



Sagasco Limited

ABN 83 114 061 433

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

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

Announcement to ASX

8 April 2022

CANADIAN DRILLING UPDATE

- **First of 3 Planned Oil Development Wells Drilling completed**
- **Much improved comparative Drilling Performance**
- **Well will now be connected for production and flow test**
- **Drilling program funded by Canadian cashflow**
- **Rig moving to 2nd Oil Development Well**
- **Targeting 10% increase in oil production from 3 well program**

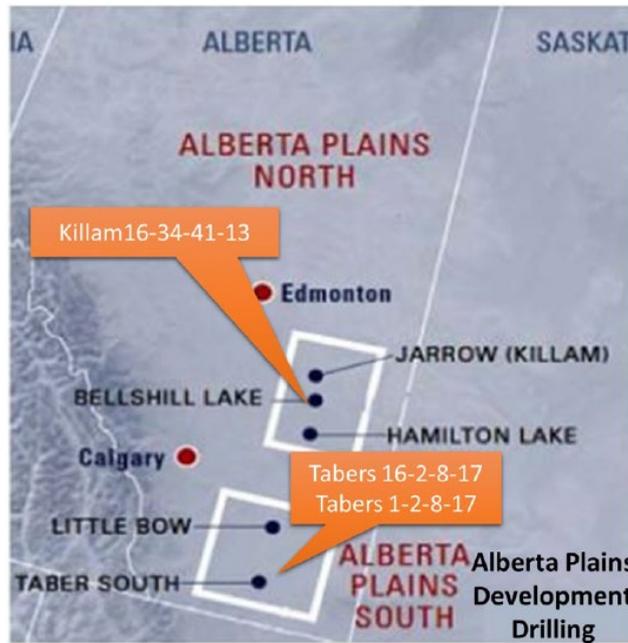
Sagasco Limited (ASX: SGC) (“Sagasco”, “SGC” or “the Company”) is pleased to provide its shareholders and the market with an update on the planned oil development wells.

The first well, Tabers 16-2-8-17, has been drilled to Total Depth of 1729m including over 500m of near horizontal lateral which was drilled within the oil column. Free oil was observed in the mud pits (image below). The well will now be connected for production at which time we will have an Initial Oil Production rate.



The Bonanza #3 drilling rig is being moved to the second well in the program, the Taber 1-2-8-17 well.

The drilling program will be funded from the net cashflow resulting from production in Canada.

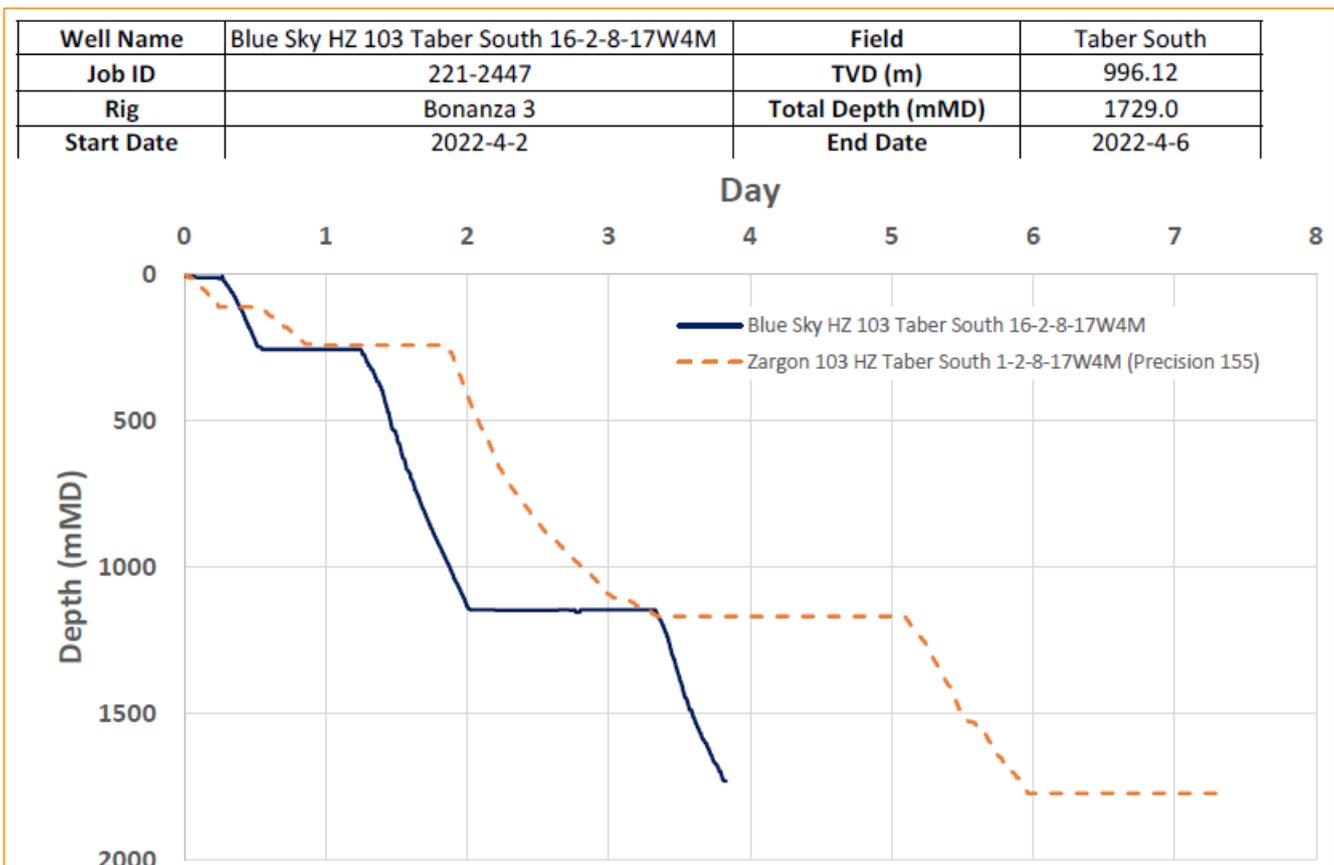


The planned development wells are:

1. Tabers 16-2-8-17: Drilled to Produce Proved Undeveloped Reserves
2. Tabers 1-2-8-17: Targeting Probable Undeveloped Reserves
3. Killam 16-34-41-13: Targeting Probable Undeveloped Reserves

The wells are considered independent of each other.

The first well was drilled in a timely fashion and within budget. The much improved comparative well drilling performance by the Blue Sky and Bonanza teams is illustrated in the Graph below.



The cost the 3 well development program is estimated at A\$2.7 million (gross), which will be A\$560,000 net to Sacgasco. We anticipate a gross increase in production of 200 BOPD (gross) which is 40 BOPD net to SGC. Given the current benchmark oil price of around US\$100/bbl, these wells are projected to pay back the capital expenditure in less than 12 months.

The Alberta Plains Working Interests are:

Sacgasco Group (ASX: SGC)- 20%

Xstate Group (ASX: XST)- 35%

Blue Sky Resources- 45%

Sacgasco's Managing Director, Gary Jeffery commented on the Drilling Plans:

"These three wells represent an opportunity to increase production and revenues for Sacgasco during the current period of high oil prices.

It is pleasing to report that the drilling of the first well was drilled ahead of schedule and has to date delivered the expected results. We congratulate the Operator, Blue Sky and the Bonanza Drilling and service provider team on the performance.

We look forward to reporting the commencement of production from this well.

The production from these wells is anticipated to supplement the 30% improvements in production rates achieved already this year from our Canadian oil and gas fields as reported in the latest Sacgasco Annual Report last week. Sacgasco's most recent reported production was 423 BOEPD.

We believe further production increases are possible as our Operator Blue Sky seeks and implements field work programs."

The Company looks forward to providing shareholders with updates on further progress of its assets shortly with a number of initiatives gathering momentum.

For and on behalf of the Board of Sacgasco Limited.

Gary Jeffery
Managing Director
+61 8 9388 2654

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. Sacgasco's Natural Gas activities include Hydrogen and Helium.

The Company is currently focussed on conventional oil and gas exploration and production in the Sacramento Basin in California, Alberta Province in Canada and offshore The Philippines.

Sacgasco has an extensive portfolio of natural gas and oil producing wells as well as prospects and discoveries at various exploration and appraisal stages. The Company is targeting supply to the local Californian and Canadian oil and gas markets and the burgeoning Asian market.

Sacgasco is in the process of acquiring additional undervalued oil and gas producing and exploration assets.

www.sacgasco.com

Twitter: @SacGasCo