



# Sacgasco Limited

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Announcement to ASX

30 May 2022

## Philippines Drilling Update

- Agreement signed to acquire key drilling materials for proposed 2022 drilling campaign
- Two well drilling campaign planned at Nandino and Cadlao
- First planned well at Nandino to assess over 175 million BO in-place; Recoverable Prospective Resources from 54.2 to 6.6 million BO (P10 - P90)
- Approval of Work Program and Budget for SC6B (Cadlao) by Department of Energy

Sacgasco Limited (ASX: SGC; OTCQB: SGCSF) (“SGC”, “Sacgasco” or “the Company”), is pleased to announce that its wholly owned subsidiary Nido Petroleum Philippines Pty Ltd has agreed in a binding Term Sheet to acquire key drilling Long Lead Items (“LLI”) including conductor, casing, liner hangers, casing accessories, wellheads, and bits for the drilling of Nandino and Cadlao.

Total Consideration for the LLI is US\$2.9M. The Payment Structure for the acquisition of the LLI is:

Initial consideration US\$1.4M to be paid in the manner below:

- US\$0.4M to be paid within seven (7) days of execution of the formal purchase agreement (“**Agreement Date**”) reflecting the signed and binding Term Sheet;
- US\$0.5M to be paid within ninety (90) days after Agreement Date; and
- US\$0.5M to be paid within one hundred and twenty (120) days after Agreement Date.

Secondary Consideration of US\$1.5M to be paid on the earlier of a date that is immediately prior to the mobilization of the equipment to drill site or 12 months after Agreement Date.



LLI Casing in Warehouse (Part of LLI Purchase)

The payment structure allows the acquisition to be funded from a combination of the Company’s recent capital raise and projected cashflow from the Company’s North American operations. (Refer: ASX: SGC release ‘Capital Raise to Buy Well Equipment for Philippine Drilling’ dated 26 April 2022)

The drilling program is planned to drill the Nandino Prospect located updip and on trend with 4 oil discoveries in SC54. Refer SGC's ASX release "Nandino Prospective Resource Certified" dated 3 March 2022.

<b>Nandino Prospective Resources</b>	<b>Oil in Place (100%)</b>	<b>Recoverable Oil (100%)</b>	<b>Net to SGC (72.5%)</b>
P90 (million barrels)	24.2	6.6	4.8
P50 (million barrels)	75.3	21.9	15.9
P10 (million barrels)	175.0	54.2	39.3
Mean (million barrels)	91.0	27.3	19.8

The second well in the drilling Program is planned to test the updip portion of the Cadlao Oilfield in SC 6B, and form the basis of an Extended Well Test to evaluate the planned redevelopment of the Cadlao Oil Field. Refer SGC's ASX release "Cadlao Contingent Resources Certified" dated 13 April 2022.

<b>Cadlao Contingent Resources Summary</b>			
<b>(Oil - MMstb)</b>			
	<b>1C</b>	<b>2C</b>	<b>3C</b>
Gross Contingent Resources	4.5	6.2	8.2
Net Contingent Resources SGC (72.727%)	3.3	4.5	6.0

### **SC6B (Cadlao Oil Field) Work Program and Budget Approval**

The Department of Energy in the Philippines has advised its approval of the SC6B Work Program and Budget for 2022. This program includes specialist Geological and Geophysical Studies and preparations for drilling of a Cadlao well and Extended Well Test. Formalities associated with assignment of interests and the appointment of Nido as Operator of SC6B have been recognized by the DOE and are continuing. Nido has previously been appointed Technical Operator by the SC6B participants.



**Crates of LLI for Drilling Nandino and Cadlao**

**Sacgasco’s Managing Director, Gary Jeffery commented:**

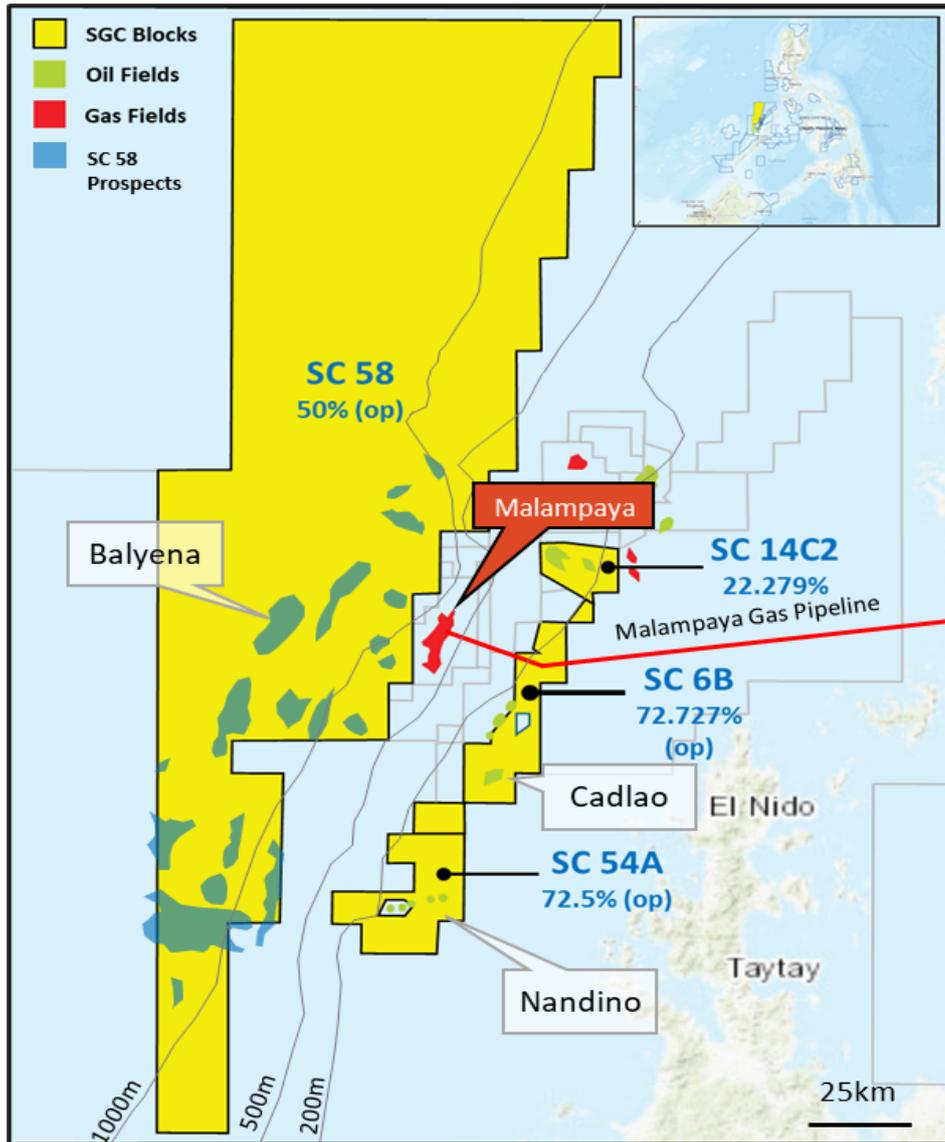
*“I am very pleased that we have been able to purchase long lead item equipment for the planned two well drilling program.*

*Acquiring this equipment in a tightening supply market is very astute, fixing future cost and timing.*

*The approval of the SC6B Work Program and Budget along with the progress on associated formalities is also welcomed.*

*We continue full speed ahead on execution of the planned 2022 two well drilling program and extended well test(s) in the Philippines.*

*Shareholders will be provided with updates as the drilling program related activities gather momentum.”*



*Sacgasco Philippines Acreage Map  
 (Nido’s SC54 interest pre-farmout is 72.5%;  
 SC6B interest post farmin is 72.727%)  
 \*Interests subject to Philippines DOE approval of farmouts.*

**For and on behalf of the Board of Sacgasco Limited.**

**Gary Jeffery**  
**Managing Director**  
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**About Sacgasco Limited (ASX: SGC)****Stock Exchange Listings:**

ASX: **SGC**      Australia

OTCQB: **SGCSF**   USA

*Sacgasco Limited (ASX: SGC; OTC: SGCSF) 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 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 evaluating additional undervalued oil and gas producing and exploration assets.*

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

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