



# Sacgasco Limited

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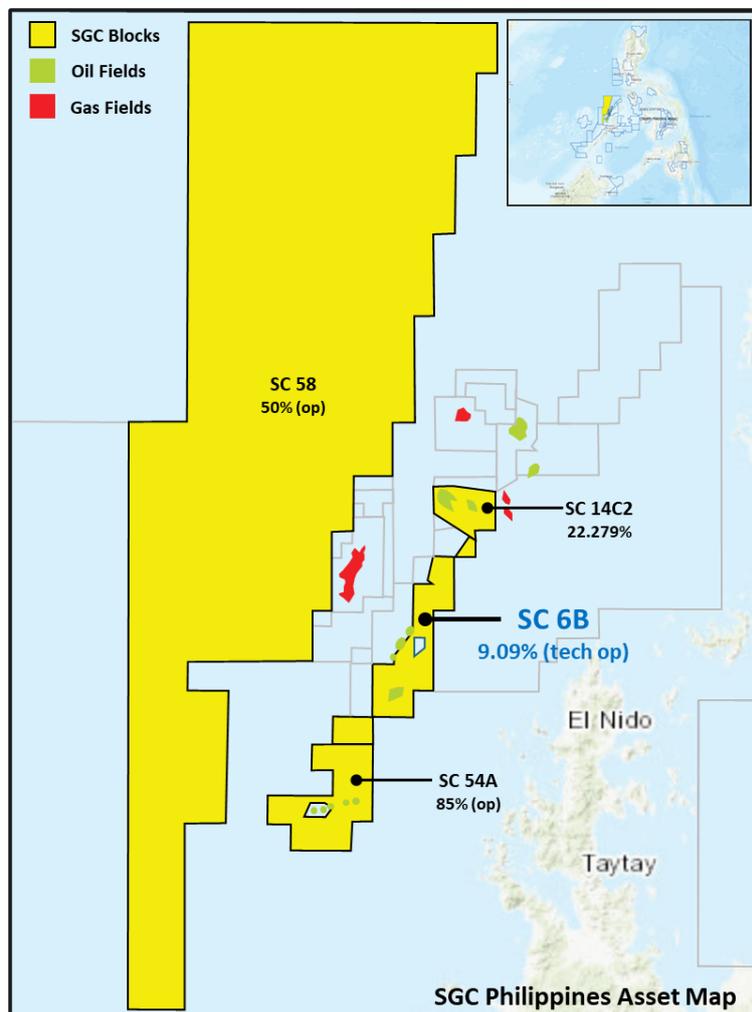
Announcement to ASX

15 December 2021

## CADLAO OILFIELD DEVELOPMENT PROJECT

- Sacgasco's NIDO appointed Technical Operator for SC 6B and the Cadlao Redevelopment Project
- NIDO plans to submit POD to Philippines Government early 1Q 2021
- SGC working interest increased to 9.09% (from 2.727%)
- Farmin discussions progressing to increase SGC's working interest
- Jackup rig LOI received for drilling and testing program in the Philippines starting 1H 2022.

Sacgasco Limited (ASX: SGC) ("SGC", "Sacgasco" or "the Company") is pleased to announce that its wholly owned subsidiary, Nido Petroleum Philippines Pty Ltd ("NIDO"), has secured a Sale and Purchase Agreement ("Agreement") on Service Contract Block 6B ("SC 6B") designed to accelerate the anticipated redevelopment of the Cadlao Oilfield and exploration of nearby East Cadlao oil prospect. The Joint Venture has agreed to appoint NIDO as the technical operator for SC 6B advising The Philodrill Corporation as the Operator of Record.



Under the Agreement, NIDO has paid A\$250,000 to the previous operator of SC 6B (Manta Oil Company Limited, “MOCL”) upon their withdrawal from SC 6B in return for their proprietary database. The database will greatly enhance and accelerate the planned development activities on SC 6B. This payment is intended to be recovered from the Joint Venture parties out of SC 6B production in accordance with working interests.

As part of the Agreement, MOCL has waived their right to exclusivity which allows for farmin discussions between Nido and the remaining Joint Venture parties to progress.

Participating Interests are expected to revert to the following subject to approval from the Philippines Department of Energy of the MOCL withdrawal:

Joint Venture Party		Working Interest %	
		Previous	Post MOCL Withdrawal
<b>NIDO (Sagasco subsidiary)</b>	<b>Technical Operator</b>	<b>2.7270%</b>	<b>9.090%</b>
Philodrill	Operator	17.4546%	58.182%
Oriental		4.9092%	16.364%
Alcorn		2.4546%	8.182%
Forum		2.4546%	8.182%
MOCL	Previously Operator	70.000%	-

With the lifting of the exclusivity under the Agreement, the Company intends to increase its interest via farmin offer to the remaining Joint Venture parties.

NIDO intends to prepare and submit a Plan of Development (**POD**) on behalf of the Joint Venture in 1Q 2022. This will include an Extended Well Test (**EWT**) to be drilled in 2Q 2022 for data collection, resource volume confirmation and early cashflow.

NIDO is in discussions with various service providers with a view to completing the POD and is accelerating this process in view of the ambitious timeline. A non-binding LOI has been received from the Russian rig company Arktikmorneftegazrazvedka (**AMNGR**) for the Murmanskaya jack-up drilling rig which is available in nearby Vietnam and suitable for the EWT.

## Service Contract 6B – NW Palawan Basin, Offshore Philippines

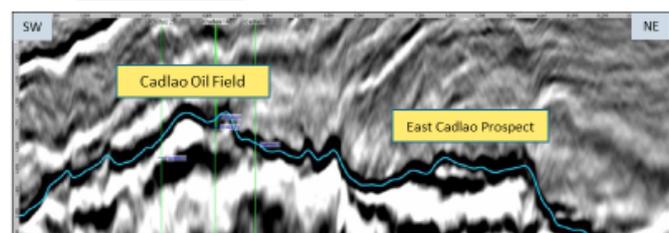
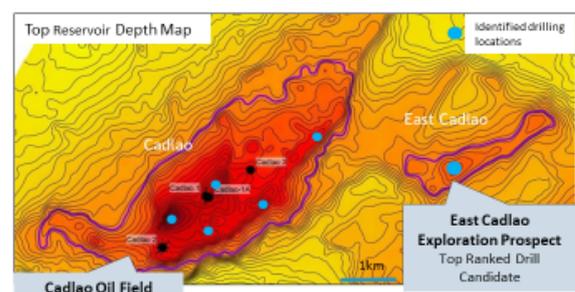


### Service Contract 6B Summary

- 533km<sup>2</sup> area in water depths between 20 – 90m
- SC 6B contains the Cadlao and Bonita Discoveries and >20 prospects and leads identified on recently reprocessed 3D seismic within a proven charge system
  - The East Cadlao prospect is considered the top ranked drilling candidate of the portfolio
- The Joint Venture plans to submit a Plan of Development (POD) for the redevelopment of the Cadlao field in Q1 2022

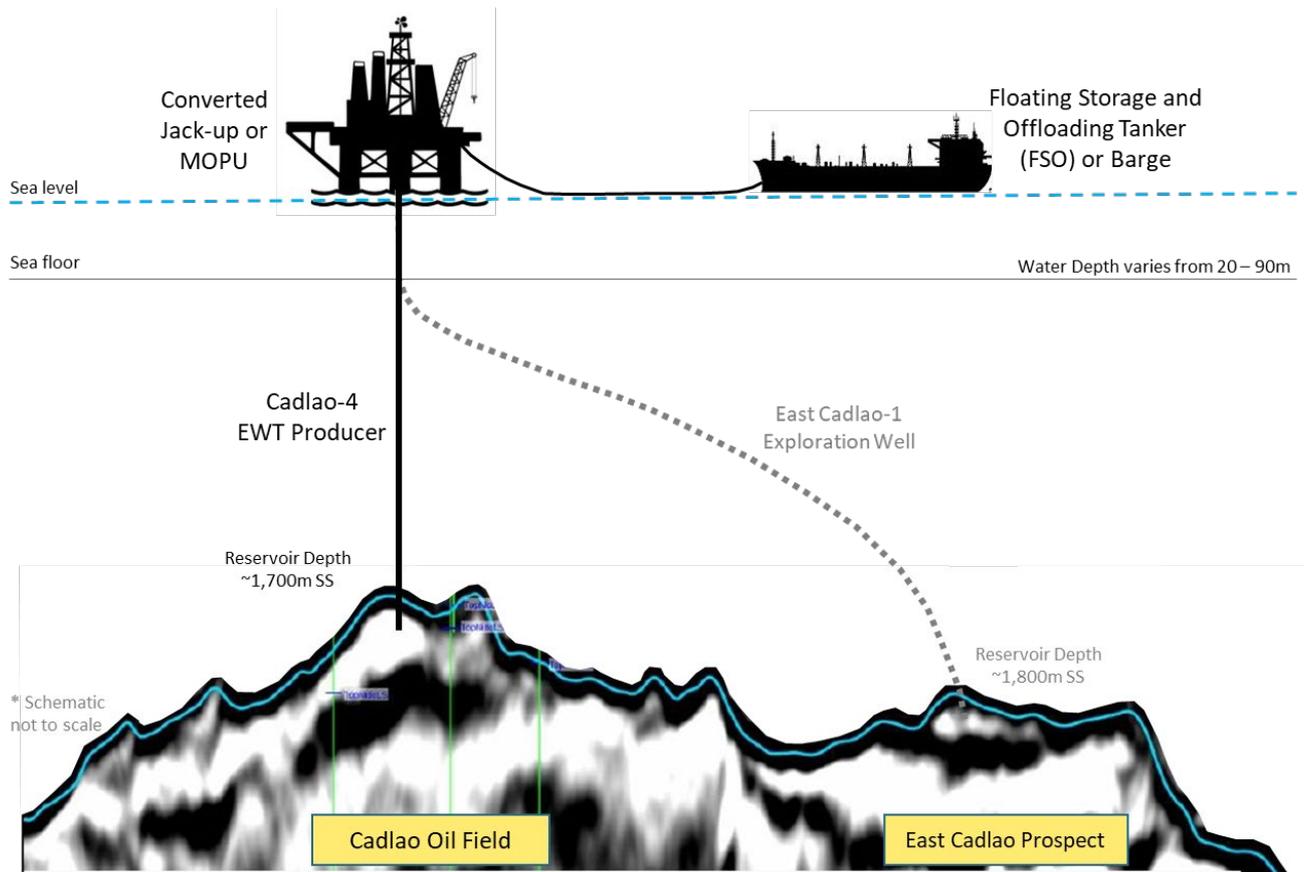
### Cadlao History and Redevelopment Opportunity

- Discovered in 1977 – defined by 2D seismic, limestone pinnacle reef reservoir
- Produced 11.1MMstb of oil from 1981 to 1991 from two production wells; Cadlao-1A & Cadlao-3
- At the time production ceased, Cadlao-1A was producing 5,900bldpd (950bbls/day of oil) on natural flow
- 3D seismic pre-stack time migrated processing has led to the interpretation of a significant unswept attic volume on the Cadlao Field
- Historical production de-risks future reservoir deliverability for a redevelopment and shallow water depths allow for low CAPEX development concepts



The planned EWT will involve a single well, with production equipment situated on the Jack Up drilling rig with oil being produced into a Floating Storage and Offloading Vessel (**FSO**) or barge for shuttling to a local refinery.

Given its close proximity to Cadlao, there is also the opportunity to drill the East Cadlao Prospect from a Cadlao EWT location, subject to further maturing of the prospect to drill ready status.



**Sacgasco’s Managing Director, Gary Jeffery, commented on the Cadlao Oilfield Development Project:**

“I’m delighted that we have increased our interest and the JV has agreed to our technical operatorship of the Cadlao redevelopment. This will allow us to rapidly accelerate development planning whilst we also pursue farmin discussions to further increase our interest.

We plan to submit a POD in the new year with a view to drilling the well for the extended well test in the first half 2022 which would be an extraordinary achievement by the team given usual industry timelines.

All the pieces including the key team members are coming together rapidly. We have identified suitable equipment for an extended well test and initiated discussions with suppliers. This includes receiving a non-binding LOI for the drilling program with a Jack Up rig which is also suitable for the extended well test.

A successful extended well test would return positive cashflow to the Joint Venture to apply to a more comprehensive redevelopment of Cadlao Oilfield (if warranted) and exploration of the nearby Cadlao East Prospect. Shareholders will recall we have an agreement with a potential offtaker for the oil.”

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

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