

**MINUTES OF THE
ANNUAL GENERAL STOCKHOLDERS' MEETING
OF
PXP ENERGY CORPORATION**

**Held on 1 June 2018 at 2:30 PM
at Ballroom A, Marco Polo Ortigas Manila,
Meralco Avenue and Sapphire Street,
Ortigas Center, Pasig City**

Shareholders present:

In person or represented by proxy: Shareholders holding 65.57% of the Company's outstanding capital stock

Directors Present:

Manuel V. Pangilinan, *Chairman*

Daniel Stephen P. Carlos, *President*

Eulalio B. Austin, Jr., *Director*

Marilyn A. Victorio-Aquino, *Director*

Emerlinda R. Roman, *Independent Director; Chairman, Audit Committee*

Benjamin S. Austria, *Independent Director; Chairman, Board Risk & Resource Oversight Committee*

Diana V. Pardo-Aguilar, *Director*

Oscar S. Reyes, *Director*

Also Present:

Barbara Anne C. Migallos, *Corporate Secretary*

Paraluman M. Navarro, *Treasurer*

SyCip Gorres Velayo & Company, *the Company's Independent External Auditors*

Banco de Oro Unibank Corporate Agencies and Stock Transfer Service, *Stock Transfer Agent*

I. Call to Order

The Chairman, Mr. Manuel V. Pangilinan, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Barbara Anne C. Migallos, recorded the minutes of the proceedings.

The Chairman introduced the Directors present at the meeting: Mr. Daniel Stephen P. Carlos, the Company's President; Engr. Eulalio B. Austin, Jr.; Atty. Marilyn A. Victorio-Aquino; Dr. Emerlinda R. Roman, Independent Director and Chairman of the Audit Committee, and; Dr. Benjamin S. Austria, Independent Director, Chairman of the Board Risk & Resource Oversight Committees; Commissioner Diana V. Pardo-Aguilar, and; Mr. Oscar S. Reyes. The shareholders were also informed of the presence of the Company's independent external auditors, SyCip Gorres Velayo & Company.

II. Proof of Required Notice of the Meeting

The Corporate Secretary certified that notices of the Annual General Stockholders' Meeting, together with the Agenda and the Information Statement, all duly approved by the Securities and Exchange Commission (SEC), were released for distribution to the shareholders on 25 April 2018, and within the periods prescribed under applicable rules and consistent with corporate governance best practices. She reported that the Notice with Agenda was published in two major newspapers of general circulation. The Corporate Secretary presented a notarized certification that she executed to attest to these facts.

III. Certification of Quorum

The Corporate Secretary certified that there were present, in person or represented by proxy, shareholders holding **1,114,720,904** shares or **65.57%** of the outstanding capital stock of the Company and that there was a quorum to transact business for the meeting.

Voting Procedure

At the request of the Chairman, the Corporate Secretary explained the voting procedures and general protocol for the meeting, as follows:

1. The required quorum for meetings of shareholders is the presence in person or by proxy of stockholders representing at least a majority of the outstanding capital stock. There are no items on the Agenda that require a higher quorum under the Corporation Code. In the election of directors, the candidates receiving the highest number of votes shall be declared elected.
2. Only items that are on the Agenda and the Information Statement will be voted upon.
3. Voting is by balloting. Shareholders present were given ballots upon registration. Where a shareholder submitted a proxy prior to the meeting, the proxy designated by the stockholder was provided with a ballot for casting in accordance with the stockholders' instructions, as indicated in the proxy.
4. The proxy forms were distributed together with the Information Statement for use by the shareholders for the meeting. The proxy form contains every item on the Agenda requiring a vote, with spaces provided for Yes, No or Abstain. In the case of the election of directors, the names of each of the nominees are stated in the proxy with three options: Vote for All, Withhold for All, and Withhold for Certain Nominees, with spaces provided for the names of the nominees not being voted for. 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.
5. The Company's transfer agent, Banco de Oro (BDO) Stock Transfers, tabulated the proxies and the ballots.
6. The votes cast for each of the items on the Agenda will be announced when the particular item on the Agenda is taken up by the body and will be posted on the Company's website.

7. A shareholder who wishes to ask a question during the open forum are requested to state their names and confirm for the record that he/she is a shareholder. The name of the shareholder, the question raised, and the response thereto will be reflected in the Minutes as required under corporate governance best practices.

IV. Reading and Approval of the Minutes of the May 16, 2017 Annual Stockholders' Meeting and Action Thereon

With legal notices sent and a quorum present, the Chairman proceeded to the reading and approval of the Minutes of the Annual General Stockholders' Meeting held on 16 May 2017.

A shareholder moved that the reading of the Minutes of the Annual General Meeting of Stockholders held on 16 May 2017 be dispensed with and that the said Minutes be approved. This motion was by duly seconded by another shareholder.

At the Chairman's request, the Corporate Secretary informed the body that, as reflected in the tally prepared by BDO, shareholders holding **1,112,415,453** shares, representing **65.44%** of the outstanding capital stock of the Company, voted YES to the approval of the Minutes of the Annual General Stockholders' Meeting held on 16 May 2017. There were nil NO votes and 2,305,100 ABSTAIN votes. The Chairman declared the motion carried. The Minutes of the Annual General Stockholders' Meeting held on 16 May 2017 are approved.

V. Presentation of the Annual Report and the Audited Financial Statements for the Year Ended December 31, 2017 and Action Thereon

The next item on the agenda was the presentation of the Annual Report and the Audited Financial Statements of the Company for the year ended 31 December 2017. The Annual Report contains the Company's Audited Financial Statements and Notes thereto for the year ended 31 December 2017 which were examined by the Company's independent auditors, SGV. Shareholders were previously provided copies of the Annual Report and the Audited Financial Statements, together with the Notice and Agenda for the meeting.

The Chairman requested Mr. Daniel Stephen P. Carlos, President of the Company, to present the highlights of the Annual Report and the Audited Financial Statements for the year 2017.

2017 Financial Results Highlights

Mr. Carlos started his report by presenting the PXP Group asset portfolio. He reported that the Company currently has thirteen (13) service contracts in the Philippines and an exploration block in Peru that are held directly and indirectly, through its major subsidiaries Forum Energy Limited (Forum Energy), a 78.98% owned subsidiary, and Pitkin Petroleum Limited (Pitkin), a 53.43% owned subsidiary.

Proceeding with the financial highlights for 2017, Mr. Carlos reported that gross revenues rose to Php104 Million, compared to the Php102 Million in 2016, despite an 18% decline in crude production of the Service Contract 14C-1 Galoc Field. He said that the average crude oil price increased by 24% in 2017 at US\$53.8 per barrel, compared to the US\$43.3 per

barrel in the previous year. Cost and expenses continuously improved, with a 7% reduction in 2017 due to lower depletion and a pro-active containment of overhead expenses by management. As a result, loss from operations improved to Php54 Million in 2017, compared to the Php68 Million in 2016. Net loss was reported at Php57 Million in 2017, compared to the Php36 Million in the previous year due to a higher other income, particularly a higher foreign exchange gain in 2016.

2018 First Quarter Financial Highlights

For the first quarter of 2018, Mr. Carlos reported that oil revenues improved by 18%, from Php26 Million in the first quarter of 2017 to Php31 Million in 2018. He said that oil prices continue to recover at US\$69.6 per barrel, compared to the US\$56.2 per barrel during the same period last year. Cost and expenses increased by 12%, amounting to Php41 Million, which was primarily attributable to higher non-cash depletion cost. He reported that overhead costs were steadily contained. As a result, the Company incurred a lower net loss for the first quarter of 2018 at Php8.4 Million, compared to the Php8.5 Million net loss in the previous year.

2017 Operations Highlights

Mr. Carlos then presented the 2017 operational highlights of the Company. The Company is among the few Filipino companies that are operating several petroleum service contracts in the country. He reported that the Company remains firmly committed in advancing its exploration and production efforts, especially in the four service contracts it is operating, namely Service Contract 72 in Recto Bank, Service Contracts 75 and 74 in Northwest Palawan, and Service Contract 40 in Northern Cebu.

On Service Contract 72, Mr. Carlos reported that it is the site of the Sampaguita Gas Field, which is estimated to contain about 2.6 trillion cubic feet of gas. Forum Energy has lined up an appraisal program for the gas field, including the drilling of the Sampaguita 4 and Sampaguita 5 wells. He reported that the block is still under force majeure since 2014. The Company and Forum Energy are keen in resuming exploration activities and are in constant communication with the government for the lifting of the force majeure. Apart from activities in the Sampaguita Gas Field, further work is being planned on the North Bank Prospect, which is located just 70 kilometers northeast of the Sampaguita Gas Field. The immediate program is a 2,600 square kilometer 3D seismic survey that is aimed at further evaluating the prospect prior to drilling an exploratory well.

On Service Contract 75, Mr. Carlos reported that the block was awarded in December 2013 and is being operated by the Company with a 50% participating interest. The remaining 50% interest is being held by PNOC Exploration Corporation (PNOC EC) and PetroEnergy Resources Corporation. He said that the work commitment under the First Sub-Phase of SC 75 has been completed, which included the acquisition, processing, and interpretation of 2D seismic data. A number of leads have been identified in the block and will require further exploration to upgrade such to prospect status. Similar to Service Contract 72, Service Contract 75 is also under force majeure and all exploration activities in the block have been suspended since December 2015. Once the force majeure is lifted, the Company plans to acquire a 3D seismic survey over some of the identified leads in the area. The proposed survey will have an area of at least 1,000 square kilometers, which will fulfill the minimum work program for the Second Sub-Phase of the block.

On Service Contract 74, Mr. Carlos reported that the Company became the operator in 2016. He said that the block is currently under the Third Sub-Phase of exploration, which began in December 2017, and is considered a frontier area. To further evaluate its hydrocarbon potential, the Company and its partners, Philodrill Corporation and PNOC EC are conducting a number of exploration activities, including the interpretation of 3D seismic data in Linapacan A and B fields, the conduct of pre-feasibility studies on the Linapacan oil fields, the reprocessing of key 2D seismic lines that were acquired in 2016, and the interpretation of marine gravity and magnetic data. Mr. Carlos reported that later this month, the joint venture will also start geologic fieldwork and sampling program on Linapacan, Coron and other islands in northern Palawan, otherwise known as the Calamian Island Group, in cooperation with the National Institute of Geological Sciences of the University of the Philippines in Diliman, which will send a total of twenty Masters students to assist the joint venture in the fieldwork. The graduate students' participation in the activity will enhance their knowledge on the geology of this part of the Philippines, and at the same time help improve their field mapping skills.

On Service Contract 14C1 or the Galoc Block, Mr. Carlos reported that the consortium, led by Galoc Production Company, continues to implement measures to maintain commerciality of the producing Galoc Field in view of the decline in production from the existing wells. The Galoc Field has already produced over 20 million barrels of oil since the start of production in October 2008. He reported a gradual improvement in the price per barrel of crude oil in the world market in the past 2 to 3 years. He noted that the reference crude for the Galoc oil, Dubai, has been averaging around US\$70 per barrel in the past two (2) months. The increase in the oil price, and the expected implementation of cost reduction measures in 2018, would result in extending the economic field life of Galoc up to year 2021. By that time, Galoc Field would have produced around 23 to 25 million barrels of oil.

On Peru Block Z-38, Mr. Carlos reported that its subsidiary, Pitkin, holds 25% interest in the block, which is located in offshore Peru. The block is being operated by Karoon Gas Australia (Karoon), which holds the remaining 75% interest. He reported that in early 2018, Karoon announced the farm in of Tullow Oil Plc (Tullow), a UK company. Under the agreement, Tullow will partially carry Karoon in the cost of the first exploration well, presently planned to be located at the Marina Prospect, to earn 35% participating interest. Drilling preparation is ongoing and the first well, Marina-1, is expected to be drilled in 2019. Tullow's entry to the consortium will reduce Karoon's interest to 40% but Pitkin's interest will remain at 25%. He said that management is optimistic that the consortium will be able to proceed with its drilling plans next year. He noted that Pitkin is carried to two wells under a separate farm-in agreement signed with Karoon in 2009. After Marina-1, Pitkin will still be carried on the cost of a second well, which could be the Bonito-1 well.

To conclude his report, Mr. Carlos said that the year 2017 saw the results of the Company's continuing efforts to rationalize the business structure and asset portfolio of the PXP Energy group. He said that the Company will continue to manage its existing assets prudently as the industry steadily recovers from the 2014 price collapse, and as encouraging political developments in the West Philippine Sea slowly unfold. The Company will continue to engage with the Department of Energy in the lifting of the force majeure in Service Contracts 72 and 75 to enable to proceed with the work program for the two blocks. In Service Contract 74 and in other non-operated blocks in Northwest Palawan, the Company will strive to complete before the end of the year the various activities aimed at evaluating the blocks' potential to contain commercial oil and gas fields. On the other hand, it is expected that the Galoc Field to continue to produce profitably over the next 2-3 years, amidst the normal decline in output associated

with its maturity. Meanwhile, exploration activities in Service Contract 40 Northern Cebu, will continue, aimed at identifying a prospect that can be drilled within the next one to two years. In Peru, the Company through Pitkin will continue its participation in the offshore Block Z-38 and is optimistic that the recent addition of an international company in the consortium would eventually lead to the drilling of the first exploration well in the block in 2019.

Open Forum

The Chairman then invited questions from the shareholders.

Mr. Robert Go, a stockholder, asked where Service Contract 40 is located. Mr. Carlos said that Service Contract 40 is located in Northern Cebu, specifically from Toledo northward to Daanbantayan, and presented a location map of the block. Mr. Go then suggested that recycled paper be used for the Annual Report.

Mr. Timothy Strong, a stockholder, said that there have been internal transactions between the Company and its subsidiary, FEC Resources Inc. (FEC), for the sale of shares of Forum Energy Limited (Forum Energy), also a subsidiary of the Company, owned by FEC. He said that a policy should be adopted to prevent such kind of transactions and that the sale of Forum Energy shares should be done publicly. The Corporate Secretary said that the Company's Annual Stockholders' Meeting may not be the appropriate forum to raise such matter. She stressed, however, that FEC needed funds for its administrative expenses and the sale of its Forum Energy shares was seen as a solution. She said that the Board was informed of the open letter sent regarding the matter and the suggestion that a policy be adopted.

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

"RESOLVED, that the Annual Report, together with the Company's Audited Financial Statements and the Notes thereto for the year ended 31 December 2017, prepared by the Company's external auditors, SyCip Gorres Velayo & Company be, as they are hereby, approved, ratified and confirmed."

The motion was duly seconded by another shareholder. At the request of the Chairman, the Corporate Secretary informed the body of the voting results on the fifth item on the Agenda, which is the shareholders' action on the Annual Report and the Audited Financial Statements for the year ended 31 December 2017.

The Corporate Secretary informed the body that shareholders holding **1,112,415,453** shares, representing **65.44%** of the outstanding capital stock of the Company, have voted YES to the approval of the Annual Report and the Audited Financial Statements for the year ended 31 December 2017, and the Notes thereto. There were nil NO votes and 2,305,100 ABSTAIN votes.

The Chairman declared the motion carried. The Annual Report, the Audited Financial Statements and the Notes thereto for the year ended 31 December 2017 has been approved, ratified and confirmed.

VI. Ratification and Approval of the Acts of the Board of Directors and Officers During the Year 2017

The Chairman said that the next item on the Agenda is the ratification and approval of the acts of the Board of Directors and the Officers of the Company during the year 2017.

A shareholder moved for the adoption of the following resolution:

“RESOLVED, that all acts made or taken by the Board of Directors and/or the officers of the Corporation during the past year and/or all acts and proceedings performed or taken pursuant thereto, be, as it is hereby ratified, approved and confirmed.”

The motion was duly seconded.

At the request of the Chairman, the Corporate Secretary informed the body of the voting results for this item of the Agenda. The Corporate Secretary certified that shareholders holding **1,112,414,704** shares, representing **65.44%** of the outstanding capital stock of the Company voted YES to the approval, ratification and confirmation of all acts made or taken by the Board of Directors and Officers of the Company during the past year. There were nil NO votes and 2,305,100 ABSTAIN votes.

The Chairman declared the motion carried. All acts made or taken by the Board of Directors and/or the officers of the Corporation during the past year are approved and ratified.

VII. Appointment of Independent Auditors

The Chairman then proceeded to the appointment of independent auditors of the Company for the year 2018. The Chairman said that the Audit Committee had recommended, and the Board approved, the appointment of SyCip Gorres Velayo and Company as independent auditors of the Company for the year 2018. A shareholder moved for the adoption of the following resolution:

“RESOLVED, that the accounting firm of SyCip Gorres Velayo & Company be appointed, as they are hereby appointed, as the independent auditors of the Company for 2018 and until their successors are duly appointed.”

The motion was duly seconded. At the request of the Chairman, the Corporate Secretary informed the body of the voting results for this item of the Agenda.

The Corporate Secretary certified that shareholders holding **1,114,720,804** shares, representing **65.57%** of the outstanding capital stock of the Company, voted YES to the appointment of SyCip Gorres Velayo & Company as the independent auditors of the Company for 2018. There were nil NO votes and nil ABSTAIN votes.

The Chairman declared the motion carried. SyCip Gorres Velayo & Company are appointed as the independent auditors of the Company for 2018.

VIII. Election of Directors

The Chairman then proceeded to the election of directors for the ensuing year. The Chairman said that there are nine (9) seats to be filled, and two (2) of the directors must be independent directors. The Corporate Secretary was requested to read the names of the nominees.

The Corporate Secretary announced that there were nine (9) nominees for the nine (9) seats on the Company's Board of Directors. Two (2) of the nominees were nominees for independent director. The Nominations Committee screened the nine (9) nominees and prepared a final list of candidates, which was incorporated in the Information Statement distributed to the shareholders, together with the Notice and Agenda, before the meeting. The following are the nine (9) nominees for election to the Board:

1. Manuel V. Pangilinan
2. Daniel Stephen P. Carlos
3. Eulalio B. Austin, Jr.
4. Robert C. Nicholson
5. Marilyn A. Victorio-Aquino
6. Oscar S. Reyes
7. Diana V. Pardo-Aguilar
8. Benjamin S. Austria (Independent Director)
9. Emerlinda R. Roman (Independent Director)

The Chairman then requested the Corporate Secretary to advise the body of the votes cast in favor of the nominees for election to the Company's Board of Directors. The Corporate Secretary informed the body that each of the nine (9) nominees for the nine (9) seats on the Board received sufficient votes to elect them as Director of the Company. Consistent with corporate governance best practices, the voting results will be posted on the Company's website.

Thereafter, the Chairman declared that the following had been elected as directors of the Company, to serve as such for the ensuing year and until their successors have been duly elected and qualified:

1. Manuel V. Pangilinan
2. Daniel Stephen P. Carlos
3. Eulalio B. Austin, Jr.
4. Robert C. Nicholson
5. Marilyn A. Victorio-Aquino
6. Oscar S. Reyes
7. Diana V. Pardo-Aguilar
8. Benjamin S. Austria (Independent Director)
9. Emerlinda R. Roman (Independent Director)

IX. Adjournment

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

Mr. Robert Go, a stockholder, asked if automation, robotics, or artificial intelligence were being used by the Company in its operations. The Chairman answered in the negative.

Mr. Gerardo Castañeda, a stockholder, asked what service contracts were being claimed by China. The Chairman responded that Service Contracts 72 and 75, both under force majeure, are located in the disputed area in the West Philippine Sea.

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:

MANUEL V. PANGILINAN
Chairman

Minutes of the Annual General Stockholders' Meeting
PXP Energy Corporation;
Friday, 1 June 2018 at 2:30P.M.