



# **PXP Energy Corporation**

Financial Highlights and  
Operational Updates

# Financial Highlights – Profit and Loss

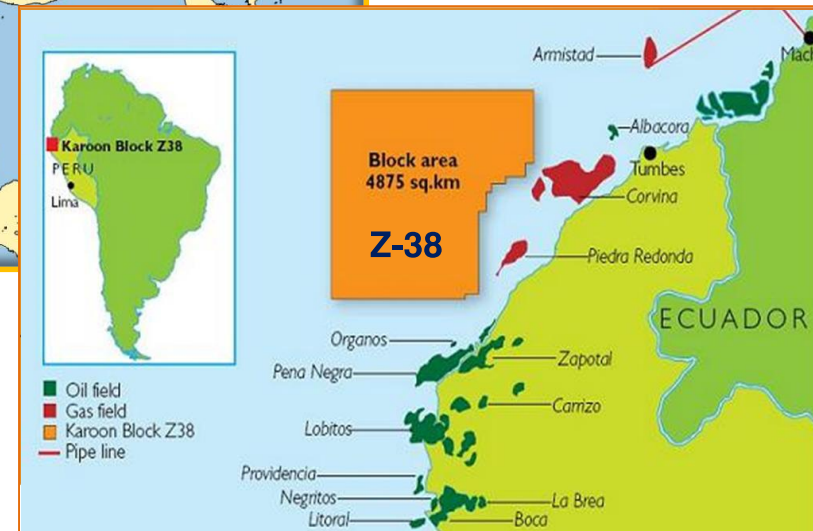
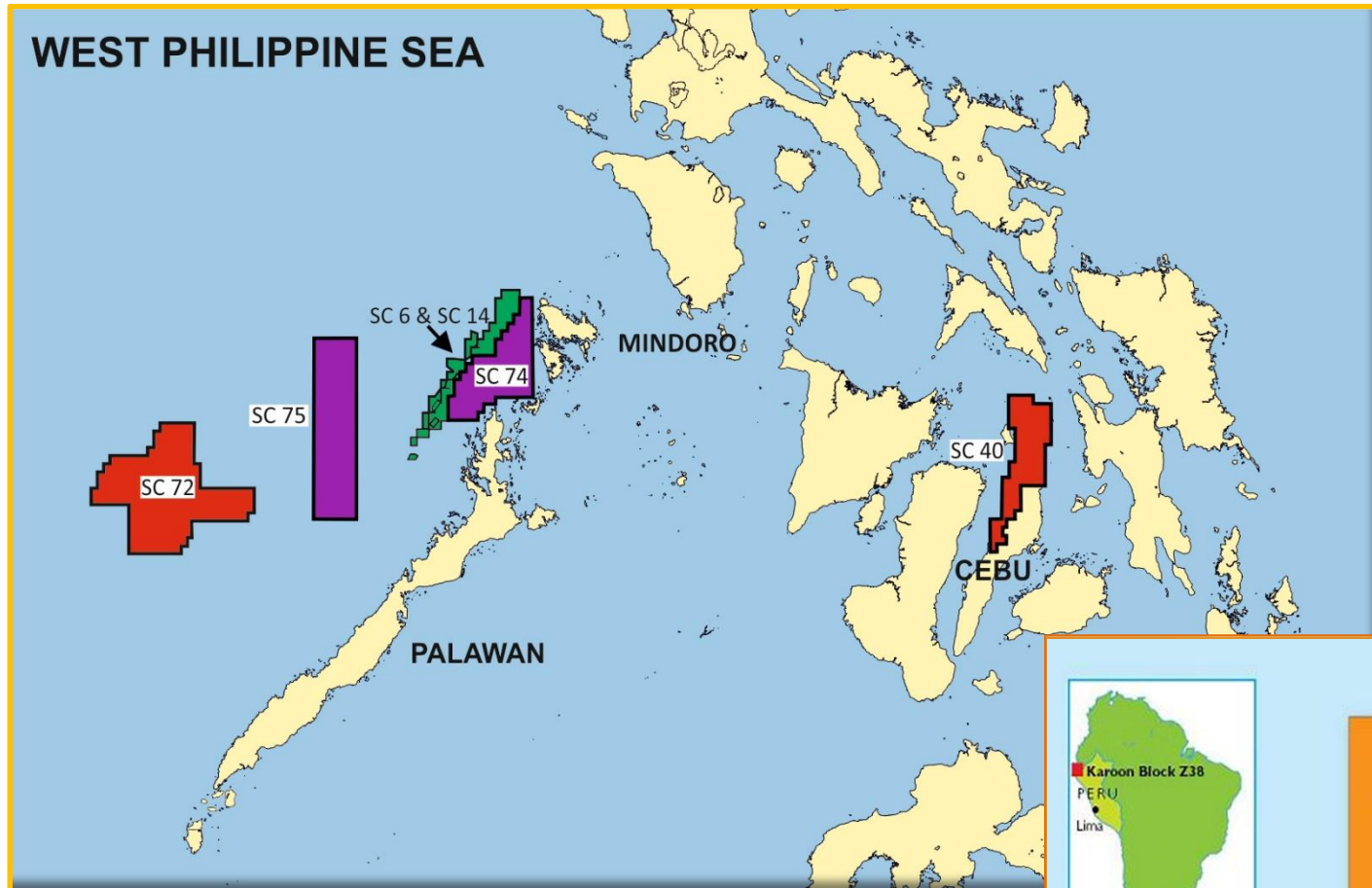
<i>(in PhP millions)</i>	<b>FY2017</b>	<b>FY2016</b>	<b>% Inc (Dec)</b>
Gross revenue	₱ 104	₱ 102	3%
Cost and expenses	158	171	-7%
Loss from operations	(54)	(69)	-22%
Other income (charges)	(3)	33	-110%
Reported net loss	₱ (57)	₱ (36)	57%

- **3% decrease in petroleum revenues due to:**
  - *Higher oil price offset by lower oil output*
- **7% decrease in cost and expenses due to:**
  - *Lower oil output and continuous cost containment.*
- **57% increase in net loss due to:**
  - *Lower loss from operations by 22% offset by a 110% decrease in other income (charges) from Forex and Income tax.*

# Financial Highlights – Financial Position

ASSETS (in PHP millions)			
	As of Dec 31, 2017	As of Dec 31, 2016	% Inc (Dec)
Cash & cash equivalents	₱ 450	₱ 573	-21.5%
Receivables and other CA	76	96	-21.0%
<i>Current assets</i>	526	669	-21.4%
Deferred exploration costs & other NCA	6,703	6,663	0.6%
<b>Total assets</b>	<b>₱ 7,229</b>	<b>₱ 7,332</b>	<b>-1.4%</b>
LIABILITIES AND STOCKHOLDERS' EQUITY (in PHP millions)			
	As of Dec 31, 2017	As of Dec 31, 2016	% Inc (Dec)
Due to affiliate	₱ 2,906	₱ 2,932	-0.9%
Accounts payable & others	35	28	24.2%
<i>Current liabilities</i>	2,941	2,960	-0.6%
Deferred income tax liability	1,110	1,110	0.0%
Others	191	204	-6.4%
Non-current liabilities	1,301	1,314	-1.0%
<b>Total liabilities</b>	<b>4,242</b>	<b>4,273</b>	<b>-0.7%</b>
Capital stock	1,700	1,700	0.0%
Deficit	(1,295)	(1,256)	3.1%
Others	191	199	-3.7%
Non-controlling interest	2,390	2,415	-1.0%
Total equity	2,987	3,059	-2.3%
<b>Total Liabilities and SHE</b>	<b>₱ 7,229</b>	<b>₱ 7,332</b>	<b>-1.4%</b>

# Operations Update



## **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.

## **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.

Will continue to coordinate with DOE on the immediate lifting of the Force Majeure for both SCs.

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

- Ongoing processing and interpretation of marine gravity and magnetic data Phase 2 with expected completion in early April 2018.
- The Consortium has agreed to proceed to Sub-Phase 3 starting 13 December 2017 with the interpretation of Linapacan A and B fields 3D seismic data, and Linapacan engineering and market study among the work activities submitted to the DOE.

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

- Completed the plugging and abandonment (P&A) of L95-1 well in Libertad Field.
- The approved work program for 2018 is a detailed land gravity survey in northern Cebu, which will start in April 2018.

### **SC 14 Matinloc and Tara Blocks (Forum 12.406% & 10%, respectively)**

- Continued production in Nido and Matinloc Fields.
- P&A of Libro-1 and Tara South-1 to be undertaken during the second quarter of 2018.

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

- Continued production in Galoc Field. It produced a total of 1.46 million barrels of oil (mmbo) in 2017, and 20.3 mmbo since production started in October 2008.
- A total of 4 liftings are scheduled for 2018 with the first one completed last January 23, 2018.

### **SC 14C2 West Linapacan (Forum 9.103%)**

- Ongoing interpretation of Pre-Stack Depth Migrated 3D seismic data.

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

- Completed the Pre-Stack Depth Migration (PSDM) processing and quantitative interpretation (QI) of the 2013 3D seismic data.
- The work program for 1H 2018 includes 3D seismic interpretation, which will integrate the results of the QI work.

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

- Under Force Majeure (FM) since 01 September 2013. The current Third Exploration Period will have 22 months remaining once the FM is lifted.
- On 10 January 2018, Karoon announced the farm-in of Tullow Oil plc (UK) to Z-38, wherein Tullow has agreed to partially carry Karoon in the cost of one well, Marina-1, to earn 35% interest. The well is expected to be drilled in 2019.
- Under a separate farm-in agreement with Karoon, Pitkin will be carried in the cost of two wells, including Marina-1.
- Karoon will remain as Operator of Z-38 with 40% interest.