

WEBINAR PRESENTATION

Sacgasco Limited

May 2022

ASX: SGC

OTCQB: SGCSF



Why?

Sacgasco Limited

Gary Jeffery

May 2022

ASX: SGC

OTCQB: SGCSF

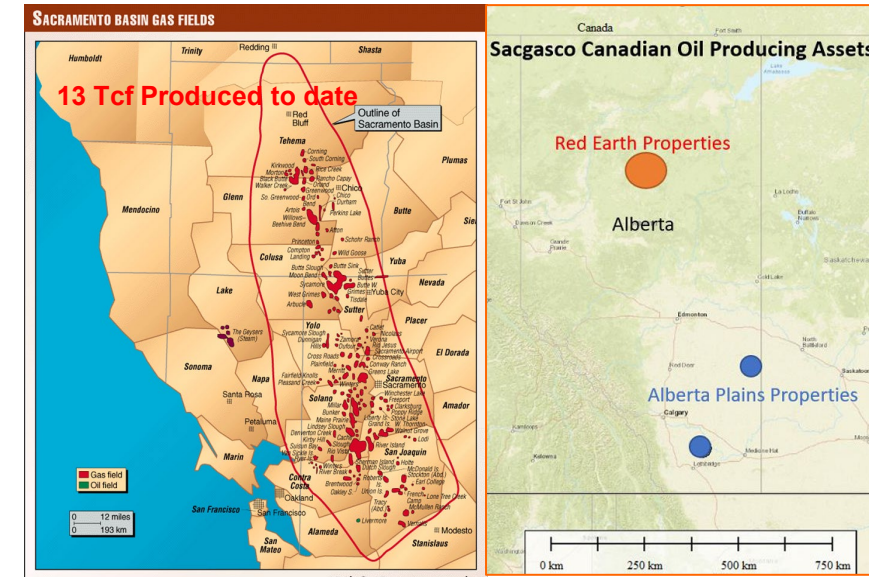


High Conviction Oil & Gas Assets in Philippines and North America

1 Primed for Discovery: Game -changing opportunities in energy hungry markets

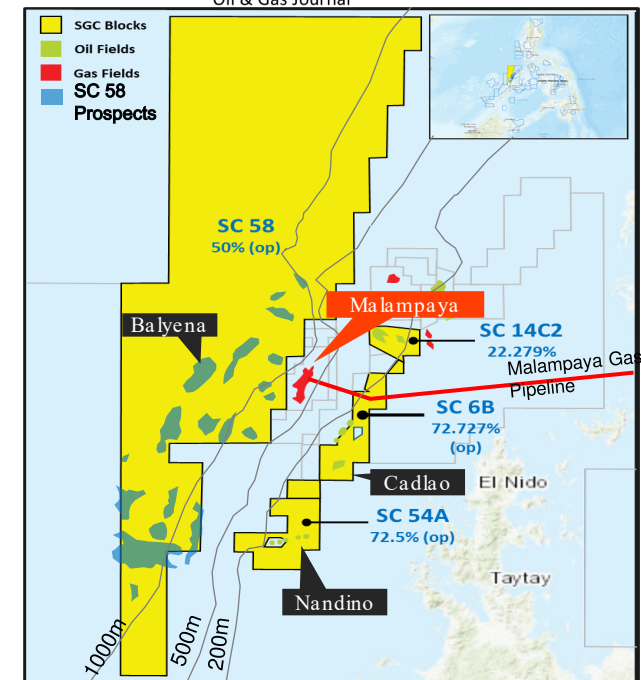
- Combined 5 million acres to explore across Philippines and North American portfolios
- Discovered reserves to underpin growth strategy
- Control through operatorship, high working interests, aligned and proactive JVs
- Accelerate cashflow to underwrite activity
- Unrecognized Value*: (Compare with A&M Transaction Value Reports)
 - SGC Market Cap per Flowing BOEPD - US\$ 18,000 (Av Q4 '21 US\$42,000#)**
 - SGC Market Cap per 2P Reserve BOE -US\$ 3.60**

*Includes Zero Value for "Listed Shelf", "Contingent Resources" in Cadlao; "Prospective Resources" in Nandino or elsewhere; or California (incl Borba) Gas
 # ERCE M&A Report: [Global Upstream M&A Tracker Q4 2021 | Oil & Gas Operations Support \(erce.energy\)](#)



2 Offshore Philippines: Low risk / high volume exploration and development

- Approx. 3.6 million acres and discoveries in the Palawan Basin – proven petroleum province
- 2 well 2022 drilling program planned at Nandino (2:1 Carry) and Cadlao
- \$2.9 million funding secured to accelerate drilling program
- Philippines offers the best fiscal terms in Asia
- Low CAPEX development strategies and opportunities, incl Extended Well Tests
- Multiple near-term cash flow generating opportunities and huge exploration upside



3 Solid Oil and Gas Reserves and Production (Canada)

- Aligned operator – cashflow from production
- Sagasco net production: ~470 BOEPD
- Recent drilling of oil development wells in Albert Plains Assets
- Significant low-cost exploration and production upside



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BARGAIN BARREL

2 Saccgasco (ASX:SGC)
MC: \$13.5m

During the December 2021 quarter, Saccgasco reported oil and gas production of 35,071 boe to generate revenue of \$796,000, up about 33% on the previous quarter.

It's also participating in three oil development wells at Alberta Plains. These are estimated to cost \$2.7m (\$540,000 net to Saccgasco) and expected to increase production by 40 boe per day.

At the reference price of US\$85/bbl, production could pay back capital and operating expenditure in less than 12 months.

4 SUB-\$25M
MARKET
CAP OILIES

With oil prices likely to remain elevated for some time to come, companies with existing production will enjoy their time on the market.

But there are still a few junior oil producers with market caps below \$25m.

BARGAIN BARREL

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1 Winchester Energy (ASX:WEL) MC: \$20m
Winchester produced 9,278 barrels of oil equivalent (boe) during February and pocketed a tidy \$1.09m in gross revenue based on an average received price of US\$91.75 per barrel. The company's specialty is its extremely low operating costs of about US\$4.04 per barrel. It also has high hopes for secondary exploitation of the Varrn oil field, which produced 1.4 million barrels between the 1950s and 1984.

2 Saccgasco (ASX:SGC) MC: \$13.5m
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3 Whitebark Energy (ASX:WBE) MC: \$12.75m
During the December 2021 quarter, the company produced an average of 208boe/d from Wizard Lake. Upcoming activity includes drilling the Wizard Lake Rex-4 development well that is expected to produce 300 boe and 1.4 million cubic feet of gas per day initially before declining to 85bpd and 630,000 cubic feet per day over the first 12 months. Payback is expected in just five months.

4 Lion Energy (ASX:LIO) MC: \$21.75m
Lion has a 2.5% interest in a contract on Seram Island, Indonesia, that has yielded crude oil production of more than 19 million barrels since January 2003. During the December quarter, the company's share of production from Oseil was 3,324 barrels. However, Lion's planning and negotiating for a 200km seismic program at its 60% owned East Seram PSC. Happily, most of the planned work will be funded by its partner OESC.

Philippines

Sacgasco Limited

Marshall Hood

May 2022

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Redefining Sacgasco In the Philippines

A transformational strategy – contributions from the Philippines

1 Large land holding with significant growth potential

- Approx. 3.6 million acres in Palawan Basin*
- Existing discovered reserves to underpin growth strategy
- Game-changing exploration upside opportunities

2 Very attractive fiscal regime and operating environment

- Best fiscal terms in Asia
- Proactive regulator, low CAPEX development opportunities

3 Strong market dynamics

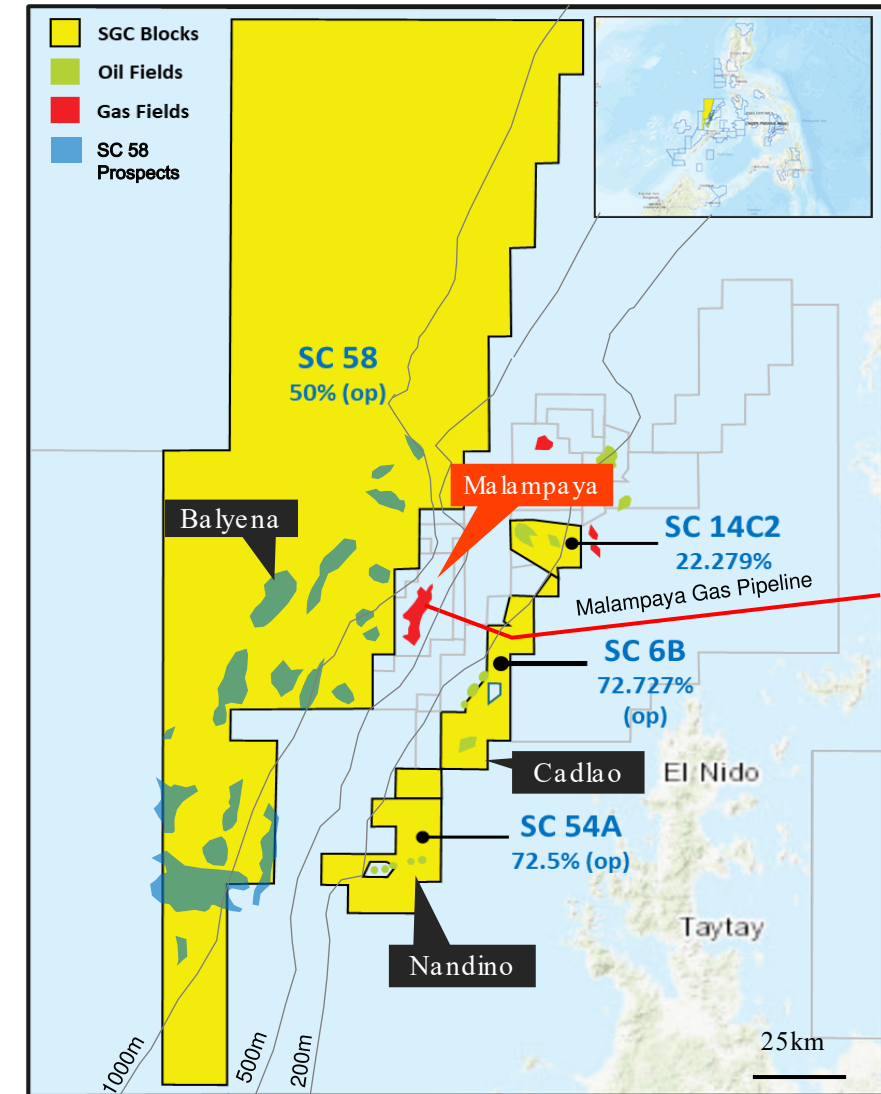
- Oil price on a big run
- Declining Malampaya gas production leaving a gap in the local energy market

4 Fast tracking organic strategy in strong oil price environment

- Control through operatorship, high working interests
- Accelerate cashflow to underwrite activity

5 Highly credentialed team with in-country experience

- Proven track record of delivering projects and generating value



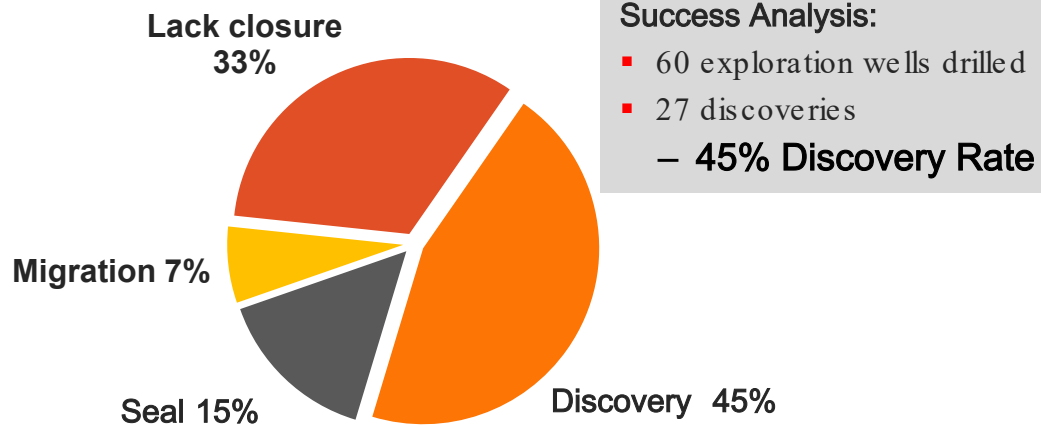
* Service Contracts held through wholly-owned subsidiaries Nido Petroleum Pty Ltd and Yilgarn Petroleum Pty Ltd

Northwest Palawan Basin, Philippines

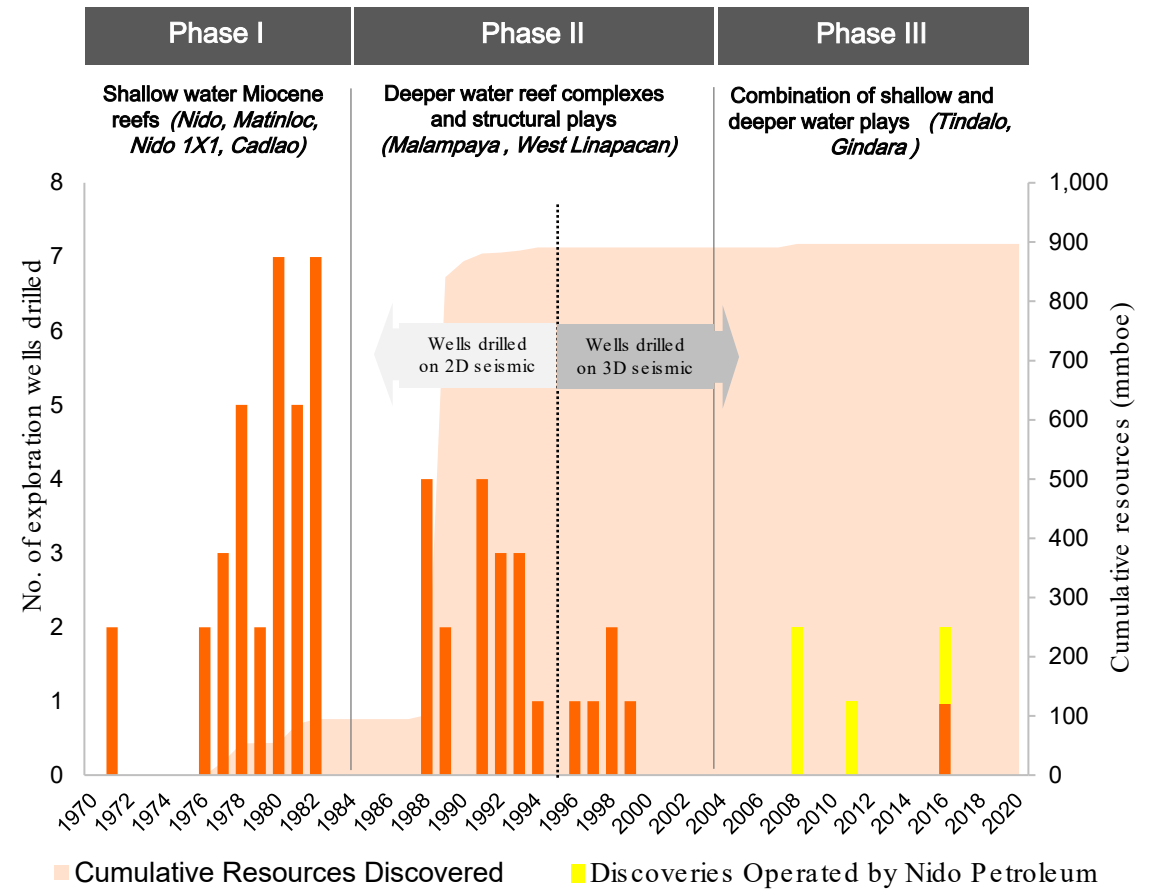


Prolific petroleum province lacking activity and investment

- NW Palawan Basin has discovered resources of 897mmboe*
- Minimal exploration over the last 20 years; 4/5 exploration wells drilled by Nido – all discoveries
- Historically, lack of closure has been interpreted to be the primary reason for failure
- Technological advancements in seismic acquisition and processing can now reduce this risk
- 'Phase IV' exploration requires new investment



NW Palawan Basin Discovery History – 45% Discovery Rate



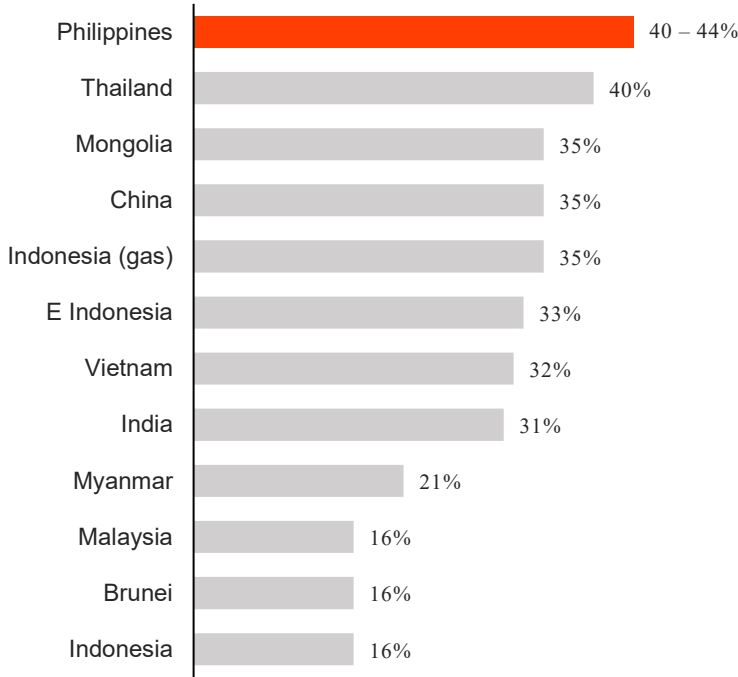
Significant resources remain but require investment

Philippines: An energy hungry market

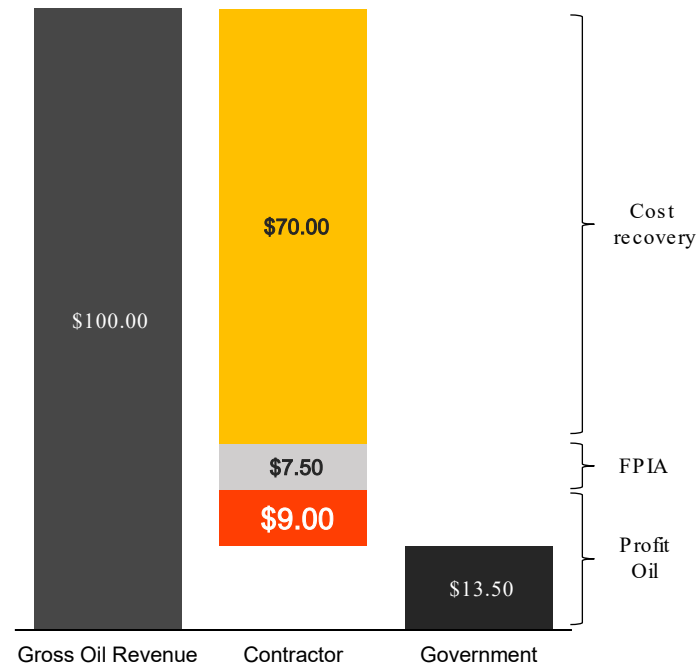


Stable and attractive fiscal terms – among the best in Asia

Fiscal Regimes – Contractor Take



Revenue Sharing Structure During Maximum Cost Recovery



Revenue Sharing Structure During EWT Period



- The Philippines Service Contract embodies a number of elements which combine to produce a stable and attractive fiscal arrangement for oil and gas production
- The Philippines revenue sharing structure has remained unchanged since the Oil Exploration and Development Act was passed in 1992

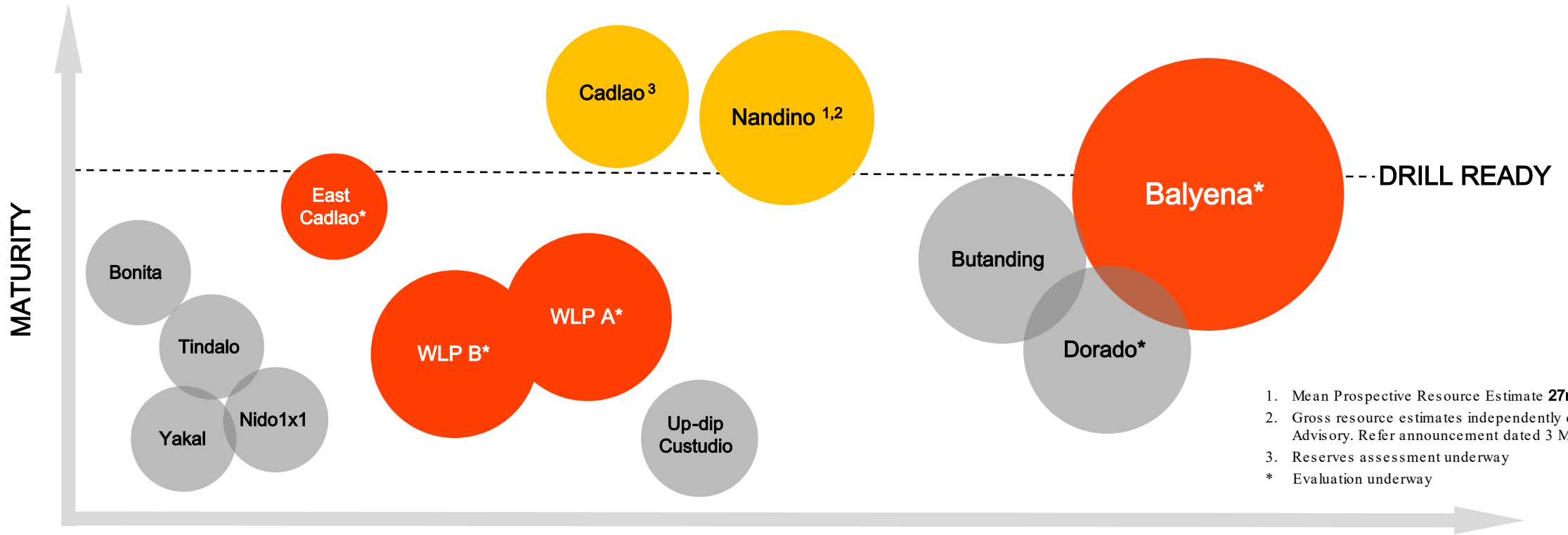
- Cost Recovery: Maximum of 70% Gross Oil Revenue
- Filipino Participation Incentive Allowance (FPIA): Maximum of 7.5% of Gross Oil Revenue; sliding scale depending on level of Filipino participation
- Profit Oil: Gross Oil Revenue LESS Cost Recovery LESS FPIA
 - 60% Government and 40% Contractor Share
 - Government pays income tax on behalf of Contractor
- 86.5% Contractor Take during Cost Recovery Period assuming full FPIA

- EWT period negotiable and allows contractor to gather valuable technical information on a field and accelerate recovery of sunk costs prior to a field Declaration of Commerciality
- EWT period will also cease upon the first occurrence of:
 - Full recovery of all historical sunk costs by the contractor;
 - Fixed time period (negotiable); or
 - % of estimated 2P reserves (negotiable)
- At the end of the EWT the contractor can declare commerciality or not proceed with commercial production

Multiple opportunities for rapid growth



An array of options with potential for near -term, value creation



1. Mean Prospective Resource Estimate **27mmbls #**
2. Gross resource estimates independently certified by RISC Advisory. Refer announcement dated 3 March 2022
3. Reserves assessment underway
- * Evaluation underway



Accelerate low -risk value adds (2022)

- Drill 27mmbbl Nandino Prospect
 - Up-dip and on-trend from 5 oil field “string of pearls”
 - Optional EWT in the event of a discovery
- Fast-track development at Cadlao discovered resources
 - Low risk; discovered reserves with production history
 - Material cashflow in attractive macro environment
 - Underwrites future activity

VALUE POTENTIAL



Scale up (2023 -24)

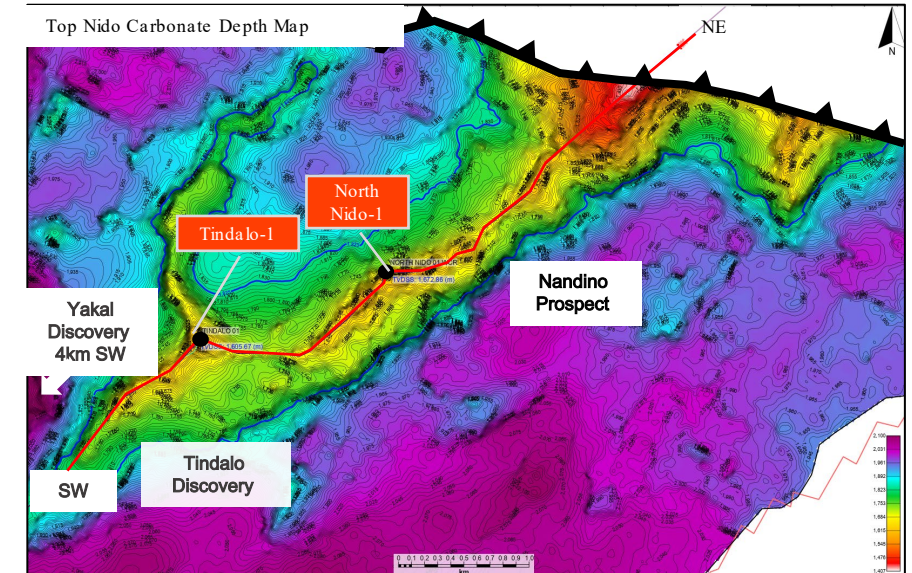
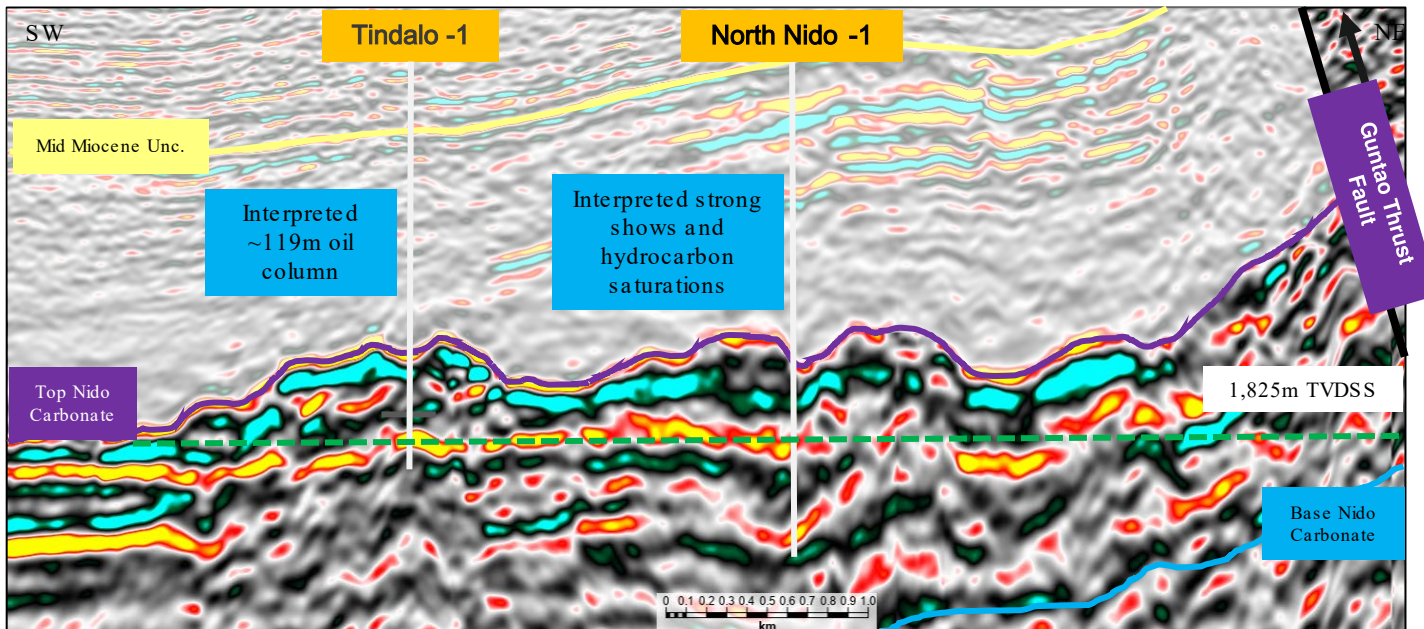
- “Game Changer” exploration in SC58 possible
 - Farmout and Drill
- Monetise discoveries & proven reserves
 - Cadlao & Nandino full field developments (subject to EWT success)
 - Re-establish production at W. Linapacan + other discovered oil

Nandino Prospect – 72.5% WI#, Operator

Low risk / high volume potential. Proven oil at Tindalo, Yakal and North Nido de -risks up -dip Nandino Prospect

Nandino Prospect – top ranked drill candidate in SC 54

- Three way dip closure Miocene-aged carbonate pinnacle reef with material volume upside
- Clustered and minimalist development options available given shallow water depths and proximity to other discoveries on trend
- Prospect and Drilling Proposal submitted to DOE for approval
- LLI tender 2Q 2022; drilling location to be finalised Q2 2022
- 2 for 1 farmout secured for funding



Gross Un-risked Prospective Resources (million barrels oil)*		
	In Place	Recoverable
P90	24.2	6.6
P50	75.3	21.9
P10	175	54.2
Mean	91	27.3
Geological Chance of Success (GCOS)*		25%

Subject to DOE Approval of Blue Sky International Farmin

Held through wholly-owned subsidiaries Nido Petroleum Pty Ltd and Yilgam Petroleum Pty Ltd

* Independently certified by RISC Advisory – Refer to ASX Announcement 3rd March 2022



Cadlao Redevelopment – 72.727% WI#, Operator

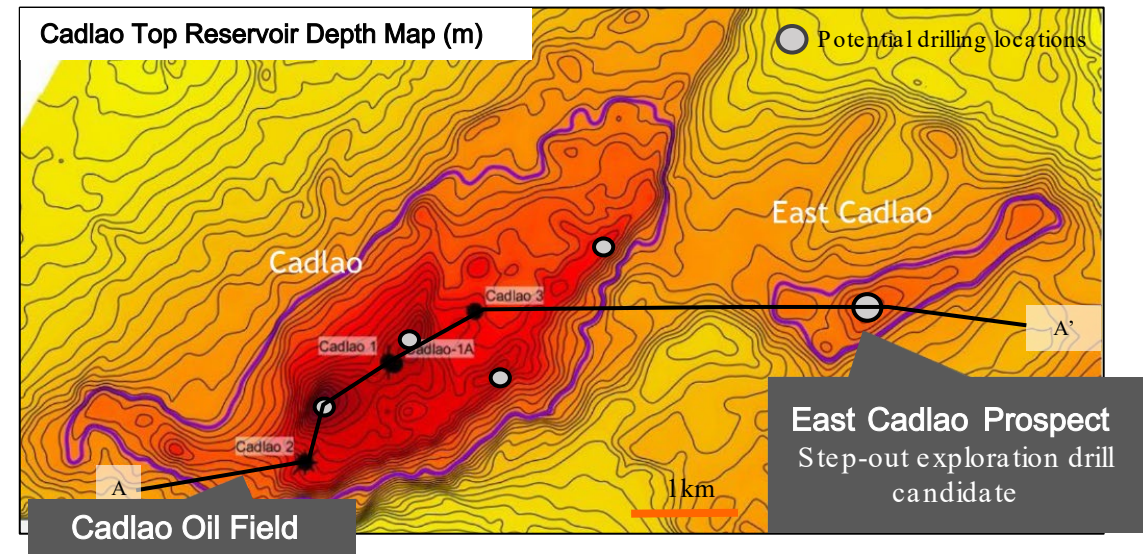
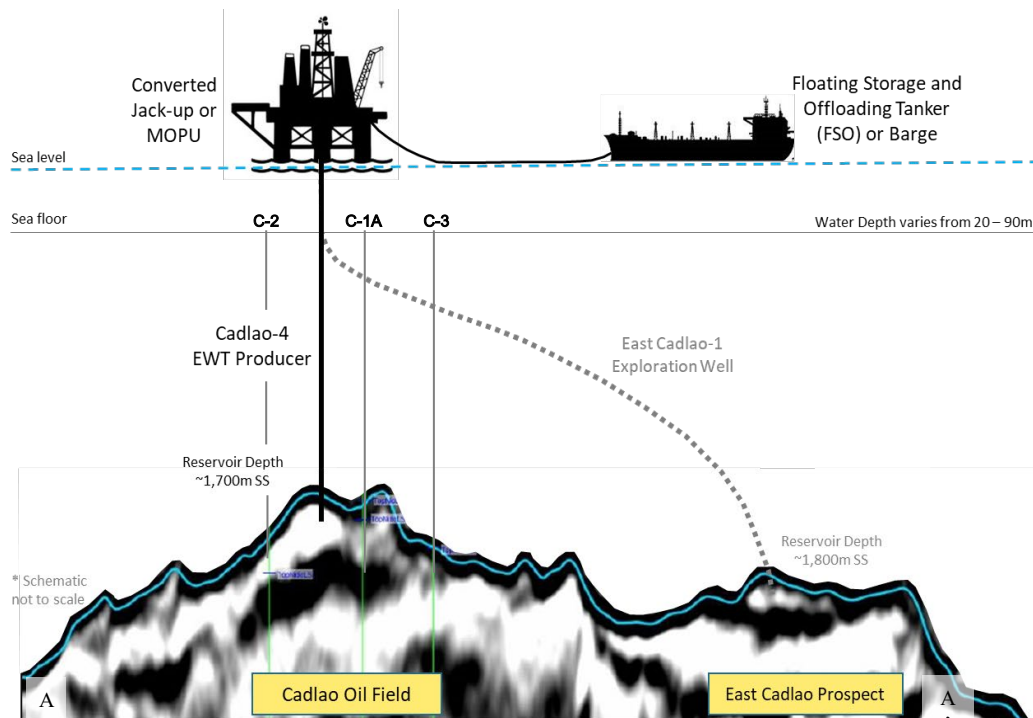


Low cost development opportunity to generate near -term cashflow with material upside

- 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, Resource Assessment Completed
- 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



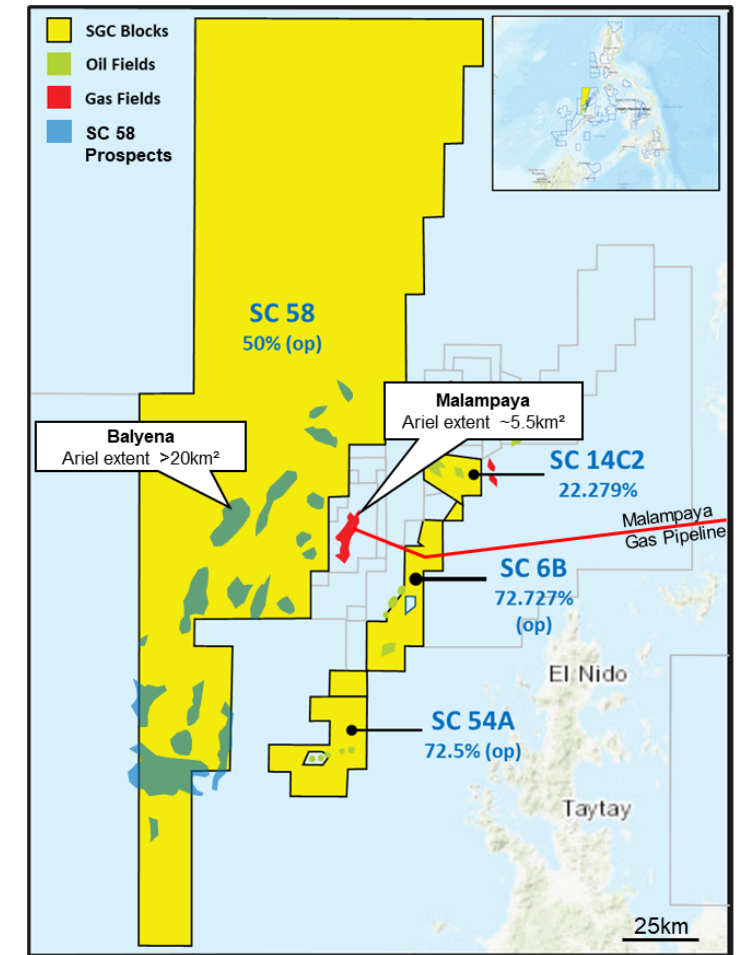
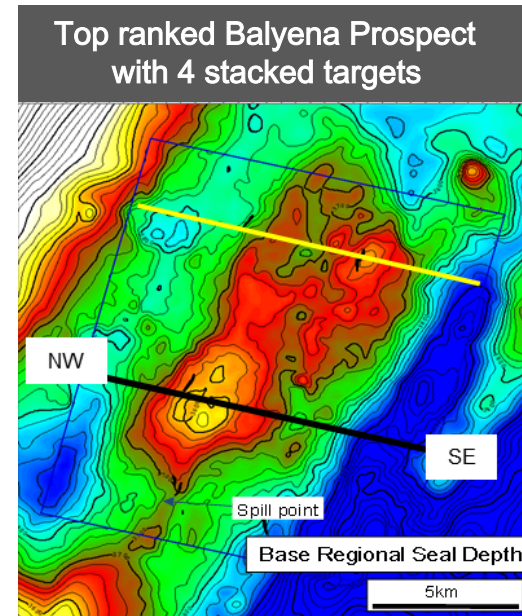
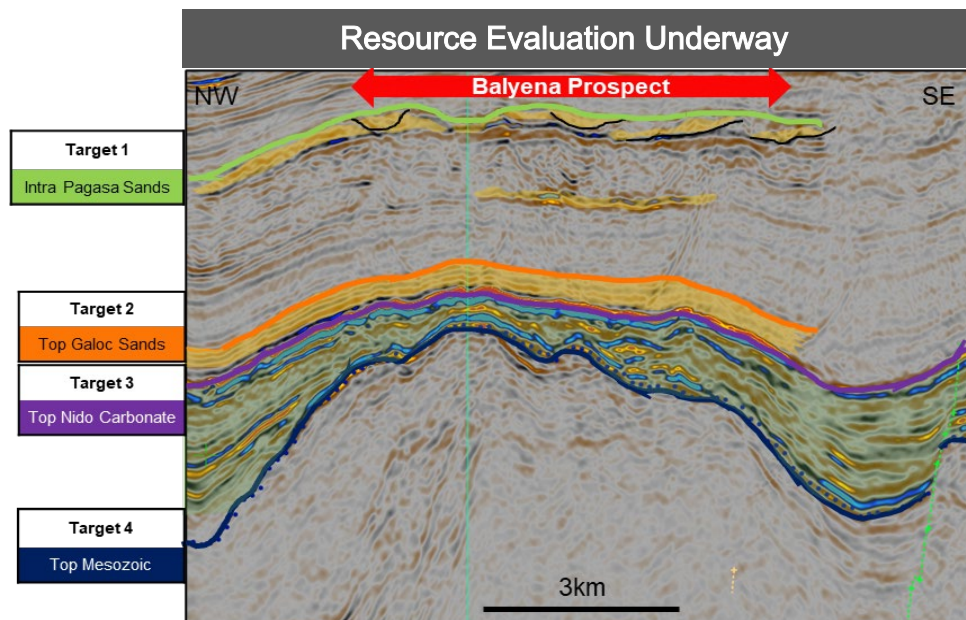
	1C	2C	3C
Gross Contingent Resources	4.5	6.2	8.2
Net Contingent Resources [#]	3.3	4.5	6.0

Subject to DOE Approval of Farm in
 # Held through wholly-owned subsidiaries Nido Petroleum Pty Ltd
 * Independently certified by RISC Advisory – Refer to ASX announcement 13th April 2022

Elephant Country SC58 – 50% WI#, Operator

Game changing play -opener; one of the last undrilled deep -water play fairways in SE Asia

- 13,440 km² contract area covering highly prospective deepwater extension of NW Palawan Basin
- 50% participating interest and operatorship – Service Contract currently under Moratorium
- 10+ matured prospects identified on high quality 2D and 3D seismic datasets
- Multiple stacked targets drillable from same location
- Immediately outboard of the Malampaya Gas Field (3.2 Tcf)
- Hydrocarbons recovered from seabed cores confirmed extension of source kitchen into SC 58



Held through wholly-owned subsidiaries Nido Petroleum Pty Ltd

Opportunities to monetise commercial discoveries through existing Malampaya gas field facility and infrastructure

Significant near -term news flow



Significant activity and accelerated schedule targeted over the next few months

	Q1 2022	Q2 2022	
SC 6B WI 72.727%*	\$ JV Approval of Farm -in	\$ Commitment to LLI \$ Cadlao 2C Resources Certified \$ DOE Approval of Drilling & EWT Proposal \$ Contract Drilling Rig \$ DOE Approval of Farm In \$ Site Survey \$ Contract EWT Equipment	\$ Mobilise Rig \$ Spud Cadlao-4
SC 54 WI 36.25%^	\$ Nandino Prospective Resources \$ Blue Sky 2:1 Option Exercised	\$ Commitment to LLI \$ Final Well Location Selection \$ DOE Approval of Drilling Proposal \$ Contract Drilling Rig \$ Site Survey \$ Contract EWT Equipment	\$ Mobilise Rig \$ Spud Nandino -1
SC 58 WI 50% earned following drilling of Sub Phase 3 well		\$ Prospective Resources Assessment	
SC 14C2 WI 22.228% Redevelopment discussions	\$ West Linapacan B Resource Assessment	\$ Development concept and further resource studies	\$ Secure farm-in

\$ Value Drivers

\$ Operational Activity

^ Subject to DOE approval of Blue Sky Farmin

* Subject to DOE approval of Nido Farmin

North American asset base: Alberta

Alberta, Canada

- Aligned operator
- Cash flow from production
- Sargasco net production: 472 BOEPD (86% oil)
- Production upside initiatives underway
- Infrastructure rich
- Proved undeveloped upside- 3 wells drilled
- Exploration upside
 - Anomalous helium
 - Hydrogen potential through oil well re-purposing

Canada Oil and Gas Reserves ^{1,2} (Net to SGC After Royalty)	Canada Total
Proved Reserve (MBOE) ²	1.6
Proved Plus Probable Reserve (MBOE)	2.4

Note 1: Refer to SGC 2021 Annual Report for calculation methodology and details

Note 2: Gas converted to BOE using 6:1 ratio



North American asset base: California



Sacramento Basin, California

- Operated by Sacgasco
- Gas wells producing cash flow
- Located close to infrastructure
- Monetising Borba 1-7 and shut-in pay
- New proprietary geophysical data with
- Exploration targets upside
- Natural gas important as a transition fuel
- Premium price environment-
- Undersupplied market
- Business growth options

California Government took initiatives to safeguard energy grid, installing four new gas-fired generators in Northern California

3 September 2021





Questions

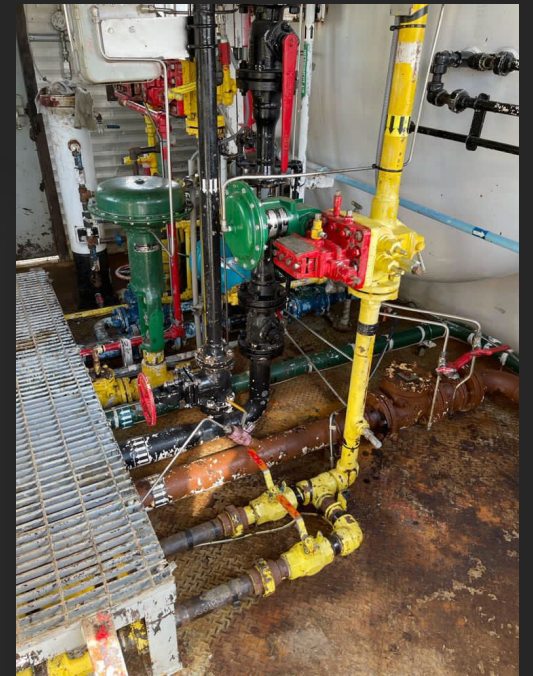
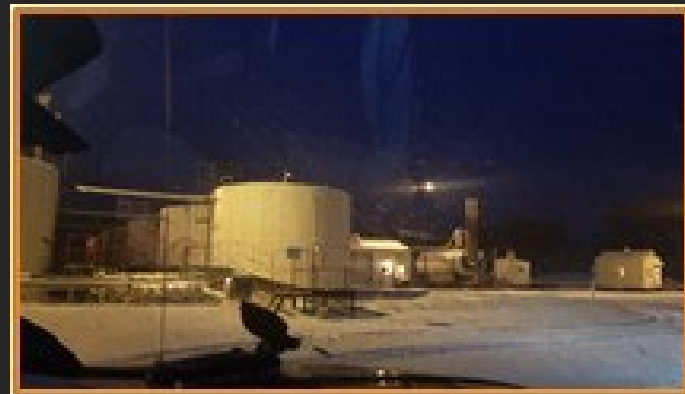
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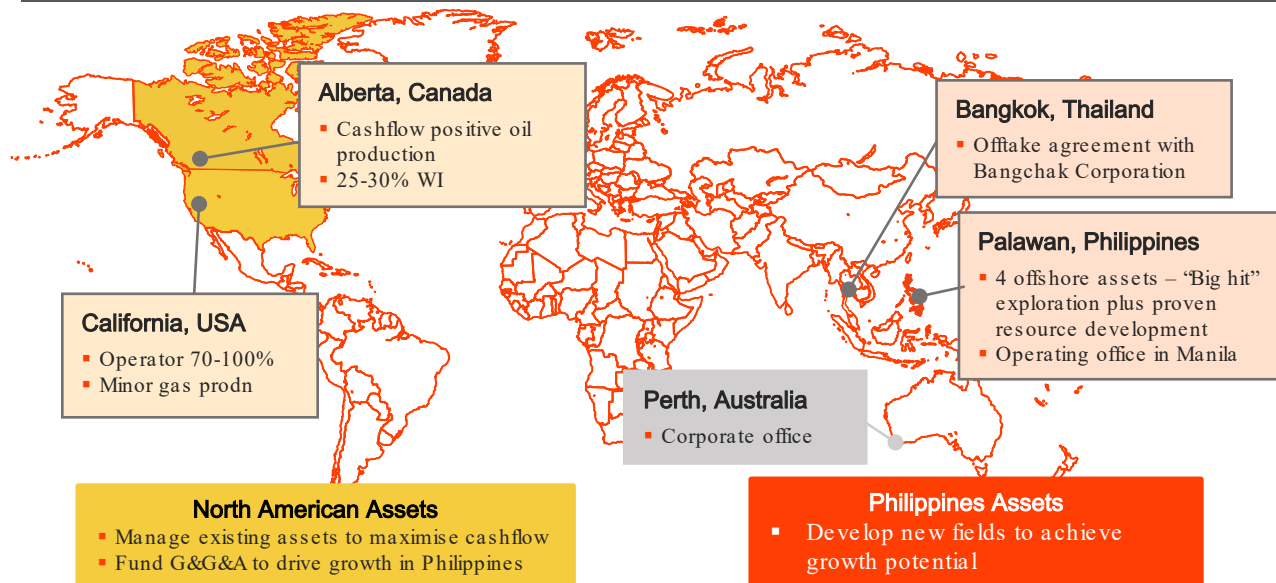




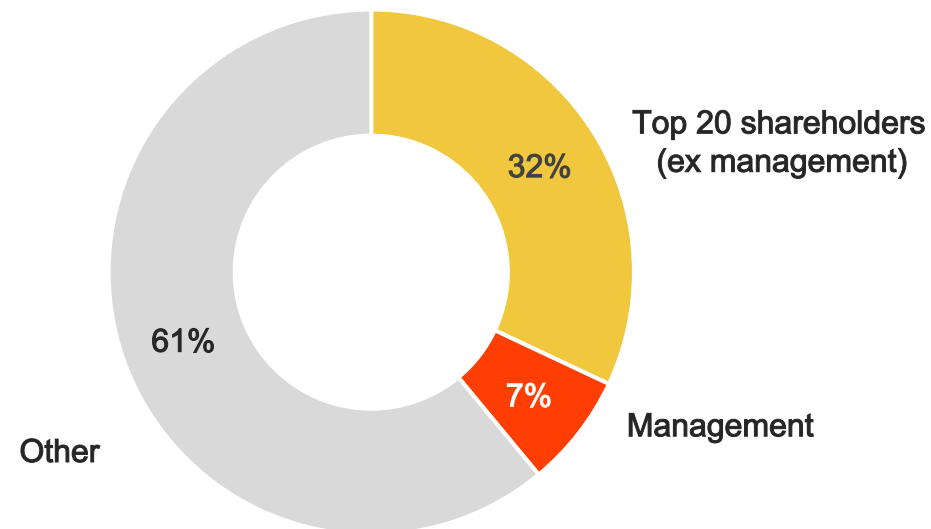
Attachments



Asset base



Share register composition



Share price performance



Capital structure

Ticker	ASX: SGC OTCQB: SGCSF
Shares on issue	603,742,125
Unlisted options (expire 2022-2024)	35,250,000
Cash (30/4/21)	~A\$4.0 M
Market capitalisation (04/5/22)	A\$13M

Board and Management



Experienced Board and management team with significant Philippines E&P experience

BOARD

SENIOR MANAGEMENT



Andrew Childs
Chairman

- 40+ Years in oil and Gas and Resources
- Non-Executive Director, ADX Energy
- Executive Director Xstate Resources
- Principal, Resource Recruitment
- Appointed Director in November 2008
- Became Chairman in January 2009



William Ashby
Director

- 38 years in oil, gas, E&P
- 15 years based in SE Asia
- Small and mid-cap ASX experience
- Experience in finding and developing discoveries, project developments



Gary Jeffery
Managing Director

- 49+ years in E&P, mining and utilities sector for companies worldwide
- Director public companies in Australia, Uganda and Canada
- International consultancy in energy and resource sectors
- BSc Geology & Geophysics, University of New England



Marshall Hood
Philippines Asset Manager

- 18 years in technical and operational experience in oil and gas and other energy related sectors
- Most recent role was Chief Operating Officer for Nido and responsible for technical and operational matters for Bangchak Corporation's upstream oil & gas investments
- BSc Geophysics, Curtin University (FC honors)

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Sargasco Limited (ASX: SGC) (“**SGC**”, “**Sargasco**” or “**the Company**”) is an Australia-based energy Company with project areas in California, Canada and the Philippines

PHILIPPINES

Currently, the Company is engaged in Exploration & Production activities in the Philippines through its wholly owned subsidiaries, Nido Petroleum Philippines Pty Ltd (“**Nido**”) and Yilgarn Petroleum Philippines Pty Ltd (“**Yilgarn**”). SGCs subsidiaries own the following participating interests in the following SCs:

Service Contract No	Nido Participating Interest	Yilgarn Participating Interest	SGC Consolidated Interest
SC 6B	72.727%*	-	72.727%
SC 14C2	22.88%	-	22.88%
SC 54	21.2%^	15.05%^	36.25%
SC 58	50%°	-	50%

Nido is Operator of SC 54 and SC 58, and SC6B*:

In this presentation, reference to the Company is a reference to and includes its wholly owned subsidiaries, Nido and Yilgarn

*Subject to Philippines DOE approval of SC6B Farmin

^Subject to Philippines DOE approval of SC54 Farmout

°Subject to satisfying Sub Phase 3 SC58 commitments

INVESTOR PRESENTATION

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