FINANCIAL REPORT

For the half-year ended
30 June 2023

SACGASCO LIMITED
ABN 83 114 061 433

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DIRECTORS' REPORT

Your directors submit the Interim Report of the Group comprising Sacgasco Limited ("the Company", "SGC" or "Sacgasco") and its controlled entities ("the Group") for the half-year ended 30 June 2023. To comply with the provisions of the *Corporations Act 2001,* the Directors report as follows:

DIRECTORS

The names of the Directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

		Appointment / Period of Directorship
J.L. Kane Marshall	Managing Director	17 July 2023
Gary Jeffery	Technical Director	17 July 2023 Managing Director from 24 October 2013 to 17 July 2023
Andrew Childs	Non-executive Chairman	25 November 2008
William Ashby	Non-executive Director	6 April 2022

REVIEW OF OPERATIONS

This half-year, together with the subsequent events referred to in this report, address the focus on growth opportunities for the Sacgasco Group of companies. In the last two years Sacgasco transformed into a broader based Exploration & Production (E&P) company with a view to accessing cashflows from oil and gas production to underpin development and exploration projects in Canada and California, and to contribute to maturing development and exploration projects in the Philippines.

The Group is working on projects with material near term upside and manageable funding risks in jurisdictions with infrastructure to enable accelerated monetisation of discoveries.

HIGHLIGHTS

North America – Exploration and Producing and Development Properties

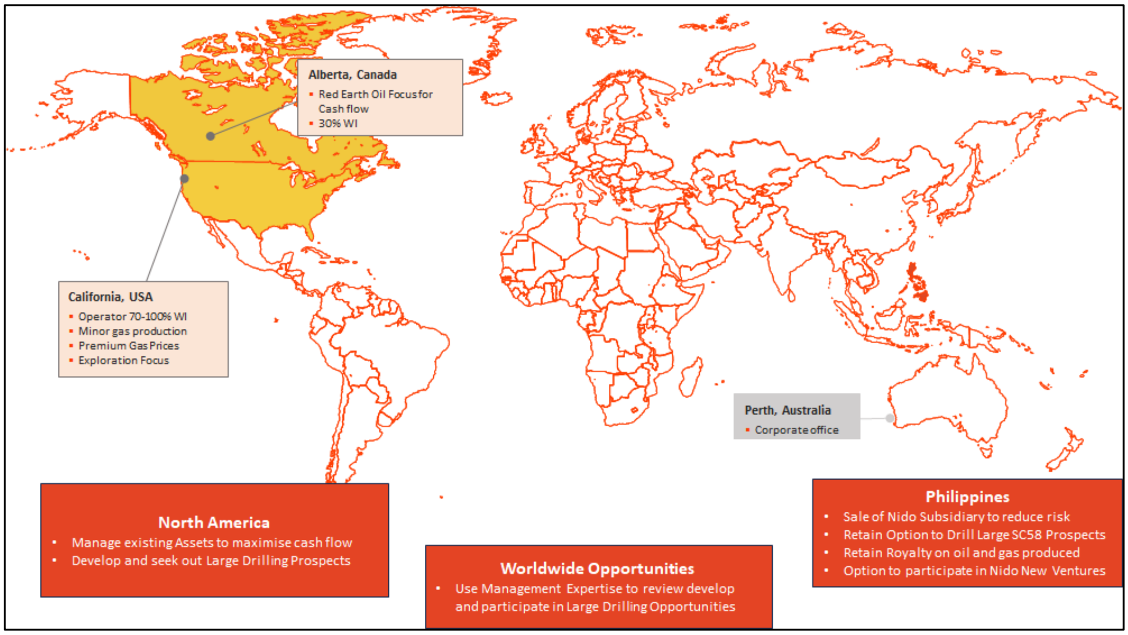
- Total net production from Canadian assets (before royalty) of 154,445 BBL;
- SGC share of oil production in Canada was 46,333 BBL equating to an average of 256 BOPD for the period; and
- SGC share of gas flows in California was 241 MCFPD, with premium gas prices during the June 2023 half-year and continuing.

Philippines - Exploration and Development

- Philippines National Oil Company ("PNOC") Exploration Corporation Letter of Intent to Farmin to SC6B (Cadlao Field);
- Cadlao Oil Field Redevelopment targets a resource of 6.2 million barrels of (2C);
- Cadlao Drilling and Extended Well Test ("EWT") planning for 2023/24 drilling;
- Completed interpretation of Geophysical Site surveys over the Cadlao Oil Field in SC 6B, and the Nandino Prospect drilling locations in SC 54 in readiness for drilling;
- Deep Venture drillship being prepared in Vietnam for Philippines Drilling Program; and
- Subsequent to the period Sacgasco signed an agreement to sell its Nido Petroleum Subsidiary while retaining an Overriding Royalty Interest in future Nido production, as well as
- an Option to participate in a meaningful way in future drilling on the highly prospective SC 58 Service Contract west of the Malampaya Gas Field, offshore Palawan.

Corporate and New Ventures

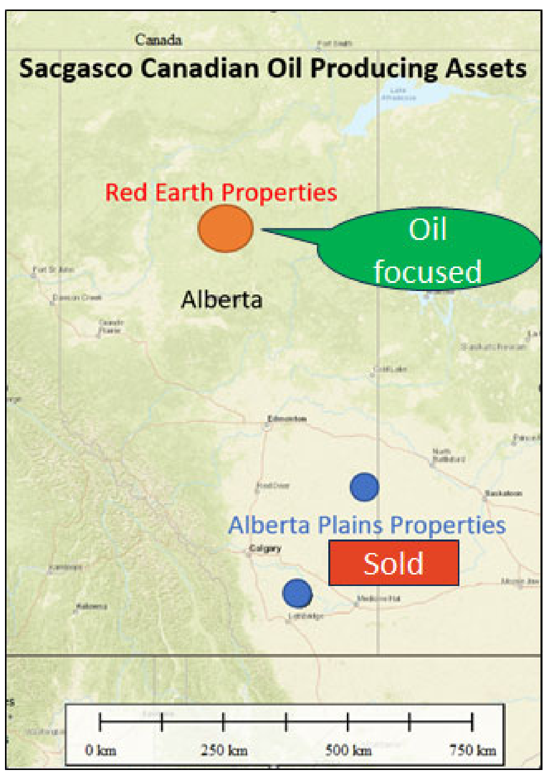
- Subsequent to the Half-year Reporting period J.L. Kane Marshall was appointed as Managing Director of the Company;
- Mr Marshall has over 20 years' experience in various roles as a director, geologist, engineer and company builder including several listed junior resource companies;
- Former Managing Director Gary Jeffery assume the role of Non-executive Technical Director working alongside Mr Marshall in optimising cash flow from the Company's Red Earth Asset in Alberta Canada, enhancing its Californian opportunities; and
- Delivering new high impact growth projects into the Company's portfolio following the Company's strategy to reduce the near-term financial risk exposures in its Philippines (Nido) and commercialise its Alberta Plains oil and gas interests.



Sacgasco's Asset Interest and Focus

EXPLORATION AND PRODUCTION ACTIVITIES

ONSHORE CANADA (Non-Operated)



Sacgasco's Canadian Producing Properties

Canada Oil and Gas Production (BOE)[1]	Six months to 30 June 2023	Six months to 31 December 2022
SGC Production[1]	*46,333*	*81,948*
SGC Production after Royalty	*37,651*	*69,981*
Note 1: Gas converted to BOE using 6:1 ratio		

1 It is noted that Production has decreased from prior year and from quarterly reports due to the exclusion of Alberta Plains production activities. March 2023 and June 2023 quarterly activity reports included production from Alberta Plains as a sale agreement had not yet been finalised.

Current SGC net before royalty production rate was approximately 265 BOPD in early July 2023.

The Operator, Blue Sky Resources Ltd., together with the Sacgasco technical team continually review opportunities for reactivation, production increases and cost savings.

Subsequent to the period end, the Alberta Plains assets were divested effective 1 January 2023 for C$900,000[1].

SACGASCO CANADA TENEMENT TABLE (30 June 2023)

PROJECT NAMES	LEASES; RELATED GAS FIELD (HBP LEASES); OR KEY WELL	PROJECT TYPE	WORKING INTEREST (WI)*
Red Earth Assets (Canada)	Oil and gas Mineral Leases and wells and associated Infrastructure	Production	30%
Alberta Plains Assets (Canada)	Oil and gas Mineral Leases and wells and associated Infrastructure	Production	20%

[1] Refer ASX Announcement 19th July, 2023

ONSHORE CALIFORNIA (Majority Operated)

The Company continued to maintain its leases in the Sacramento Basin during the period. Sacgasco has a working interest (WI) of between 10% and 100% in oil and gas leases which cover natural gas prospects ranging in size from 5-20 Bcf to Tcf recoverable prospective resources of Natural Gas.

California Gas Flows (mcf)[1]	Six months to 30 June 2023	Six months to 31 December 2022
Gross Gas Flows	*76,493*	*97,273*
SGC Gas Flows after Royalty	*43,685*	*50,907*
Note 1: mcf = Thousand Cubic feet gas		

Gas flow optimization and sales opportunities are continually being pursued.

Gas prices realized by Sacgasco in California during the period averaged almost 4 times benchmark Henry Hub prices and are currently at a 50% premium to "benchmark Henry Hub" and "average US National" natural gas prices.

Evaluations to monetise the previously reported Borba gas discovery continued with discussions on alternatives uses for natural gas from the Borba gas discovery and other Sacgasco gas wells.

SACGASCO CALIFORNIA TENEMENT TABLE (30 June 2023)

PROJECT NAMES	LEASES; RELATED GAS FIELD (HBP LEASES); OR KEY WELL	PROJECT TYPE	WORKING INTEREST (WI)*
Dempsey Area Project	Rancho Capay, Rice Creek, East Gas Fields - HBP Leases. Oil and Gas Mineral Leases	Gas Flow, Exploration, Appraisal and Rework	40-60%
Borba Project	Oil and Gas Mineral Leases	Commercialization of Gas Discovery	66.67%
Los Medanos Project	Los Medanos Gas Field HBP Leases	Gas Flow, and Rework	90%
Malton Project	Malton Gas Field HBP Leases and Oil and Gas Mineral Leases	Gas Flow, Exploration, Appraisal and Rework	45-70%
Dutch Slough Gas Project	Dutch Slough Gas Field HBP Leases	Exploration, Appraisal and Rework	70%
Rio Vista Gas Project	Rio Vista Field Wells HBP Leases	Gas flow, Development and Rework	100%
Alvares Project	Alvares 1 well (P&A Re-entry)	Exploration, Appraisal	50%

***** Approximate WI across the referenced Project

Sacgasco is the Operator of all its WI wells and related tenements in California through its subsidiary PEOCO LLC.

OFFSHORE PHILIPPINES

Sacgasco, through its wholly owned subsidiary, Nido Petroleum Philippines Pty Ltd ("Nido"), accepted a Letter of Intent from PNOC Exploration Corporation (PNOC EC) for its farmin to Service Contract 6B (SC 6B), including the drilling of the Cadlao 4 well as the first stage of redevelopment of the Cadlao Oil Field.

Subsequent to the end of the reporting period[2], Sacgasco reduced the financial risks associated with its Philippines interests through the sale of Nido, subject to the formalisation of the PNOC EC agreement.

PNOC EC is a wholly owned subsidiary of the Philippines National Oil Company.

The PNOC EC Letter of Intent Summary executed during the period was as follows:

- PNOC EC to acquire from Nido an undivided twenty percent (20%) participating interest in SC 6B for the drilling and EWT of the Cadlao 4 well;
- PNOC EC shall pay to Nido prior to and during drilling and EWT operations:
  - US$3.34 million to be paid upon execution of a binding farmin agreement expected to be finalized in September 2023; and
  - Up to an additional US$10.01 million to be paid upon cash calls as operations commence. The final amount is dependent upon actual approved costs by the regulator the Department of Energy ("DOE").
- PNOC EC farmin agreement to SC 6B shall be subject to DOE, and stakeholder approvals.

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

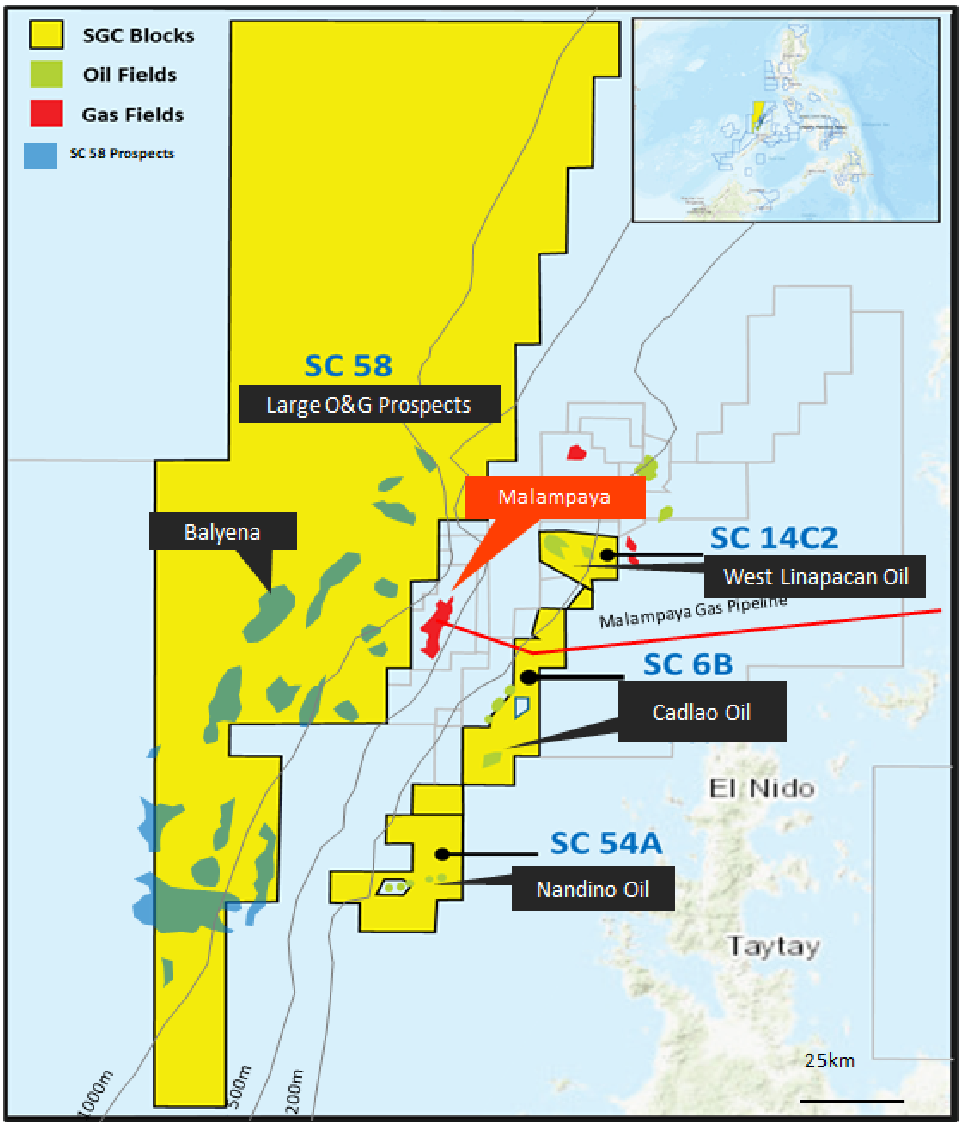
Joint Venture Party	Current Participating Interest %	Nido Farmin Participating Interest %	PNOC Farmin Participating Interest %
Nido Petroleum Philippines Pty. Ltd. (Operator)	9.090	72.727	52.727
The Philodrill Corporation	58.182	17.454	17.454
Oriental Petroleum and Mineral Corporation	16.364	4.909	4.909
Forum Energy Phils. Corp	8.182	2.455	2.455
Alcorn Petroleum and Minerals Corp.	8.182	2.455	2.455
PNOC Exploration Corporation	-	-	20.000
Total	**100.000**	**100.000**	**100.000**

Notes to the above table:

- Nido and PNOC will have preferential cost recovery rights for costs incurred before commencement of Commercial Production;
- The DOE announced during the reporting period, several incentives to encourage exploration and development offshore and onshore the Philippines;
- Nido is currently pursuing a contract with the Deep Venture Drillship currently undergoing preparations in Vietnam for new drilling activity in Southeast Asia;

[2] Refer ASX announcement 26th July, 2023

- The drillship, operated by Saba Drilling, is expected to be able to be used following a revised design to the anchor handling and mooring system of the vessel. It is anticipated the Deep Venture can be used in any of Nido's Service Contract areas in the Philippines;
- The timing of availability of the Deep Venture for drilling in the Philippines is being defined, and the refit of the vessel is progressing well. Expectation of availability at this stage is Q1 2024;
- The Cadlao Oil Field is anticipated as being the site for initial drilling activity. Successful drilling results would allow early production of oil under Phase One of a development program using an Extended Well Test; and
- Related environment impact studies and contingency planning are well underway along with community consultation. Permits for all drilling activities are currently being undertaken.



Nido's Acreage in the North West Palawan Basin in which Sacgasco will have an Overriding Royalty following the Sale of Nido.

Cadlao drilling and EWT is planned for 2023/24 and includes a 2-well drilling program including the drilling of the Nandino Prospect in Service Contract 54, subject to relevant approvals[3]. In the event of a successful EWT at Cadlao and depending upon the field data obtained, a full field development may include extra wells (including exploration as per below) with a dedicated oil production facility for Cadlao development. Subsequent to the sale of Nido Sacgasco would have an Overriding Royalty Interest in any Production from Nido Assets.

SC54 (SGC (Nido) Operator)

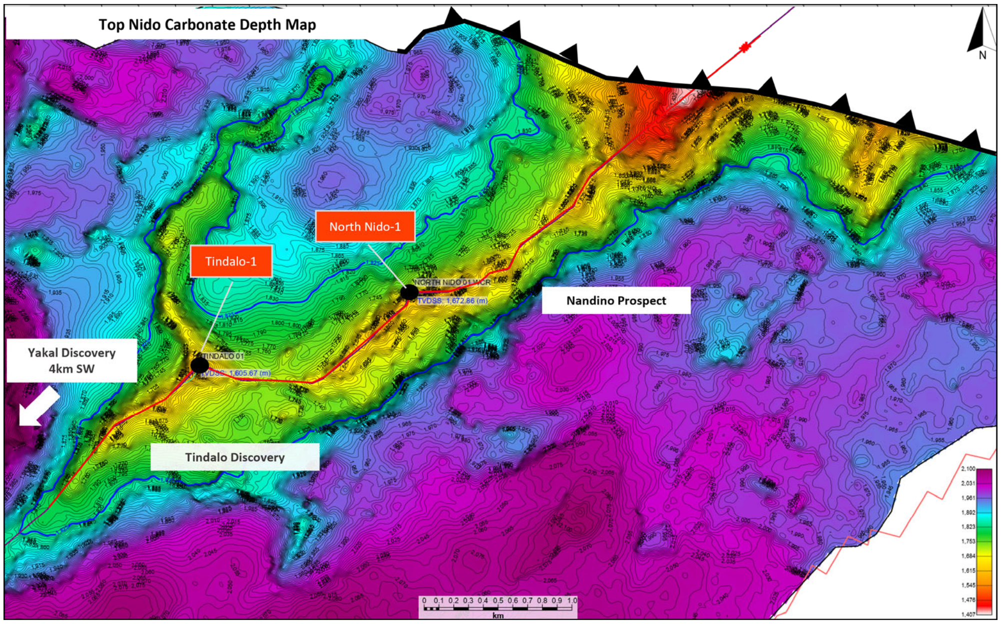
Nido Petroleum Philippines Pty Ltd ("**Nido**"), is the Operator of SC54.

Currently the most attractive prospect in SC54 is the Nandino Oil Prospect. Nandino lies updip and on-trend with 4 oil discoveries within SC54. A total of over 119 metres of oil column and strong oil shows are interpreted in two previous wells drilled downdip on the greater Nandino structure.

Prospective Resources in the Nandino Prospect have been endorsed by RISC Advisory (**RISC**). (Refer ASX announcement dated 3 March 2022)

Nandino Prospective Resources (100%)	Oil in Place (100%)	Recoverable Oil (100%)
P90 (million barrels)	24.2	6.6
P50 (million barrels)	75.3	21.9
P10 (million barrels)	175.0	54.2
Mean (million barrels)	91.0	27.3
Note 1: The estimated quantities of hydrocarbons that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially movable hydrocarbons.		

[3] ASX Announcement dated 30 May 2022



Nido Carbonate Reservoir Depth Map in the greater Nandino Prospect Area

Nido and its SC 54 Participants elected to proceed into the Sub-Phase 7 period of 1 year from August 2022 which includes a commitment to drill one well. TG World (Blue Sky) has elected to pay 85% of the costs of the planned Nandino well to earn an additional 36.25% participating interest from Nido. In April 2023, the Department of Energy ("DOE") approved an indefinite period of extension to fulfill the drilling commitment, as a suitable drilling rig was not available to work in the Philippines due to the extremely tight rig market.

Joint Venture Participants	"Pre-Halo default" # Participating Interest	Current Interest	Nandino Well Paying Interest	Post-farmin* Interests
Nido and Yilgarn (100% owned Sacgasco subsidiaries,) - Operator	72.5%	87.5%	15%	51.25%
TG World (Blue Sky Resources Subsidiary)	12.5%	12.5%	85%	48.75%
Halo Oil	15%	0	0	0
TOTAL	100%	100%	100%	100%
*** Subject to DOE approval and completion of Nandino drilling**				

SC 58 (SGC 50%, Operator)

In November 2021, Nido secured an extension of Service Contract 58 ("SC 58") from the Department of Energy of the Philippines primarily for reasons related to COVID-19. The DOE confirmed in a letter dated May 2023, that force majeure conditions continue to exist due to geopolitical, safety and security concerns. Therefore, the service contract remains in a state of suspension.

Service Contract 58 is Nido operated with a 50% participating interest. Nido is paying 100% of all Sub-Phase 3 costs under the Service Contract.

SC 58 covers 13,440 square kilometres within which Nido has mapped more than 10 prospects on 3D and 2D seismic (Refer to Figure 1 above).

The Balyena Prospect is a highly prospective example with multiple stacked targets accessible in a single exploration well. Balyena is located just west of the 3.2 Tcf Malampaya Gas Field which is connected by underutilized pipeline to energy hungry Luzon Island and the Philippines capital city, Manila.

Subsequent to completion of the Sale of Nido, Sacgasco will have an option to participate in drilling of SC 58.

SC 14C2 West Linapacan (Nido 22.28%, Non-Operator)

The West Linapacan A Field previously produced 8.5 million barrels of oil and was shut in in 1996 due to facility constraints and a corresponding low oil price environment. The Service Contract Participants are considering development and funding options for the redevelopment of the West Linapacan Field, which includes adjacent undeveloped resources in a separate West Linapacan B Structure.

NIDO PHILIPPINES TENEMENT TABLE (30 June 2023)

Service Contract	Fields / Discoveries	% Working Interest	Operator
SC 54	Tindalo, Yakal, Nido 1X1, Nandino Prospect	87.5% (reducing to 51.25% when Farmout terms are satisfied, and relevant approvals received)	NIDO
SC 14C2	West Linapacan A Field; West Linapacan B	22.28%	Philodrill
SC 58	Palawan Basin big hit Exploration	50%	NIDO
SC 6B	Cadlao, near field Exploration	72.727% (reducing to 52.727% when Farmout terms to PNOC are satisfied)	NIDO

Leases:

US and Canadian exploration are conducted on leases granted by Mineral Right owners, including the respective Governments and private individuals or groups. Leases can vary in size from very small parcels (part of an acre) to large landholdings (covering a few square miles). Leases generally are for 5 years' and rentals are paid annually. There are no firm work commitments associated with the leases. Some leases are 'Held By Production' (HBP) and royalties are paid to mineral right owners in lieu of rentals. SGC has not listed all it leases as it is impractical and not meaningful for potential project value assessment in a conventional natural gas play. A detailed listing of leases may also lead to a loss of competitive advantage and consequent reduced value to SGC shareholders.

Philippine leases are issued by the Government of Philippines as Service Contracts with defined conditions that may be varied from time to time.

COMPETENT PERSONS' STATEMENT

This document contains forward looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by many variables which could cause actual results or trends to differ materially. The technical information provided has been reviewed by Mr Gary Jeffery, Technical Director of Sacgasco Limited. He is a qualified geophysicist with over 50 years technical, commercial and management experience in exploration for, appraisal and development, and transportation of oil and gas. He is a member of The American Association of Petroleum Geologists. Mr Jeffery consents to the inclusion of the information in the form and context in which it appears.

The timing of future events is subject to the normal industry vagrancies of operational matters and equipment availability which are outside the control of Sacgasco and its suppliers. Facilities depicted in images on the Sacgasco website are not necessarily assets of Sacgasco. Some of the images used represent aspects of the oil and gas industry in which Sacgasco is involved or images of equipment owned by companies providing services to Sacgasco.

Before investing it is recommended that investors conduct their own due diligence and consult financial and technical advisors and form their own opinions on future events and implications.

CORPORATE

Sacgasco Limited is listed on the Australian Securities Exchange (ASX: SGC), classified as an international oil and gas explorer.

SACGASCO CAPITAL STRUCTURE

At the date of this report, the capital structure of the Group is as follows:

ISSUED CAPITAL – 31 August 2023	
Ordinary Shares (ASX: SGC)	773,582,748
Unlisted Options exercisable @ 4.5 cents by 31 December 2024	27,250,000
On 11 July 2023, the Company issued 4,259,053 fully paid ordinary shares to Directors in lieu of cash payments for Directors fees for the June 2023 quarter as approved by shareholders at the May 2023 AGM, and *On 7 July 2023, the Company issued 153,599,800 fully paid ordinary shares to sophisticated investors.*	

Board Changes

On 17 July 2023, the Company appointed J.L. Kane Marshall as Managing Director. Kane has over 20 years' experience in various roles as a director, geologist, engineer, and company builder. He currently advises several resource companies on new venture transactions and funding.

He is currently the Non-Executive Chairman of NSX listed diamond explorer Consolidated Africa Limited (NSX: CRA) and prior to that held various senior roles with ASX listed oil and gas companies including Chief Operating Officer of Bounty Oil and Gas NL (ASX: BUY), Managing Director of Key Petroleum Limited (ASX: KEY) and Non-Executive Director of Hawkley Oil and Gas (ASX: HOG).

His diverse experience base includes technical and managerial roles with private equity, junior and major oil companies. Mr Marshall holds academic qualifications which include a Master of Petroleum Engineering from Curtin University, and a Bachelor of Science (Petroleum Geology) from the University of Western Australia.

On 17 July 2023, former Managing Director Gary Jeffery assumed the role of non-executive technical director.

Annual General Meeting

On 31 March 2023, the Company provided its 2022 Annual Report to Shareholders. The Annual General Meeting was held on the 31 May 2023 and all Resolutions presented were passed by a poll.

NEW VENTURES

Sacgasco, under the stewardship of Mr Marshall, is exploring new high-grade opportunities, particularly large gas exploration plays as part of the Company's pivot towards capitalising on expectations for escalating gas and LNG prices globally.

KEY SECOND HALF 2023 OBJECTIVES

- Increasing production, revenues and cashflow from oil and gas flowing properties in North America including the reactivation of shut-in oil production wells in Canada and permitting of facilities for monetization of natural gas from the Borba 1-7 well discovery;
- The closing of Philippines related transactions to focus on higher impact opportunities with a focus on gas as global economics transition to cleaner energy driven economies; and
- Ongoing review of potential New Venture conventional oil and natural gas projects with a focus on natural gas both domestically in Australia and overseas.

For and on behalf of the Board of Sacgasco Limited.

J.L. Kane Marshall
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.

The Company is currently focused on conventional oil and gas exploration and production in the Sacramento Basin, onshore California USA, Alberta Canada.

Sacgasco has an extensive portfolio of natural gas and oil producing wells and discoveries and prospects at various appraisal and exploration stages. The Company is targeting supply to the local Californian and Canadian oil and gas markets and burgeoning Australasian market.

Sacgasco is in the process of evaluation for acquisition additional undervalued oil and gas producing and exploration assets.

www.sacgasco.com

Twitter: @SacGasCo

REVIEW OF RESULTS AND FINANCIAL POSITION

The net loss after income tax for the half-year was $1,770,928 (30 June 2022 (restated): $2,021,843), which included exploration expenditure of $514,902 (30 June 2022(restated): $517,535).

At the end of the reporting period the Group had cash on hand of $820,684 (31 December 2022: $435,870).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as reported above in the Review of Operations, there were no significant changes in the state of affairs of the Group during the reporting period.

MATTERS SUBSEQUENT TO THE BALANCE DATE

Other than as disclosed in note 25 to the financial statements, there have been no other matters or circumstances that have arisen since the end of the financial period that have significantly affected, or may significantly affect, the operations of the Group, the results of these operations, or the state of affairs of the Group in future financial years.

AUDITOR INDEPENDENCE

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 17.

This report is made in accordance with a resolution of the directors, pursuant to section 298(2)(a) of the *Corporations Act 2001.*

J.L. KANE MARSHALL
Managing Director

13 September 2023
Perth, WA

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Sacgasco Limited for the half-year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
13th September 2023

D I Buckley
Partner

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GENERAL INFORMATION

The consolidated financial statements cover Sacgasco Limited as a Group consisting of Sacgasco Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Sacgasco Limited's functional and presentation currency.

Sacgasco Limited is a listed public company limited by shares, incorporated, and domiciled in Australia. Its registered office and principal place of business are:

Registered office	**Principal place of business**
Level 1,	Level 2,
31 Cliff Street	210 Bagot Road
Fremantle WA 6160	Subiaco WA 6008

The principal activities of the Group were oil and gas exploration with associated natural gas flows as a by-product in California, oil and gas exploration, production and development activities in Canada, and oil and gas exploration, appraisal, and development in the Philippines.

The financial statements were authorised for issued, in accordance with a resolution of directors, on 13 September 2023. The directors have the power to amend and reissue the financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the half-year ended 30 June 2023

	Note	30 June 2023 $	30 June 2022 Restated $
Production income	5	4,448,167	8,668,816
Other income	6	256,848	692,889
Finance income		881	128
Expenses			
Cost of sales		(3,530,007)	(8,197,227)
Other operating expenses		(446,594)	(669,583)
Exploration expenditure	7	(514,902)	(517,535)
Personnel expenses		(467,679)	(294,168)
General and administrative expenses		(173,794)	(123,166)
Professional fees		(445,979)	(429,526)
Marketing and business development expense		(4,430)	(14,545)
Depreciation and amortisation – oil and gas properties		(409,282)	(1,079,480)
Depreciation and amortisation – other assets		(5,777)	(777)
Amortisation – right of use assets		(44,956)	-
Finance expenses		(373,836)	(253,476)
Foreign exchange (losses) / gains		(9,457)	15,006
Impairment (loss) / gain on trade receivables		(2,331)	794
Loss on disposal of fixed assets		(24)	-
Loss before income tax		(1,723,152)	(2,201,850)
Income tax expense		(47,776)	(36,690)
Loss for the period from continuing operations		**(1,770,928)**	**(2,238,540)**
Gain on acquisition and disposal of a subsidiary		-	216,697
Profit from discontinued operations		**-**	**216,697**
Loss for the period		**(1,770,928)**	**(2,021,843)**

The above statement of profit or loss should be read in conjunction with the accompanying notes.
Refer to note 3 for detailed information on Restatement of Comparatives

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
For the half-year ended 30 June 2023

	30 June 2023 $	30 June 2022 Restated $
Loss for the year	(1,770,928)	(2,021,843)
Other comprehensive income		
Foreign currency translation difference of foreign operations	(534,952)	(244,253)
Total comprehensive loss for the year	**(2,305,880)**	**(2,266,096)**
Loss for the year is attributable to:		
Continuing operations	(1,770,928)	(2,238,540)
Discontinued operations	-	216,697
	(1,770,928)	(2,021,843)
Comprehensive loss for the year is attributable to:		
Continuing operations	(2,305,880)	(2,482,793)
Discontinued operations	-	216,697
	(2,305,880)	(2,266,096)
Loss per share (cents per share)		
Basic and diluted – continuing operations	(0.29)	(0.45)
Basic and diluted – discontinued operations	-	0.04
	(0.29)	(0.41)

The above statement of other comprehensive income should be read in conjunction with the accompanying notes. Refer to note 3 for detailed information on Restatement of Comparatives.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of 30 June 2023

	Note	30 June 2023 $	31 December 2022 Restated $
Assets			
Cash and cash equivalents		820,684	435,870
Trade and other receivables	9	4,500,031	5,005,184
Inventory		170,343	124,782
Prepayments	10	1,129,608	837,389
Non-current assets held for sale	8	11,735,398	-
Other financial assets		5,435	5,435
Current tax assets		30,245	72,447
Total current assets		**18,391,744**	**6,481,107**
Oil and gas properties	11	12,413,841	22,884,305
Other financial assets		326,769	318,365
Property, plant, and equipment		7,912	12,357
Right-of-use assets	12	98,944	140,841
Intangible assets		385	634
Total non-current assets		**12,847,851**	**23,356,502**
Total assets		**31,239,595**	**29,837,609**

The above statement of financial position should be read in conjunction with the accompanying notes.
Refer to note 3 for detailed information on Restatement of Comparatives.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As of 30 June 2023

	Note	30 June 2023 $	31 December 2022 Restated $
Liabilities			
Trade and other payables	13	(6,149,714)	(5,652,013)
Borrowings	14	(1,089,396)	(917,041)
Employee entitlements		(20,782)	(16,926)
Site restoration provision	15	(682,216)	(1,061,769)
Receipts in advance		(512,391)	(1,410)
Lease liabilities	16	(88,302)	(89,272)
Liabilities associated with non-current assets held for sale	8	(12,831,137)	-
Total current liabilities		**(21,373,938)**	**(7,738,431)**
Lease liabilities	16	-	(44,994)
Site restoration provision	15	(20,092,584)	(30,030,547)
Total non-current liabilities		**(20,092,584)**	**(30,075,541)**
Total liabilities		**(41,466,522)**	**(37,813,972)**
Net liabilities		**(10,226,927)**	**(7,976,363)**
Equity			
Issued capital	17	33,142,900	33,058,906
Reserves		(966,943)	(403,313)
Accumulated losses		(42,402,884)	(40,631,956)
Total deficit attributable to equity holders of the Company		**(10,226,927)**	**(7,976,363)**

The above statement of financial position should be read in conjunction with the accompanying notes.
Refer to note 3 for detailed information on Restatement of Comparatives.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half-year ended 30 June 2023

	Issued capital $	Translation reserve $	Options reserve $	Share-based payments reserve $	Accumulated losses $	Total equity $
Balance on 31 December 2021 - restated	29,941,940	(15,655)	937,800	100,584	(40,194,257)	(9,229,588)
Loss for the period - restated	-	-	-	-	(2,021,843)	(2,021,843)
Foreign exchange translation difference on foreign operations	-	(244,253)	-	-	-	(244,253)
Total comprehensive loss for the period	-	(244,253)	-	-	(2,021,843)	(2,266,096)
Transactions with owners in their capacity as owners						
Contributions of equity, net of transaction costs	2,990,518	-	-	(100,584)	-	2,889,934
Share-based payments	-	-	160,775	59,916	-	220,691
Balance on 30 June 2022 - restated	**32,932,458**	**(259,908)**	**1,098,575**	**59,916**	**(42,216,100)**	**(8,385,059)**

The above statement of changes in equity should be read in conjunction with the accompanying notes.
Refer to note 3 for detailed information on Restatement of Comparatives.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
For the half-year ended 30 June 2023

	Issued capital $	Translation reserve $	Options reserve $	Share-based payments reserve $	Accumulated losses $	Total equity $
Balance on 31 December 2022 - restated	33,058,906	(614,061)	160,775	49,973	(40,631,956)	(7,976,363)
Loss for the period - restated	-	-	-	-	(1,770,928)	(1,770,928)
Foreign exchange translation difference on foreign operations	-	(534,952)	-	-	-	(534,952)
Total comprehensive loss for the period - restated	-	(534,952)	-	-	(1,770,928)	(2,305,880)
Transactions with owners in their capacity as owners						
Contributions of equity, net of transaction costs	83,994	-	-	(49,973)	-	34,021
Share-based payments	-	-	-	21,295	-	21,295
Balance on 30 June 2023	**33,142,900**	**(1,149,013)**	**160,775**	**21,295**	**(42,402,884)**	**(10,226,927)**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the half-year ended 30 June 2023

	30 June 2023 $	30 June 2022 $
Cash flows from operating activities		
Receipts from customers	854,756	2,855,273
ATO Refund of Nido Petroleum overpaid PAYG	399,386	-
Cash paid to suppliers and employees	(1,128,142)	(362,526)
Payments for exploration and evaluation	(318,114)	(1,798,265)
Interest paid	(4,849)	(65,836)
Interest received	881	99
Income taxes paid	(3,561)	(561,933)
Net cash (used in) / from operating activities	(199,643)	66,812
Cash flows from investing activities		
Payments for property, plant, and equipment	(893)	(16,017)
Payments for intangible assets	-	(397,975)
Net cash used in investing activities	(893)	(413,992)
Cash flows from financing activities		
Proceeds from issue of shares and options	511,899	2,917,500
Repayment of premium funding facility	(12,429)	-
Repayment of right-of-use lease liability	(46,678)	-
Proceeds from related party loans	100,000	-
Payment of capital raising costs	(2,531)	(144,449)
Net cash from financing activities	550,261	2,773,051
Net increase in cash and cash equivalents	349,725	2,425,871
Cash and cash equivalents on 1 January	435,870	1,286,051
Effect of exchange rate fluctuations on cash held	35,089	(108,461)
Cash and cash equivalents on 30 June	820,684	3,603,461

The above statement of cash flows should be read in conjunction with the accompanying notes.
Refer to note 3 for detailed information on Restatement of Comparatives.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT
For the half-year ended 30 June 2023

1 CORPORATE INFORMATION

The financial statements cover Sacgasco Limited ("The Company") as a Group consisting of Sacgasco Limited and the entities it controlled ("the Group") at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Sacgasco Limited's functional and presentation currency.

Sacgasco Limited is a listed public company limited by shares, incorporated, and domiciled in Australia. Its registered office and principal place of business are:

Registered office	**Principal place of business**
Level 1,	Level 2,
31 Cliff Street	210 Bagot Road
Fremantle WA 6160	Subiaco WA 6008

The principal activities of the Group were oil and gas exploration with associated natural gas flows as a by-product in California, oil and gas exploration, production and development activities in Canada, and oil and gas exploration, appraisal, and development in the Philippines. As disclosed in note 25, the Company signed a binding Share Sale and Purchase Agreement with Blue Sky International Holdings Inc. to sell its Philippines investments.

The financial statements were authorised for issued, in accordance with a resolution of the directors, on 13 September 2023. The directors have the power to amend and reissue the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These general-purpose financial statements for the interim half-year reporting period ended 30 June 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 *'Interim Financial Reporting'* and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *'Interim Financial Reporting'*.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2022 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

2.2 Accounting policies

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

There were no new Accounting Standards and Interpretations relevant to the Group during the reporting period, which materially affected the Group's accounting policies.

2.3 Segment information

For management purposes, the Group is organised into two operating segments, being oil and natural gas exploration and evaluation, and oil and gas production. All the Group's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all signification operating decisions are based upon analysis of the Group as one segment. The financial results from the segment are equivalent to the financial statements of the Group as a whole. The accounting policies used by the Group in reporting segment internally are the same as those contained in note 4 to the financial statements

2.4 Foreign currency translation

The financial statements are translated into Australian dollars, which is Sacgasco Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial yearend exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency translation reserve in equity.

The foreign currency translation reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

2.5 Going concern

The consolidated financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

For the period ended 30 June 2023, the Group recorded a loss of $1,770,928 and had net cash inflows of $349,725. As of 30 June 2023, the Group had net liabilities of $10,226,927, a working capital deficit of $2,982,194 and total cash on hand of $820,684.

A large component of the working capital deficit is predominantly due to operations of the Canadian oil and gas assets, with $1,095,739 of net liabilities relating to the available for sale assets and $682,216 for estimated abandonment costs to be performed by the operator during the next twelve months which will be deducted from operational cash distributions from the Operator. In addition, $1,062,329 is a related party loan including interest and $2,379,375 withholding tax.

These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The ability of the Group to continue as a going concern is dependent on a combination of:

- Positive cash flows generated from the Group's interest in its Canadian producing assets;
- Receipt of funds from the sale of its Alberta Plains assets;
- Potential sale of its Canadian producing working interests;
- Receipt of funds from the sale of its Philippines assets; and
- Secure additional funding through debt or equity issuances.

The Directors are confident that a combination of these strategies will sufficiently fund operations in the foreseeable future. Since period end, the Company announced it had raised $1,075,200 ($511,898 received prior to the reporting period) through a private placement.

Whilst these factors give rise to a material uncertainty regarding the outcome of funding alternatives, and therefore may cast significant doubt as to whether or not the Group will be able to continue as a going concern and realise its assets at carrying values, given the Group's ability to raise cash when required, the directors are of the opinion the Group can carry on operations for the foreseeable future, and that it will be able to realise its debts and discharge its liabilities in the normal course of business. If necessary, the Group has the capacity to delay or cancel expenses that are discretionary in nature, including administrative costs and exploration expenditure that are not contractually binding. The timing of raising additional capital will depend on the investment markets, current and future planned exploration activities and positive cashflows from the Group's Canadian producing assets.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets and liabilities that might be necessary if the Group does not continue as a going concern.

2.6 Exploration and evaluation expenditure

Exploration and evaluation expenditure is assessed for each separate area of interest for which rights of tenure are current. As per AASB 6 'Exploration for and Evaluation of Mineral Resources', each area of interest may be expensed as incurred; or partially or fully capitalised and recognised as an exploration and evaluation asset if the requirements of paragraph AUS7.2 are satisfied.

2.7 Other operating income

The gas flow from wells sold to customers, is a natural by-product of exploration activities and until such time as well production becomes an economically viable direction for the Group, it is recognised as other operating income.

3 RESTATEMENT OF COMPARATIVES

Correction of error

An error was discovered in the Group's share of Philippines exploration expenses reported in the 2022 Financial Statements. This was due to the Group reporting Nido's share of exploration expenses as per its working interest in the Service Contracts rather than its funding interest as announced to the ASX during the year ending 31 December 2022.

Service Contract SC 54 ("SC 54")

On 10 March 2022, following its acquisition of TG World, Blue Sky Resources exercised its farmin option in relation to SC 54 by committing to drill the Nandino Prospect. Under the terms of the farmin election, Blue Sky would pay Nido and Yilgarn's 72.5% working interest share of the dry hole Nandino well cost.

On 14 June 2022, the Company announced a receiver had been appointed to act as Administrator for the parent company of Halo BV. Pursuant to the terms of the Joint Operating Agreement ("JOA"), a non-defaulting party may immediately take control of any defaulting party's participating interest. As such, Halo BV's 15% participating interest was transferred to Nido who agreed to pay the outstanding debt.

	Funding Interest				Working Interest			
	NPP	YPP	BSR	Halo	NPP	YPP	BSR	Halo
	%	%	%	%	%	%	%	%
Reported [1]	42.40	30.10	12.50	15.00	42.40	30.10	12.50	15.00
Adjusted [2]	15.00	-	85.00	-	36.20	15.05	48.75	-
Movement	(27.40)	(30.10)	72.50	(15.00)	(6.20)	(15.05)	36.25	(15.00)

Service Contract SC 6B ("SC 6B")

On 4 March 2022, the Company announced that Nido entered a Farmin Agreement to fund 100% of SC 6B in return for an additional 63.37% working interest, bringing Nido's total working interest to 72.727%.

On 22 August 2022, the Company announced that Nido entered into an investment agreement with Blue Sky to fund 45.455% of the initial drilling and extended well tests.

	Funding Interest			Working Interest		
	NPP	BSR	Others	NPP	BSR	Others
	%	%	%	%	%	%
Reported [1]	9.090	-	90.910	9.090	-	90.910
Adjusted [2]	54.545	45.455	-	72.727	-	27.273
Movement	45.455	45.455	(90.910)	63.637	-	(63.637)

1 Percentage interest reported in the 2022 Financial Statements based on Working Interest
2 Percentage interest reported in the restated 2022 Financial Statements based on Funding Interest

3 RESTATEMENT OF COMPARATIVES (continued)

Correction of error (continued)

This error resulted in exploration expenses, other receivables and accruals being overstated.

Extracts (Being only those line items affected) are disclosed below.

Extract from consolidated statement of profit or loss and other comprehensive income

	30 June 2022 $	Increase / (decrease) $	30 June 2022 Restated $
Exploration expenditure expensed through profit or loss	(1,065,352)	547,817	(517,535)
Professional fees	(553,960)	124,434	(429,526)
Foreign exchange gains and (losses)	27,201	(12,195)	15,006
General and administrative expenses	(123,643)	477	(123,166)
Loss before income tax	**(2,862,383)**	**660,533**	**(2,201,850)**
Loss for the year	**(2,682,376)**	**660,533**	**(2,021,843)**
Total comprehensive loss for the year	**(2,955,530)**	**689,434**	**(2,266,096)**
Loss per share			
Basic and diluted (cents per share)	(0.54)	0.13	(0.41)

Extract from consolidated statement of financial position

	31 December 2022 $	Increase / (decrease) $	31 December 2022 Restated $
Trade and other receivables	1,406,782	3,598,402	5,005,184
Prepayments	2,177,077	(1,339,688)	837,389
Total assets	**27,578,895**	**2,258,714**	**29,837,609**
Equity			
Issued capital	33,058,906	-	33,058,906
Reserves	(439,748)	36,435	(403,313)
Accumulated losses	(42,854,235)	2,222,279	(40,631,956)
Total deficiency	**(10,235,077)**	**2,258,714**	**(7,976,363)**

4 OPERATING SEGMENTS

The Group is organised into two operating segments based on the operations each performs, being:

- oil and gas exploration and appraisal
- oil and gas production

These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the CODM) in assessing performance and determining the allocation of resources. There is no aggregation of operation segments. Any amounts that fall outside of these segments are categorised as "Corporate".

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since 31 December 2022.

Segment profit or loss

	Revenue		Segment profit / (loss)	
	30 June 2023 $	30 June 2022 Restated $	30 June 2023 $	30 June 2022 Restated $
Oil and gas production	3,970,090	8,668,816	(83,004)	(666,148)
Oil and gas exploration	478,077	-	(1,218,827)	(698,485)
	4,448,167	8,668,816	(1,301,831)	(1,364,633)
Eliminations	-	-	(1,347)	(3,344)
	4,448,167	8,668,816	(1,303,178)	(1,367,977)
Finance income			163	92
Finance costs			(47,221)	(39,671)
Central administrative expenses			(372,916)	(794,294)
Loss from continuing operations before income tax			(1,723,152)	(2,201,850)

Segment profit or loss represents the loss before tax earned by each segment without allocation of central administrative expenses. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

4 OPERATING SEGMENTS (continued)

Segment assets and liabilities

	Assets		Liabilities	
	30 June 2023 $	31 December 2022 Restated $	30 June 2023 $	31 December 2022 Restated $
Oil and gas exploration	5,964,271	5,824,578	(10,964,175)	(10,276,992)
Oil and gas production	12,614,429	23,009,086	(13,048,820)	(24,004,700)
Total segment assets and liabilities	**18,578,700**	**28,833,664**	**(24,012,995)**	**(34,281,692)**
Corporate and other segment assets/liabilities	925,497	1,003,945	(4,622,390)	(3,532,280)
Assets held for sale	11,735,398	-	-	-
Liabilities associated with assets held for sale	-	-	(12,831,137)	-
Total	**31,239,595**	**29,837,609**	**(41,466,522)**	**(37,813,972)**

For monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments, other than corporate office assets; and
- all liabilities are allocated to reportable segments, other than Group entity liabilities.

The CODM monitors cash, receivables, and payables position. This is the information that the CODM receives and reviews to make decisions.

Geographical information

The Group operates its business in Canada, the USA, and the Philippines. During the period, the Group's production income was derived from Canada. The Group's production income and non-current assets by geographical location is as follows:

	Production income		Non-current assets	
	30 June 2023 $	30 June 2022 $	30 June 2023 $	31 December 2022 $
Australia	-	-	6,486	7,029
Canada and USA	4,448,167	8,668,816	12,715,103	23,178,734
Philippines	-	-	126,262	170,739
Total	**4,448,167**	**8,668,816**	**12,847,851**	**23,356,502**

Non-current assets comprise oil and gas properties and bonds.

5 PRODUCTION INCOME

Revenue for the half-year ended 30 June 2023, relates to contracts executed for the sale of crude oil and natural gas. All performance obligations have been met within the period. There is no variable consideration requiring estimation for the period ended 30 June 2023.

The Group did not have contracts that were executed in a prior period, whereby the performance obligations were partially met at the beginning of the period.

The Group's revenue is currently derived from its Canadian and Californian operations and is disaggregated as such in the Group's segment note disclosure in note 4. The Group's revenue disaggregated by pattern of revenue recognition is as follows:

	30 June 2023 $	30 June 2022 $
Goods transferred at a point in time		
Crude oil	3,970,091	8,508,635
Natural gas	478,076	160,181
	4,448,167	**8,668,816**

6 OTHER INCOME

	Note	30 June 2023 $	30 June 2022 $
Other operating income – California	(i)	134,015	520,876
Other operating income – Canada	(ii)	119,252	152,848
		253,267	**673,724**
Other income		3,581	19,165
Total other income		**256,848**	**692,889**

(i) Each working interest owner pays a share of the lease operating expenses (COPAS) for managing these wells.

(ii) The Canadian production assets additionally generate minor revenues through provision of access to private roads.

7 EXPLORATION AND EVALUATION EXPENDITURE

	30 June 2023 $	30 June 2022 Restated $
Exploration expenditure as incurred - California	157	42,267
Exploration expenditure as incurred – Philippines	514,745	475,268
	514,902	517,535

8 NON-CURRENT ASSETS HELD FOR SALE

Alberta Plains

As disclosed in note 25, on 17 July 2023, Sacgasco AB Limited (Sacgasco's wholly owned Canadian subsidiary) ("**SGC AB**") signed a binding sale and purchase agreement with Blue Sky Resources Limited ("**Blue Sky**" or "**the Operator**") to sell its 20% working interest in the Alberta Plains oil and gas project, for consideration of C$900,000.

Completion of the transaction remains subject to receipt of funds from Blue Sky, being 60 days from execution of the agreement, being 15 September 2023.

As SGC AB owed amounts to Blue Sky from loss-making operations, at settlement the Company will net C$407,065 after amounts owing to Blue Sky are deducted from the sale proceeds.

The sale agreement was subject to receipt of shareholder approval, should it be required by the ASX. Through consultation with the ASX, it was determined ASX Listing Rule 11.1.2 did not apply to the transaction, and shareholder approval was therefore not required for this transaction.

As a result of the sale and purchase agreement which clarifies the Directors' plan to divest the assets prior to balance date, the Oil and Gas assets were classified as held for sale. Additionally, the restoration provisions and amounts payable to the Operator have been classified as liabilities relating to non-current assets held for sale.

Non-current assets classified as held for sale

	Subsurface assets $	Surface assets $	Total $
Transfer of asset balances on 1 January 2023	7,956,203	3,299,241	11,255,444
Exchange differences	339,268	140,686	479,954
Balance on 30 June 2023	**8,295,471**	**3,439,927**	**11,735,398**

8 NON-CURRENT ASSETS HELD FOR SALE (continued)

Liabilities associated with non-current assets classified as held for sale

	Site restoration provision $	Net production payable $	Total $
Transfer of liability balances on 1 January 2023	11,768,779	537,591	12,306,370
Exchange differences	501,843	22,924	524,767
Balance on 30 June 2023	**12,270,622**	**560,515**	**12,831,137**
Net liabilities associated with Alberta Plains Assets			**(1,095,739)**

9 TRADE AND OTHER RECEIVABLES

		30 June 2023 $	31 December 2022 Restated $
Current			
Trade debtors		228,764	272,828
Less: Provision for expected credit losses		(28,752)	(25,690)
		200,012	**247,138**
Philippines joint venture partners		4,215,847	4,030,063
Authorised government agencies		33,322	23,968
Other receivables – oil and gas assets		50,754	389,461
Other		96	314,554
		4,500,031	**5,005,184**
Movement in the allowance for expected credit losses			
Opening balance		25,690	30,525
(Reversal of) / additional provisions recognised		2,331	(6,697)
Effects of foreign exchange		731	1,862
	(i)	**28,752**	**25,690**

(i) The Group has assessed the recoverability of the amounts due for well expenses on exploratory wells, accounting for factors such as oil and gas prices and historical recovery and determined that an ECL of $28,752 for the period ended 30 June 2023 is appropriate. Should the exploratory wells for which costs are due move from exploration to production in the future, the Group intends to recover the amounts owing prior to releasing net revenues to the working interest parties. Other receivables are non-interest bearing.

10 PREPAYMENTS

		30 June 2023 $	31 December 2022 Restated $
Current			
Exploration expenses	(i)	1,055,823	773,238
Insurance		30,711	2,314
Australian Securities Exchange		-	13,988
Other		43,074	47,849
		1,129,608	**837,389**

(i) Includes $995,186 (US$660,677) being Nido's share of key drilling long lead items, refer note 21 (commitments).

11 OIL AND GAS PROPERTIES

	Subsurface assets $	Surface assets $	Total $
Balance on 1 January 2022	21,741,179	6,930,303	28,671,482
Additions	-	1,156,669	1,156,669
Change in site restoration liabilities	(3,598,688)	(1,201,068)	(4,799,756)
Depreciation and depletion	(1,708,433)	(530,811)	(2,239,244)
Exchange differences	90,414	4,740	95,154
Balance on 31 December 2022	16,524,472	6,359,833	22,884,305
Additions	-	221,019	221,019
Transfer to non-current assets held for sale	(7,956,203)	(3,299,241)	(11,255,444)
Change in site restoration liabilities	245,015	82,972	327,987
Depreciation and depletion	(316,707)	(92,575)	(409,282)
Exchange differences	466,810	178,446	645,256
Balance on 30 June 2023	**8,963,387**	**3,450,454**	**12,413,841**

12 RIGHT-OF-USE ASSETS

	30 June 2023 $	31 December 2022 $
Land and buildings – right of use	182,666	177,905
Less: accumulated depreciation	(83,722)	(37,064)
	98,944	**140,841**
Reconciliation of movements:		
Opening balance	140,841	-
Additions	-	174,521
Amortisation	(44,956)	(36,922)
Effects of foreign exchange movement	3,059	3,242
Closing balance	**98,944**	**140,841**

13 TRADE AND OTHER PAYABLES

	Note	30 June 2023 $	31 December 2022 Restated $
Current			
Trade payables		1,495,513	161,266
Other payables – oil and gas producing assets	(i)	1,030,511	1,392,399
Other payables – oil and gas assets		907,652	1,302,501
Authorised government agencies		2,379,375	2,378,845
DOE training assistance for Philippine service contracts		236,009	376,657
Accrued expenses		100,654	40,345
		6,149,714	**5,652,013**

(i) The Group has a net payable position on Canadian production operations as of 30 June 2023 because of necessary operational CAPEX for the continued performance of the remaining Red Earth assts.

14 BORROWINGS

	Book value 30 June 2023 $	Fair value 30 June 2023 $	Book value 31 December 2022 $	Fair value 31 December 2022 $
Current				
Loans received from a related party	1,062,329	1,062,329	917,041	917,041
Premium funding facility	27,067	27,067	-	-
	1,089,396	1,089,396	917,041	917,041

	Premium funding $	Loans from a director [(2)] $	Total $
Balance on 1 January 2022	**-**	**839,534**	**839,534**
Loans and borrowings received	-	100,000	100,000
Interest charged	-	80,986	80,986
Less repaid [(1)]	-	(103,479)	(103,479)
Balance on 31 December 2022	**-**	**917,041**	**917,041**
Loans and borrowings received	-	100,000	100,000
Premium funding facility	39,496	-	39,496
Interest charged	1,934	45,288	47,222
Less repaid [(1)]	(14,363)	-	(14,363)
Balance on 30 June 2023	**27,067**	**1,062,329**	**1,089,396**

[(1)] amounts repaid include interest and loan establishment costs.
[(2)] refer to note 20(c) for further details.

15 SITE RESTORATION PROVISION

Site restoration provisions have been disaggregated based upon geography due to differing jurisdictional requirements as per the table below:

California, USA (Sacramento Basin)

The Company continues to work within the regulations of the Californian authorities with regards to the planning and timing of the rehabilitation, such rehabilitation subject to the Company's share of the Department of Conservation and Division of Oil, Gas and Geothermal Resources (DoGGR) bond of US$200,000 for up to fifty wells.

15 SITE RESTORATION PROVISION (continued)

Alberta, Canada (Red Earth assets)

The activities of the joint operation in Alberta, Canada (comprising the Group's working interest in the Red Earth assets) give rise to dismantling, decommissioning and site disturbance remediation activities until approximately 2045.

These provisions have been recognised upon region specific cost estimates provided by the Alberta Energy Regulator (AER). The assumptions are based on the current economic environment and are contained within Directive 011 as provided by AER. These estimates are reviewed regularly accounting for any material changes to the assumptions, however, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required that will reflect market conditions at the relevant time. Furthermore, the timing of decommissioning is likely to depend upon when the fields cease to produce at an economically viable rate. This in turn, will depend upon future oil and gas prices, which are considered inherently uncertain.

The significant assumptions used in the calculation of the present value of the provisions are a risk-free rate of 3.35 percent, an inflation rate of 2 percent, and the assumed timing of cash outflows from 2023 until 2045. The assumptions represent a change from the metrics utilised on 31 December 2022, due to changes in the risk-free rate and inflation since that date. As disclosed in note 25, on 17 July 2023, the Company announced that it had entered into an agreement with Blue Sky Resources Limited for the sale of its 20% working interest in the Alberta Plains assets.

Philippines (Service Contract SC 14C2)

The Group has recognised a restoration liability for the complete abandonment of the historically abandoned wells, based on the estimated $44,824,429 (US$29,757,728) (gross) cost to abandon the field. The significant assumptions used in the calculation of the present value of the provisions are a risk-free rate of 6.35 percent, an inflation rate of 3.1 percent, and the assumed timing of cash outflows until 2025. The Group's share (22.28%) as of 30 June 2023 is $8,561,813 (US$5,683,957).

	30 June 2023 $	31 December 2022 $
Current		
Canada	682,216	1,061,769
Non-current		
California	211,923	206,399
Canada	11,318,848	21,622,979
Philippines	8,561,813	8,201,169
	20,092,584	30,030,547
Closing balance	**20,774,800**	**31,092,316**

15 SITE RESTORATION PROVISION (continued)

Reconciliation of movements in site restoration provision:

	California $	Canada $	Philippines Restated $	Total Restated $
Balance on 1 January 2022	**193,757**	**27,546,968**	**7,590,241**	**35,330,966**
Amounts utilised or extinguished	-	(636,670)	-	(636,670)
Accretion expense	-	566,206	113,509	679,715
Change in site restoration estimates	-	(3,855,632)	-	(3,855,632)
Effects of foreign exchange	12,642	(936,124)	497,419	(426,063)
Balance on 31 December 2022	**206,399**	**22,684,748**	**8,201,169**	**31,092,316**
Transfer to liabilities associated with non-current assets held for sale	-	(11,768,779)	- -	(11,768,779)
Rehabilitation works performed	-	(52,842)	-	(52,842)
Accretion expense	-	185,067	116,679	301,746
Change in site restoration estimates	-	327,987	-	327,987
Effects of foreign exchange	5,524	624,883	243,965	874,372
Balance on 30 June 2023	**211,923**	**12,001,064**	**8,561,813**	**20,774,800**

16 LEASE LIABILITIES

	30 June 2023 $	31 December 2022 $
Opening balance	134,266	-
Recognition of lease liabilities	-	174,521
Interest charged	2,915	2,603
Less repayments	(53,610)	(44,130)
Effects of foreign exchange	4,731	1,272
Lease liabilities included in the consolidated statement of financial position	**88,302**	**134,266**
Current	88,302	89,272
Non-current	-	44,994
	88,302	**134,266**

17 CAPITAL AND RESERVES

Issued Capital

	Ordinary shares			
	Number of shares		Amount in $	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Opening balance	**611,180,909**	481,198,714	**33,058,906**	29,941,940
Issue of shares for cash	-	116,700,000	-	2,917,500
Issue of shares in lieu of directors' fees	4,542,986	5,661,294	99,946	142,983
Issue of shares in satisfaction of service provider fees	-	7,620,901	-	203,494
Capital raising costs	-	-	(15,952)	(147,011)
Closing balance	**615,723,895**	**611,180,909**	**33,142,900**	**33,058,906**

Prior to the reporting period, $511,899 was received in advance for shares issued on 6 July 2023.

18 SHARE-BASED PAYMENTS

The share-based payment expense included within the consolidated financial statements can be broken down as follows:

	30 June 2023 $	30 June 2022 $
Expensed in personnel expenses		
Shares issued to directors	49,973	34,305
Shares to be issued to directors	21,295	29,760
Options issued to directors	-	118,000
Options issued to employees	-	1,180
Expensed in professional fees		
Shares issued to consultants	-	82,578
Shares to be issued to a consultant	-	30,156
Options issued to consultants of the company	-	41,595

18 SHARE-BASED PAYMENTS (continued)

Shares issued in lieu of deferred director fees

At a general meeting on 31 May 2022, a share plan was approved by shareholders to satisfy 50% of all director fees through the issue of shares on a quarterly basis for the period 1 April 2022 to 31 March 2023. These shares were issued as follows:

Quarter ended	Director name	Contractual value of services rendered $	Market value of shares on grant date $	No. of Plan Shares issued	Date of issue	Share price on grant date cents
31-Dec-22 [(1)]	Gary Jeffery	-	-	1,666,667	17-Jan-23	2.20
31-Dec-22 [(1)]	Andrew Childs	-	-	333,333	17-Jan-23	2.20
31-Dec-22 [(1)]	William Ashby	-	-	271,493	17-Jan-23	2.20
31-Mar-23	Gary Jeffery	25,000	36,667	1,666,667	11-Apr-23	2.20
31-Mar-23	Andrew Childs	5,000	7,333	333,333	11-Apr-23	2.20
31-Mar-23	William Ashby	4,072	5,973	271,493	11-Apr-23	2.20
		34,072	49,973	4,542,986		
30-Jun-23 [(2)]	Gary Jeffery	25,000	15,625	3,125,000	11-Jul-23	1.50
30-Jun-23 [(2)]	Andrew Childs	5,000	3,125	625,000	11-Jul-23	1.50
30-Jun-23 [(2)]	William Ashby	4,072	2,545	509,053	11-Jul-23	1.50
		68,144	71,268	8,802,039		

(1) No value is recorded for contractual value of services and market value of shares in the current financial year as these expenses ($49,973) were recorded in the share-based payments reserve as of 31 December 2022.

(2) At a general meeting on 31 May 2023, a share plan was approved by shareholders to satisfy 50% of all director fees through the issue of shares on a quarterly basis for the period 1 April 2023 to 31 March 2024. $21,295 for the quarter ending 30 June 2023 is recorded in the share-based payments reserve.

Share-based payment programme

The Company has adopted an Employee Share Option Scheme (“ESOS”). Under the ESOS, the Company may grant options and rights to Company eligible employees to acquire securities to a maximum of 10% of the Company’s total issued ordinary shares at the date of the grant. The fair value of share options granted is measured using the Black Scholes option pricing model.

The options and rights vest on a time scale as specified in the ESOS and are granted for no consideration. Options and rights granted under the plan carry no dividend or voting rights. When exercisable, each option is converted into one ordinary share. The maximum term of an option is five years from grant date and the exercise price is settled in cash.

Options will not be transferable and will not be listed on the ASX unless the offer provides otherwise or the Board in its absolute discretion approves.

18 SHARE-BASED PAYMENTS (continued)

Share-based payment programme (continued)

Unissued ordinary shares of Sacgasco Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price cents	Number under option
31-May-2022	31-Jan-2024	4.50	27,250,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

19 FINANCIAL INSTRUMENTS

The carrying amounts of receivables, payables, and loans and borrowings are considered a reasonable approximation of their fair value.

20 RELATED PARTIES

(a) Key management personnel compensation

Key management personnel compensation comprises the following:

	30 June 2023 $	30 June 2022 $
Short-term employee benefits	92,850	87,957
Post-employment benefits	1,710	807
Share-based payments – shares issued	49,973	34,305
Share-based payments – shares to be issued	21,295	29,760
Share-based payments – options	-	118,000
	165,828	**270,829**

(b) Other key management personnel transactions

Andrew Childs

Resource Recruitment Pty Ltd, a company for which Mr Childs is a director, received $15,600 in repayment for office rent. $2,600 was outstanding on 30 June 2023.

20 RELATED PARTIES (continued)

(c) Loans from key management personnel

Gary Jeffery

Dungay Resources Pty Ltd, a company for which Mr Jeffery is a director and shareholder, provided cash loans on an arms-length basis to the Company in the prior year, accruing interest at 10% per annum, pro rata, repayable within six months if, and when, the company was in a financial position to do so. Interest expense to 30 June 2023 was $45,288 and the balance outstanding was $1,062,329

21 CAPITAL COMMITMENTS

	2022 $	2021 $
Exploration expenses		
Committed at the reporting date, not yet recognised as liabilities		
Payable [1]	821,618	-

[1] On 10 June 2022, Nido Petroleum Philippines, a subsidiary of Sacgasco, signed an agreement to acquire key drilling long lead items (“LLI”) for US$2.9 million under an agreed payment structure:

- Initial consideration of US$1.4 million payable in three instalments:
    - US$400,000 – paid June 2022
    - US$500,000 – paid September 2022
    - US$500,000 – paid October 2022
- Balance of US$1,500,000 payable on the earlier of mobilisation of the equipment, or 12 months after the agreement date
- A revised payment schedule has been agreed that spreads the payment of the balance over three payments:
    - US$500,000 – paid by Blue Sky on 31 May 2023
    - US$500,000 – payable on or before 31 July 2023
    - US$500,000 – payable on or before 9 September 2023

$995,186 (US$660,677) has been recognised as a prepayment (refer note 10).

22 CONTINGENT LIABILITIES

Dempsey 1-15

A cash bonus totalling in aggregate $3,000,000 may be payable out of the net proceeds of sales of gas (after deducting operating costs) from any reservoir below the Forbes Zone and attributable to a 17.5% working interest in the Dempsey 1-15 well.

There is no completion in the Below Forbes Zone; in fact, there is a plug in the well above that zone; and hence there is no expectation of this liability being realised.

Service Contract 54A (SC 54A) (Operated by Nido Petroleum Philippines Pty Ltd)

On 2 September 2021, the Company acquired Yilgarn Petroleum Pty Ltd for cash consideration of $1. In addition to the cash consideration, a contingent net royalty of up to $2.18 million (US$1.5 million) would be payable to IMC Investments Capital Pte Ltd after commercial production is achieved under SC 54. There are no wells currently capable of producing oil or gas in SC 54.

On 20 November 2021, the Company executed an agreement to acquire TG World for cash consideration of $1 and a contingent net royalty of up to $907,000 (US$625,000) payable to TG World Energy Corp after any commercial production is achieved in SC 54. There are no wells currently capable of producing oil or gas in SC 54.

On 16 December 2021, the company executed an agreement to sell TG World for cash consideration of Canadian $200,000. This agreement is silent on the contingent net royalty of up to $907,000 (US$625,000) payable to TG World Energy Corp after any commercial production is achieved in SC 54A referred to above and hence the contingent net royalty remains a contingent liability for the Company. There are no wells currently capable of producing oil or gas in SC 54A.

The participants in SC 54A advised The Philippines DOE effective 5 August 2022 of their willingness to enter Sub Phase 7 of the SC 54A. This 12-month period requires a commitment well to be drilled in SC 54 prior to 5 August 2023, unless SC 54A is extended or relinquished. The contingent commitment is $8.71 million (US$6 million). Due to difficulties in sourcing a rig to drill the well, the DOE agreed to extend the commitment indefinitely.

SC 54A participant TG World has agreed to fund 85% of the drilling of a well in SC 54A to retain and earn a total after farmin interest of 48.75%. This well is expected to be drilled on the Nandino Prospect. If the Nandino well is drilled the Company will be required to fund 15% of the well.

23 INTERESTS IN JOINT OPERATIONS

Permit	Country	Participating Interest %	Funding Interest %
SC 6B	Philippines	9.09	54.545
SC 14C2	Philippines	22.28	22.280
SC 54	Philippines	72.50	15.000
SC 58	Philippines	50.00	50.000

23 INTERESTS IN JOINT OPERATIONS (continued)

The Group's participating interest in SC 58 is dependent upon the completion of its farm-in obligation under its Farmin Agreement with PNOC-EC dated 17 July 2006. Activity within SC 58 is under Force Majeure.

The Group has classified all joint arrangement interests in its projects as joint operations given that the arrangements are such that each party contributes assets and has proportional rights to the return of assets and payment of obligations based on its percentage contributed. These proportions are as noted above under average interest. In this respect, the Company records its proportion of income, expenses, assets, and liabilities pertaining to the projects.

24 SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities, and results of the following wholly owned subsidiaries on 30 June 2023:

Name of subsidiary	Place of incorporation	Equity Interest	
		30 June 2023 %	31 December 2022 %
Sacgasco CA Inc	United States of America	100	100
PEOCO LLC	United States of America	100	100
Sacgasco AB Ltd	Canada	100	100
Nido Petroleum Pty Ltd	Australia	100	100
Nido Petroleum Philippines Pty Ltd	Australia	100	100
Yilgarn Petroleum Pty Ltd	Australia	100	100

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

25 MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 11 July 2023, the Company issued 4,259,053 fully paid ordinary shares in lieu of directors' fees, as approved by shareholders on 31 May 2023.

On 11 July 2023, the Company raised $1,075,200 (before costs) through the issue of 153,599,800 fully paid ordinary shares at 0.7 cents each to sophisticated investors.

On 17 July 2023, the Company announced that it had entered into an agreement with Blue Sky Resources Limited for the sale of its 20% working interest in the Alberta Plains assets for consideration of C$900,000 ($1,000,000), subject to receiving any approvals as required from ASX. The effective date of the transaction is 1 January 2023, and balances owing to Blue Sky at this date of C$492,035 ($560,514) were to offset the transaction proceeds. As at the date of this report, the Company has received approval from ASX on the transaction and balance of proceeds totalling C$407,035 ($439,486) will be received on completion date, 60 days from agreement execution.

On 26 July 2023, the Company announced that it had signed a binding Share Purchase Agreement with Blue Sky International Holdings Inc. to reduce Sacgasco's risk in the Philippines while retaining material potential benefits, through the sale of its wholly owned subsidiaries Nido Petroleum Pty Ltd and Yilgarn Petroleum Philippines Pty Ltd.

The sale consideration is US$2,500,000 cash paid as following:

a. US$700,000 to be paid upon receipt of funds from the previously announced PNOC farmout
b. US$1,800,000 to be paid within 60 days of successful completion and flow of oil from Cadlao-4, and
c. Sliding scale royalty on all Nido Service Contracts or Nido Service Contracts derived therefrom:
    i. Overriding Royalty of 3% on production up to 3,000 BOPD net to Nido Participating Interest
    ii. Overriding Royalty of 4% on production of 3,000 to 5,000 BOPD net to Nido Participating Interest
    iii. Overriding Royalty of 5% on production of greater than 5,000 BOPD net to Nido Participating Interest

The agreement is subject to confirmation of the farmout agreement with PNOC Exploration Corporation and shareholder approval under ASX Listing Rule 11.2 for disposal of a main undertaking. The effective date of the transaction is subject to the PNOC farmin.

DIRECTORS' DECLARATION
For the half-year ended 30 June 2023

In accordance with a resolution of the Directors of Sacgasco Limited, we state that:

In the directors' opinion:

1. The consolidated financial statements and notes are in accordance with the *Corporations Act 2001* including:

    a. Giving a true and fair view of the Group's financial position as of 30 June 2023 and of its performance for the six months ended on that date; and

    b. Complying with Australian Accounting Standards, AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and mandatory professional reporting requirements; and

2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the half-year ended 30 June 2023.

On behalf of the Board

J.L. KANE MARSHALL

Managing Director

13 September 2023
Perth, Western Australia

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Sacgasco Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Sacgasco Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Sacgasco Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and
(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2.5 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
13th September 2023

D I Buckley

D I Buckley
Partner

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Mr Gary Jeffery
Mr William Ashby

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