



PXP ENERGY CORPORATION
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December 5, 2018

PHILIPPINE STOCK EXCHANGE, INC.

6/F Philippine Stock Exchange Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

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

Gentlemen:

We write with respect to your letter dated December 5, 2018, seeking clarification and/or confirmation of the news article entitled "Firm to pursue lifting of oil exploration ban" posted in Inquirer.net on December 5, 2018. The article reported that:

"PXP Energy Corp. will ask the government to lift a moratorium on exploration activities in the West Philippine Sea, particularly at the Recto Bank, which is subject to a territorial dispute with China. Daniel Stephen P. Carlos, PXP Energy president, said in an interview that this new development would be referred to the company's board. 'We had been waiting for the government to tell us that we can resume [exploration] in the area of Service Contract No. 72,' Carlos said.

'Now I hear that it would have to be us to ask for a lifting of the force majeure,' he said. 'If that is so, then we should do that.'

He was referring to statements that Energy Secretary Alfonso Cusi gave to reporters also yesterday.

Asked whether the moratorium would be finally rescinded following the signing of a memorandum of understanding with China regarding a possible joint exploration of disputed areas, Cusi said the companies involved—such as PXP Energy— would have to request a lifting of the force majeure.

...."

We confirm the above statements of our President, Daniel Stephen P. Carlos.

PXP Energy Corporation has a direct interest of 50% in SC 75 and a total economic interest of 53.1% in SC 72 through its 79% direct and indirectly owned subsidiary, Forum Energy Limited ("Forum"). Forum has a participating interest of 70% in SC 72.

Very truly yours,

(signed)
Mark H. Rilles
Finance Controller

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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