



# **PXP Energy Corporation**

Financial Highlights and  
Operational Updates

# Financial Highlights – Profit and Loss

<i>(in PhP millions)</i>	1Q 2019	1Q 2018	% Inc (Dec)
Gross revenue	₱ 30	₱ 31	-3%
Cost and expenses	47	41	13%
Loss from operations	(17)	(11)	59%
Other income - net	24	2	908%
Reported net income (loss)	₱ 7	₱ (8)	-183%

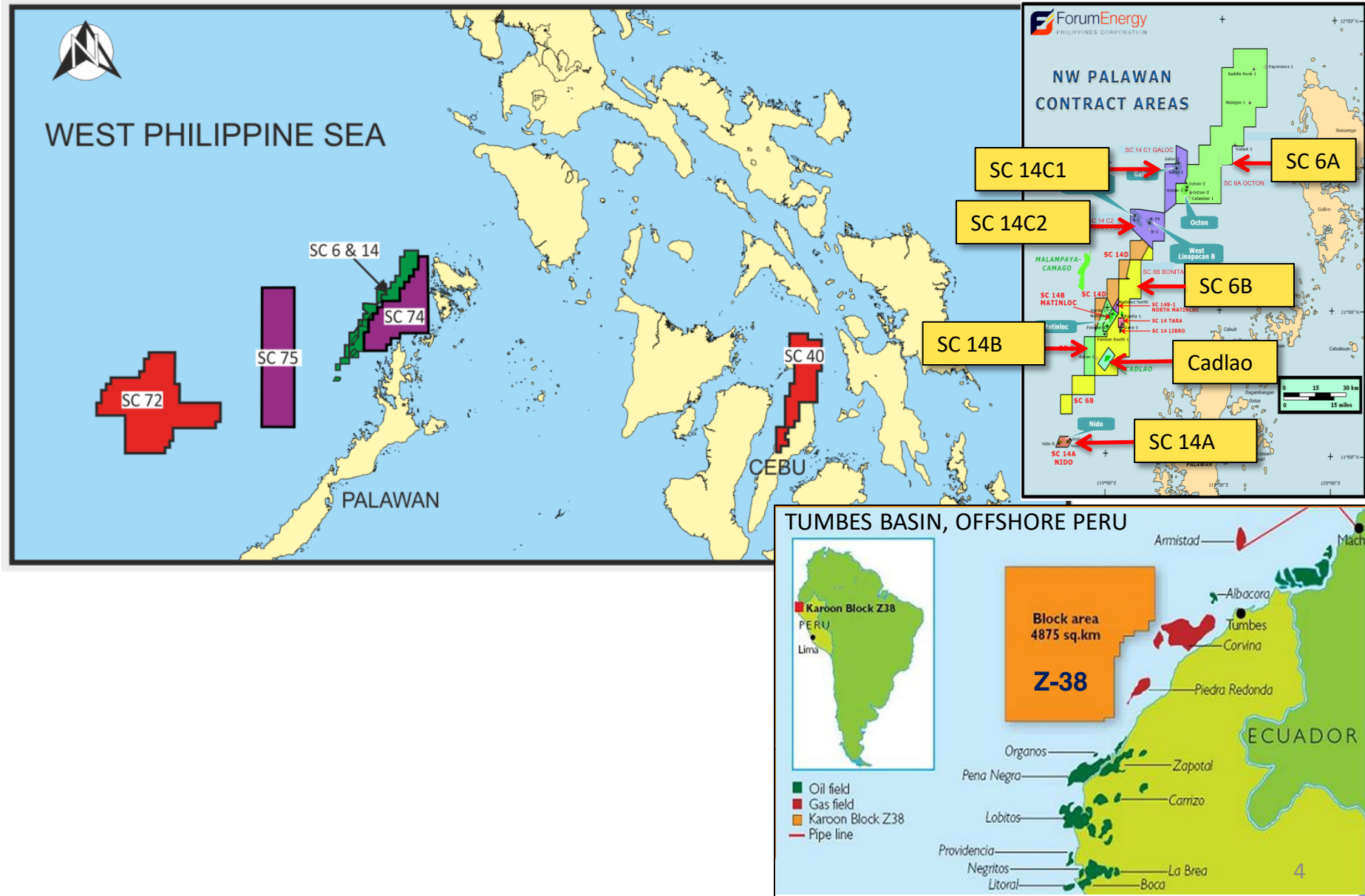
- **3% decrease in gross revenue due to:**
  - *Slightly higher volume offset by lower crude price*
- **13% increase in cost and expenses due to:**
  - *Higher depletion charge*
  - *Accrual of expenses*
- **Reported net income (from net loss) due to:**
  - *Other income (charges); offset by higher cost and expenses*

# Financial Highlights – Financial Position

ASSETS (in PHP millions)			
	As of Mar 31, 2019 (Unaudited)	As of Dec 31, 2018 (Audited)	% Inc (Dec)
Cash & cash equivalents	₱ 332	₱ 342	-3.1%
Receivables and other CA	82	86	-5.7%
<i>Current assets</i>	413	429	-3.6%
Deferred exploration costs & other NCA	6,841	6,818	0.3%
<b>Total assets</b>	<b>₱ 7,254</b>	<b>₱ 7,247</b>	<b>0.1%</b>

LIABILITIES AND STOCKHOLDERS' EQUITY (in PHP millions)			
	As of Mar 31, 2019 (Unaudited)	As of Dec 31, 2018 (Audited)	% Inc (Dec)
Due to affiliate	₱ 739	₱ 2,125	-65.2%
Accounts payable & others	32	34	-5.9%
<i>Current liabilities</i>	772	2,160	-64.3%
Deferred income tax liability	1,114	1,113	0.1%
Others	202	192	5.0%
Non-current liabilities	1,316	1,305	0.8%
<b>Total liabilities</b>	<b>2,088</b>	<b>3,465</b>	<b>-39.8%</b>
Capital stock	1,960	1,960	0.0%
Additional Paid-in Capital	2,818	2,821	-
Subscription receivable	(924)	(2,311)	-
Deficit	(1,363)	(1,374)	-0.8%
Others	271	276	-1.7%
Non-controlling interest	2,404	2,410	-0.2%
Total equity	5,167	3,782	36.6%
<b>Total Liabilities and SHE</b>	<b>₱ 7,254</b>	<b>₱ 7,247</b>	<b>0.1%</b>

# Operations Update



## **SC 72 Recto Bank (Forum 70%)**

- Under Force Majeure (FM) since December 15, 2014.
- Forum will have 20 months upon lifting of the FM to drill the two (2) commitment wells.
- Contracted DownUnder Geosolutions (DUG) to conduct broadband PSDM reprocessing of 565 sq. km 3D seismic data. The reprocessing will be completed in 2Q 2019.

## **SC 74 Linapacan Block (PXP 70%)**

- The gravity modeling and seismic interpretation of MC2D data are underway.
- Ongoing paleodating of rock samples collected during the fieldwork in the Calamian Islands last June 2018 by the UP National Institute of Geological Sciences.
- The SC 74 and SC 14C2 (West Linapacan) Consortia are conducting Rock Physics and Quantitative Inversion (QI) studies over the Linapacan and West Linapacan areas with Ikon Science as contractor.

## **SC 75 NW Palawan (PXP 50%)**

- Under FM since December 27, 2015.
- Sub-Phase 2 will have a term of 18 months upon lifting of FM with the acquisition of 1,000 sq km of 3D seismic data as the minimum work commitment.

## **SC 40 North Cebu (Forum 66.67%)**

- Processing and interpretation of gravity data that was acquired in April 2018 is underway.

### **SC 14C1 Galoc (Forum 2.27%)**

- Continued production in Galoc Field. A total of 1.2 million barrels of oil (mmbo) was produced in 2018. Cumulative production from October 2008 to April 2019 stood at 21.60 million barrels of oil.
- There have been three (3) liftings conducted in 2018. The average Galoc oil price realized for the 3 liftings was 35% higher than last year's average (US\$74.15/barrel in 2018 versus US\$ 54.80/barrel in 2017). Three liftings are expected this year. The first one was completed last January 2019.

### **Peru Block Z-38 (Pitkin 25%)**

- The FM in Block Z-38, which was imposed on September 01, 2013, was lifted by Perupetro S.A. on September 12, 2018. The current Third Exploration Period will now expire on July 01, 2020.
- The Peruvian government has already approved the farm-in of Tullow Oil to Z-38. A Supreme Decree was signed on March 18, 2019 and published in their official gazette the following day. The participating interests in Z-38 are now as follows: Karoon Gas – 40%, Tullow Oil – 35%, and Pitkin Petroleum – 25%.
- Preparations are underway for the implementation of a drilling program that will complete the Consortium's well obligations under the Third Exploration Period.