



# **PXP Energy Corporation**

Financial Highlights and  
Operational Updates

# Financial Highlights – Profit and Loss



<i>(in PhP millions)</i>	Jun 30, 2020	Jun 30, 2019	% Inc (Dec)
Gross revenue	₱ 6	₱ 51	-88%
Cost and expenses	40	86	-54%
Loss from operations	(33)	(35)	-4%
Other income (charges) - net	(23)	18	-225%
Reported net income (loss)	₱ (56)	₱ (16)	244%

- **88% decrease in gross revenue due to:**
  - *One (1) lifting completed during the period vs. Two (2) liftings in PY from SC14 C-1 Galoc*
  - *62% drop in average crude sale price*
- **54% decrease in cost and expenses due to:**
  - *Lower depletion and oil production cost in Galoc*
- **Net loss during the current year vs prior year due to:**
  - *Substantial decrease in oil revenues and impairment loss in SC 14C-1 Galoc.*

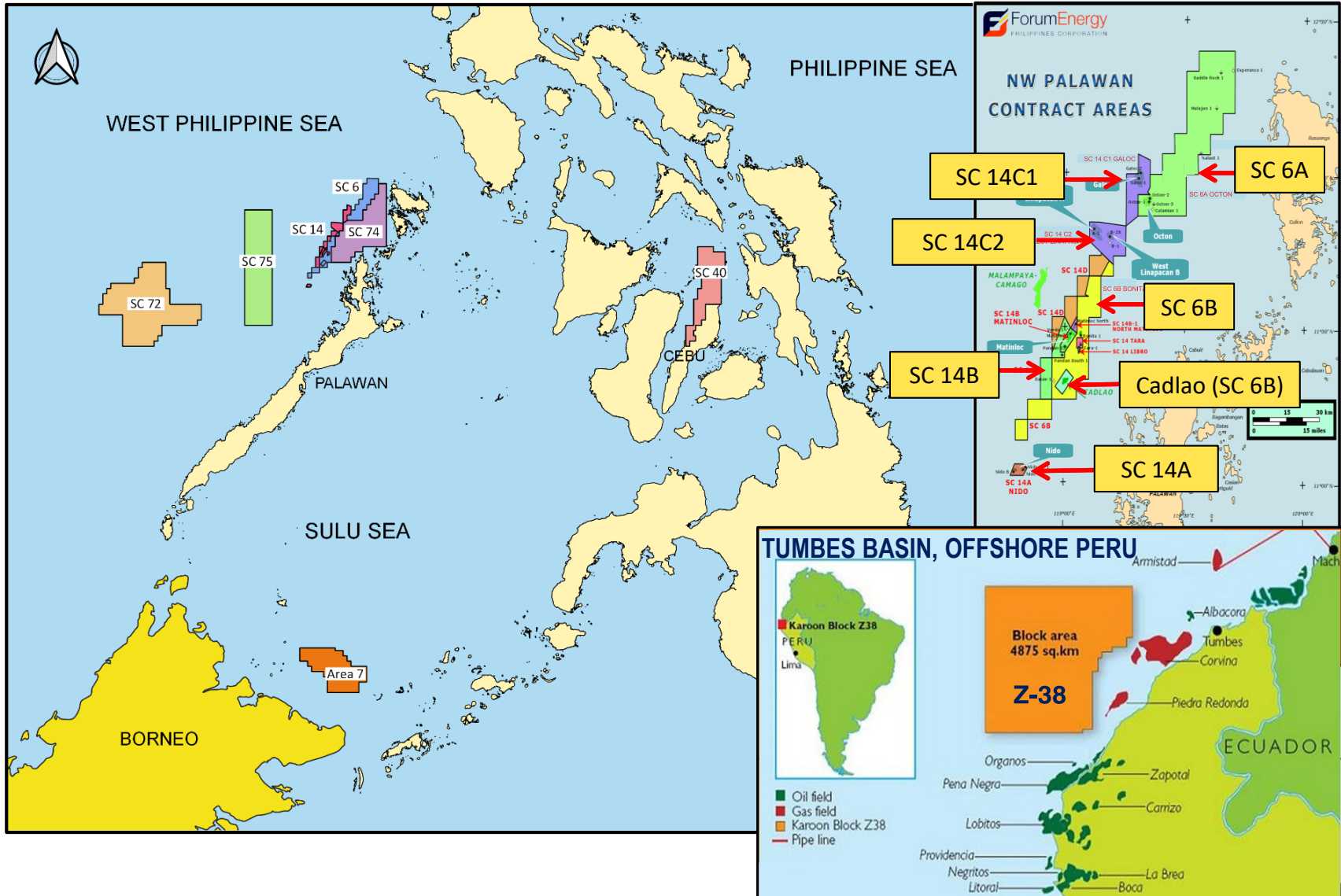
# Financial Highlights – Financial Position



<b>ASSETS (in PHP millions)</b>			
	As at Jun 30, 2020	As at Dec 31, 2019	% Inc (Dec)
Cash & cash equivalents	₱ 172	₱ 246	-29.9%
Receivables and other CA	43	57	-23.6%
<i>Current assets</i>	216	303	-28.8%
Deferred exploration costs & other NCA	6,517	6,563	-0.7%
<b>Total assets</b>	<b>₱ 6,733</b>	<b>₱ 6,865</b>	<b>-1.9%</b>

<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b> (in PHP millions)			
	As at Jun 30, 2020	As at Dec 31, 2019	% Inc (Dec)
Accounts payable & others	35	74	-52.1%
<i>Current liabilities</i>	35	74	-52.1%
Deferred income tax liability	1,077	1,077	0.0%
Others	197	197	-0.1%
<i>Non-current liabilities</i>	1,274	1,274	0.0%
<b>Total liabilities</b>	<b>1,309</b>	<b>1,348</b>	<b>-2.9%</b>
Capital stock	1,960	1,960	0.0%
Additional Paid-in Capital	2,817	2,817	-
Subscription receivable	(184)	(184)	-
Deficit	(1,688)	(1,644)	2.7%
Others	181	210	-13.8%
Non-controlling interest	2,339	2,358	-0.8%
<i>Total equity</i>	5,424	5,517	-1.7%
<b>Total Liabilities and SHE</b>	<b>₱ 6,733</b>	<b>₱ 6,865</b>	<b>-1.9%</b>

# Operations Update



## SC 72 Recto Bank (Forum 70%)

- Under Force Majeure (FM) since December 15, 2014.
- Sub-Phase (SP) 2 with remaining 20 months upon lifting of FM. Minimum work commitment is the drilling of 2 wells

## SC 75 NW Palawan (PXP 50%)

- Under FM since December 27, 2015.
- SP 2 with 18 months term will start upon lifting of FM. Minimum work commitment is the acquisition of 1,000 sq. km of 3D seismic data

## SC 74 NW Palawan (PXP 70%)

- The Department of Energy (DOE) has granted the request made by the Company, on behalf of the Joint Venture partners, for the imposition of a FM over SC 74 Linapacan Block for nine (9) months starting from March 13, 2020 to December 12, 2020, or a period of 9 months, due to COVID-19-related delays in the implementation of some Geological and Geophysical activities in the block.

## SC 40 North Cebu (Forum 66.67%)

- Corrections to gravity reading, coordinates, and elevations of gravity data obtained during the survey conducted last February-March 2020 have been completed.
- Data reduction, processing, and interpretation to follow.

# Operations Update 2/2

## **SC 14A Nido (Forum 8.468%)**

- Plug and abandonment (P&A) of the Nido A1 and A2 wells originally planned for April 2020 was suspended due to COVID-19. The current crisis made an impact on Philodrill's ability to mobilize personnel and equipment for the P&A. The JV is now looking at September 2020 to carry out the P&A, depending on the situation with COVID-19.
- On June 26, 2020, a Deed of Donation and Agreement was signed by DOE with the Department of National Defense for the transfer of ownership of the Nido and Matinloc platforms to the Armed Forces of the Philippines which will now use the platforms for defense purposes.

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

- Due to the temporary closure of Karoon Energy's Peru office caused by the COVID-19 lockdown and quarantine requirements declared by the Peruvian Government, the Operator applied for Force Majeure on Block Z-38, which was granted by the authorities on July 14, 2020. The FM applies from March 16, 2020 until such time as relevant lockdown requirements are removed.

## **PCECP Area 7 Sulu Sea – Under Application (PXP 40%)**

- Philodrill and PXP's application for a new service contract remains under review with the DOE.