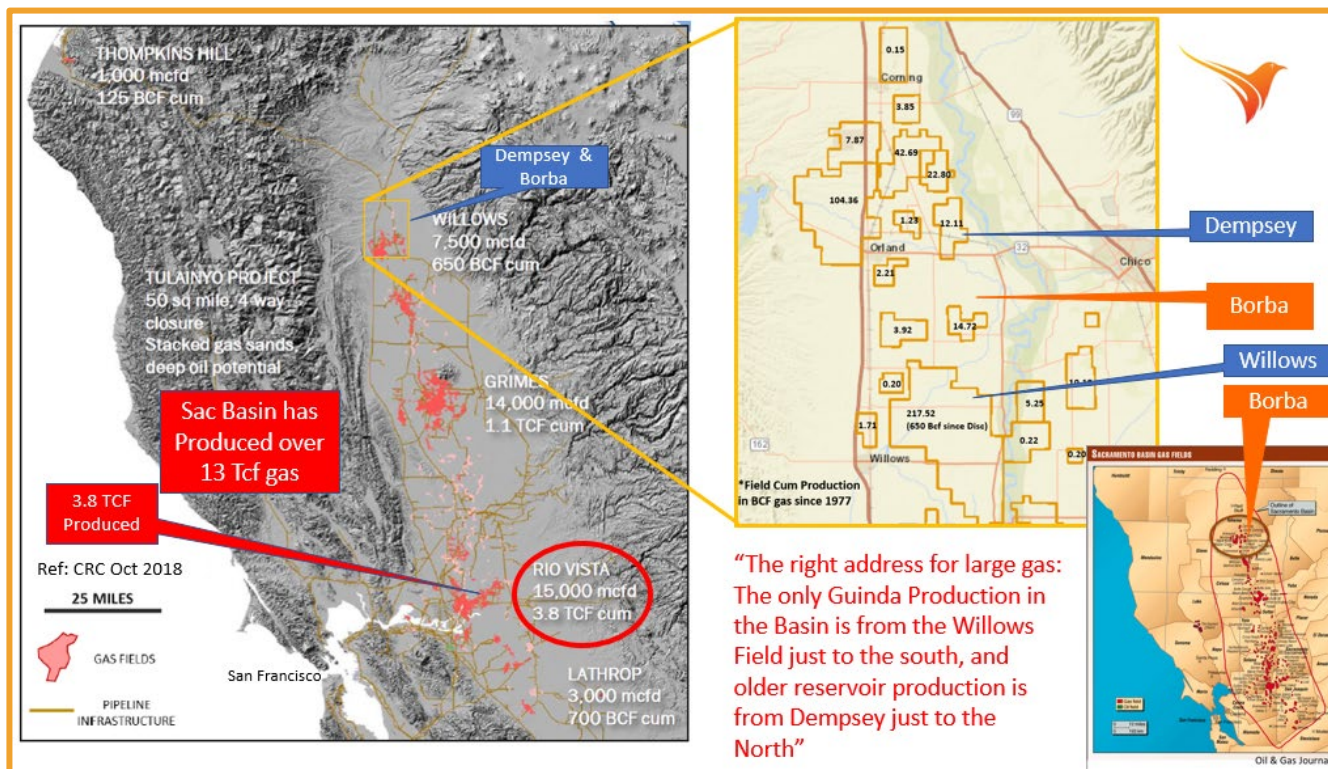


Fig.3: Borba 1-7 Located in ‘Big-Gas Country’

Sacgasco’s Managing Director Gary Jeffery commented:

“Drilling of the Multi-Tcf-Play opening well at Borba 1-7 is progressing according to plan and directionally on target in ‘Big-Gas Country’.

It is very encouraging that the first target reservoir in the Borba 1-7 well has been encountered with high gas shows over an interval which is thicker than what was anticipated. This confirmed our interpretation of the relevance of the Seismic Amplitude Anomalies and the presence of Natural Gas, and augurs well for the multiple undrilled amplitudes ahead.

The intersected gas shows are in sandstones which are correlative with the productive locally named Knight Sands and underlying Basal Kione Gas reservoirs that produced Natural Gas from the adjacent Ord Bend Gas Field. Wells in this field, tested in the late 1990s at initial rates up to 4,600 mcf per day from relatively thin Knight Sands.

Gas prices in the northern Sacramento Basin continue to be around A\$5 per mcf.

I am also pleased to report that further good progress has been made on re-establishing higher oil production levels in the Alberta Plains assets in Canada so we can capitalize on the strengthening price of oil. These assets and the other assets we are purchasing at Red Earth, which we expect to close on later this month, have lots of production upside from the existing wells and considerable untapped potential.

As usual, we will report regularly to update progress and more often if required to meet continuous disclosure obligations.”

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 under-explored, recently over-looked, world class oil and gas opportunities near under-supplied markets.

The current prime focus is on conventional gas exploration and production in the Sacramento Basin, onshore California. Sacgasco has an extensive portfolio of natural gas producing wells and 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 is of the view that the size of the prospects in California have the potential to supply domestic Californian natural gas and export LNG markets.

Sacgasco is in the process of acquiring undervalued oil producing assets in Alberta, Canada to complement its current natural gas assets.

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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 and or their timing 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 48 years technical, commercial and management experience in exploration for, appraisal and development, and transportation of oil and gas and mineral resources. Mr Jeffery is a member of the American Association of Petroleum Geologists and consents to the inclusion of the information in the form and context in which it appears.