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Announcement to ASX

13 April 2022

CADLAO CONTINGENT RESOURCES CERTIFIED

- Cadlao Field Redevelopment targets 6.2 million barrels of economically recoverable oil
- Cadlao Drilling and Extended Well Test (“EWT”) planning for 2022 drilling program
- EWT proposal submission due for April 2022

Sagasco Limited (ASX:SGC) (“Sagasco” or “the Company”) is pleased to announce the results of an independent Contingent Resources estimate for the Cadlao Oilfield located in Service Contract 6B (“SC 6B”) in the Palawan Basin offshore Philippines. Sagasco holds its Cadlao Field interest in SC 6B through its wholly-owned subsidiary Nido Petroleum Philippines Pty Ltd (“Nido”) and references to Sagasco in this announcement includes this subsidiary.

The Contingent Resources estimate, was undertaken by RISC Advisory (“RISC”) and the results are summarized in the table below. The Contingent Resources are for the Cadlao Field Redevelopment only and **do not include** any additional Contingent and Prospective Resources identified in SC 6B, e.g. Cadlao East Prospect.

Cadlao Contingent Resources Summary (oil, MMstb)			
	1C	2C	3C
Gross Contingent Resources	4.5	6.2	8.2
SGC Net Contingent Resources (72.727%)	3.3	4.5	6.0

Note 1: These are unrisks contingent resources that have not been risked for the chance of development, and that there is no certainty that at the time of project approval it will be economically viable to produce any portion of the contingent resources

Note 2: The field contains limited volumes of solution gas that can be consumed for power generation and used for gas lift to improve oil recovery. There are no plans to export gas

Note 3: Nido has entered into a Farmin Agreement (FIA) with the SC6B Joint Venture (JV) to increase its working interest to 72.727% which is subject to Philippines Department of Energy (DOE) approval – Refer to the Company’s announcement dated 4 March 2022

Note 4: Nido’s net entitlement to future production proceeds is dependent on approval of the FIA which includes preferential cost recovery and an approved EWT agreement under SC 6B by the DOE.

Note 5: The contingent resource estimate assumes an economic cutoff of 750 barrels of oil per day

The Cadlao Field resources are classified as contingent resources rather than reserves. Phase-1 of the development (EWT) will initially be approved and progressed. Resources associated with the EWT can be transferred to undeveloped reserves once this project is approved. RISC has reviewed and in general support the field re-development plans for Cadlao.

Additional notes on the background to the preparation of the Contingent Resources report are set out in Attachment 1.

Sacgasco’s Managing Director, Gary Jeffery commented:

“This certified contingent resource estimate for Cadlao is a pivotal milestone in preparing for an appraisal drilling and EWT campaign on Cadlao which we are finalising as a part of our first Philippine drilling program planned for later this year.

“Tying an EWT for Cadlao into our 2022 drilling program along with Nandino exploration drilling and EWT upon success, will make for an exciting and potentially transformational year for Sacgasco in the Philippines.”

Cadlao Oilfield

The Cadlao Oil Field within Service Contract 6B (SC 6B) is considered to be the most attractive development target from a number of discovered oil pools within Sacgasco’s Philippines portfolio based on potential volume and value, well productivity, time to first cashflow, water depth and follow up potential.

The field is a Miocene-aged carbonate pinnacle reef structure covered by recently reprocessed 3D seismic and located in water depths of 20 to 90 meters. It was discovered in 1977 by Amoco and produced 11.1 mmbbls over a 10 year period between 1981 and 1991 before being shut while still producing 5,900 barrels of liquids (oil and water) per day, including 960 bopd. The interpretation of recently reprocessed 3D seismic has identified an updip attic oil volume which will form the basis for the EWT and subsequent full field development.

The Production License for SC 6B ends in 2024 at which time the Joint Venture may elect to apply for an extension in the event commercial reserves remain to be produced.

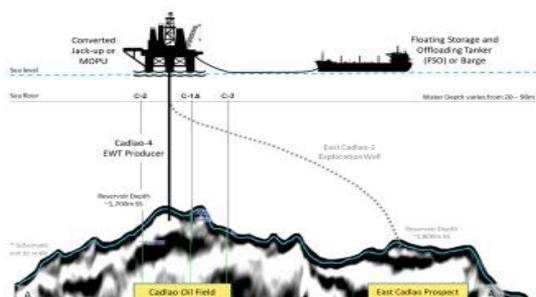
Cadlao drilling and EWT is planned for 2022 in a 2-well drilling program with the Nandino Prospect in Service Contract 54 (ref Announcement dated 3 March 2022); subject to DOE and JV approvals.

In the event of a successful EWT at Cadlao and depending upon the field data obtained, a full field development may include up to 4 wells with a dedicated oil production facility. The East Cadlao Prospect, which is only 3km away, may also be drilled, tested and produced from any Cadlao development.

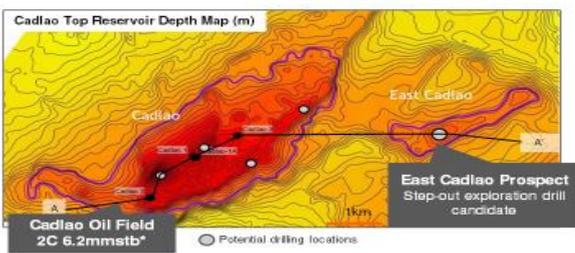
Cadlao Redevelopment – 72.727% WI#, Operator

Low cost development opportunity to generate near-term cashflow with material upside

- Produced 11.1MMstb oil to 1991 from two production wells; Cadlao-1A & Cadlao-3
- Acquisition of 3D seismic and recent reprocessing identified unswept attic volume
- Fractured carbonate reservoir, known deliverability and matrix recharge during 25-year shut-in supports low risk reserve volumes
- Shallow water depths and high well deliverability allow for a single well, low CAPEX development concept



- Near term plans**
- Leveraging technical capability and fast-tracking schedule to drive redevelopment in 2022
 - 1Q 2022: Secure Farm In Agreement, Resource Assessment
 - 2Q 2022: JV and DOE Approvals, Site survey mobilisation, LLI tender, Rig and other rental equipment contracting
 - 2H 2022: Cadlao-4 Drilling and EWT Execution; Generate cashflow
 - 2023/2024: Full field development subject to EWT success

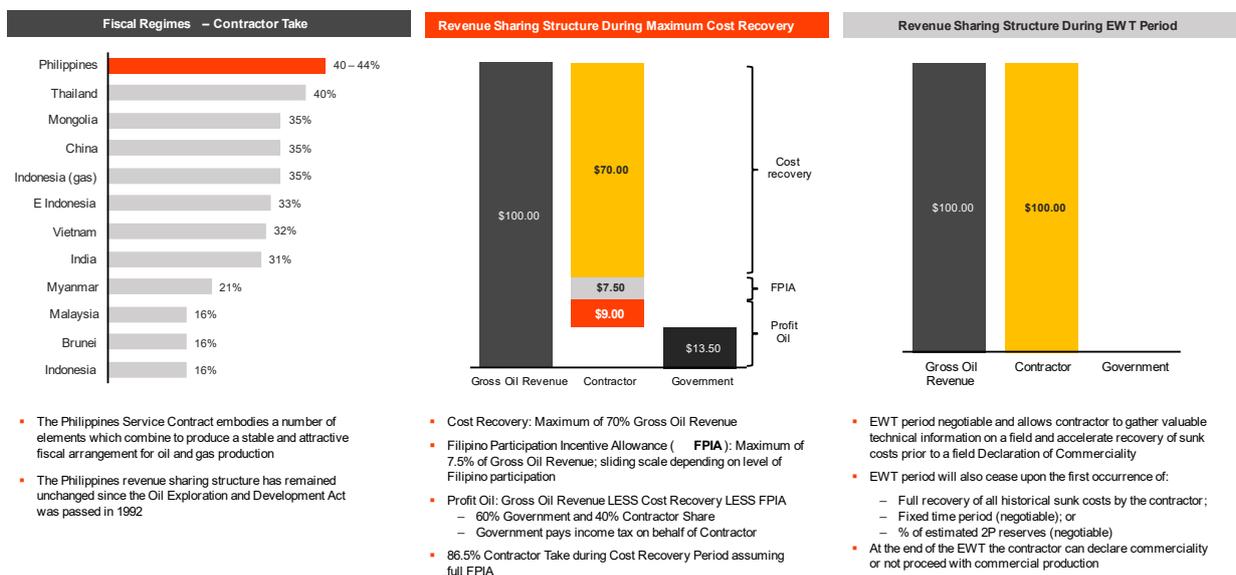


* Subject to DOE Approval
 * Held through wholly-owned subsidiary Nido Petroleum Pty Ltd
 * Independently certified by RISC Advisory

Philippines Fiscal Terms Summary

Philippines: An energy hungry market

Stable and attractive fiscal terms – among the best in Asia



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About RISC

The contingent resource assessment has been compiled by Mr Peter Stephenson who is a Partner at RISC. Mr Stephenson has 38 years worldwide experience as a petroleum/reservoir engineer with BP, Shell and RISC. He meets ASX Rule 5.41 being a qualified petroleum reserves and resource evaluation (QPRRE). He is also a member of SPE, IChemE, SPEE and is Chairman of the SPEE Asia Pacific Chapter.

RISC is a well-known and respected independent energy advisory firm, with a history of providing impartial advice to the petroleum industry including providing Independent Technical Specialist Reports (ITSRs) and Competent Persons Reports (CPRs) for stock exchange and regulatory requirements. For further information please visit www.riscadvisory.com

For and on behalf of the Board of Sacgasco Limited.

Gary Jeffery
Managing Director
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About Sacgasco Limited (ASX: SGC)

Sacgasco Limited (ASX: SGC) is an Australian-based energy company focused on under-explored, recently overlooked, 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
Twitter: @SacGasCo

ATTACHMENT 1

Additional Information Required under Chapter 5 of the ASX Listing Rules to be read as Notes to Contingent Resources Table:

- 1. The evaluation date of the RISC Independent assessment of Cadlao Resources for Nido Petroleum Philippines (Sacgasco) Report is March 2022 under the supervision of Peter Stephenson who is qualified in accordance with ASX listing rule 5.41. Mr Stephenson is a Partner at RISC, has a Bachelor of Chemical Engineering Degree from Nottingham University, a Master of Petroleum Engineering Degree from Heriot Watt University, is a member of the Society of Petroleum Engineers, member of Institute of Chemical Engineers, member of the Society to Petroleum Evaluation Engineers and chairman of SPEE Asia-Pacific Chapter. RISC and its named employees and associates have consented to be named in this manner in this release.*
- 2. Nido (Sacgasco) participating interest in Philippines Service contract SC 6B which hosts the Cadlao Oilfield is 72.727% subject to approval by the Philippines Department of Energy (DOE). At this stage of the asset maturity, it is not possible to determine the net Extended Well Test proceeds to the Company, given significant uncertainty over oil prices, capital and operating costs, and an approved EWT agreement under SC6B with the Philippines Department of Energy. Sacgasco considers it appropriate at this time to report Contingent Resources on a net working interest basis.*
- 3. The Contingent Resources for the Phase-1 EWT period are considered to be in the “development pending” category as defined by the 2018 PRMS SPE-PRMS standards.*
- 4. The Contingent Resources for the Phase-2 Full Field Development are considered to be in the “development on hold” category as defined by the 2018 PRMS SPE-PRMS standards.*
- 5. Contingent Resource assessments in this release were estimated using probabilistic methods in accordance with 2018 PRMS SPE-PRMS standards. The data used to compile the independent Contingent Resources report includes gravity and magnetic data, detailed field mapping, and detailed geological interpretation of seismic, well and core data within the PSC. RISC has used standard petroleum evaluation techniques in the preparation of this report. These techniques combine geophysical and geological knowledge with assessments of porosity and permeability distributions, fluid characteristics and reservoir pressure. There is uncertainty in the measurement and interpretation of basic data. RISC has estimated the degree of this uncertainty and determined the range of petroleum initially in place and recoverable hydrocarbons. The accuracy of estimates of volumes of gas is a function of the quality and quantity of available data and of interpretation and judgment. While the estimates of Contingent Resources presented herein are considered reasonable, these estimates should be accepted with the understanding that reservoir performance subsequent to the date of the estimate may justify revision, either upward or downward.*
- 6. 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 and or their timing 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 Marshall Hood, Philippines Asset Manager for Sacgasco Limited. Mr Hood is a qualified geophysicist with over 18 years technical, commercial and management experience in exploration for, appraisal and development of oil and gas.*
- 7. The Reserves have been reviewed by SGC’s Competent Person, Mr Gary Jeffery. Mr Jeffery has more than 50 years technical, commercial and management experience in exploration appraisal and development of oil and gas. Mr Jeffery is a member of the American Association of Petroleum Geologists. Mr Jeffery has reviewed the information and supporting documentation referred to in this announcement and considers the reserve estimates to be fairly represented and consents to its release in the form and context in which it appears. His academic qualifications and industry memberships appear on the Company’s website and Mr Jeffery is qualified in accordance with ASX listing rule 5.41.*