



Sacgasco Limited

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Announcement to ASX

4 September 2017

Significant Gas Shows at Dempsey- Update

- Significant gas shows drilled in Dempsey 1-15 well since last update
- Drilling ahead below 2,615 m (~8,580 feet) to evaluate multiple remaining conventional sandstone reservoir targets in next 580 m (~1,900 feet) of drilling
- Dempsey is testing the largest undrilled structure in northeastern Sacramento Basin

Sacramento Basin-focused natural gas developer and producer, Sacgasco Limited (ASX: SGC) (“Sacgasco” or “the Company”) advises that the Dempsey 1-15 well in the Sacramento Basin in California is drilling ahead in 8 1/2” vertical hole.

Since the last update mud logs have indicated additional significant gas shows. These have occurred even though the drilling mud weight has been increased to control the levels of background gas for safe drilling.

Shareholders and investors are advised that the significance of these shows will become more apparent when the next wireline logs are run to more fully evaluate the intersected gas shows and reservoirs. This is planned after reaching the proposed total drilling depth of approximately 3,200 metres.

The Dempsey 1-15 well is currently drilling ahead below 2,615 m (~8,580 feet) to the highly under-explored deeper targeted reservoirs in the approximately 580 m (~1,900 feet) of remaining section to be drilled.

Dempsey is drilling the largest undrilled mapped structural closure in the northeastern part of the prolific Sacramento Gas Basin and is interpreted to be optimally located to trap gas migrating out of gas generating areas located to the west and south.

Working Interests (WI) in the Dempsey Gas Project:

Sacgasco Limited (ASX: SGC) (Operator)	50%
Empyrean Energy PLC (LON: EME)	30%
Pancontinental Oil and Gas NL (ASX: PCL)	10%
Xstate Resources Limited (ASX: XST)	10%

Cost estimates for the well indicate that the funding caps for farmin parties have been reached and all Working Interests in the well are funding their respective shares of future costs pursuant to the table of WI above. These costs will include remaining drilling costs and the expected completion and connection costs which will be able to be estimated once the well reaches Total Depth and is logged to determine the zones of gas pay and well completion configuration required for future gas production.

Gary Jeffery, Managing Director of Sacgasco commented:

“We continue to be pleased with the execution of the drilling and the additional gas shows seen in the Dempsey well.

As previously observed it is very encouraging that since drilling out of the 9 5/8” casing, all potential reservoir zones interpreted from mud logs have been associated with significant gas shows.

These extensive gas shows have required increased mud weights which slow down the drilling rate. We are currently drilling through a hard zone that we interpret to be associated with a prognosed geological feature. These factors in combination with the need for drilling bit changes and equipment maintenance, and earlier high pressure equipment installation and inspection mean we are around 9 to 10 days behind our anticipated schedule.

Multiple interpreted prospective reservoir zones remain to be drilled. Further updates will be provided on meaningful results from the evaluation of the target sandstone reservoirs.”

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 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 both the domestic Californian gas market and export LNG markets.

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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 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 43 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.