



PXP ENERGY CORPORATION
(formerly Philex Petroleum Corporation)
2/F LaunchPad
Reliance cor. Sheridan Sts.
Mandaluyong City 1550 Philippines
Tel.: (632) 631-1381 to 88
Fax: (632) 570-0686

October 26, 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:

Further to the October 25, 2018 announcement of the Board of Directors (the "Board") of PXP Energy Corporation ("the Company" or "PXP") on the subscription of Dennison Holdings Corporation ("Dennison") to 340,000,000 common shares, we would like to inform the Exchange that PXP and Dennison signed the Subscription Agreement in relation to the share subscription today, October 26, 2018.

Under the Subscription Agreement, Dennison subscribed to 340,000,000 at Php11.85 per share or an aggregate amount of Php4.03 billion (the "Subscription Price"). The Subscription Price, represents a discount of 20% to the 90-day volume weighted average price ("VWAP") of the Company's shares. The Subscription Price shall be payable in two tranches.

In addition, as a substantial consideration for the Company agreeing to the subscription by Dennison, Dennison shall cause its affiliate or related party, Phoenix Petroleum Philippines, Inc. ("Phoenix Petroleum"), subject to its board approval and consent of China National Offshore Oil Corporation ("CNOOC"), to grant certain preferential rights to the Company or to any of its affiliates to acquire up to 49% of the equity, interest or participation of Phoenix Petroleum and/or its affiliates in the contemplated joint venture or related agreement with CNOOC for the construction, development, and operation of a liquified natural gas terminal and gas fired power plant in the Philippines.

Following the subscription to the shares, Dennison shall be entitled to at least one (1) seat in the Board and to nominate the Vice Chairman of the Board.

Furthermore, Philex Mining Corporation ("Philex") also signed the Subscription Agreement for 260,000,000 common shares of PXP at Php11.85 per share or an aggregate amount of Php3.081 billion payable in two tranches.

The total subscription of 600,000,000 shares (the "Private Placement Shares") with Dennison and Philex will be issued out of its unissued capital stock of 5.1 billion.

PXP intends to use the proceeds from the Private Placement Shares to fund its exploration activities and other oil assets within the Philippines and in Peru, and to repay advances from Philex.

After the subscription of Dennison and Philex to the Private Placement Shares, Dennison will have a total ownership interest in PXP of 14.78%, while Philex will increase its shareholding in PXP from 19.76% to 25.91%.

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:

Mark H. Rilles
Finance Controller
PXP Energy Corporation
Telephone: (632) 631 1381
Email: mhrilles@pxpenergy.com.ph