



Sacgasco Limited

ABN 83 114 061 433

Unit 14, 210 Bagot Road, Subiaco, WA, 6008.

T +61 8 9388 2654 E info@sacgasco.com

18 November 2021

James Rowe
Head of Listings Compliance (Perth)
ASX Limited
152-158 St Georges Tce
Perth WA 6000.

RE: AWARE QUERY

Dear Mr Rowe,

Reference is made to the aware letter dated 15 November 2021.

The Company responds to each of the queries in your letter as follows:

1. Does SGC consider the Information or any part thereof to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

A. No.

2. If the answer to question 1 is “no”, please advise the basis for that view.

A. The announcement on 26 October 2021 confirmed the Company’s decision to undertake a feasibility study on its Borba Project in California. The fact that the Company was looking at the options for this Borba Project was not new information to the market, having been referenced in the Company’s announcement on 15 June 2021, and referred to in the Company’s presentation to the ‘Good Oil Conference’ (released to ASX on 8 September 2021) where the Company confirmed that it was looking at business growth options for the Project.

As part of the rationale for undertaking the feasibility study, the announcement also disclosed the reasons why other options were not pursued, namely that capacity restrictions meant that the option of utilising the existing pipeline infrastructure was not considered a viable option.

The Company does not consider the capacity restrictions to be the material component of the announcement, rather the material information is the Company’s determination that the feasibility study is to be undertaken to confirm the Company’s view that there is a business opportunity for the Company in developing the Project without utilising the preferred pipeline connection point.

The Company considers that focusing on, or reading into, the statement about the pipeline capacity issue referred to in the announcement deflects from the overall assessment that the Company undertook in determining to proceed with the feasibility study. Any standalone announcement on that pipeline capacity issue would have also had the potential to mislead shareholders or potential

investors as to the viability of the Company's Borba Project in California prior to the Company completing its full assessment of all development opportunities and growth opportunities.

It would be too simple to suggest that the flow restrictions referred to in the announcement represent a material disclosure or the sole reason for the decision outlined in the announcement, and the announcement outlines all of the considerations that the Company has taken into account in making the decision underpinning the announcement.

3. When did SGC first become aware of the Information or any part thereof?

A. While undertaking its assessment, Sacgasco became informally aware of the potential for some capacity limitations at one of the pipeline input points under consideration during discussions with the pipeline operator on or around 4 August 2021. However, as at the date of this letter, Sacgasco has not received written confirmation from the pipeline operator of the basis for the specific capacity limits or any other changed operational conditions at the location. Notwithstanding that formal confirmation has not been received, the Company considers the potential risk provided an adequate basis for taking an alternative approach to the development of the Borba Project.

4. If SGC first became aware of the Information or any part thereof before 26 October 2021, did SGC make any announcement prior to the relevant date which disclosed the information?

A. Refer to the responses to questions 2 and 3 above.

If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe SGC was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps SGC took to ensure that the information was released promptly and without delay.

As outlined above, the Company considered that the information about the potential flow restrictions was relevant to the market understanding the assessment the Board had undertaken in deciding to proceed with the feasibility study announced in the announcement on 26 October 2021. It was not information in and of itself that the Board considered material, rather it was relevant in the context of the assessment undertaken by the Board in making its decision to proceed with the feasibility study.

5. Please confirm that SGC is complying with the Listing Rules and, in particular, Listing Rule 3.1.

The Company considers that it is in compliance with the ASX Listing Rules, including ASX Listing Rule 3.1.

6. Please confirm that SGC's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of SGC with delegated authority from the board to respond to ASX on disclosure matters.

This response has been authorised by the Company's Board.

Yours faithfully,



Gary Jeffery
Managing Director



15 November 2021

Mr Jordan McArthur
Company Secretary
Sacgasco Limited

By email

Dear Mr McArthur

Sacgasco Limited ('SGC'): Aware Query

ASX refers to the following:

- A. SGC's announcement entitled "Sacgasco to Advance Borba Hydrogen Project" lodged on the ASX Market Announcements Platform on 26 October 2021 (the 'Announcement'), disclosing under the heading 'Rationale for the Selection of Borba Location' the following information:

Following on from reviews of pipeline operating incidents, the local pipeline network owner recently imposed severe volume restrictions on the previously identified pipeline route for Borba natural gas. This restriction would have resulted in the Borba production being curtailed indefinitely to well below its potential.

('Information').

- B. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- C. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

- D. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed."

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- E. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Request for information

Having regard to the above, ASX asks SGC to respond separately to each of the following questions and requests for information:

1. Does SGC consider the Information or any part thereof to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. When did SGC first become aware of the Information or any part thereof?
4. If SGC first became aware of the Information or any part thereof before 26 October 2021, did SGC make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe SGC was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps SGC took to ensure that the information was released promptly and without delay.
5. Please confirm that SGC is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that SGC's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of SGC with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **3 AM WST Friday, 19 November 2021**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, SGC's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require SGC to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in SGC's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;

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- that you are not aware of any reason why the trading halt should not be granted; and
 - any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in SGC's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to SGC's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that SGC's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Regards

James Rowe
Head of Listings Compliance (Perth)