

MARCH 2021 QUARTERLY ACTIVITY REPORT

HIGHLIGHTS

- **Drilling of Borba 1-7 well commenced 21 February 2021**
- **Testing of Borba 1-7 Kione Formation currently underway (Subsequent to end of Quarter)**
- **Acquired a 20% WI in 500 BOEPD, Alberta Plains Oilfield Assets in Alberta, Canada**
- **Acquired a 30% WI in 1,000 BOEPD Red Earth Oilfield Assets in Alberta, Canada.**
- **Reviewing new opportunities and prospects to add resilience and sustainability to Sacramento Basin and Canadian portfolio of projects.**
- **Announced Planned Acquisition of 25% WI in 6000 BOEPD ABC Oilfield Assets in Alberta and British Columbia, Canada (Subsequent to end of Quarter)**

Sacgasco Limited (ASX: SGC) ("Sacgasco" or "the Company") is pleased to provide the Quarterly Activities Report for the calendar quarter ending 31 March 2021.

EXPLORATION, APPRAISAL AND NEW VENTURES

ONSHORE CANADA

Sacgasco announced on 28 January 2021 the acquisition of a 20% Working interest (WI) in oil and gas producing assets ("Alberta Plains Assets") in southern Alberta, Canada. The Assets consists of oil and gas fields and associated production equipment, located between Edmonton and the USA border.



Representative Asset Oilfield Production Facilities (Little Bow Oilfield Battery)

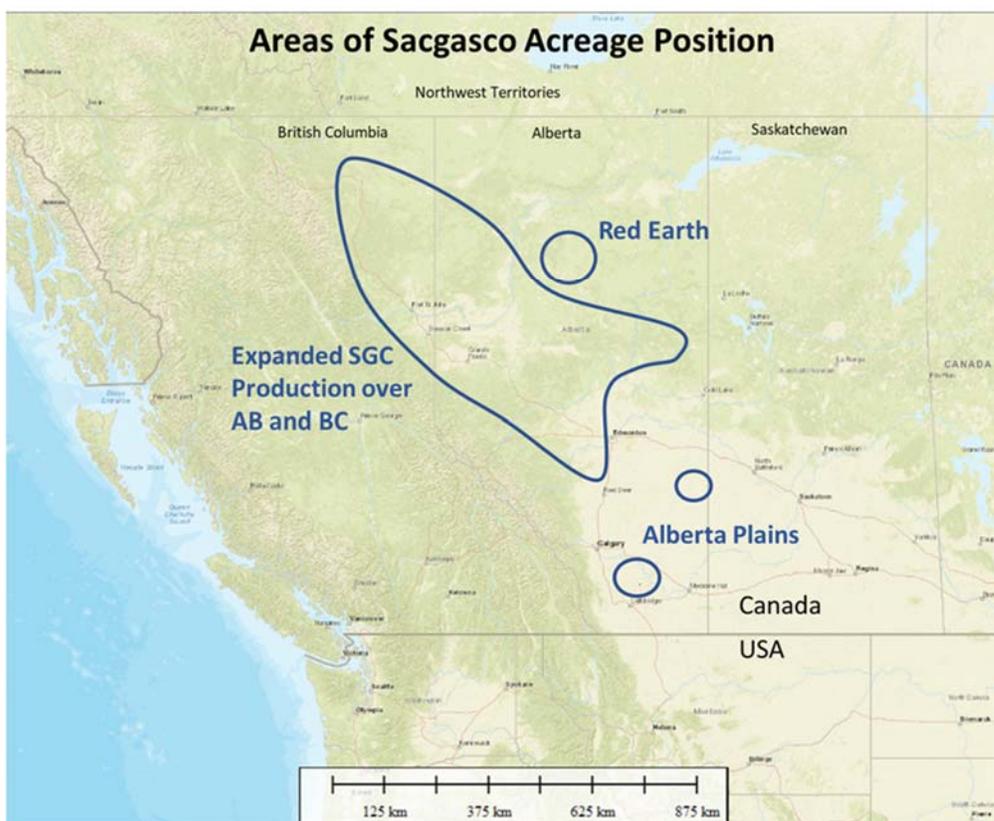
On 25 March 2021 Sacgasco settled the purchase of 30% WI in the Red Earth Asset consisting of 6 oilfields and associated infrastructure, located 450 km north of Edmonton. (Announced in the Previous Quarter)



Large Treater on Red Earth Asset

The fields are currently producing ~1,000 BOEPD (gross) (300 BOEPD Net to Sagsasco).

On 27 April 2021, the Company reported that it had signed an agreement to acquire 25% of Blue Sky's Working Interest ("WI") in oil and gas producing asset in Alberta and British Columbia, Canada (the "ABC Assets"). The ABC Assets consist of non-operated WI and Royalty Interests in 31 gas and oil fields and associated infrastructure.



Location of ABC Asset in Alberta and British Columbia, Canada

The acquisition by SGC is subject to due diligence, regulatory approvals, and related completion of the acquisition of the ABC Assets by the vendor Blue Sky Resources Limited.

Current ABC Asset production is around 1500 BOEPD net to Sagsasco's acquired WI.

OIL AND GAS PRODUCTION IN CANADA

Oil and Gas	March 2021 Quarter	December 2020 Quarter
Gross BOE * (Sagasco WI)	4,021	0
Net SGC BOE (after Royalty)	3,579	0
<i>*Gas converted to BOE using 6:1 ratio</i>		

Production includes only 7 days of production from the Red Earth Assets following completion of the acquisition in late March, and only 2 months of Production from the Alberta Plains Assets after completion of the acquisition effective February 1, 2021.

During March 2021 the Red Earth Assets averaged 1,010 BOEPD of Production, while the Alberta Plains Assets averaged 421 BOEPD during the same period.

Oil and gas prices have improved significantly since the asset acquisition announcement were made.

ONSHORE CALIFORNIA**Borba Natural Gas Prospect Drilling (Sagasco 66.67% Working Interest (“WI”))**

The Borba 1-7 well spudded on 21 February 2021 and on 6 April 2021 the Company advised that the well had reached a Total Depth of 8,824 feet and drilling operations have been completed.

Wireline logs over the lower part of the well indicated only 10' of log pay in the Lower Guinda Formation sandstone. Deeper seismic amplitudes intersected were determined to be sediments that provided no commercial interest at this time. The Guinda pay was calculated to be sub-commercial to complete and the lower part of the wellbore was plugged back to the Casing Shoe.

Sagasco is in the process of flow testing the shallower Kione Formation sandstone, which is already behind cemented 9 5/8" casing (Refer SGC Announcement on 15 March 2021). Test results are expected imminently.

Natural Gas is in high demand and commands a premium price in the undersupplied California Natural Gas Market which is equivalent in size to the entire Australian domestic Natural Gas market. Infrastructure is available nearby to enable a quick start to sales of discovered Natural Gas at Borba.

Sacramento Basin

The Company continued to maintain leases in the Sacramento Basin during the quarter. Sagasco has a working interest (WI) of between 10% and 100% in oil and gas leases which cover natural gas prospects ranging in size from 5-20 Bcf to Tcf recoverable prospective resources of Natural Gas. Strategic analysis of well histories and seismic to uncover opportunities for growth are ongoing.

CA GAS FLOW UPDATE

Gas Flows	March 2021 Quarter	December 2020 Quarter
Gross mcf * (100%)	33,494	35,899
Net SGC mcf (after Royalty)	17,672	18,892
<i>*mcf – Thousand Cubic feet gas</i>		

Overall gas flows were reduced in the quarter by operational interruptions.

California has an unsatiated average 7 Bcf per day gas market. California imports over 90% of this natural gas from other US States and Canada.

The relevant Natural Gas prices in California are currently 140% of the USA benchmark Henry Hub natural gas prices.

Project Portfolio

SGC's current focus is unlocking the underlying value from its natural gas prospects in the under-explored parts of the Sacramento Basin and in Alberta, Canada and elsewhere as opportunities arise.

Sagasco is the Operator of all but one of its WI wells and related tenements in California. All assets in Canada are non-operated.

PROJECT NAMES	LEASES; RELATED GAS FIELD (HBP LEASES); OR KEY WELL	PROJECT TYPE	TOTAL WELLS	WORKING INTEREST (WI)*
<i>Dempsey Area Project</i>	Rancho Capay, Rice Creek, East Gas Fields - HBP Leases; Oil and Gas Mineral Leases	Exploration, Appraisal and Rework	10	40-60%
<i>Borba Project</i>	Oil and Gas Mineral Leases	Exploration	1	66.67%
<i>Los Medanos Project</i>	Los Medanos Gas Field HBP Leases	Appraisal and Rework	2	90%
<i>Malton Project</i>	Malton Gas Field HBP Leases and Oil and Gas Mineral Leases	Exploration, Appraisal and Rework	7	45-70%
<i>Dutch Slough Gas Project</i>	Dutch Slough Gas Field HBP Leases	Exploration, Appraisal and Rework	5	70%
<i>Denverton Creek Gas Project</i>	Denverton Creek Gas Field HBP Leases	Gas flow and Rework	1	70%
<i>Rio Vista Gas Project</i>	Rio Vista Field Wells HBP Leases	Gas flow, development and Rework	3	100%
<i>Willows Gas Field (Non-operated)</i>	Willows Gas Fields HBP Leases	Gas flow and Rework	1	10%
<i>Alvares Project</i>	Oil and Gas Mineral Leases; Alvares 1 well (P&A Re-entry)	Exploration and Appraisal	1	50%
<i>Red Earth Assets (Canada)</i>	Oil and gas Mineral Leases and wells and associated Infrastructure	Production		30%
<i>Alberta Plains Assets (Canada)</i>	Oil and gas Mineral Leases and wells and associated Infrastructure	Production		20%

* Approximate WI across the referenced Project

CURRENT QUARTER OBJECTIVES

- Flow Testing of the Kione formation in the Borba 1-7 well. Results are expected imminently.
- Increasing production and revenues from Canadian oil and gas Producing properties.
- Integration of newly sourced geophysical data with the existing company database in the Sacramento Basin to build on Sagasco's portfolio of natural gas opportunities.
- Ongoing review of potential conventional oil and gas projects that have a strategic fit with Sagasco's current assets and strategy.

Corporate

At the end of the Quarter the company provided its 2020 Annual Report to Shareholders.

On 12 April 2021, the Company announced that it had changed its Share Registry Services to Automic Pty Ltd.

SACGASCO CAPITAL STRUCTURE

ISSUED CAPITAL at 30 April 2021	
Ordinary Shares (ASX: SGC) *	477,493,323
Listed Options (ASX: SGCOA)	131,899,719
Unlisted Options exercisable @ 4 cents by 31 December 2021	16,000,000
Unlisted Options exercisable @ 6 cents by 31 December 2022	18,000,000
* Includes 384,616 shares issued in April 2021 as approved by shareholders as part payment of Director's fees	

Appendix 5B Related Party Disclosures

The Company makes the following disclosures in relation to the \$711,000 noted as paid to related parties of the Company as detailed in section 6.1 of the accompanying Appendix 5B to this report.

Payments of salaries to and on behalf of Directors (inclusive of backpay owed to Directors)	\$675,000
Payment of Company Management fees	16,000
Payment of Company Secretarial fees	2,000
Payment of loan interest outstanding to Directors	10,000
Payment for office lease	8,000

It is noted that included in the above payments on behalf of Directors, were outstanding liabilities owed from previous quarters.

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 appraising, developing and flowing clean conventional natural gas in the Sacramento Basin, onshore California and Producing Oil and Gas in Canada

SGC has an extensive portfolio of conventional-reservoir, natural gas flowing wells; and prospects at both exploration and appraisal stages, including Tcf natural gas opportunities.

The Company is targeting gas supply to the premium local Californian gas market and burgeoning LNG market in North America.

Sacgasco's strategy is to find and develop under-valued and under-explored opportunities connected to under-supplied oil and gas markets with attractive product prices. Sacgasco is acquiring such assets in Canada and continue to evaluate other similar acquisitions.

www.sacgasco.com

Twitter: @SacGasCo

Leases:

US exploration is conducted on leases grant by Mineral Right owners, in SGC's case primarily private individuals or groups. Leases can vary in size from very small parcels (part of an acre) to large landholdings (covering a few square miles). Leases generally are for 5 years and rentals are paid annually. There are no firm work commitments associated with the leases. Some leases are 'Held By Production' (HBP) and royalties are paid to mineral right owners in lieu of rentals. SGC has not listed all it leases as it is impractical and not meaningful for potential project value assessment in a conventional natural gas play. A detailed listing of leases may also lead to a loss of competitive advantage and consequent reduced value to SGC shareholders.

Competent Persons

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 48 years technical, commercial and management experience in exploration for, appraisal and development, and transportation of oil and gas. He is a member of The American Association of Petroleum Geologists. Mr Jeffery consents to the inclusion of the information in the form and context in which it appears.

The timing of future events is subject to the normal industry vagrancies of operational matters and equipment availability which are outside the control of Sacgasco and its suppliers. Facilities depicted in images on the Sacgasco website are not necessarily assets of Sacgasco. Some of the images used represent aspects of the oil and gas industry in which Sacgasco is involved or images of equipment owned by companies providing services to Sacgasco.

Before investing it is recommended that investors conduct their own due diligence and consult financial and technical advisors and form their own opinions on future events and implications.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Sacgasco Limited

ABN

83 114 061 433

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	160	160
1.2 Payments for		
(a) exploration & evaluation	(2,290)	(2,290)
(b) development	-	-
(c) production	(859)	(859)
(d) staff costs	(678)	(678)
(e) administration and corporate costs	(206)	(206)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(10)	(10)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (JV receipts)	379	379
1.9 Net cash from / (used in) operating activities	(3,504)	(3,504)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	(1,004)	(1,004)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1,004)	(1,004)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,003	5,003
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	301	301
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(362)	(362)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(270)	(270)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (repayment of JV partner loan)	67	67
3.10	Net cash from / (used in) financing activities	4,739	4,739

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,730	1,730
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,504)	(3,504)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,004)	(1,004)

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,739	4,739
4.5	Effect of movement in exchange rates on cash held	21	21
4.6	Cash and cash equivalents at end of period	1,982	1,982

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000	
5.1	Bank balances	1,982	1,730
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,982	1,730

6. Payments to related parties of the entity and their associates	Current quarter \$A'000	
6.1	Aggregate amount of payments to related parties and their associates included in item 1	711
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(3,391)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(3,391)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,982
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,982
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.58
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

No. During the period, approximately \$1 million for overdue amounts and debt owed to the directors were repaid. Additionally, expenditure during the quarter was centred around exploratory drilling of the Borba 1-7 well and for reactivation costs related to newly acquired working interests in producing assets in Canada. There is additional expenditure to be incurred regarding the Borba well in Q2, however reactivation of the producing assets has taken place and the Company anticipates minimal or no cash outflows in relation to production for Q2 and onwards.

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

No – currently it is not anticipated that the entity will need to raise capital in the short-term as recently acquired production interests are expected to generate cash flows in the near-term.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes, the entity expects to be able to continue operations for the points noted in 8.8.1 and 8.8.2 above, namely that exploration expenditure will not continue indefinitely at the rate it has in Q1, and that the Company expects cash inflows from Q2 onwards in relation to its newly acquired working interests.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2021

Authorised by: Gary Jeffery – Managing Director
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

[*name of board committee – eg Audit and Risk Committee*]. If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.