



PXP ENERGY CORPORATION  
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**PRESS RELEASE**

**FINANCIAL AND OPERATING HIGHLIGHTS**  
**FOR THE SIX-MONTHS ENDED JUNE 30, 2017**

- PXP Energy Corporation (“PXP” or the “Company”) incurred a consolidated Net Loss Attributable to Equity Holders of the Parent Company of P11.3 million for the six-month period ended June 30, 2017, compared with a corresponding loss of P21.8 million during the same period last year.
- Reported consolidated net loss during the first half of the year amounted to P17.2 million, compared with a net loss of P30.6 million during the same period of the previous year. The lower net loss was primarily attributable to the foreign exchange gain of P6.3 million realized by the Parent Company this year compared with a net foreign currency exchange loss of P2.0 million incurred last year, as well as the containment of group overhead to P24.9 million from P30.8 million in 2016.
- On March 7, 2017, Pitkin Petroleum Limited (“Pitkin”), a subsidiary of PXP, repurchased 11,430,000 shares or 12.98% of the total issued shares of Pitkin at a price of US\$0.35 per share, for a total consideration of US\$4.0 million. For its part, PXP sold 6,107,000 or 12.98% of its Pitkin shares and received approximately US\$2.1 million. Minority shareholders also sold 12.98% of their shares and received approximately US\$1.9 million. PXP’s 53.43% interest in Pitkin remains the same following the transaction.
- On March 23, 2017, PXP increased its direct shareholding in Forum Energy Limited (Forum) from 48.8% to 69.5%. This increased PXP’s total direct and indirect interest in Forum from 67.2% to 77.5%. The additional interest was acquired through a subscription to 39,350,920 new ordinary shares of Forum. The new shares were issued at approximately US\$0.30 per share for a total consideration of US\$ 11.805 million which was funded through the conversion into equity of a portion of the Company’s \$18.3 million loan to a subsidiary of Forum.

On May 17, 2017, PXP increased its direct shareholding in Forum from 69.5% to 71.0%. This increased PXP’s total direct and indirect interest in Forum from 77.5% to 79.0%. The additional interest was acquired through the purchase of 1.185 million shares held by a subsidiary of First Pacific Company Limited and a shareholder of PXP. The shares were purchased at US\$0.30 per share for a total consideration of US\$0.36 million, which was paid in cash.

Forum’s principal asset is a 70% interest in SC 72 Recto Bank. The said increases in PXP’s interest in Forum translates to an increase in economic interest in SC 72 from 41.2% to 52.8%.

**About Philex Petroleum 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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PXP ENERGY CORPORATION  
*(Formerly Philex Petroleum Corporation)*  
AND SUBSIDIARIES

UNAUDITED CONSOLIDATED  
CONDENSED INTERIM  
FINANCIAL STATEMENTS  
June 30, 2017

**PXP ENERGY CORPORATION**  
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**AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Amounts in Thousands)

	June 30, 2017 (Unaudited)	December 31, 2016 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	₱ 465,332	₱ 573,341
Accounts receivable	51,247	63,480
Inventories	17,257	19,160
Other current assets -net	13,283	13,231
<b>Total Current Assets</b>	<b>547,119</b>	<b>669,212</b>
<b>Noncurrent Assets</b>		
Property, Plant and Equipment - net	298,351	307,835
Goodwill	1,238,583	1,238,583
Deferred oil and gas exploration costs - net	5,190,845	5,081,450
Deferred income tax assets	33,958	33,706
Other noncurrent assets	1,673	939
<b>Total Noncurrent Assets</b>	<b>6,763,410</b>	<b>6,662,513</b>
<b>TOTAL ASSETS</b>	<b>₱ 7,310,529</b>	<b>₱ 7,331,725</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	₱ 14,742	₱ 27,937
Advances from related parties	2,906,498	2,931,701
Income tax payable	-	25
<b>Total Current Liabilities</b>	<b>2,921,240</b>	<b>2,959,663</b>
<b>Noncurrent Liabilities</b>		
Deferred income tax liabilities - net	1,109,848	1,109,848
Other liabilities	204,160	203,704
<b>Total Noncurrent Liabilities</b>	<b>1,314,008</b>	<b>1,313,552</b>
<b>Total Liabilities</b>	<b>4,235,248</b>	<b>4,273,215</b>
<b>Equity</b>		
Capital Stock - P1 par value	1,700,000	1,700,000
Equity reserves	108,227	128,842
Deficit	(1,266,899)	(1,255,567)
Cumulative translation adjustment on foreign subsidiaries	97,528	70,016
	<b>638,856</b>	<b>643,291</b>
<b>Non-controlling Interests</b>	<b>2,436,425</b>	<b>2,415,219</b>
<b>Total equity</b>	<b>3,075,281</b>	<b>3,058,510</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱ 7,310,529</b>	<b>₱ 7,331,725</b>

**PXP ENERGY CORPORATION**  
**(Formerly Philex Petroleum Corporation)**  
**AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(Amounts in Thousands, except Earnings or Loss Per Share)

For the 6-Month Period Ended June 30, 2017

	2017	2016
<b>PETROLEUM AND OTHER REVENUES</b>	<b>₱ 52,622</b>	<b>₱ 59,187</b>
<b>COSTS AND EXPENSES</b>		
Petroleum and other production costs	52,904	59,397
General and administrative expenses	24,903	30,808
	<b>77,807</b>	<b>90,205</b>
<b>OTHER INCOME (CHARGES)</b>		
Foreign exchange gains (losses) - net	6,336	(2,000)
Interest income (expense) - net	1,685	1,818
Others - net	-	179
	<b>8,021</b>	<b>(3)</b>
<b>LOSS BEFORE TAX</b>	<b>(17,164)</b>	<b>(31,021)</b>
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>	<b>26</b>	<b>(436)</b>
<b>NET LOSS</b>	<b>( ₱ 17,190)</b>	<b>( ₱ 30,585)</b>
<b>Net Income (Loss) Attributable to:</b>		
Equity holders of the Parent Company	( ₱ 11,332)	( ₱ 21,794)
Non-controlling interests	(5,858)	(8,791)
	<b>( ₱ 17,190)</b>	<b>( ₱ 30,585)</b>
<b>BASIC/DILUTED EARNINGS (LOSS) PER SHARE</b>	<b>( ₱ 0.0067)</b>	<b>( ₱ 0.0128)</b>

**PXP ENERGY CORPORATION**  
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**UNAUDITED CONSOLIDATED STATEMENTS OF INCOME**  
(Amounts in Thousands, except Earnings Per Share)

	2nd Quarter Ended June 30	
	2017	2016
<b>REVENUE</b>		
Petroleum	₱ 26,656	₱ 36,061
<b>COSTS AND EXPENSES</b>		
Petroleum production costs	25,926	40,389
General and administrative expenses	14,843	17,275
	40,769	57,664
<b>OTHER INCOME (CHARGES)</b>		
Interest income	4,653	575
Foreign exchange gains - net	(915)	4,842
Other income	-	125
	5,423	5,542
<b>LOSS BEFORE INCOME TAX</b>	(8,690)	(16,061)
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>	26	(436)
<b>NET LOSS</b>	( ₱ 8,716)	( ₱ 15,625)
<b>Net income attributable to:</b>		
Equity holders of the Parent Company	( ₱ 6,042)	( ₱ 9,967)
Non-controlling interests	(2,674)	(5,658)
	( ₱ 8,716)	( ₱ 15,625)
<b>BASIC/DILUTED EARNINGS PER SHARE</b>	( ₱ 0.0067)	( ₱ 0.0092)