



Sacgasco Limited

ABN 83 114 061 433

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Announcement to ASX

31 January 2023

DECEMBER 2022 QUARTERLY ACTIVITY REPORT

HIGHLIGHTS

- **Philippines - Exploration and Development**
 - Nido appointed Operator for SC 6B Cadlao Oilfield
 - Geophysical Site Survey completed over Cadlao Oil Field in SC 6B, and
 - Two high graded drilling locations surveyed over the Nandino Prospect SC 54
 - Survey areas covered drilling sites and locations for EWT oil offtake vessels.
 - Planning for Extended Well Tests (EWT) to produce oil from drilling upon success.
 - Cadlao EWT program approved.
 - Actively negotiating Contracts for Philippines Drilling Program in 2023
 - Further farmout discussions progressing.
 - Keen interest by Philippines banks for reserves-based lending and project finance
- **North America - Producing Properties and Development**
 - Total net production from Canadian assets (before royalty) of 39,882 BOE
 - Net production receipts of A\$0.84 million (after production costs and rehabilitation expenses),
 - SGC share of oil and gas flows in Canada was 420 BOEPD in December.
 - Gas flow optimisation in California resulted in 60 BOEPD after royalties in the quarter, with very high gas prices during December.

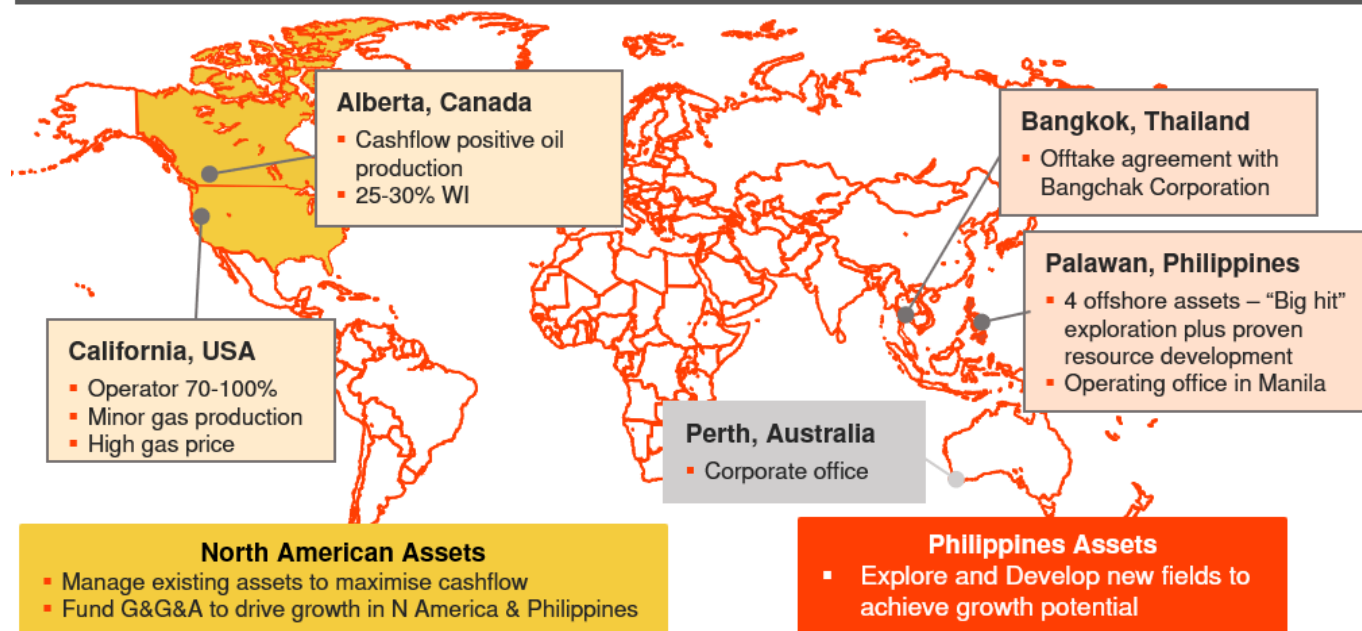
Sacgasco Limited (ASX: SGC) (“Sacgasco”, “SGC” or “the Company”) is pleased to provide the Quarterly Activities Report for the calendar quarter ending 31 December 2022.

References to SGC or Sacgasco include its wholly owned subsidiaries Nido Petroleum Pty Ltd, Sacgasco AB and Sacgasco CA.

The December 2022 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 California and maturing and implementing development and exploration projects in the world class offshore Palawan Basin in the Philippines.

Sacgasco now hold a suite of assets with large upside in three stable jurisdictions and is actively reviewing other attractive opportunities.

Asset base



EXPLORATION AND PRODUCTION ACTIVITIES

OFFSHORE PHILIPPINES

Nido, which has been active in the Philippines for over 22 years, was acquired by Sacgasco 18 months ago and during this time the participant’s interests in the various Service contracts have been consolidated and simplified by farmouts to facilitate a consolidated work program aimed at earliest production from the acquired assets.

Sacgasco through its wholly owned subsidiary Nido Petroleum Philippines Pty Ltd (“Nido”), as Operator of Service Contract SC 6B (“SC 6B”) and Service Contract 54 (“SC 54”), has completed field survey work using the Cassandra VI survey vessel from Hurricane Geo Inspection Survey Sdn Bhd (“HGIS”) including geophysical site surveys in preparation for drilling the Cadlao Oil Field in SC 6B and the Nandino Prospect in SC 54 both in the North West Palawan Basin, offshore Philippines.



Cassandra VI Geophysical Survey Vessel

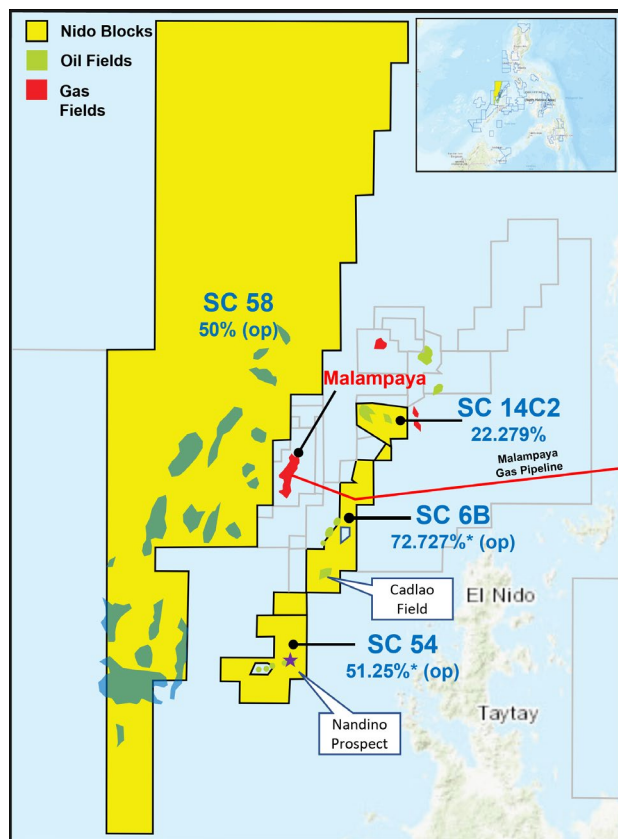
Details	Specifications
LOA	53.80 m
Beam	13.80 m
Total Berth	38 including crew compliment
Port of Registry	Kuching, Malaysia
Flag	Malaysia
Class	America Bureau of Shipping (ABS)

The Cassandra VI survey vessel from Hurricane Geo Inspection Survey Sdn Bhd (“HGIS”)

The site survey operations have been completed at Cadlao and Nandino to Noble Denton Technical Policy Board requirements to assess the seafloor and near seabed conditions in preparation for drilling. This included a bathymetry survey, seabed survey analysis, sub-bottom profiling and other geophysical data acquisition and interpretation.

The site surveys provide the option for drilling of the wells using either the Deep Venture drillship or an alternative Jack Up rig. Nido is planning to begin drilling offshore the Philippines in mid-2023.

Successful drilling would allow early production of oil under Phase One of a development program using an Extended Well Test.



Sagsasco's Acreage in the Northwest Palawan Basin, Philippines

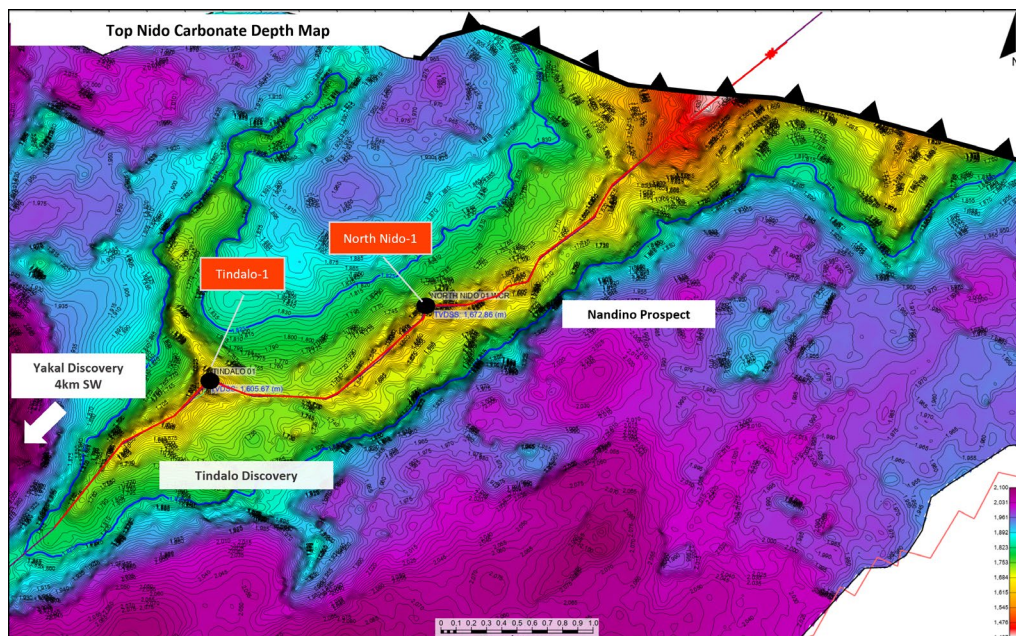
Philippines based banks have been engaged in discussion of reserves-based lending and project finance. These together with active farmouts and Sagsasco's cash flow from oil and gas flows in North America are core to the ongoing implementation of Nido's planned work in the Philippines and potentially the broader region.

The Geological and Geophysical Studies ("G&G") focused on Carbonate Facies Modelling to assist the decision to select the optimum location for drilling the Nandino Prospect and drilling other oil exploration and development wells is being integrated into the results of the recent geophysical surveys.

SC54 (SGC (Nido) Operator)

Sagsasco's wholly owned subsidiary, Nido Petroleum Philippines Pty Ltd. ("**Nido**"), is the Operator of SC54. Service Contract SC54 includes the Nandino Oil Prospect and Nido Limestone hosted oil discoveries at Tindalo, North Nido 1, Nido 1X and Yakal.

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 tests of the greater Nandino structure.



Nido Carbonate Depth Map

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
<p><i>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.</i></p>		

TG World (owned by Blue Sky Resources) has elected to pay 85% of the costs of the planned Nandino well to earn an additional 36.25% participating interest from Nido.

SC 6B Cadlao (SGC (Nido) Operator)

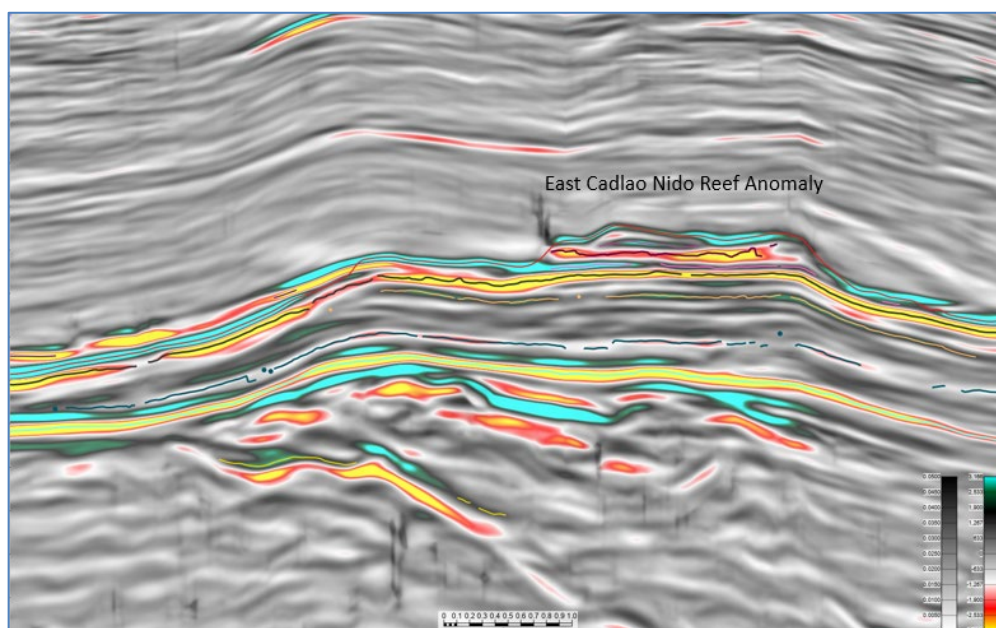
Nido previously entered a Farmin Agreement (“FIA”) with the Service Contract 6B (SC 6B) Joint Venture to fund 100% and Operate the Extended Well Test (EWT) and subsequent redevelopment of the Cadlao Oil Field in return for an additional 63.637% Participating Interest, bringing Nido’s total working interest in SC 6B to 72.727%. (Refer ASX release “Farmin to Cadlao Oil Development 4 March 2022).

Sacgasco, through its wholly- owned subsidiary, Nido Petroleum Philippines Pty Ltd (“Nido”) has entered into an Investment Agreement with Blue Sky International Holding Inc (“Blue Sky”) to fund 45.455% of initial drilling and EWT and subsequent Cadlao Oilfield Redevelopment on a Ground Floor basis.

The Cadlao Field previously produced 11.1 million barrels of oil between 1981 and 1991 and at the time production ceased the field was still producing 950 bopd (separated from 5,900 barrels of produced liquid per day) from 2 subsea wells. Initial production from the discovery well, Cadlao-1A, was over 6,000 bopd.

A plan to drill a new well aimed to recover oil updip from the prolific Cadlao 1 well and to then conduct a First Production Phase based on Extended Well Test (“EWT”) to maximize reservoir knowledge and reduce risks associated with redevelopment of the field, as well as provide early cashflow is advancing rapidly.

Given its proximity to Cadlao, there is also the opportunity to drill the East Cadlao Prospect, subject to further maturing of the prospect to drill ready status.



3D Seismic image through East Cadlao Prospect

The results of an independent Contingent Resources estimate for the Cadlao Oilfield were released (ASX release: “Cadlao Contingent Resources Certified” 13 April 2022).

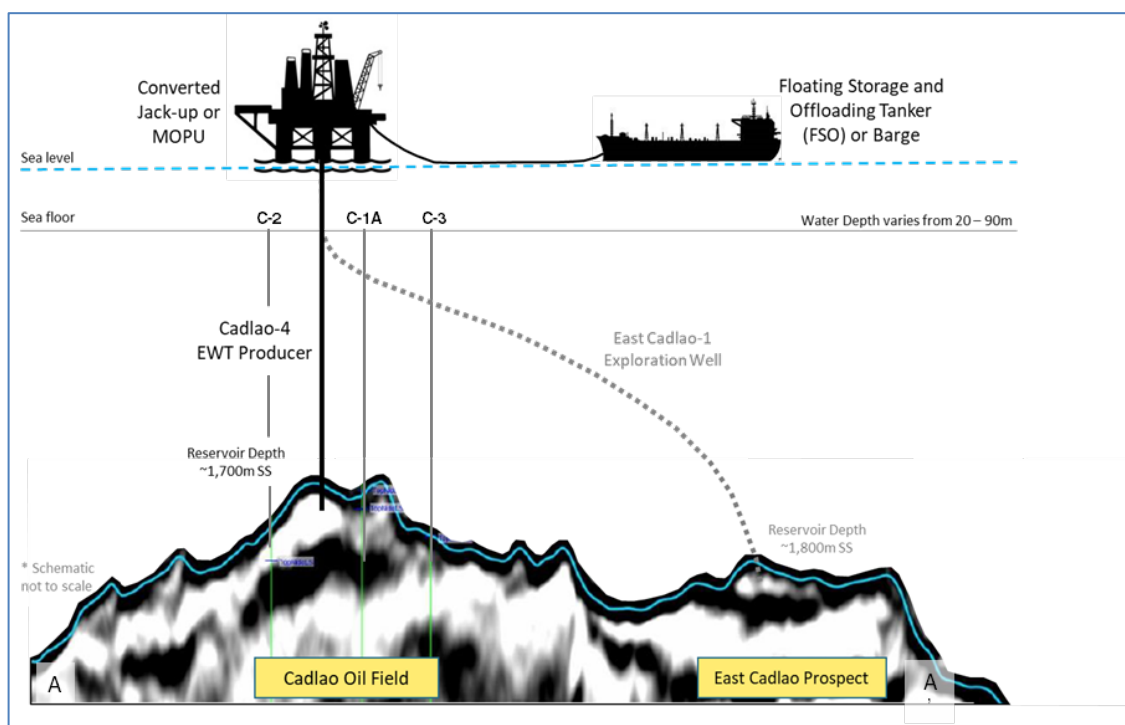
The Contingent Resources estimate, undertaken by RISC Advisory (“**RISC**”) are summarized in the table below. The Contingent Resources are for the Cadlao Field Redevelopment only and **do not include** any additional Contingent and Prospective Resources identified in SC 6B, e.g., Cadlao East Prospect and other nearby leads identified on 3D seismic.

Cadlao Contingent Resources Summary (oil, MMstb)			
	1C	2C	3C
Gross Contingent Resources	4.5	6.2	8.2
SGC Net Contingent Resources (72.727%)	3.3	4.5	6.0
<p>Note 1: These are unrisksed contingent resources that have not been risksed for the chance of development, and that there is no certainty that at the time of project approval it will be economically viable to produce any portion of the contingent resources.</p> <p>Note 2: Nido’s net entitlement to future production proceeds is dependent on approval of the FIA which includes preferential cost recovery and an approved EWT agreement by the DOE</p> <p>Note 3: The contingent resource estimate assumes an economic cutoff of 750 barrels of oil per day</p>			

The Cadlao Field resources are classified as Contingent Resources rather than reserves. Phase-1 of the development (EWT) will be progressed. Resources associated with the EWT can be transferred to undeveloped reserves once this project is approved. RISC has reviewed and in general support the field re-development plans for Cadlao.

Cadlao drilling and EWT is planned for 2023 in a 2-well drilling program with the Nandino Prospect in Service Contract 54 (ASX Announcement “Philippines Drilling Update” 30 May 2022); subject to relevant approvals.

In the event of a successful EWT at Cadlao and depending upon the field data obtained, a full field development may include extra wells with a dedicated oil production facility.



A Cadlao Field development Scenario

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.

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 and Nido has mapped more than 10 prospects on 3D and 2D seismic.

Balyena Prospect is a highly prospective example with multiple stacked targets accessible in a single exploration well located outboard of the 3.2 Tcf Malampaya Gas Field which is connected by underutilized pipeline to energy hungry Manila.

Nido continues its development concept and screening studies to assess the potential economic value of a notional gas discovery in SC 58, including the opportunity to access the Philippine energy market.

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

The West Linapacan Field previously produced 8.5 mmstb and was shut in in 1996 due to facility constraints and a corresponding low oil price environment. Sargasco is considering development and funding options for the redevelopment of the West Linapacan Field.

New Ventures (SGC 100%)

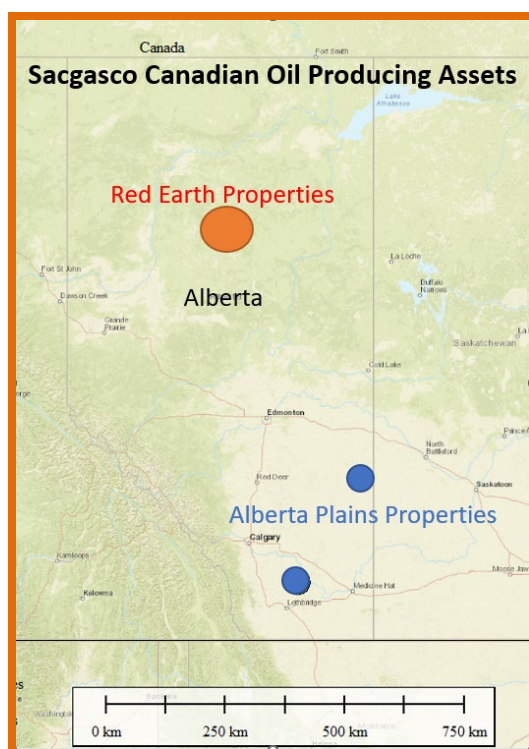
Nido has identified New Venture Opportunities in the Philippines and is actively pursuing them. These include Natural Gas opportunities including Hydrogen and Helium.

SACGASCO PHILIPPINES TENEMENT TABLE (31 December 2022)

Service Contract	Fields / Discoveries	% Working Interest	Operator
SC 54	Tindalo, Yakal, Nido 1X1, Nandino Prospect	85% (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)

During the quarter, the Chairman of Sacgasco travelled to Canada for joint venture meetings and to review field operations. The Blue Sky Resources (**BSR**) field operations were noted to be very professionally manage with facilities in good condition, and meetings with the Operator identified a number of new opportunities in existing fields. Sacgasco is continuing to work with BSR on these opportunities with further updates to be released as they are achieved.



Sacgasco's Canadian Producing Properties

Canada Oil and Gas Production (BOE) ¹	December 2022 Quarter	September 2022 Quarter
SGC Production	39,882	42,066
SGC Production after Royalty	33,321	36,660
Note 1: Gas converted to BOE using 6:1 ratio		

Current SGC net before royalty production rate was approximately 420 BOEPD in December. Production during the quarter was reduced due to extreme cold conditions.

As identified earlier, the Operator, Blue Sky Resources, is undertaking a significant reactivation program at Red Earth, the results of which should begin to show in the next quarter.

SACGASCO CANADA TENEMENT TABLE (31 December 2022)

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%

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.

California Gas Flows (mcf) ¹	December 2022 Quarter	September 2022 Quarter
Gross Gas Flows	47,126	50,147
SGC Gas Flows after Royalty	25,401	25,506
Note 1: mcf = Thousand Cubic feet gas		

Gas flow optimization and sales opportunities are being continually pursued. Gas prices in California averaged over US\$30 per mcf in December 2022 and are averaging over US\$16 per mcf in January 2023.

Borba Gas

Evaluations to monetise the previously reported Borba gas discovery continued with discussions on alternatives for the Borba gas discovery. These include electricity production for an onsite data centre, hydrolysis of natural gas for Hydrogen generation for the local transport market or other means of transporting the gas molecules to local markets. Permitting of onsite facilities is being pursued.

SACGASCO CALIFORNIA TENEMENT TABLE (31 December 2022)

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>Willows Gas Field (Non-operated)</i>	Willows Gas Fields HBP Leases	Gas flow and Rework	10%
<i>Alvares Project</i>	Oil and Gas Mineral Leases. Alvares 1 well (P&A Re-entry)	Exploration, Appraisal	50%

* Approximate WI across the referenced Project

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

CORPORATE

Sacgasco continually reviews new opportunities to supply oil and gas to an energy hungry world.

New Venture opportunities have been short listed for further negotiation with respect to participating equities for Sacgasco.

MARCH QUARTER OBJECTIVES

Progress and facilitate strategic plans for funding and implementing exploration and development of the Philippines Service Contracts including optimizing working interests, accelerating cash flow from existing oil discoveries, and pursuing significant exploration prospects.

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 the natural gas from the Borba 1-7 well discovery.

Ongoing review of potential conventional oil and natural gas projects including Hydrogen and Helium that have a strategic fit with Sacgasco's current assets and strategy.

SACGASCO CAPITAL STRUCTURE

Sacgasco Common shares are listed on the Australian Stock Exchange-**Ticker: SGC**. Sacgasco decided that listing on the OTCQB market in North America provided no significant advantages for shareholders and has requested delisting.

ISSUED CAPITAL at 31 December 2022	
Ordinary Shares (ASX: SGC)	611,180,909
Unlisted Options exercisable @ 4.5 cents by 31 December 2024	27,250,000
<i>18,000,000 unlisted Options expired on 31 December 2022, exercisable @ 6 cents</i>	
<i>On the 19th of October 2022, the Company issued 3,474,847 fully paid ordinary shares to Directors in lieu of cash payments for Directors fees for the September 2022 quarter,</i>	
<i>On the 18 January 2023, the Company issued 2,271,493 fully paid ordinary shares to Directors in lieu of cash payments for Directors fees for the December 2022 quarter as approved by shareholders at the May 2022 AGM.</i>	

APPENDIX 5B DISCLOSURES

ASX LR 5.4.1: Exploration expenditure during the quarter was \$2,267k.

ASX LR 5.4.2: n/a

ASX LR 5.4.3: Tenement schedule included in activities report.

ASX LR 5.4.5: Payments to related parties totalled \$64k and was in respect of Directors' fees, loan interest and office lease.

For and on behalf of the Board of Sacgasco Limited.

Gary Jeffery
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. Sacgasco's Natural Gas activities include Hydrogen and Helium.

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

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, Managing 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")

31 December 2022

Consolidated statement of cash flows	Current quarter	Year to date (12 months)
	\$A'000	\$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	850	3,959
1.2 Payments for		
(a) exploration & evaluation	(2,267)	(5,354)
(b) development	-	-
(c) production	-	- *
(d) staff costs	(184)	(462)
(e) administration and corporate costs	(338)	(988)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	4
1.5 Interest and other costs of finance paid	(26)	(107)
1.6 Income taxes paid	(95)	(755)
1.7 Government grants and tax incentives	-	-
1.8 Other (JV receipts)	-	-
1.9 Net cash from / (used in) operating activities	(2,058)	(3,703)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant, and equipment	(18)	(53)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter	Year to date (12 months)
		\$A'000	\$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	-	-
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	(18)	(53)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,918
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	-	(146)
3.5	Proceeds from borrowings	100	100
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Right of Use Lease Liability)	(17)	(52)
3.10	Net cash from / (used in) financing activities	83	2,820
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,456	1,286
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,058)	(3,703)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(18)	(53)

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

Consolidated statement of cash flows		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	83	2,820
4.5	Effect of movement in exchange rates on cash held	(36)	77
4.6	Cash and cash equivalents at end of period	427	427

5.	Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000
5.1	Bank balances	426	2,455
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (petty cash)	1	1
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	427	2,456

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	64
6.2	Aggregate amounts of payments to related parties and their associates included in item 2	-
<i>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.</i>		

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	900	900
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	900	900
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>Three 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 May 2023, - Unsecured facility with Dungay Resources Pty Ltd, dated 4 May 2021 for \$300,000, extended until 4 May 2023, - Unsecured facility with Dungay Resources Pty Ltd, dated 17 May 2021 for \$250,000, extended until 17 May 2023, and - Unsecured facility with Dungay Resources Pty Ltd, dated 25 November 2022 for \$100,000. 	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,058)
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)	(2,058)
8.4 Cash and cash equivalents at quarter end (item 4.6)	427
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	427
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.21
<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. Exploration costs are expected to remain at a comparable level, but revenue from sales of oil and gas in North America are expected to increase in the near term, and tax refunds will supplement available cash.

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: Sacgasco anticipates increased revenues from production of oil and gas in North America during the coming quarter. In January 2023, Sacgasco received a tax refund of \$400,000. Moreover, the entity maintains the capacity to generate funds via sale or farmout of its various interests if so necessitated. The entity does not have current plans for capital raisings to supplement operational funds, but maintains the capacity to do so under the listing rules.

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 response in 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 January 2023

Authorised by: Gary Jeffery – Managing Director
(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.