



# Sacgasco Limited

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Announcement to ASX

14 June 2022

## Philippines Acquisition and Update

- **Additional 15% interest acquired in SC54 (including drill ready Nandino Prospect)**
- **Preparations for Drilling Nandino and Cadlao continue**
- **Signed Formal Agreement to buy Drilling Long Lead Items**
- **Nido Limestone Reservoir Studies progressing**

Sacgasco Limited (ASX: SGC) (“Sacgasco”, “SGC” or “the Company”) is pleased to advise that it has acquired (through its wholly owned subsidiary Nido Petroleum Philippines Pty Ltd) an additional 15% participating interest in Service Contract 54 (“SC54”) in the oil and gas rich offshore Palawan Basin, Philippines.

Sacgasco’s wholly owned subsidiary, Nido Petroleum Philippines Pty Ltd. (“Nido”), is the Operator of SC54. The additional 15% interest was acquired from the receiver appointed to handle the default of participant Halo BV SC54 (“Halo”) in SC54. Nido will pay US\$126,624 to remedy the default and henceforth have unencumbered title to an additional 15% interest in SC54, which includes the Nandino Oil Prospect and Nido Limestone hosted oil discoveries at Tindalo, Nido 1X and Yakal.

The forward work program for SC54 includes preparation for drilling and testing along with Geological and Geophysical Studies (“G&G”) focused on Carbonate Facies Modelling to assist the decision to select the optimum location for drilling the Nandino Prospect.

Sacgasco (Nido) has previously announced a sale of 12.5% participating interest to Blue Sky Resources Ltd (Refer ASX release “SC54A Asset Sale and Farmin” dated 20 December 2021).

Sacgasco (Nido) also previously announced a farmout of 36.25% of its interest on a ‘2 for 1 carry’ basis to Blue Sky Resources Ltd (Refer ASX release Nandino Prospect Farmout on 10 March 2022). Farmout is subject to normal regulatory approvals.

After the current acquisition the Participating (Paying) Interests in SC54 are:

	Before farmout SC54 Interest	Paying Interest During Nandino Well	After farmout Interests
Nido Petroleum Philippines Pty Ltd and Yilgarn Petroleum Philippines Pty Ltd (Sacgasco wholly owned subsidiaries) - Operator	72.5%	15%	51.25%
TG World (BVI) Corporation (Blue Sky Resources Subsidiary)	12.5%	85%	48.75%
HALO SC54A BV	15%	-	-
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

As previously forecast (ASX release “Philippines Drilling Update” dated 30 May 2022), SGC subsidiary Nido Petroleum Philippines Pty Ltd has now signed a formal acquisition agreement 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:

- i. US\$0.4M to be paid within seven (7) days of execution of the formal purchase agreement (“**Agreement Date**”)
- ii. US\$0.5M to be paid within ninety (90) days after Agreement Date; and
- iii. 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.



**Part of LLI purchased for Drilling in the Palawan Basin**

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

*“I continue to be very pleased with the progress being made on our Philippines Assets. With the assistance of our in-country personnel and our drilling and production alliance partners we are forging ahead with our drilling and Phase 1 Production (Extended Well Test) Plans.*

*The purchase of the drilling Long Lead Items is invaluable as supply lines are getting stretched.*

*The simplification of the Nido Service contract participants and the ‘can do attitude’ of our farmin joint venturer is placing Sacgasco in a prime position to provide its stakeholders with rewards from the rich oil resources offshore Palawan in the Philippines.*

*We will continue to provide updates as we progress towards our drilling our high graded targets.”*

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

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

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***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 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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