



PXP ENERGY CORPORATION
(formerly Philex Petroleum Corporation)
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7th August 2017

PHILIPPINE STOCK EXCHANGE

3/F Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue,
Makati City

Attention: MR. JOSE VALERIANO B. ZUNO III
OIC Head, Disclosure Department

Gentlemen:

We write with respect to your letter dated August 7, 2017, seeking clarification and/or confirmation of the news article entitled “MVP: Oil, gas exploration in SCS could resume soon” posted in philSTAR.com on August 6, 2017. The article reported in part that:

“MANILA, Philippines - Oil and gas exploration in the disputed South China Sea by PXP Energy Corp. could resume soon, owing to the ‘more open and friendlier’ relations between the Philippines and China, according to company chairman Manuel V. Pangilinan.

‘I can just describe the general context under which we can move forward and the environment looks pretty positive,’ Pangilinan told reporters after attending the ‘ASEAN at 50: The Way Forward’ forum in Makati City yesterday.

....

‘I think there are indications that there could be gas in the area,’ Pangilinan said.

....”

We confirm the above statements of our Chairman, Mr. Manuel V. Pangilinan, as the Company remains hopeful that the force majeure imposed on Service Contracts 72 and 75 will be lifted by the Department of Energy soon. Moreover, we wish to inform the Exchange that Forum Energy Limited (“Forum”), a 79% direct and indirectly owned subsidiary of PXP Energy Corporation (formerly Philex Petroleum Corporation) (“PXP” or the “Company”), made a disclosure in the London Stock Exchange on April 24, 2012 on the resource estimate or competent person (“CP”) report made by Weatherford Petroleum Consultants (“Weatherford”) in Service Contract 72. This was subsequently disclosed by PXP in the Philippine Stock Exchange on April 25, 2012 and May 25, 2017. Forum has not engaged a competent person for new resource estimates on Sampaguita gas field subsequent to the Weatherford CP report.

Forum has a participating interest of 70% in SC 72. PXP has a total economic interest of 52.8% in SC 72 and a direct interest of 50% in SC 75.

Very truly yours,

(signed)
Daniel Stephen P. Carlos
President

About PXP Energy Corporation

PXP 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 an exploration asset located in offshore Peru.

For further information, please contact:

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