



PXP ENERGY CORPORATION  
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31<sup>st</sup> July 2019

**PRESS RELEASE**

**UNAUDITED FINANCIAL AND OPERATING HIGHLIGHTS**  
**FOR THE 6-MONTH PERIOD ENDED JUNE 30, 2019**

- 1H 2019 Consolidated Net Loss Attributable to Equity Holders of the Parent Company at P7.6 million (1H 2018: P20.1 million). Reported consolidated net loss at P17.9 million (1H 2018: P32.8 million).

Consolidated petroleum revenues 22.9% lower at P51.4 million (1H 2018: P66.7 million) resulting from a 13.6% drop in crude oil price in Service Contract (SC) 14C-1 Galoc, and the plug and abandonment (P&A) of SC 14A Nido and SC 14B Matinloc production wells.

Consolidated cost and expenses 22.0% lower at P86.2 million (1H 2018: P110.5 million) brought about by lower depletion cost in SC 14C-1 Galoc and the cessation of operational costs in SC 14A Nido and SC 14B Matinloc; Group general and administrative expenses higher due to depreciation charges from Right-to-Use asset.

Consolidated Net loss lower at P17.9 million (1H 2018: P32.8 million) due to reduction in oil production costs, lower depletion rate, and higher other income (charges), partially offset by lower petroleum revenues.

- On February 11, 2019, Philex Mining Corporation (“PMC”) paid an additional ₱1.386 billion in connection with the Company’s announcement last October 26, 2018, of the signing and execution of a Definitive Subscription Agreement, following the share subscription of PMC of 260,000,000 common shares at ₱11.85 per share for a total consideration of ₱3.081 billion. Following the payment, PMC’s total paid subscription increased from ₱770.25 million to ₱2.156 billion, representing 70% of its total subscription in PXP.
- PXP, through Forum Energy Limited, a 78.98% owned subsidiary, will take guidance from the Philippine Government in respect of any future activity in SC 72 and SC 75. The Company is mindful that the Malampaya gas resource, which supplies about 40% of Luzon’s power requirements, could be exhausted within the next decade; in that light, resumption of exploration in SC 72 is of national interest. The Company, therefore, remains hopeful that the force majeure imposed on SC 72 and SC 75 will be lifted by the Department of Energy soon for the Company to be able to resume exploration works in these SCs.

**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.

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

UNAUDITED CONSOLIDATED  
CONDENSED INTERIM  
FINANCIAL STATEMENTS  
June 30, 2019

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

	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	₱ 279,854	₱ 342,374
Accounts receivable	80,544	40,741
Inventories	5,289	32,398
Other current assets -net	8,673	13,351
<b>Total Current Assets</b>	<b>374,360</b>	<b>428,864</b>
<b>Noncurrent Assets</b>		
Property, Plant and Equipment - net	226,646	230,798
Goodwill	1,238,583	1,238,583
Deferred oil and gas exploration costs - net	5,253,303	5,310,477
Deferred income tax assets	33,816	35,003
Right-of-use-asset	8,791	-
Other noncurrent assets	3,931	3,629
<b>Total Noncurrent Assets</b>	<b>6,765,070</b>	<b>6,818,490</b>
<b>TOTAL ASSETS</b>	<b>₱ 7,139,430</b>	<b>₱ 7,247,354</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	₱ 27,943	₱ 33,957
Advances from related parties	739,408	2,125,184
Income tax payable	30	433
<b>Total Current Liabilities</b>	<b>767,381</b>	<b>2,159,574</b>
<b>Noncurrent Liabilities</b>		
Deferred income tax liabilities - net	1,114,137	1,113,448
Right-of-use liability	8,874	-
Other liabilities	191,372	191,914
<b>Total Noncurrent Liabilities</b>	<b>1,314,383</b>	<b>1,305,362</b>
<b>Total Liabilities</b>	<b>2,081,764</b>	<b>3,464,936</b>
<b>Equity</b>		
Capital Stock - P1 par value	1,960,000	1,960,000
Additional paid-in capital	2,815,861	2,821,000
Subscription receivable	(924,300)	(2,310,750)
Equity reserves	122,062	122,062
Deficit	(1,379,286)	(1,371,720)
Cumulative translation adjustment on foreign subsidiaries	88,907	153,866
	2,683,244	1,374,458
<b>Non-controlling Interests</b>	<b>2,374,422</b>	<b>2,407,960</b>
<b>Total equity</b>	<b>5,057,666</b>	<b>3,782,418</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱ 7,139,430</b>	<b>₱ 7,247,354</b>

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

	For the 6-Month Period Ended June 30	
	2019	2018
<b>PETROLEUM REVENUES</b>	<b>₱ 51,395</b>	<b>₱ 66,703</b>
<b>COSTS AND EXPENSES</b>		
Petroleum and other production costs	60,848	88,913
General and administrative expenses	25,328	21,557
	<b>86,176</b>	<b>110,470</b>
<b>OTHER INCOME (CHARGES)</b>		
Foreign exchange gains (losses) - net	(9,306)	23,267
Interest income - net	1,395	1,230
Others - net	25,555	(11,901)
	<b>17,644</b>	<b>12,596</b>
<b>INCOME (LOSS) BEFORE TAX</b>	<b>(17,137)</b>	<b>(31,171)</b>
<b>PROVISION FOR INCOME TAX</b>	<b>760</b>	<b>1,671</b>
<b>NET INCOME (LOSS)</b>	<b>( ₱ 17,897)</b>	<b>( ₱ 32,842)</b>
<b>Net Income (Loss) Attributable to:</b>		
Equity holders of the Parent Company	( ₱ 7,566)	( ₱ 20,135)
Non-controlling interests	(10,331)	(12,707)
	<b>( ₱ 17,897)</b>	<b>( ₱ 32,842)</b>
<b>BASIC EARNINGS (LOSS) PER SHARE</b>	<b>( ₱ 0.0039)</b>	<b>( ₱ 0.0118)</b>
<b>DILUTED EARNINGS (LOSS) PER SHARE</b>	<b>( ₱ 0.0039)</b>	<b>( ₱ 0.0103)</b>

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	For the 2nd Quarter Ended June 30	
	2019	2018
<b>PETROLEUM AND OTHER REVENUES</b>	<b>₱ 21,684</b>	<b>₱ 36,049</b>
<b>COSTS AND EXPENSES</b>		
Petroleum production costs	25,326	56,378
General and administrative expenses	13,965	12,626
	<b>39,291</b>	<b>69,004</b>
<b>OTHER INCOME (CHARGES)</b>		
Foreign exchange gains - net	(8,027)	7,808
Interest income	788	728
Other income	(15)	20
	<b>(7,254)</b>	<b>8,556</b>
<b>LOSS BEFORE INCOME TAX</b>	<b>(24,861)</b>	<b>(24,399)</b>
<b>PROVISION FOR INCOME TAX</b>	<b>28</b>	<b>29</b>
<b>NET LOSS</b>	<b>( ₱ 24,889)</b>	<b>( ₱ 24,428)</b>
<b>Net income attributable to:</b>		
Equity holders of the Parent Company	( ₱ 18,685)	( ₱ 16,476)
Non-controlling interests	(6,204)	(7,952)
	<b>( ₱ 24,889)</b>	<b>( ₱ 24,428)</b>