



PXP ENERGY CORPORATION  
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**PRESS RELEASE**

**UNAUDITED FINANCIAL AND OPERATING HIGHLIGHTS  
FOR THE 9-MONTH PERIOD ENDED SEPTEMBER 30, 2019**

- 9M 2019 Consolidated Net Loss Attributable to Equity Holders of the Parent Company at P11.2 million (9M 2018: P31.4 million). Reported consolidated net loss at P21.8 million (9M 2018: P49.1 million).

Consolidated petroleum revenues 51.8% lower at P51.1 million (9M 2018: P106.1 million) resulting from a 36% lower output and 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 45.7% lower at P94.2 million (9M 2018: P173.7 million) brought about by lower depletion cost in SC 14C-1 Galoc following the decline in output and the cessation of operational costs in SC 14A Nido and SC 14B Matinloc; Group general and administrative expenses flat year-on-year.

Consolidated Net loss lower at P21.8 million (9M 2018: P49.1 million) due to reduction in oil production costs, lower depletion rate, and higher other income (charges), partially offset by lower petroleum revenues.

- On November 11, 2019, PXP submitted an unsolicited proposal to the Philippine Department of Energy (“DOE”) (the “Unsolicited Proposal”) for the strategic development and utilization of an Integrated Gas Hub in Malampaya upon the expiry of Service Contract No. 38 (“SC 38”) in 2024 (the “Project”).

Under the Unsolicited Proposal, the Malampaya infrastructure and distribution network (the “Malampaya Facilities”), which is strategically positioned in the West Philippine Sea, is envisioned to support the continued development of the Malampaya resources, as well as the economic development of Sampaguita Field and other nearby prospects under SC 72, which is operated by PXP through Forum (GSEC 101) Limited.

The Project intends to ensure energy security to the country from indigenous natural gas resources for the next 25 years and beyond, while bringing in significant revenues to the Philippine Government. The use of the Malampaya Facilities as the Integrated Gas Hub will also support the development of a robust indigenous gas industry. These Project benefits are consistent with DOE’s commitment to pursue national development through the two-fold agenda of attaining energy independence and implementing power market reforms as contained in the Philippine Energy Plan, and is aligned with the DOE’s clean fuel strategy, including the reduction of dependence on coal.

The Unsolicited Proposal is also seen to yield substantial foreign exchange savings resulting from the reduced importation of coal and other fuel supply.

In the meantime, PXP has expressed an interest to acquire the 45% ownership of Chevron Malampaya LLC in SC 38 through the right to match of the other SC 38 consortium members.

**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  
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AND SUBSIDIARIES

UNAUDITED CONSOLIDATED  
CONDENSED INTERIM  
FINANCIAL STATEMENTS  
September 30, 2019

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

	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	₱ 268,777	₱ 342,374
Accounts receivable	49,089	40,741
Inventories	10,617	32,398
Other current assets -net	8,473	13,351
<b>Total Current Assets</b>	<b>336,956</b>	<b>428,864</b>
<b>Noncurrent Assets</b>		
Property, Plant and Equipment - net	249,523	230,798
Goodwill	1,238,583	1,238,583
Deferred oil and gas exploration costs - net	5,298,637	5,310,477
Deferred income tax assets	34,017	35,003
Right-of-use-asset	7,973	-
Other noncurrent assets	4,298	3,629
<b>Total Noncurrent Assets</b>	<b>6,833,031</b>	<b>6,818,490</b>
<b>TOTAL ASSETS</b>	<b>₱ 7,169,987</b>	<b>₱ 7,247,354</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	₱ 26,539	₱ 33,957
Advances from related parties	739,396	2,125,184
Income tax payable	30	433
<b>Total Current Liabilities</b>	<b>765,965</b>	<b>2,159,574</b>
<b>Noncurrent Liabilities</b>		
Deferred income tax liabilities - net	1,114,151	1,113,448
Right-of-use liability	8,072	-
Other liabilities	191,625	191,914
<b>Total Noncurrent Liabilities</b>	<b>1,313,848</b>	<b>1,305,362</b>
<b>Total Liabilities</b>	<b>2,079,813</b>	<b>3,464,936</b>
<b>Equity</b>		
Capital Stock - P1 par value	1,960,000	1,960,000
Additional paid-in capital	2,816,545	2,821,000
Subscription receivable	(924,300)	(2,310,750)
Equity reserves	122,062	122,062
Deficit	(1,382,913)	(1,371,720)
Cumulative translation adjustment on foreign subsidiaries	115,173	153,866
	<b>2,706,567</b>	<b>1,374,458</b>
<b>Non-controlling Interests</b>	<b>2,383,607</b>	<b>2,407,960</b>
<b>Total equity</b>	<b>5,090,174</b>	<b>3,782,418</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱ 7,169,987</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 9-Month Period Ended September 30

	2019	2018
<b>PETROLEUM REVENUES</b>	₱ 51,121	₱ 106,133
<b>COSTS AND EXPENSES</b>		
Petroleum and other production costs	61,431	140,508
General and administrative expenses	32,783	33,157
	<b>94,214</b>	<b>173,665</b>
<b>OTHER INCOME (CHARGES)</b>		
Foreign exchange gains (losses) - net	(5,328)	30,039
Interest income - net	1,987	2,009
Others - net	25,546	(11,901)
	<b>22,205</b>	<b>20,147</b>
<b>INCOME (LOSS) BEFORE TAX</b>	<b>(20,888)</b>	<b>(47,385)</b>
<b>PROVISION FOR INCOME TAX</b>		
Current	199	-
Deferred	732	1,708
	<b>931</b>	<b>1,708</b>
<b>NET INCOME (LOSS)</b>	<b>( ₱ 21,819)</b>	<b>( ₱ 49,093)</b>
<b>Net Income (Loss) Attributable to:</b>		
Equity holders of the Parent Company	( ₱ 11,226)	( ₱ 31,361)
Non-controlling interests	(10,593)	(17,732)
	<b>( ₱ 21,819)</b>	<b>( ₱ 49,093)</b>
<b>BASIC LOSS PER SHARE</b>	<b>( ₱ 0.0057)</b>	<b>( ₱ 0.0184)</b>
<b>DILUTED LOSS PER SHARE</b>	<b>( ₱ 0.0057)</b>	<b>( ₱ 0.0160)</b>

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	For the 3rd Quarter Ended September 30	
	2019	2018
<b>PETROLEUM AND OTHER REVENUES</b>	<b>₱ 0</b>	<b>₱ 39,430</b>
<b>COSTS AND EXPENSES</b>		
Petroleum production costs	857	51,595
General and administrative expenses	7,455	11,600
	<b>8,312</b>	<b>63,195</b>
<b>OTHER INCOME (CHARGES)</b>		
Foreign exchange gains - net	3,978	6,772
Interest income	592	779
Other income	(9)	-
	<b>4,561</b>	<b>7,551</b>
<b>LOSS BEFORE INCOME TAX</b>	<b>(3,751)</b>	<b>(16,214)</b>
<b>PROVISION FOR INCOME TAX</b>	<b>171</b>	<b>37</b>
<b>NET LOSS</b>	<b>(₱ 3,922)</b>	<b>(₱ 16,251)</b>
<b>Net income attributable to:</b>		
Equity holders of the Parent Company	<b>(₱ 3,660)</b>	<b>(₱ 11,226)</b>
Non-controlling interests	<b>(262)</b>	<b>(5,025)</b>
	<b>(₱ 3,922)</b>	<b>(₱ 16,251)</b>
<b>BASIC/DILUTED EARNINGS PER SHARE</b>	<b>(₱ 0.0019)</b>	<b>(₱ 0.0066)</b>
<b>DILUTED EARNINGS (LOSS) PER SHARE</b>	<b>(₱ 0.0019)</b>	<b>(₱ 0.0057)</b>