



# Sacgasco Limited

ABN 83 114 061 433

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

T +61 8 9388 2654 E [info@sacgasco.com](mailto:info@sacgasco.com)

Announcement to ASX

7 September 2017

## Share Placement raises A\$2,400,000 for well activities

- Share placement to raise over \$2.4 million
- Strongly supported by existing and new shareholders in London and Australia
- Funds to be used for:
  - Progressing drilling, completion and connection of Dempsey well
  - Accelerating permitting of Alvares Re-entry assessment
  - Additional leasing and maintenance of existing leases
  - Connection of additional wells for production

**Sacramento Basin-focused natural gas developer and producer, Sacgasco Limited (ASX: SGC) ("Sacgasco" or "the Company")** is pleased to announce that it has placed 28,744,080 ordinary shares at 8.5 cents per share to raise A\$2,443,247 before costs, under the Company's existing share placement capacity.

The shares have been placed to sophisticated and institutional investors attracted by the potential for the Company's Sacramento Basin Assets. The placing price represents a 5.55% discount to the Volume Weighted Average Price over the 10 trading days prior to completion of the placing.

The additional funds will be used to finish the Dempsey well including drilling, completion for testing and production hook-up, as well as hooking up existing wells for more production, permitting the Alvares Prospect well re-entry, ongoing and new oil and gas lease rentals, along with general working capital requirements.

### Disclosure under ASX Listing Rules 7.1A.4(b) and 3.10.5A

The issue will be made pursuant to Section 708 of the Corporations Act 2001 (Cth) (**Corporations Act**).

In accordance with ASX Listing Rules 7.1A.4(b) and 3.10.5A, the Company makes the following disclosures in respect of the Shares issued pursuant to Listing Rule 7.1 and 7.1A. The dilutive effect of the Shares on existing shareholders, as a result of the issue of Shares under the placement, is as follows:

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	<b>Shares</b>	<b>Dilution</b>
Shares on issue prior to Placement	213,344,139	
Shares issued under Listing Rule 7.1	20,030,291	8.6%
Shares on Issue after Rule 7.1 Issue	233,374,430	
Shares Issued under Listing Rule 7.1A	8,713,789	3.6%
Total Shares on Issue after Placement	233,344,139	

Due to various factors including the amount of capital being raised and timing of cash requirements of the company, the Directors formed the view that the time and cost involved in a pro-rata rights issue was not in the short or long term interest of the company, or its shareholders. Consequently the raising of the funds by way of a rights issue or other type of issue in which existing ordinary security holders would have been eligible to participate was not appropriate. No underwriting arrangements were applicable to the placement.

Gary Jeffery, Managing Director of Sacgasco commented:

“We continue to be pleased with the execution of the ongoing drilling of the Dempsey well, and the enthusiastic response to this share placement from existing and new investors in Europe and Australia will facilitate our diverse ongoing well and production activities.”

**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](http://www.sacgasco.com)**

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