



Good Oil Conference Presentation – September 2016

ASX: SGC

Targeting World-Class Natural Gas Fields

3.4+ Tcf (>566 mmBOE) Potential, Onshore California

“An ideas-based enlightenment opens untold opportunities, whereas a technology-driven revolution is limited in scope.” [Donovan Schafer](#) Sept 8, 2016 re Apache’s World Class Delaware Basin Discovery

SACGASCO applied a similar approach to the Sacramento Basin and realised the existence of Conventional Natural Gas Assets with Huge Unrecognised Value

Untapped (>1 million acres) region of the proven 11 Tcf Sacramento Basin, California

California has Compelling Market Dynamics

California is short of gas – 90% of annual 2.5 Tcf gas usage is ‘imported’

Locally produced gas commands a 15% premium to Henry Hub

SGC has Big Gas Management and Attractive Leverage

Big Gas Team ignored industry perceptions, recognised the opportunity and can deliver multi-Tcf project value

Focused on California's Next Big Gas Discovery



2.5 Tcf per year California gas demand

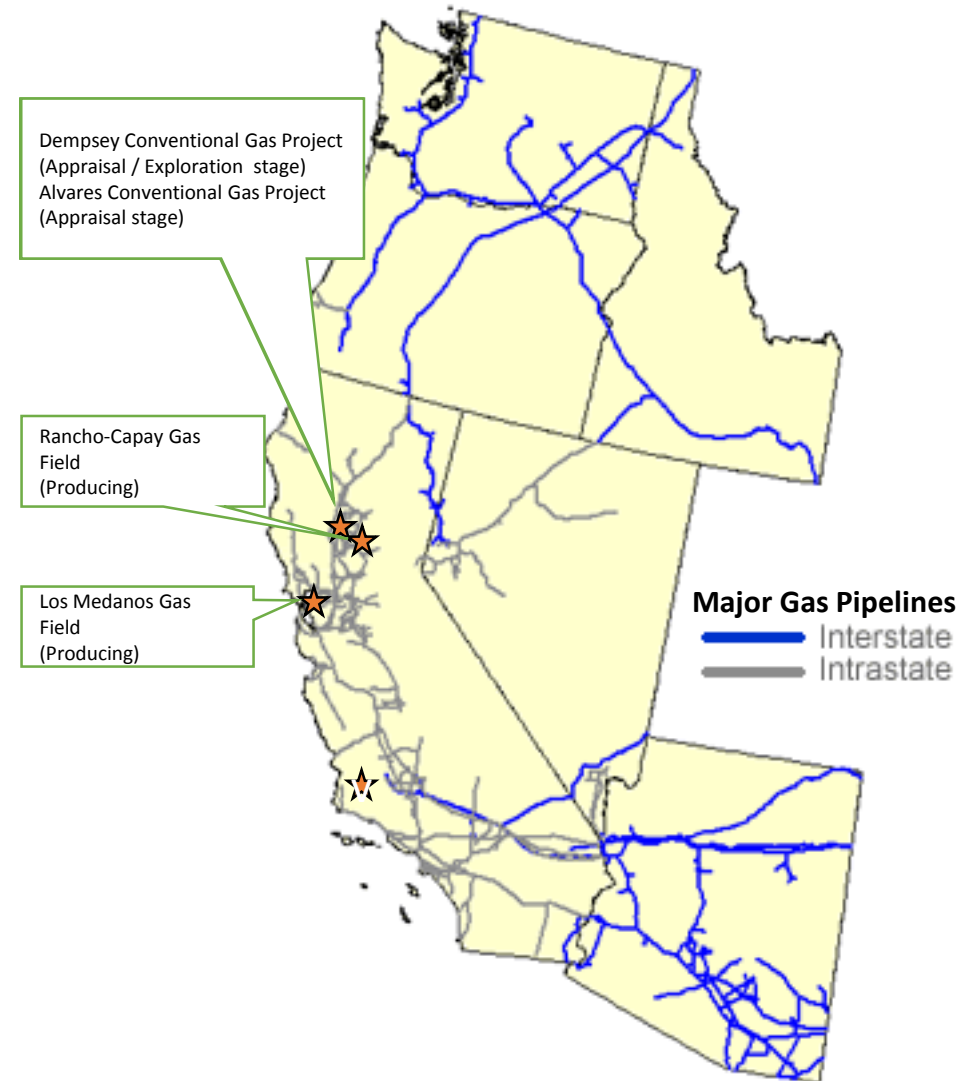
- California imports 90%+ of gas – the clean fossil fuel of choice
- Average 7.0 billion cubic feet (BCF) gas a day consumed
- At peak, approximately 11.0 billion cubic feet a day consumed
- Production is around 410 million cubic feet per day (< 6% of Californian gas market)
- Gas prices now well over US\$3.00/mcf (Henry Hub + 15%)

Supply shortfall of 6.5 BCF/day

- An unparalleled opportunity to commence large-scale gas production with minimal lead time using existing pipelines which run through SGC leases

Underexplored Onshore Conventional Gas Basin

- Sacramento Basin has produced over 11 Tcf gas; 3.5 Tcf gas produced from Rio Vista field alone
- Largely underexplored - ~320 operators in California compared with ~4,700 in Texas; only about 50 operators in the Sacramento basin



Conventional Play Fundamentals are Present



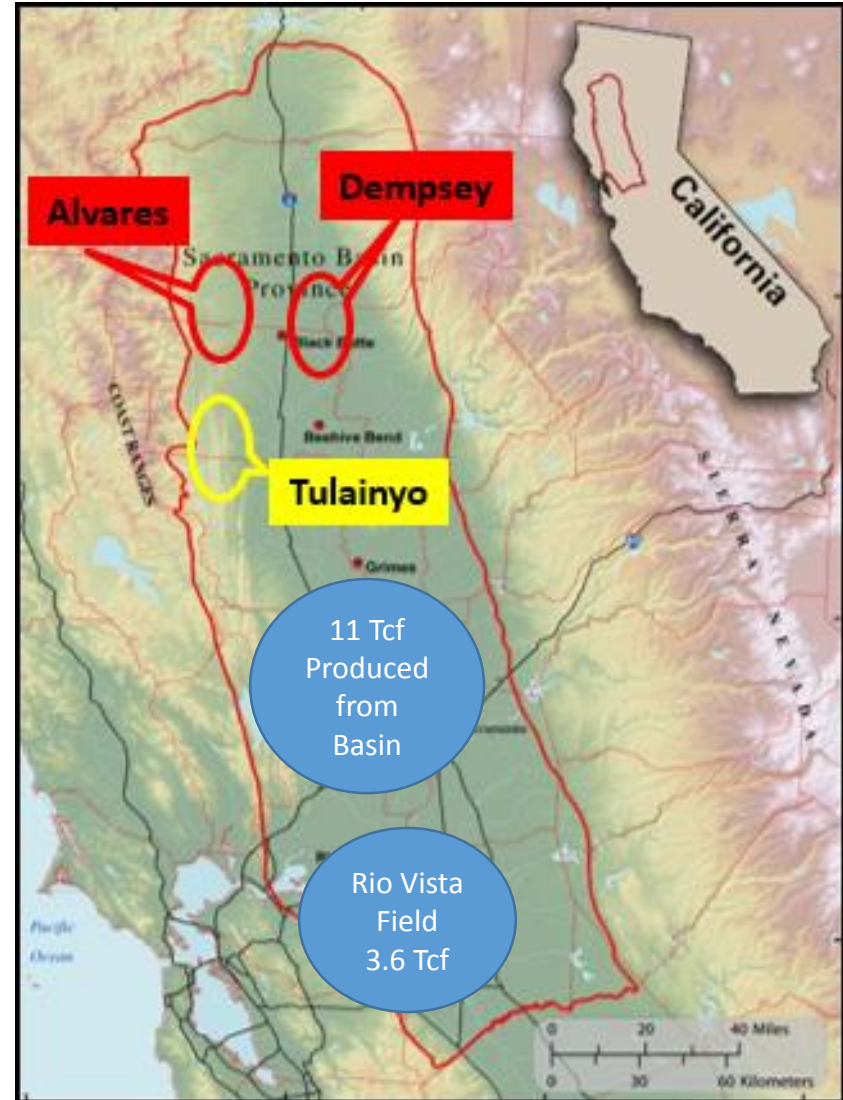
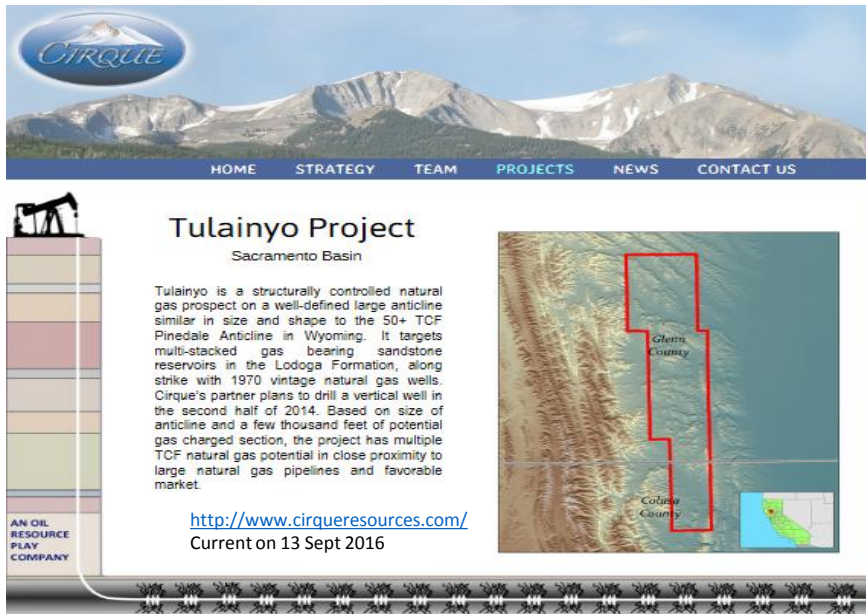
	Play Component	Key Evidence
✓	Reservoirs	High quartz conventional sandstones in outcrop; core porosity and permeability; petrophysics
✓	Seal	Extensive shales with proven trapping capability
✓	Trap	Seismic mapping and extensive gas shows, with gas to surface in wells on structures
✓	Source	11+ Tcf Gas produced in the basin; over 12,000 metres of clastic deposition, and above shows
✓	Timing	Wells on structure with extensive shows; Structuring predates gas migration

SGC's Dempsey well to be drilled to demonstrate commercial flow potential

Play Validation in Large Scale Gas Accumulation on Trend



- SGC’s Dempsey and Alvares Prospects are located in 11 Tcf produced natural gas basin and on trend with geologically similar multi-Tcf Tulainyo Project
- Tulainyo developed by Cirque, and part explored by California Resources in early 2015 to follow up multiple gas bearing sands intersected by Shell in 1947 oil focused James 1 exploration
- Early 2015 drilling at Tulainyo by CRC found “multiple stacked, gas bearing conventional reservoirs on a 50 square mile anticline”.



SACGASCO Asset Overview



Exploration & Development - Gas

Dempsey Conventional Gas Project (Multi-zone: Appraisal and Exploration stage)	1+ Tcf (>166 mmBOE) 55% WI
Alvares Conventional Gas Project (Appraisal stage)	2.4+ Tcf (>400 mmBOE) 40% WI

Producing Assets #9 Sacramento Basin Producer in 2015

Rancho - Capay Gas Field (SGC 55% WI in 4 wells)	20,000 mcf gross Dec quarter 2015
Los Medanos Gas Field (SGC 55% WI in 3 wells)	13,000 mcf gross Dec quarter 2015

Exploration Area of Mutual Interest (Cal AMI)

9 Prospects (SGC WI 56% after FO)

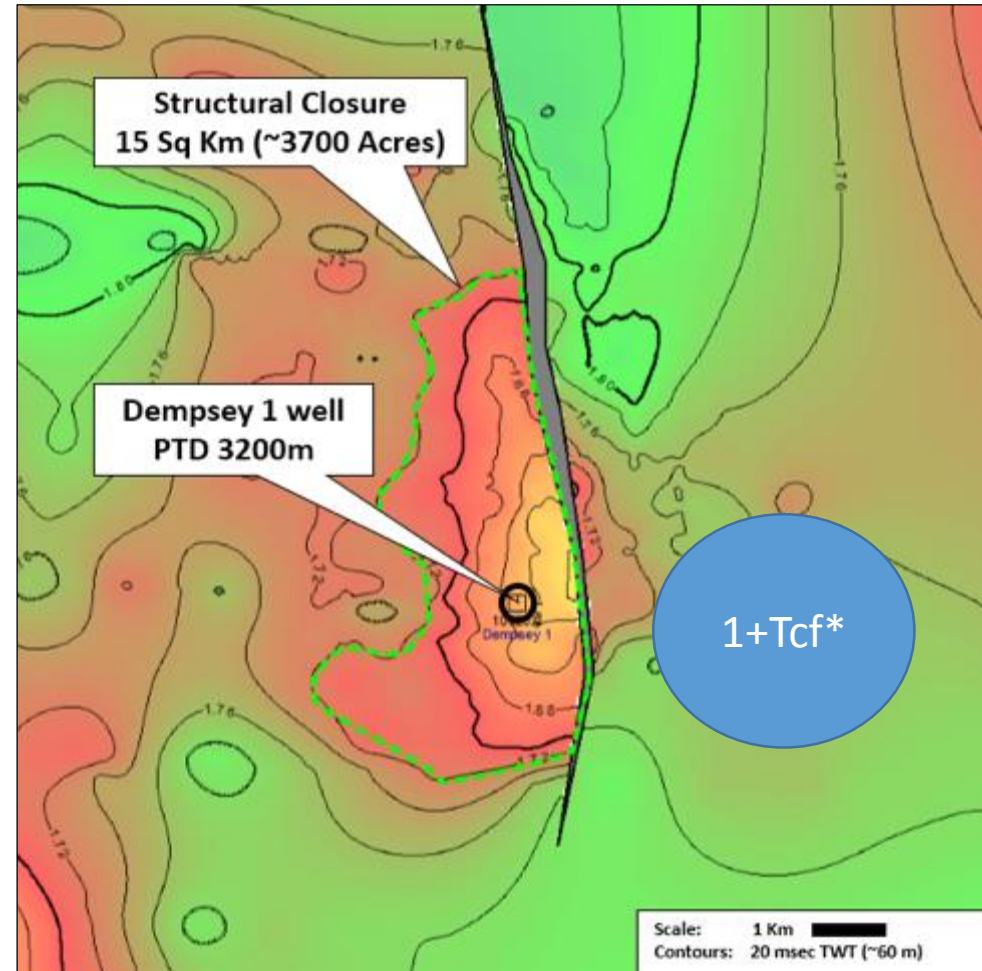


Exploration and Appraisal: 1+ Tcf Dempsey Prospect

Multi-target conventional appraisal and exploration project under SGC gas production

- Total (100%) un-risked recoverable prospective resource* best estimate: **1+ Tcf (>166 million BOE)**
- Independent Targets ranging from 1+ Bcf to 350+ Bcf (0.35 Tcf)
- Dempsey Structure interpreted to have a very high probability of flowing commercial quantities of gas
- Individual reservoirs from 80 acres to 3,900 acres - based on 3D and 2D seismic
- 55% Working Interest & High Net revenue interest
- Located within a gas unit from which SGC is producing and selling gas – almost immediate tie-in to a 20 mmcfpd meter station.

* Refer SGC ASX release 4 Sept 2014



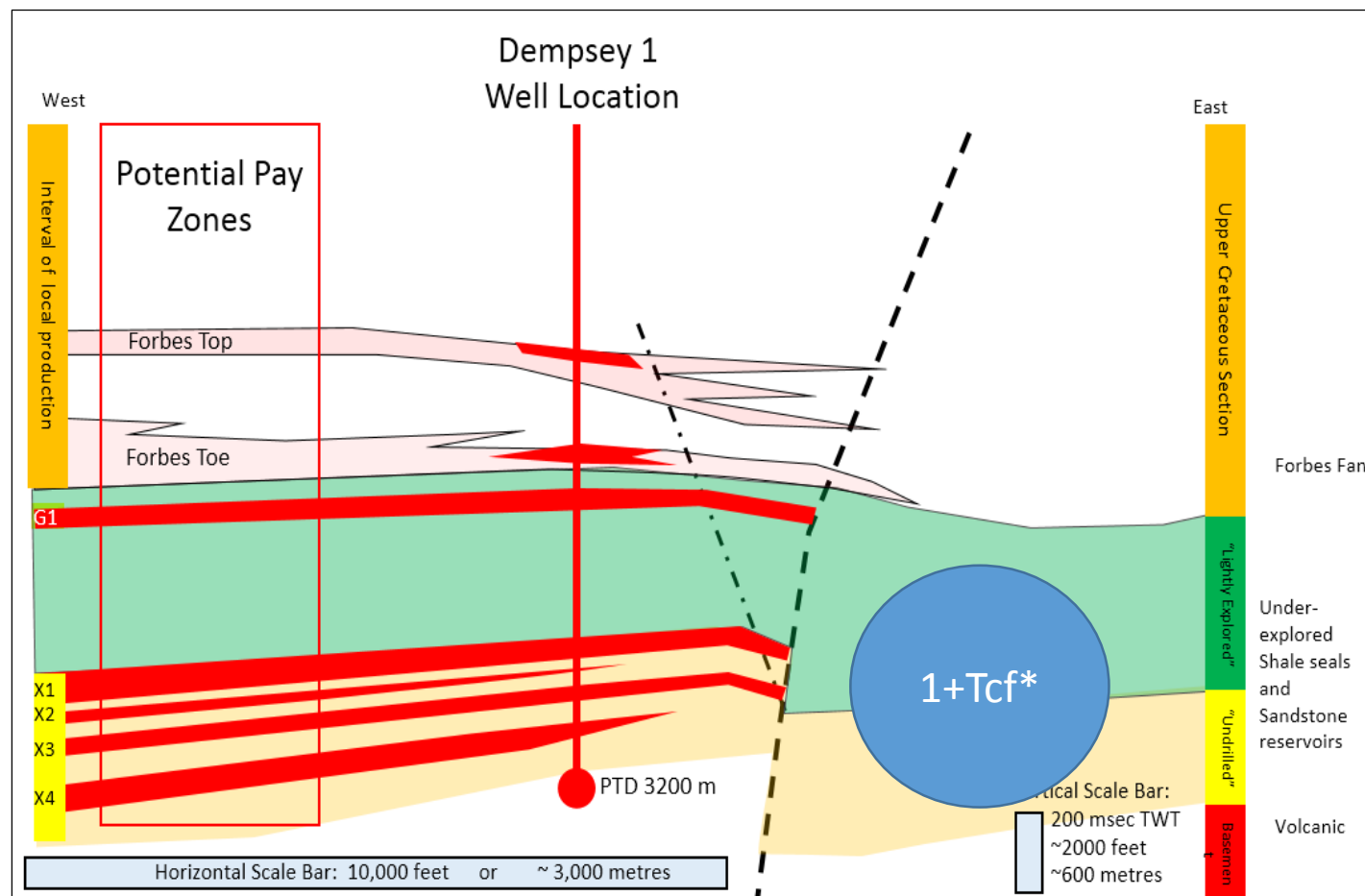
Dempsey Prospect Structure Map

Exploration and Appraisal: 1+ Tcf Dempsey Prospect



Prospect Attributes

- Multiple independent conventional reservoirs in a vertical well.
- Working petroleum systems in under-explored part (1 million acres) of Sacramento Basin.
- Supporting evidence includes reservoirs, seals, structuring, gas source and timing.
- Based on integrated well control, close-by rock outcrop, 2D and 3D seismic, gas shows and tests and core data, combined with basin production, basin modelling and industry assessments.



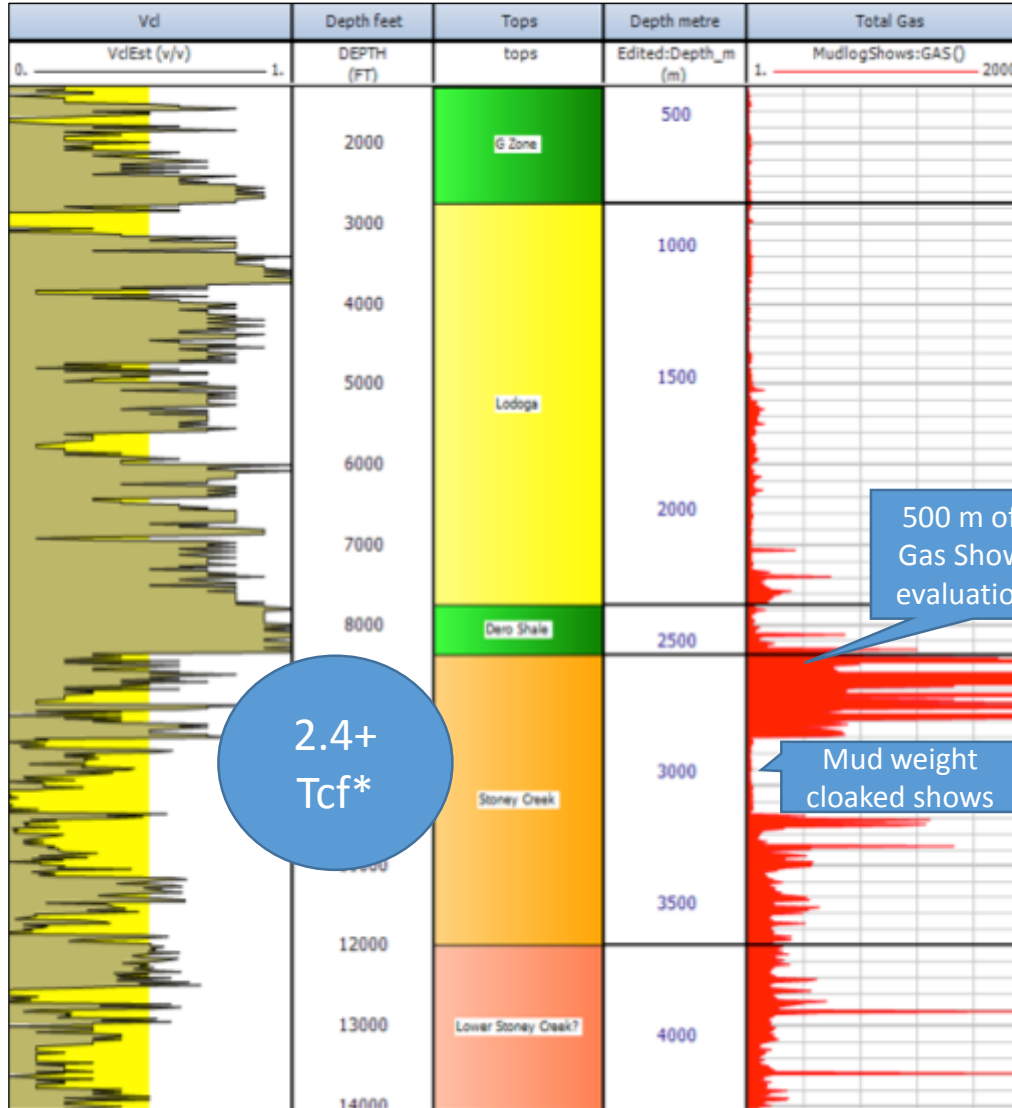
Schematic Cross Section illustrating 7 Conventional Reservoir Targets

Appraisal: Alvares Gas Project – Alvares #1



Alvares Prospect Validation

- Working petroleum systems in under-explored parts of the Sacramento Basin.
- Supporting evidence includes reservoirs, seals, structuring, gas source and timing.
- Based on integrated well control, close-by rock outcrop, 2D seismic, seismic attributes, gas shows and tests and core data, combined with basin production, basin modelling and industry assessments.



Sands outside of closure in A-1 Well (equivalent to Dempsey Prospect Reservoirs)

Thick Seal

Interpreted Gas Column with core and gas sample

Staged Growth Plan - 2016/17



Phase 1

- Increase land holding in Sacramento Basin over new large-scale targets
- Drill Dempsey 1+ Tcf appraisal well

Phase 2

- Appraise and Develop Dempsey Gas Field
- Re-drill of 2.4+ Tcf prospective resource Alvares gas well
- Continue to increase land holding in Sacramento Basin

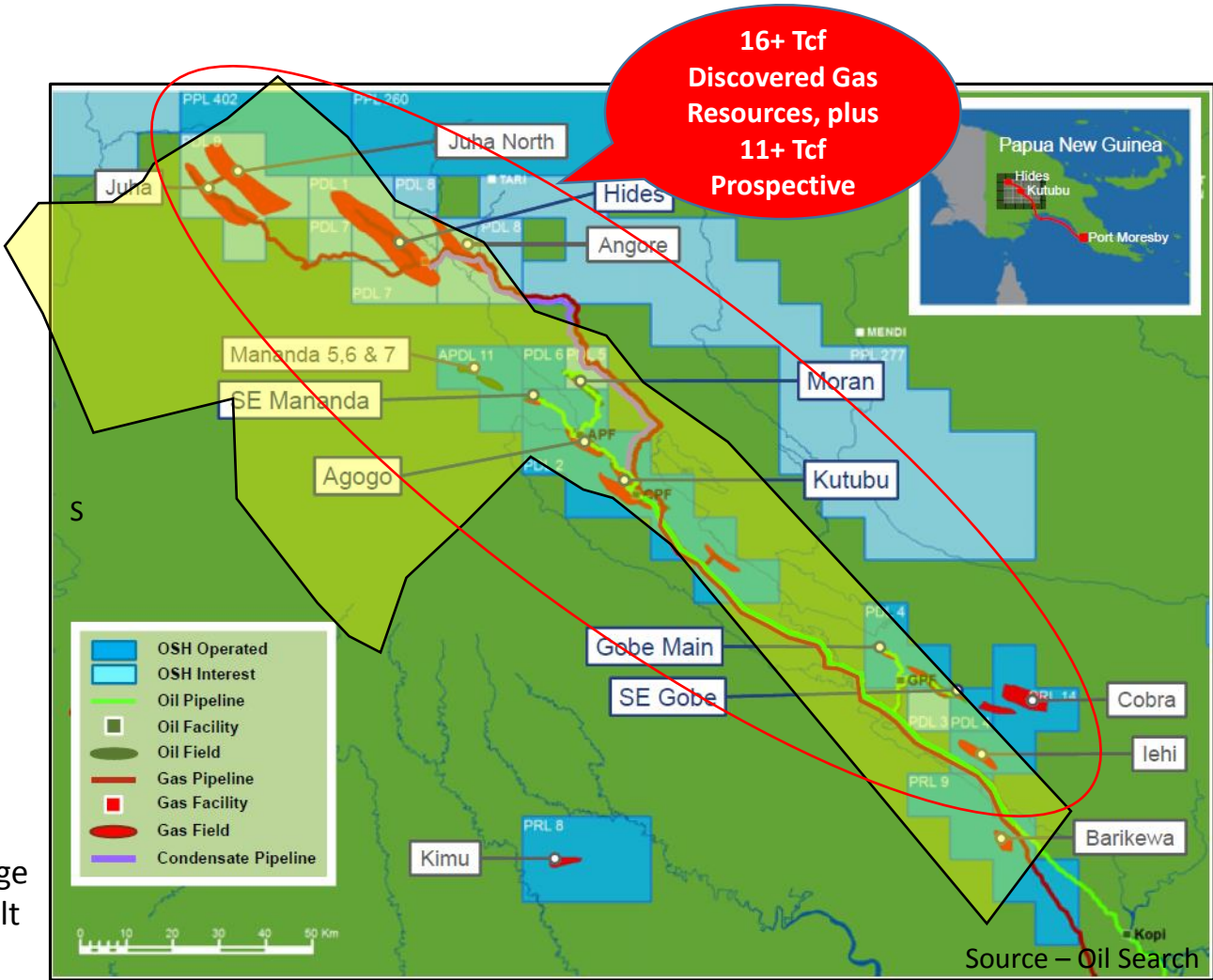
Phase 3

- Drill other high potential gas Prospects upon success at Dempsey and or / Alvares
- Acquire additional leases and producing conventional gas wells in Sacramento Basin – timing depends on deal flow
- Single assets, fractional ownership and multi-well portfolios being assessed (2-50 wells portfolios)
- Acquisition timing is dependent on deal flow

SGC's California Foldbelt v Prolific PNG Foldbelt

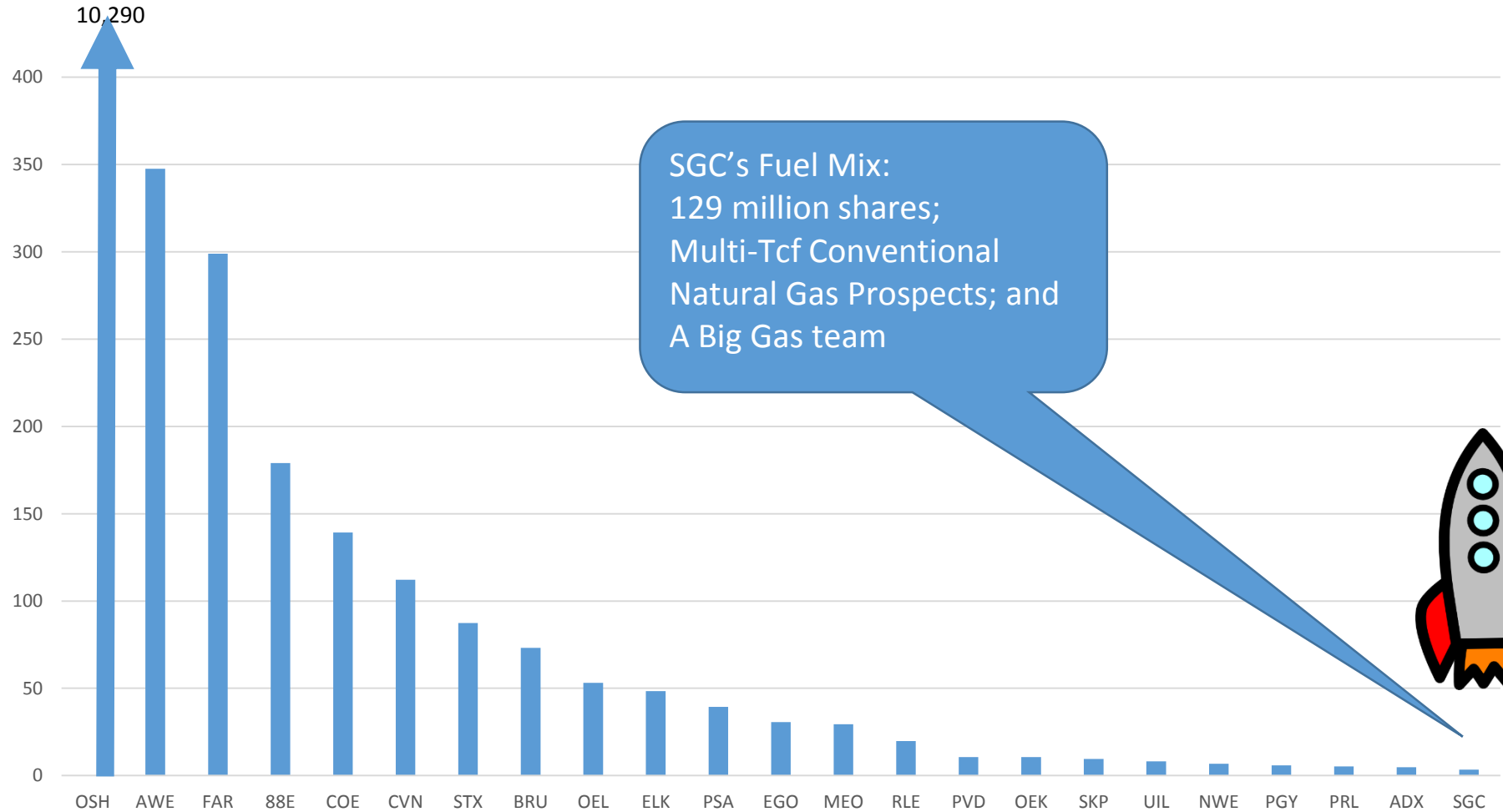


10s of Tcf Prospective Resources in Tehama Sub-basin California

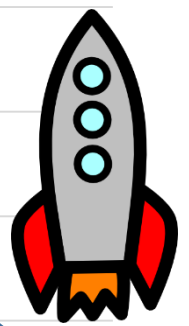


- Overlay to scale on PNG foldbelt map is of the AOC mapped Tehama Sub-basin, onshore California
- “Exploration in the SGC’s Sacramento Play is at similar stage to exploration in the PNG foldbelt in the 1970s”

GOC Peers Market Cap (A\$ millions)



SGC's Fuel Mix:
 129 million shares;
 Multi-Tcf Conventional
 Natural Gas Prospects; and
 A Big Gas team



SGC poised to unearth the Sacramento Basin's next world-class conventional gas discovery

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Cautionary note



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 Saggasco 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.

In accordance with ASX Listing Rules, any new hydrocarbon resource information in this document has been reviewed by Saggasco's Technical Director, Mr Keith Martens, who has over 35 years of experience in the sector, with 15 years of experience working in North America. Mr Martens is a qualified resources evaluator and consents to that information being included in the form and context in which it appears.

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



Conventional Reservoirs in Outcrop

Attachments

Corporate snapshot



Corporate Snapshot	
ASX Code:	SGC
Cash	~\$350k
Debt	\$157k
Market Cap (@\$0.03/share):	Circa \$3.9m
52 week high (\$/share):	\$0.051
52 week low (\$/share):	\$0.021
Shares on issue:	129m
Unlisted Options:	
@\$0.10 expire Sept 2019	11m
@\$0.03 Expire Sept 2017	8 m

Major Shareholders	
Board and Management	12%
HSBC Custody Nominees (Australia) Limited	6.0%
Brookes Super Fund	3.0%
Talex Investments Pty Ltd	3.1%
Queensland M M Pty Ltd	2.8%
Pemberly Group Pty Ltd	2.3%
Top 20 Shareholders	48%

Board & Management Team



Andrew Childs
Chairman



Gary Jeffery
Managing Director

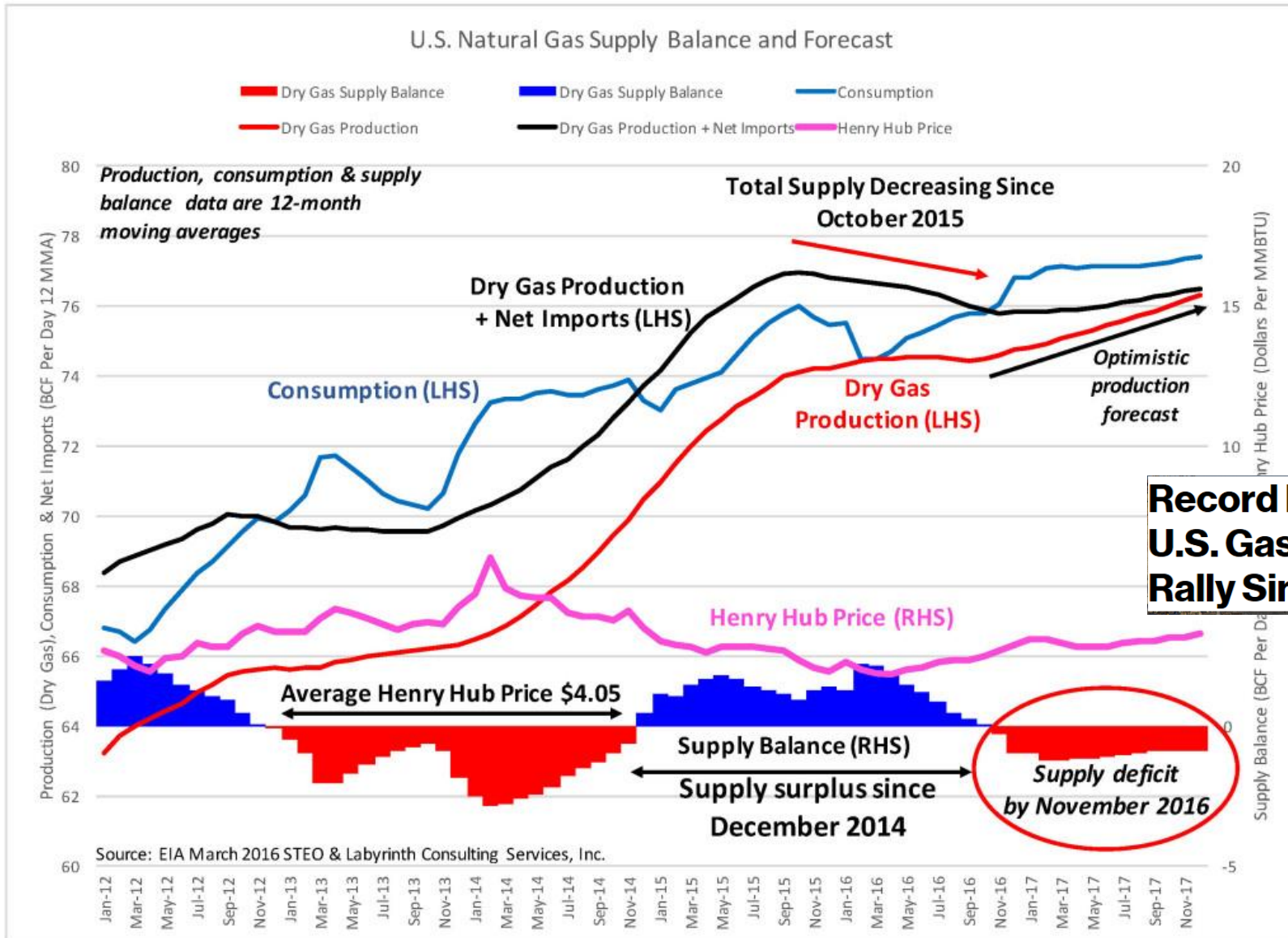


Keith Martens
Technical Director



David McArthur
Company Secretary

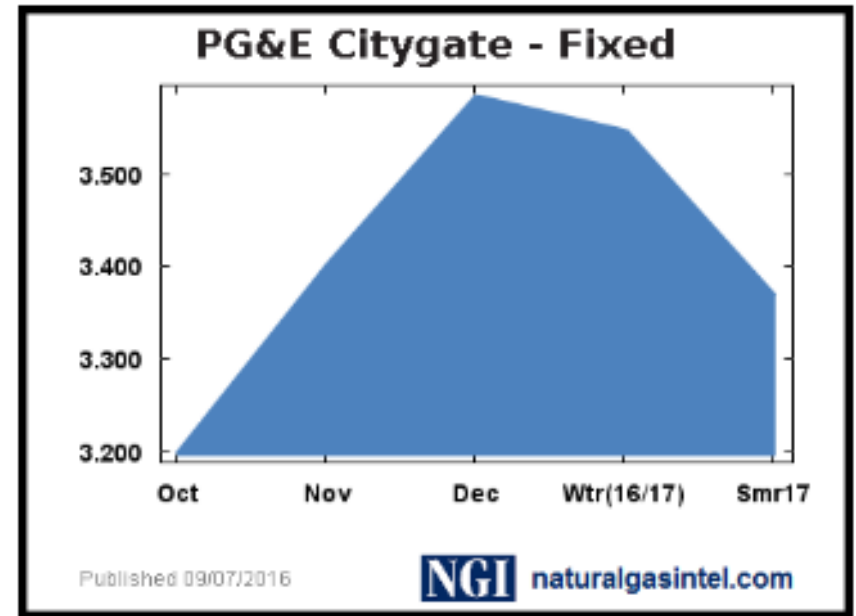
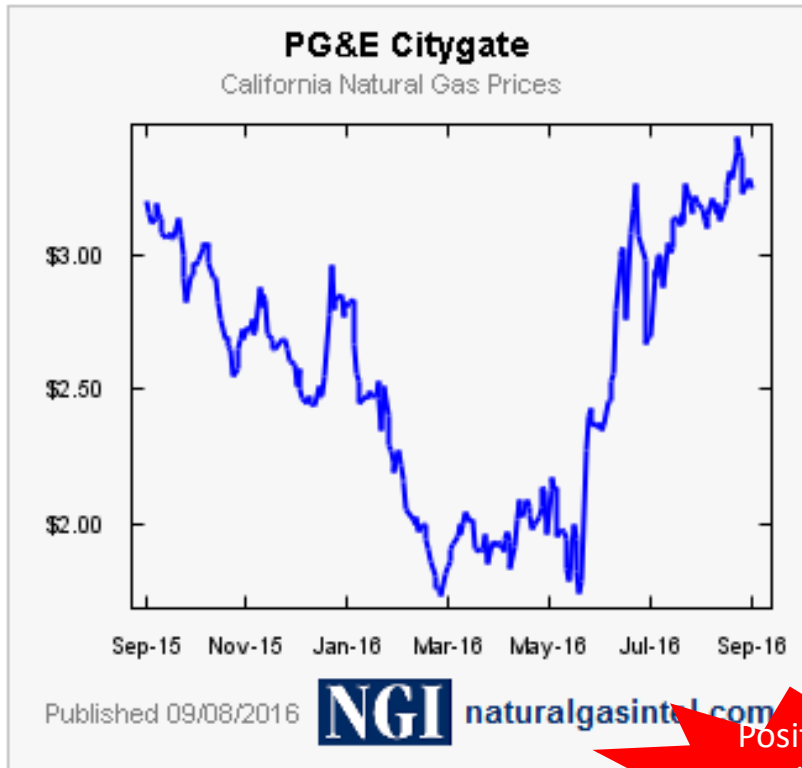
Favourable short term outlook for natural gas prices



Record Heat Wiping Out U.S. Gas Glut Fuels Best Rally Since '08

Bloomberg
July 6 2016

California Gas Prices on the Rise – Sept 2016



Positive trends for gas!

NGI's Natural Gas Forward Basis Prices (above) are expressed in U.S.\$/MMBtu and based on indicative data obtained from traders, exchanges and deals provided by energy companies. "Fixed Price" represent the forward prices of natural gas delivered for each reference period at the various locations/hubs. The Summer and Winter prices are simple averages of Apr-Oct (7 months) and Nov-Mar (5 months) respectively. "Bal Smr" and "Bal Wtr" prices represent simple averages of the remaining months in those seasonal strips (after at least one month has passed).

CME Futures- Sept 6 2016 (USD)			
Henry Hub average over next 5 years	Implied CA gas price (HH+15%)	Henry Hub average until 2028	Implied CA Average gas price until 2028
\$2.99	\$3.44	\$3.46	\$3.98

Producing assets: Rancho Capay and Los Medanos gas fields



Producing wells in conventional gas fields hold acreage for appraisal

- 55% Working Interest (WI) in Sacramento Basin wells
- 4 wells in Rancho Capay gas field + 3 wells in Los Medanos gas field
- Ability to expand production by workovers, acquiring more WI in existing wells or new wells in California
- Producing wells hold related leases without annual rentals for further appraisal and exploration
- Long-term relationship with very experienced local Operator
- **Infrastructure in place: a critical differentiator for early cash flow from a discovery well**
- Landowners supportive of projects –part-owners in resources through lease rentals and royalties on production in Gas Country



Production Facilities for early Cash Flow

Appraisal: Alvares Gas Project – Alvares #1 well



Conventional sandstone reservoir - gas discovery

- Total (100%) un-risked recoverable prospective resource* on a best estimate deterministic basis: 2.4+ Tcf (>400 million BOE)
- Upside resources estimates are multiples of this estimate
- 40% Working Interest in onshore Alvares Gas discovery drilled in 1982 when oil was the target
- >1,500m of gas shows from 2,500m depth with pipeline quality gas flowed to surface on large anticlinal structure covering over 10,000 acres

* Refer ASX release 4 Sept 2014 for detail



Access to in situ metering delivers immediate tie-in of a Dempsey Discovery

Compelling leverage on investment funds



- **3.4+Tcf (>566m BOE)** exploration/appraisal wells have large-scale natural gas production potential
- California has favourable market dynamics – being very short of natural gas results in premium pricing
- Natural gas is the fossil fuel of choice in US with upward pricing pressure as demand increases
- Conventional reservoirs requiring widely accepted drilling and production methods
- Short timeline from drilling to production tie in for early cash flow and reserves certification
- Staged growth – drilling success and production acquisitions can enable huge market cap growth
- Directors with Big-Gas-Experience are rewarded by success, so shareholder’s capital is directed into expanding the “frontier-sized” portfolio for high leverage

SGC poised to unearth the Sacramento Basin’s next world-class conventional gas discovery