



Sacgasco Limited

ABN 83 114 061 433

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MARCH 2024 QUARTERLY ACTIVITY REPORT HIGHLIGHTS

North America – Exploration and Producing and Development Properties

- Total net production from Canadian assets (before royalty) of 13,871 BBL;
- Red Earth assets currently producing at a rate of ~816 barrels per day on a gross basis during April 2024;
- Company share of oil production in Canada was 202 BOPD for the quarter;
- Based on joint venture billings and production revenue from Red Earth, Sacgasco AB Limited was owed \$855,000 CA (not including any accrued expenses) from Blue Sky Resources Limited (“BSRL”) and full payment of this amount is expected shortly; and
- Company share of gas flows in California was 275 MCFPD, with premium gas prices captured during March 2024 quarter and continuing.

Philippines - Exploration and Development

- First tranche of \$350,000 USD received from Sale and Purchase Agreement (“SPA”) with Blue Sky Resources Limited (“BSRL”) for the divestment of Nido Petroleum Pty Ltd, Nido Petroleum Philippines Pty Ltd and Yilgarn Petroleum Philippines Pty Ltd; and
- \$900,000 USD is to be paid by BSRL by 30th April, 2024 as per the SPA.

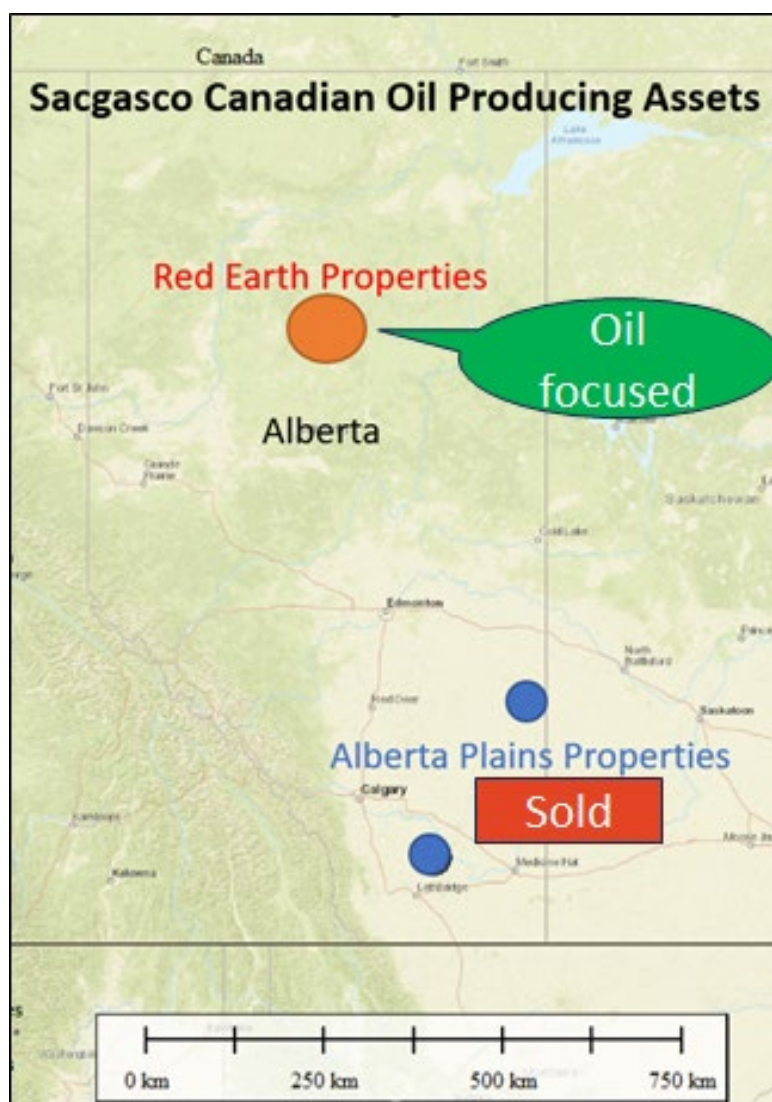
Corporate and New Ventures

- The Board has been assessing value accretive infrastructure opportunities to increase production in California, in addition to evaluating high impact large resource exploration drilling opportunities as part of expanding its footprint of gas assets in California; and
- Additional medium-term value accretive opportunities in natural gas have been identified domestically that the Company is appraising as Western Australia sees a deficiency in affordable gas to consumers which has been the subject of addresses in the media by Western Australia’s Premier during the quarter.

Sagasco Limited (ASX: SGC) (“Sagasco” or “Company”) is pleased to provide the Quarterly Activities Report for the calendar quarter ending 31 March 2024.

The March 2024 quarter and subsequent events demonstrate a period of reinvigoration of the Company’s strategic direction, capitalising off the strengthening in commodity prices both in oil and gas due to middle east tensions and a lack of new investment and supply in the development of these commodities.

ONSHORE CANADA (Non-Operated)



Canada Oil and Gas Production (BBL) ¹	March 2024 Quarter	December 2023 Quarter
SGC Production	18,371	22,125
SGC Production after Royalty	15,732	18,128

Sagasco’s Canadian Producing Properties

Current production rate net to SGC (before royalty) was approximately 245 BOPD during April 2024. At the end of the quarter, based on joint interest billings, Sacgasco AB Limited recognised a receivable position of C\$855,000, excluding accrued expenses as per the Company's financial statements. Sacgasco has requested the full payment of this amount.

SACGASCO CANADA TENEMENT TABLE (31 March 2024)

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. 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. In addition to maintaining these leases, Sacgasco is looking at further "bolt on" opportunities that are both exploration with large upside in other leases as well as low cost infrastructure opportunities to increase Californian production.

California Gas Flows (mcf) ¹	March 2024 Quarter	December 2023 Quarter
Gross Gas Flows	38,199	44,318
SGC Gas Flows after Royalty	27,296	33,163
<i>Note 1: mcf = Thousand Cubic feet gas</i>		

Gas production was down in the quarter due to operational issues associated with the winter weather and pipeline availability.

SACGASCO CALIFORNIA TENEMENT TABLE (31 March 2024)

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%

PROJECT NAMES	LEASES; RELATED GAS FIELD (HBP LEASES); OR KEY WELL	PROJECT TYPE	WORKING INTEREST (WI)*
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 does not have a WI or lease in Alvares but has an option to re-enter the well upon releasing the area

Sacgasco is the Operator of all its WI wells and related tenements in California.

CORPORATE

During the quarter commercial discussions were advanced with several parties in relation to new venture assets. The Company's focus on new ventures has now centred on domestic gas opportunities as gas prices now have severely impacted upon the economies of Western Australia and the east coast of Australia.

Subsequent to the end of the quarter, on 3 April 2024, Mr Gary Jeffery resigned from the Board but remains part of the core management team in evaluating new venture opportunities both domestically and in North America. On 29 April 2024 Mr Andrew Childs resigned from the Board.

The Board is now actively engaged to appoint a Director to fill the vacancy in the Board that Mr Childs resignation presents, to ensure it has sufficient Board members required under the *Corporations Act 2001* requirements.

JANUARY 2024 QUARTER OBJECTIVES

- Rationalising the portfolio of properties in North America and optimizing production and cash flows from Red Earth; and
- Advancement of commercial negotiations with a view of securing new venture opportunities in line with renewed strategic objectives.

SACGASCO CAPITAL STRUCTURE

ISSUED CAPITAL – 31 March 2024	
Ordinary Shares (ASX: SGC)	779,687,078

APPENDIX 5B DISCLOSURES

ASX LR 5.4.1: Exploration expenditure during the quarter was \$nil. Management has continued to assess exploration activities during the quarter, however no external consultants were utilised and as such no external costs recognised as exploration expenditure.

ASX LR 5.4.2: Production expenditure during the quarter was \$345k.

ASX LR 5.4.3: Tenement schedule attached to activities report. No tenements disposed during quarter. No farm-in or farm-out agreements entered into during quarter, nor changes to existing agreements.

ASX LR 5.4.4: n/a

ASX LR 5.4.5: Payments to related parties totalled \$61k 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
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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 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 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.

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 consultant to 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")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	225	225
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	(345)	(345)
(d) staff costs	(76)	(76)
(e) administration and corporate costs	(173)	(173)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes refund	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (JV Receipts)	35	35
1.9 Net cash from / (used in) operating activities	(333)	(333)

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

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant, and equipment	-	-
(d) investments *	530	530
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other ^:	-	-
Cash received to fund operations from Blue Sky Resources Ltd as incoming parent entity	90	90
Cash consumed during continuing Filipino operations	(492)	(492)
Cash held by Filipino entities at date of loss of control	(89)	(89)
2.6 Net cash from / (used in) investing activities	39	39

* US\$350,000 received from Blue Sky Resources under the terms of the divestment agreement.

^ Nido entities were approved for divestment in January 2024. Transfer of ownership to Blue Sky Resources Ltd completed on 13-Mar-24 and accordingly, all cash movements have been recorded in section 2.5 under accounting standards requirements. Cash on hand as at 31 December 2023 is noted as \$475,613 per the Company's 2023 Annual Report. The difference between this opening balance, the transactions reported above and the closing cash is the result of foreign exchange movements.

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5 Proceeds from borrowings	-	-
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)	-	-
3.10 Net cash from / (used in) financing activities	(10)	(10)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	741	741
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(333)	(333)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	39	39
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(10)	(10)
4.5	Effect of movement in exchange rates on cash held	14	14
4.6	Cash and cash equivalents at end of period	451	451

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	451	741
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)	451	741

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	61
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
<p><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i></p> <p><i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i></p>			
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	<p>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>		
<p>Parent entity debt facilities</p> <p>Five Related Party 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 May 2024, - Unsecured facility with Dungay Resources Pty Ltd, dated 4 May 2021 for \$300,000, extended until 4 May 2024, - Unsecured facility with Dungay Resources Pty Ltd, dated 17 May 2021 for \$250,000, extended until 17 May 2024, - Unsecured facility with Dungay Resources Pty Ltd, dated 25 November 2022 for \$100,000, extended until 25 May 2024, and - Unsecured facility with Dungay Resources Pty Ltd, dated 6 June 2023 for \$100,000, extended to 6 June 2024. 			
8. Estimated cash available for future operating activities		\$A'000	
8.1	Net cash from / (used in) operating activities (item 1.9)		(333)
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)		(333)
8.4	Cash and cash equivalents at quarter end (item 4.6)		451
8.5	Unused finance facilities available at quarter end (item 7.5)		-
8.6	Total available funding (item 8.4 + item 8.5)		451
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)		1.35
<p><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></p>			

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. Following shareholder approval to divest its Filipino operations on 19 January 2024, operational cash outflows are expected to decrease in the coming quarter. Furthermore, the Company has received cash-flow positive operations statements for Canadian assets and is presently seeking payment from these activities to fund its global operations.

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: On 19 January 2024, shareholders approved the divestment of its Filipino Operations. US\$900,000 is due under terms of the divestment on or before 30 April 2024. Furthermore, as identified in section 8.8.1, the Company has a net receivable position on Canadian operations and is seeking payment from the Operator. The Company also retains the capacity to raise additional working capital for its operations via a share placement to investors.

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: 30 April 2024

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.