



Sacgasco Limited

ABN 83 114 061 433

Unit 14, 210 Bagot Road, Subiaco, WA, 6008.

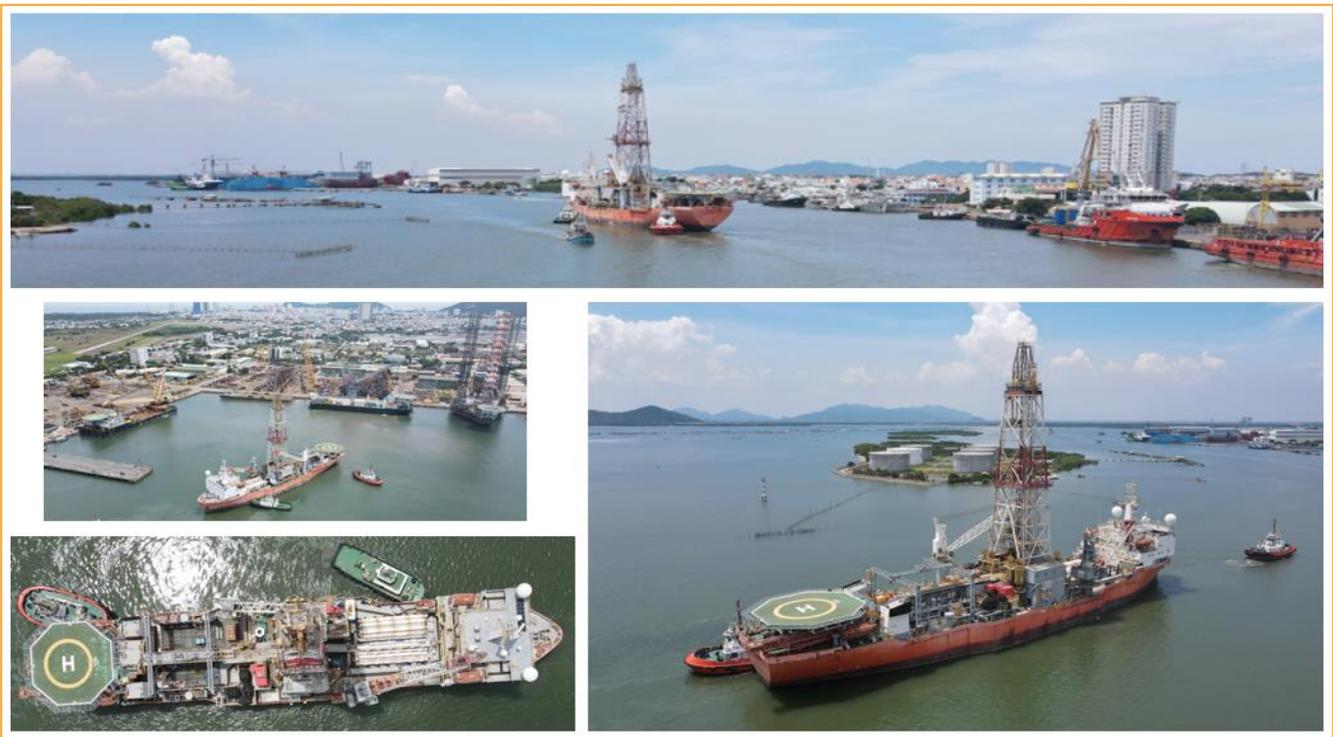
T +61 8 9388 2654 E info@sacgasco.com

Announcement to ASX

22 August 2022

CADLAO OILFIELD REDEVELOPMENT UPDATE

- Cadlao Field Redevelopment in SC 6B targets 6.2 million barrels of economically recoverable oil
- Cadlao Drilling and Extended Well Test (“EWT”) planning for 2022 / 23 drilling program
- 45.455% of initial drilling and EWT to be funded by Blue Sky investment in Nido’s SC 6B program.
- Deep Venture drillship is being prepared in Vietnam for Philippines Drilling Program



Deep Venture Drillship

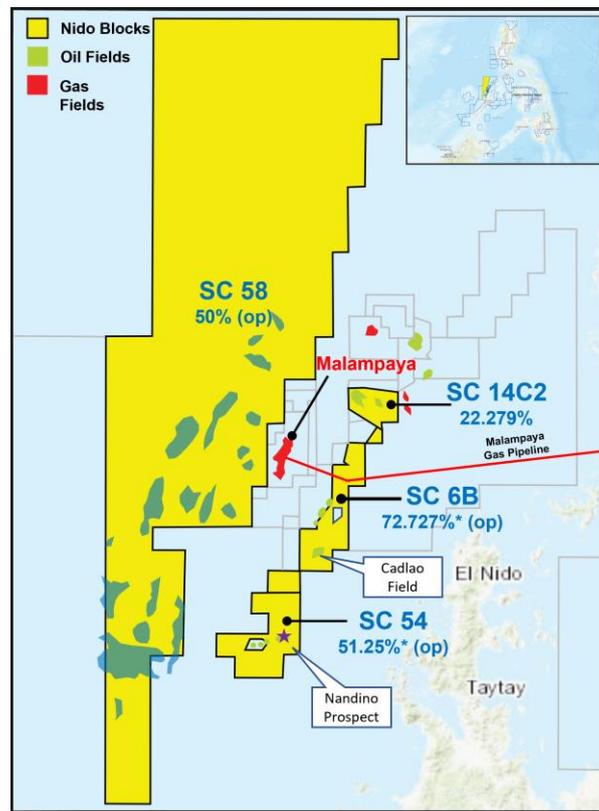
Sacgasco Limited (ASX:SGC) (“Sacgasco” or “the Company”) is pleased to announce funding agreement for the initial stage of Cadlao Oilfield redevelopment.

Sacgasco, through its wholly- owned subsidiary, Nido Petroleum Philippines Pty Ltd (“Nido”) has entered into an Investment Agreement with Blue Sky International Holding Inc (“Blue Sky”) to fund 45.455% of initial drilling and EWT and subsequent Cadlao Oilfield Redevelopment on a Ground Floor basis.

Nido previously entered into a Farmin Agreement (“FIA”) with the Service Contract 6B (SC 6B) Joint Venture to fund 100% and Operate the Extended Well Test (EWT) and subsequent redevelopment of the Cadlao Oil Field in return for an additional 63.637% Participating Interest, bringing Nido’s total working interest in SC 6B to 72.727%. (Refer ASX release “Farmin to Cadlao Oil Development 4th March 2022).

Sagasco holds its SC 6B interest in its wholly owned subsidiary Nido and references to Sagasco in this announcement includes this subsidiary, and vice versa.

Blue Sky is working to have the Deep Venture DP2 Drillship readied for drilling wells for Nido / Sagasco and other Operators in the Philippines.



Sagasco's Acreage in the Northwest Palawan Basin, Philippines

Cadlao Resources

The independent Contingent Resources estimated for the Cadlao Oilfield located in Service Contract 6B (“**SC 6B**”) are summarized in the table below (Refer SGC ASX release “Cadlao Contingent Resources” 13 April 2022).

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 unrisksed contingent resources that have not been risksed 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 from Cadlao Oilfield

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.

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.

Cadlao Oilfield

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

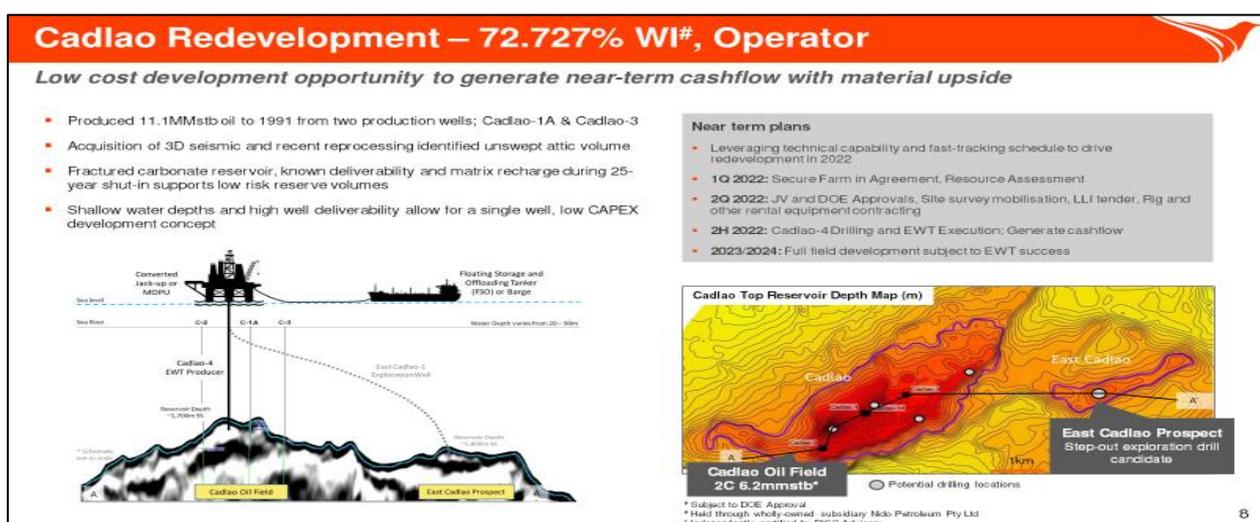
The field is a Miocene-aged carbonate pinnacle reef structure covered by recently reprocessed 3D seismic and located in water depths of 20 to 90 meters. It was discovered in 1977 by Amoco and produced 11.1 mmbbls over a 10 year period between 1981 and 1991 before being shut in while still producing 5,900 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, prior to which the Joint Venture will apply for an extension in the event commercial reserves remain to be produced.

Cadlao drilling and EWT is planned for 2022 /2023 as part of a 2-well drilling program with the Nandino Prospect in Service Contract 54 (ref Announcement "Nandino Prospective Resources Certified" dated 3 March 2022); subject to DOE and JV approvals.

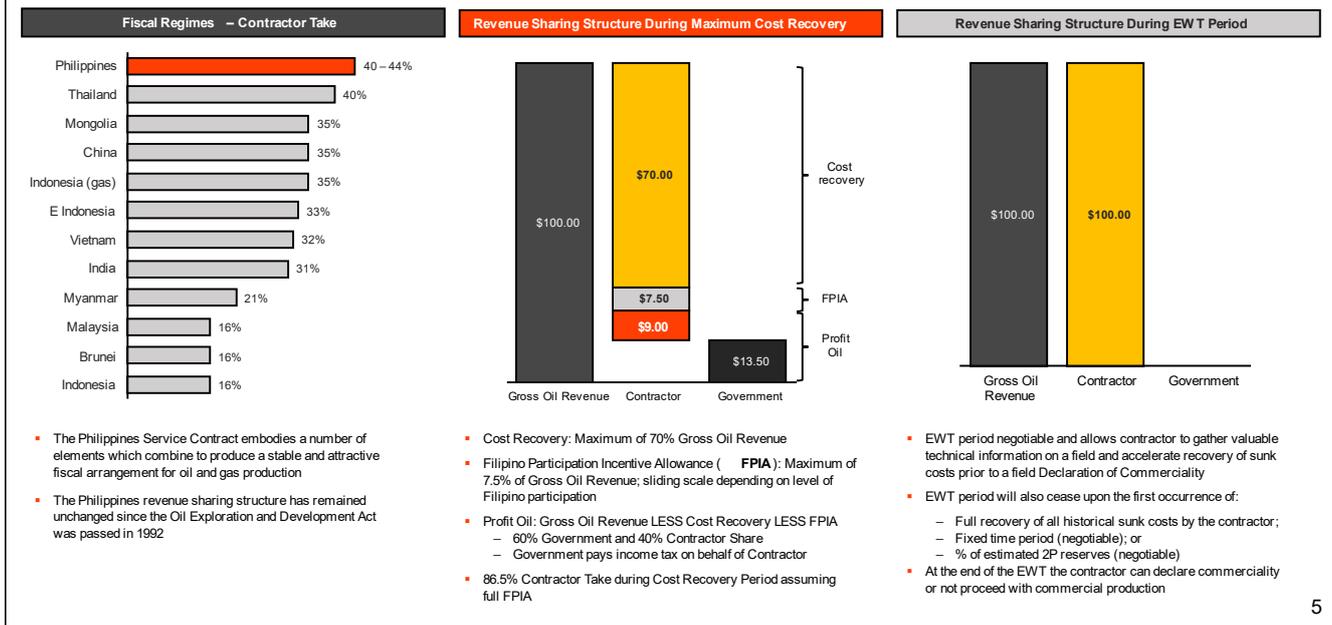
In the event of a successful EWT at Cadlao and depending upon the field data obtained, a full field development may include multiple wells with a dedicated oil production facility. The East Cadlao Prospect, which is only 3km away, may also be drilled, tested and produced from any Cadlao development.



Philippines Fiscal Terms Summary

Philippines: An energy hungry market

Stable and attractive fiscal terms – among the best in Asia



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The relevant interest changes in the Cadlao SC 6B are as follows:

Joint Venture Party	Participating Interests		Funding Interest until Commercial Production	Fiscal / Participating Interests after Funding
	Pre-FIA	Post-FIA		
Nido – post FIA Operator	9.090%	72.727%	54.545%	40.085%
Blue Sky			45.455%	31.8185%
Philodrill – pre-FIA Operator	58.182%	17.4546%		17.4546%
Oriental	16.364%	4.09092%		4.09092%
Alcorn	8.182%	2.4546%		2.4546%
Forum	8.182%	2.4546%		2.4546%
Total	100%	100%	100%	100%
Notes:				
1. FIA and transfer of Operatorship are subject to DOE approval				
2. Nido and BlueSky have preferential cost recovery rights for costs incurred before commencement of Commercial Production.				

Sagasco's Managing Director, Gary Jeffery commented:

"Nido plan to drill the Cadlao EWT well as the first well in its 2 well Philippines drilling campaign as it can provide early cash flow, and moreover is assessed as the lowest risk well.

Placing the Cadlao EWT as a priority in our planned drilling program, to be followed by a Nandino exploration well, with an EWT upon success, will make for an exciting and potentially transformational 8-month period for Sagasco and Nido in the Philippines.

"I'm delighted that we have secured this funding outcome which gives us further impetus for the potential redevelopment of the Cadlao oilfield. This is just one of a number of projects we are pursuing offshore the Philippines.

“We have initiated discussions with suppliers and have identified suitable equipment for an extended well test which if positive and confirms our modelling, will likely lead to a more comprehensive development of Cadlao Oilfield and exploration of the nearby Cadlao East Prospect.

Other prospects in the area can also then be pursued and incorporated into the production operations for the Cadlao Oilfield

All the pieces including the key team members are coming together rapidly. Shareholder will recall we have production alliances in place and an option with a potential offtaker for the oil.

The DP2 drillship Deep Venture is being prepared for drilling action in Vietnam. A short program to source critical control equipment and test key equipment for drilling is underway. The drillship provides the most flexibility for Philippines operations in that it can drill in water depth ranging from 80 metres to 1,300 metres and can carry EWT and drilling equipment and supplies, hence simplifying logistics, as well as providing options for drilling in deeper water Service Contracts, like SC-14C which includes the potential Redevelopment of the West Linapacan Oil field, and in which Nido has a Participating Interest.

The new Philippines Government have advised they are supportive of our activities, and the local community and the DOE have shown their support for early drilling offshore Palawan.”

For and on behalf of the Board of Sacgasco Limited.

Gary Jeffery
Managing Director
+61 8 9388 2654

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.

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