



Sacgasco Limited

ABN 83 114 061 433

Unit 14, 210 Bagot Road, Subiaco, WA, 6008.

T +61 8 9388 2654 E info@sacgasco.com

Announcement to ASX

8 September 2017

Most Significant Gas Shows to date at Dempsey

- Drilled through hard siltstone/shale section into a primary gas bearing sand
- Drilling ahead below 2,760 m (~9050 feet) to evaluate remaining conventional sandstone reservoir targets in next approximately 440 m (~1,400 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.

After penetrating a thick section of hard shales and siltstones, drilling this morning has intersected a potential sandstone reservoir with high 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 2,760 m (~9,050 feet) to the highly under-explored deeper targeted reservoirs in the approximately 440 m (~1,400 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%

Gary Jeffery, Managing Director of Sacgasco commented:

“As previously observed it continues to be 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.

The latest shows are interpreted to be the most significant we have seen to date.

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

Further interpreted prospective reservoir zones remain to be drilled. 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.

Gary Jeffery
Managing Director
+61 8 9388 2654

Sam Burns
Six Degrees Investor Relations
+61 400 164 067

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

Twitter: @SacGasCo

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.