



24th April 2014

PHILIPPINE STOCK EXCHANGE, INC.
Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **MS. JANET A. ENCARNACION**
Head – Disclosure Department

Dear Ms. Encarnacion,

We submit herewith a copy of Philex Petroleum Corporation's press release on the Company's financial and operating results for First Quarter ended 31st March 2014.

Very truly yours,


MARK H. RILLES
CIO - OIC



April 24, 2014

PRESS RELEASE

FINANCIAL AND OPERATING HIGHLIGHTS
FOR THE FIRST QUARTER ENDED MARCH 31, 2014

- Philex Petroleum Corporation ("Philex Petroleum") reported a consolidated net income of P25.7 million for the three months ended March 31, 2014, compared to a consolidated net loss of P24.5 million during the same period last year. The net income in 2014 was mainly due to higher petroleum revenues of Forum Energy Plc in SC 14C1 Galoc, which was partly offset by the increase in general and administrative expenses related to the consolidation of Pitkin Petroleum Plc.
- Philex Petroleum completed the acquisition of 2,235 line-kilometers of 2D seismic data in SC 75 NW Palawan. The seismic acquisition survey was conducted by SeaBird Exploration using the vessel M/V Voyager Explorer. In addition to 2D seismic data, marine gravity and magnetic data were also acquired during the survey. The processing and interpretation of the 2D seismic data and the gravity and magnetic data is currently ongoing and is expected to be completed in the first quarter of 2015. Philex Petroleum has a 50% operating interest in SC 75 NW Palawan.
- The assessment of the drill location of at least two exploration wells in Peru Block Z-38 is being finalized by the block operator, Karoon Gas, with the drilling expected to commence in the second half of 2014. Pitkin Petroleum Plc, a 50.28% owned subsidiary, holds a 25% interest in Peru Block Z-38.
- Brixton, a wholly-owned subsidiary, finalized agreements for the assignment of Coal Operating Contract 130 ("COC 130") in Zamboanga Sibugay to Grace Coal Mining and Development on January 7, 2014. The underground coal mines in COC 130 were closed in September 2013, following suspension of operations in January 2013 due to low coal prices. The assignment is subject to the approval of the Department of Energy.

About Philex Petroleum Corporation

Philex Petroleum Corporation 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 exploration assets located in Peru.

For further information, please contact:

Mark H. Rilles
Finance Manager
Philex Petroleum Corporation
Telephone: (632) 631 1381
Email: mhrilles@philexpetroleum.com.ph

PHILEX PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in Thousands)

	March 31 2014 (UNAUDITED)	December 31 2013 (AUDITED)
ASSETS		
Current Assets		
Cash and cash equivalents	P 2,578,096	P 2,621,474
Accounts receivable - net	130,839	112,947
Inventories - net	11,614	21,193
Other current assets -net	32,621	27,696
Total Current Assets	2,753,170	2,783,310
Noncurrent Assets		
Property, Plant and Equipment - net	324,817	360,018
Deferred income tax assets	12,858	28,313
Goodwill	1,238,583	1,238,583
Deferred exploration costs and other noncurrent assets - net	5,090,538	5,010,707
Total Noncurrent Assets	6,666,796	6,637,621
TOTAL ASSETS	P 9,419,966	P 9,420,931
LIABILITIES AND EQUITY		
Current Liabilities		
Current portion of long-term loan	P 25,546	P 55,019
Accounts payable and accrued liabilities	139,135	116,304
Advances from related parties	3,400,924	3,378,851
Income tax payable	439	253
Total Current Liabilities	3,566,044	3,550,427
Noncurrent Liabilities		
Provision for losses	953	-
Deferred income tax liabilities - net	1,094,665	1,111,894
Non-current portion of long-term loan	57,235	55,014
Other liabilities	202,508	198,208
Total Noncurrent Liabilities	1,355,361	1,365,116
Total Liabilities	4,921,405	4,915,543
Equity		
Capital Stock - P1 par value	1,700,000	1,700,000
Equity reserves	(123)	(123)
Deficit	(899,219)	(919,383)
Net unrealized gain (loss) on AFS financial assets	-	-
Cumulative translation adjustment on foreign subsidiaries	(183,388)	(61,000)
	617,270	719,494
Non-controlling Interests	3,881,291	3,785,894
Total equity	4,498,561	4,505,388
TOTAL LIABILITIES AND EQUITY	P 9,419,966	P 9,420,931

PHILEX PETROLEUM CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands, except Earnings or Loss Per Share)

	Three Months Ended March 31	
	2014	2013
REVENUE		
Petroleum	P 99,014	P 46,472
Coal	2,709	1,031
	101,723	47,503
COSTS AND EXPENSES		
Petroleum production costs	32,264	28,474
Cost of coal sales	2,709	821
General and administrative expenses	61,844	55,472
Mine product royalties	526	258
	97,343	85,025
OTHER INCOME (CHARGES)		
Gain on sale of assets - net	16,825	26,880
Provision for impairment of assets - net	-	(3,418)
Foreign exchange gain (loss)	1,546	863
Interest expense - net	2,980	(10,308)
Others	(36)	42
	21,315	14,059
LOSS BEFORE TAX	25,695	(23,463)
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	-	-
Deferred	-	1,078
	-	1,078
NET LOSS	P 25,695	(P 24,541)
Net Income (Loss) Attributable to:		
Equity holders of the Parent Company	P 20,165	(P 11,022)
Non-controlling interests	5,530	(13,519)
	P 25,695	(P 24,541)
BASIC/DILUTED EARNINGS (LOSS) PER SHARE	P 0.0119	(P 0.0065)