



Sacgasco Limited

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Announcement to ASX

5 July 2021

ACQUIRES SIX OIL DISCOVERIES IN PHILIPPINES E&D PORTFOLIO

- 1,470,000 Hectares in highly prospective, underexplored Palawan Basin, Philippines
- Huge database of 2D & 3D seismic defining world-class exploration prospects
- Six oil discoveries with Exploration and Development (E&D) potential
- Highly experienced local Filipino team

Sacgasco Limited (ASX: SGC (“Sacgasco” or “the Company”)) is pleased to announce the purchase of BCP Energy International PTE. LTD. (“BCPE”) from Bangchak Corporation. This includes BCPE’s fully owned subsidiary NIDO Petroleum Pty Ltd (“NIDO”), its local team and interests in 4 Philippine Service Contracts (“PSC”).

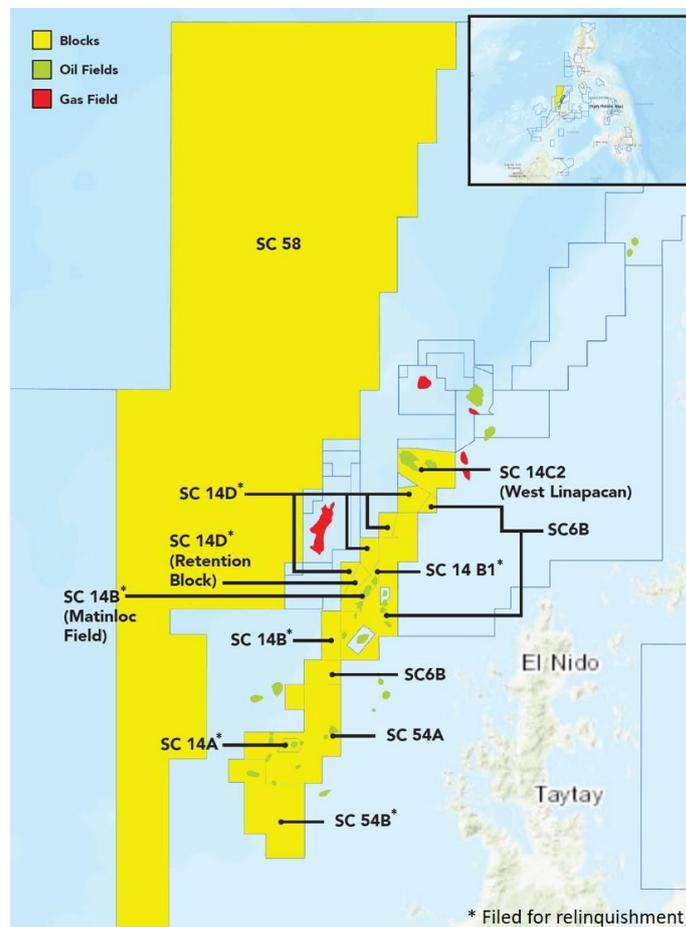


Figure 1: Sacgasco’s New Acreage in the Palawan Basin, Philippines

The cash consideration for the acquisition of BCPE and NIDO is one dollar and includes all rights and obligations in the 4 PSCs that NIDO is a party to, either as Operator (2 PSCs) or Joint Venture Participant (2 PSCs). This transaction closed on 1 July 2021. BCPE is to be renamed Sacgasco SG PTE. LTD.

The Philippines provides a very attractive fiscal environment (*Figure 2*) with a pro-active and engaged regulator seeking to attract upstream investors, and to significantly increase the country's oil and gas resources and developed reserves. The demand for energy in the country is high. Specifically, gas demand in The Philippines is increasing significantly with the Malampaya gas field in decline and expected to cease production in the first half of this decade unless new gas resources can be identified.

The acquisition delivers a significant footprint across the premier oil and gas region in the Philippines, the Palawan Basin (*Figure 1*). Sacgasco's new acreage (*Table 1; Figure 3,4*) contains six existing oil discoveries (including a shut-in oilfield with redevelopment potential) and several high impact exploration prospects. There are no near-term commitments, and the associated administration costs are relatively low.

The Company has commenced an evaluation of the discovered oil resources in the licences with a view to realising early oil production from them. Potential development concepts that will allow them to be brought to production may include plans for 3 currently shut-in wells in the redevelopment of the West Linapacan Field and a potential parallel exploration programme. Sacgasco has an interest of 22.88% in these non-operated wells and if the majority of the joint venture participants decide at some time in the future that these wells - have no future utility, then they will be plugged and abandoned at a cost that will be determined based on market conditions at that time. Estimates of Prospective and Contingent Resources will be advised to shareholders when the assessment is complete.

Importantly, securing these leases will not affect the planned development of the Company's projects in California and its non-operated Canadian projects, both of which are advancing very favourably. The Company plans to provide an update with respect to these assets shortly.

Andrew Childs, Sacgasco Chairman, made the following comments:

"This is a significant acquisition for us, as it offers huge potential for a small, nimble company such as Sacgasco, in a country we know well. We have always viewed the NIDO Petroleum Philippines assets as potentially very attractive, and we have moved quickly to take advantage of Bangchak's decision that these assets are no longer core to their business.

"This acquisition could not be a better fit with our strategy to acquire low-cost oil and gas opportunities which are under-valued and under-evaluated, especially those which are connected to materially under-supplied markets such as the energy-hungry Philippines.

"The Sacgasco team already has significant experience in the Philippines, and we warmly welcome the local NIDO Philippines team into the group. We are also pleased to be in partnership with several highly respected Filipino oil and gas companies including the Philippines National Oil Company, PNOC. We are confident that, together, we can build these assets into a valuable business unit.

"The existing undeveloped oil discoveries and the shut-in oil field West Linapacan will be a focus of immediate resource assessment and development studies to maximise value in the current high oil price environment.

"In addition, the exploration prospectivity here is truly world-class; there is extensive valuable seismic and other data; and we are very keen to start working on it. There is both oil and gas potential and the third-party owned Malampaya Field infrastructure would be an excellent enabler for any gas discovery in the area.

"Shareholders can expect to hear from us shortly with more updates on this."

Table 1: Saggasco Philippines Service Contracts

Service Contract	Fields / Discoveries	% Interest	Operator
SC 54A	Tindalo, Yakal, Nido 1X1, Nandino Exploration	42.40%	NIDO (SGC)
SC 14C2	West Linapacan A Field; West Linapacan B	22.88%	Philodrill
SC 58	Frontier Exploration	50%	NIDO (SGC)
SC 6B	Cadlao, near field Exploration	2.70%	Philodrill
SC-14A, SC-14B, SC-14D	Filed for relinquishment	22.88% before relinquishment; Nil after relinquishment	Philodrill

Philippines Fiscal Regime

Best E&P Fiscal Terms in Asia

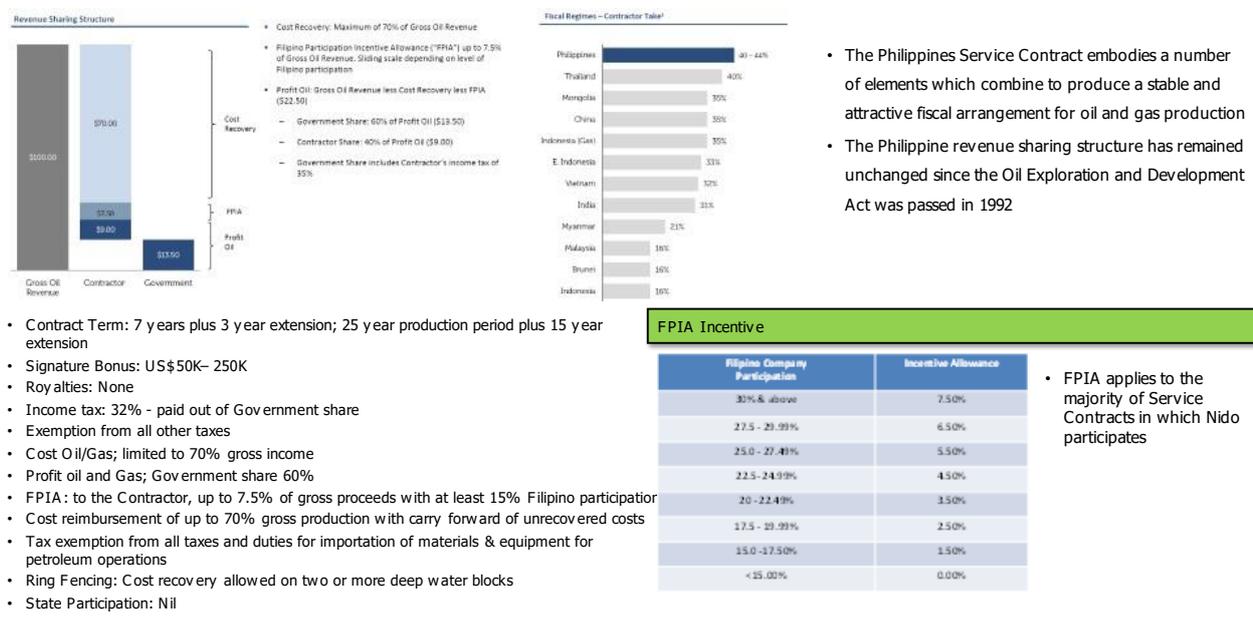


Figure 2: The Philippines' Attractive Fiscal Regime

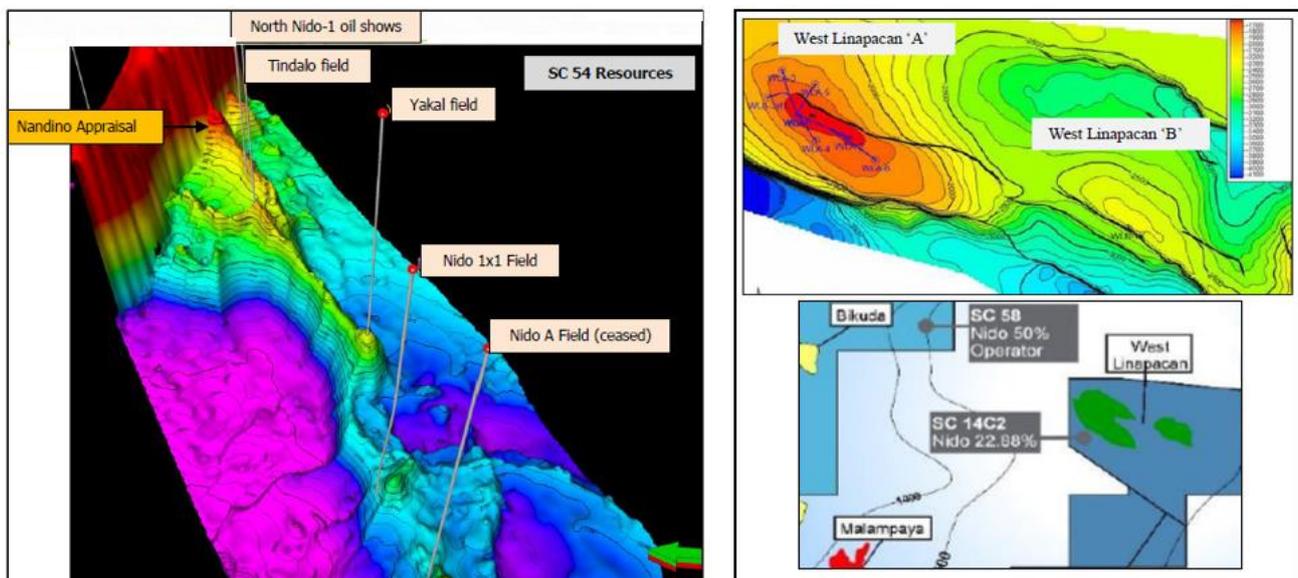


Figure 3: Discoveries and Field Redevelopment Potential in SGC 's New Service Contract Areas

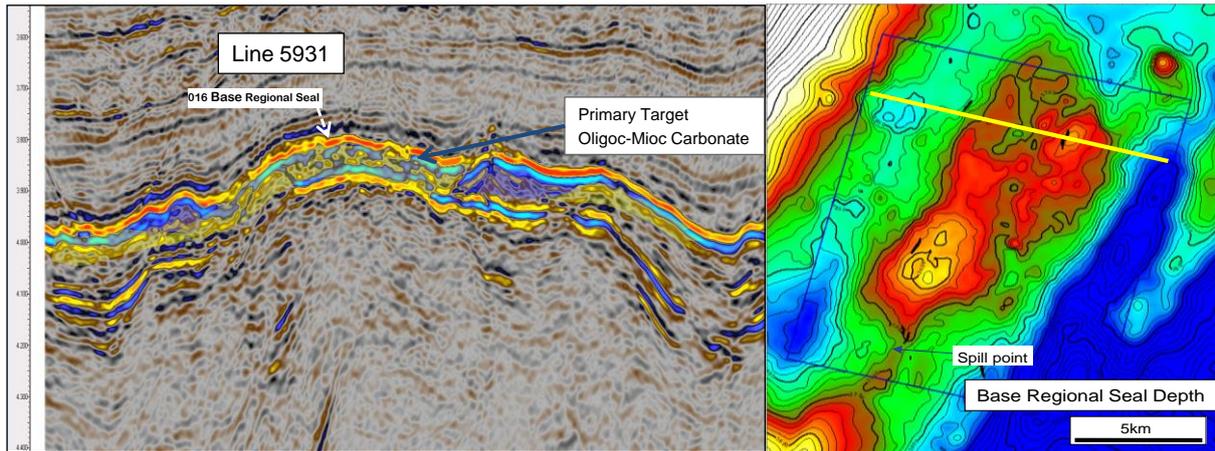


Figure 4: Example High Impact Prospect in SC58

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 under-explored, recently over-looked, world class oil and gas opportunities near under-supplied markets.

The current prime focus is on conventional gas exploration and production in the Sacramento Basin, onshore California and Alberta, Canada and now the Philippines. Sacgasco has an extensive portfolio of natural gas and oil producing wells and prospects at both exploration and appraisal stages, including multi-Tcf opportunities. The Company is targeting supply to the local Californian, Canadian and Asian oil and gas markets. and burgeoning LNG market in North America. Sacgasco is in the process of acquiring additional undervalued oil and gas producing and exploration assets in North America and elsewhere as compelling opportunities arise.

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