



Sacgasco Limited

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SEPTEMBER 2023 QUARTERLY ACTIVITY REPORT HIGHLIGHTS

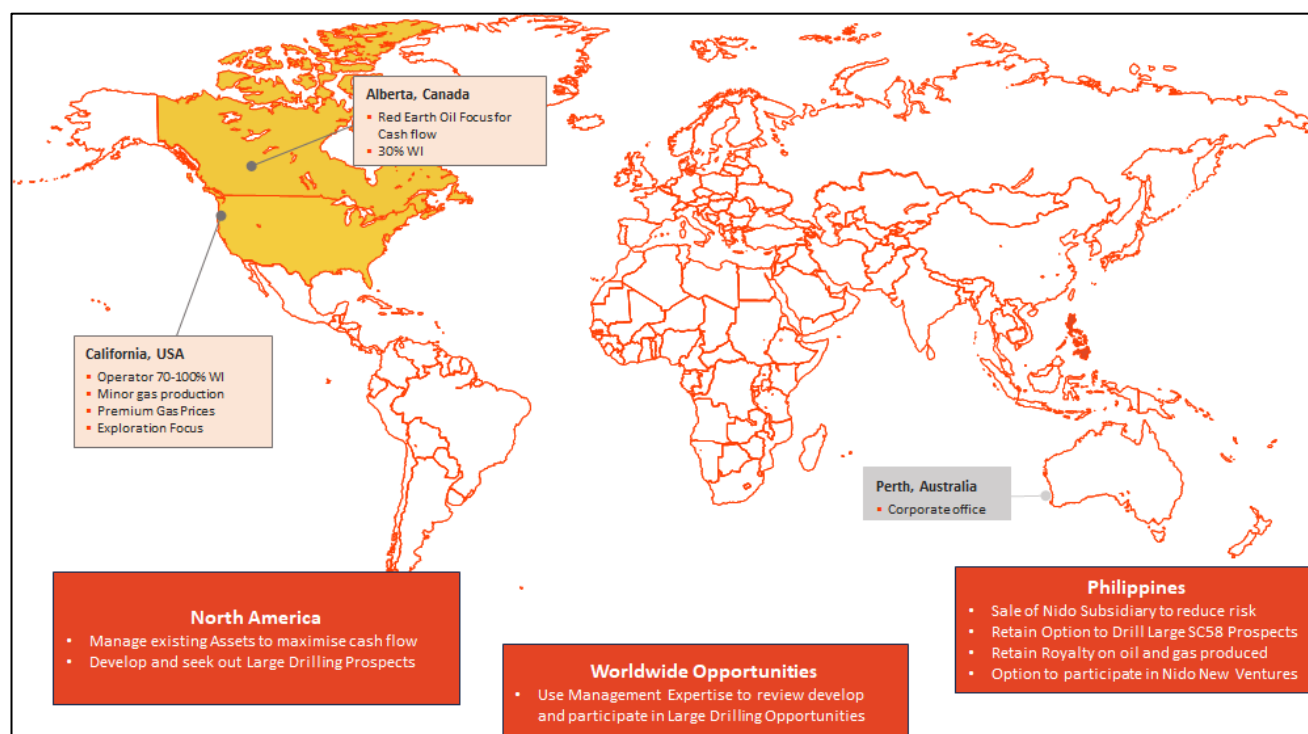
- **North America – Exploration and Producing and Development Properties**
 - Divestment of Sacgasco Limited (“Sacgasco or the “Company”) 20% Working Interest in the Albert Plains Assets to Blue Sky Resources Limited for approximately A\$466,000 completed;
 - Total net production from Canadian assets (before royalty) of 20,842 BBL
 - Red Earth assets currently producing at approximately ~835 barrels per day (BOPD) on a gross basis and after turnaround and maintenance significant net cash inflow is envisaged through early 2024;
 - Company share of oil production in Canada was 231 BOPD for the quarter; and
 - Company share of gas flows in California was 275 MCFPD, with premium gas prices during the September 2023 quarter and continuing.
- **Philippines - Exploration and Development**
 - PNOC Exploration Corporation (“PNOC”) Farmin to SC6B (Cadlao Field) finalisation imminent with Philippines senate approval granted for the Cadlao Field work program and budget;
 - Cadlao Field Drilling and Extended Well Test (“EWT”) planning for 2024 drilling and expected to be handed over to the buyer of Nido once formal farmin from PNOC received; and
 - Deep Venture drillship modifications and inspections currently occurring in Vietnam for Philippines Drilling Program.
- **Corporate and New Ventures**
 - Following the completion of the Alberta Plains Assets divestment, the Board has been assessing a number of high impact large resource exploration drilling opportunities with a view of executing a drilling program in Q1 2024;
 - Additional long-term value accretive opportunities both in oil and gas have been identified domestically as middle east tensions, lack of new supply, increasing demand, and withdrawal of inventories continue to create a perfect storm of high oil prices and high netback LNG prices globally;
 - Sacgasco is currently undertaking a review of all its assets to better streamline cash flow and corporate overheads; and
 - The review includes implementing a strategy of majority operatorship of all its assets and drilling high risk high reward exploration prospects complemented with cash flow to manage corporate overheads.

Sacgasco Limited (ASX: SGC) (“Sacgasco” or “Company”) is pleased to provide the Quarterly Activities Report for the calendar quarter ending 30 September 2023.

References to Sacgasco include its wholly owned subsidiaries Nido Petroleum Philippines Pty Ltd and Yilgarn Petroleum Pty Ltd (collectively “**Nido**”), Sacgasco AB and Sacgasco CA.

The September 2023 quarter and subsequent events referred to in this report represent continuing development in the Company’s growth into an Exploration & Production (E&P) Company with forward cashflows expected to underpin production and development projects in Canada and new venture projects.

Sacgasco now holds a suite of quality production assets with large upside in two stable jurisdictions and is currently shortlisting new venture projects as at this reporting date.



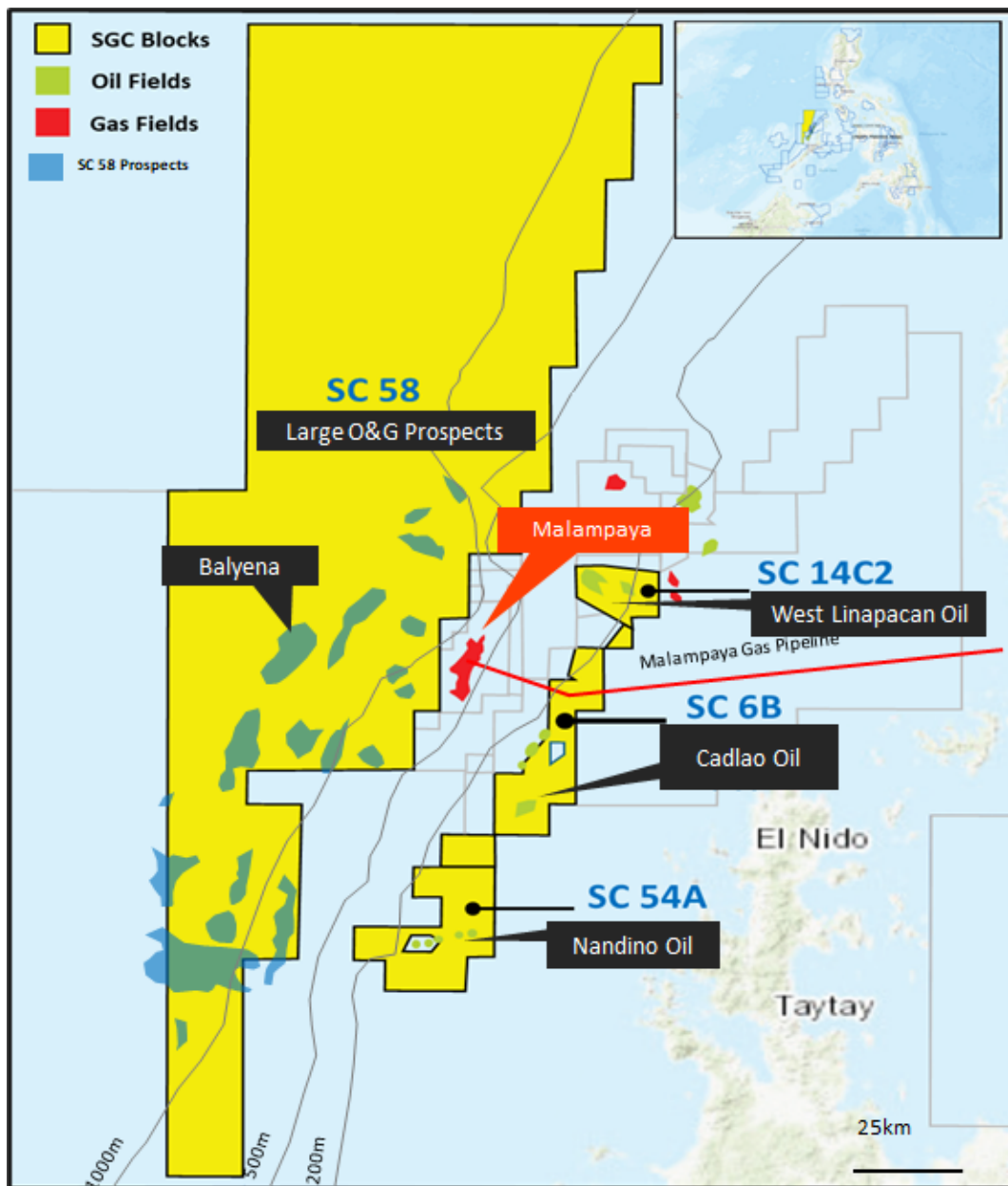
EXPLORATION AND PRODUCTION ACTIVITIES

OFFSHORE PHILIPPINES

As previously announced, Sacgasco commercialised its Philippines interests by the sale of Nido Petroleum Philippines Pty Ltd (“Nido”) with the only condition precedent of that sale now being the formalisation by way of a farmin agreement of the Letter of Intent from PNOC Exploration Corporation (PNOC EC) for its farmin to Service Contract 6B (SC 6B), which includes the drilling of the Cadlao 4 well as the first stage of redevelopment of the Cadlao Oil Field. The formalisation has gone a step further during the quarter, with the Philippines senate now approving the work program and budget for the first phase of the redevelopment of the field and the Company is currently awaiting the execution and formalisation of the farmin agreement, which will be a large step towards revenue from Sacgasco’s royalty interests in all Nido service contracts¹.

PNOC EC is a wholly owned subsidiary of the Philippines National Oil Company. Saba Drilling, the Operator of the Deep Venture DP2 Drillship (“Deep venture”), is diligently working to have the drillship readied for drilling a number of wells for the buyer of Nido and other Operators in the Philippines.

¹ Refer ASX announcement 26th July, 2023



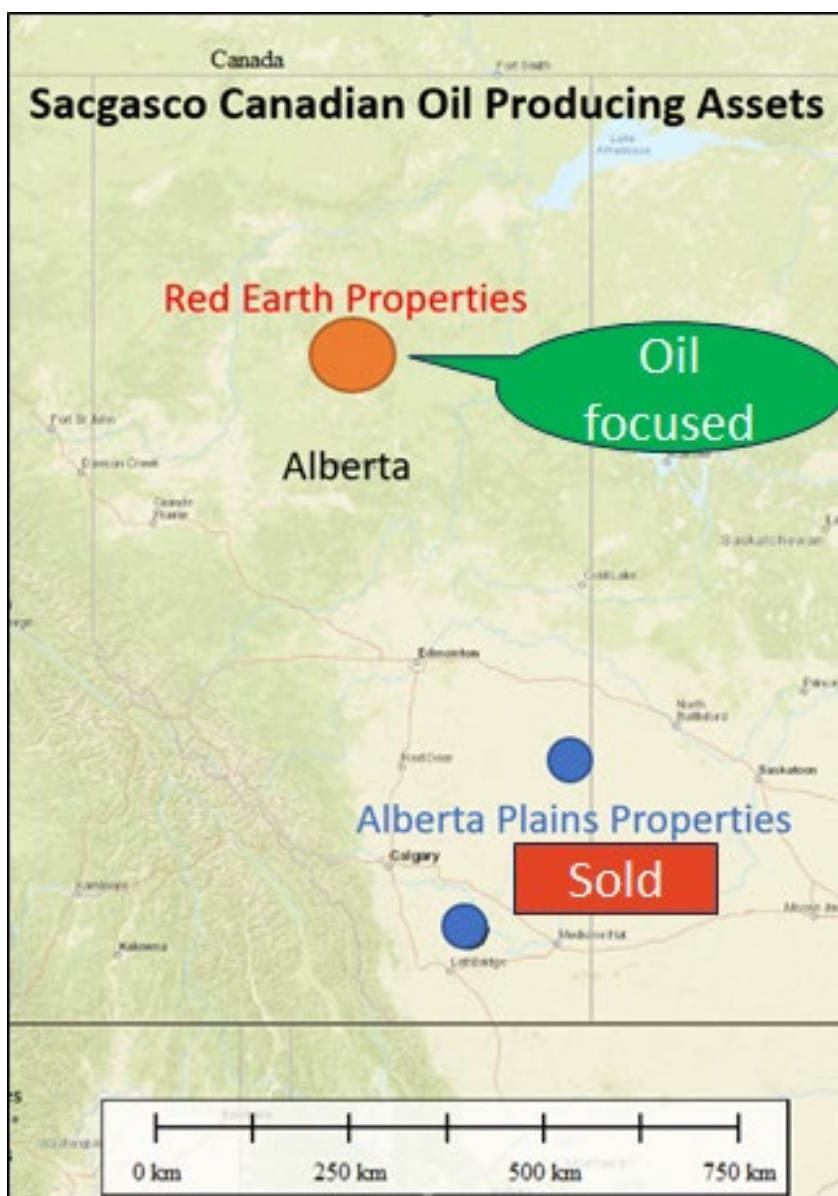
Nido's Acreage in the Northwest Palawan Basin, in which Sacgasco now has an overriding royalty agreement

The Company notes that as the Effective Date of the Share Purchase Agreement transaction with Blue Sky International Holdings Inc. ("BSIH") is 31 July 2023, all costs borne by the Company during the period after the effective date will be recouped following the completion of the transaction.

SACGASCO PHILIPPINES TENEMENT TABLE (30 September 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 (SGC)
SC 14C2	West Linapacan A Field; West Linapacan B	22.28%	Philodrill
SC 58	Palawan Basin big hit Exploration	50%	NIDO (SGC)
SC 6B	Cadlao, near field Exploration	9.09% (Increasing to 72.727% when Farmin terms are satisfied)	NIDO (SGC) Operator

ONSHORE CANADA (Non-Operated)



Sagasco's Canadian Producing Properties

Canada Oil and Gas Production (BBL) ¹	September 2023 Quarter	June 2023 Quarter*
SGC Production	20,842	22,730
SGC Production after Royalty	17,077	18,625

* Production statistics disclosed above differ from the previous quarterly report. This is due to the removal of production information in relation to the Alberta Plains Assets due to their divestment during the quarter. Accordingly, the production information for June 2023 quarter reflects only Red Earth operations.

Current production rate net to SGC (before royalty) was approximately 252 BOPD in mid-October.

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

Subsequent to the quarter, the Alberta Plains assets were divested for C\$400,000².

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%

ONSHORE CALIFORNIA (Majority Operated)

The Company continued to maintain leases in the Sacramento Basin during the quarter. Sargasco 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. In addition to maintaining these leases, Sargasco is looking at further “bolt on” opportunities that are exploration with large upside in other leases and potentially further drilling in the Alvares area.

California Gas Flows (mcf) ¹	September 2023 Quarter	June 2023 Quarter
Gross Gas Flows	41,409	38,070
SGC Gas Flows after Royalty	24,808	21,849
<i>Note 1: mcf = Thousand Cubic feet gas</i>		

Gas flow optimization and sales opportunities are being continually pursued.

Evaluations to monetise the previously reported Borba gas discovery continued with discussions on alternatives uses for natural gas from the Borba gas discovery including trucking of compressed natural gas and other alternatives.

² Refer ASX Announcements 19th July 2023 and 18th September 2023

SACGASCO CALIFORNIA TENEMENT TABLE (30 September 2023)

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

CORPORATE

During the quarter several reviews were undertaken of the Company's assets, overheads and strategy with a view of implementing an operating exploration company philosophy and increasing its footprint into other jurisdictions as commodity prices increase in the face of geopolitical tension, supply issues and a change in sentiment in capital markets of investing in oil and gas. The last few months have seen a material change in view of the energy sector as a whole, particularly in Australia where the Board envisages there being a material change in policy both in Australia and overseas towards energy security.

New venture opportunities have been focused in two areas:

- High impact near term exploration opportunities as liquidity has improved in ASX listed juniors in the energy space; and
- Medium to longer term portfolio opportunities to ensure an inventory of news flow as the company recapitalizes into higher commodity prices.

DECEMBER 2023 QUARTER OBJECTIVES

- Rationalising the portfolio properties in North America and optimizing production and cash flow from Red Earth;
- Finalising the divestment of Nido; and
- Securing new ventures opportunity for immediate activity and news flow.

SACGASCO CAPITAL STRUCTURE

ISSUED CAPITAL – 30 October 2023

Ordinary Shares (ASX: SGC)	773,582,748
Unlisted Options exercisable @ 4.5 cents by 31 December 2024	27,250,000

APPENDIX 5B DISCLOSURES

ASX LR 5.4.1: Exploration expenditure during the quarter was \$789k.

ASX LR 5.4.2: n/a

ASX LR 5.4.3: Tenement schedule attached to activities report.

ASX LR 5.4.5: Payments to related parties totalled \$46k and was in respect of Directors' fees and office lease.

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 and new venture opportunities in Australasia.

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 Asian market.

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

www.sacgasco.com

Twitter: @SacGasCo

Leases:

US and Canadian exploration is 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 its 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

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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Sacgasco Limited

ABN

83 114 061 433

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	218	1,786
1.2 Payments for		
(a) exploration & evaluation	(789)	(2,353)
(b) development	-	-
(c) production	(441)	(441)
(d) staff costs	(109)	(422)
(e) administration and corporate costs	(232)	(610)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(4)	(6)
1.6 Income taxes refund	72	72
1.7 Government grants and tax incentives	-	-
1.8 Other (PAYG Refund)	-	399
JV Receipts	6	79
1.9 Net cash from / (used in) operating activities	(1,279)	(1,496)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant, and equipment	(4)	(4)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	464	464
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other	-	-
2.6 Net cash from / (used in) investing activities	460	460

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	563	1,075
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(54)	(57)
3.5 Proceeds from borrowings	-	100
3.6 Repayment of borrowings	(10)	(10)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (Right of Use Lease Liability)	(26)	(68)
3.10 Net cash from / (used in) financing activities	473	1,040

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	821	436
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,279)	(1,496)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	460	460

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	473	1,040
4.5	Effect of movement in exchange rates on cash held	15	50
4.6	Cash and cash equivalents at end of period	490	490

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	490	821
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (petty cash)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	490	821

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amounts of payments to related parties and their associates included in item 1	46
6.2	Aggregate amounts of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amounts at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	1,000	1,000
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	1,000	1,000
7.5 Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
	<p>Six Related Party unsecured loan facilities earning interest at 10% pa, repayable within six months unless extended by mutual agreement:</p> <ul style="list-style-type: none"> - Unsecured facility with Dungay Resources Pty Ltd, a company associated with Gary Jeffery, dated 1 November 2021 for \$250,000, extended until 1 November 2023, - Unsecured facility with Dungay Resources Pty Ltd, dated 4 May 2021 for \$300,000, extended until 4 November 2023, - Unsecured facility with Dungay Resources Pty Ltd, dated 17 May 2021 for \$250,000, extended until 17 November 2023, - Unsecured facility with Dungay Resources Pty Ltd, dated 25 November 2022 for \$100,000, extended until 25 November 2023, and - Unsecured facility with Dungay Resources Pty Ltd, dated 6 June 2023 for \$100,000. - Unsecured facility with Dungay Resources Pty Ltd, dated 23 October 2023 for \$200,000. <p>Secured loan facility with BlueRock Well Services Pte Ltd, dated 11 October 2023 for US\$300,000, repayable on 11 January 2024, earning interest at 18% per annum. Maturity date is extendable by mutual agreement.</p>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,279)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,279)
8.4 Cash and cash equivalents at quarter end (item 4.6)	490
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	490
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.38
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: *No. As the entity has entered into an agreement to divest its Filipino operations, operational cash outflows are expected to decrease in the coming quarter.*

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: *The Company will receive US\$700,000 upon completion of the divestment transaction of the Filipino Operations, which expected to conclude upon signing of a farmin agreement with PNOG EC, the only remaining condition precedent for the divestment transaction.*

The Company is also to be reimbursed for costs incurred and paid post 31 July 2023 in relation to Filipino Operations, under terms of the Share Purchase Agreement with Blue Sky International Holdings Inc.

Furthermore, Sacgasco is presently seeking avenues to monetise the long lead items secured by the Company during 2023 via completion of staged payments, as previously announced 30 May 2022. The Company anticipates disposing of these assets in a relatively expeditious manner to monetise the assets for utilisation in operations.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: *Yes, based on the responses in 8.8.1 and 8.8.2.*

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2023

Authorised by: Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.