



Sagasco Limited

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Announcement to ASX

12 October 2022

PHILIPPINES DRILLING UPDATE

- Contract signed for Site Surveys over Cadlao and Nandino Well Locations
- DOE approved Acquisition of Site Surveys
- Site Surveys to commence in mid-November 2022
- Long Lead Items including casing and wellheads secured for drilling up to three wells
- Planning for Extended Well Tests to produce oil from drilling upon success

Sagasco Limited (ASX: SGC) (“SGC”, “Sagasco” or “the Company”), is pleased to announce an update on plans for drilling in the Philippines.

Sagasco holds its Philippines interests in its wholly owned subsidiary Nido Petroleum Philippines Pty Ltd (**Nido**) and references to Sagasco in this announcement includes this subsidiary, and vice versa.

Site Surveys in Preparation for Drilling

Nido has signed agreements to acquire drilling site surveys over the Cadlao Oilfield in Service Contract SC6B, offshore Palawan, Philippines, and the Nandino Prospect in Service Contract 54 (SC 54), offshore Palawan, Philippines.

The Department of Energy and relevant authorities in the Philippines have approved acquisition of the site surveys.

The Cassandra VI survey vessel from Hurricane Geo Inspection Survey Sdn Bhd (“**HGIS**”) will conduct the geophysical site surveys.



Cassandra VI Geophysical Survey Vessel

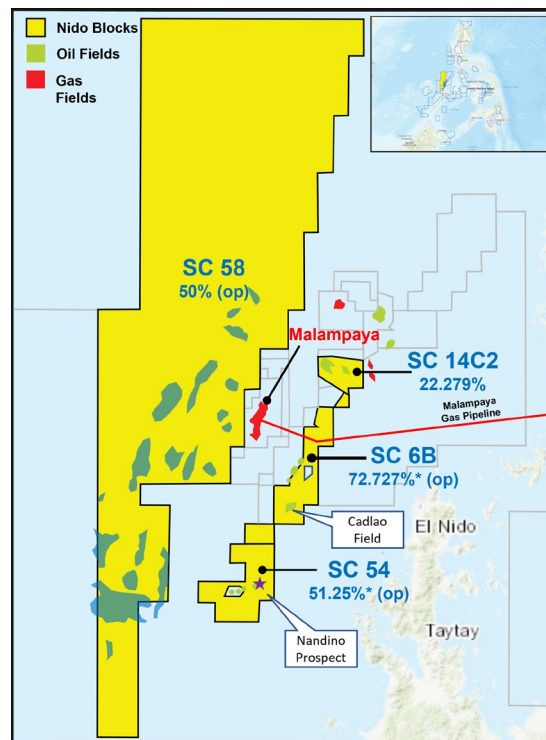
Details	Specifications
LOA	53.80 m
Beam	13.80 m
Total Berth	38 including crew compliment
Port of Registry	Kuching, Malaysia
Flag	Malaysia
Class	America Bureau of Shipping (ABS)

The site surveys are planned to commence in mid- November 2022.

Nido has completed field work for baseline environmental survey around the proposed drill sites and is awaiting final reports.

The site surveys provide the option for drilling of the wells using either the Deep Venture drillship or an alternative Jack Up rig.

Nido is planning to begin drilling offshore the Philippines in early 2023. Successful drilling would allow early production of oil under a Phase One development program using an Extended Well Test, subject to DOE approval.



Sagasco's Acreage in the Northwest Palawan Basin, Philippines

Cadlao Oilfield

Nido entered into a Farm In 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 "Farm In to Cadlao Oil Development 4th March 2022).

As previously announced Sagasco, 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.

Nandino Exploration / Appraisal

TG World (a wholly owned subsidiary of Blue Sky Resources) agreed to a farm in to Nido and Yilgarn interests to fund 72.5% of the drilling costs of Nandino 1 to earn an additional 36.25% participating interest in SC54. Refer Sagasco ASX announcement "Nandino Prospect Farmout" dated 10 March 2022.

Drilling Preparations

Most of the Long Lead Items (LLI) including casing and wellheads for drilling Cadlao and Nandino were secured by the purchase of the drilling equipment announced in Sacgasco's ASX Release "Philippines Acquisition Update" -14 June 2022. The first three payment instalments for the LLI have been made.

Nido also has participating interests in service contract SC14C2 offshore Palawan. This SC contains the West Linapacan A Oilfield and West Linapacan B oil discovery which are candidates for drilling and production.

Joint venture participant and farminee Blue Sky is working to have the Deep Venture DP2 Drillship readied for drilling wells for Nido / Sacgasco and other Operators in the Philippines. Nido is also actively seeking a Jack Up drilling rig for planned Philippines drilling and production operations

Nido has alliances for production and marine services to support its operations in the Philippines.

Sacgasco's Managing Director, Gary Jeffery commented:

"It is very satisfying to see the pieces including the key team members coming together rapidly.

Our meetings in Manila with The Philippines Government officials were very encouraging and it is wonderful to see Philippines President Marcos taking an interest in Sacgasco / Nido's activities, particularly through an article released by The Philippines News Agency (PNA) a Republic of the Philippines official web-based newswire service on 11 October 2022:

Shareholders are encouraged to revisit my presentation to The Good Oil Conference in Perth in early September where I outlined the commitments from President Marcos to the local Oil and Gas industry.

Our meetings with Government Officials, Service Contract participants, finance and banking officials in Manila strongly showed that the new government understands the challenges ahead for energy supply in the Philippines and are actively encouraging support for those companies like Nido that are willing to invest and make projects happen.

The opportunities are there and Nido has a good track record of delivering.

I am eagerly looking forward to implementing our high impact drilling program in the Philippines."

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.

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