



**PHILEX PETROLEUM  
CORPORATION**

Confirmation statement from Philex Petroleum:

February 22, 2016

**Professor Edward K. Y. Chen**

Chairman (Acting) of the Audit Committee  
First Pacific Company Limited  
24th Floor, Two Exchange Square  
8 Connaught Place  
Hong Kong

Dear Professor Chen,

This is to inform you that the Audit Committee of Philex Petroleum Corporation ("PXP") has conducted a review of the effectiveness of PXP's (including its subsidiaries') internal control systems for the period July - December 2015. The review covered all material controls, including financial, operational and compliance controls and risk management functions.

Please refer to the enclosed summary report (Appendix A) for the period July - December 2015 highlighting (a) the major internal control issues and the remedial actions taken; and (b) key enterprise risks identified and the corresponding mitigation measures to address those risks.

Based on our review of the internal audit reports and discussion with the internal auditor, we would like to confirm that the internal controls (including financial, operational and compliance controls) of PXP are adequate and effective.

Based on our evaluation of Philex's ERM process, reviewing the ERM report and interviews with the management of PXP as well as the external auditor, we have assured ourselves that the material risks have been identified, evaluated, managed and reported appropriately.

We have not noticed any material deviation from local as well as Hong Kong Listing Rules requirements, including Continuing Connected Transactions.

We hope that this letter suffice your requirements.

Sincerely yours,

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**Emerlinda R. Roman**  
Chairman of the Audit Committee  
Philex Petroleum Corporation

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**Geraldine B. Ateo-an**  
Head of the Internal Audit Department  
Philex Petroleum Corporation