

**MINUTES OF THE SPECIAL MEETING  
OF THE STOCKHOLDERS OF  
PHILEX PETROLEUM CORPORATION**

**Held on 11 August 2015 at 2:30 PM  
at The Philex Building,  
No. 27 Brixton Street, Pasig City**

**Directors Present:**

Eulalio B. Austin, Jr., *Presiding Chairman*  
Benjamin S. Austria, *Independent Director; Chairman, Risk and Resource Committee*  
Marilyn A. Victorio-Aquino, *Chairman, Corporate Governance Committee*  
Barbara Anne C. Migallos, *Corporate Secretary*

**Also Present:**

Daniel Stephen Carlos, *appointed President effective 16 August 2015*  
Danny Y. Yu, *Treasurer*  
Mark Raymond H. Rilles, *Finance Controller*  
Banco de Oro Unibank (BDO) Corporate Agencies and Stock Transfer Service

**CALL TO ORDER**

Mr. Eulalio B. Austin, Jr., a Director of the Company, acted as Chairman and called the meeting to order. The Corporate Secretary, Atty. Barbara Anne C. Migallos, recorded the minutes of the proceedings.

The Chairman introduced the Directors and Officers present at the meeting.

**PROOF OF REQUIRED NOTICE OF THE MEETING**

The Corporate Secretary certified that notices of the Special Stockholders' Meeting, together with the Agenda and the Information Statement, duly approved by the Securities and Exchange Commission (SEC), were sent to shareholders within the periods prescribed under applicable rules. She reported that the Notice with Agenda was published in two major newspapers of general circulation.

The Corporate Secretary reported that she has executed a notarized certification attesting to these facts.

**PROOF OF THE PRESENCE OF A QUORUM**

The Corporate Secretary certified that there were present, in person or represented by proxy, shareholders holding **1,235,252,468** shares of stock or **72.66%** of the outstanding capital stock of the Company and that there was a quorum to transact business for the meeting.

**VOTING PROCEDURE**

The Corporate Secretary explained the voting procedures for the meeting.

The Corporate Secretary informed the body that there is only one item on the agenda that required the vote of the shareholders at the meeting: the pledge of shares of stock of Forum Energy Plc and Pitkin Petroleum Plc to Philex Mining Corporation. To

approve the item on the agenda, the affirmative vote of at least two-thirds (2/3) of the outstanding capital stock is required. The voting procedure is as follows:

1. Voting is by balloting.
2. Shareholders who are present and did not submit proxies prior to the meeting are given ballots upon registration. In the case of proxies submitted prior to the meeting, the designated proxy is provided with ballots for casting in accordance with the instructions contained in the proxies.
3. The Company's transfer agent, Banco de Oro (BDO) Stock Transfers (BDO Trust), will tabulate the proxies and the ballots.
4. Voting results will be announced.

The Corporate Secretary said that the proxy form contains every item on the Agenda requiring a vote, with spaces provided for YES, NO or ABSTAIN. The shareholder issuing the proxy indicates his/her vote on each of the items, and the votes are cast in accordance with the shareholder's instruction.

### **PLEDGE OF SHARES OF STOCK**

The next item on the agenda was the pledge of shares of stock.

The Chairman requested Mr. Mark Rilles, Finance Controller of the Company, to explain the pledge of shares of stock of the Company.

Mr. Rilles reported that the Company has an outstanding obligation to or debt from Philex Mining in the amount of Php 2.2 Billion. The debt primarily arose from the acquisition of shares of Pitkin Petroleum Plc and from the funding of the exploration activities in Forum Energy Plc. The Company was originally indebted to Philex Mining for the amount of Php2,644.9 Billion, but the Company partially settled the debt by paying Php450.7 Million (USD 10 Million), reducing its debt to Php 2.2 Billion.

The Company agreed to enter into a pledge agreement with Philex Mining to secure the remaining debt. Under the agreement, the Company will secure the balance of its debt to Philex Mining by pledging its shareholdings in its subsidiaries, Pitkin Petroleum Plc and Forum Energy Plc. The pledge would involve 63% of the assets of the Company. Mr. Rilles reported that the Board has approved the execution of the pledge, and the approval of the shareholders was sought at the meeting.

### **Open Forum**

The Chairman then invited questions from the shareholders.

Mr. Jose Ferrer, a stockholder, expressed his concern on the Pitkin exploration in Peru Block Z-38 which was under force majeure. He asked the Chairman to explain what went wrong in that project. The Chairman referred the question to Mr. Daniel Stephen Carlos. Mr. Carlos explained that force majeure is still maintained in Peru Block Z-38, located in offshore Peru, for the primary reason of unavailability of the drilling rig that will be used to drill the prospects in Peru Block Z-38. He explained that there is difficulty in mobilizing the rig from Brazil to the Peru area, noting that most of the activities are conducted on the east side of South America, or in Brazil area, while the Peru area is on the other side of South America.

There being no other questions from the shareholders, there was a motion for the adoption of the following resolution:

**“RESOLVED**, that the stockholders of Philex Petroleum Corporation (the “Company”) approve, ratify and confirm the pledge of all shares of stock of Forum Energy Plc and Pitkin Petroleum Plc that are owned by the Company or may in the future be acquired by the Company to Philex Mining Corporation to secure the payment of the obligations of the Company to Philex Mining.”

The motion was duly seconded by another shareholder. At the request of the Chairman, the Corporate Secretary informed the body that shareholders holding **1,235,252,468** shares, representing **72.66%** of the outstanding capital stock of the Company, have voted YES to the approval of the pledge to Philex Mining Corporation of shares of stock of Forum Energy Plc and Pitkin Petroleum Plc that are owned by the Company or may in the future be acquired. The Chairman declared the motion carried; the pledge of the Company’s shares of stock of Forum Energy Plc and Pitkin Petroleum Plc to Philex Mining Corporation has been approved, ratified and confirmed.

### **ADJOURNMENT**

The Chairman inquired whether there were other matters to be taken up at the meeting.

There being no other business to transact, the Chairman entertained the motion made by a shareholder that the meeting be adjourned. Upon such motion duly seconded, the Chairman declared the meeting adjourned.

Prepared By:

**BARBARA ANNE C. MIGALLOS**  
Corporate Secretary

ATTEST:

**EULALIO B. AUSTIN, JR.**  
Chairman of the Meeting