



Sacgasco Limited

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Announcement to ASX

4th October 2017

Dempsey Gas Well - Operations Update

Sacgasco Limited (ASX: SGC) advises that Paul Graham Drilling Rig 9 and associated equipment continues to be moved off the Dempsey 1-15 well location to make way for a more appropriately sized and cost effective completions rig to carry out extensive testing. Paul Graham Rig 3 has been selected for the planned completion and testing program.

The timing of the components of the program will be the result of the ongoing detailed logistical co-ordination of the rig and services, interfaced with delivery, assembly and running of high pressure (10,000 psi rated) completion equipment necessary for the safe conduct of the planned tests. The testing is being planned around tubing conveyed perforating equipment that is expected to provide deep “1 metre plus” penetration into the multiple potential gas reservoir zones.

The casing perforations for the first reservoir flow test are anticipated to take place towards the end of October 2017.

The adjacent JV owned meter station is being readied for gas flows from the Dempsey well.

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%



Paul Graham Rig 3

Gary Jeffery, Managing Director of Sacgasco commented:

“The safe drilling and casing of the Dempsey well to its prognosed targets was a significant achievement in the Northern Sacramento Basin. This was accomplished through diligent planning and disciplined drilling procedures.

The same approach is being taken for the testing operations. We have sourced a workover rig with appropriate capability and with an experienced crew. Due to the reservoir formation pressures encountered while drilling, high pressure rated equipment is being employed for the upcoming operations.

The choice of tubing conveyed perforating equipment reflects Sacgasco’s intent to optimise the potential gas flows from the identified reservoir intervals selected for testing.

This is an exciting time for Sacgasco and its working interest partners as we test this potential breakthrough well.

Additional information will be provided as testing is carried out”.

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.