



# Sacgasco Limited

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Announcement to ASX

3 March 2022

## NANDINO PROSPECTIVE RESOURCES CERTIFIED

- Nandino Prospect targets 27 million barrels of recoverable oil (mean unrisks prospective resource)
- Nandino lies updip and on-trend with 4 oil discoveries within SC 54 (SGC 72.5% WI)
- 119m+ oil column and strong oil shows interpreted in two previous tests of the greater Nandino structure
- Nandino Prospect targeted for 2022 drilling program
- Drilling site surveys and well proposal submission planned for March 2022

Sacgasco Limited (ASX: SGC) ("SGC", "Sacgasco" or "the Company") is pleased to announce the prospective resources have been endorsed by RISC Advisory (RISC) for the Nandino Prospect in Service Contract 54 (SC54) in the Philippines. References to Sacgasco in this announcement include its wholly-owned subsidiaries.

Nandino Prospective Resources (100%)	Oil in Place	Recoverable Oil	Net to SGC
P90 (million barrels)	24.2	6.6	4.8
P50 (million barrels)	75.3	21.9	15.9
P10 (million barrels)	175.0	54.2	39.3
Mean (million barrels)	91.0	27.3	19.8

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.

Note 2: The resource estimates have been prepared using the probabilistic method and are presented on an unrisks basis. In a probabilistic resource distribution, P90 (Low), P50 (Best), P10 (High) estimates represent the 90%, 50% and 10% probability respectively that the quantity recovered will equal or exceed the estimate assuming a success case in the prospect.

Note 3: The resource estimates are reported as at an evaluation date of March 2022

Note 4: The Nandino Prospect lies wholly within SC54 where Sacgasco owns a consolidated 72.5% working interest. Subject to DOE approval, the Company has granted Blue Sky a 2:1 farmin option on Nandino over its current working interest.

### Sacgasco's Managing Director, Gary Jeffery commented:

*"This is an outstanding result for the Company and gives Sacgasco exposure to a significant upside in our first Philippine drilling program planned for later this year.*

*I believe that the chance of making a discovery at Nandino is excellent given its location at a regional high in the proven Nido Limestone Formation hydrocarbon play. More specifically, Nandino is updip and on-trend from several discovered oil fields interpreted to be "fill-to-spill" in addition to the greater Nandino structure including an interpreted 119m+ oil column at Tindalo-1 and strong oil shows at North Nido-1.*

*It should be noted that the Tindalo sub-structure is interpreted to be in communication with the greater Nandino Prospect area through the oil column and the Tindalo resources are not included in this prospective resources assessment. As Tindalo was an oil discovery, any resources assessed would be classified as contingent resources under the PRMS classification system.*

*I am excited about the high impact drilling program that will commence later this year, starting with the drilling site survey scheduled later this month.”*

The Nandino Prospect within SC 54 is considered the largest shallow water prospect in Sacgasco’s Philippines portfolio. The Miocene aged carbonate pinnacle reef structure lies in water depths of 90 meters and is immediately updip of the Tindalo oil discovery.

The current Sub-Phase 6 of SC 54 ends on 5 August 2022 at which time the Joint Venture may elect to enter Sub-Phase 7 of the Service Contract, which is for a period of one year. All commitments have been fulfilled for the current Sub-Phase 6. Sub-Phase 7 includes a commitment for one exploration well.

Nandino drilling is planned for 2022 in a 2-well drilling program with the Cadlao Extended Well Test (**EWT**) in Service Contract 6B; subject to Philippine Department of Energy (**DOE**) and Joint Venture (**JV**) approvals. The Company intends to kick off the program in March with the following:

- submit a well proposal to the DOE for the Nandino-1 exploration well
- conducting a drilling site survey
- tender for drilling long lead items (**LLI**)

In the event of a discovery at Nandino, the chance of development (as defined in the PRMS) is strong given current high oil prices, favourable service contract terms and relatively low cost, shallow water development options. Sacgasco may seek to conduct an EWT and will then evaluate the possibility of a clustered development together with the nearby Tindalo, Yakal and Nido 1X1 discoveries.

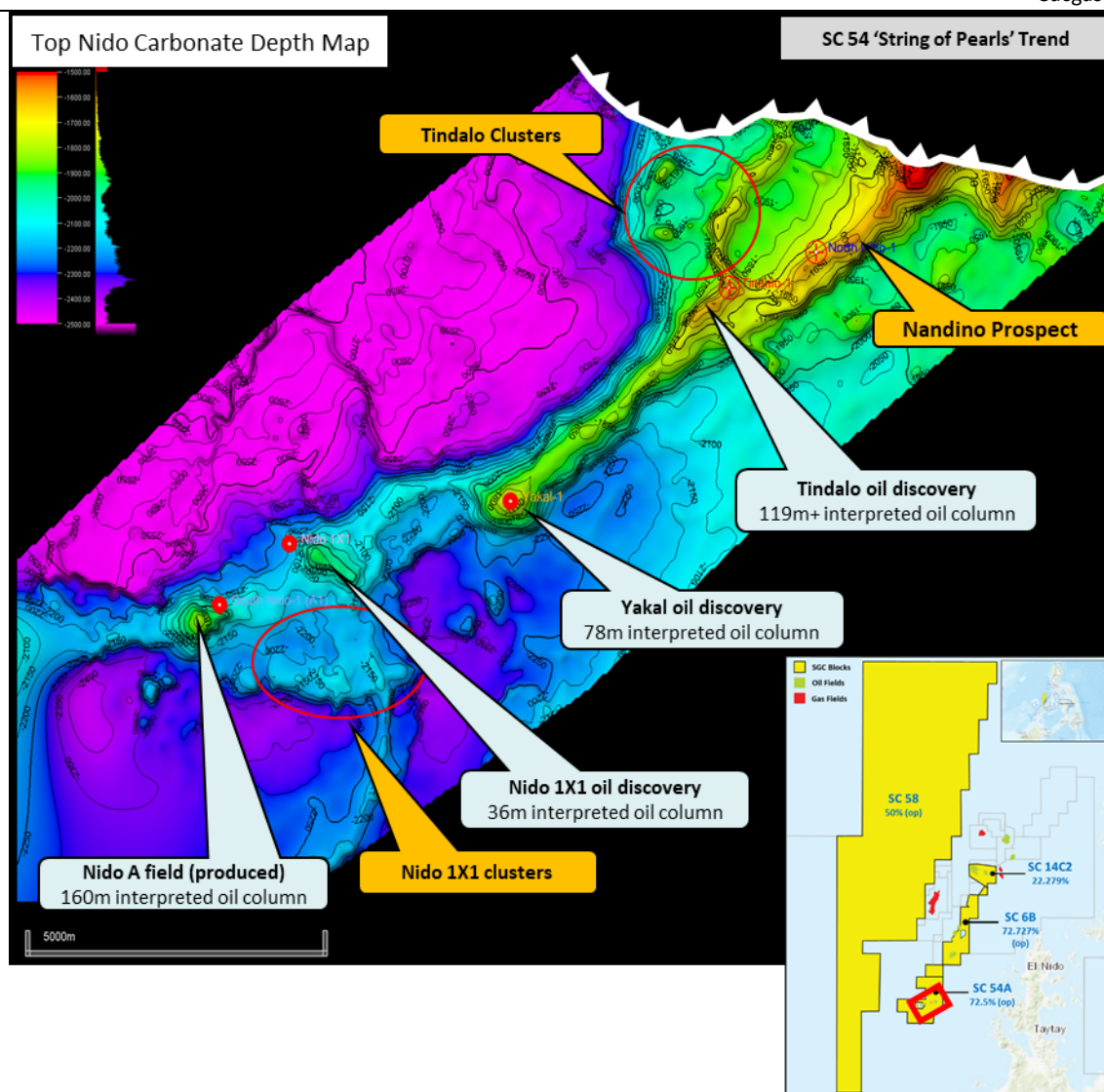
### **Prospect Summary**

The Nandino Prospect is located in SC 54 and has been identified and delineated on 3D seismic. The prospect is also constrained by the historical North Nido-1 well which was drilled on the north-western flank of the structure in 1976 and also the Tindalo-1 discovery to the south-west of the prospect.

The primary reservoir identified over the Nandino Prospect is the Nido Limestone (**NL**). The NL is a Mid Miocene aged pinnacle reef carbonate reservoir which forms a trend of pinnacle reef systems that have been the historic focus of oil exploration in the Northwest Palawan Basin, Philippines. Out of 60 exploration wells drilled in the basin to date, 27 have led to discoveries, giving a 45% success rate.

Within SC5 .4, a “fill-to-spill” chain of oil fields has been discovered as shown in the Figure below. The Nandino Prospect lies updip and on-trend of this fill-to-spill chain.

The Nandino Prospect has an estimated 27.3 million barrels of gross recoverable oil (unrisked mean prospective resources) with a P90 - P10 range of 6.6 to 54.3 million barrels. A third-party independent audit of the Nandino Prospect has also been undertaken by RISC confirming the unrisked prospective resources. RISC estimates the Geological Chance of Success (**COS**) to be 25%.

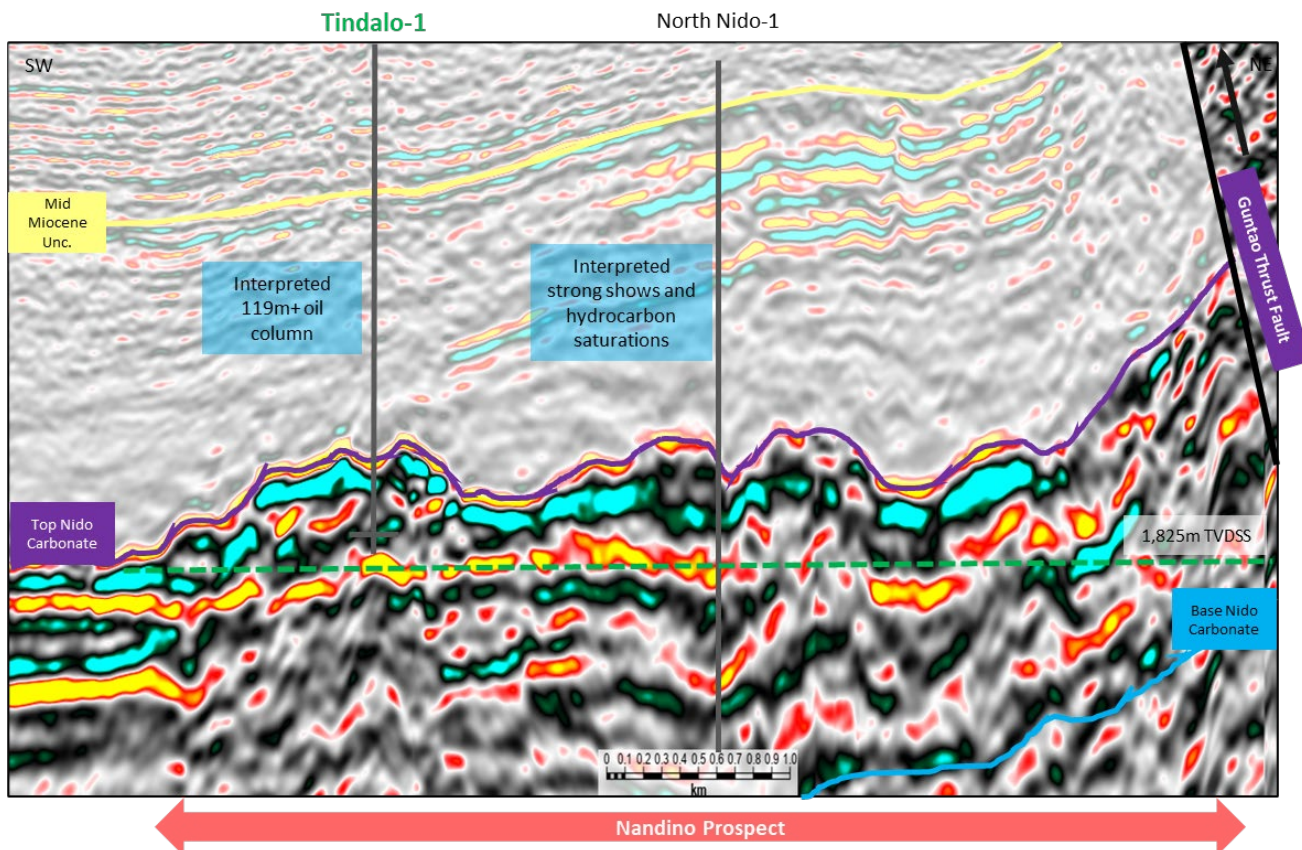
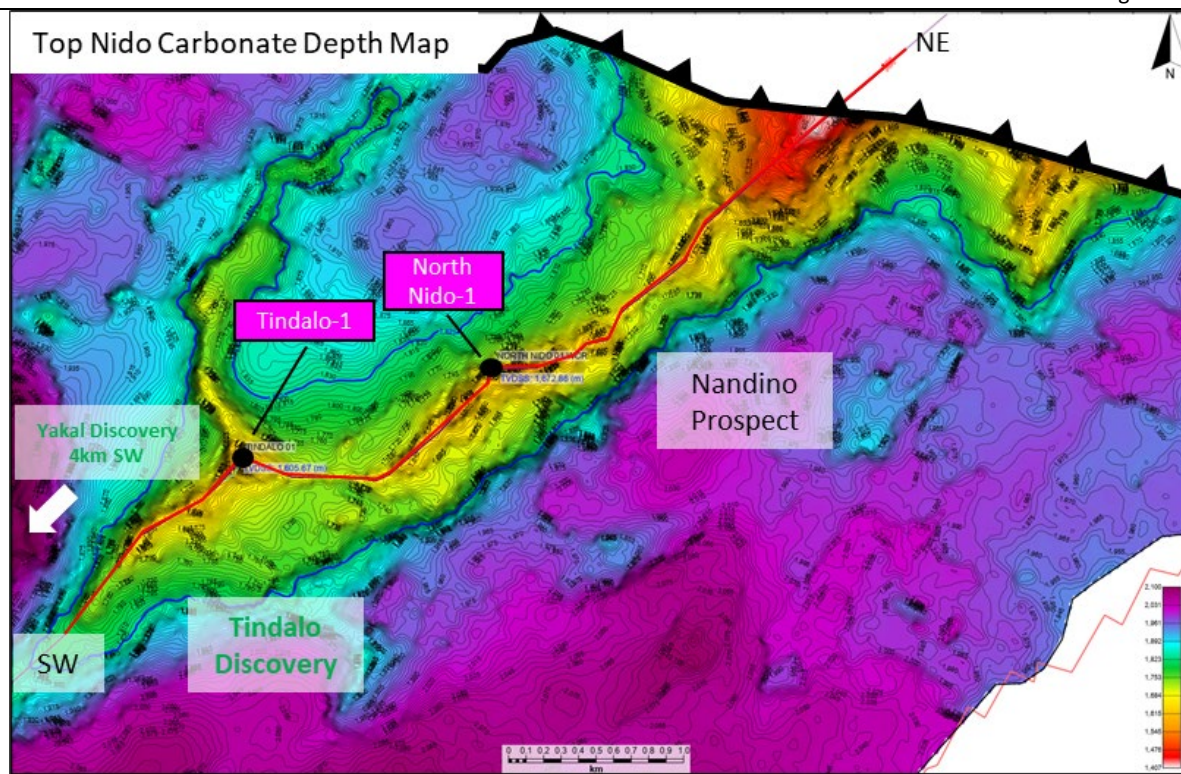


The North Nido-1 historical well, which had strong oil shows, was drilled in 1976 on 2D seismic data and is now interpreted to be on the flank of the Nandino structure with significant updip attic potential remaining.

3D seismic was acquired over the area in 1997 and subsequently reprocessed in 2011 using a Pre-Stack Depth Migration (**PSDM**) workflow. Revised Sacgasco 3D seismic interpretation shows the interpreted free-water-level (**FWL**) at Tindalo-1 is potentially below the mapped lowest closing contour of the Tindalo substructure. Consequently, the Tindalo discovery and the greater Nandino structure are interpreted to potentially share the same oil-water-contact and to be in communication through the oil column in the best estimate case as shown in the Figures below.

The Nandino prospective resources assessment did not include an assessment of the volumes in the Tindalo sub-structure and these would be classified as contingent resources under the Petroleum Resources Management System, 2018 (**PRMS**) definitions.





### SC 54 Service Contract Summary

Sagasco currently holds a consolidated 72.5% working interest in SC 54 and is the Operator through its wholly owned subsidiaries Nido Petroleum Philippines Limited and Yilgarn Petroleum Philippines Pty Ltd.

Sagasco has granted Blue Sky International Holdings Inc (**Blue Sky**) an option to earn interest in SC54 from its subsidiaries by funding SGC's share of the Nandino drilling costs on a 2 for 1 basis.

If exercised within 30 days after the well is proposed by Sagasco, Blue Sky will pay Sagasco's 72.5% working interest share of the well cost up to and including wireline logging to earn a further 36.25%.

In the event of the farmin option being exercised and subject to DOE approval, the working interests would then become:

Joint Venture Party	Pre-farmin	Subject to farmin
<b>Sacgasco</b>	<b>72.5%</b>	<b>36.25%</b>
Blue Sky	12.5%	48.75%
Halo Oil	15%	15%

### Resource Estimation Methodology

The resource estimates have been prepared by RISC in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System, 2018, approved by the Society of Petroleum Engineers.

The primary target is the Nido Limestone, a reservoir known to be a productive for oil within Service Contract 54 and the Palawan Basin more generally. The Tindalo prospect was mapped on 3D seismic and the gross rock volume distribution was estimated from a range of possible oil-water-contacts. The primary well analogues used to estimate the range of reservoir parameters in the resource determination were the Yakal-1, North Nido-1 and Tindalo-1 wells. Recovery factors were estimated in the range of 20% to 40% (P90/P10) consistent with worldwide analogues for similar limestone reservoirs including those within the Northwest Palawan Basin.

The prospective resource assessment has been compiled by Mr Adam Craig who is an employee of RISC. Mr Craig is a highly experienced Geoscientist and Manager, with over 30 years' experience in the upstream oil & gas sector. He is a member and Certified Practising Geologist (#6446) of the AAPG. Adam is also a member of PESA (2022 WA Branch President) and a Fellow of the Geological Society. He holds BSc (Hons) in Geology from Curtin University, Western Australia and is a qualified petroleum reserves and resources evaluator (QPRRE) as defined by ASX listing rules.

RISC is a well known and respected independent energy advisory firm, with a history of providing impartial advice to the petroleum industry including providing Independent Technical Specialist Reports (ITSRs) and Competent Persons Reports (CPRs) for stock exchange and regulatory requirements. For further information please visit [www.riscadvisory.com](http://www.riscadvisory.com)

### For and on behalf of the Board of Sacgasco Limited

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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. Sacgasco's Natural Gas activities include Hydrogen and Helium. Sacgasco is a Silver Member of the California Hydrogen Business Council.**

**The Company is currently focused on conventional oil and gas exploration and production in the Sacramento Basin in California, Alberta Province in Canada and offshore The Philippines.**

**Sacgasco's goal is to provide natural gases including Hydrogen and Helium and contribute to the production of the required oil to assist the world in an orderly transition to a Clean Energy Future. Sacgasco is using its extensive energy experience to seek out and produce naturally occurring Hydrogen and Helium in its areas of Operations.**

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

**Sacgasco is in the process of acquiring additional undervalued oil and gas producing and exploration assets.**

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