



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

December 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:

PXP Energy Corporation (“the Company” or “PXP”) wishes to inform the Exchange that Philex Mining Corporation (“Philex”) has paid its 25% downpayment or P770.25 million in connection to the Company’s announcement last October 26, 2018, of the signing and execution of a Definitive Subscription Agreement, following the share subscription of Philex of 260,000,000 common shares at Php 11.85 per share for a total consideration of P3.081 billion.

Further to the disclosures that the Company made on October 26, 2018 in connection with the Subscription Agreement dated on same date between PXP and Dennison Holdings Corporation (“Dennison”) whereby the latter agreed to subscribe to 340,000,000 common shares in PXP at an aggregate subscription price of Php4.03 billion (the “Subscription Price”), PXP and Dennison have agreed to amend the terms of payment under said Subscription Agreement.

On December 26, 2018, the parties agreed to reschedule and accelerate the full payment of the Subscription Price, net of Downpayment, to not later than March 31, 2019. Dennison shall also pay a Downpayment equivalent to one percent the total Subscription Price on or before January 7, 2019. In the event Dennison fails to pay the entire Subscription Price on or before 31 March 2019, the entire amount of the Downpayment shall be forfeited in favor of PXP and the Subscription Agreement shall be terminated at the option of PXP.

Following the subscription to the shares and full payment of the Subscription Price, Dennison shall be entitled to at least one seat in the Board, to nominate the Vice Chairman of the Board, and as well as all other rights of a shareholder.

A copy of the amendment to Dennison’s Subscription Agreement dated 26 December 2018 is enclosed in this letter.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Mark H. Rilles', is written over a light blue horizontal line.

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

AMENDMENT TO THE
SUBSCRIPTION AGREEMENT DATED 26 OCTOBER 2018

This Amendment to the Subscription Agreement dated 26 October 2018 (the "Amendment") is dated as of 26 December 2018 in the City of Makati, by and between:

PXP ENERGY CORPORATION, a corporation organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at 2/F, LaunchPad Reliance corner Sheridan Streets, Mandaluyong City, Metro Manila (hereinafter referred to as "PXP" or the "Issuer");

- and -

DENNISON HOLDINGS CORPORATION, a corporation organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at Stella Hizon Reyes Road, Bo. Pampang, Davao City (the "Strategic Investor").

(The Issuer and the Strategic Investor shall each be referred to as a "Party", and collectively as the "Parties".)

WHEREAS:

- (A) On 26 October 2018, the Issuer and the Strategic Investor entered into a Subscription Agreement for a total of 340,000,000 Common Shares to be issued out of the unissued authorized capital stock of the Issuer at an aggregate Subscription Price of Php4,029,000,000.00 (the "Agreement");
- (B) The Strategic Investor has requested to amend the schedule of the payment of the Subscription Price under the Agreement such that: (i) the total Subscription Price will be payable in full on or before 31 March 2019; and (ii) the Strategic Investor will no longer be required to pay the Downpayment referred to under the current Section 2.2(b) of the Agreement corresponding to 25.0% of the Subscription Price;
- (C) The Issuer has agreed to reschedule the full payment date of the Subscription Price as proposed by the Strategic Investor, provided that, the Strategic Investor makes a partial payment in the amount of Php402,900,000.00, corresponding to 10.0% of the total Subscription Price on or before 26 December 2018; provided further that, in the event the entire balance of the Subscription Price is not paid in full on or before 31 March 2019, then the full amount of the said partial payment shall be forfeited in favor of the Issuer; and
- (D) The Parties now wish to enter into this Amendment to effect the foregoing amendments.

NOW, THEREFORE, for and in consideration of the foregoing premises and of the covenants hereinafter set forth, the Parties hereby agree as follows:

- 1. Definitions and Construction
 - (a) All defined terms in this Amendment shall have the same meaning as ascribed to them in the Agreement, unless the context otherwise provides.
 - (b) All references in the Agreement and in this Amendment to the "Agreement" shall be deemed to refer to the Agreement as amended by this Amendment.

(c) The rules of interpretation set out in Section 1.2 of the Agreement shall be applied in interpreting the provisions of this Amendment, *mutatis mutandis*.

2. Section 2.2 (b) of the Agreement is hereby amended as follows:

(b) Terms and Manner of Payment

The Subscription Price shall be payable by the Strategic Investor to the Issuer as follows:

- (i) The amount of Php40,290,000.00 equivalent to 1.0% of the total Subscription Price (the "Downpayment") shall be paid in cash and remitted by the Strategic Investor in clear and immediately available funds to the Designated Account on or before 7 January 2019; and
- (ii) the unpaid balance in the amount Php3,988,710,000.00 equivalent to 99.0% of the total Subscription Price (the "Subscription Payable"), shall be paid in cash and remitted by the Strategic Investor in clear and immediately available funds to the Designated Account on or before 31 March 2019.

3. A new clause (c) on Forfeiture of the Downpayment is incorporated in Section 2.2 of the Agreement immediately after Section 2.2 (b), as follows:

(c) Forfeiture of the Downpayment

In the event the Strategic Investor fails to pay the Subscription Payable in full on or before 31 March 2019 under the terms provided under this Agreement, the entire amount of the Downpayment shall, upon written notice to the Strategic Investor, be forfeited in favor of the Issuer; and the Agreement shall be terminated.

4. Section 2.2(c) of the Agreement on Preferential Rights Relating to the LNG Project is hereby renumbered as Section 2.2(d).

5. Section 3.2 (a) of the Agreement is hereby amended as follows:

(a) Following the Subscription to and issuance of the Strategic Investor Subscribed Shares **and full payment of the Subscription Price**, the Strategic Investor shall be entitled to at least one (1) seat in the Board of Directors of PXP, or such number of seats in proportion to its shareholdings in the Issuer (the "Strategic Investor Nominee Director") **and all other rights of a shareholder**. Accordingly, the Issuer shall cause the appointment of the Strategic Investor Nominee Director in the PXP Board of Directors **within five (5) business days from and after full payment of the Subscription Price as provided in Section 2.2(b) of this Agreement, subject to applicable law.**

6. A new clause 6.9 on Termination of the Agreement is incorporated in Section 6 of the Agreement immediately after Section 6.8 as follows:

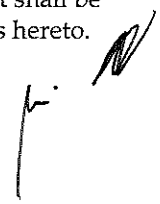
6.9 Termination of the Agreement

In the event the Strategic Investor fails to pay (i) the Downpayment on or before 7 January 2019; or the Subscription Payable in full on or before 31 March 2019 under the terms provided under this Agreement, the Agreement shall be

terminated, at the option of the Issuer, upon written notice to the Strategic Investor.

7. This Amendment supplements and amends the Agreement and should be read in conjunction with the Agreement, provided always that in case of inconsistency between the terms of this Amendment and the Agreement with respect to the foregoing matters covered by this Amendment, the Parties hereby acknowledge and agree that the terms of this Amendment shall prevail.
8. This Amendment shall take effect on the date of the execution hereof by the Parties. Save for the amendments to the Agreement set forth in this Amendment, all terms and conditions of the Agreement shall remain in full force and effect.
9. This Amendment may be entered into in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any Party may enter into this Amendment by signing any such counterpart. The execution date of this Amendment shall be the date when all counterparts of this Amendment have been signed by all the Parties hereto.

- SIGNATURE PAGE FOLLOWS -

A handwritten signature in black ink, consisting of a vertical line followed by a stylized, looped flourish.

IN WITNESS WHEREOF, the Parties have signed this Amendment on the date first above written.

ISSUER:

PXP ENERGY CORPORATION

By:



Name: MANUEL V. PANGILINAN

Designation: Chairman

SIGNED IN THE PRESENCE OF:

IN WITNESS WHEREOF, the Parties have signed this Amendment on the date first above written.

STRATEGIC INVESTOR:

DENNISON HOLDINGS CORPORATION

By:



Name: IGNACIA S. BRAGA IV
Designation: Vice President - Finance

SIGNED IN THE PRESENCE OF:

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY, METRO MANILA) S.S.

BEFORE ME, this _____ in the City of Makati personally appeared:

<u>Name</u>	<u>Identification No.</u>	<u>Date/Place of Issue</u>
-------------	---------------------------	----------------------------

PXP ENERGY CORPORATION

Represented by:

MANUEL V. PANGILINAN



known to me and to me known to be the same persons who executed the foregoing Amendment, which consists of _____ pages including this page on which the acknowledgment appears, and who admitted to me that the same is their free and voluntary act and deed and those of the corporations that they represent.

WITNESS MY HAND AND SEAL on the date and at the place first written above.

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 2018.