For Nine Months 2018
Operating and Financial Highlights

October 26, 2018

9M 2018 Highlights

- Core net income at P687 million
- Net income at P570 million
- EBITDA at P2.23 billion
- US$ 10 million debt retired in 9M 2018

Operating Statistics

	9M 2018	9M 2017	Inc (Dec)
Tonnes Milled	6,529	6,259	4%
Production			
Gold - oz	48,929	62,689	-22%
Copper – lbs (‘000)	20,509	21,922	-6%
Recovery			
Gold	76.01	80.85	-6%
Copper	77.98	82.37	-5%
Ore Grade			
Gold – gms/DMT	0.307	0.385	-20%
Copper - %	0.183	0.193	-5%
Prices			
Gold (US$/ounce)	1,304	1,272	2%
Copper (US$/pound)	3.00	2.80	7%

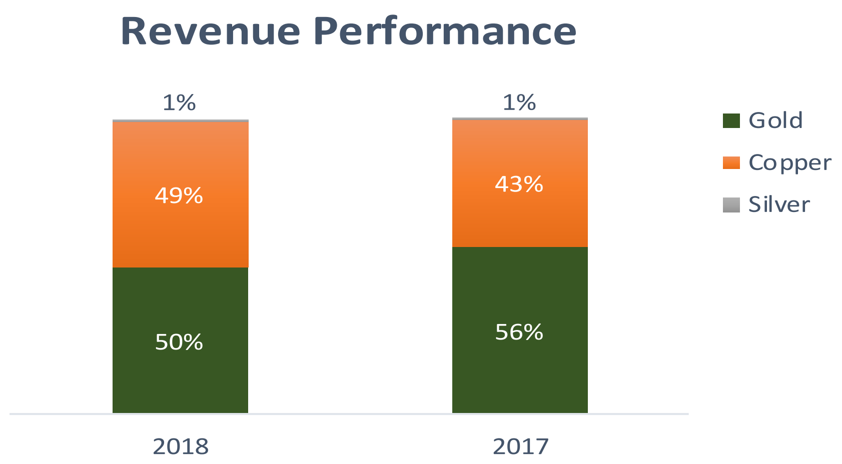
- 2017 productivity issues being addressed
- Lower ore grades and recovery
- Increased / surging slimes

Financial Highlights

(in PHP million, Unless indicated)	9M 2018	9M 2017	Inc (Dec)
Gross Revenue	6,586	7,180	-8%
Smelting Charges	531	606	-12%
Cost & Expenses	5,087	4,945	3%
Income from Operations	968	1,629	-41%
Other Inc / (charges)	(172)	(19)	822
Provision for Tax	(226)	(479)	-53%
Net Income	570	1,132	-50
Core Net Income	687	1,158	-41%
EBITDA	2,231	2,778	-20%
Operating margin (%)	15%	23%	-35%
EBITDA Margin (%)	34%	39%	-13%

- Lower metal output despite higher prices and favorable exchange rate
- Higher non-cash charges
- 100% increase in excise tax rate

Revenue Breakdown



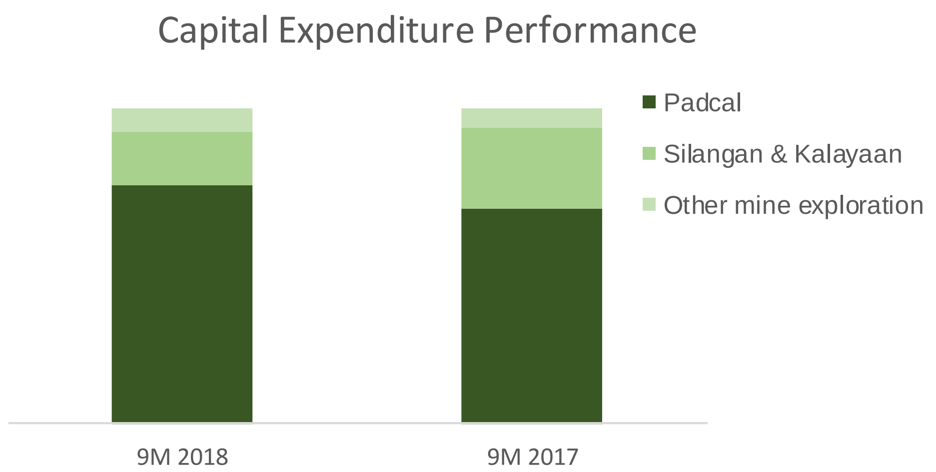
REVENUE PER PRODUCT (PhP million)			
	9M 2018	**9M 2017**	**Inc (Dec)**
Gold	3,327	4,036	-18%
Copper	3,211	3,088	4%
Silver	49	56	-13%
TOTAL	6,586	7,180	-8%

Cost and Expenses

(in PHP million)	9M 2018	9M 2017	Inc (Dec)
Production cost			
Materials & Supplies	1,384	1,353	2%
Power	895	956	-6%
Labor	670	638	5%
Contracts	138	170	-19%
Others	156	150	4%
Cash Production cost	3,243	3,268	-1%
Depreciation & Amortization	1,220	1,108	10%
Total Production Cost	4,463	4,376	2%
Excise Tax & Royalties	392	312	25%
Operating Cost	4,855	4,688	4%
G&A	232	257	-10%
TOTAL COST AND EXPENSES	5,087	4,945	3%

- Decline in cash production cost due to lower renegotiated power rates
- Higher tonnage
- 100% increase in excise tax rate

Capital Expenditures



CAPITAL EXPENDITURE BREAKDOWN (PhP million)			
	9M 2018	**9M 2017**	**Inc (Dec)**
Padcal	1,038	1,200	-14%
Silangan & Kalayaan	230	450	-49%
Other mine exploration	107	113	-5%
TOTAL	1,375	1,763	-22%

Financial Position

ASSETS (PhP million)		
	As of Sept 30, 2018	As of Dec 31, 2017
Cash & cash equivalents	184	584
Receivables & others	5,312	5,683
Current assets	**5,496**	**6,267**
Property, plant & equipment	6,746	6,721
Deferred exploration costs	25,097	24,361
Others	2,304	2,330
Total assets	**39,643**	**39,679**

LIABILITIES AND STOCKHOLDERS' EQUITY (PhP million)		
	As of Sept 30, 2018	As of Dec 31, 2017
Short-term debt	2,107	2,447
Others	2,274	2,419
Current liabilities	**4,381**	**4,866**
Bonds Payable	7,222	6,950
Deferred tax liability/others	3.076	3,131
Total liabilities	**14,679**	**14,947**
Total equity	**24,965**	**24,732**
Total Liabilities and SHE	**39,643**	**39,679**

SELECTED FINANCIAL RATIOS		
Current Ratio	1.25:1	1.29:1
Debt-to-equity Ratio	37:63	38:62

- **Deferred exploration costs:** investment in Silangan and sustained exploration in Padcal
- **Short-term debt:** repayment of US$10 million in Parent Company's debt, balance down to US39 million as of September 30, 2018

PXP Energy Corporation

Financial Highlights and Operational Updates

Financial Highlights – Profit and Loss

(in PhP millions)	9M2018	9M2017	% Inc (Dec)
Gross revenue	₱ 106	₱ 77	38%
Cost and expenses	174	121	44%
Loss from operations	(68)	(44)	53%
Other income (charges)	18	10	83%
Reported net loss	₱ (49)	₱ (34)	44%

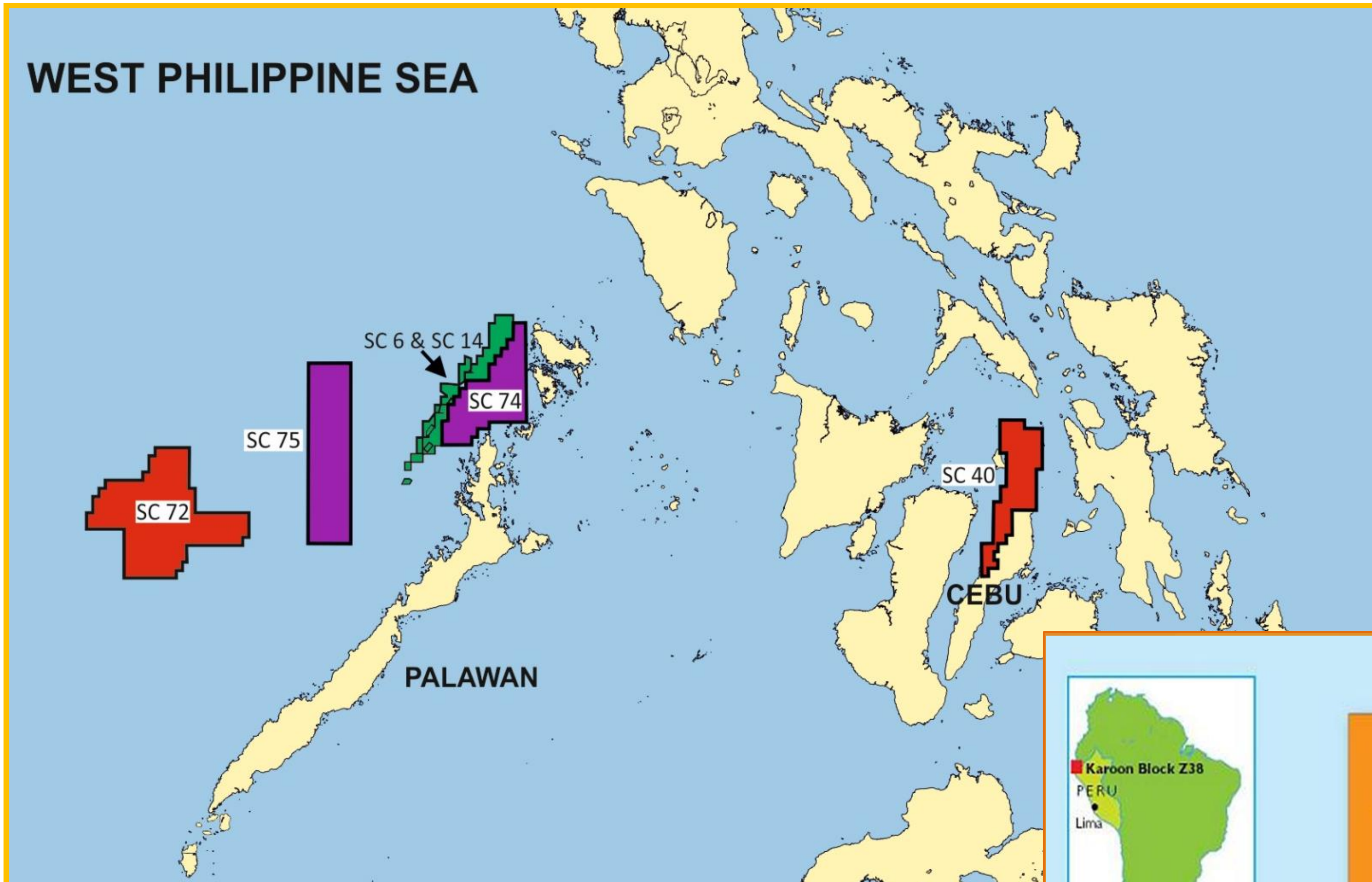
- **38% increase in gross revenue due to:**
  - *Higher crude price and higher output*
- **44% increase in cost and expenses due to:**
  - *Increase in production cost due to higher depletion and decommission of old SC 14 wells*
  - *Cost control resulting to flat y/y G&A*
- **44% increase in reported net loss due to:**
  - *Decommissioning costs and higher depletion partly offset by higher petroleum revenues*

Financial Highlights – Financial Position

ASSETS (in PHP millions)			
	As of Sep 30, 2018	As of Dec 31, 2017	*% Inc (Dec)*
Cash & cash equivalents	₱ 368	₱ 450	-18.2%
Receivables and other CA	78	76	2.7%
Current assets	446	526	-15.2%
Deferred exploration costs & other NCA	6,892	6,703	2.8%
Total assets	**₱ 7,338**	**₱ 7,229**	**1.5%**

LIABILITIES AND STOCKHOLDERS' EQUITY *(in PHP millions)*			
	As of Sep 30, 2018	As of Dec 31, 2017	*% Inc (Dec)*
Due to affiliate	₱ 2,896	₱ 2,906	-0.4%
Accounts payable & others	29	19	46.7%
Current liabilities	2,925	2,926	0.0%
Deferred income tax liability	192	191	0.8%
Others	1,109	1,110	-0.1%
Non-current liabilities	1,301	1,301	0.0%
Total liabilities	**4,226**	**4,226**	**0.0%**
Capital stock	1,700	1,700	0.0%
Deficit	(1,326)	(1,295)	2.4%
Others	287	198	44.9%
Non-controlling interest	2,451	2,398	2.2%
Total equity	3,112	3,002	3.7%
Total Liabilities and SHE	**₱ 7,338**	**₱ 7,229**	**1.5%**

Operations Update



Operations Update 1/3

SC 72 Recto Bank (Forum 70%)

- Under Force Majeure (FM) since 15 December 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 75 NW Palawan (PXP 50%)

- Under FM since 27 December 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.

PXP will continue to coordinate with DOE on the immediate lifting of the FM for both SCs.

SC 74 Linapacan Block (PXP 70%)

- Ongoing gravity modeling and interpretation using marine gravity data acquired in 2016.
- Field mapping and sampling in the Calamian Islands was conducted in June 2018 in cooperation with graduate students from the University of the Philippines National Institute of Geological Sciences (UP NIGS). Ongoing analyses for biostratigraphy and paleodating of collected rock samples.
- Ongoing engineering and economic studies on Linapacan A & B Fields.

Operations Update 2/3

SC 40 North Cebu (Forum 66.67%)

- Processing and interpretation of gravity data that was acquired in April 2018 is underway.
- Forum will start planning for the drilling of an onshore well in 1Q 2020.

SC 14C1 Galoc (Forum 2.27%)

- Continued production in Galoc Field. A total of 898k barrels of oil was produced from January to September 2018. Cumulative production since October 2008 stood at 21.08 million barrels of oil.
- There have been three (3) liftings conducted so far this year, with the third one completed last 27 August 2018. The average Galoc oil price realized for the 3 liftings was 38% higher than last year’s average (US$74.20/barrel in 2018 versus US$ 53.79/barrel in 2017).

SC 14C2 West Linapacan (Forum 9.103%)

- Ongoing interpretation of Pre-Stack Depth Migrated 3D seismic data.
- Study the viability of re-entering the old West Linapacan A1 well.
- Continued evaluation of West Linapcan “B” structure.

SC 6A Octon Block (PXP 5.56% / Forum 5.56%)

- Completed the interpretation of 3D seismic data, integrating the results of the Quantitative Interpretation (QI) work. Resource analysis and calculation are ongoing.

Operations Update 3/3

Peru Block Z-38 (Pitkin 25%)

- The Force Majeure in Block Z-38, which was imposed on 01 September 2013, was lifted by Perupetro on 12 September 2018.
- The current Third Exploration Period will now expire on 01 July 2020.
- The Z-38 Joint Venture consisting of Karoon Gas (40%), Tullow Oil (35%), and Pitkin Petroleum (25%), is planning to drill a well, Marina-1X in early 2020.
- Pitkin is carried in the cost of the Marina-1X, plus another future well under a farm-in agreement signed with Karoon in 2009.