



PXP ENERGY CORPORATION  
(formerly *Philex Petroleum Corporation*)  
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**PRESS RELEASE**

**FINANCIAL AND OPERATING HIGHLIGHTS  
FOR THE THREE-MONTHS ENDED MARCH 31, 2017**

- PXP Energy Corporation (“PXP” or the “Company”) incurred a consolidated Net Loss Attributable to Equity Holders of the Parent Company of P5.3 million for the three-month period ended March 31, 2017, compared with a corresponding loss of P11.8 million during the same period last year.
- Reported consolidated net loss during the first three-months of the year amounted to P8.5 million, compared with a net loss of P15.0 million during the same period of the previous year. The lower net loss was primarily attributable to the foreign exchange gain of P1.7 million earned by the Parent Company this year compared with a net foreign currency exchange loss of P6.8 million incurred last year as well as the continued drop in group overhead to P10.1 million from P13.5 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 of 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 has increased its direct shareholding in Forum from 48.8% to 69.5%. This increases PXP’s total direct and indirect interest in Forum from 67.5% 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.

**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  
March 31, 2017

**PXP ENERGY CORPORATION**  
*(Formerly Philex Petroleum Corporation)*  
**AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Amounts in Thousands)

<b>ASSETS</b>	<b>March 31, 2017</b>	<b>December 31,</b>
	<b>(Unaudited)</b>	<b>2016 (Audited)</b>
<b>Current Assets</b>		
Cash and cash equivalents	₱ 494,496	₱ 573,341
Accounts receivable	71,259	63,480
Inventories	15,337	19,160
Other current assets -net	13,549	13,231
<b>Total Current Assets</b>	<b>594,641</b>	<b>669,212</b>
<b>Noncurrent Assets</b>		
Property, Plant and Equipment - net	303,110	307,835
Goodwill	1,238,583	1,238,583
Deferred oil and gas exploration costs - net	5,150,331	5,081,450
Deferred income tax assets	33,854	33,706
Other noncurrent assets	1,303	939
<b>Total Noncurrent Assets</b>	<b>6,727,181</b>	<b>6,662,513</b>
<b>TOTAL ASSETS</b>	<b>₱ 7,321,822</b>	<b>₱ 7,331,725</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	₱ 19,224	₱ 27,937
Advances from related parties	2,906,498	2,931,701
Income tax payable	29	25
<b>Total Current Liabilities</b>	<b>2,925,751</b>	<b>2,959,663</b>
<b>Noncurrent Liabilities</b>		
Deferred income tax liabilities - net	1,109,848	1,109,848
Other liabilities	203,971	203,704
<b>Total Noncurrent Liabilities</b>	<b>1,313,819</b>	<b>1,313,552</b>
<b>Total Liabilities</b>	<b>4,239,570</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	(1,260,856)	(1,255,567)
Cumulative translation adjustment on foreign subsidiaries	86,168	70,016
	<b>633,539</b>	<b>643,291</b>
<b>Non-controlling Interests</b>	<b>2,448,713</b>	<b>2,415,219</b>
<b>Total equity</b>	<b>3,082,252</b>	<b>3,058,510</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱ 7,321,822</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 3 Months Period Ended March 31

	2017	2016
<b>PETROLEUM AND OTHER REVENUES</b>	₱ 25,966	₱ 23,126
<b>COSTS AND EXPENSES</b>		
Petroleum and other production costs	26,978	19,008
General and administrative expenses	10,060	13,533
	<b>37,038</b>	<b>32,541</b>
<b>OTHER INCOME (CHARGES)</b>		
Foreign exchange gains (losses) - net	1,683	(6,842)
Interest income (expense) - net	915	1,243
Others - net	-	54
	<b>2,598</b>	<b>(5,545)</b>
<b>LOSS BEFORE TAX</b>	<b>(8,474)</b>	<b>(14,960)</b>
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>	-	
<b>NET LOSS</b>	<b>(₱ 8,474)</b>	<b>(₱ 14,960)</b>
<b>Net Income (Loss) Attributable to:</b>		
Equity holders of the Parent Company	(₱ 5,290)	(₱ 11,827)
Non-controlling interests	(3,184)	(3,133)
	<b>(₱ 8,474)</b>	<b>(₱ 14,960)</b>
<b>BASIC/DILUTED EARNINGS (LOSS) PER SHARE</b>	<b>(₱ 0.0031)</b>	<b>(₱ 0.0070)</b>