



**PHILEX PETROLEUM
CORPORATION**

February 24, 2016

PHILIPPINE STOCK EXCHANGE, INC.
3/F, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **MS. JANET A. ENCARNACION**
Head, Disclosure Department

Gentlemen:

We submit herewith a copy of Philex Petroleum Corporation's press release on the Company's Financial Results for the Year Ended 31st December 2015.

Very truly yours,

(Signed)
MARK H. RILLES
Finance Controller



24th February 2016

PRESS RELEASE

FINANCIAL RESULTS
FOR THE YEAR ENDED DECEMBER 31, 2015

- Philex Petroleum Corporation (“Philex Petroleum” or the “Company”) incurred an audited Net loss Attributable to Equity Holders of the Parent Company of P87.5 million for the year ended December 31, 2015 compared to a net loss of P225.6 million in 2014. Reported consolidated net loss amounted to P144.0 million, compared to a net loss of P448.7 million during the previous year. The Net loss primarily resulted from lower petroleum revenues contributed by its subsidiary, Forum Energy Ltd. (“Forum”), following a steep decline in crude oil prices and a lower production from Service Contract (“SC”) 14C1 Galoc. Net loss decreased year-on-year due to a charge in impairment to the Company’s subsidiary, Pitkin Petroleum Plc’s (“Pitkin”) SC6a – Octon in 2014.
- On November 20, 2015, Pitkin, has elected not to enter exploration sub-phase 2 in Peru Block XXVIII located in onshore Peru and has surrendered said block to the Peruvian government.
- The Company will continue its efforts to reduce operating expenditures through the rationalization of the Company’s business structure and asset portfolio particularly in the current low oil-price environment.

About Philex Petroleum Corporation

Philex Petroleum Corporation is an upstream oil and gas company incorporated in the Philippines whose shares are listed on the Philippine Stock Exchange. The Company directly and indirectly owns oil and gas exploration and production assets located in the Philippines, and indirectly owns exploration assets located in Peru.

For further information, please contact:

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PHILEX PETROLEUM CORPORATION
(A Subsidiary of Philex Mining Corporation)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands, Except Par Value per Share and Number of Equity Holders)

	December 31	
	2015	2014
ASSETS		
Current Assets		
Cash and cash equivalents	P526,355	P1,908,365
Accounts receivables - net	111,630	91,787
Inventories - net	9,044	18,550
Other current assets	23,260	42,634
Total Current Assets	670,289	2,061,336
Noncurrent Assets		
Property and equipment - net	333,049	316,430
Deferred oil and gas exploration costs - net	4,936,712	4,831,363
Deferred income tax assets	22,723	22,302
Goodwill	1,238,583	1,238,583
Other noncurrent assets	26,824	27,157
Total Noncurrent Assets	6,557,891	6,435,835
TOTAL ASSETS	P7,228,180	P8,497,171
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	P14,932	P64,077
Advances from related parties	2,931,943	3,421,836
Income tax payable	33	653
Total Current Liabilities	2,946,908	3,486,566
Noncurrent Liabilities		
Deferred income tax liabilities	1,112,043	1,111,937
Other noncurrent liabilities	201,981	225,977
Total Noncurrent Liabilities	1,314,024	1,337,914
Total Liabilities	4,260,932	4,824,480
Equity Attributable to Equity Holders of the Parent Company		
Capital stock - P1 par value	1,700,000	1,700,000
Equity reserves	120,172	48,970
Deficit	(1,233,205)	(1,145,665)
Cumulative translation adjustment on foreign subsidiaries	(3,958)	(57,018)
	583,009	546,287
Non-controlling interests	2,384,239	3,126,404
Total Equity	2,967,248	3,672,691
TOTAL LIABILITIES AND EQUITY	P7,228,180	P8,497,171

PHILEX PETROLEUM CORPORATION
(A Subsidiary of Philex Mining Corporation)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands, Except Loss per Share)

	Years Ended December 31		
	2015	2014	2013
REVENUE			
Petroleum and other revenues	₱172,250	₱307,882	₱208,773
COSTS AND EXPENSES			
General and administrative expenses	228,822	279,267	337,342
Petroleum and other production costs	97,981	156,798	106,896
	326,803	436,065	444,238
OTHER INCOME (CHARGES)			
Provision for impairment and loss on write off of assets - net	(39,847)	(322,227)	(102,530)
Interest income (expense) - net	6,099	6,756	(38,921)
Foreign exchange gains (losses) - net	24,675	110	11,011
Others – net	19,615	3,837	249,834
	10,542	(311,524)	119,394
LOSS BEFORE INCOME TAX	(144,011)	(439,707)	(116,071)
PROVISION FOR (BENEFIT FROM) INCOME TAX			
Current	14	468	1,022
Deferred	2	8,479	(15,859)
	16	8,947	(14,837)
NET LOSS	(₱144,027)	(₱448,654)	(₱101,234)
NET LOSS ATTRIBUTABLE TO:			
Equity holders of the Parent Company	(₱87,540)	(₱225,591)	(₱98,534)
Non-controlling interests	(56,487)	(223,063)	(2,700)
	(144,027)	(₱448,654)	(₱101,234)
BASIC/DILUTED LOSS PER SHARE	(₱0.051)	(₱0.133)	(₱0.058)