



Sacgasco Limited

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Announcement to ASX

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Gas shows encountered while drilling High Potential Targets

- Multiple zones of significant gas shows
- Best potential sand reservoir zone from had over 500 times background gas despite rising mud weight.
- Drilling ahead at 2,070 m (~6,800 feet) to evaluate multiple remaining conventional sandstone reservoir targets in next 1000 m (3,200 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.

During drilling well-mud weights have been increased regularly to 13.5 ppg to control increasing levels of background gas. Multiple zones of significantly higher than background gas shows have been encountered while drilling.

The best zone of gas shows had a gas level of over 500 times the background gas.

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 at 2,070 m (~6800 feet) to the highly under-explored deeper targeted reservoirs in the remaining 1,000 m (~3,200 feet) of 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 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%

Gary Jeffery, Managing Director of Sacgasco commented:

“We are very pleased with the execution of the drilling to date. The results have been broadly consistent with prognoses. Further updates will be provided on meaningful results from the evaluation of the target sandstone reservoirs spread across the interval to be drilled.”

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.

www.sacgasco.com

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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.