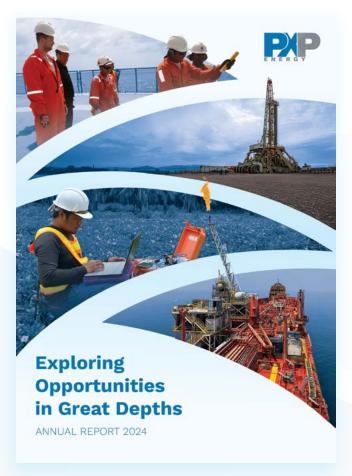


About the Cover



PXP Energy Corporation (the Company) continues to explore growth opportunities, rising with the tides while navigating the ever-changing currents of the industry. This reflects the Company's steady resilience amid external pressures and expansion challenges. The 2024 Annual Report cover captures this spirit of exploration, spotlighting PXP's workforce and infrastructure as they venture into new opportunities both onshore and offshore.

The visuals are shaped by ocean waves, symbolizing the Company's journey through shifting tides in pursuit of growth. Dominant shades of blue not only echo PXP's identity but also embody a sense of depth, determination, and hope for calmer seas ahead. The people move with purpose, guided by PXP's unwavering pursuit of progress and possibility.

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Corporate Profile

PXP Energy Corporation (PXP or the Company) is a Philippine corporation organized in December 2007 and listed on the second board of the Philippine Stock Exchange (stock symbol: PXP) on September 12, 2011.

The Company is mainly involved in the exploration, maturation, and production of hydrocarbon resources. It has interests in various petroleum Service Contracts (SCs) in the Philippines, held directly and through its major subsidiary, Forum Energy Limited (FEL).

The Company's direct interest in Philippine petroleum SCs includes a:

- 50% operating interest in SC 75 (Northwest Palawan);
- 100% operating interest in Block A North Recto Bank (Nominated Area No. 6) located in offshore West Palawan, under SC nomination; and
- 6.84% non-operating interest in the Octon Block (Nominated Area No. 10) located in offshore Northwest Palawan, under SC nomination.

PXP holds a 99.35% controlling interest in FEL, 92.55% of which is held directly, and 6.80% indirectly through a 78.39%-owned subsidiary, FEC Resources, Inc. (FEC).

FEC is a Canadian public company registered with the US Securities and Exchange Commission, the Alberta Securities Commission, and the British Columbia Securities Commission, and is quoted in North America.

FEL is a company incorporated in the United Kingdom that focuses on the Philippines. It has:

- a 70% operating interest in SC 72 (Recto Bank), which covers the Sampaguita natural gas discovery in offshore West Palawan, held through Forum (GSEC 101) Limited (FGL);
- a 100% operating interest in SC 40 (North Cebu) held through 66.67%-owned Forum Exploration, Inc. (FEI); and
- minority interests in the SC 6 and SC 14 sub-blocks in offshore Northwest Palawan, including a 3.21% interest in the producing Galoc Field, held through Forum Energy Philippines Corporation (FEPC).

PXP also holds a 100% controlling interest in Pitkin Petroleum Limited (Pitkin), an upstream oil and gas company registered in the United Kingdom.

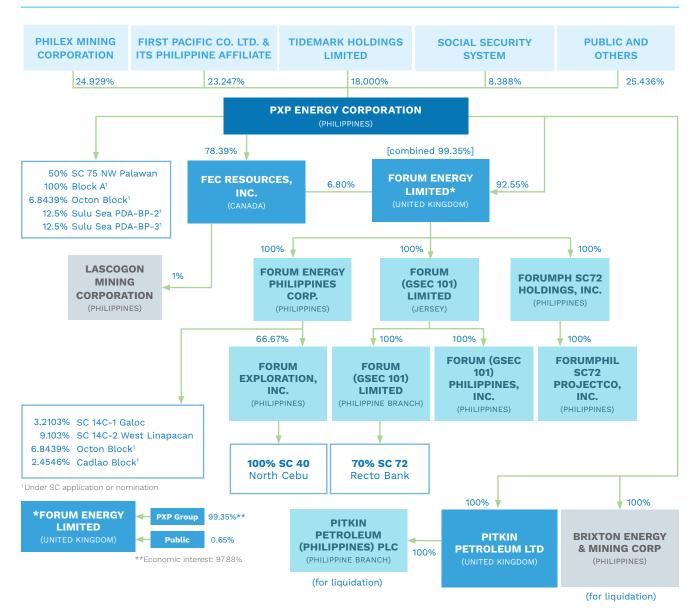
PXP owns 100% of Brixton Energy & Mining Corporation (BEMC).

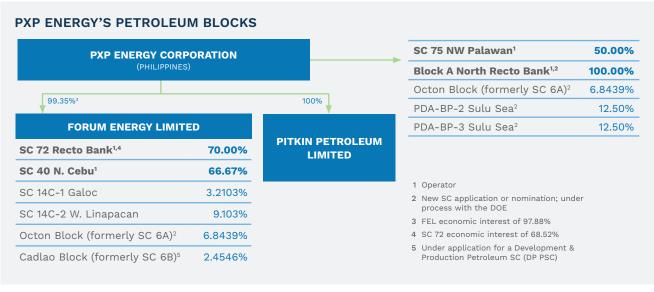


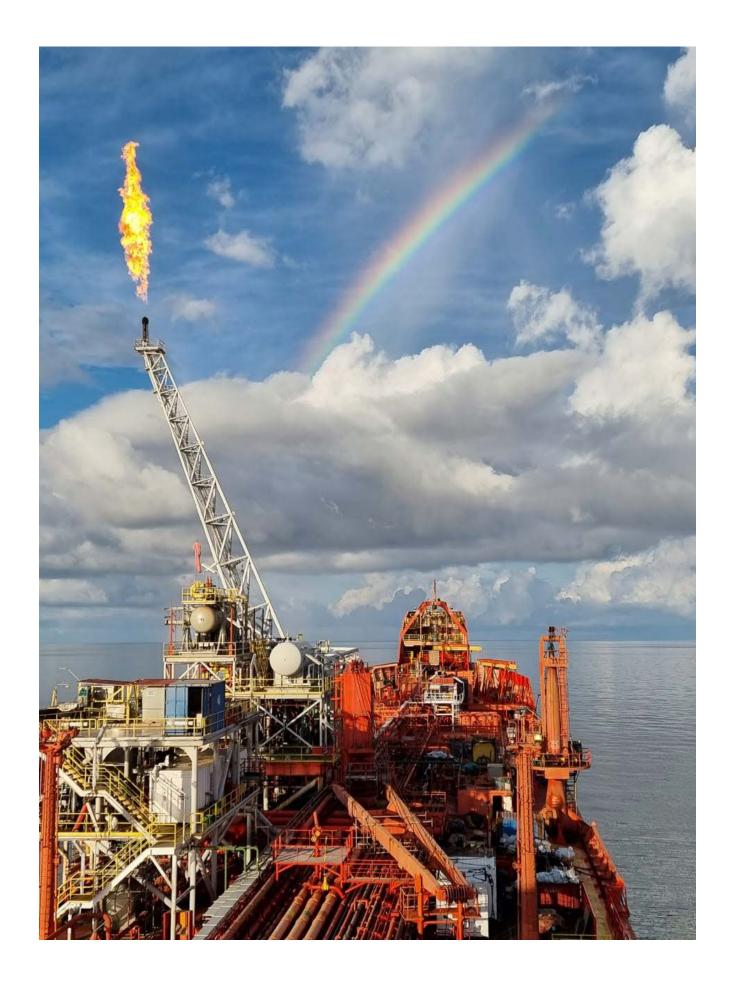
THE COMPANY'S PRINCIPAL SUBSIDIARIES AND THEIR NATURE OF BUSINESS ARE AS FOLLOWS:

SUBSIDIARY	NATURE OF BUSINESS
Forum Energy Limited	Incorporated on April 1, 2005, in England and Wales, primarily to engage in oil and gas exploration and production, with focus on the Philippines.
Forum Energy Philippines Corporation	FEPC was incorporated in the Philippines on March 27, 1998, and is involved in oil and gas exploration in the Philippines, with a 3.21% interest in SC 14C-1 Galoc.
Forum Exploration, Inc.	FEI was incorporated in the Philippines on September 11, 1997, and is involved in oil and gas exploration in the Philippines, with a 100% operating interest in SC 40 North Cebu.
Forum (GSEC 101) Limited	FGL was incorporated in Jersey, United Kingdom, on March 31, 2005, and is involved in oil and gas exploration in the Philippines, with a 70% interest in SC 72 Recto Bank.
Forum (GSEC 101) Limited - Philippine Branch (FGLP)	FGLP was established as a Philippine branch on October 17, 2005, and is involved in oil and gas exploration in the Philippines.
Forum (GSEC 101) Philippines, Inc. (FGPI)	FGPI was incorporated in the Philippines on February 2, 2022, and is involved in oil and gas exploration in the Philippines. FGPI is currently non-operating.
ForumPH SC72 Holdings, Inc. (SC72 Holdings)	SC72 Holdings was incorporated in the Philippines on January 8, 2020, to primarily act as a holding company.
ForumPhil SC72 ProjectCo, Inc. (ProjectCo)	ProjectCo was incorporated in the Philippines on January 23, 2020, and is involved in oil and gas exploration in the Philippines.
Pitkin Petroleum Limited	Pitkin was incorporated and registered in the United Kingdom on April 6, 2005, and was engaged in the acquisition, exploration, and development of oil and gas properties, as well as the production of hydrocarbon products.
Pitkin Petroleum (Philippines) Plc (PPP)	PPP was registered as the Philippine Branch of Pitkin on March 19, 2008. On April 26, 2023, the Board of Directors (BOD) of PXP approved the closure of PPP.
FEC Resources, Inc.	FEC was incorporated on February 8, 1982, under the laws of Alberta, Canada, and primarily acts as an investment holding company.
Brixton Energy & Mining Corporation	BEMC was incorporated in the Philippines on July 19, 2005, to engage in the exploration, development, and utilization of energy-related resources. On April 26, 2023, the BOD approved the closure of BEMC.

Corporate Structure







Message from the Chairman and the President



To Our Fellow Shareholders:

Despite persisting challenges, 2024 provided new opportunities for PXP Energy Corporation (PXP or the Company). Its key assets - Service Contract (SC) 72 Recto Bank, operated through its subsidiary, Forum (GSEC 101) Limited, and SC 75 Northwest Palawan directly - remained under Force Majeure due to ongoing geopolitical conditions. As a result, PXP redirected its efforts toward advancing its service contracts in Cebu and Northwest Palawan, while also exploring opportunities beyond these areas through bidding and potential farm-in agreements.

The Company continued its activities focused on an onshore prospect within SC 40 North Cebu through its subsidiary, Forum Exploration, Inc. (FEI). In the third quarter of 2024, FEI successfully conducted a magnetotelluric (MT) survey over the area. Preliminary results, currently under evaluation, indicate promising alignment with existing geological and geophysical data. Previous studies suggest that the Dalingding structure may contain commercially viable hydrocarbon reserves. In anticipation of favorable results, geological and drilling programs have been prepared in support of a potential exploration well within the next two years.

Meanwhile, Forum Energy Philippines Corporation (FEPC), another PXP subsidiary, remained actively involved in several non-operated service contracts in Northwest Palawan.

The Galoc Field under SC 14C-1, which has now produced over 25 million barrels of oil since October 2008, continues to be commercially viable despite natural production decline. Operations are expected to remain profitable even beyond the contract's expiration in December 2025. Accordingly, the Joint Venture (JV) filed an application for a Development and Production Petroleum Service Contract (DP PSC) in March 2025 to allow continued production beyond 2025.

The DP PSC, a new type of contract introduced by the Department of Energy (DOE) in January 2024, applies to expiring service contracts with ongoing production, such as Galoc, or fields with producible petroleum reserves validated by the DOE, such as the Cadlao Field in SC 6B and the

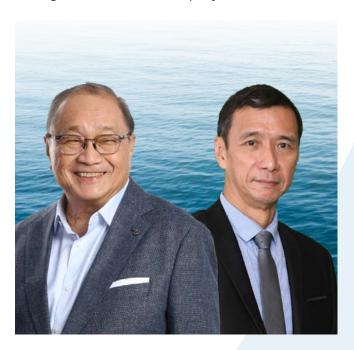
West Linapacan A Field in SC 14C-2. Both the Cadlao and West Linapacan A fields produced oil in the 1980s and early to mid-1990s, respectively. In January 2024, a JV led by Nido Petroleum submitted a DP PSC application to succeed SC 6B, which expired on February 28, 2024. A similar application for SC 14C-2 will be filed in 2025 or prior to the contract's expiry in December 2025. Once granted, the immediate priority for the participating Joint Ventures, including FEPC, will be the redevelopment of both fields under the two DP PSCs.

In the Octon Block, a new service contract application - in which both PXP and FEPC will hold participating interests - was submitted by a consortium led by Philodrill Corporation for the area formerly covered by SC 6A, which was surrendered in 2022. With the original term of SC 6A ending in February 2024, the consortium had limited time to pursue exploration, drilling, and potential development activities. Both PXP and FEPC are currently awaiting the award of the new service contract.

As part of its strategic growth and diversification plan, PXP is also focusing on expanding its asset base. PXP joined a JV with three (3) other petroleum exploration companies to participate in the first conventional energy bid round in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), held jointly by the DOE and BARMM's Ministry of Environment, Natural Resources, and Energy (MENRE). The JV submitted applications for two blocks located in the Sulu Sea, which are now awaiting final approval from the Office of the President. The group looks forward to commencing activities in this underexplored petroleum province, where previous studies and drilling efforts have indicated favorable geological indicators for commercial hydrocarbon discoveries.

Lastly, we will continue to coordinate with the DOE regarding the lifting of the suspension and the potential resumption of activities in our SC 72 and SC 75 blocks. We remain fully prepared to resume our exploration programs as soon as we receive formal and definitive approval from the relevant governing agencies.

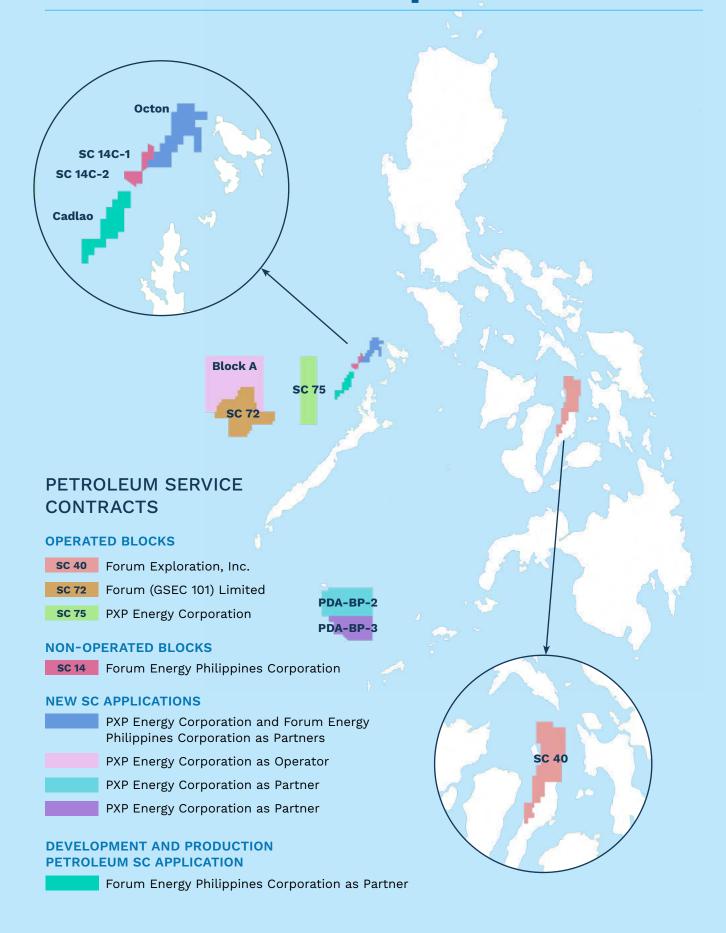
In closing, we extend our heartfelt gratitude to all our stakeholders for their unwavering support and trust throughout the years. We also sincerely appreciate the commitment, hard work, and resilience of our employees, whose dedication remains the cornerstone of our progress. Finally, we thank our Board of Directors for their steadfast guidance, financial stewardship, strategic insight, and leadership, which continue to steer us through both opportunities and challenges. Together, we look ahead with confidence as we build an even stronger future for the company.



MANUEL V. PANGILINAN CHAIRMAN OF THE BOARD

DANIEL STEPHEN P. CARLOS
PRESIDENT

Asset Location Map



Operational Highlights

PXP Energy Corporation (Parent)

SC 75 (NORTHWEST PALAWAN)

Service Contract 75 (SC 75) was awarded on December 27, 2013, to a Consortium consisting of PXP Energy Corporation (Operator, 50% participating interest), PNOC Exploration Corporation (PNOC EC) (35%), and PetroEnergy Resources Corporation (15%). The contract covers a 6,160 square kilometer area in the Northwest Palawan Basin.

The work commitment for Sub-Phase (SP) 1 was fulfilled in 2015 upon completion of the acquisition of 2,235 line-kilometers of 2D seismic data over SC 75, the simultaneous acquisition of marine magnetic and gravity data, broadband processing of the 2D seismic data, and the processing and interpretation of gravity and magnetic data. Additionally, geological and geophysical (G&G) studies, including 2D seismic interpretation, were completed.

In September 2015, the Department of Energy (DOE) placed the area under force majeure, suspending all exploration activities from the end of SP 1 on December 27, 2015. Given this, all exploration activities in the block have been suspended until the DOE informs the Consortium that the force majeure has been lifted.

A letter from the DOE, received on October 16, 2020, stated that the force majeure over SC 75 had been lifted effective immediately and that exploration activities were to resume over the block. Consequently, the Consortium proceeded with preparations for implementing the SP 2 work commitment, which required acquiring at least 1,000 sq. km of 3D seismic data. Shearwater GeoServices was contracted for the project.

In September 2021, Shearwater conducted a Survey Evaluation and Design (SED) Study to finalize the survey parameters. The SED was completed in November 2021, and the results were integrated into the seismic data acquisition contract

On April 6, 2022, the DOE ordered PXP to suspend all exploration activities for SC 75 until clearance was issued by the Security, Justice, and Peace Coordinating Cluster (SJPCC). PXP immediately



complied, informing its contractors, including Shearwater, which had already deployed a seismic vessel for 3D data acquisition. Through a letter dated April 8, 2022, PXP wrote to the DOE expressing readiness to resume operations. However, it stated that if no confirmation was received by April 10, 2022, it would consider the suspension indefinite and declare a force majeure event. With no response from the DOE, PXP formally declared force majeure on April 11, 2022, and terminated contracts with several service providers, including Shearwater.

On October 11, 2022, the DOE acknowledged the force majeure declaration, confirming that it would remain in effect until officially lifted. It also stated that expenses incurred due to the suspension would be part of the approved recoverable costs, pending audit, and that an extension of the exploration period, equivalent to the time lost, was granted. On March 20, 2023, the DOE further clarified that the entire period from October 14, 2020 to April 6, 2022, would be credited back to SC 75. Once the force majeure is lifted, PXP will have 18 months to complete the seismic data acquisition, aligning with the remaining term of SP 2 before October 2020.

On December 27, 2024, PXP submitted a proposed work program and budget (WP&B) for 2025 to the DOE with only License Administration costs and Service Contract payments classified as firm budgets. The implementation of the seismic survey program, which includes the acquisition, processing, and interpretation of at least 1,138 sq. km of 3D seismic data, will be contingent upon the lifting of the force majeure imposed by the DOE in April 2022.

BLOCK A (NORTH RECTO BANK) OR NOMINATED AREA NO. 6

In March 2020, PXP submitted an SC application for Block A or Nominated Area No. 6. It is located north of and contiguous with SC 72 in offshore Northwest Palawan, approximately 180 to 375 km from Palawan Island. It has an area of 14,300 sq. km, covering all of Nares Bank and parts of the greater Recto Bank, with water depths ranging from 20 to 2,500 meters.

There are no recent subsurface data in Block A apart from a few academic studies using mostly potential fields of geophysical data and the legacy Joint Marine Seismic Undertaking (JMSU) 2D dataset, which is unavailable to PXP. The closest relevant subsurface information in Block A comes from SC 72, with Reed Bank A-1 and B-1 wells located in the northern part of SC 72.

On September 14, 2020, the DOE opened the bid from PXP and found the application documents to be complete and qualified to undergo further substantive legal, technical, and financial evaluation.

The SC application is still in progress, and once an SC is awarded, the proposed work program for the first SP will include the acquisition of at least 2,200 line-km of 2D seismic data, along with marine gravity and magnetic data.

OCTON BLOCK OR NOMINATED AREA NO. 10

Nominated Area No. 10 has an area of 1,320 sq. km, which includes the former SC 6A Octon and additional areas relinquished from SC 74 in 2022.

SC 6A had an original term set to expire on February 28, 2024, leaving the Consortium with limited time to drill an exploratory well and to develop a field in case of a commercial discovery. In view of this, the Consortium decided to surrender the contract, effective March 31, 2021, and subsequently reapply for a new contract under the Philippine Conventional Energy Contracting Program (PCECP) through area nomination.

The DOE approved the surrender on September 5, 2022. Then, on March 17, 2023, The Philodrill Corporation (Philodrill), as the Operator and on behalf of the Consortium, submitted the documents for the new SC application to the DOE. Consortium members PXP and Forum Energy Philippines Corporation (FEPC) will each hold a participating interest of 6.8439%.

On May 15, 2023, the DOE, in its preliminary review, confirmed the completeness of the technical, legal, and financial documents submitted by the Consortium in support of the SC application.

On June 26, 2023, the DOE sent Philodrill a Notice of Qualification for the Consortium to enter into a Petroleum Service Contract for Nominated Area No. 10. The Consortium has since signed the contract and is now awaiting the signatures of the DOE Secretary and the Philippine President for the awarding of the SC.

Once the new contract is awarded, the first SP will focus on further subsurface work, in addition to the G&G studies conducted by the former SC 6A Consortium. These activities aim to establish a final well location and design for the Malajon Prospect and to appraise the Octon Discovery.

BARMM PRE-DETERMINED AREA NO. 2 (SULU SEA BASIN) OR PDA-BP-2

On August 27, 2024, PXP, in a Consortium with three (3) other companies, submitted the bid documents for PDA-BP-2 to the DOE and the Ministry of Environment, Natural Resources, and Energy (MENRE) of the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). It is among the blocks offered in early 2024 under the 1st BARMM Conventional Energy Bid Round held jointly by the DOE and MENRE.

The block is located in the southwestern part of the Sulu Sea Basin, about 200 km from the coast of Borneo. It has an area of 7,800 sq. km and water depths ranging from 200 to 3,000 m in the east of the block.

Between 2009 and 2010, ExxonMobil, as the Operator, along with BHP Billiton and Mitra Energy as Consortium members, drilled four (4) wells in deeper waters within PDA-BP-2. Two (2) of these wells, Dabakan and Palendag, discovered gas in multiple stacked turbidite sands within deepwater thrusted anticline traps.

The application was found to be complete and, therefore, qualified for further substantive evaluation. In late November 2024, the Ministry of Indigenous Peoples' Affairs (MIPA) of the BARMM approved the Consortium's application for a Certification Precondition (CP), which is required to endorse the SC to the Office of the President for signing. PXP will have a 12.5% participating interest in the SC once granted.

Under the first sub-phase of the new SC, G&G studies will be conducted, including the reprocessing of existing 3D seismic data using the Pre-Stack Depth Migration (PSDM) method.

BARMM PRE-DETERMINED AREA NO. 3 (SULU SEA BASIN) OR PDA-BP-3

On August 27, 2024, PXP, in a Consortium with three (3) other companies, submitted the bid documents for PDA-BP-3 to the DOE and the MENRE.

PDA-BP-3 is located south of PDA-BP-2 and is also among the blocks offered for bidding in early 2024. It has an area of 5,321 sq. km and water depths ranging from less than 100 m in the west to over 3,000 m in the east. The block is covered by 2D and 3D seismic data with seven (7) wells drilled by previous operators. While there have been no commercial discoveries in PDA-BP-3 yet, hydrocarbon indications have been recorded in some wells. Previous operators have also identified multiple leads.

The application was found to be complete and, therefore, qualified for further substantive evaluation. In late November 2024, the Consortium secured a CP from the MIPA, which is a requisite for SC signing. Similar to PDA-BP-2, PXP will have a 12.5% participating interest in the block.

Once an SC is granted, G&G studies will be conducted, including the PSDM reprocessing of existing 2D and 3D seismic data.

SC 74 (LINAPACAN)

The SC 74 Block was located in the shallow waters of the Northwest Palawan Basin with an area of 4,240 sq. km. It was awarded on August 13, 2013. The Consortium consisted of PXP (Operator, 70% interest), Philodrill (25%), and PNOC EC (5%).

With the unfavorable results of the different evaluation studies conducted, the Consortium decided to surrender the block to the DOE on December 13, 2023. The DOE acknowledged the Notice of Surrender on December 18, 2023, and subsequently requested the submission of the consolidated technical reports and data generated under SC 74. The DOE approved the surrender of the block on July 12, 2024, contingent upon the settlement of the remaining financial commitment, which comprises the scholarship fund. In early December 2024, the DOE conducted a meeting

with the academic institution where the funds will be allocated. The DOE expects a memorandum of agreement (MOA) to be finalized within the first half of 2025, with the ceremonial signing tentatively scheduled prior to the start of the recipient university's academic year.

Forum (GSEC 101) Limited

SC 72 (RECTO BANK)

SC 72 was awarded on February 15, 2010, to Forum (GSEC 101) Limited (FGL) and Monte Oro Resources & Energy, Inc. It covers an area of 8,800 sq. km and contains the Sampaguita Gas Discovery. A 2012 study by Weatherford Petroleum Consultants estimated the field to have 2.6 trillion cubic feet (TCF) of In-Place Contingent Resources and 5.4 TCF of In-Place Prospective Resources. The study's results were used to define the location of two (2) wells, to be named Sampaguita-4 and Sampaguita-5, which, if successfully drilled, would be expected to increase the amount of potentially recoverable resources. However, due to maritime disputes between the Philippines and China in the West Philippine Sea, including the SC 72 area, FGL was unable to commence drilling. In December 2014, the DOE suspended exploration activities, pending further notice.

In July 2016, the UN Arbitral Tribunal ruled that Recto Bank (Reed Bank), where SC 72 is located, falls within the Philippines' Exclusive Economic Zone (EEZ). Despite a 2018 Memorandum of Understanding between the Philippines and China on joint oil and gas development, negotiations failed by June 2022. Meanwhile, the DOE lifted the force majeure on SC 72 on October 16, 2020, allowing exploration to resume. FGL then began preparations for drilling, acquiring equipment, securing materials, and signing technical service agreements, with plans to drill the Sampaguita-4 and Sampaguita-5 wells starting in the second quarter of 2022.

On April 6, 2022, the DOE ordered FGL to suspend all exploration activities for SC 72 until the SJPCC issued the necessary clearance. FGL immediately complied but sent a letter on April 8, expressing its readiness to resume operations. The company advised that if no confirmation were received by April 10, it would consider the suspension indefinite and declare a force majeure event, thereby relieving FGL of its obligations and entitling it to an extension of the exploration period. With no response from the DOE, FGL formally declared force majeure on April 11, 2022,



and terminated contracts with several service providers. Moreover, on June 10, 2022, FGL, on behalf of the SC 72 Joint Venture, executed a Sale and Purchase Agreement (SPA) with Nido Petroleum Philippines Pty Ltd (Nido) to sell most of its long lead items (LLIs) for US\$2.9 million, payable over 12 months.

On October 11, 2022, the DOE acknowledged the force majeure declaration for SC 72, confirming that it would remain in effect until lifted. The DOE also stated that expenses incurred due to the suspension would be part of the approved recoverable costs, pending audit, and that all work done since the previous force majeure was lifted in 2020 had been nullified. As a result, SC 72 was granted an extension of the exploration period, equal to the number of days spent preparing for the suspended activities. On March 20, 2023, the DOE further affirmed that the entire period from the previous lifting of force majeure on October 14, 2020, to its re-imposition on April 6, 2022, will be credited back to SC 72. Consequently, once the force majeure is lifted, FGL will have 20 months to drill the two (2) commitment wells, which is equivalent to the remaining term of the SP 2 before October 14, 2020.

In May 2023, an amendment to the SPA between FGL and Nido was signed, granting Nido an extension to settle the outstanding balance of the purchase price. Following Nido's full payment of the balance in October 2023, a Deed of Absolute Sale was executed, finalizing the transfer of ownership of the LLIs to Nido.

On January 8, 2025, FGL submitted a WP&B for 2025 to the DOE, with only License Administration costs and Service Contract payments classified as firm budgets. The implementation of the SP 2 work commitment, comprising the drilling of two (2) wells, will be contingent upon the lifting of the force majeure imposed by the DOE in April 2022.

Forum Energy Philippines Corporation

SC 14 BLOCK C-1 (GALOC)

SC 14C-1 has an area of 164 sq. km and contains the Galoc Oil Field, which has already produced about 25 million barrels of oil (MMBO) since it was put on stream in October 2008.

Gross production for 2024 averaged 1,224 barrels of oil per day (BOPD), down from 1,377 BOPD in 2023. Three (3) liftings, totaling 498,168 barrels, were delivered in 2024. The first lifting was completed on February 1, 2024, with a cargo size of 196,826 barrels; the second on April 29, 2024, with cargo size of 112,372 barrels; and the third commenced on September 30, 2024, and was completed on October 1, 2024, with a cargo size of 188,970 barrels. Three (3) liftings are expected in 2025, with the first completed on February 28, 2025, and having a cargo size of 157,381 barrels. The second one was completed on June 1, 2025 with a cargo size of 123,932 barrels.

The field's profitability is expected to continue over the next two (2) to three (3) years, subject to effective cost management, operational efficiency, high oil prices, and sustained performance of the remaining production wells, Galoc-5 and Galoc-6. FEPC has a 3.2103% participating interest in the block

In December 2023, the DOE released Department Circular (DC) No. 2023-12-0033 on the awarding of Development and Production Petroleum Service Contracts (DP PSC) through direct negotiations. It took effect on January 3, 2024. The DP PSC covers expiring service contracts but with ongoing production or producible petroleum reserves as validated by the DOE. It will have an initial term aligned with the period necessary to produce the recoverable oil or gas reserves declared in the DOE-approved Plan of Development (POD). The contract may also be subject to renewal for an additional period based on mutually agreed-upon terms and conditions.

SC 14C-1 qualifies for the issuance of a new DP PSC to continue production beyond December 17, 2025, which is the end of the SC's term.



SC 14 BLOCK C-2 (WEST LINAPACAN)

The SC 14 Block C-2 in the Northwest Palawan Basin covers an area of 176.5 sq. km and hosts two (2) main oil-bearing structures, West Linapacan A and West Linapacan B, and several seismic leads. The West Linapacan A Field was discovered in 1990 and produced over 8 MMBO from 1992 before being shut-in in 1996. It is located in 300 to 350 m of water, approximately 60 km offshore from Palawan Island.

In 2018, Philodrill, as Operator, completed the mapping and interpretation of reprocessed 3D seismic data, focusing on the West Linapacan B structure, which was drilled in 1991.

The SC 14C-2 and SC 74 Consortia conducted joint Rock Physics and Quantitative Interpretation (QI) studies in 2019 using existing 3D seismic and well data. Ikon Science completed the initial phase in October 2019. However, only the SC 74 Consortium proceeded with the second phase of the QI Study.

In September 2021, the Consortium initiated a technical study on the West Linapacan B Field, which included a geologic data review, well log digitization, reservoir modeling, and resource estimation. Phase 1, completed in November 2021, indicated that a stand-alone development for West Linapacan B was not economically viable. Phase 2 explored the potential for a joint development of the West Linapacan A and B Fields, concluding that feasibility would depend on recoverable reserves, development costs, production rates, and oil prices.

On October 20, 2022, Nido, a current member of the SC 14C-2 Consortium, submitted a proposal to drill a well and to conduct an Extended Well Test (EWT) on West Linapacan A in exchange for acquiring an additional 62.721% of the Filipino partners' current participating interest. Under the proposal, Nido will have a post-farm-in interest of 85% while the Filipino partners will retain 15%. On October 28, 2022, the Filipino partners submitted a counter-proposal for sharing the proceeds during production. A draft Farm-in Agreement (FIA)/Heads of Agreement has been prepared and remains under Nido's consideration.

On December 20, 2024, Philodrill submitted the WP&B for 2025 to the DOE. The firm program includes the preparation of a plan and design study for a new well, West Linapacan A-7, and a POD for the West Linapacan A Field. This study is expected to take between four (4) to six (6) months, with an estimated total cost of US\$225,000.

The current term of SC 14C-2 is set to expire on December 17, 2025. Prior to that date, the Consortium plans to apply for a DP PSC, as the block qualifies due to the declared reserves in the West Linapacan A Field.

CADLAO BLOCK (FORMER SC 6B)

SC 6B covered an area of 567 sq. km and contained the Cadlao Oil Field. The field was discovered in 1977 and produced about 11 MMBO from two (2) subsea production wells between 1981 and 1991. The remaining recoverable reserves are estimated at 3.7 MMBO for proven reserves (1P) and 5.7 MMBO for proven plus probable reserves (2P), according to a 2012 study by Gaffney, Cline & Associates Inc. Additionally, located near Cadlao is the East Cadlao Prospect, where Philodrill, in 2016, estimated recoverable resources of 1.48 MMBO at the P10 level and 1.17 MMBO at the P50 level.

In December 2021, Nido submitted a farm-in proposal to the Consortium to increase its participating interest in SC 6B from 9.09% to 72.727% and take over the operatorship of the license. An FIA was later executed on February 11, 2022, with FEPC's interest being reduced to 2.4546% from 8.182%. Under the FIA, Nido will fund 100% of the drilling of a well, Cadlao-4, the conduct of an EWT, and the subsequent development of the Cadlao Field.

Nido proposes a two-phase redevelopment consisting of:

- Phase 1: A three (3) to nine (9)-month EWT using a new single deviated well (Cadlao-4), a mobile offshore production unit (MOPU), and either a floating storage and offloading (FSO) vessel or a shuttle tanker; and
- Phase 2: Further development of the EWT well and additional wells, potentially substituting the MOPU for a small wellhead platform (WHP) and storage barge.

In April 2022, RISC completed an independent assessment of the Cadlao Field. Overall, RISC supports the redevelopment as an economic opportunity, although costs will have to be carefully controlled.



The Deed of Assignment of Participating Interest to Nido and the revised 2022 WP&B, which includes the drilling of Cadlao-4 followed by an EWT, were submitted to the DOE on April 11, 2022, with the spud date dependent on rig and FSO unit availability. After completing the necessary actions and document submissions, the DOE approved the transfer of operatorship to Nido on December 19, 2022.

From November 28 to December 1, 2022, Nido conducted a geophysical site survey at Cadlao to assess potential seafloor constraints and hazards for the well location.

On November 15, 2023, Nido and PNOC EC signed an FIA for PNOC EC's acquisition of a 20% participating interest in SC 6B, including costsharing for drilling and EWT of Cadlao-4, pending DOE approval for the formal transfer.

Due to a tight rig market, the spud date for Cadlao-4 has been delayed to 2025. Initially, Nido had identified a drillship for the project, though it still requires equipment modifications. However, concerns regarding the safety of using a drillship for drilling at a water depth of 93.7 m have led to the consideration of a jack-up rig for both drilling and EWT. Nido is currently reviewing the contract for the jack-up rig.

On January 5, 2024, the SC 6B Consortium sent a letter of intent to the DOE to apply for a DP PSC before the expiration of the SC 6B production term on February 28, 2024. On January 26, 2024, Nido provided the application documents for a DP PSC that covers the former SC 6B Block, along with additional open areas, totaling 1,030.34 sq. km. These documents include a copy of the POD for the Cadlao Field. The Consortium is now awaiting final approval of the application from the Office of the President.

Forum Exploration, Inc.

SC 40 (NORTH CEBU)

SC 40 was awarded on February 9, 1995, and presently covers an area of 3,400 sq. km, down from the original coverage of 6,112.53 sq. km. It is being operated by Forum Exploration, Inc. (FEI), a 66.67% subsidiary of FEPC.

In June 2022, FEI contracted a drilling consultant to prepare drilling programs and budgets for two (2) wells, one of which is located in the Dalingding Prospect. FEI's re-evaluation of the prospect concluded that the Dalingding-1 well, drilled in 1996, did not reach the Barili target, which is currently estimated to be at 1,830 feet (ft), or 480 ft below the well's final depth. A new well is proposed to be drilled to a depth of 2,760 ft to reach the Barili Limestone.

An independent technical evaluation involving a review of available data, project risking, and project economics of the Dalingding Prospect started in the first quarter of 2023. The results indicate that deterministic and probabilistic volumetric estimates for the prospect show mean resources of 10 billion cubic feet (BCF) for a Gas Case and 3.5 MMBO for an Oil Case. The study was completed in March 2024.

In early 2024, the DOE approved FEI's proposal to conduct a magnetotelluric (MT) survey to further evaluate the Dalingding Prospect. The survey aimed to define the top of the carbonate buildup and help determine its depth from the surface.

MT equipment testing and data acquisition in Daanbantayan, Cebu commenced on June 14, 2024, and was completed on September 2, 2024. A total of 30 stations were acquired on two (2) parallel lines oriented in a NW-SE direction, and 20 stations on one (1) perpendicular line oriented in a NE-SW direction.

The MT survey setup consisted of four (4) electric field probes buried in the north, east, west, and south directions, connected to a car battery-powered ADU-07e (recording unit) via a 20-50 m cable. Daily data acquisition was conducted at one (1) station per day for an average of six (6) hours and 46 minutes. A quick quality control (QC) check was conducted at the end of each day to identify any potential issues or errors in the acquired data and to pinpoint stations that require resurveying.

The initial results of the MT data processing and interpretation were presented by FEI's consultant on October 31, 2024. It was found that, while the reef trap structure was not well imaged, the

average top depth structure identified agreed with previous studies. The data, however, will have to undergo further processing due to a high amount of cultural noise. Once completed, the information obtained will be correlated with existing seismic, gravity, magnetic, and well data in the area and will also be used to refine the drilling program for the Dalingding Prospect. The consultant's final report was completed at the end of March 2025.

On December 23, 2024, the proposed WP&B for 2025 was submitted to the DOE. It has a firm program that includes the continuation and finalization of the MT survey data processing and interpretation, as well as the technical reevaluation of the Dalingding Prospect, wherein the MT data will be integrated with existing geological, geophysical, and well data.

Financial and Operating Performance

PXP Energy Corporation (PXP) reported consolidated operating revenues amounting to ₱67.0 million (2023: ₱63.2 million), consisting solely of revenues from petroleum. The revenues were contributed by Forum Energy Limited (FEL), a 97.88%¹ owned subsidiary of the Company, from its participating interest in the Galoc oil field.

Oil production during the year was as follows:

	2024	2023
Oil Revenues (in millions)	₱67.0	₱63.2
Barrels (net to FEL)	14,791	14,116

Slightly higher petroleum revenues were recorded from three (3) oil liftings for both periods, equivalent to a gross volume of 498,196 barrels of oil (2023: 475,183 barrels) in addition to a 1% decline in effective average crude oil price at US\$79.97 per barrel (2023: US\$80.50 per barrel) during the year.

Costs and expenses were reduced to \$\textstyle{P}\$91.8 million in 2024 (2023: \$\textstyle{P}\$102.6 million), primarily due to slightly lower petroleum production costs at \$\textstyle{P}\$37.5 million (2023: \$\textstyle{P}\$39.9 million), in addition to a significant reduction in general and administrative expenses at \$\textstyle{P}\$54.4 million (2023: \$\textstyle{P}\$62.7 million) following the reduction of overhead in foreign subsidiaries.

Net other charges of \$\frac{1}{2}.6\$ million were incurred during the year (2023: \$\frac{1}{2}40.2\$ million) mainly from: (1) Lower impairment charges of \$\frac{1}{2}4.0\$ million (2023: \$\frac{1}{2}128.8\$ million), offset by the reversal of plug and abandonment costs of \$\frac{1}{2}7.3\$ million (2023: \$\frac{1}{2}92.4\$ million); (2) Higher interest expense at \$\frac{1}{2}10.2\$ million (2023: \$\frac{1}{2}8.0\$ million) from accretion, partially offset by higher interest income from short-term bank deposits of \$\frac{1}{2}3.6\$ million; and (3) Lower foreign exchange (forex) gain amounting to \$\frac{1}{2}0.7\$ million (2023: \$\frac{1}{2}2.1\$ million), resulting from lower forex translation gain from the Parent Company's US dollar-denominated Notes payable.



YEARS ENDED DECEMBER 3		ED DECEMBER 31
IN MILLIONS	2024	2023
Interest expense	(₱10.2)	(₱7.9)
Reversal of provision for plug and abandonment costs due to change in estimates	7.3	92.4
Provision for impairment of:		
Input VAT	(4.0)	_
Deferred oil and gas exploration costs	_	(128.8)
Interest income	3.6	2.0
Foreign exchange gains (losses) - net	0.7	2.1
	(₱2.6)	(₱40.2)

A lower consolidated net loss of \$\mathbb{P}28.6\$ million (2023: \$\mathbb{P}77.2\$ million) was incurred during the year, following higher profit from Galoc operations, a reduction in overhead, and lower net impairment charges. Net loss attributable to equity holders of the Parent amounted to \$\mathbb{P}30.9\$ million (2023: \$\mathbb{P}97.4\$ million), with basic/diluted loss per share amounting to \$\mathbb{P}0.016\$ (2023: \$\mathbb{P}0.050). Core net loss was reduced to \$\mathbb{P}33.3\$ million (2023: \$\mathbb{P}42.5\$ million).

'On March 18, 2025, following the approval by the SEC of the valuation and satisfaction of other closing conditions relating to the Share Swap Agreement, PXP's effective interest in FEL increased from 77.88% to 97.88%

Board of Directors



MANUEL V. PANGILINAN 78, FILIPINO

First elected Director of the Company on December 8, 2009; Chairman of the Board since December 8, 2009; last re-elected on July 8, 2024

ACADEMIC BACKGROUND

Mr. Pangilinan graduated cum laude from the Ateneo de Manila University, with a Bachelor of Arts degree in Economics. He received his MBA degree from the Wharton School at the University of Pennsylvania.

BUSINESS AND PROFESSIONAL BACKGROUND/ EXPERIENCE

Mr. Pangilinan worked for Philippine Investment Management Consultants Inc. (PHINMA) in the Philippines, as well as for Bancom International Limited and American Express Bank in Hong Kong. Thereafter, he founded First Pacific in May 1981.

Mr. Pangilinan served as Managing Director of First Pacific from its founding in 1981 until 1999. He was Executive Chairman until June 2003, after which he was named Managing Director and Chief Executive Officer. Mr. Pangilinan holds the position of President Commissioner of PT Indofood Sukses Makmur Tbk in Indonesia. In the Philippines, Mr. Pangilinan was once again appointed as President and Chief Executive Officer of PLDT, Inc. and Smart Communications, Inc. in January 2024. He also became the President and Chief Executive Officer of Manila Electric Company (Meralco) effective June 1, 2023. He is the Chairman, President, and Chief Executive Officer of Metro Pacific Investments Corporation (MPIC). He is the Chairman of PLDT Communications and Energy Ventures, Inc.; Global Business Power Corporation (GBP), which is

wholly owned by MERALCO PowerGen Corporation (MGen); Terra Solar Philippines, Inc. (TSPI), a wholly owned subsidiary of SP New Energy Corporation (SPNEC), which develops the Philippines' largest solar facility; Maynilad Water Services, Inc.; Metro Pacific Tollways Corporation; NLEX Corporation; Philex Mining Corporation; PXP Energy Corporation; Landco Pacific Corporation; Mediaquest Holdings, Inc.; Associated Broadcasting Corporation (TV 5); and Metro Pacific Health, the largest group of private hospitals and other healthcare facilities with 23 hospitals such as Makati Medical Center, Cardinal Santos Medical Center, et al. He is also the Vice Chairman of Roxas Holdings, Inc.

In recognition of Mr. Pangilinan's contributions to the country, the Philippine Air Force awarded him the rank of Lieutenant Colonel (Res) in a promotion list approved by the Philippine President in July 2021. In 2010, the Office of the President of the Philippines awarded Mr. Pangilinan the Order of Lakandula with the rank of Bayani. Mr. Pangilinan was awarded the First Honorary Doctorate Degree in Management by the Asian Institute of Management in 2016, an Honorary Doctorate in Science by Far Eastern University in 2010, and an Honorary Doctorate in Humanities by Holy Angel University in 2008, by Xavier University in 2007, and by San Beda College in 2002 in the Philippines. He was formerly Chairman of the Board of Trustees of the Ateneo de Manila University and was a member of the Board of Overseers of the Wharton School.

In civic duties, Mr. Pangilinan sits as Chairman of the Philippine Business for Social Progress (PBSP), PLDT-Smart Foundation, Inc., One Meralco Foundation, Inc., Metro Pacific Foundation, Inc., and Co-Chairman of the Philippine Disaster Resilience Foundation (PDRF). He is a Director of the Philippine Business for Education (PBED). He is Chairman of the Board of Trustees of San Beda College and Co-Chairperson of the Board of Trustees of Stratbase Albert del Rosario Institute and the US-Philippines Society.

In sports, Mr. Pangilinan is Chairman of the MVP Sports Foundation, Inc., and Chairman Emeritus of the Samahang Basketbol ng Pilipinas.

Listed companies in the Philippines where Mr. Pangilinan is currently a director:

- PXP Energy Corporation
- Philex Mining Corporation
- PLDT, Inc.
- Roxas Holdings, Inc.
- Manila Electric Company



DANIEL STEPHEN P. CARLOS 61, FILIPINO

First elected Director on August 16, 2015; last reelected on July 8, 2024

ACADEMIC BACKGROUND

Mr. Carlos obtained his Bachelor of Science degree in Geology from the University of the Philippines in 1984 and his Master of Science degree in Petroleum Geosciences from the Norwegian University of Science and Technology (NTNU) in 2002. He also earned a Diploma in Petroleum Exploration and Reservoir Evaluation from the University of Trondheim (now NTNU) in 1988. He is a licensed Geologist and placed third in the 1985 Geologist Licensure Examination.

BUSINESS AND PROFESSIONAL BACKGROUND/ EXPERIENCE

Mr. Carlos is the President of the Company. He was with the Department of Energy (1985–1991), Basic Energy Corporation, PNOC Exploration Corporation, Forum Pacific, Inc., and CGG Multiwave. In February 2007, he joined Forum Energy Philippines Corporation as Vice President for Exploration. He was appointed President in July 2013, a position he has held to the present, and Chairman in June 2016, a position he continues to hold. He is the Resident Agent of Forum (GSEC 101) Limited – Philippine Branch, which operates SC 72 or Recto Bank. He is the Chairman and President of Forum Exploration, Inc., which

operates SC 40 or North Cebu Block. He is also the President and Chief Executive Officer of FEC Resources, Inc., a Canadian public company and a 78.39% subsidiary of PXP. He is an active member of the Geological Society of the Philippines (GSP) and the South East Asia Petroleum Exploration Society (SEAPEX).

Listed company in the Philippines where Mr. Carlos is currently a director:

PXP Energy Corporation



EULALIO B. AUSTIN, JR. 63, FILIPINOFirst elected May 18, 2010; last re-elected on July 8, 2024

Mr. Austin graduated from St. Louis University in Baguio City with a Bachelor of Science in Mining Engineering and placed eighth in the 1982 Licensure Examination for Mining Engineers. He took his Management Development Program at the Asian Institute of Management in 2005 and his Advanced Management Program at the Harvard Business School in 2013.

BUSINESS AND PROFESSIONAL BACKGROUND/ EXPERIENCE

Mr. Austin has been a Director of Philex Mining Corporation (PMC) and Philex Gold Philippines, Inc. since June 29, 2011. He became President and Chief Operating Officer of PMC on January 1, 2012, then President and Chief Executive Officer on April 3, 2013.

He previously served PMC as its Senior Vice President for Operations and Padcal Resident Manager in 2011, Vice President and Resident Manager for Padcal Operations from 2004 to 2010, Mine Division Manager (Padcal) from 1999 to 2003, Engineering Group Manager in 1998, and Mine Engineering & Draw Control Department Manager from 1996 to 1998. Mr. Austin concurrently serves as President and CEO and Director of Silangan Mindanao Mining Co., Inc.

Outside of PMC, he is a member of the Chamber of Mines of the Philippines' Board of Trustees. Mr. Austin also sits as a member of the Executive Committee of the Board of Trustees. He serves as the Chairman of the Membership Committee and the Towards Sustainable Mining Initiative Committee. He is a Competent Person (CP) for Copper and Gold Deposit by the Philippine Society of Mining Engineers under the Philippine Mineral Reporting Code guidelines. He was awarded the 2021 Outstanding Professional of the Year in the Field of Mining Engineering by the Professional Regulation Commission of the Philippines. Additionally, in 2016, he was awarded Most Outstanding Engineer by the Philippine Society of Mining Engineers (PSEM), aside from being the Founding President of PSEM's Philex Chapter. He was also recognized as the CEO of the Year in Mining by The Asset in December 2015 in Hong Kong. He was recently an Asia Pacific Entrepreneurship Awardee by Enterprise Asia, which was awarded in November 2016.

Listed companies in the Philippines where Mr. Austin is currently a director:

- PXP Energy Corporation
- Philex Mining Corporation



BENJAMIN S. AUSTRIA 79, FILIPINO

First elected Independent Director on August 4, 2011; last re-elected on July 8, 2024

ACADEMIC BACKGROUND

Dr. Austria received his Bachelor of Science degree in Geology from the University of the Philippines (UP) in 1965. He earned his Master's and Doctorate degrees in Geology from Harvard University in 1968 and 1975, respectively. Dr. Austria retired in 2011 from UP as a Professor of Geology after 45 years of service, teaching courses in Economic Geology, Geochemistry, and Crystallography. The UP National Institute of Geological Sciences building was completed and inaugurated while he was Director of the Institute from 1987 to 1993.

BUSINESS AND PROFESSIONAL BACKGROUND/ EXPERIENCE

Dr. Austria is a registered Geologist and was recognized as an Outstanding Professional in the Field of Geology for 2001 by the Professional Regulation Commission of the Philippines (PRC). He has been a member of the Board of Geology of the PRC since 2016. He was Officer-in-Charge of the Board of Geology from November 2020 to March 2022. He is a Director and Vice President (Earth Sciences & Geography Division) of the Philippine Association for the Advancement of Science & Technology, a non-stock, non-profit corporation. On December 9, 2024, Dr. Austria was appointed a Member of the Technical Panel for Geology of the Commission on Higher Education (CHED).

Listed company in the Philippines where Dr. Austria is currently a director:

PXP Energy Corporation (Independent Director)



EMERLINDA R. ROMAN 75, FILIPINO

First elected Independent Director on August 4, 2011; last re-elected on July 8, 2024

ACADEMIC BACKGROUND

Dr. Roman received her Bachelor of Science degree in Agriculture from the University of the Philippines—Los Baños in 1972. She earned her Master's Degree in Agribusiness Management in 1977 and her Doctor of Business Administration (DBA) degree in 1989 from the College of Business Administration of the University of the Philippines—Diliman.

BUSINESS AND PROFESSIONAL BACKGROUND/ EXPERIENCE

Dr. Roman was the first woman president of the University of the Philippines (UP), where she is now Professor Emeritus at the Cesar E.A. Virata School of Business. Prior to her term as president, she held various administrative positions at UP, including three-time Chancellor of the University's flagship campus, UP Diliman; Vice President; and Secretary of the Board of Regents. Dr. Roman was President when UP celebrated its centennial, at which time the university went on an aggressive fundraising campaign, raising more than 6 billion.

Dr. Roman also served as Chair of the Board of Trustees of the International Rice Research Institute, President of the UP Foundation, Chair of the Friends of UP in America Foundation, and Chair of the UP Provident Fund.

She sits on the boards of Smart Communications, Inc., Digital Telecommunications Philippines, Inc., Redondo Peninsula Energy, and One Meralco Foundation, Inc. She is also Chair of the Board of Advisers of Manila Tytana Colleges and a Member of the Board of Trustees of Akademya Filipino.

Listed company in the Philippines where Dr. Roman is currently a director:

PXP Energy Corporation (Independent Director)



MARILYN A. VICTORIO-AQUINO 69, FILIPINO

First elected on April 18, 2013; last re-elected on July 8, 2024

ACADEMIC BACKGROUND

Ms. Aquino obtained her Bachelor of Arts degree from the University of Santo Tomas. She graduated cum laude (class salutatorian) from the University of the Philippines with a Bachelor of Laws Degree in 1980, placed second in the Philippine Bar Examinations, and was admitted to the Philippine Bar in 1981.

BUSINESS AND PROFESSIONAL BACKGROUND/EXPERIENCE

Ms. Aquino was elected to the Philippine Stock Exchange (PSE) Board in June 2023. She is a member of the Board of Directors of PLDT, Inc. (PLDT) and serves as PLDT's Senior Vice President, Supply Chain and Privacy Head, and Corporate Secretary. She was PLDT's Chief Legal Counsel until December 2024 and assumed the position of Senior Legal Advisor to the Chairman in January 2025.

She joined First Pacific Company Limited (First Pacific) as Assistant Director in 2012 and has been an Associate Director since 2018. She currently holds various positions in the Philippine subsidiaries and affiliates of First Pacific and Metro Pacific Investments Corporation (an affiliate of First Pacific), including President of First Coconut Manufacturing, Inc., and Director of Philex Mining Corporation, PXP Energy Corporation, and Lepanto Consolidated Mining Company. She also serves as a Director of Philex Gold Philippines, Inc., Silangan Mindanao Mining Company, Inc., and Maya Bank, Inc.

Prior to joining First Pacific, Ms. Aquino retired as a Senior Partner at SyCip Salazar Hernandez and Gatmaitan Law Offices (SyCipLaw). She is a member of the International Pacific Bar Association, Women Lawyers Circle, the Federacion International de Abogadas, the Philippine Bar Association, and the Integrated Bar of the Philippines.

Listed companies in the Philippines where Ms. Aquino is currently a director:

- PXP Energy Corporation
- Philex Mining Corporation
- Lepanto Consolidated Mining Company
- PLDT, Inc.
- The Philippine Stock Exchange, Inc.



OSCAR S. REYES
79, FILIPINO
First elected Director on August 2, 2017;
last re-elected on July 8, 2024

Mr. Reyes received his Bachelor of Arts degree in Economics from the Ateneo de Manila University and graduated cum laude. He holds a Diploma in Business Administration and a Certificate in Export Promotion from Waterloo Lutheran University and a Master's Degree in Business Administration Program (all units completed) from the Ateneo Graduate School of Business. He took the Business Management Consultancy and Trainers' Program at the Japan Productivity Center under the Asian Productivity Organization; the Program for Management Development at Harvard Business School; and the Commercial Management Program at the Lensbury Centre, Shell International Petroleum Corporation, United Kingdom.

BUSINESS AND PROFESSIONAL BACKGROUND/EXPERIENCE

Mr. Reyes was formerly the President and Chief Executive Officer of the Manila Electric Company (Meralco). He is the Chairman of Pepsi Cola Products Phils., Inc. He is a member of the Advisory Board of Pioneer Life Inc. and an Independent Director of D.M. Wenceslao & Associates Inc., Sun Life Financial Phils., Inc., Sun Life Prosperity Funds, Philippine Dealing System Holdings Corp., Philippine Dealing and Exchange Corp., Philippine Depository and Trust Corp., Philippine Securities Settlement Corp., Pioneer Insurance & Surety Corporation, Pioneer Intercontinental Insurance Corporation, Team Energy Corporation, Mit-Pacific Infrastructure Holdings Corporation, Navitas Holdings, Inc., among other

firms. He is a member of the Board of Trustees of Pilipinas Shell Foundation, Inc. and El Nido Foundation, Inc. Mr. Reyes served as Country Chairman of the Shell Companies in the Philippines while concurrently serving as President of Pilipinas Shell Petroleum Corporation and Managing Director of Shell Philippines Exploration B.V.

Listed companies in the Philippines where Mr. Reyes is currently a director:

- PXP Energy Corporation
- D.M. Wenceslao & Associates, Inc.



DIANA V. PARDO-AGUILAR 61, FILIPINO

First elected on May 19, 2015; last re-elected on July 8, 2024; resigned on January 30, 2025*

ACADEMIC BACKGROUND

Ms. Pardo-Aguilar holds a Master's Degree in International Business and Finance, with honors, from Pepperdine University, California (1988), and a Bachelor of Science Degree in Computer Studies from De La Salle University, Manila (1985).

BUSINESS AND PROFESSIONAL BACKGROUND/EXPERIENCE

Ms. Pardo-Aguilar serves as one of the Commissioners of the Philippine Social Security System and Chairperson of the Investment Oversight Committee. She was appointed in August 2010. She is currently the Vice Chairman (May 2024) and Member of the Board of Directors of Security Bank Corporation (SBC) since April 2017; a Senior Advisor to the Board from July 2016 to April 2017; a Chairperson of the SBC Trust Committee; and a Member of the Related Party Transaction Committee. She has also served as the Chairperson of SB Capital Investment Corporation since August 2016.

Ms. Pardo-Aguilar is an investment banker with extensive experience in capital markets transactions and an entrepreneur with businesses in the fields of information technology and electronic payments, retail trade, and property management. She holds concurrent directorships in various fields, including investment and commercial banking, social protection, information technology and e-payments, retail and supply chain, education, and property management. Her concurrent board positions are Chairperson of the Board of Trustees of La Salle Greenhills since September 2021; Member of La Salle

East Asia Boards LEAD Economic Council and LEAD Investment Board since August 2020; Member of De La Salle Philippines Investment Committee since July 2018; Chairperson of Investment Committee (since December 2024) and Member of La Salle Institute's International Economic Council (IEC) in Rome since October 2022: and Member of De La Salle Medical and Health Sciences Institute Finance Committee since November 2022. She is currently the SSS-Nominee Director of Philex Mining Corporation's Board of Directors from February 2024 to present. She is also an Independent Director of Medical Doctors Inc. (Makati Medical Center) since July 2018 and also sits as the Chairperson of the Audit and Risk Committee of Makati Medical Center since September 2018; Advisor to the Board of Philippine Seven Corporation since January 2015; Independent Director of Science Park of the Philippines, Inc. since June 2020; and Governor and Vice President of the Employers Confederation of the Philippines since January 2017. Her past board positions include Member of De La Salle-College of Saint Benilde, Inc., Executive Finance Committee of the Board from July 2020 to November 2022; Board of Trustees of De La Salle Medical and Health Sciences Institute from October 2020 to November 2022; Chairperson of Finance Committee and Treasurer of LaSalle Greenhills from September 2019 to 2021; Director of PMC from 2019 to 2021; Director of Wenphil Corporation from 2012 to 2019; Director of Electronic Commerce Payments, Inc., from 2004 to 2019; Director of Ionics, Inc., from 2016 to 2019; Treasurer of De La Salle Santiago Zobel from 2004 to 2017; and Director of Phoenix Petroleum Philippines, Inc., from 2010 to 2013.

Listed companies in the Philippines where Ms. Pardo-Aguilar is currently a director:

- PXP Energy Corporation*
- Security Bank Corporation
- Philex Mining Corporation

^{*}Resigned and was succeeded by Ms. Eva B. Arcos, effective February 26, 2025.



JOSEPH H.P. NG 62, BRITISH First elected on May 21, 2019; last re-elected on July 8, 2024

Mr. Ng received an MBA and a Professional Diploma in Accountancy from Hong Kong Polytechnic University. He is a member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, and the Institute of Chartered Accountants in England and Wales.

BUSINESS AND PROFESSIONAL BACKGROUND/EXPERIENCE

Mr. Ng joined First Pacific in 1988 from
PriceWaterhouse's audit and business advisory
department in Hong Kong. He was appointed as First
Pacific's Chief Financial Officer in August 2022 and
has been an Associate Director since April 2019. He
was the Executive Vice President of Group Finance
and served in several senior positions within First
Pacific Group, including as the Group Treasurer, Head
of Finance for the Group's regional telecom division,
and as Director of several First Pacific Group's
telecom joint ventures in India, Indonesia, and China.

Mr. Ng is also a Commissioner of PT Indofood Sukses Makmur Tbk, a Non-Executive Director of Philex Mining Corporation, and a Director of PacificLight Power Pte. Ltd., which are First Pacific Group subsidiaries and associates.

Listed companies in the Philippines where Mr. Ng is currently a director:

- PXP Energy Corporation
- Philex Mining Corporation



ERIC RAMON O. RECTO 61, FILIPINO First elected on July 8, 2024

Mr. Recto has a degree in Industrial Engineering from the University of the Philippines and an MBA from Cornell University's Samuel Curtis Johnson Graduate School of Management.

BUSINESS AND PROFESSIONAL BACKGROUND/EXPERIENCE

Mr. Recto has served as the Chairperson of the Philippine Bank of Communications since May 2012. At present he holds the following positions in publicly listed companies: Vice Chairman and Lead Independent Director of Aboitiz Power Corporation, Independent Director of PH Resorts Group Holdings, Inc., Independent Director of Manila Water Company, Inc., Director of PXP Energy Corporation, and Director of DITO CME Holdings Corp. (formerly ISM Communications Corporation). He is also the Chairperson and President of Bedfordbury Development Corporation, Chairman of the Board and CEO of Alphaland Corporation, Chairman of the Board and CEO of Atok-Big Wedge Co., Inc., President of Q-Tech Alliance Holdings, Inc., Chairman of the Board of Pylon Holdings Corporation, Chairman of the Board of Eight-8-Ate Holdings, Inc., and the owner of Premium Wine Exchange, Inc. He was recently appointed as Senior Advisor of Stonepeak Infrastructure Partners in the U.S., and is a Director of Miescor Infrastructure Development Corporation.

Prior to his current roles, he was the President of Petron Corporation, the largest oil refining and marketing company in the Philippines. He also previously served as Undersecretary of Finance of the Republic of the Philippines from 2002 to 2005.

Listed companies in the Philippines where Mr. Recto is currently a director:

- PXP Energy Corporation
- Aboitiz Power Corporation
- DITO CME Holdings Corporation
- Manila Water Company, Inc.
- PH Resorts Group Holdings, Inc.



RODOLFO MA. A. PONFERRADA 48, FILIPINO First elected on July 8, 2024

Atty. Ponferrada graduated valedictorian with a degree in Bachelor of Laws cum laude from the University of the Philippines in 2001 and a degree of Bachelor of Science in Management (Honors Program) magna cum laude with a Minor in Japanese Studies from the Ateneo de Manila University in 1997. He placed first in the 2001 Philippine Bar Examinations.

BUSINESS AND PROFESSIONAL BACKGROUND/EXPERIENCE

Atty. Ponferrada is the founding partner of Ponferrada & San Juan Law Office. He was the General Counsel and/or Corporate Secretary of the RVO Group of Companies from 2006 to 2016. He was also the President of Atok-Big Wedge Co., Inc. from 2023 to 2024. He was also the President of Alphaland Corporation from 2022 to 2025. He served in government as Technical Assistant to the Executive Secretary under President Macapagal-Arroyo and as Assistant Chief of Staff to Vice President Noli de Castro. He started his law practice as an associate at SyCip Salazar Hernandez & Gatmaitan Law Offices in 2002.

Listed companies in the Philippines where Mr. Ponferrada is currently a director:

- PXP Energy Corporation
- Atok-Big Wedge Co., Inc.
- Double Dragon Corporation (appointed on March 1, 2025, and also President)



RAY C. ESPINOSA 68, FILIPINO First elected on July 8, 2024

Mr. Espinosa has a Master of Laws degree from the University of Michigan Law School and a Bachelor of Laws Degree from the Ateneo de Manila University School of Law. He is a member of the Integrated Bar of the Philippines. He was a partner at SyCip Salazar Hernandez & Gatmaitan from 1982 to 2000, a foreign associate at Covington and Burling (Washington, D.C., USA) from 1987 to 1988, and a law lecturer at the Ateneo de Manila University School of Law from 1983 to 1985 and 1989. He placed first in the 1982 Philippine Bar Examinations.

BUSINESS AND PROFESSIONAL BACKGROUND/ EXPERIENCE:

Mr. Espinosa served as the President and Chief Executive Officer of Manila Electric Company (Meralco) until May 2023. He is a Director of Meralco, PLDT Inc. (PLDT), Smart Communications, Inc., Metro Pacific Investments Corporation, Meralco PowerGen Corporation, PacificLight Power Pte. Ltd., Maya Bank, Inc., and PXP Energy Corporation. He was a Director of Roxas Holdings, Inc. until February 2025. He also serves as an Independent Director of EEI Corporation and the Chairman of its Risk Oversight Committee and Member of its Executive Committee; an Independent Director of Lepanto Consolidated Mining Company and Chairman of its Audit Committee; and a Member of the Technology Strategy Committee of PLDT.

Mr. Espinosa is also a trustee of the Beneficial Trust Fund of PLDT. Mr. Espinosa joined First Pacific in 2013. He is First Pacific Group's Head of Government and Regulatory Affairs and Head of Communications Bureau.

Listed companies in the Philippines where Mr. Espinosa is currently a director:

- PXP Energy Corporation
- Manila Electric Company
- PLDT, Inc.
- EEI Corporation
- Lepanto Consolidated Mining Company



EVA B. ARCOS 63, FILIPINO First elected on February 26, 2025

Ms. Arcos obtained her Bachelor of Science degree in Business Economics from the University of the Philippines–Diliman in 1982. She also took Masteral studies in Labor Policy and Administration, and Psychology from the same university.

BUSINESS AND PROFESSIONAL BACKGROUND/ EXPERIENCE:

Ms. Arcos was appointed Commissioner of the Social Security System (SSS) on March 23, 2023, and took the Oath of Office on April 3, 2023. She also served the Commission in 2015 and 2016 as one of the three (3) Workers' Group Representatives. She was a Member of its Governance, Risk Management and Investments, Information Technology and Collection, and Audit Committees. She is currently the Chair of its Benefits and Environment, Social and Governance Oversight Committee and a Member of its Governance, Audit, Risk Management and Actuary, and Contribution and Collection Committees.

She has been the President and Chief Executive Officer, and Trustee, of Duyan Ni Maria Children's Home, Inc. since January 2025. She has been the Vice Chair (External) of Defend Jobs Philippines since 2024. She served as Vice Chair of the Board of Directors of the AIA Tower Condominium Corporation in 2024. She was the National Vice President for Education and Information of the Associated Labor

Unions (ALU), Associated Philippine Seafarers Union (APSU), and the Associated Professional, Supervisory, Office and Technical Employees Union (APSOTEU), and the Executive Director of the TUCP Worker's College.

She served as Member of the IndustriALL Global Union and the IndustriALL Global Union Asia-Pacific Executive and Women's Committees. She was a former Women's Committee Co-Chair of the IndustriALL Global Union and the IndustriALL Global Union Asia-Pacific. She also served as Titular in the UNI APRO Women Committee, and a former Member of the International Trade Union Confederation – Asia-Pacific Women's Committee, and the Regional General Executive Council.

Listed companies in the Philippines where Ms. Arcos is currently a director:

PXP Energy Corporation

Corporate Governance



Confirmation Statement

As a publicly listed Philippine corporation, PXP Energy Corporation (PXP, or the Company) conforms to the corporate governance rules, requirements, and regulations of the Philippine Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE). The Company is committed to the highest standards of corporate governance and continues to benchmark against recognized international best practices.

To ensure constant improvement, PXP monitors developments in corporate governance to elevate its corporate governance structures, processes, and practices to global standards. It also advocates an ethical corporate culture guided by its core values of integrity, teamwork, respect for individuals, and work excellence, as well as corporate, social, and environmental responsibility.

The Institute of Corporate Directors (ICD) awarded the Company several times as one (1) of the top-performing publicly listed companies in the Philippines under the ASEAN Corporate Governance Scorecard (ACGS). The awards were given in September 2024, September 2023, January 2023, February 2021, June 2019, and July 2018.

A. Rights of Shareholders

PXP respects the rights of all shareholders in accordance with the Corporation Code of the Philippines, the Company's Articles of Incorporation, By-Laws, and the Revised Manual of Corporate Governance (MCG).

A.1. Basic Shareholders Right

DIVIDEND POLICY

The Company's dividend policy is to distribute up to 25% of core net income and to pay cash dividends within 30 calendar days to shareholders of record from the date of declaration.

PXP has not declared any cash or other dividends since the time of its incorporation. Apart from legal restrictions governing the declaration of dividends, no restrictions limit its ability to pay dividends, whether currently or in the future.

A.2. Right to Participate in Decisions

Shareholders have the right to participate in decisions concerning fundamental corporate changes. The following corporate actions require the vote of shareholders holding at least two-thirds of the Company's outstanding capital stock:

- 1. Amendment to the Articles of Incorporation
- 2. Increase in capital stock
- 3. Sale or disposition, including the constitution of a mortgage or a pledge, of all or substantially all of the Company's assets
- 4. Investment of corporation funds for a purpose other than the Company's primary purpose
- Waiver of preemptive rights for specific transactions
- 6. Mergers and consolidations

A.3. Right to Participate Effectively and Vote

PXP's shareholders have the right to participate effectively and vote in shareholders' meetings. The Company ensures shareholders are informed of the rules for participation, including the voting procedures governing general shareholder meetings.

PXP respects and recognizes the right of minority shareholders to nominate directors. This right is a corollary to the right to vote, which is guaranteed under the Corporation Code of the Philippines and recognized in the Company's By-Laws and MCG.

Under the Company's By-Laws, shareholders may submit nominations to the Board of Directors' Nominations Committee. The deadline for submission of nominations is on March 23 of each year or any other date as may be determined by the Board.

For 2025, the Company announced the deadline for nominations on February 27, 2025, via the PSE's disclosure system. PXP also announced the date and record date for the Annual Stockholders' Meeting (ASM).

All shareholders have the right to vote each year for the following:

- 1. Election of directors
- 2. Approval of the minutes of shareholders' meeting/s held in the previous year
- Approval of the annual report and the audited financial statements
- 4. Selection of election inspectors for the ensuing year
- 5. Selection of the external auditors

VOTING PROCEDURES

Voting is done by balloting, and shareholders shall be entitled to vote either in person or by proxy. Shareholders who are present and have not submitted their proxies before the meeting are given ballots upon registration. In the case of proxies submitted prior to the meeting, the proxy designated by the shareholder to represent them at the shareholders' meeting is provided with ballots for casting in accordance with the shareholder's instructions, as indicated in the proxy. Proxies will be tabulated by the Company's

stock transfer agent, Stock Transfer Service, Inc., and the results of the tabulation will be announced for the relevant items on the agenda. Shareholders should submit their assigned proxies by July 4, 2025

For 2025, the Company maintained an online voting mechanism for certificated shareholders to allow voting in absentia. The procedures for online voting are disclosed in the Notice to the ASM—Definitive Information Statement (DIS), which is posted on the Company's website. The online voting mechanism was made available from June 20 to July 4, 2025

The Corporate Secretary will explain the voting procedure at the start of the meeting, which will form part of the Minutes of the ASM and will be posted on the Company's website. The Corporate Secretary will be assisted by the Company's independent election inspectors, such as SGV & Co., in tabulating the proxies and counting the votes. The voting and tabulation procedures are further explained in the Company's Notice of ASM.

SHAREHOLDERS' MEETING

PXP recognizes the right of all shareholders to attend all scheduled shareholders' meetings. Regular shareholders' meetings shall be held annually in May in accordance with the Company's By-Laws or any other date as may be determined by the Board. The holding of the annual meeting is mandatory to allow shareholders to elect the Board of Directors and be updated on the Company's condition, as well as its plans and programs. The meeting also serves as an opportunity for shareholders to ask questions and raise relevant issues or concerns. Special meetings, as needed, shall be held at any time and for any purpose.

The minutes of the ASM are posted on PXP's website within five (5) days from the date of the meeting. The minutes include the open forum during the ASM, voting results per agenda, the resolutions taken up during the ASM, and the attendance of directors and key officers. As a matter of practice, the members of the Board, the Chairman, the President, the Audit Committee Chairman, the Board Risk and Resource Oversight

Committee Chairman, representatives of the external auditor, other key officers, and employees are present during the scheduled meetings of shareholders. They shall have the opportunity to make a statement, should they desire to do so, and be available to respond to questions.

DISCLOSURE AND RELEASE OF NOTICE OF ASM TO SHAREHOLDERS

The Company disclosed its SEC Form 20-IS (DIS) to the PSE on June 18, 2025. It likewise sent out the Notice of Meeting to shareholders, stating the date, time, place, and detailed agenda with explanatory circulars as needed per item. The Notice is sent out at least 21 days prior to the scheduled date of the annual meeting.

The announcement of the ASM was made two (2) months before the actual meeting date and was published in at least two (2) major newspapers of general circulation.

A.4. Markets for Corporate Control

In cases of mergers, acquisitions, and/or takeovers that require shareholders' approval, the Board, as a matter of practice, appoints an independent party to evaluate the fairness of the valuation, terms, and conditions of such transactions.

In cases of mergers and acquisitions, the Chairman and the President, together with external financial and technical consultants, prepare a detailed recommendation for consideration by the Board. An independent consultant or an independent financial advisor and legal counsel is retained to review the terms and conditions of contracts and evaluate the merits of each specific transaction.

A.5. Institutional Investors

PXP recognizes the exercise of ownership rights by all the shareholders, including those of institutional investors. The Philippine Social Security System (SSS) is the only institutional investor in the Company, with an 10.23% ownership stake as of December 31, 2024. PXP does not have any shareholders owning more than 50%.

B. Equitable Treatment of Shareholders

B.1. Shares and Voting Rights

The Company has only one (1) class of common shares, each entitled to one (1) vote.

Cumulative voting, which enhances the ability of minority shareholders to vote in the election of directors, is allowed.

B.2. Notice of ASM

The Notice of ASM bears the resolutions from the most recent ASM, and each resolution deals with only one (1) item. There is no bundling of multiple items into the same resolution. All Company notices and circulars are written and published in English for wider appreciation.

The Notice of ASM also provides the following information:

- The profiles of each director seeking election or re-election: age, academic qualification, date of first appointment, experience, and directorships in other listed companies
- 2. Clear identification of external auditors seeking appointment or re-appointment
- 3. Dividend policy
- 4. Readily available proxy statements

The Notice of ASM is also available on the Company's website through the following link: https://www.pxpenergy.com.ph/company-disclosure/notice-of-agm/

B.3. Trading and Abusive Self-Dealing Policies

TRADING BLACKOUTS

PXP strictly enforces and monitors compliance with its policy on insider trading, which prohibits the trading of its securities during prescribed periods by the following covered persons:

- 1. Board of Directors
- 2. Management Team
- 3. Employees who have been made aware of undisclosed material information with respect to the Company and its operations

The blackout period begins 30 calendar days prior to the disclosure of the Annual Financial Results until two (2) full trading days thereafter. For the quarterly results, the blackout period begins 15 calendar days before the structured disclosure and lasts until two (2) full trading days after the disclosure date.

POLICY ON DEALINGS IN COMPANY SHARES OF STOCKS

The Company's Policy on Dealings in Company Shares of Stocks is available on its website: https://www.pxpenergy.com.ph/corporategovernance/company-policy/policy-on-dealingsin-company-shares/

Under the Revised Policy on Dealings in Company Shares of Stock, all concerned directors, officers, and/or employees are required to report to the Compliance Officer all respective dealings in Company shares within two (2) business days. PXP must disclose this within three (3) business days from the transaction date to prohibit directors and employees from benefiting from any knowledge not generally available to the public.

B.4. Related Party Transactions by Directors and Key Executives

The Company strictly adheres to the guidelines covering securities dealings to comply with existing government regulations and promote fairness.

Changes in personal shareholdings of Directors and PXP's key officers resulting from open market transactions or the grant of shares from incentive-based schemes implemented by the Company are reported to the SEC and PSE within specified deadlines.

All material and/or significant Related Party Transactions (RPT) are subject to review and endorsement by the Corporate Governance and Related Party Transaction Committee with the concurrence of all Independent Directors prior to the approval of the Board. This ensures that they are in the best interest of the Company and its shareholders, in accordance with the Company's RPT Policy.

CONFLICT OF INTEREST POLICY

The Company's Conflict of Interest Policy is available on its website at: https://www.pxpenergy.com.ph/corporate-governance/company-policy/conflict-of-interest-

The policy ensures that all work-related decisions, actions, or inactions of PXP's directors, officers, employees, and consultants are aboveboard and based on sound business principles and judgment, devoid of bias or partiality. The directors, employees, or consultants concerned shall likewise refrain from any direct or indirect participation or involvement at any stage of the transactional process flow where they are conflicted. They are also not allowed to sign any papers or documents related to the transaction.

PXP shall not, directly or indirectly (through any subsidiary or affiliate), grant or arrange for any credit (or extensions thereof) in the form of personal loans to any director or officer unless allowed by applicable laws and regulations.

B.5. Protecting Minority Shareholders from Abusive Actions

PXP respects the rights of the minority shareholders and develops policies to ensure that the Board, in all cases, considers the corporate interest as a whole. The key guidelines include:

- Emphasis on the fiduciary responsibilities of the Board, the officers of the Company, and its shareholders, as well as the duties of care and exercise of prudence
- 2. Avoidance of conflicts of interest and prompt disclosure of potential conflicts
- 3. Prompt, full, and fair disclosure of material information
- 4. Formulation of other policies to prevent actions that will favor the controlling interest or major shareholder/s at the expense of the minority shareholder
- 5. Adoption of these policies on RPTs:
 - a. RPTs that can be classified as financial assistance to entities that are considered the Company's subsidiaries are all disclosed in the Company's financial statements.
 - b. RPTs should be conducted in a way that ensures fair and arm's-length dealings.

C. Role of Stakeholders

C.1. Respecting Rights of Stakeholders

CUSTOMERS

In line with PXP's Code of Business Conduct and Code of Ethics (collectively the Code), the Company upholds fair and transparent dealings with its customers.

Contracts cover all transactions and business relationships with customers and comply with the country's existing laws and regulations.

SUPPLIER/CONTRACTOR PRACTICE

The Company's Policy on Vendor Relations is available on the Company's website through the following link: https://www.pxpenergy.com.ph/corporate-governance/cg-disclosures/supplier/

Under this policy, PXP shall promote and implement standards of relationships with suppliers that embody the Code's principles and core values, as defined in the Code. Directors, employees, and consultants shall maintain the Company's reputation for equal opportunity and honest treatment of suppliers in all business transactions through these guidelines:

- The Company shall seek and maintain mutually beneficial relationships with suppliers that uphold its principles and core values.
- 2. It shall give qualified suppliers adequate, fair, and equal opportunity to bid on goods and services for its projects or requirements.
- 3. It shall accredit suppliers based on established criteria that reflect its reputation for fair, equal opportunity, and honest treatment of all suppliers.
- 4. As a general rule, purchases will be made based on competitive bidding. The Company may apply the Negotiated Contract option if it is in its best interest to enter into strategic partnerships with suppliers. All such strategic partnerships and negotiated transactions must be reported to and justified with the appropriate approving authorities and recorded prior to commitment. Transparency in all these transactions shall be maintained at all times. Such reports, justifications, and subsequent approval or disapproval of the appropriate authorities shall be kept by the procurement center.

ENVIRONMENT

As a socially and environmentally responsible company, PXP is committed to continuous improvement of its operations, faithful compliance with all laws and legislations, and promoting environmental awareness and commitment among its workers at all levels with respect to minimizing any adverse environmental impacts.

Compliance with Environmental Laws

The Environmental Management Bureau (EMB) of the Philippine Department of Environment and Natural Resources (DENR) issued a Certificate of Non-Coverage (CNC) to Forum (GSEC 101) Limited on December 22, 2010, for the 2D and 3D seismic surveys conducted in Service Contract (SC) 72 over the Recto Bank area from January to March 2011.

The EMB issued another CNC on May 23, 2012, to cover all exploration activities in SC 72, including the drilling of exploration wells.

The EMB issued an Environmental Compliance Certificate (ECC) to Forum Exploration, Inc. (FEI) on February 19, 2010, for the extraction of natural gas from the SC 40 contract area and for up to two (2) megawatt natural gas-fired power plant project in Barangay Libertad, Bogo City, Cebu. CNCs were also issued to FEI on November 18, 2009, and April 13, 2012, to cover the land gravity surveys in SC 40. Another CNC was issued by the EMB on July 15, 2024, for the Magnetotelluric Survey in Daanbantayan, Cebu.

The Company also obtained CNCs from the EMB on February 28, 2014, and March 22, 2016, to cover all exploration activities in SC 75 and SC 74, respectively.

Compliance by the Company and its Subsidiaries (the Group) with environmental laws helps assure the management that its businesses can be operated in a sustainable manner. As far as the Company is aware, the Group has complied with all environmental regulations concerning the SCs.

COMMUNITIES

Through its subsidiaries, FEI and Forum Energy Philippines Corporation (FEPC), and the SC 14C-1 Consortium, PXP has undertaken community assistance programs in Cebu and Palawan, their host provinces.

Information about the Company's community assistance and corporate social responsibility programs is available on the Company's website: https://www.pxpenergy.com.ph/corporate-governance/corporate-social-responsibility/

Human Rights Policy

PXP values the dignity of every individual and the basic human rights provided under the Philippine Constitution and the Universal Declaration of Human Rights. In all its endeavors, it is committed to respecting human rights and conducting its activities in a manner consistent with applicable laws and best practices in petroleum exploration and development, environmental stewardship, health and safety, and community relations.

Anti-Corruption Programs and Procedures

The Company formulated a Code of Business Conduct and Ethics, which upholds professionalism and ethics in business dealings and transactions. It has a Vendor Relations Policy and a Policy on Gifts, Entertainment, and Sponsored Travel.

Vendor Relations Policy

PXP promotes and implements standards of relationships with suppliers that embody the principles and core values defined in the Code through its Vendor Relations Policy.

This Policy is available on the Company website: https://www.pxpenergy.com.ph/corporate-governance/company-policy/supplier-contractor-relation/

Policy on Gifts, Entertainment, and Sponsored Travel

Under the Company's Policy on Gifts, Entertainment, and Sponsored Travel, directors, employees, and consultants shall refrain from putting themselves in situations or acting in a manner that could significantly affect the objective, independent, or effective performance of their duties and responsibilities in the Company.

Directors, employees, and consultants who have received gifts, entertainment, or sponsored travel

from any third party with whom the Company does business or proposes to do business, whether directly or indirectly, shall inform their donor that these were received on behalf of the Company and shall be handled in accordance with Company policy.

They are also required to disclose and obtain prior approval from their superiors for any sponsored travel from third parties in conformity with the letter and spirit of this policy.

This Policy is available on the Company's website: https://www.pxpenergy.com.ph/corporate-governance/company-policy/policy-on-gifts/

CREDITORS

As a matter of policy, the Company upholds its creditors' rights by publicly disclosing all material information relating to every loan covenant.

C.2. Effective redress for violation of Stakeholders' Rights

The Company provides contact details through its website so stakeholders (e.g., customers, suppliers, the general public, etc.) can voice their concerns and/or complaints concerning possible violations of their rights. Details of the contact persons are as follows:

Inquiries from Trade Creditors and Suppliers:

Mr. Mark Raymond H. Rilles Finance Controller

By post:

PXP Energy Corporation 2F LaunchPad, Reliance corner Sheridan Streets Mandaluyong City 1550, Philippines Telephone: (632) 8631-1381

Email: admin@pxpenergy.com.ph

C.3. Performance-Enhancing Mechanisms for Employees

EMPLOYEE DEVELOPMENT PROGRAMS

The Company respects the dignity and human rights of its employees, including the rights guaranteed by existing labor laws. PXP promotes safety, nondiscrimination, environmental awareness, and commitment in the workplace and supports programs that champion the engagement and development of employees.

In 2024, the Company conducted learning sessions and employee development programs. Each program was tailored for a specific audience within the organization to ensure focus and generate the best results. These programs are:

LEVEL	PROGRAM TITLE
All levels	New employee orientation
Senior Managers and Officers	ACGES: Become an Insurgent: Re-focus and Re-energize your Business Strategy, Organization, and Culture for Success
	ACGES: Building a Data- Driven Business: Leveraging Artificial Intelligence and Big Data for Growth

SITE SAFETY POLICY

The Company adheres to a Site Safety Policy. It is committed to the highest levels of health and safety programs to ensure every stakeholder's safety and espouses loss prevention as a way of life. PXP strives to maintain a safe and sound working environment to prevent injury, illness, property damage, and loss to processes, in compliance with all relevant legislation and the preservation of the environment.

The Company's Compensation Philosophy/ Principles are as follows:

- 1. Pay-for-Performance
- 2. Pay for competencies and skills
- 3. Pay competitively versus local competitors and other comparative companies
- 4. Provide a total rewards package that includes pay, benefits, employee recognition, employee development, and a work environment conducive to high performance
- 5. Benchmark against an effective Performance Management Process

C.4. Means of Communication of Illegal or Unethical Practices by Employees

WHISTLEBLOWING POLICY

In accordance with the Company's adherence to the principles of good governance, the Whistleblowing Policy and procedures are issued to provide a system and venue for the proper submission, handling, or resolution of employees' complaints or disclosures regarding violations of corporate governance rules, questionable accounting or auditing matters, and offenses covered by the Company's existing Code of Discipline or Equivalent Policy.

CONFIDENTIALITY

All complaints, including the identity of the whistleblower, witnesses, and employees named in the complaint, will be treated confidentially, unless the Company is required or compelled by law to release information.

ANONYMOUS REPORTING

Any whistleblower complaint must be coursed or filed through any of the various reporting channels. To aid further investigation of the complaint, a whistleblower who makes or files a complaint anonymously may opt to provide means by which they can be contacted without compromising their anonymity (e.g., send and/or receive mails through a Post Office Box number, an e-mail address, or communicate through text messages using a prepaid cellular phone number).

PROTECTION FROM RETALIATION

Subject to the provisions under Malicious Allegations, and without prejudice to legally mandated courses of action to protect one's rights, baseless and illegal retaliation against any whistleblower or witness is prohibited and will be dealt with following this policy, other relevant Company policies and rules, and applicable laws. A whistleblower or witness who identifies themselves shall be protected from retaliation.

MALICIOUS ALLEGATIONS

A whistleblower's complaint is referred to the Appropriate Investigating Unit (AIU). If the investigation determines that the whistleblower and/or witness has made baseless, untruthful, fabricated, malicious, or vexatious allegations, disciplinary action may be taken against the whistleblower and/or witness. This is in accordance with pertinent Company policies and rules and applicable laws to protect the reputation of persons who may have been unjustly accused or implicated.

For purposes of this Policy, the AIU may be represented by the Internal Audit, Human Resources, Legal, or Security unit, or a committee composed of representatives from those relevant units, as necessary.

The Company's Whistleblowing Policy is available on the Company's website:

https://www.pxpenergy.com.ph/corporate-governance/company-policy/whistle-blowing/

D. Disclosure and Transparency

D.1. Transparent ownership structure

The following stockholders own more than 5% of the Company's stock as of December 31, 2024:

TITLE OF CLASS	NAME AND ADDRESS OF RECORD OWNER AND RELATIONSHIP WITH ISSUER	NAME OF BENEFICIAL OWNER AND RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NO. OF SHARES HELD	% OF TOTAL OUTSTANDING SHARES
Common	PCD Nominee Corporation (PCD Nominee) (Stockholder) See Note 1.	See Note 1.	Filipino	402,322,939 (excludes shares of Philex Mining Corporation, SSS, and Two Rivers Pacific Holdings Corp. held through PCD Nominee)	20.53%
Common	Philex Mining Corporation 2nd Floor LaunchPad, Reliance corner Sheridan Streets, Mandaluyong City, Metro Manila (Stockholder) See Note 2.	Philex Mining Corporation (Direct and through PCD Nominee) See Note 2.	Filipino	595,864,728	30.40%
Common	Asia Link B.V. PrinsBernhardplein 200, 1097 JB Amsterdam, The Netherlands (Stockholder) See Note 3.	First Pacific Company, Ltd. See Note 3.	Non-Filipino	284,470,725	14.51%
Common	Social Security System c/o Loan and Investment Office, 7th Floor SSS Building, Diliman, Quezon City (Stockholder) See Note 4.	Social Security System (Direct and through PCD Nominee) See Note 4.	Filipino	200,504,505	10.23%
Common	Two Rivers Pacific Holdings Corp. 10th Floor MGO Building, Legaspi corner Dela Rosa Streets, Legaspi Village, Makati City (Stockholder)	Two Rivers Pacific Holdings Corporation	Filipino	131,224,794	6.70%

- (1) PCD Nominee Corporation (PCD Nominee), the nominee of the Philippine Depository & Trust Corp., is the registered owner of the shares in the books of the Company's transfer agent. The beneficial owners of such shares are PCD Nominee's participants who hold the shares on their own or on behalf of their clients. PCD Nominee is a private company organized by major institutions that actively participate in the Philippine capital markets to implement an automated book-entry system for handling securities transactions in the Philippines. The 402,322,939 shares shown above are exclusive of the 335,864,728 shares owned by PMC, the 53,548,867 shares owned by SSS, and the 5,616,638 shares owned by Two Rivers Pacific Holdings Corporation, held through PCD Nominee.
- (2) Philex Mining Corporation is represented by Mr. Manuel V. Pangilinan, Mr. Eulalio B. Austin, Jr., Mr. Daniel Stephen P. Carlos, and Mr. Oscar S. Reyes in the Company's Board of Directors.
- (3) Asia Link B.V. is a wholly owned subsidiary of First Pacific Company, Ltd. (First Pacific). Kirtman Limited, part of the First Pacific Group, is the registered shareholder of 65,221,981 shares, or 3.328% of the outstanding shares of the Company. Maxella Limited, also part of the First Pacific Group, is the registered shareholder of 64,539,833 shares, or 3.293% of the outstanding shares of the Company. Artino Limited, also part of the First Pacific Group, is the registered owner of 10,193,136 shares, or 0.520% of the outstanding shares of the Company. Asia Link B.V., as part of the First Pacific Group, is represented by Mr. Joseph H.P. Ng on the Company's Board of Directors.
- (4) Of the 200,504,505 shares of the Social Security System (SSS), 53,548,867 shares are held through PCD Nominee. Ms. Diana V. Pardo-Aguilar was previously nominated to represent the SSS on the Company's Board of Directors. She was succeeded by Ms. Eva B. Arcos as the SSS representative, effective February 26, 2025.

D.2. Quality of Annual Report

The Company's Annual Report contains the following information, which can be found on the sections and pages specified as follows:

INFORMATION	PAGE
Major Business Risks and How They are Being Managed	45-49
Corporate Objectives	53-54
Key Performance Indicators (Financial and Non-Financial)	53-54
Dividend Payment Policy	30
Details of Whistleblowing Policy	36-37
Biographical Details of Directors	18-29
Training and/or Continuing Education Program Attended by Each Director	50-52
Number of Board of Directors' Meetings Held and Attendance during the Year	43-44
Corporate Governance Confirmation Statement	30

D.3. Disclosure of Related Party Transactions

Please see page 33 for the discussion on the Related Party Transaction Policy.

Directors' and Officers' Dealings and Shareholdings

DIRECTOR/OFFICER	DIRECT SHAREHOLDINGS AS OF JANUARY 1, 2024	CHANGES IN 2024	DIRECT SHAREHOLDINGS AS OF DECEMBER 31, 2024	INDIRECT SHARES	% OF CAPITAL STOCK
Manuel V. Pangilinan (Chairman)	1,603,465	_	1,603,465	1	0.08%
Daniel Stephen P. Carlos (President)	765	_	765	1	0.00%
Marilyn A. Victorio-Aquino (Non-Executive Director)	76,529	_	76,529	-	0.00%
Eulalio B. Austin, Jr. (Non-Executive Director)	208,223	_	208,223	1	0.01%
Diana V. Pardo-Aguilar (Non-Executive Director)	1	_	1	_	0.00%
Oscar S. Reyes (Non-Executive Director)	-	-	-	1	0.00%

DIRECTOR/OFFICER	DIRECT SHAREHOLDINGS AS OF JANUARY 1, 2024	CHANGES IN 2024	DIRECT SHAREHOLDINGS AS OF DECEMBER 31, 2024	INDIRECT SHARES	% OF CAPITAL STOCK
Benjamin S. Austria (Independent Director)	191	_	191	_	0.00%
Emerlinda R. Roman (Independent Director)	1	_	1	_	0.00%
Joseph H.P. Ng (Non-Executive Director)	1	_	1	-	0.00%
Ray C. Espinosa (Non-Executive Director)	-	76,500	76,500	_	0.00%
Eric Ramon O. Recto (Non-Executive Director)	-	347	347	_	0.00%
Rodolfo Ma. A. Ponferrada (Non-Executive Director)	-	3,104,414	3,104,414	_	0.15%
Barbara Anne C. Migallos (Corporate Secretary)	71,677	_	71,677	-	0.00%
Paraluman M. Navarro (Treasurer)	2,431	_	2,431	_	0.00%
Total	1,963,284	3,181,261	5,144,545	4	0.26%

The Company's Corporate Structure can be found on page 6.

D.4. Audit and Non-Audit Fees

For 2024, 2023, and 2022, independent auditors were engaged to express an opinion on the consolidated and stand-alone financial statements of the Group, and to review its income tax calculations in the income tax returns. A regular audit was carried out based on the Philippine Standards on Auditing.

The audit fees for the Parent Company were ₱1.2 million for 2024, 2023, and 2022.

There were no non-regular audits conducted in 2024, 2023, and 2022.

D.5. Medium of Communications

The Company is committed to the highest standards of disclosure, transparency, and fairness in information dissemination. It provides the public with strategic operating and financial information through adequate and timely disclosures to the regulatory authorities, such as the SEC and the PSE. Along with regular periodic reports, PXP discloses all material information about the Company that may impact valuation, its stock price, and the trading volume of its securities. All financial and nonfinancial disclosures are immediately posted on the Company Disclosures section of its website: https://www.pxpenergy.com.ph/

QUARTERLY REPORTS

PXP addresses the various information requirements of the investing public through its Investor Relations Division.

The Company dutifully accomplishes and submits quarterly and annual reports on or even before the deadline prescribed by the regulatory agencies. Its quarterly reports can be found on the Company's website via the link: https://www.pxpenergy.com.ph/company-disclosure/secfilings/

ANALYST BRIEFINGS

Analyst briefings, through in-person meetings or teleconferences, are conducted on a regular basis to provide a timely update on the Company's financial and operating performance to the investor community.

Media briefings are conducted after the ASM and, in some instances, before the analyst briefings. Copies of the analyst's reports and the media releases can be found at the link below on the Company's website: https://www.pxpenergy.com.ph/press-materials/press-materials/

D.6. Timely Filing/Release of Annual/Financial Reports

PXP's Audited Financial Statements are published on the Company's website and disclosed to the PSE and SEC within 60 calendar days from the end of the reporting financial year, and can be accessed on the Company website through the link.

https://www.pxpenergy.com.ph/company-disclosure/other-disclosure/mar-1-2025/

Philippine law mandates publicly listed companies to submit their SEC Form 17-A Annual Report to the PSE and SEC on or before April 15, 2025. The accurate and fair representation of the Audited Financial Statements/Annual Report is affirmed by the Chairman of the Board, the President, and the Treasurer in the Statement of Management Responsibility.

COMPANY WEBSITE

The Company's website provides the following information, accessible through the links indicated below:

Business operations

https://www.pxpenergy.com.ph/home/our-business/philex-petroleum/

Financial statements (current and prior years) https://www.pxpenergy.com.ph/company-disclosure/sec-filings/

Materials provided in briefings to analysts and media

https://www.pxpenergy.com.ph/press-materials/press-materials/

Shareholding structure

https://www.pxpenergy.com.ph/home/our-company/shareholding-structure/

Group corporate structure

https://www.pxpenergy.com.ph/home/our-company/group-structure/

Downloadable annual report

https://www.pxpenergy.com.ph/investor-relations/annual-reports/

Notice of ASM

https://www.pxpenergy.com.ph/company-disclosure/notice-of-agm/

Minutes of ASM

https://www.pxpenergy.com.ph/company-disclosure/minutes-of-agm/

Company's By-laws and Articles of Incorporation https://www.pxpenergy.com.ph/home/our-company/articles/

D.7. Investor Relations

The contact details of the officer or office responsible for investor relations are as follows:

Mark Raymond H. Rilles Finance Controller Telephone No.: (632) 8631-1381 Email: admin@pxpenergy.com.ph

E. Responsibilities of the Board

E.1. Board of Directors' Duties and Responsibilities

MANUAL ON CORPORATE GOVERNANCE (MCG)

On May 31, 2017, the Company's Revised MCG was filed with the SEC in compliance with SEC Memorandum Circular No. 19, series of 2016, which was duly approved by the Company's Board of Directors on May 30, 2017.

This can be found on the Company's website via the following link:

https://www.pxpenergy.com.ph/corporategovernance/cg-manuals/pxp-corporategovernance-2017/

DECISIONS REQUIRING BOARD APPROVAL

Decisions that require the approval of the Board pertain to ordinary business transactions of the Company and do not extend beyond the management of extraordinary corporate affairs or the limits of its authority as provided by law.

ROLES AND RESPONSIBILITIES OF DIRECTORS

Each Director has a threefold duty of obedience, diligence, and loyalty to the corporation they serve. The Director shall:

- a. Act in the best interest of the Company and for the common benefit of the Company's shareholders and all stakeholders.
- Exercise his best care, skill, and judgment, and observe utmost good faith in the conduct and management of the business and affairs of the Company.
- c. Act within the scope of power and authority of the Company and the Board as prescribed in the Articles of Incorporation, By-Laws, and existing laws, rules, and regulations.

Faithful compliance with the principles of good corporate governance is the paramount responsibility of, and shall start with, the Board. The Board is also required to exercise its corporate powers, conduct business, and control the properties of the Company in compliance with the corporate governance principles instituted in the Company's MCG. It shall also be responsible for fostering the long-term success of the Company and securing its sustained competitiveness.

The Company's Board Charter can be found on the Company's website via the following link: https://www.pxpenergy.com.ph/corporategovernance/cg-manuals/pxp-board-charter/

VISION AND MISSION

The Management and Board review and approve the Company's vision, mission, and corporate strategy annually and monitor or oversee the implementation of this corporate strategy.

The Company's vision is to be a highly respected, world-class Philippine energy resource company committed to delivering excellent value to its investors, employees, and other stakeholders. Its mission is to become a responsible energy resource company that explores and develops petroleum and coal resources for the use of society. This can be found on the Company's website via the following link:

https://www.pxpenergy.com.ph/home/our-company/vision-mission/

E.2. Board Structure

CODE OF BUSINESS CONDUCT AND ETHICS

PXP is dedicated to doing business in accordance with the highest standards of ethics. The Company, its directors, officers, and employees shall comply with the Code. It shall endeavor to promote a culture of good corporate governance by observing and maintaining its core business principles of integrity, teamwork, work excellence, respect for individuals, corporate responsibility, and social and environmental responsibility in their relationships among themselves and with the Company's customers, suppliers, competitors, business partners, other stakeholders, government regulators, and the general public.

Details of the Company's Code of Conduct and Business Ethics can be found here: https://www.pxpenergy.com.ph/corporategovernance/cg-manuals/pxp-code-of-businessconduct-and-ethics/

Board Structure and Composition

INDEPENDENT DIRECTORS

The Company adopts the common and ordinary meaning of the term "independence" and defines an Independent Director as a person independent of management. Apart from their shareholdings, Independent Directors are free from any business dealings or other relationship with the Company that could, or could reasonably be perceived to, materially interfere with the exercise of independent judgment in carrying out their duties and responsibilities to the Company.

The Board has two (2) Independent Directors, in accordance with Philippine laws and regulations, specifically Section 38 of the Securities Regulations Code of the Philippines.

Independent Directors shall serve for a maximum cumulative term of nine (9) years, reckoned in accordance with pertinent rules of the SEC. After their term, the Independent Director shall be perpetually barred from re-election in the Company, but may continue to qualify for nomination and election as a non-independent director. In the instance where the Company wants to retain an Independent Director who has served nine (9) years beginning in 2012, the Board should provide meritorious justification/s and seek shareholders' approval during the ASM.

DIRECTORSHIP IN OTHER LISTED COMPANIES

Information on directorships in other listed companies of the Board is included in the profiles of each director found on pages 18-29 of this Annual Report.

THE BOARD COMMITTEES

Board Committees monitor the activities and undertake a regular review of matters under their respective areas.

The various Committee Charters set forth the purposes, authority, duties and responsibilities, structure, and procedures in accordance with the Company's Revised MCG.

The full list of PXP's Board Committees can be found on the Company's website:

https://www.pxpenergy.com.ph/corporate-governance/board-committees/

Nominations Committee

The primary purpose of the Nominations Committee is to assist the Board in dealing with matters relating to the appointment and removal of directors, formulate a nomination policy for the Board's consideration, and implement the approved nomination policy.

The complete details of the Company's Nominations Committee Charter can be found on the Company's website:

https://www.pxpenergy.com.ph/corporate-governance/cg-manuals/pxp-nominations-committee-charter/

Compensation Committee

The primary purpose of the Compensation Committee is to establish a formal and transparent procedure for recommending the appropriate remuneration of directors consistent with Corporation Code and officers (Vice President and above, as per the Company's By-Laws) of the Company to ensure that their compensation is consistent with the Company's financial strategy and sound risk culture as well as the business environment in which it operates.

The complete details of the Company's Compensation Committee Charter can be found on the Company's website:

https://www.pxpenergy.com.ph/corporategovernance/cg-manuals/pxp-compensationcommittee-charter/

Audit Committee

The Audit Committee Charter sets forth the Audit Committee's purposes, authority, duties and responsibilities, structure, and procedures, as prescribed by the Revised Code of Corporate Governance, the Company's Revised MCG, and the Guidelines for the Assessment of Performance of Audit Committees of Companies Listed on the Exchange, promulgated by the SEC, and in view of the establishment by the Board of a separate Risk Committee.

The primary purpose of the Committee is to assist the Board in its oversight functions over the following:

- The integrity of the Company's accounting and financial reporting principles and policies and internal control systems, including the integrity of the Company's financial statements and the independent audit thereof.
- 2. The Company's compliance with legal and regulatory requirements.
- 3. The Company's audit processes and the performance of the Company's internal audit organization and the External Auditor, including the External Auditor's qualifications and independence. The Committee shall also have other duties and powers as may be delegated by the Board, subject to limitations set by the Board and conveyed to the Committee.

The complete details of the Company's Audit Committee Charter can be found on the Company's website: https://www.pxpenergy.com.ph/corporate-governance/cg-manuals/audit-committee-charter/

Corporate Governance and Related Party Transactions Committee

The Charter of the Corporate Governance and Related Party Transactions Committee outlines its purposes, authority, duties and responsibilities, structure, and procedures in accordance with the Revised Code of Corporate Governance of PXP.

The primary purpose of the Committee is to assist the Board in performing corporate governance duties in compliance with PXP's MCG, the Revised Code of Corporate Governance of the SEC, the Corporate Governance Guidelines, and the listing rules of the PSE.

The complete details of the Company's Corporate Governance and Related Party Transactions Committee Charter can be found on the Company's website:

https://www.pxpenergy.com.ph/corporate-governance/cg-manuals/pxp-cg-rpt-committee-charter/

Finance Committee

The Finance Committee has the primary oversight responsibility over the Company's corporate finance activities, including the management of its equity, financial risk (credit and concentration risks, liquidity, market, including foreign currency, interest rate, equity price, commodity risk, hedging, and derivative financial instruments), and the financing of major acquisitions.

The complete details of the Company's Finance Committee Charter can be found on the Company's website:

https://www.pxpenergy.com.ph/corporate-governance/cg-manuals/pxp-finance-committee-charter/

Board Risk and Resource Oversight Committee

The primary purpose of the Committee is to assist the Board in assessing and managing enterprise risks, including financial, regulatory, strategic, and operational risks, and ensuring an effective and integrated risk management process developed for the benefit of the Company and its shareholders, discharging other duties and powers as may be delegated to the Committee by the Board, subject to such limitation as the Board may determine.

The complete details of the Company's Board Risk and Resource Oversight Committee Charter can be found on the Company's website: https://www.pxpenergy.com.ph/corporate-governance/cg-manuals/pxp-board-risk/

E.3. Board Processes

ATTENDANCE

The Board has a pre-determined schedule of meetings at the beginning of the calendar year. Meeting discussions are open, and independent views are given due consideration. As necessary, the Board likewise holds meetings through telecommunications or other electronic media. A separate meeting of non-executive directors without the Chairman or any executive officer is held at least once a year.

Director's Attendance in Board Meetings in 2024

BOARD POSITION	NAME	MEETINGS HELD	MEETINGS ATTENDED	ATTENDANCE RATE (%)
Chairman	Manuel V. Pangilinan	10	8	80
Member	Daniel Stephen P. Carlos	10	10	100
Member	Marilyn A. Victorio-Aquino	10	10	100
Member	Eulalio B. Austin, Jr.	10	10	100
Member	Joseph H.P. Ng	10	10	100
Member	Benjamin S. Austria (Independent Director)	10	10	100
Member	Emerlinda R. Roman (Independent Director)	10	10	100
Member	Diana V. Pardo-Aguilar	10	9	90
Member	Oscar S. Reyes	10	10	100
Member	Ray C. Espinosa*	4	4	100
Member	Eric Ramon O. Recto*	4	4	100
Member	Rodolfo Ma. A. Ponferrada*	4	4	100

^{*}Elected at the July 8, 2024 Annual Stockholders' Meeting, aligned with the increase in the number of directors from 9 to 13.

Director's Attendance in Committee Meetings in 2024

AUDIT COMMITTEE	NAME	MEETINGS HELD	MEETINGS ATTENDED	ATTENDANCE RATE (%)
Chairman	Emerlinda R. Roman	5	5	100
Member	Benjamin S. Austria	5	5	100
Member	Joseph H.P. Ng	5	4	80

BOARD RISK & RESOURCE OVERSIGHT COMMITTEE	NAME	MEETINGS HELD	MEETINGS ATTENDED	ATTENDANCE RATE (%)
Chairman	Benjamin S. Austria	3	3	100
Member	Emerlinda R. Roman	3	3	100
Member	Marilyn A. Victorio-Aquino	1	1	100
Member	Eulalio B. Austin, Jr.	3	2	67
Member	Diana V. Pardo-Aguilar	3	3	100
Member	Eric Ramon O. Recto	2	1	50

NOMINATIONS COMMITTEE	NAME	MEETINGS HELD	MEETINGS ATTENDED	ATTENDANCE RATE (%)
Chairman	Manuel V. Pangilinan	1	1	100
Member	Benjamin S. Austria	1	1	100
Member	Joseph H.P. Ng	1	1	100

ACCESS TO INFORMATION

The Company regularly sends soft copies of a complete set of Board papers to directors via e-mail at least five (5) days in advance. The hard copies are physically distributed on the day of the Board meeting or earlier upon the request of the director/s.

CORPORATE SECRETARY

The Company's Corporate Secretary is Atty. Barbara Anne C. Migallos, a Filipino and a resident of the Philippines. She brings many years of relevant experience in corporate law and legal practice and has a sufficient understanding of financial reporting rules, standards, and practices.

The Corporate Secretary plays a significant role in supporting the Board in discharging its responsibilities. Among her functions are the following: safekeeping and preserving the integrity of the minutes of the meetings; informing Board members of the Agenda of their meetings; ensuring that members have accurate information; and ensuring that all members strictly follow Board procedures, rules, and regulations.

BOARD APPOINTMENTS AND RE-ELECTION

The Directors are elected by the shareholders at the ASM. Directors each serve a one-year term until their successors are elected and qualified. Any vacancy on the Board before the end of their terms shall be filled in accordance with applicable law and rules. As needed, the Board uses professional search firms to fill vacancies on the Board.

The guidelines are set forth in the link: https://www.pxpenergy.com.ph/corporate-governance/cg-manuals/pxp-board-charter/

The Board considers it appropriate that its structure comprises ethical and honest experts who are knowledgeable, experienced, and skilled in diverse fields relevant to the conduct of the business.

Members are selected without discrimination based on gender, race, religion, age, professional skill, or other qualifications.

REMUNERATION MATTERS

Remuneration Policy

As a matter of policy, the remuneration of directors and other officers must be competitive and at a level that will attract and retain talent and motivate them to continue their efforts in contributing to the long-term success of PXP.

The compensation is in accordance with the Corporation Code of the Philippines, the Company By-Laws, or as approved by the shareholders.

Director

A director, as determined by the Board, is entitled to receive a reasonable per diem for attending Board meetings.

President

The President is entitled to receive fixed remuneration in accordance with compensation plans approved by the Board.

Internal Audit

The Internal Audit Group is a separate and independent unit that directly reports to the Audit Committee and is headed by Ms. Geraldine B. Ateo-an.

In accordance with the Company's employment requirements and policies, the Chief Audit Executive functionally reports to the Audit Committee.

The internal auditor's role is to provide independent, objective assurance and consulting services to management, designed to add value and improve the Company's operations. The role also includes ensuring the adequacy of the network of risk management, control, and governance processes.

As provided in the Audit Committee Charter, the Internal Audit Group provides the Audit Committee with an annual report on the internal audit organization's activities, purposes, authorities, responsibilities, and performance relative to the audit plans and strategies approved by the Audit Committee. This annual report shall include significant risk exposures and control issues, corporate governance issues, an evaluation of compliance with the Code of Conduct for the management, and other matters requested by the Committee or the Board.

RISK OVERSIGHT

Risk Management System

Effective risk management is vital to the continued growth and success of the Group. The Company is committed to managing risk proactively and effectively across the organization. This commitment is embodied in the PXP Group Risk Management Philosophy Statement: "The PXP Group shall undertake a Risk Management Program that will mitigate or eliminate identified physical, socioecological, and economic risks inherent in its business, thereby ensuring a productive and profitable operation."

Key Risks and Management

Petroleum exploration and development involve risks and uncertainties. To mitigate these risks, the Group has its own Board Risk and Resource Oversight Committee (BRROC), which reviews the effectiveness of the Group's (including subsidiaries, major associated companies, and Joint Ventures) Enterprise Risk Management (ERM) systems. The bi-annual review covers all material strategic, financial, operational, and compliance risks and the corresponding mitigation measures to address these risks.

The most recent evaluation of PXP's ERM process, the review of the periodic ERM report, and the discussion with the Chief Risk Officer and the External Auditor have assured the BRROC that material risks have been identified, evaluated, managed, and reported appropriately.

The following are the Group's material strategic, financial, operational, and compliance risks and the corresponding mitigation measures to address these risks:

• Failure to discover oil and gas resources that can be developed for commercial production

The Company's ability to sustain itself depends on the discovery of oil and gas resources that can be developed for commercial production. There is no assurance that the exploration activities of the Company and the corporations in which it has invested (collectively with the Company, the Group) will result in the discovery of oil or gas deposits because of the uncertainties in locating and estimating the size of subsurface deposits of oil or gas despite advances in exploration technology. Even if a substantial oil or gas deposit is

discovered, other factors may prevent or delay its commercial development, such as drilling and production hazards; political, social, and/ or environmental issues; and insufficient market demand and/or infrastructure, particularly for natural gas development. If the Group's exploration and development activities are not successful, the Company's ability to generate future cash flow and obtain additional financing to continue operations may be adversely affected.

The Company mitigates exploration and development risks mainly by investing in a portfolio of exploration assets, working with partners and contractors with proven track records, and undertaking phased exploration with exit options.

International maritime issues over the West Philippine Sea

The Company operates SC 72 in the Recto Bank Area, offshore west of Palawan, which is subject to geopolitical issues concerning certain areas of the West Philippine Sea and was placed under force majeure by the DOE starting December 2014. Another block affected by the dispute is SC 75 in Northwest Palawan, which has also been placed under force majeure since December 2015. The Permanent Court of Arbitration in The Hague released a ruling on July 12, 2016, on the maritime case filed by the Republic of the Philippines against the People's Republic of China. In particular, the Tribunal ruled that Recto Bank, where SC 72 lies, is within the Philippines' Exclusive Economic Zone (EEZ), as defined under the 1982 United Nations Convention on the Law of the Sea (UNCLOS).

In October 2019, the Philippines' Department of Foreign Affairs (DFA) announced that the Philippines and China had officially convened an Intergovernmental Steering Committee to supervise projects under the two (2) countries' joint oil and gas exploration in the West Philippine Sea. The DFA further announced that the Steering Committee held its first meeting in Beijing on October 28, 2019. Under the Memorandum of Understanding (MOU) signed in October 2018, the Steering Committee will create one (1) or more inter-Entrepreneurial Working Groups to agree on entrepreneurial, technical, and commercial cooperation aspects in certain areas in the West Philippine Sea. China has appointed the China National Offshore Oil Corporation (CNOOC) to represent the Working Group(s). Forum (GSEC 101) Limited (FGL) will represent the Working Group for SC 72.

On October 14, 2020, FGL received notice from the DOE that the force majeure imposed on SC 72 in December 2014 was lifted immediately and that FGL was to resume exploration activities on SC 72. FGL had 20 months from the date of the lifting of the force majeure to drill two (2) commitment wells. The total cost of drilling these wells depends on several factors. The Company's management estimated the total work to be between US\$70 million and US\$100 million.

Similar to SC 72, the Company received a letter from the DOE dated October 14, 2020, stating that the force majeure over SC 75 had been lifted effective immediately and that exploration activities were to resume over the block.

On April 6, 2022, the Company, as operator under SC 75, and FGL, as operator under SC 72, received a directive from the DOE to "put on hold any exploration activities for Service Contract Nos. 72 and 75 until such time that the [Security, Justice, and Peace Coordinating Cluster (SJPCC)] has issued the necessary clearance to proceed."

On April 8, 2022, the Company and FGL advised the DOE that in compliance with the DOE directive, they "have suspended (or caused the suspension of) all activities in the West Philippine Sea beginning April 6, 2022, in the process, incurring substantial stand-by and other costs." In the same letter, the Company and FGL further advised the DOE that they were prepared to resume operations immediately, provided they received written confirmation from the DOE by April 10, 2022, that permitted them to resume their exploration activities.

On April 11, 2022, the Company and FGL advised the DOE that since they did not receive any notice, they (a) have stopped all their exploration activities, (b) were constrained to terminate their agreements with suppliers and incurred substantial liabilities for termination costs and penalties, and (c) affirmed their declaration of force majeure under SC 72 and SC 75 effective April 6, 2022, arising from what appeared to be an indefinite suspension by the DOE of the exploration activities under SC 72 and SC 75.

On October 11, 2022, the DOE granted PXP and FGL the following: (i) the Declaration of force majeure for SC 75 and SC 72 from April 6, 2022, until the same is lifted by the DOE, (ii) the inclusion of total expenses incurred as a result of the DOE directive to suspend activities as

part of the approved recoverable costs, subject to DOE audit, and (iii) in addition to the period in item (i) above, PXP and FGL will be entitled to an extension of the exploration period under SC 75 and SC 72 corresponding to the number of days that the contractors spent in preparation for the activities that were suspended by the DOE's suspension order on April 6, 2022.

On March 20, 2023, the DOE further affirmed that the entire period from October 14, 2020 (when the force majeure was lifted) to April 6, 2022 (when the force majeure was reimposed) will be credited back to SC 72 and SC 75. Thus, in the event the force majeure is lifted, FGL will have 20 months to drill the two (2) commitment wells, equivalent to the remaining term of Sub-Phase (SP) 2 of SC 72, prior to October 14, 2020. Similarly, PXP will have 18 months to conduct a 3D seismic survey in SC 75, which is equivalent to the term of SP 2 of SC 75 before October 14, 2020.

The uncertainty of how these issues will be resolved may be a source of continuing risk to the operations in offshore Palawan. The Company will seek guidance from the Philippine Government regarding any future activity in SC 72 and SC 75.

 Failure to fund expenditures and investments for exploration and development activities

The exploration and development of oil and gas resources are capital-intensive. The Company's ability to fund such expenditures and investments depends on numerous factors, including the ability to generate cash flow from the Group's production, availability and terms of external financing, and the extent to which work commitments can be adjusted under the relevant SCs and similar agreements. If the Group is unable to obtain the required funding, the Group will have to adjust its business plans and strategies, which may adversely affect the Company's prospects, market value, and results of operations.

The Company mitigates the foregoing risks by sharing the costs and risks of exploration and development with suitable joint venture partners and undertaking phased exploration with exit options. Where funding is still insufficient, the Company may adjust its business plans and strategies, which may include raising capital, depending on the importance of the asset.

Price fluctuations and substantial or extended declines in prices

Prices for oil and gas have demonstrated significant volatility in the past. Historically, oil and gas prices are influenced by a number of factors, including global and regional supply and demand, geopolitical uncertainty, domestic and foreign governmental regulations and actions, global and regional economic conditions, weather conditions, and natural disasters. It is not possible to accurately forecast future oil and gas price movements and trends. Declines in crude oil and gas prices will adversely affect the Company's business, prospects, and results of operations.

The Company mitigates price risks by evaluating the economic sensitivity of investment opportunities to low product prices and taking this into consideration when making investment decisions.

 Laws, regulations, and contingencies adding to the cost and effort of doing business

The petroleum industry is highly regulated. In addition to complying with the laws and regulations for doing business in the Philippines and in the other jurisdictions where the Group operates, the nature of the Group's business also subjects the Group to laws and regulations regulating the industry, as well as those on the environment and occupational health and safety standards. Despite efforts to comply with all such laws and regulations, the Group's business may be exposed to significant liabilities and restrictions due to accidents and unforeseen circumstances. Furthermore, such laws and regulations are subject to change, which may result in delays or restrictions on exploration, development, or production activities, as well as increased costs of compliance. There is no assurance that these costs will not have a material adverse effect on the Company's business and results of operations.

The foregoing risk is mitigated by the Group's respective policies, which are geared towards compliance with laws and regulations as well as good industry practices relating to health, safety, and the environment. Some of the risks and potential losses and liabilities arising therefrom may not be covered by insurance. The Company will assess the acceptability of residual risks not covered by insurance policies. If the Company deems that such risks are not within the levels that the Company is willing to

accept, the Company may decide to avoid the risk by either terminating or forgoing the activity, project, or investment.

Estimates used in the business may be unreliable or incorrect

This report includes estimates of oil and gas reserves and resources by the Company and third parties. Estimates of reserves and resources should be regarded only as estimates that may change as additional technical and commercial information becomes available. Not only are such estimates based on currently available information, but they are also subject to the uncertainties inherent in the application of judgmental factors in interpreting such information. The quantities that might actually be recovered, should these be discovered and developed, may differ significantly from the estimates presented herein.

As of the date of this report, the Company has not independently verified the estimates provided by third parties. As estimates of reserves and resources change over time, the Company will have to adjust its business plans and strategies. Any significant downward revision in the estimates of reserves and resources may adversely affect its financial condition, future prospects, and market value.

 Failure to comply with laws, regulations, and contracts may cause the Company to lose its contracts, licenses, and approvals from the Philippine government or otherwise be penalized

The Company's revenues are or will be substantially derived from SCs, which give the Group and their respective partners exclusive rights to conduct exploration and development operations over certain blocks in the jurisdictions in which they have invested. The Group and its Joint Venture (JV) partners are also expected to secure business licenses and permits in relation to their operations. The Group and its JV partners' operations may be restricted, suspended, or terminated if the Group, their JV partners, or any of their respective contractors and assignees fail to satisfy their respective obligations under the contracts, and the laws, rules, and regulations governing such contracts, or to secure and maintain required licenses and permits. This may prevent the Group and its JV partners from conducting further exploration and development activity within the relevant consortium areas, which in turn could materially and adversely

affect the Company's business, financial condition, results of operations, and prospects.

The foregoing risk is mitigated by the Group's respective policies, which include close coordination with relevant government agencies, compliance with laws, regulations, and contracts, and exerting all reasonable efforts to secure and maintain licenses and permits required for its business and undertakings. The Group also adopts provisions in its agreements with its JV partners to address defaults and non-compliance with laws, regulations, and contracts.

Operating risks and natural disasters resulting in losses

The exploration and production of oil and gas are subject to various operational risks, such as fires, explosions, oil spills, gas leaks, collisions, mechanical failures, and natural disasters, which may result in injuries, loss of lives, suspension of operations, and damage to property and the environment. As a result, losses and liabilities arising from the occurrence of any of these risks may have a material adverse effect on the Company's business and results of operations.

The foregoing risk is mitigated by insurance. However, the insurance coverage applies against some, but not all, potential losses and liabilities. The Company will assess the acceptability of residual risks not covered by insurance policies. If it deems that such risks are not within the levels that it is willing to accept, it may decide to avoid the risk by either terminating or forgoing the activity, project, or investment.

• Competition in securing exclusive rights may hamper the company's growth and expansion

The Government has been taking steps to attract investments in the exploration and development of oil and gas in the Philippines, particularly with respect to the application and award of petroleum SCs, which is done either through competitive public bidding or by area nomination. Competitors, particularly international oil and gas companies, may have greater financial, technical, and organizational capabilities than the Company. Significant competitive pressure could result in the failure or increased costs to acquire additional exploration and production assets, thereby causing a material adverse effect on the Company's business and operations.

The Company mitigates the foregoing risks by partnering with experienced JV partners and

hiring experienced consultants, who will provide the best value proposition to the government in terms of technical, financial, and legal feasibility during the bidding/nomination process for new service contracts.

Possible effects of worldwide initiatives toward decarbonization on the oil and gas sector

Global energy transformation efforts toward decarbonization in the oil and gas sector face challenges due to the varied implementation of policies in different countries and the impact of politics. The tension between balancing long-term energy goals and the short-term needs of citizens will make the road to energy transition difficult for governments as they try to minimize the potential pain caused by these transformation efforts. Despite this, some countries are willing to bear higher costs for emission reductions, while in some areas, energy transformation and security are considered synonymous. The European Union's (EU) "Fit for 55" proposals may be accelerated due to the Ukraine crisis, with the goal of reducing greenhouse gas emissions by at least 55% by 2030.

The Company mitigates such risks of decarbonization through close coordination with the DOE, which is the controller of the country's plans, programs, projects, and activities relative to energy exploration, development, utilization, distribution, and conservation. Currently, the DOE's aim is to re-energize oil and gas exploration in the Philippines as a form of wealth creation for the government. Hence, the Company believes the DOE will continue to promote the search for indigenous resources in the country while following the growing worldwide trend of decarbonization.

E.4. People on the Board

CHAIRMAN

The Chairman of the Board ensures that the Board functions effectively. He assists in ensuring compliance with and performance of corporate governance policies and practices. He provides leadership to the Board, ensures that it works effectively, and discusses key issues promptly, taking into account the proposals and recommendations of the President and Management. In addition, the Chairman ensures that an open line of communication and free flow of information between Management and the Board are maintained.

THE PRESIDENT

The President shall be responsible for the general care, management, and administration of the Company's business. He ensures that operations and financial affairs are managed in a sound and prudent manner and that financial and internal controls are adequate and effective to ensure the reliability and integrity of financial and operational information. Further, he oversees the effectiveness and efficiency of operations and safeguards assets in compliance with laws, rules, and regulations.

The President provides leadership to the management in developing and implementing business strategies, policies, processes, and budgets to the extent approved by the Board and takes the lead in identifying and managing operational and other business risks.

BOARD DIVERSITY POLICY

The Company embraces and promotes diversity at all levels, including the Board. The Company recognizes that human capital remains its most valuable asset. As such, PXP is committed to fostering, cultivating, and preserving a culture of diversity and inclusivity. The collective sum of its diversity—in terms of background, race, ethnicity, religion, gender, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities, and talents—represents a significant part of PXP's culture, reputation, and achievements.

The Company's Board Diversity policy is contained in the link:

https://www.pxpenergy.com.ph/corporate-governance/company-policy/board-diversity-policy/

E.5. Board Performance

PERFORMANCE APPRAISAL/ ASSESSMENT POLICY

The Policy aims to enable the Board to periodically identify overall strengths and specific areas for improvement based on assessment results and obtain important feedback and views from Board members, which will collectively form part of the Company's overall strategy, performance, and/or future directions or endeavors.

Directors are annually requested to complete a standard self-assessment as follows:

PERFORMANCE EVALUATION	SELF-ASSESSMENT	EVALUATED BY
Board of Directors	•	Individual Director/s
Director	•	Individual Director/s
Board Committees	•	Member of the Committee
President	N/A	Individual Director/s

The different forms and criteria are attached as annexes to the Policy and can be viewed on the Company website:

http://www.pxpenergy.com.ph/corporate-governance/company-policy/assessment-policy/

DIRECTORS' AND OFFICERS' ORIENTATION AND TRAINING POLICY

The full text of the Directors' and Officers' Orientation and Training Policy can be viewed on the Company website:

http://www.pxpenergy.com.ph/corporate-governance/company-policy/orientation-and-training-policy/

As a matter of rule, each member of the Board of Directors shall undertake the requirements set out in this Policy with respect to the orientation programs for New Directors and the mandatory annual training programs for all members of the Board of Directors. The mandatory annual training program shall also apply to executive officers with the rank of Vice President and above. The said training program compliant with the Philippine SEC Memorandum Circular 20, Series of 2013.

Training and/or continuing program attended by each director in 2024:

NAME	DATE	SEMINAR/TRAINING TITLE	HOSTED BY
Manuel V. Pangilinan	September 27, 2024	2024 ACGES: "Become an Insurgent: Re-focus and Re-energize your Business Strategy, Organization, and Culture for Success" and "Building a Data-Driven Business: Leveraging Artificial Intelligence and Big Data for Growth"	MVP Group of Companies
Eulalio B. Austin, Jr.	September 27, 2024	2024 ACGES: "Become an Insurgent: Re-focus and Re-energize your Business Strategy, Organization, and Culture for Success" and "Building a Data-Driven Business: Leveraging Artificial Intelligence and Big Data for Growth"	MVP Group of Companies
Emerlinda R. Roman	September 27, 2024	2024 ACGES: "Become an Insurgent: Re-focus and Re-energize your Business Strategy, Organization, and Culture for Success" and "Building a Data-Driven Business: Leveraging Artificial Intelligence and Big Data for Growth"	MVP Group of Companies
	September 4, 2024	73rd Annual Convention - Ensuring Food Security through Science, Technology and Innovation	PhilAAST
Benjamin S. Austria	October 15-16, 2024	13th Philippine Professional Summit: "5 for 17" Matters: The Filipino Professionals Responding to Global Economic Challenge.	Philippine Association of the Professional Regulatory Board Members, Inc. (PAPRB)
	December 4-5, 2024	GEOCON 2024: Filipino Geologists: Bridging geoscience, technology, and industry for a better Philippines.	Geological Society of the Philippines

NAME	DATE	SEMINAR/TRAINING TITLE	HOSTED BY
	May 7, 2024	Corporate Governance Training	Security Bank Corporation through the Center for Global Best Practices
Diana V. Pardo-Aguilar	September 27, 2024	2024 ACGES: "Become an Insurgent: Re-focus and Re-energize your Business Strategy, Organization, and Culture for Success" and "Building a Data-Driven Business: Leveraging Artificial Intelligence and Big Data for Growth"	MVP Group of Companies
	October 16, 2024	Anti-Money Laundering (AML) and Counter Terrorist and Proliferation Financing (CTPF) Refresher Training for Board of Directors (BOD) and Senior Management	Science Park of the Philippines, Inc., through SGV
	January 10, 2024	Economic & Capital Markets Briefing 2024: Turning the Corner	First Metro Investment Corporation
	February 21, 2024	Manila Commodity Insights 2024	S&P Global
Daniel Stephen P. Carlos	September 27, 2024	2024 ACGES: "Become an Insurgent: Re-focus and Re-energize your Business Strategy, Organization, and Culture for Success" and "Building a Data-Driven Business: Leveraging Artificial Intelligence and Big Data for Growth"	MVP Group of Companies
	December 4-5, 2024	GEOCON 2024: Filipino Geologists: Bridging geoscience, technology, and industry for a better Philippines.	Geological Society of the Philippines
Marilyn A. Victorio- Aquino	September 27, 2024	2024 ACGES: "Become an Insurgent: Re-focus and Re-energize your Business Strategy, Organization, and Culture for Success" and "Building a Data-Driven Business: Leveraging Artificial Intelligence and Big Data for Growth"	MVP Group of Companies
	January 11, 2024	The ISSB Sustainability Standards: Simple in words, complex in deeds	Natixis
	April 11, 2024	Economic Outlook: Asia Connectivity	DBS
	September 26, 2024	Technology Refresh: Microsoft 365	SDS-Techglobal Limited
Joseph H. P. Ng	September 27, 2024	2024 ACGES: "Become an Insurgent: Re-focus and Re-energize your Business Strategy, Organization, and Culture for Success" and "Building a Data-Driven Business: Leveraging Artificial Intelligence and Big Data for Growth"	MVP Group of Companies
	December 2, 2024	Directors' Training: Global Economic Outlook 2025	Indofood
	December 6, 2024	Directors' Training: ESG	First Pacific Company
	July 25, 2024	Targeted Financial Sanctions Course	Sunlife of Canada (Phils)/Anti Money Laundering Council
	July 30, 2024	AMLC Registration & Reporting Guidelines	Sunlife of Canada (Phils)/Anti Money Laundering Council
Oscar S. Reyes	September 16, 2024	Anti-Money Laundering (AML) and Counter Terrorist and Proliferation Financing (CTPF) Refresher Training for Board of Directors (BOD) and Senior Management	Sunlife of Canada (Phils)/Anti Money Laundering Council
	September 27, 2024	2024 ACGES: "Become an Insurgent: Re-focus and Re-energize your Business Strategy, Organization, and Culture for Success" and "Building a Data-Driven Business: Leveraging Artificial Intelligence and Big Data for Growth"	MVP Group of Companies

NAME	DATE	SEMINAR/TRAINING TITLE	HOSTED BY
Ray C. Espinosa	September 27, 2024	2024 ACGES: "Become an Insurgent: Re-focus and Re-energize your Business Strategy, Organization, and Culture for Success" and "Building a Data-Driven Business: Leveraging Artificial Intelligence and Big Data for Growth"	MVP Group of Companies
	October 29-30, 2024	Corporate Governance Orientation Program (CGOP)	Maya/Institute of Corporate Directors (ICD)
Eric Ramon O. Recto	November 26, 2024	2024 In-House Corporate Governance Seminars Smart: The Future of Artificial Intelligence	Aboitiz
Rodolfo Ma. A. Ponferrada	September 27, 2024	2024 ACGES: "Become an Insurgent: Re-focus and Re-energize your Business Strategy, Organization, and Culture for Success" and "Building a Data-Driven Business: Leveraging Artificial Intelligence and Big Data for Growth"	MVP Group of Companies
Barbara Anne C. Migallos	August 9, 2024	2024 Annual Corporate Governance- "Sustainable Business Models and Innovation" and "Sustainable Risk-Driven Strategy Planning"	Good Governance Advocates and Practitioners of the Philippines (GGAPP)
Paraluman M. Navarro	September 27, 2024	2024 ACGES: "Become an Insurgent: Re-focus and Re-energize your Business Strategy, Organization, and Culture for Success" and "Building a Data-Driven Business: Leveraging Artificial Intelligence and Big Data for Growth"	MVP Group of Companies



Corporate Strengths, Objectives, and Strategies

PXP Energy Corporation (PXP or the Company) aims to become a leading Philippine upstream oil and gas company committed to delivering excellent value to its investors, employees, and other stakeholders by leveraging its strengths and pursuing these strategies:

Strengths

- The Company and its subsidiaries have substantial participating interests in underexplored areas of proven hydrocarbon basins, namely: Service Contract (SC) 72 Recto Bank (70% owned by FGL), SC 75 NW Palawan (50% owned by PXP), and SC 40 North Cebu (66.67% owned by FEPC). The substantial participating interests in these blocks allow access to funding and technology through farm-out arrangements while retaining material interests in the service contract.
- The Company is managed by a team of experienced professionals and business leaders with diverse expertise in upstream oil and gas business development, project finance, project and investment management, and mergers and acquisitions. Its Board of Directors also has extensive corporate governance experience with some of the most valuable companies in the Philippines and Asia.
- As a company established in the Philippines, PXP is entitled to the Filipino Participation Incentive Allowance (FPIA) in accordance with the country's fiscal terms of petroleum service contracts. The combination of its FPIA entitlement and strong principal shareholders makes the Company an ideal joint venture partner for foreign oil and gas companies interested in local petroleum service contracts.
- Its principal shareholders, Philex Mining Corporation (Philex) and First Pacific Company Limited (First Pacific), are leading entities in several businesses and industries in the Philippines and Asia. Philex is a leader in the Philippine mining industry, with continuous operations since 1958. First Pacific is a Hong Kong-based investment management and holding company with existing and planned investments in Asia involving telecommunications, power distribution and generation, water utilities, infrastructure

development, natural resource development, healthcare, and consumer food products. Through First Pacific, PXP is affiliated with the Manila Electric Company (Meralco), the largest power distribution company in the Philippines. Meralco is determined to expand into power generation, making it a potential off-taker for gas from SC 72. Another major shareholder of PXP is Tidemark Holdings Limited, a subsidiary of PSE-listed Atok-Big Wedge Co., Inc., which is involved in mining and investment activities.

Objectives (Key Performance Indicators)

Enhance the Value of Assets

Maturing resources, from the exploration to the development and production phases, enhances the value of the Company's assets.

Manage Portfolio

Selective acquisitions and divestments help mitigate the risks inherent to petroleum exploration and ensure the alignment of resources with the Company's objectives and strategies.

Control of Costs and Expenses

Optimizing costs and expenses by the Company and its subsidiaries would result in improved net income and better financial stability.

Manage Financials

Prudent and well-implemented financial management will prolong the Company's ability to finance its activities and, thus, its corporate life.

Promote Health and Safety and Preserve the Environment

A commitment to undertake activities without endangering the environment and the health and safety of people is key to maintaining the Company's license to operate.

Strategies

 Establish the hydrocarbon potential of exploration assets, including SC 72 (Recto Bank), SC 75 (Northwest Palawan), and SC 40 (North Cebu).

- Manage exploration risks by developing a diversified asset portfolio through the selective acquisition and divestment of assets based on a prudent assessment of risks and upside potential.
- Continuously evaluate the PXP group structure to ensure optimal use and allocation of management, technical, and financial resources.
- Access global technical expertise and technology through partnerships with international oil companies and the engagement of international contractors and technical consultants.

Corporate Social Responsibility (CSR)

PXP, through its subsidiary Forum Energy Philippines Corporation (FEPC) and Joint Venture partners, undertakes Community Assistance Programs (CAPs) in its host communities in Palawan. The CAPs are facilitated by NPG Pty Ltd (NPG), as the Operator of SC 14C-1 Galoc block, through the Galoc Field Area and Development (GFAD) Project. The municipalities covered in the CAPs are Culion, Busuanga, and Linapacan, which were predetermined during the environmental impact study conducted before the Galoc Field's commercial production.

Education support

PXP and its Galoc JV partners coordinate with local schools within the host communities to improve their facilities and enhance the quality of education. In previous years, the Galoc JV has donated solar-powered Educational TVs (E-TVs) to boost teachers' instructional capabilities, provided financial support to teacher training programs, and launched construction projects to build and rehabilitate classrooms. As part of the GFAD Project, a Laboratory House for Hospitality Management Students of the Western Philippines University (WPU) in Busuanga and two (2) modified buses for the students of the Municipality of Culion were also donated in 2019 and 2021, respectively.



In 2024, the Galoc JV undertook multiple projects as part of its GFAD CAP. Starlink Internet Kits were provided to 33 schools in Culion, Palawan in July 2024. An additional 26 schools in Busuanga also received Starlink Internet Kits with Portable Solar Generators in November 2024. These ensure reliable internet connectivity for the students and teachers of the recipient schools, thereby improving access to online learning resources, digital literacy, and overall educational opportunities. The Galoc JV, through NPG, also conducted a two (2)-day Inter-Agency Monitoring Body Capacity Building Training Workshop on Oil

Spill Response Awareness in Coron, Palawan. The workshop equipped participants from the Municipal Disaster Risk Reduction and Management Office (MDRRMO) of Busuanga, Culion, and Linapacan with skills and strategies to respond to oil spill incidents, highlighting the improvised oil spill equipment available in their respective areas and ensuring minimal environmental impact.

On September 1, 2023, FEI conducted a school donation drive at the Maya National High School (MNHS) in Barangay Maya, Daanbantayan, Cebu, as part of the Social Development Program commitment of SC 40. A total of 1,050 school kits, each consisting of a water bottle and basic writing materials, were assembled for the students of MNHS. Some teaching materials, such as blackboard chalk and erasers, were also provided to the faculty. The turnover ceremony was graced by the students, teachers, and staff of MNHS, Daanbantayan local government officials, representatives from the DOE, and FEI President and staff.

PXP considers its people its greatest asset and is committed to continuously implementing training and development for them. During the Magnetotelluric (MT) Survey in Daanbantayan, Cebu, FEI geoscientists and MT Survey consultants conducted brief lectures on fundamental geology and the application of basic geological tools for the locally hired field assistants (FA). The FA's training also covered essential safety techniques, including the appropriate use of fire extinguishers, which are skills that could prove invaluable in the future. In December 2024, the technical team, along with the consultants from the MT Survey, participated in a geological conference hosted by the Geological Society of the Philippines. During the conference, the MT Survey consultants showed the initial results of the survey through a presentation titled "Imaging of a Reef Trap Structure in Northern Cebu using MagnetoTellurics (MT) Sounding."

The Company's safety officer, who is responsible for overseeing the safe conduct of daily operations, has completed extensive health and safety trainings, equipping her with the qualifications needed for the role. These trainings include: (1) Basic Occupational Safety and Health (BOSH) Training; (2) Standard First Aid (SFA) Training and Basic Life Support (BLS) with Automatic External Defibrillator (AED); (3) Basic Offshore Induction and Emergency Training with Compressed Air Emergency Breathing System; and

(4) Institution of Occupational Safety and Health (IOSH) Training. In January 2024, the safety officer and a fellow employee successfully completed SFA Training with the Philippine Red Cross - Quezon City Chapter.

PXP actively supports employee development through various training programs for its workforce. Technical personnel participate in local and international meetings, seminars, and virtual webinars to stay abreast with advancements in exploration technologies and remain informed about the status of petroleum exploration in the Asia-Pacific region. In March 2024, a PXP geoscientist attended the Petroleum Geology of Southeast Asia course organized by the Southeast Asia Petroleum Exploration Society (SEAPEX) in Manila.



Healthcare support

Healthcare initiatives have been expanded in recent years from providing essential equipment and supplies to a more sustainable focus on the training and education of local health workers. The Company, through GFAD, supports the improvement of local health facilities by providing solar electrification, generator sets, and various medical equipment and supplies to local clinics and rural health centers in Culion. In 2018, FEI provided financial assistance to its maintenance supervisor in Cebu, who belongs to an indigent community group and needed aid for his surgery expenses.

The Company and its subsidiaries also consistently foster a safe working environment. With the emergence of COVID-19, PXP implemented a new work arrangement by integrating telecommuting into its operations. From March to May 2020, a work-from-home policy was implemented during the Enhanced Community Quarantine. Throughout the pandemic, the Company offered COVID-19 vaccines, along with the standard influenza and pneumococcal vaccines, as well as annual physical examinations routinely provided to employees.

A first aid kit, containing essential supplies for wound care, oral and topical medications, as well as disinfecting materials such as alcohol, wet wipes, gloves, and tissue papers, was consistently available throughout the 2024 MT Survey campaign. Nutritious meals, snacks, and clean water were also provided to the MT field team throughout the survey.

Community infrastructure development

PXP supports local development by enhancing public facilities. In addition to supporting schools and hospitals, GFAD launched construction projects that built an access road, an eco-tourism information center, and a community library.

On October 11, 2021, NPG requested a Notice to Proceed from the DOE for a water system project to be implemented in Busuanga, which was granted on November 5, 2021. Following the signing of the Memorandum of Agreement between NPG and the Municipality of Busuanga, a groundbreaking ceremony was conducted at the project site on May 20, 2022. On March 11, 2024, the Galoc JV completed the water system project. This will provide the community with safe, potable water, improve public health, and support both residents and the growing tourism sector.



Livelihood support

The Company is open to creating livelihood opportunities for locals, whether through construction projects undertaken in Palawan or manpower development programs such as baking classes for women in the community. PXP also provided short-term employment to locals during the 2018 geological fieldwork in Palawan and the 2018 and 2020 land gravity surveys in Cebu.

In April 2022, local water taxis in Ulugan Bay, Palawan, were hired to transport logistics agents and officials from the Palawan Customs, Immigration, and Quarantine who inspected the MV Cassandra VI Geophysical Survey vessel.

In 2023, FEI hired a former drilling supervisor to monitor the pullout of scrap materials from the Maya storage site. Residents of Daanbantayan, Cebu have been engaged to provide transportation services for the site inspection visits with the DOE to the Maya storage facility from 2023 to the present.

In the recent MT Survey in Daanbantayan, Cebu conducted from June to September 2024, FEI successfully offered employment opportunities to local communities by hiring five (5) field assistants, two (2) field guides, and an administrative assistant. Additionally, a former FEI employee was contracted to cater meals for the MT Survey field team.

Environmental compliance and resource management

PXP continues to strictly abide by environmental laws and policies. The exploration, production, and development activities are accomplished with minimal or no detrimental impacts on flora and fauna, marine, and onshore environments (i.e., soils, surface, ground, and marine waters). Furthermore, PXP promotes environmental awareness in the community before and after conducting geological and geophysical (G&G) activities.

In 2020, FEI inspected the Maya storage site, where radioactive materials had been stored before being transported to the Philippine Nuclear Research Institute (PNRI) for proper disposal. In 2022, PNRI personnel confirmed that there were no radioactive materials or contamination in the area. Site restoration commenced thereafter, which involved the disposal of old pipes and equipment used in previous drilling operations.

The asset disposal was coordinated with the DOE and was completed in June 2023.

The Maya storage site undergoes regular monitoring and cleanup, while site inspections with DOE representatives are conducted at least quarterly.

Effective housekeeping practices were enforced during the MT Survey in Cebu. FEI supplied garbage bags daily to manage the waste generated throughout the survey activities. Furthermore, the site supervisor ensured that land disturbances were kept to a minimum, such as burying sticks to support a makeshift tent and cutting wild grasses.

A commitment to undertake activities without endangering the environment and the health and safety of people is key to maintaining the Company's license to operate. Furthermore, securing the support of the community is essential to ensure that local stakeholders are engaged and involved in operations when necessary.

Cultivating amicable relations with the indigenous community

Although there are no Indigenous Peoples (IPs) residing within the Company's areas of operation, it strives to manage any potential impact of its operations on the traditional lifestyle of IPs residing in neighboring islands or adjacent territories through careful planning, consultation, accommodation, and negotiation with the local community and indigenous groups.

The Company, in coordination with the DOE, conducts information, education, and communication (IEC) campaigns prior to fieldwork and field surveys. These campaigns address local health and safety concerns and provide cultural orientation for employees.

Potential community tensions, grievances, and concerns are managed through a transparent formal grievance mechanism, which results in a harmonious relationship between PXP and the local community.

Contribution to the local economy

PXP recognizes the importance of working with people in the communities where it operates. Moreover, the Company strives to facilitate close working relationships and achieve the best possible outcomes for those communities and local economies.

The Company contributes to economic growth by promptly paying taxes to local governments and rental fees to local landowners. It also supports community projects that are based on the local communities' needs. FEI contributed to the local community's economy by leasing service vehicles and a house for three (3) months during the MT Survey. Office supplies, field tools, and personal protective equipment (PPE), among other items, were purchased in either Daanbantayan, Bogo City, or Cebu City. Snacks and refreshments were sourced daily from local stores within the survey area.

These efforts have modestly contributed to the pursuit of the following United Nations Sustainability Development Goals (UN SDGs):



The Company will continue to report on corporate sustainability as it fosters transparency, mitigates risks, and supports long-term business growth while contributing to environmental preservation, protection, and public well-being.



Sustainability Report

Contextual Information

COMPANY DETAILS	
Name of Organization	PXP Energy Corporation
Location of Headquarters	2F LaunchPad, Reliance corner Sheridan Streets, Mandaluyong City 1550, Philippines
Location of Operations	Headquartered in the Philippines with Petroleum Service Contracts in Northwest Palawan and Cebu, Philippines
Report Boundary: Legal entities (e.g. subsidiaries) included in this report	PXP Energy Corporation and its subsidiary Forum Energy Limited
Business Model, including Primary Activities, Brands, Products, and Services	PXP is an upstream oil and gas company incorporated in the Philippines to carry on businesses related to any and all kinds of petroleum and petroleum products, mineral oils, and other sources of energy.
Reporting Period	January 1, 2024 to December 31, 2024
Highest Ranking Person responsible for this report	President

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.¹

PXP Energy Corporation (PXP or the Company) acknowledges that, with a growing interest from shareholders and other stakeholders in corporate sustainability, it is increasingly important to formally disclose how PXP integrates sustainability into its business practices, decision-making strategy, and culture over time. This report can assist with both informing and reassuring employees, shareholders, investors, regulators, and other stakeholders about the Company's commitment to the environment and the community.

Over the financial year, PXP has engaged with both internal and external stakeholders to gain a better understanding of the information that is most relevant and meaningful to report. This section of the Annual Report now provides greater insight into PXP's risk management and governance practices and the work it does to manage social, environmental, and economic sustainability.

¹ See GRI 102-46 (2016) for more guidance.

PHILOSOPHY AND MANAGEMENT

As part of the oil and gas industry, PXP recognizes the challenges and opportunities facing its business and the importance of operating responsibly. The Company is committed to the health and safety of its employees, contractors, and the local community, as well as the preservation of the environment where it has petroleum operations.

Social, environmental, and economic sustainability are the core principles of PXP's business culture and growth strategy. To ensure these principles are embedded in the business, PXP developed a management framework and governance system that both promote sustainability and provide clear guidelines for decision-making throughout the Company.

The Company's key priorities for corporate sustainability have been identified through the risk management process overseen by the Board Risk and Resource Oversight Committee. Risks are assessed in four (4) core business categories:

- 1. Operations;
- Finance;
- 3. Legal and Compliance; and
- 4. People and Culture.

The highest priority sustainability risks identified in each category are described below, along with how they have been managed and will continue to be managed in the future.

Operations

The Company and its subsidiaries adhere to international health and safety standards, promote loss prevention, and uphold the preservation of the environment as its core value.

SAFETY

PXP's approach to health, safety, and the environment is proactive, with workforce training at all organizational levels within the organization. The Company is committed to conducting its operations and delivering its products and services in a manner that does not harm people. Protecting the health and safety of the employees, contractors, clients, and third parties who are involved in operations is the foundation of the success of the business. Further, an employee was

designated by the Company to act as a safety officer who oversees the safe conduct within the Company's premises on a day-to-day basis.

RESPECT FOR COMMUNITIES

PXP recognizes the importance of connecting with people in the communities where it operates to facilitate close working relationships and achieve the best possible outcomes for those communities and local economies.

PXP, together with its subsidiary, Forum Energy Limited (Forum), and Joint Venture (JV) Partners, has undertaken community assistance programs in Cebu and Palawan, particularly in Daanbantayan, the Calamian Islands, Culion, and Busuanga, which are their host provinces. These programs aim to help the community through educational, livelihood, and health assistance.

The Company's community assistance and corporate social responsibility programs are available at the Company's website: https://www.pxpenergy.com.ph/corporate-governance/corporate-social-responsibility/.

HEALTHCARE

Healthcare initiatives have been expanded in recent years from the provision of much-needed basic care facilities to a more sustainable focus on training and education of local health workers.

ENVIRONMENT

A commitment to undertake activities without endangering the environment or the health and safety of people is key to maintaining the Company's license to operate.

Finance

Oil and gas exploration is a high-cost/high-reward industry that requires significant financial resources to establish and implement drilling programs to move assets from discovery to production. Several external factors could influence this, such as the volatility in global commercial markets and the price of crude oil. To protect its financial interests, the Company understands that such volatility requires careful planning, anticipating changes in the commercial environment, and flexibility in managing commitments.

The Board of Directors and management are responsible for establishing and maintaining a business strategy, including risk identification and assessment, which facilitates responsible decision-making. Since its incorporation, PXP has adopted a business plan to ensure it operates ethically and responsibly.

Although PXP has no financial lenders other than related parties, it has been noted that in recent times, financial lenders have become more focused on best sustainable practices as part of their corporate lending criteria. While the Company takes great pride in its commitment to sustainable corporate practices, it acknowledges that this has not been a part of PXP's formal reporting until the financial year 2019. The Company will continue to report more on corporate sustainability to assist financial lenders in their future assessments.

Legal and Compliance

Bribery and corruption are the key legal and compliance sustainability risks to PXP's business.

The Company has always conducted its business ethically, with zero tolerance for bribery or corruption. PXP recognizes the impacts of poor business practices, not just on the Company and its shareholders, but also on the communities and economies where it operates.

PXP has consistently demonstrated its opposition to both bribery and corruption through its conduct and operations, as well as publicly via its Code of Conduct. To further emphasize its commitment to ethical business operations, Anti-Corruption Programs and Procedures have been established and implemented throughout the Company, which can be found on its website at https://www.pxpenergy.com.ph/corporate-governance/company-policy/code-of-business-conduct-and-ethics/.

People and Culture

The key sustainability risk relating to people and culture within the organization is having inappropriate governance systems in place to facilitate the enforcement of policies and procedures in its business practices.

The success of the Company not only depends on having talented and dedicated employees and contractors, but also on providing them with the environment they need to perform at their best. It recognizes the importance of having policies and procedures in place to govern its operations, provide clear direction for employees and contractors, and ensure that these develop and nurture a company culture that embraces those policies and their implementation.

The Company has publicly available written policies that are regularly updated to ensure their accordance with the latest regulations and guidelines, including Best Practices in Corporate Governance guidelines. This will reflect on the business practices and culture of the Company. These policies include the following:

- Code of Business Conduct and Ethics;
- Supplier Contractor Relations;
- Whistle Blowing;
- Diversity;
- Dealings in Company Shares;
- Gifts, Entertainment, and Sponsored Travels;
- Conflict of Interest; and
- Related Party Transactions.

The above policies are regularly reviewed by the Company to ensure that they represent best industry practices, are compliant with local regulations and guidelines, and demonstrate the Company's commitment to its employees, contractors, local community, and the environment in which it operates. The Company also monitors any updates and/or new laws to ensure these are reflected in its business policies. The policies are publicly available and accessible under the Corporate Governance tab on the Company's website at https://www.pxpenergy.com.ph/corporate-governance/company-policies/.



Economic

Economic Performance

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED		
DISCLOSURE	AMOUNT IN THOUSAND	UNITS
Direct economic value generated (revenue)		
a. Petroleum revenue	66,982	Php
b. Other income	3,612	Php
Direct economic value distributed:		
a. Operating costs	(37,471)	Php
b. Employee wages and benefits	(13,865)	Php
c. Payments to suppliers, other operating costs	(46,811)	Php
d. Dividends given to stockholders and interest payments to loan providers	-	Php
e. Taxes given to the government	(1,025)	Php
f. Investments in community (e.g., donations, CSR)	(5)	Php
Economic value retained	(28,583)	Php

WHAT IS THE IMPACT, AND WHERE DOES IT OCCUR? WHAT IS THE ORGANIZATION'S INVOLVEMENT IN THE IMPACT?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH
The Company derives revenue indirectly through its subsidiary, Forum Energy Philippines Corporation, through SC 14C-1 (Galoc). Crude oil lifted from the Galoc Field was sold to customers from nearby Southeast and East Asian countries. In 2024, crude oil from Galoc was sold to South Korea and Thailand.	All stakeholders	The Company ensures its operations and financial affairs are managed soundly and prudently. In addition, financial and internal controls are in place to ensure the reliability and integrity of financial and operational information.
The Company contributes to economic growth by paying taxes to national and local governments and funding community projects that address the needs of the local people.		

WHAT ARE THE RISK/S IDENTIFIED?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH
Financial lenders have been more focused on the Company's implemented sustainability programs as part of their corporate lending requirements.	All stakeholders	The Company takes great pride in its commitment to corporate sustainability practices. Thus, it will continue to report more fully on corporate sustainability to assist financial lenders, if any, in their future assessments.

WHAT ARE THE OPPORTUNITY/IES IDENTIFIED?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH
Oil and gas revenue contribution to the Philippine Gross Domestic Product (GDP)	All stakeholders	Review and evaluation of petroleum blocks for possible participation, either through farmin or application for a new service
Encourage foreign investment that could result in increased revenue		contract
and local employment Search for new venture projects,		The Company is part of Joint Ventures (JVs) with expiring service contracts, but with untapped or
either as an operator or Joint Venture partner, within the Philippines for exploration and development		undeveloped petroleum potential. Due to time constraints, the JVs relinquished the blocks and applied for new service contracts. This will allow the Consortium to reconstitute and have sufficient time to drill and develop any future discoveries in the areas.
		Farm out participating interests in select service contracts to allow qualified foreign companies to invest and share the risks associated with petroleum exploration

Climate-related risks and opportunities²

GOVERNANCE

Disclose the organization's governance around climate-related risks and opportunities

The highest level of responsibility for climate change within PXP is delegated by the Board of Directors to the Board Risk and Resource Oversight Committee (BRROC). The BRROC is responsible for a range of risk and governance matters, including identifying material exposure to economic, environmental, and social sustainability risks. This Committee is supported by the Risk Management Team, which involves senior management.

RECOMMENDED DISCLOSURES

a. Describe the board's oversight of climaterelated risks and opportunities

PXP stays true to its Vision and Values through the aligned objectives of its Board members. Its goal is to become a world-class Philippine energy resource company while showing genuine concern for its communities and environment.

BRROC meetings are conducted at least three (3) times a year to discuss updates on the Company assets, including climate-related concerns.

During these meetings, the committee is informed of salient issues that require board approval. The management ensures that the environmental impact (e.g., on climate change) is carefully considered in the recommendations presented to the board. Updates on policies implemented, actions undertaken, and the effects of these decisions are discussed with the board in the succeeding BRROC meetings.

b. Describe management's role in assessing and managing climate-related risks and opportunities

The Board, as the ultimate decision-making body, relies on PXP management to make informed decisions and take appropriate actions in urgent situations. Additionally, PXP management monitors all operations and evaluates the potential environmental consequences of the Company's actions.

In non-operated blocks, the PXP management informs both the Board and employees regarding the actions being taken by the JV partners to evaluate any climate-related risks.

STRATEGY

Disclose the actual and potential impacts³ of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning, where such information is material

PXP views energy as vital for economic and social development, but also acknowledges that a transition to low-carbon fuels and renewable energy sources is needed to reduce the impact of climate change. As part of the oil and gas industry, successfully identifying and managing these challenges is necessary for the long-term success and sustainability of the business.

During the transition planning process, or the development stage, the Company looks to identify opportunities to expand existing programs and develop new activities that aim to increase operational efficiency and/or reduce carbon emissions.

RECOMMENDED DISCLOSURES

a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term

Most of PXP's assets are still in the exploration stage. Thus, the bulk of the operation is conducted in the head office. The production of paper waste is the most common short-term environmental risk the Company faces. Since 2020, the Company stopped its subscription to printed newspapers. By going electronic, the Company is reducing paper waste and minimizing its operational expenses.

PXP has identified natural disasters as affecting its employees in the short-term based on the strong typhoons experienced by the country in the past years.

² Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers, and asset owners.

³ For this disclosure, impact refers to the impact of climate-related issues on the company.

Flaring of natural gases in SC 14C-1 Galoc emits tons of GHG into the atmosphere, thus causing medium-term health hazards to the employees onboard the platform and long-term effects on global warming.

The increasing interest in and the shift to renewable energy pose a long-term risk to the oil and gas industry. The energy market has begun transitioning from fossil fuels to more sustainable alternative energy sources. However, even as renewable energy sources continue to expand and evolve, fossil fuels, such as oil and gas, will still play a significant role in global energy consumption.

b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

The Company's strategy to mitigate climaterelated risks initially requires higher capital expenditures for equipment acquisition and employee training. However, efficient equipment performance is expected to lead to reduced operational costs over time. Additionally, the Company plans its activities with consideration for climate-related risks such as weather patterns, which could result in additional expenses. For example, in 2020, plug-andabandonment activities in SC 14 were temporarily postponed during the typhoon season to minimize risks and avoid downtime caused by inclement weather. Similarly, the Land Gravity Survey in SC 40 was scheduled during the dry season to prevent weather-related downtime. The suspended offshore seismic survey in SC 75 and offshore drilling in SC 72 were initially scheduled for implementation during the summer months when the likelihood of storms and ocean swells is lower.

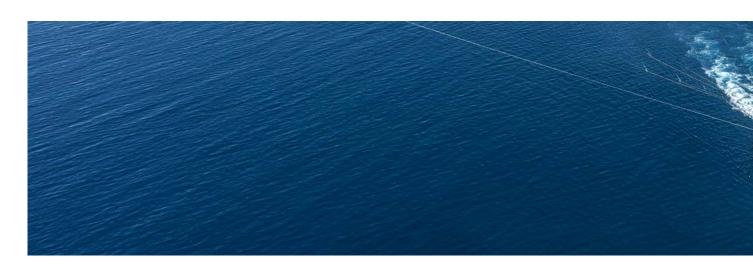
 c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

While the Company strives to establish plans ahead of time for its various activities, unexpected issues can still arise and disrupt regular workflow. However, employees are well-trained to adapt to these situations and will only continue to work if conditions are safe.

The Company's management and staff conduct scenario analyses and create contingency plans before project implementation. These plans are always presented to the board and typically include an additional 10-15% of the total project budget and the total number of working days allocated for contingencies.

To sustain its operation, the Company also acquires additional service contracts to improve its portfolio. For instance, PXP joined the DOE's conventional energy contracting program through the acquisition of new prospective areas for exploration and development.

As a player in the Energy Sector, the Company is mindful of the growing global awareness about climate change. Although not an immediate plan, the Company may consider a transition to a lower carbon economy compliant with regulations in the future if an opportunity arises.



RISK MANAGEMENT

Disclose how the organization identifies, assesses, and manages climate-related risks

Climate-related risks identified will include several measures of consequences relating to environmental, safety, financial, and reputational impacts.

The Company aims to minimize and mitigate risks through the education, motivation, and involvement of all employees, consultants, and contractors.

RECOMMENDED DISCLOSURES

a. Describe the organization's processes for identifying and assessing climate-related risks

Every last quarter of the year, PXP holds management meetings to discuss the work programs and budgets (WP&B) for the succeeding year. The Exploration program includes geological and geophysical (G&G) activities, which are strategically scheduled throughout the coming year. Alongside this, PXP identifies possible environmental risks, including those that are climate-related, which may impede the accomplishment of the said activities. The use of previously collected data, such as rainfall quantity, ocean current pattern, and gas emissions, helps in forecasting risks that may arise during the implementation of G&G activities. PXP also studies the probability of these risks occurring, along with the scope of their direct and indirect impacts. Planning and assessment are conducted for each stage of the proposed projects.

BRROC meetings are held at least three (3) times a year to discuss risks identified in the Company operations.



b. Describe the organization's processes for managing climate-related risks

The Company takes a proactive approach to ensure the safety and well-being of its employees, stakeholders, and the communities affected by its projects. This includes strategic planning that accounts for potential expenses associated with climate-related risks such as typhoons, floods, and droughts.

PXP has implemented regular office emergency drills, and provided personal protective equipment (PPE), grab-and-go bags, and medical insurance to its employees. Additionally, the Company provides extra insurance coverage for employees, contractors, and equipment before executing exploration activities, ensuring protection for both the Company and end-users.

The Company and its JV partners stay up-todate with environmental laws that regulate water, air, and land pollution, and regularly monitor the quality of these environmental aspects in operational blocks.

 c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management

The Company takes a comprehensive approach to managing its risks, including those related to climate change. After identifying, assessing, and preparing the action plans for climate-related risks, they are integrated with other risks to establish cause-and-effect relationships among them.

To minimize the impact of inclement weather on its operations, most of the geological and geophysical activities, such as fieldwork, seismic surveys, and drilling, are scheduled during the dry season. The assessment of financial and operational risks takes into account the possibility of suspending activities due to adverse weather conditions.

During the planning stage, the Company sets aside additional funds to cover the extension of field days required in response to the suspension of activities. Moreover, the schedules and scopes of work of office employees are adjusted to accommodate the length of time that deployed employees are unavailable to perform their usual tasks.

METRICS AND TARGETS

Disclose the metrics and targets used to assess and manage relevant climaterelated risks and opportunities where such information is material

The Company has not set targets for emissions reductions in recent years, as most of its major assets are still in the exploration stage. However, the office's greenhouse gas (GHG) emissions have minimal impact on the environment.

For the Galoc Operations, in which Forum has a participating interest, GHG emissions and gas flaring are being monitored and measured.

Once its operated assets commence production, the Company will actively engage in direct and indirect monitoring of GHG emissions.

RECOMMENDED DISCLOSURES

 a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process

The Galoc JV strictly complies with RA 8749 or the Philippine Clean Air Act of 1999, which has the Department of Environment and Natural Resources (DENR) as the lead agency. The quality and quantity of gas emissions during operations are compared to the standardized limits set by the DENR.

PXP adheres to the Department of Energy (DOE) standards concerning regulations in the energy industry. The Company regularly submits quarterly and annual operations reports as

well as accomplishment reports of exploration activities conducted in the operated service contracts. The plans and programs of the Company are aligned with the DOE's mission to be globally competitive while improving the quality of life in Filipino communities.

 b. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets

The Company's main goal is to reduce the carbon footprint and negative environmental impact of its exploration activities while still achieving its objectives.

The Company promotes recycling in its office premises, repurposing items such as papers, carton boxes, plastic bags, and plastic/glass bottles to reduce operational expenses and generate additional income. The Company also practices conservation of electricity and water, and uses GHG-emitting equipment efficiently to contribute fewer air pollutants.

Operators of oil-producing fields ensure that their facilities are in optimal condition to maintain emissions of hazardous substances within acceptable limits.

To monitor progress, the Company compares its performance in the current year with previous years, using indicators such as hazardous emissions (in kilograms or tons), effluents (in cubic meters), solid waste (in kg or m³), electricity (in kilowatt-hours), and water consumption (m³).

Procurement Practices

PROPORTION OF SPENDING ON LOCAL SUPPLIERS		
DISCLOSURE	QUANTITY	UNITS
Percentage of procurement budget used for significant locations of operations that are spent on local suppliers	22,645,767	Php

In 2024, The Company's procurement expenses were limited to general and administrative costs, including office supplies, professional services, insurance, and office maintenance.

Within this scope, the PXP office had 35 suppliers, of which 30 were local (accounting for 86% of the total suppliers).

WHAT IS THE IMPACT, AND WHERE DOES IT OCCUR? WHAT IS THE ORGANIZATION'S INVOLVEMENT IN THE IMPACT?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH
Adopting a localized supply chain presents an opportunity to decrease emissions and energy consumption. By sourcing materials locally, the Company can reduce its carbon footprint associated with long-distance transportation, whether by air, water, or land. This reduces fuel consumption as well as air and water pollution, contributing to a more sustainable operation.	Suppliers	Foreign contractors are only engaged when no qualified or capable local suppliers are available.
WHAT ARE THE RISK/S IDENTIFIED?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH
Inability of local suppliers to meet the demand.	Suppliers	Management assesses the availability and competency of local suppliers. Foreign contractors are only engaged when no qualified or capable local suppliers are available.
WHAT ARE THE OPPORTUNITY/IES IDENTIFIED?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH
The Company reduces shipping and storage costs while increasing revenue for the local economy by involving local suppliers. This presents an opportunity for the Company to be more competitive in	Suppliers and other oil and gas companies	The Company's policy on supplier-contractor relations is available at the Company's website: https://www.pxpenergy.com.ph/corporate-governance/company-policy/supplier-contractor-relation/.
terms of providing services to other local oil and gas companies.		The Company also seeks and maintains mutually beneficial relationships with Suppliers that uphold the Company's principles and core values.

Anti-corruption

TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES		
DISCLOSURE	QUANTITY	UNITS
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	-	-
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	-	-
Percentage of directors and management that have received anti-corruption training	-	-
Percentage of employees who have received anti- corruption training	-	-



WHAT IS THE IMPACT, AND WHERE DOES IT OCCUR? WHAT IS THE ORGANIZATION'S INVOLVEMENT IN THE IMPACT?

The Supply Chain Department of the Company's affiliate provides support by maintaining guidelines and issuing necessary notices to Suppliers, including requiring Suppliers to declare their previous business and official dealings (i.e., former business partner, broker, superior or subordinate), and personal relationships (i.e., relatives, former classmates, or coworkers, etc.) with any of the Company's Directors, Employees, or Consultants before the Supplier participates in any bid or consideration for any transaction by the Company.

WHICH STAKEHOLDERS ARE AFFECTED?

Suppliers, Board of Directors, Employees, and Consultants of PXP

MANAGEMENT APPROACH

The Company formulated a Code of Business Conduct and Ethics, which upholds professionalism and ethics in business dealings and transactions.

Moreover, the Company has a Vendor Relations Policy and a Policy on Gifts, Entertainment, and Sponsored Travel that are available on the Company's website through the following links:

https://www.pxpenergy.com.ph/corporate-governance/company-policy/policy-on-gifts/ and

https://www.pxpenergy.com.ph/corporate-governance/company-policy/supplier-contractor-relation/.

WHAT ARE THE RISK/S IDENTIFIED?

The following are examples of procurement situations that reveal unethical conduct by an Employee and/or Supplier. The areas and situations enumerated are illustrative only and not exhaustive.

- An Employee manipulating his evaluation of the contract proposals in exchange for bribes.
- A Supplier seeking internal (within the Company) and/or external (political/government) connections to increase chances of contract award.
- Suppliers submitting false documents for accreditation and other procurement-related transactions or processes.
- Employees developing unreasonable or over-specific technical requirements such that the award of the contract intentionally goes to a particular or preferred Supplier.
- Employees giving priority or informing preferred Suppliers in advance before actual requests, such that other Suppliers are caught unprepared or with too little time to plan.
- Products and/or services that have not undergone official procurement procedures since these were tested or evaluated beforehand through product demonstrations with particular Suppliers, thus limiting the chances for other Suppliers to compete.
- Undisclosed conflict of interest situations in business dealings resulting in giving undue advantage to another party.
- Disclosure of confidential and proprietary information by Employees to Suppliers.
- Incorrect payment of government taxes due to the manipulation of documents by Suppliers.
- Suppliers not remitting the correct SSS, PhilHealth,
 Pag-IBIG, and other employee contributions.

WHICH STAKEHOLDERS ARE AFFECTED?

Suppliers, Board of Directors, Employees, and Consultants of PXP

MANAGEMENT APPROACH

The appropriate business units conduct a proper investigation and resolution of each reported event, and the results are forwarded to the Chairman of the Board, the President, or respective executive-level superior, and other relevant groups or bodies in accordance with the procedure stated in the Whistleblowing Policy.

The Board of Directors, Officers, and Executives ensure that any Director, Employee, or Consultant who reports a suspected violation of this policy by a fellow Director, Employee, or Consultant is protected from any form of retaliation.

WHAT ARE THE OPPORTUNITY/IES IDENTIFIED?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH
Effective management of the Supply Chain creates possibilities for engaging with vendors to enhance products and services, while also facilitating negotiations for more competitive prices via open bidding.	Employees, Consultants, and vendors of PXP	PXP adheres to the utmost professional standards of business practices, core values, and ethics as outlined in its Code of Business Conduct and Ethics when engaging with its Suppliers for the acquisition of products and services.

Incidents of Corruption

DISCLOSURE	QUANTITY	UNITS
Number of incidents in which directors were removed or disciplined for corruption	None	#
Number of incidents in which employees were dismissed or disciplined for corruption	None	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	None	#

WHAT IS THE IMPACT, AND WHERE DOES IT OCCUR? WHAT IS THE ORGANIZATION'S INVOLVEMENT IN THE IMPACT?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH
Refrain from engaging in activities or having interests that may significantly impact the objective or efficient execution of duties and responsibilities within the Company. These include having business interests or unauthorized employment outside of the Company, or giving or receiving gifts from individuals or entities with whom the Company has relationships.	Board of Directors, Officers, Employees, and Vendors	The Company has clear rules on anti-bribery and corruption, which are included in the Code of Conduct for all employees. There is no place for bribery or corruption at PXP. Read more about the Company's values at https://www.pxpenergy.com.ph/corporate-governance/company-policy/code-of-business-conduct-and-ethics/.

WHAT ARE THE RISK/S IDENTIFIED?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH
Although the Company has not recorded any incidents, the risk of corruption is always present within a business environment.	Board of Directors, Officers, Employees, Suppliers, and Vendors	To mitigate this risk, the Company has clear rules on anti-bribery and corruption, which are included in the Code of Conduct for all employees. There is no place for bribery or corruption at PXP. Read more about the Company's values at https://www.pxpenergy.com.ph/corporate-governance/company-policy/code-of-business-conduct-and-ethics/. After conducting a proper investigation of an incident, PXP shall enforce disciplinary actions against violators, which may include measures such as suspension, dismissal, and/or filing of appropriate civil and/or criminal actions.

WHAT ARE THE OPPORTUNITY/IES IDENTIFIED?

Procurement should be done through open competitive bidding, except in unavoidable circumstances.

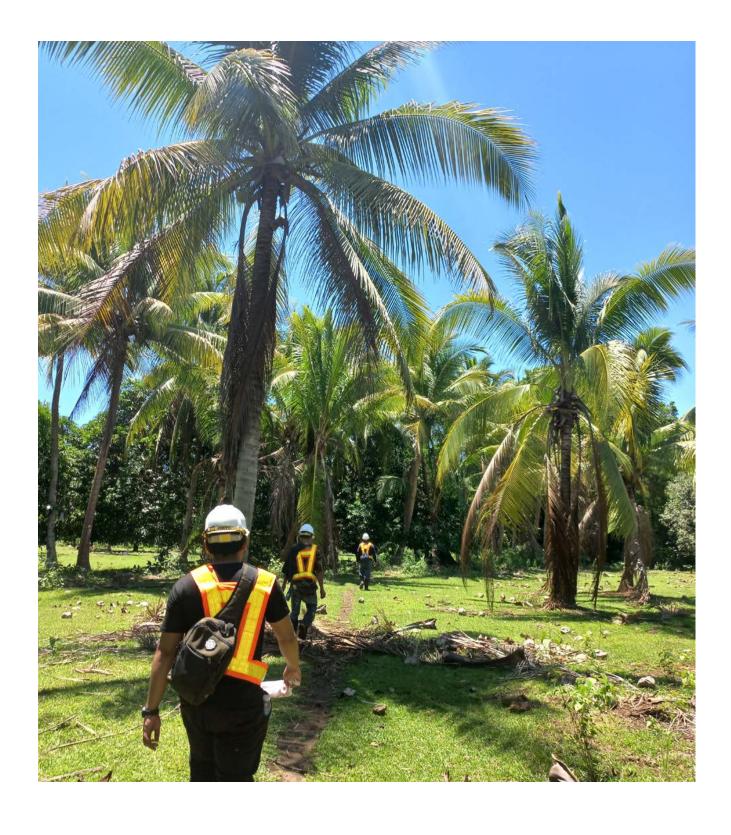
Seek ways for further employee development, such as seminars against corruption.

WHICH STAKEHOLDERS ARE AFFECTED?

Board of Directors, Officers, Employees, Suppliers, and Vendors

MANAGEMENT APPROACH

Regularly communicate PXP business policies to stakeholders.





Environment

Resource Management

ENERGY CONSUMPTION WITHIN THE ORGANIZATION:		
DISCLOSURE	QUANTITY	UNITS/YEAR
Energy consumption (renewable sources)	None	GJ
Energy consumption (gasoline)	10,800**	Liters
Energy consumption (LPG)	None	GJ
Energy consumption (diesel)	284,900*	Liters
Energy consumption (electricity)	2,111**	kWh/yr
Energy consumption (Natural gas)	44.677*	Mmscf

*Data are from SC 14C-1 (Galoc) Floating Production Storage and Offloading (FPSO) Vessel for the year 2024 as provided by the Operator, NPG Pty Ltd. PXP Energy produces oil through its subsidiary, Forum Energy Philippines Corporation, which has a 3.2103% stake in SC 14C-1.

**Electricity and gasoline consumption at PXP headquarters.

REDUCTION OF ENERGY CONSUMPTION		
DISCLOSURE	QUANTITY	UNITS/YEAR
Energy reduction (gasoline)	Minimal	Liters
Energy reduction (LPG)	Not applicable	GJ
Energy reduction (diesel)	Minimal	Liters
Energy reduction (electricity)	None	kWh

WHAT IS THE IMPACT, AND WHERE DOES IT OCCUR? WHAT IS THE ORGANIZATION'S INVOLVEMENT IN THE IMPACT?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH
In the office, continuous efforts are being made to reduce energy consumption through the implementation of energy conservation measures.	Employees	The Company has been implementing cost-cutting measures since 2015, resulting in the proper monitoring of and reduction in general and administrative expenses.

WHAT ARE THE RISK/S IDENTIFIED?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH
Inefficient use of office equipment results in higher energy consumption.	Employees	Continuous monitoring and constant reminders to company employees regarding the efficient use of office equipment.
		Orient maintenance staff on the schedule for lights, air conditioners, workstations, and other electrical equipment usage, especially when the flexible work arrangement is followed and employees are accessing their workstations remotely.

WHAT ARE THE OPPORTUNITY/IES IDENTIFIED?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH
The Company continues to evaluate the implementation of telecommuting, allowing employees to work from home, as it decreases operational costs and increases productivity by minimizing travel time.	Employees	Following the emergence of COVID-19, the Company implemented a flexible work arrangement wherein employees are only required to report on-site for three (3) to four (4) business days a week. This new working arrangement reduced electricity consumption.

WATER CONSUMPTION WITHIN THE ORGANIZATION:		
DISCLOSURE	QUANTITY	UNITS/YEAR
Water withdrawal	None	Cubic meters
Water consumption*	180	Cubic meters
Water recycled and reused	None	Cubic meters

^{*}Water consumption at PXP headquarters in 2024. Water use pertains only to the pantry and toilets.

WHAT IS THE IMPACT, AND WHERE DOES IT OCCUR? WHAT IS THE ORGANIZATION'S INVOLVEMENT IN THE IMPACT?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH
PXP has made water management a top priority.	Community, Employees, and Marine Crew at the	The Company educates its employees on the efficient use of water.
Additionally, at the FPSO, the Galoc operator continuously uses reverse osmosis in seawater desalination to produce clean water that can be utilized for drinking, bathing, food preparation, and other general purposes.	FPSO	Since 2012, the FPSO has been reprocessing seawater to produce clean, safe, and fresh water to be self-sufficient instead of relying on supply vessels to refill water tanks, which would entail an additional logistical process.
WHAT ARE THE RISK/S IDENTIFIED?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH
Within the office premises, some personnel may be unaware that they are consuming water irresponsibly, resulting in higher consumption.	Employees	The Company instills water conservation practices in its employees.
		Management has adjusted the water pressure in the comfort rooms to regulate water flow and avoid spillage.
		To prevent water wastage, management ensures there are no faucet and toilet leaks in the office by conducting monthly inspections and replacing damaged parts.
WHAT ARE THE OPPORTUNITY/IES IDENTIFIED?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH

WHAT ARE THE OPPORTUNITY/IES IDENTIFIED?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH
Efficient water consumption leads to financial savings, which the Company can appropriate for other purposes. Moreover, water conservation benefits the community by prolonging the water supply, especially during the dry months from March to May, when water levels in reservoirs drop below normal.	Employees and Building Management	The Company emphasizes responsible water use to its employees.

MATERIALS USED BY THE ORGANIZATION		
DISCLOSURE	YTITMAUQ	UNITS/YEAR
Materials used by weight or volume		
Renewable		
Water	4,813,406.37*	Cubic meters
Wood/Paper	22.5*	Cubic meters
Non-Renewable		
Metals	41*	Cubic meters
Plastics	135.5*	Cubic meters
Diesel	284,900*	Liters
Natural Gas	44.677*	Million standard cubic feet
Percentage of recycled input materials used to manufacture the organization's primary products and services	None	%

^{*}Data from SC 14C-1 Galoc for the year 2024. The volume of water only includes produced formation water, wash water, cooling water for the engine room, and cooling water for the process area. This does not include the potable water produced during osmosis.

WHAT IS THE IMPACT, AND WHERE DOES IT OCCUR? WHAT IS THE ORGANIZATION'S INVOLVEMENT IN THE IMPACT?

Platforms built on top of the seabed are made up of non-renewable metals such as steel alloyed with other elements like nickel, iron, chromium, carbon, and molybdenum, which are also non-renewable.

In offshore operations, water produced from the target formation during production is either recycled for platform/vessel/engine use, stored in stock tanks, or discharged back to the sea.

Plastics are non-renewable materials that use oil/fossil fuels as raw materials.

The Company, through the Galoc operations, produces tons of plastic, wood, and paper waste annually.

WHICH STAKEHOLDERS ARE AFFECTED?

Employees onboard the platform/ FPSO, the nearby Community, and the Environment

MANAGEMENT APPROACH

Although platforms are built far from the community, a portion or all of these structures are permanently left offshore. The DOE may opt to take over these structures after the cessation of all petroleum-related activities by the Company. When SC 14A and SC 14B ceased operations in 2020, the DOE donated the Nido and Matinloc platforms to the Armed Forces of the Philippines (AFP) for use in national defense purposes.

Platforms are furnished with equipment that can process formation water from the subsurface.

Recycling and waste segregation are implemented on the Company premises and the FPSO.

Papers, carton boxes, plastic bags, and plastic bottles in the office are given new functions or sold. In offshore operations, these are collected and disposed of onshore per the International Convention for the Prevention of Pollution from Ships (MARPOL) guidelines.

WHAT ARE THE RISK/S IDENTIFIED?

Improper maintenance of the platform can lead to rapid deterioration of metals, which may result in injuries or accidents. Deteriorated metals may also pose health and environmental risks to the marine flora and fauna surrounding the platform.

Accidental discharge of oil/dieselcontaminated water into the sea may cause life and health hazards to the marine ecosystem and nearby communities that depend on fishing for their livelihoods.

Improper waste disposal of used plastic and paper materials may result in pollution.

WHICH STAKEHOLDERS ARE AFFECTED?

Employees onboard the platform/ FPSO, the nearby Community, and the Environment

MANAGEMENT APPROACH

PXP, through its JV partners, assisted the Department of National Defense (DND) and the AFP by providing training on proper care and maintenance procedures. The platforms were also refurbished prior to the turnover.

Inspection, care, and maintenance of water-processing equipment are regularly implemented to ensure their efficiency and avoid accidents. The oil content of overboard and subsea water discharges is strictly monitored per the MARPOL guidelines.

The management encourages employees to practice recycling and proper waste management. Tree-planting activities were also conducted to replace the wood-based materials exhausted by the Company and as part of its Environmental Compliance Certificate (ECC) obligations to the government.

WHAT ARE THE OPPORTUNITY/IES IDENTIFIED?

Platforms function as habitats for aquatic organisms that attach themselves to the steel structures beneath the ocean's surface. The abundant marine resources that thrive around these platforms bring benefits to both the local community and the current platform owners.

Discharging treated water into the ocean around subsea structures will not cause harm to the thriving marine ecosystem. By ensuring that water discharge remains uncontaminated by oil or diesel, penalties and fines can be avoided.

Recycling benefits the Company by reducing operational expenses and providing additional income.

WHICH STAKEHOLDERS ARE AFFECTED?

Employees onboard the platform/ FPSO, the nearby Community, the Environment, and Management

MANAGEMENT APPROACH

Technical support from the Company and JV partners was provided during the turnover of the Nido and Matinloc platforms. In the Galoc Block, the Consortium ensures it complies with the environmental laws governing water/sea.

The Company sells used plastic and paper waste, with some materials repurposed into new items for employee use. Since the lockdown in March 2020, the Company has discontinued its newspaper subscription, opting instead for accessing the news online. This has resulted in savings and a reduced environmental footprint.

ECOSYSTEMS AND BIODIVERSITY (WHETHER IN UPLAND/WATERSHED OR COASTAL/MARINE)		
DISCLOSURE	QUANTITY	UNITS
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None*	ha
Habitats protected or restored	None	ha
IUCN ⁴ Red List species and national conservation list species with habitats in areas affected by operations	None	ha

^{*}Prior to the awarding of SCs, the DOE carves out protected areas per the National Integrated Protected Areas System of the DENR.

WHAT IS THE IMPACT, AND WHERE DOES IT OCCUR? WHAT IS THE ORGANIZATION'S INVOLVEMENT IN THE IMPACT? The Company is committed

The Company is committed to upholding environmental laws and policies by obtaining the necessary permits from regulatory bodies, such as the DOE, the DENR, and the Mines and Geosciences Bureau (MGB), before conducting field activities. Moreover, PXP raises environmental awareness among the community both before and after undertaking G&G activities.

WHICH STAKEHOLDERS ARE AFFECTED?

Employees and Communities adjacent to or within the SCs

MANAGEMENT APPROACH

PXP and its subsidiary Forum have acquired Certificates of Non-Coverage (CNC) and ECC from the Environmental Management Bureau (EMB) of the DENR to cover all their exploration activities, as summarized below.

- SC 14C-1 An ECC was issued on August 30, 2006, to cover the Galoc Field development.
- 2. SC 72 A CNC was issued on December 22, 2010, for the 2D and 3D seismic surveys conducted in the Recto Bank. Another CNC was issued on May 23, 2012, to cover all exploration and appraisal activities, including the drilling of exploration wells.
- 3. SC 40 An ECC was issued on February 19, 2010, for the extraction of natural gas in Barangay Libertad, Bogo City, Cebu. CNCs were issued in 2009 and 2012 for the land gravity surveys and in 2024 for the MT survey.
- 4. SC 75 On February 28, 2014, a CNC was issued to PXP to cover all exploration activities.
- 5. SC 74 On March 22, 2016, a CNC was issued to cover all exploration activities.
- 6. SC 74 On June 19, 2018, a permit to transport rock samples from the fieldwork in the Calamian Islands to Manila was acquired from the MGB MIMAROPA in accordance with DENR Administrative Order 2010–21, the IRR of RA 7942, otherwise known as the Philippine Mining Act of 1995. The MGB Central Office issued similar certifications on October 30, 2019, and July 6, 2020, for the transport of SC 74 rock samples to Selangor, Malaysia for laboratory analysis.

Conducted Information, Education, and Communication (IEC) campaigns in the communities prior to the exploration activities.

⁴ International Union for Conservation of Nature

WHAT ARE THE RISK/S IDENTIFIED? WHICH STAKEHOLDERS **ARE AFFECTED?** Field activities, including marine Employees, and land seismic, gravity and Marine Crew MT surveys, well drilling, and onboard the production activities, pose risks Seismic Vessel such as the disruption to the or FPSO, local ecosystem. These risks and Local may manifest as tree-cutting, oil Communities spills, improper disposal of large adjacent to or within the SCs volumes of saline water, gas flaring, minimal land excavation, and disturbance of marine mammals

MANAGEMENT APPROACH

To avoid damaging shallow water areas or pinnacles during seismic surveys, the Company initially conducts Bathymetric Surveys.

During the seismic surveys in SC 75 and SC 74 in 2014 and 2016, respectively, Marine Mammal Observers (MMOs) were onboard the seismic vessels to monitor sensitive wildlife species like dolphins, turtles, and whales and ensure compliance with Philippine government environmental guidelines.

The SC 40 Libertad Field L95-1 well was safely and properly plugged and abandoned in 2017. The production and office facilities were also removed, with the project site restored to its original state. Similarly, the P&A of production wells in SC 14A and SC 14B from 2018 to 2020 had no significant impact on the environment, with equipment and materials stripped from some platforms and transported onshore for recycling or disposal. The platforms were then donated to the DND for national defense purposes.

For SC 14C-1 Galoc field operations, Oil Spill Contingency Plans are in place in case of any untoward incident.

During the planned SC 75 3D seismic survey in 2022, an MMO was hired to monitor the presence of marine species in the area, with a report produced indicating sightings of dolphins and birds.

An Oil Spill Contingency Plan and Health and Safety Plans were laid out for the drilling project of SC 72 in 2022. However, both projects did not proceed due to government directives.

While onshore geophysical surveys may involve minor ground disruptions, such as digging for an electric probe or geophone placement, field teams are trained to rehabilitate any affected areas, ensuring they are returned to their natural condition postactivity.

The Company ensures that produced water and petroleum wastes are monitored according to acceptable levels set by the DENR. Similarly, used diesel is closely monitored and properly stored to prevent any spillage.

WHAT ARE THE OPPORTUNITY/IES IDENTIFIED?

Partnering with other exploration companies in contracting services companies' areas can help reduce negative environmental impacts while minimizing operational costs.

Reduce the environmental impact and carbon footprint of the office by transitioning to a paperless/ electronic system.

During offshore operations, JV partners can explore ways to repurpose old platforms, such as those used by the government as defense outposts, rather than constructing new ones to minimize environmental impact and costs.

The Company is committed to fulfilling its work obligations without endangering the environment and maintaining its reputation as a responsible contractor.

WHICH STAKEHOLDERS ARE AFFECTED?

Local Communities adjacent to or within the SCs, Employees, and Third-Party Contractors

MANAGEMENT APPROACH

The Company collaborated with other service contractors in the Multi-Client Seismic Survey of CGG in 2016, which acquired seismic data over the SC 74 block. This eliminated the need for exploration companies to mobilize separate vessels for individual surveys, leading to cost savings and a reduced environmental impact.

In 2020, the SC 14 JV turned over the Nido and Matinloc platforms to the DOE for use by the DND-AFP for national defense, rather than the latter creating a new outpost.

During the 2020 gravity survey in SC 40 North Cebu, Forum inspected the Maya storage site where radioactive materials were stored before being transported to the Philippine Nuclear Research Institute (PNRI) for proper disposal. In 2022, PNRI personnel confirmed that the area was free from contamination or leaks of radioactive materials. Site restoration was then carried out by disposing of old pipes and equipment used in previous drilling operations.

As much as possible, PXP implements paperless transactions and processes permits, licenses, and payments through online portal systems.



Environmental impact management

Air Emissions

GHG		
DISCLOSURE	QUANTITY	UNITS/YEAR
Direct (Scope 1) GHG Emissions (CO ₂ , CH ₄ , N ₂ O, and Fluorinated Gases)	153,619.46*	Tons
Energy indirect (Scope 2) GHG Emissions	None*	Tons
Emissions of ozone-depleting substances (ODS) [CO, NOx, and non-methane VOCs (i.e., ethane, propane, butane)]	549.80*	Tons

^{*}The Company produces oil through its subsidiary Forum through its 3.2103% stake in SC 14C-1 Galoc. Data is from the Floating Production Storage and Offloading (FPSO) Vessel gas flaring and fuel combustion for the year 2024.

WHAT IS THE IMPACT, AND WHERE DOES WHICH STAKEHOLDERS **MANAGEMENT** IT OCCUR? WHAT IS THE ORGANIZATION'S ARE AFFECTED? **APPROACH** INVOLVEMENT IN THE IMPACT? In the office, using air conditioning Employees of The Company regulates its PXP in the office (AC) systems that release AC systems to lessen power chlorofluorocarbons (CFCs) and and onboard the consumption. Out of 16 AC systems platform, FPSO, and hydrofluorocarbons (HFCs), pre-installed in the office, only four which are GHGs that trap heat, nearby communities (4) are in operation during work may indirectly contribute to the hours (8:00 to 17:00) due to the depletion of the ozone layer. decreased workforce in the office associated with the implementation of a flexible work arrangement. Natural gases (i.e., methane [CH₄]), which are GHG and VOCs, produced These AC units are located near in the Galoc field are flared out as the work desks occupied by the they are not economical to develop Company's employees. and pose safety and health hazards (i.e., major blowout accidents The implementation of a flexible leading to destruction and fatalities) work arrangement decreases employees' use of fuel-combusting if not managed properly. vehicles when going on-site. Flaring natural gas results in byproducts or GHGs such as CO, CO₂, VOCs, NOx, SOx, and other air pollutants. Four (4) out of nine (9) employees regularly use personal or companyissued vehicles when reporting to the office. Diesel and gasoline combustion are sources of carbon dioxide, ground-level ozone, and other particulate matter.

WHAT ARE THE RISK/S IDENTIFIED?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH
Emission of GHG into the environment. HFCs represent only a small portion of the total GHG emissions. However, they trap heat in the atmosphere as much as CO ₂ .	Employees of PXP and on board the platform, FPSO, and the nearby Communities	Along with the reduced usage of AC units in the office, routine checks and maintenance are also being implemented to ensure the efficiency of the AC systems.
Although the flaring or burning of natural gases emits a number of pollutants into the environment, it is less hazardous than venting, which directly releases natural gases into the atmosphere. Large amounts of released natural gases/GHGs may cause health hazards to the platform's crew and contribute to ozone destruction and global warming.		In offshore operations, gas flaring instead of venting is allowed, but should comply with government regulations. This is necessary to mitigate health hazards and prevent accidents.
Exposure of employees to smog and other harmful emissions when traveling to the office, either via personal vehicles or public transportation.		

WHAT ARE THE OPPORTUNITY/IES IDENTIFIED?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH
In the office, going electronic is anticipated to decrease environmental impact and CO ₂ footprint. Reduced electricity consumption due to minimal use of AC units and the cost-effective performance resulting from regular maintenance will lead to savings that can be allocated to other company expenses.	Employees	The Company is taking steps to conserve energy, including adopting a paperless approach for specific transactions. This move aims to reduce paper usage and the corresponding carbon dioxide emissions generated by printing and photocopying.

AIR POLLUTANTS		
DISCLOSURE	QUANTITY	UNITS/YEAR
NOx	73.95*	Tons
SOx	0.008*	Tons
Persistent organic pollutants (POPs)	None*	Tons
Volatile organic compounds (VOCs)	108.47*	Tons
Hazardous air pollutants (HAPs)	None*	Tons
Particulate matter (PM)	0.469*	Tons

^{*}Data is from SC 14C-1 FPSO gas flaring and fuel combustion for the year 2024. No measured/reported POPs and HAPs in SC 14C-1.



WHAT IS THE IMPACT, AND WHERE DOES IT OCCUR? WHAT IS THE ORGANIZATION'S INVOLVEMENT IN THE IMPACT?

Fuel combustion and ship emissions release NOx, SOx, VOCs, and PMs into the atmosphere, which can harm the ozone layer and contribute to global warming.

In SC 14C-1, the flaring of natural gases, including methane (CH₄), produces by-products or air pollutants such as NOx, SOx, VOCs, and PM.

WHICH STAKEHOLDERS ARE AFFECTED?

Employees onboard the platform, FPSO, and nearby communities

MANAGEMENT APPROACH

In SC 14C-1 operations offshore, the guidelines set by the MARPOL are strictly enforced.

WHAT ARE THE RISK/S IDENTIFIED?

Ship emissions and fossil fuel combustion release significant amounts of NOx and SOx into the environment, leading to acid deposition. These gaseous pollutants are the major components of acid rain and smog, which contribute to global warming.

While the flaring or burning of gases emits certain pollutants into the environment, it is still considered less hazardous than venting, which involves directly releasing natural gases into the atmosphere. Venting poses health hazards to the platform crew. Exposure to pollutants from venting can lead to respiratory problems, asthma, and heart problems.

WHICH STAKEHOLDERS ARE AFFECTED?

Employees onboard the platform, FPSO, and nearby communities

MANAGEMENT APPROACH

Strict implementation of the MARPOL guidelines to decrease ship emissions.

FPSO/Ship engines are properly maintained to avoid machine failures that can increase the ship's intake of fossil fuel, which in turn leads to an increase in fuel consumption.

Galoc management opted for gas flaring instead of venting to comply with government regulations, mitigate health hazards, and prevent accidents.

WHAT ARE THE OPPORTUNITY/IES IDENTIFIED?

Strict compliance with the laws governing air and seas/water will enable the Company and Galoc JV to operate without interruption. Fines and penalties imposed by government agencies will also be avoided.

A healthier and more conducive environment for the employees on board the platform and FPSO.

WHICH STAKEHOLDERS ARE AFFECTED?

Employees onboard the platform/ FPSO and nearby communities

MANAGEMENT APPROACH

Strict compliance with the MARPOL guidelines.



Solid and Hazardous Wastes

SOLID WASTE		
DISCLOSURE	QUANTITY	UNITS/YEAR
Total solid waste generated	288.0	Cubic meters
Reusable	22.5	Cubic meters
Recyclable Total for CY 2024	None	Cubic meters
1. PXP Office	None	Cubic meters
2. SC 14C-1 Operations (MARPOL Guidelines)	176.5	Cubic meters
Composted	None	Cubic meters
Incinerated	None	Cubic meters
Residuals/Landfilled	89.0	Cubic meters

WHAT IS THE IMPACT, AND WHERE DOES IT OCCUR? WHAT IS THE ORGANIZATION'S INVOLVEMENT IN THE IMPACT?

Proper solid waste disposal regulations prevent contamination of the environment (i.e., air, soil, and water) that could pose health risks to the community and cause harmful effects to the ecosystem, such as mutation and extinction.

WHICH STAKEHOLDERS ARE AFFECTED?

Employees and the adjacent Community

MANAGEMENT APPROACH

The Company, along with its subsidiaries and JV Partners, strictly adheres to proper solid waste disposal regulations.

In addition, proper waste management is implemented at the head office. Biodegradable food waste is segregated from non-biodegradable items and recyclables. The backs of collected scratch paper are reused, and recyclable materials, such as cartons and bottles, are collected and sold as scrap. While these waste management practices may seem trivial, PXP believes that they will ultimately benefit both the community and the environment in the long term.

In SC 14C-1 operations offshore, the MARPOL guidelines are strictly enforced.

WHAT ARE THE RISK/S IDENTIFIED? WHICH STAKEHOLDERS MANAGEMENT ARE AFFECTED? **APPROACH** Employees and the The Company maintains and Improper waste management poses adverse effects on the environment, adjacent Community improves the solid waste with health implications for the management policies of its community. subsidiaries and JV Partners, which adhere to international health, safety, and environmental

WHAT ARE THE OPPORTUNITY/IES IDENTIFIED?

At the office, environmental impact and CO₂ footprint can be reduced by minimizing paper printouts and transitioning to electronic formats. Avoiding the use of single-use plastics would also help.

Business transactions, both internal and external, are done online or electronically.

WHICH STAKEHOLDERS ARE AFFECTED?

Employees and the adjacent Community

MANAGEMENT APPROACH

standards.

PXP is committed to reducing CO₂ emissions by minimizing the use of paper and office supplies. To achieve this, the Company strives to implement paperless transactions whenever possible. Internal memorandums and announcements are circulated via email, while necessary permits, reports, disclosures, and other documents are submitted through online portals hosted by government agencies, contractors, and suppliers.

Furthermore, PXP encourages its employees to bring their own reusable containers for food to reduce paper and plastic waste. This initiative aligns with the company's commitment to sustainable practices and minimizing its environmental footprint.



HAZARDOUS WASTE		
DISCLOSURE	QUANTITY	UNITS/YEAR
Total weight of hazardous waste generated in Year 2024	32.53069	Tons
1. SC 14C-1	32.53069	Tons
Total weight of hazardous waste transported and disposed in Year 2024	33.4333	Tons
1. SC 14C-1	33.4333	Tons

WHAT IS THE IMPACT, AND WHERE DOES IT OCCUR? WHAT IS THE ORGANIZATION'S INVOLVEMENT IN THE IMPACT?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH
The Company, along with its subsidiaries and JV Partners, is in strict compliance with proper hazardous waste	Employees and the adjacent Community	In SC 14C-1 and other operations offshore, the MARPOL guidelines are strictly enforced.
disposal regulations to prevent environmental contamination (i.e., air, soil, and water) that could pose health risks to the community and cause harmful effects to the ecosystem (i.e., mutation and extinction).		In SC 40, the disposal of RAMs was coordinated with PNRI and the DOE to ensure adherence to all necessary safety clearances and guidelines. A radiation monitoring activity conducted by PNRI personnel in 2022 confirmed that radiation levels in the area were within safe limits.
In 2020, the Company ensured the proper and safe disposal of Radioactive Materials (RAM) used in SC 40.		

WHAT ARE THE RISK/S IDENTIFIED?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH
Improper storage, handling, and disposal of hazardous wastes adversely affect public health, safety, and the environment.	Personnel in charge of security and maintenance at the storage site and the adjacent Community	Maintain and improve the hazardous waste management policies of the Company, its subsidiaries, and JV Partners, in accordance with international health, safety, and environmental standards.

WHAT ARE THE OPPORTUNITY/IES IDENTIFIED?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH
Policies on the proper waste disposal of hazardous wastes like batteries, which contain lead, used containers with toxic substances, and expired medicines are being implemented in the office.	Employees	Additional guidelines on proper hazardous waste disposal should be formulated and applied in the office.

Effluents

DISCLOSURE	YTITNAUQ	UNITS/YEAR
Total volume of water discharges	4,813,406*	Cubic meters
Percent of wastewater recycled	None	%

^{*}Data is from the SC 14 C-1 Galoc FPSO for the year 2024.

WHAT IS THE IMPACT, AND WHERE DOES IT OCCUR? WHAT IS THE ORGANIZATION'S INVOLVEMENT IN THE IMPACT?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH
Offshore International and National Guidelines for Wastewater Discharges to the surface and bottom of the sea should be followed to control pollution and minimize its impact on the marine environment and ecosystem.	Marine crew at the FPSO, Fishermen, and the Community	The MARPOL guidelines are strictly being enforced in the offshore petroleum operations of the Company, its subsidiaries, and JV partners.
WHAT ARE THE RISK/S IDENTIFIED?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH
The effluents with oil and other toxic waste contents exceeding the acceptable amount set by the MARPOL guidelines will contaminate the sea and the seabed. This will cause damage to marine flora and fauna and have related health implications on the community.	Marine crew at the FPSO, Fishermen, and the Community	Strict implementation of safety and environmental standards by the JV consortium. Mitigation procedures are in place to address potential untoward incidents. At the FPSO vessel and platforms, produced water is first analyzed. If its oil content is less than 15 ppm, it is safely discharged overboard. However, if the oil content exceeds the 15 ppm threshold, procedures outlined under the Oil Spill Contingency Plan are carried out to treat the water before disposal.
WHAT ARE THE OPPORTUNITY/IES IDENTIFIED?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH
Some of the produced formation water or effluent is being reprocessed and reused onboard.	Marine crew at the FPSO, Fishermen, and the Community	Reprocessed or treated water discharges onboard by the Galoc consortium can be utilized in the vessel or platform for other general purposes.

Environmental compliance

Non-compliance with Environmental Laws and Regulations

DISCLOSURE	QUANTITY	UNITS
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	None	Php
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	None	#
No. of cases resolved through dispute resolution mechanism	None	#

WHAT IS THE IMPACT, AND WHERE DOES IT OCCUR? WHAT IS THE ORGANIZATION'S INVOLVEMENT IN THE IMPACT?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH
As mentioned in the Ecosystems Section, PXP actively complies with Environmental Laws and	Employees and Communities adjacent to or within the SCs	PXP and its subsidiary Forum have acquired CNC and ECC from EMB-DENR to cover all its exploration activities, as summarized below.
Policies.		 SC 14C-1 – An ECC was issued on August 30, 2006, to cover the Galoc Field development. SC 72 – A CNC was issued on December 22, 2010, for the 2D and 3D seismic surveys conducted in the Recto Bank. Another one was issued on May 23, 2012, to cover all exploration activities, which include the drilling of exploration wells. SC 40 – An ECC was issued on February 19, 2010, for the extraction of natural gas in Barangay Libertad, Bogo City, Cebu. For the land gravity surveys, CNCs were issued in 2009 and 2012. For the MT survey in 2024, CNC was also issued by the DENR EMB Region 7. SC 75 – On February 28, 2014, a CNC was issued to PXP to cover all exploration activities.
		Conducted IEC campaigns for the communities prior to the exploration activities.

WHAT ARE THE RISK/S IDENTIFIED?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH
Non-compliance with environmental laws and regulations might lead to the imposition of penalties and fines, damage to the Company's reputation, and/or the cancellation of the SC.	Employees and the Company	PXP and its subsidiaries strictly adhere to environmental laws and regulations.

WHAT ARE THE OPPORTUNITY/IES IDENTIFIED?	WHICH STAKEHOLDERS ARE AFFECTED?	MANAGEMENT APPROACH
PXP consistently maintains an environmentally, ergonomically, and legally compliant operation.	Employees and the Community	The Company continues to adhere to environmental laws and regulations.



Social

Employee Management

Employee Hiring and Benefits

EMPLOYEE DATA		
DISCLOSURE	QUANTITY	UNITS
Total number of employees⁵		
a. Number of female employees	7	#
b. Number of male employees	2	#
Attrition rate ⁶	-	%
Ratio of lowest-paid employee against the minimum wage ⁷	None	ratio

⁵ Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary). Figures do not include the employees of SC operators in which PXP and Forum are members.

⁶ Attrition is = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year).

⁷ All employees of PXP are paid above the minimum wage rates.

EMPLOYEE BENEFITS				
DISCLOSURE	Y/N	% OF FEMALE EMPLOYEES WHO AVAILED FOR THE YEAR	% OF MALE EMPLOYEES WHO AVAILED FOR THE YEAR	
SSS	Υ	22%	-	
PhilHealth	Υ	-	-	
Pag-IBIG	Υ	22%	-	
Parental leaves	Υ	-	-	
Vacation leaves	Υ	100%	100%	
Sick leaves	Υ	100%	50%	
Medical benefits (aside from PhilHealth)	Υ	100%	100%	
Housing assistance (aside from Pag-IBIG)	Ν	-	-	
Retirement fund (aside from SSS)	Ν	-	-	
Further education support	Ν	-	-	
Company stock options	Ν	-	-	
Telecommuting	Υ	100%	100%	
Flexible-working Hours	Υ	100%	100%	
(Others)		-	-	

WHAT IS THE IMPACT AND WHERE DOES IT OCCUR? WHAT IS THE ORGANIZATION'S INVOLVEMENT IN THE IMPACT?

PXP ensures regular and timely remittance of the employees' monthly premiums. The Company assists employees in facilitating and processing applications when availing SSS, PhilHealth, and Pag-IBIG benefits.

MANAGEMENT APPROACH

The Company considers its people its greatest asset. Employees are provided with benefit packages (i.e., Maternity Benefit, Sickness Benefit, Salary Loans, and Calamity Fund), along with a wide range of learning and professional development opportunities to help them reach their full potential.

Benefits provided for the employees are as follows:

- 1. Base Salary;
- Medical Coverage for Employees and their spouses/children/dependents;
- 3. Free annual flu vaccine for Employees;
- 4. Employees' Annual Medical Check-Ups;
- 5. Life and Accident Insurance;
- 6. Continuing Education;
- 7. Annual Vacation Leave 15 days; and
- 8. Annual Sick Leave 15 days.

The Company promotes work-life balance and the welfare of its employees. It conducts annual teambuilding activities to boost employee morale.

PXP advocates for the rights of female workers in the office, fostering a work environment free from bias and discrimination. In 2016, 2019, and 2022, a female employee availed of the SSS Maternity Leave benefit in accordance with RA 11210. In 2017, another female employee availed of special leave with full pay after undergoing surgery, which is in compliance with the Magna Carta of Women (RA 9710).

Additionally, the Company adheres to the Solo-Parent Welfare Act of 2000 (RA 8972) and the Magna Carta for Disabled Persons (RA 7277).

WHAT ARE THE RISK/S IDENTIFIED?

Non-adherence to providing benefits mandated by the government is a violation of the law and will subject the Company to civil and criminal liabilities in addition to the revocation of its license to operate.

MANAGEMENT APPROACH

All employees enter into labor contracts for legal employment with the Company. The Company exercises check-and-balance practices to ensure that various policies are properly implemented.

WHAT ARE THE OPPORTUNITY/IES IDENTIFIED?

The Company is implementing telecommuting or flexible work arrangements even though pandemic restrictions have already been lifted. This decreases the Company's operational expenses and increases employees' work efficiency.

MANAGEMENT APPROACH

The Company prioritizes the management of its employees to ensure a high-performing workforce that is on par with the best in the industry.

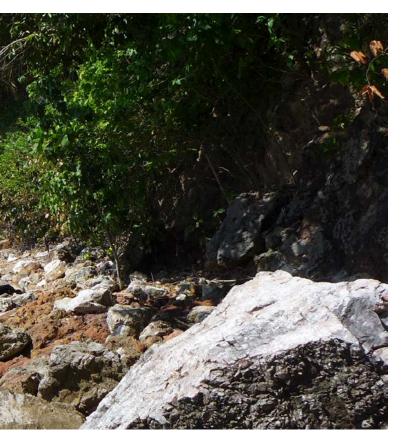


Employee Training and Development

EMPLOYEE DATA		
DISCLOSURE	QUANTITY	HOURS/YEAR
Total training hours provided to employees		
a. Female employees	96	Hours
b. Male employees	40.5	Hours
Average training hours provided to employees		
a. Female employees	32	hours/employee
b. Male employees	20.25	hours/employee

WHAT IS THE IMPACT AND WHERE DOES IT OCCUR? WHAT IS THE ORGANIZATION'S INVOLVEMENT IN THE IMPACT?

The onshore and offshore petroleum competency requirement is quite complex as it requires a high standard of safety and proficiency. PXP believes its employees are its main asset, and continuous training and development should be implemented.



MANAGEMENT APPROACH

Technical personnel regularly attend technical meetings or seminars both locally and internationally, as well as the annual Philippine Geological Conferences (GEOCON) since 2015.

The Company's staff has attended webinars on topics related to their fields, which were organized by government agencies, petroleum service companies, and other professional organizations and societies.

HSSE trainings such as Basic Occupational Safety and Health Training (BOSH) by the DOLE and the First Aid and Basic Life Saving Trainings by the Philippine Red Cross (PRC) were attended by PXP personnel in the third quarter of 2021.

In February 2022, two (2) female employees underwent a three (3)-day Basic Offshore Safety Induction and Emergency Training with Compressed Air Emergency Breathing System in preparation for seismic vessel and drill rig onboarding.

An employee enrolled in a three (3)-day Institution of Occupational Safety and Health training in August 2022.

In March 2023, an employee attended the SEAPEX Exploration Conference, which was held in Singapore.

In January 2024, two (2) employees attended a four (4)-day First Aid and Basic Life Saving Training offered by the PRC.

Earthquake and fire drills are implemented by the Company.

The Company supports its geoscientists by covering their membership fees to the Geological Society of the Philippines, enabling them to access all membership benefits.

WHAT ARE THE RISK/S IDENTIFIED?

The non-provision of training or development programs will result in outdated knowledge and potential misinformation.

MANAGEMENT APPROACH

Encourage personnel to take advantage of free webinar courses provided by technical experts.

The Management looks for training suitable for the employees and their respective lines of work.

WHAT ARE THE OPPORTUNITY/IES IDENTIFIED?

While the Company's petroleum operations have scaled back due to the moratorium imposed on certain SCs, it should take the opportunity to invest in cost-effective training, particularly when conducted locally in collaboration with other petroleum operators. Moreover, online training offers a more affordable option by reducing the need for travel and accommodation costs.

HSSE trainings should be attended by all personnel with different definitions of safety standards.

MANAGEMENT APPROACH

Two (2) PXP personnel attended the free online BOSH training of DOLE during the third quarter of 2021.

PXP Safety Officer regularly attends the Standard First Aid Training with Basic Life Support Training by the PRC in compliance with the DOE requirement to assign one (1) to two (2) safety officers during field operations.

The Company seeks opportunities for inexpensive local or online training, if available, to save on costs.

Additionally, technical personnel are encouraged to participate in free online courses offered by petroleum experts.

Labor-Management Relations

DISCLOSURE	QUANTITY	UNITS
% of employees covered with Collective Bargaining Agreements	Not Applicable	%
Number of consultations conducted with employees concerning employee-related policies	Not Applicable	#

WHAT IS THE IMPACT AND WHERE DOES IT OCCUR? WHAT IS THE ORGANIZATION'S INVOLVEMENT IN THE IMPACT?	MANAGEMENT APPROACH
The Company has no collective bargaining agreements with any of its employees.	The Company creates a working environment that is conducive to open discussion and collaboration to enable everyone to work together towards improving working conditions and enhancing overall productivity.

WHAT ARE THE RISK/S IDENTIFIED?	MANAGEMENT APPROACH
The Company has no reported issues in labor-management relations during the year.	The Company upholds the values of integrity and accountability. Therefore, it expects its workforce to comply with pertinent rules and regulations and hold them accountable for any violations that may occur in the conduct of their duties.

Maintaining a harmonious professional relationship between the management and staff is important as it helps ensure employee engagement and business continuity. Management approach The Company encourages open communication between the management and staff through various formal and informal channels, especially during a health crisis when employees' overall well-being (i.e., mental and physical health) is given the utmost importance. Continue to engage the employees in a non-business, relaxing environment to foster team spirit and bonding.

The Company's board diversity policy can be found on

Diversity and Equal Opportunity

DISCLOSURE	QUANTITY	UNITS
% of female workers in the workforce	78	%
% of male workers in the workforce	22	%
Number of employees from indigenous communities and/or vulnerable sector*	3	#

^{*}The vulnerable sector includes the elderly, children and youth, persons with disabilities, women at risk, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and those living in poverty or at the base of the pyramid (BOP; Class D and E).

WHAT IS THE IMPACT AND WHERE DOES IT OCCUR? **MANAGEMENT APPROACH** WHAT IS THE ORGANIZATION'S INVOLVEMENT IN THE IMPACT? The Company conducts activities such The Management respects people's differences and as hiring, promotion, and compensation creates an inclusive workplace culture. It does not without regard to race, color, ethnicity, tolerate harassment or prejudice. religion, national origin, gender, gender identity or expression, sexual orientation, To respect and value the diversity of employees and marital status, dependents, genetics, all with whom the Company does business, managers disability, age, social class, or political are required to ensure that the working environment is views. free from any form of harassment and discrimination. PXP advocates for the rights of female employees in the office, fostering a work environment free from bias and discrimination. Additionally, the Company adheres to the Solo-Parent Welfare Act of 2000 (RA 8972) and the Magna Carta for Disabled Persons (RA 7277).

the Company's website through this link: https://www.
pxpenergy.com.ph/corporate-governance/company-
policy/board-diversity-policy/.

WHAT ARE THE RISK/S IDENTIFIED?	MANAGEMENT APPROACH
The Company has not identified any violation relating to diversity and equal opportunity.	All employees are provided with equal career opportunities. The Company recognizes that people bring different skills and qualities to the workplace.

WHAT ARE THE OPPORTUNITY/IES IDENTIFIED? MANAGEMENT APPROACH The Company has nine (9) employees, The Company will continue to promote inclusiveness comprising seven (7) females and two to help break down barriers and reduce the fear of (2) males. The Company continues to rejection, not only for who the employees are, but also encourage: for the ideas they voice. Greater female participation; and Continuously hire both local and foreign consultants for Executive senior professional employees the Company's exploration projects. to look for mentoring opportunities for more junior employees to gain valuable insights into PXP and the oil and gas industry in general. Diversity creates goodwill within the community and the industry.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

DISCLOSURE	QUANTITY	UNITS
Safe Man-Hours	10,488	Man-hours
No. of work-related injuries	None	#
No. of work-related fatalities	None	#
No. of work-related ill-health	None	#
No. of safety drills	1	#

WHAT IS THE IMPACT AND WHERE DOES IT OCCUR? WHAT IS THE ORGANIZATION'S INVOLVEMENT IN THE IMPACT?

The Company and its subsidiaries consistently foster a safe working environment. PXP implements employee health and safety measures and training programs that protect its employees from occupational hazards by preventing injury, illness, and fatality.

MANAGEMENT APPROACH

The Company strictly complies with all relevant occupational health and safety laws and regulations. PXP aims to achieve a zero injury and fatality rate for all its staff. The same is true with offshore operations of subsidiaries, which adhere to international HSSE policies.

The Company designated an employee to act as the Safety Officer, who will monitor the safety and health conditions in the office. The employee attended several training courses to qualify for the position. These include Basic Occupational Safety and Health (BOSH) Training conducted by the Occupational Safety and Health Center (OSHC); Standard First Aid (SFA) Training and Basic Life Support (BLS) with Automated External Defibrillator (AED) conducted by the PRC; Basic Offshore Induction and Emergency Training with Compressed Air Emergency Breathing System conducted by Consolidated Training Systems Incorporated (OPITO Accredited); and the Institute of Occupational Safety and Health (IOSH) conducted by HSEPro.

First aid kits and fire extinguishing equipment are conspicuously located and properly maintained at the workplace. The staff participates in regular fire and earthquake evacuation drills to ensure emergency preparedness. The Company's designated safety officer also regularly attends first aid and lifesaving training.

WHAT ARE THE RISK/S IDENTIFIED?

No fatal cases, occupational injuries, or incidents were recorded during the year at the office and in the field.

Failure to manage workplace safety would negatively impact employee health and productivity.

MANAGEMENT APPROACH

The Company enforces occupational health and safety protocols to benefit the employees, contractors, and host communities.

WHAT ARE THE OPPORTUNITY/IES IDENTIFIED?	MANAGEMENT APPROACH
By properly managing and implementing health and safety training, employees and contractors can perform their jobs safely for the organization and all stakeholders.	The Company will continue to provide the necessary equipment, training, and resources to enable employees and contractors to work safely.
The Company aims to be up to date with current best practices in HSSE.	PXP will consistently encourage and empower employees by allowing them to attend safety training courses and retake training sessions when necessary.

Labor Laws and Human Rights

DISCLOSURE	QUANTITY	UNITS
No. of legal actions or employee grievances involving forced or child labor	None	# of cases

Do you have policies that explicitly disallow violations of labor laws and human rights (e.g. harassment, bullying) in the workplace? **YES**

TOPIC	Y/N	IF YES, CITE REFERENCE IN THE COMPANY POLICY
Forced labor	Υ	As provided by Philippine labor law and regulations.
		The Company also has a policy for the Code of Business Conduct and Ethics, and that of whistleblowers under https://www.pxpenergy.com.ph/corporate-governance/company-policy/code-of-business-conduct-and-ethics/and https://www.pxpenergy.com.ph/corporate-governance/company-policy/whistle-blowing/.
Child Labor	Υ	As provided by Philippine labor law and regulations.
		The Company also has a policy for the Code of Business Conduct and Ethics, and that of whistleblowers under https://www.pxpenergy.com.ph/corporate-governance/company-policy/code-of-business-conduct-and-ethics/and https://www.pxpenergy.com.ph/corporate-governance/company-policy/whistle-blowing/.
Human Rights	Y	As provided under the Philippine Constitution and the Universal Declaration of Human Rights.
		The Company also has a policy for the Code of Business Conduct and Ethics, and that of whistleblowers under https://www.pxpenergy.com.ph/corporate-governance/company-policy/code-of-business-conduct-and-ethics/ and https://www.pxpenergy.com.ph/corporate-governance/company-policy/whistle-blowing/.

WHAT IS THE IMPACT AND WHERE DOES IT OCCUR? WHAT IS THE ORGANIZATION'S INVOLVEMENT IN THE IMPACT?

The Company follows the principle of fairness and openness in its recruitment process. The Company employs people who choose to work and does not use forced or compulsory labor. Moreover, PXP does not engage in child labor or employ people under the minimum employment age limit.

MANAGEMENT APPROACH

The Company values the dignity of every individual. It strictly complies with basic human rights as provided under the Philippine Constitution and the Universal Declaration of Human Rights (UDHR).

In case of violations, the Company has a policy for whistleblowers.

WHAT ARE THE RISK/S IDENTIFIED?

Subcontractors may be found to have violated labor laws and human rights.

MANAGEMENT APPROACH

The Company values the dignity of every individual. It strictly complies with basic human rights as provided under the Philippine Constitution and the UDHR.

Any violation of laws is encouraged to be reported as indicated in the Company's whistleblower policy.

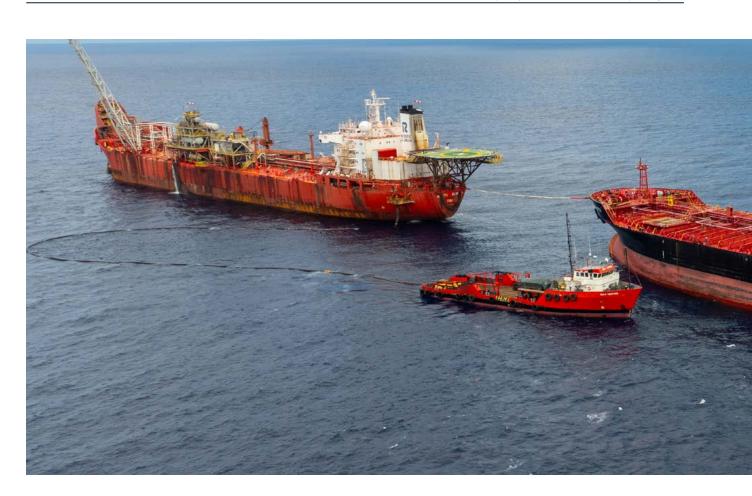
WHAT ARE THE OPPORTUNITY/IES IDENTIFIED?

The Company aims to be up to date with current Labor Laws and Human Rights policies, which protect both the stakeholders and the Company.

MANAGEMENT APPROACH

The Company values the dignity of every individual and strictly complies with basic human rights as provided under the Philippine Constitution and the UDHR.

Any violation of laws should be reported, as indicated in the Company's whistleblower policy.



Supply Chain Management

Supplier accreditation policy: https://www.pxpenergy.com.ph/corporate-governance/company-policy/supplier-contractor-relation/

Do you consider the following sustainability topics when accrediting suppliers? YES

TOPIC	Y/N	IF YES, CITE REFERENCE IN THE SUPPLIER POLICY
Environmental performance	Y	https://www.pxpenergy.com.ph/corporate- governance/company-policy/supplier- contractor-relation/
Forced labor	Υ	https://www.pxpenergy.com.ph/corporate- governance/company-policy/supplier- contractor-relation/
Child labor	Υ	https://www.pxpenergy.com.ph/corporate- governance/company-policy/supplier- contractor-relation/
Human rights	Υ	https://www.pxpenergy.com.ph/corporate- governance/company-policy/supplier- contractor-relation/
Bribery and corruption	Υ	https://www.pxpenergy.com.ph/corporate- governance/company-policy/supplier- contractor-relation/



WHAT IS THE IMPACT AND WHERE DOES IT OCCUR? WHAT IS THE ORGANIZATION'S INVOLVEMENT IN THE IMPACT?

The Company's relationships with suppliers, contractors, consultants, and advisers (collectively, "Suppliers") are based on lawful, efficient, and fair practices. All bidders are given equal opportunity to compete and their bids are evaluated fairly and in a transparent manner.

MANAGEMENT APPROACH

All Directors, Employees, and Consultants are encouraged to be vigilant against any irregular, illegal, or unethical conduct of Suppliers and/ or fellow Directors, Employees, and Consultants (see Annex "A" for examples of Supplier/ Contractor Relations Policy Violations). The Company encourages everyone to report violations based on the existing Whistleblowing Policy or an equivalent policy.

Directors, Employees, and Consultants may also report in writing their knowledge about any irregular, illegal, or unethical conduct of Suppliers and/or fellow Directors, Employees, and Consultants as follows: (a) Directors shall notify the Board of Directors through its Chairman of such conduct; (b) Officers shall report to the Company President [copy furnished the Corporate Governance Office (CGO)]; and (c) Employees and Consultants shall inform their respective Group Heads, copy furnished to the CGO.

Proper investigation and resolution of each reported event shall be made by the appropriate business units. The results shall be forwarded to the Chairman of the Board, the President or the respective executive-level superior, and the CGO and other relevant groups or bodies, in accordance with the procedure stated in the Company's Whistleblowing Policy.

The Board of Directors, Officers, and Executives must ensure that any Director, Employee, or Consultant who reports a suspected violation of this policy by a fellow Director, Employee, or Consultant is protected from any form of retaliation.

The Company's Policy on Vendor Relations is available in full at the Company's website through this link: https://www.pxpenergy.com.ph/corporate-governance/company-policy/supplier-contractor-relation/.

WHAT ARE THE RISK/S IDENTIFIED?

The Company has no reported violations in supply management during the year.

The following are examples of procurement situations that reveal unethical conduct by an Employee and/or Supplier. The areas and situations enumerated are illustrative only and not exhaustive.

- 1. An Employee manipulating his evaluation of the contract proposals in exchange for Bribes.
- A Supplier seeking internal (within the Company) and/or external (political/ government) connections to increase chances of contract award.
- 3. Suppliers submitting false documents for accreditation and other procurement-related transactions or processes.
- 4. Employees developing unreasonable or overly specific technical requirements, with the intent to award the contract intentionally to a particular or preferred Supplier.
- 5. Employees giving priority or informing preferred Suppliers in advance before the actual request, such that other Suppliers are caught unprepared or with too little time to plan.
- 6. Products and/or services that have not undergone an official procurement procedure since they were tested or evaluated beforehand through product demos with particular Suppliers, thus limiting the chances for other Suppliers to compete.
- Undisclosed conflict of interest situations in business dealings resulting in giving undue advantage to another party.
- 8. Disclosure of confidential and proprietary information by Employees to Suppliers.
- Incorrect payment of government taxes due to manipulation of documents by Suppliers
- Suppliers not remitting the correct SSS, PhilHealth, Pag-IBIG, and other employee contributions.

MANAGEMENT APPROACH

The Company's Supplier Contractor Relations policy includes the consequences for any violations:

- 1. Any Director, Employee, and Consultant found to have violated this Policy shall be liable to the extent of the damage/loss suffered by PXP, and/or may be subject to penalties and sanctions as may be determined by the appropriate authorities, whether or not the damage is suffered by PXP, in accordance with the law and existing Company policies.
- Suppliers who violate the Company policies are also penalized. Sanctions include but are not limited to, termination of business relationships with the Company, and blacklisting.

WHAT ARE THE OPPORTUNITY/IES IDENTIFIED?

Responsible supply chain management can generate value for the Company. It improves collaboration with suppliers, attracts and retains employees, provides security for investors and creditors, and can create new market opportunities.

MANAGEMENT APPROACH

PXP shall continuously uphold the highest professional standards of business practices, core values, and ethics as enshrined in its Code of Business Conduct and Ethics in its business dealings with suppliers during the procurement of products and services.

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified or particular concerns for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Job opportunities	Cebu	Not Applicable	N	Land jurisdictions	Conducted an IEC campaign prior to the MT survey in 2024
Job opportunities	Calamian Islands	Not Applicable	Y	Religious and cultural beliefs	Conducted an IEC campaign prior to the field work in 2018
Rental of land (Brgy. Maya)	Cebu	Not Applicable	N	Land jurisdictions	Timely and full payment of rental fee
					Proper land use according to agreement with the landowner

^{*}The vulnerable sector includes the elderly, children and youth, persons with disabilities, women at risk, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and those living in poverty or at the base of the pyramid (BOP; Class D and E).

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: **None**

CERTIFICATES	QUANTITY	UNITS
FPIC process is still undergoing	Not Applicable*	#
CP secured	Not Applicable*	#

^{*}The FPIC and CP are not applicable to PXP and Forum since there are no IPs residing within their operated SCs. During the SC 74 Fieldwork in 2018, the team requested permission from the Tagbanua Tribe to study rock outcrops in Coron Island. It should be noted that Coron Island is not inside SC 74. However, the objective of the fieldwork was to correlate the geology of the offshore SC 74 with the onshore Calamian Islands.

WHAT ARE THE RISK/S IDENTIFIED?

Misunderstanding between PXP and the local community might lead to issues that could affect operations, as well as the health and safety of deployed personnel in the field.

MANAGEMENT APPROACH

PXP implements careful planning and consultation with the local communities.

In June 2018, during a geological fieldwork in Coron Island, PXP properly coordinated with the Tagbanua Tribe before, during, and after the fieldwork. The field team, composed of PXP personnel and graduate students from the University of the Philippines, complied with the tribe's directive to seek permission before acquiring rock samples on the island, which the locals consider a sacred place.

In 2024, an IEC campaign and ocular inspection were conducted with the DOE and LGUs of Daanbantayan, Cebu prior to the MT Survey. During the campaign, community leaders and residents were informed of the plans and programs for the survey. With the assistance of local hires, permissions were also obtained from landowners before the start of data recording at each MT station.

Management of community tensions, grievances, and concerns through a transparent formal grievance mechanism.

Supporting and collaborating with host local governments to encourage good governance.

WHAT ARE THE OPPORTUNITY/IES IDENTIFIED?

Involvement of the local community in the Company's project by hiring local residents.

MANAGEMENT APPROACH

The Service Contract stipulates that the Company (Contractor) shall provide scholarships to qualified individuals residing within the vicinity of the Contract Area, preferably in state colleges and universities. The scholarship amount will be a minimum of US\$5,000 per year, cumulative during the Exploration Period, and a minimum amount of US\$10,000 per year, cumulative during the Production Period.

The Management's strict adherence to the service contract ensures that the indigenous communities are protected.

The Company also prioritizes hiring locals during G&G surveys and fieldwork to provide jobs for the local community. In 2024, PXP's subsidiary, FEI, hired six (6) field assistants and one (1) administrative assistant for the MT survey conducted in Daanbantayan, Cebu. Each received insurance coverage and benefits for the three (3)-month duration of the survey. In addition, local businesses were engaged to provide services, food, and accommodations for all field personnel.

Customer Management

CUSTOMER SATISFACTION

DISCLOSURE	SCORE	DID A THIRD PARTY CONDUCT THE CUSTOMER SATISFACTION STUDY (Y/N)?
Customer satisfaction	N/A*	N

*PXP does not have customers except for being a member of the Galoc consortium, which produces and sells crude oil to refining companies. The consortium adheres to the quantity/quality required by the customers for these fields. There were no recorded complaints or disputes.

WHAT IS THE IMPACT AND WHERE DOES IT OCCUR? WHAT IS THE ORGANIZATION'S INVOLVEMENT IN THE IMPACT?

In line with PXP's Code of Business Conduct and Ethics, the Company upholds fair and transparent dealings with its customers. All transactions and business relationships with customers are covered by contracts and comply with existing laws and regulations in the country.

MANAGEMENT APPROACH

As part of the Company's commitment to the welfare of its customers, the Company representatives and its customers meet annually to review and discuss the terms of the new or existing contracts, as well as identify areas for improvement in operations and other related aspects.

The Company's policy is available at the Company's website:

https://www.pxpenergy.com.ph/corporate-governance/company-policies/

WHAT ARE THE RISK/S IDENTIFIED?

There were no identified risks concerning customer satisfaction during the year.

MANAGEMENT APPROACH

PXP will continuously review, update, and improve the Company's policy with customers.

WHAT ARE THE OPPORTUNITY/IES IDENTIFIED?

PXP shall determine the level of satisfaction of the Company's stakeholders and customers once its exploration fields are converted to the production stage.

MANAGEMENT APPROACH

The Company will regularly conduct Stakeholder/ Customer Satisfaction Surveys by third-party contractors to assess and improve actual performance, service quality, and operational standards once its exploration assets transition to the production stage.



HEALTHY AND SAFETY		
DISCLOSURE	QUANTITY	UNITS
No. of substantiated complaints on product or service health and safety*	None	#
No. of complaints addressed	None	#

*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms, as well as complaints that were lodged to and acted upon by government agencies.

WHAT IS THE IMPACT AND WHERE DOES IT OCCUR? WHAT IS THE ORGANIZATION'S INVOLVEMENT IN THE IMPACT? Customer health and safety are important for all businesses and remain PXP's top priority. MANAGEMENT APPROACH PXP will continuously review, update, and improve the Company's policy with customers.

WHAT ARE THE RISK/S IDENTIFIED?	MANAGEMENT APPROACH
There were no identified risks to the health and	PXP has no customers yet. Once its exploration
safety of customers, as PXP does not yet have	assets are converted to production, risks will be
customers. Risks shall be identified once its	identified. PXP shall consistently promote a safe
exploration fields are converted to production.	and healthy working environment for employees
	and customers.

WHAT ARE THE OPPORTUNITY/IES IDENTIFIED?	MANAGEMENT APPROACH
PXP has no customers yet. Opportunities shall be identified once its exploration fields are converted to production.	The Company should regularly conduct Stakeholder/Customer Satisfaction Surveys by third-party contractors to determine and improve the health and safety working environment of PXP once its exploration fields are converted to production.

MARKETING AND LABELLING		
DISCLOSURE	QUANTITY	UNITS
No. of substantiated complaints on marketing and labelling*	None	#
No. of complaints addressed	None	#

*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms, as well as complaints that were lodged to and acted upon by government agencies.

Although the Company mainly has exploration assets at this time, marketing and labelling efforts are evident through the maintenance of its website at www.pxpenergy.com.ph, which caters to its stakeholders, clients, and future investors. The Company regularly updates and improves its website. website.	WHAT IS THE IMPACT AND WHERE DOES IT OCCUR? WHAT IS THE ORGANIZATION'S INVOLVEMENT IN THE IMPACT?	MANAGEMENT APPROACH
	assets at this time, marketing and labelling efforts are evident through the maintenance of its website at www.pxpenergy.com.ph, which caters	

WHAT ARE THE RISK/S IDENTIFIED?	MANAGEMENT APPROACH
Security and falsification of posted information on the website.	PXP ensures that all data uploaded on the website are secured, accurate, and up to date.
WHAT ARE THE OPPORTUNITY/IES IDENTIFIED?	MANAGEMENT APPROACH
Study digital marketing.	The market is evolving, thus the Company should

improve its marketing and labelling strategies by

being involved with digital marketing.



CUSTOMER PRIVACY

DISCLOSURE	QUANTITY	UNITS
No. of substantiated complaints on customer privacy*	None	#
No. of complaints addressed	None	#
No. of customers, users, and account holders whose information is used for secondary purposes	None	#

^{*}Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms, as well as complaints that were lodged to and acted upon by government agencies.

WHAT IS THE IMPACT AND WHERE DOES IT OCCUR? WHAT IS THE ORGANIZATION'S INVOLVEMENT IN THE IMPACT?

PXP respects every stakeholder's right to privacy and commits to protecting all personal data. The collection, retention, and use of sensitive information are utilized only for their intended

MANAGEMENT APPROACH

The Company strictly complies with Republic Act No. 10173, otherwise known as the Data Privacy Act of 2012, and implements its internal control on data security. As a personal information controller/processor, the Company established protocols to protect the personal information of the data subject.

WHAT ARE THE RISK/S IDENTIFIED?

Disclosures of stakeholders' personal data are limited to what is required by law or to comply with legal or regulatory requirements. The Company has no control over the information that is shared externally (i.e., PSE/SEC).

MANAGEMENT APPROACH

The Company adheres to RA 10173, otherwise known as the Data Privacy Act of 2012, and implements its internal control on data security. PXP adopts risk management and control measures to deter any breach of data security. Certain levels of data security are in place.

WHAT ARE THE OPPORTUNITY/IES IDENTIFIED?

Compliance with customer privacy can build customer trust and loyalty.

MANAGEMENT APPROACH

In this digital age, compliance with the Data Privacy Act strengthens the integrity and security of the Company in relation to its electronic database and records.



Data Security

DISCLOSURE	QUANTITY	UNITS
No. of data breaches, including leaks, thefts, and losses of data	None	#

WHAT IS THE IMPACT AND WHERE DOES IT OCCUR? WHAT IS THE ORGANIZATION'S INVOLVEMENT IN THE IMPACT?

The Company has an updated effective security software that protects the Company's data and provides real-time detection of any threat activities to prevent a breach. Daily data backup is also in place.

The Company consistently ensures the security of technical classified G&G data of its operated and non-operated SCs.

MANAGEMENT APPROACH

The Company takes precautions and educates its employees not to share any sensitive or confidential information. Preventive security measures, such as data backup, recovery, and firewalls, are in place.

The technical team uses a File Transfer Protocol (FTP) server to ensure data security. The corporate emails of employees handling technical data are equipped with additional security features, including encryption, to prevent data theft during email exchanges within the Company or with third-party contractors.

WHAT ARE THE RISK/S IDENTIFIED?

Outdated cybersecurity software will make the server vulnerable to third-party access, data loss, and lead to additional operational expenses for the Company.

Information breaches will lead to the loss of confidential data.

MANAGEMENT APPROACH

Anti-virus and cybersecurity software are continuously upgraded for data security.

Immediately notify the person/company involved in the event of any breach or use of any sensitive data.

WHAT ARE THE OPPORTUNITY/IES IDENTIFIED?

Strong data security will result in financial savings and the avoidance of any reputational damage.

Technical data, which is a detrimental asset to the Company, will be securely stored, and unwanted leakage will be prevented.

MANAGEMENT APPROACH

The Company ensures the continuous update of its data security programs.

The Company procured additional Network-Attached Storage (NAS) with enhanced security features to store more technical data, which can only be accessed by a select group of employees.





Product or Service Contribution to UN SDGs Key products and services and their contribution to sustainable development.

KEY PRODUCTS AND SERVICES	SOCIETAL VALUE / CONTRIBUTION TO UN SDGS	POTENTIAL NEGATIVE IMPACT OF CONTRIBUTION	MANAGEMENT APPROACH TO NEGATIVE IMPACT
Oil & Gas Exploration & Production	Economic growth	Environmental damage associated with field operation	Strict compliance with government laws and regulations on health and environmental safety
	Decent work	Health and safety	Conduct an IEC campaign prior to the fieldwork
	Welfare of vulnerable groups	Traditional lifestyle of indigenous people is affected	Careful planning, consultation management, accommodation, and negotiation with the local community and indigenous groups

Audited Financial Statements

STATEMENT OF MANAGEMENT'S RESPONSIBILTY FOR FINANCIAL STATEMENTS

The management of **PXP ENERGY CORPORATION** ("the Company") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended **December 31, 2024, 2023 and 2022**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

Sycip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Mr. Manuel V. Pangilinan Chairman of the Board

Mr. Daniel Stephen P. Carlos President

Ms. Paraluman M. Navarro Treasurer

Signed this 26th day of February 2025

2024 JOINT AUDIT AND BOARD RISK & RESOURCE OVERSIGHT COMMITTEES' STATEMENT TO THE BOARD OF DIRECTORS

ON THE ADEQUACY OF THE COMPANY'S INTERNAL CONTROLS AND RISK MANAGEMENT SYSTEM

PXP ENERGY CORPORATION (PXP)

In compliance with the applicable corporate governance laws and rules, the Audit Committee and the Board Risk & Resource Oversight Committee of PXP Energy Corporation ("PXP" or "the Company"), including its subsidiaries, major associated companies and joint ventures ("PXP Group"), report and confirm the following:

- 1. An Independent Director chairs the Audit Committee and another Independent Director chairs the Board Risk & Resource Oversight Committee. Each of the two Committees has two Independent Directors.
- 2. The Audit Committee and the Board Risk & Resource Oversight Committee held five (5) and three (3) meetings, respectively, during the year 2024.
- 3. The Audit Committee reviewed and approved all audit services provided by SGV & Co. to the PXP Group, and related fees for such services.
- 4. The Audit Committee discussed with the PXP Internal Audit Group and SGV & Co. the overall scope and the plans for their respective audits, and results of their examinations, their evaluation of PXP and the Subsidiaries' internal controls, and overall quality of PXP Group's financial reporting.
- 5. The Audit Committee discussed with SGV & Co. the matters required to be discussed by the prevailing applicable Auditing Standards. The Committee received written disclosures and letters from SGV & Co. as required by the prevailing Independence Standards (Statement of Independence) and discussed with the same its Independence from the PXP Group and the PXP Group management.
- 6. The Audit Committee and the Board Risk & Resource Oversight Committee conducted a review of the Company's internal control systems and confirmed the adequacy and effectiveness of the same.
- 7. In the performance of its oversight responsibilities, the Audit Committee reviewed and discussed the audited financial statements of PXP for the year ended December 31, 2024 with the PXP Group's management, which has the primary responsibility for the financial statements, and with SGV & Co., the PXP Group's independent auditor, which is responsible for expressing an opinion on the conformity of the PXP Group's audited financial statements with Philippine Financial Reporting Standards (PFRS).
- 8. Based on the reviews and discussions related to No. 6, subject to the limitation on its role and responsibilities, the Audit Committee recommended to the Board of Directors the inclusion of the Company's financial statements as of and for the year ended December 31, 2024 in the Company's Annual Report to the Stockholders and to the Philippine Securities and Exchange Commission (SEC) on Form 17-A and;
- 9. Based on a review of SGV & Co.'s performance and qualifications, including consideration of management's recommendation, the Audit Committee approved the appointment of SGV & Co. as the PXP Group's independent auditor for the year 2025.
- 10. In addition to the Audit Committee's oversight responsibilities, the Audit Committee reviewed the quarterly financial highlights or results of the Company and related material transactions for the year 2024 that need to be reported in accordance with Philippine Financial Reporting Standards (PFRS).
- 11. The Board Risk & Resource Oversight Committee periodically conducted reviews of the effectiveness of the PXP Group's Enterprise Risk Management (ERM) systems for the year ended December 31, 2024. The review covered all material strategic, financial, operational, and compliance risks.
- 12. The Board Risk & Resource Oversight Committee regularly updated the Company's risk register, identified the probability of each risk occurring, the likelihood of occurrence, and the impact the risks would have on the Company's performance.
- 13. The Board Risk & Resource Oversight Committee regularly reported to the Board the Company's risk exposures and recommended actions to address them.

Respectfully submitted,

EMERLINDA R. ROMAN Independent Director Committee Chair,

Audit Committee

BENJAMIN S. AUSTRIA
Independent Director

Committee Chair, Board Risk & Resource Oversight Committee



SyCip Gorres Velayo & Co. 6760 Ayala Avenue 1226 Makati City Philippines Tel: (632) 8891 0307 Fax: (632) 8819 0872

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors PXP Energy Corporation

Opinion

We have audited the consolidated financial statements of PXP Energy Corporation and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Recoverability of Deferred Oil and Gas Exploration Costs, and Goodwill

As at December 31, 2024, the carrying value of the Group's deferred oil and gas exploration costs, and goodwill amounted to ₱2,799 million and ₱254 million, respectively. These deferred oil and gas exploration costs pertain to the expenditures incurred by the Group for various projects, while the Group's goodwill is attributable to Service Contract 72 Recto Bank.

Under PFRS 6, Exploration for and Evaluation of Mineral Resources, these deferred oil and gas exploration costs shall be assessed for impairment when facts and circumstances suggest that the carrying amounts exceed the recoverable amounts. The ability of the Group to recover its deferred oil and gas exploration costs would depend on the commercial viability of the project. The Group is also required to annually test the amount of goodwill for impairment under PAS 36, Impairment of Assets.

We considered this as a key audit matter because of the materiality of the amount involved. In addition, management's assessment process requires significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty, specifically inflation rates, forecasted oil and gas prices, estimated volume of resources, capital expenditures, production and operating costs and discount rate.

The Group's disclosures about goodwill and deferred oil and gas exploration costs are included in Notes 4 and 11 to the consolidated financial statements, respectively.

Audit response

We obtained management's assessment on whether there is any indication that deferred oil and gas exploration costs may be impaired. We inspected the summary of the status of each exploration project as of December 31, 2024, as certified by the Group's Technical Group Head, the type of expenses incurred, and assessed whether ongoing exploration activities exist to support the continued capitalization of these assets under the Group's accounting policies, and compared it with the disclosures submitted to regulatory agencies. We inspected contracts and agreements, inquired with management whether such exploration is continuing, made reference with existing drilling results and inspected the approved work program and budget for continuing the exploration costs. We inspected the service contracts and relevant joint operations agreements of each exploration project to determine that the period for which the Group has the right to explore in the specific area has not expired, will not expire in the near future, and will be renewed accordingly, and the Group has rights and obligations under the contracts through participating interests. We also inquired about any existing service contract areas that are expected to be abandoned or any exploration activities that are planned to be discontinued in those areas. We also reviewed the adequacy of the Group's disclosure, including those that have the most significant effect on the determination of the recoverable amount of deferred oil and gas exploration costs.



We obtained an understanding of the management's process for evaluating the impairment of goodwill. We involved our internal specialist in evaluating the methodology and the discount rate used. We compared the key assumptions used, such as inflation rates, forecasted oil and gas prices, estimated volume of resources, capital expenditures, production and operating costs, discount rate against industry/market outlook and other relevant external data. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect on the determination of the recoverable amount of goodwill.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Marco Rene A. Barredo.

SYCIP GORRES VELAYO & CO.

Marco Rene A. Barredo
Partner
CPA Certificate No. 116783
Tax Identification No. 214-999-478
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-160-2025, January 8, 2025, valid until January 7, 2028
PTR No. 10465269, January 2, 2025, Makati City

February 26, 2025

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands, Except Par Value per Share and Number of Equity Holders)

	December 31		
	2024	2023	
ASSETS			
Current Assets			
Cash and cash equivalents	₽ 91,414	₽145,149	
Trade and other receivables	17,206	8,826	
Inventories	7,077	11,999	
Other current assets	8,994	8,615	
Total Current Assets	124,691	174,589	
Noncurrent Assets			
Deferred oil and gas exploration costs	2,799,390	2,642,442	
Goodwill	254,397	254,397	
Property and equipment	1,367	1,217	
Right-of-use (ROU) asset	2,895	3,246	
Other noncurrent assets	7,819	6,696	
Total Noncurrent Assets	3,065,868	2,907,998	
TOTAL ASSETS	₽3,190,559	₽3,082,587	
LIABILITIES AND EQUITY			
Current Liabilities	710 70	700 044	
Trade and other payables	₽ 19,768	₽22,044	
Notes payable	69,414	66,444	
Current portion of lease liability	810	736	
Income tax payable	96	289	
Total Current Liabilities	90,088	89,513	
Noncurrent Liabilities			
Lease liability - net of current portion	3,338	3,803	
Deferred tax liabilities - net	92,783	91,862	
Retirement benefits liability	12,746	17,415	
Other noncurrent liabilities	287,123	245,807	
Total Noncurrent Liabilities	395,990	358,887	
Total Liabilities	486,078	448,400	
Equity			
Capital stock - ₱1 par value per share			
Authorized - 6,800,000,000 common shares			
Issued and subscribed - 1,960,000,000 common shares	1,960,000	1,960,000	
Additional paid-in capital	2,816,545	2,816,545	
Equity reserves	411,549	411,549	
Deficit	(3,578,653)	(3,547,773)	
Cumulative translation adjustment on foreign subsidiaries	574,634	497,597	
Total equity attributable to equity holders of the Parent Company	2,184,075	2,137,918	
Non-controlling interests	520,406	496,269	
Total Equity	2,704,481	2,634,187	
TOTAL LIABILITIES AND EQUITY	₽3,190,559	₽3,082,587	

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, Except Loss per Share)

Years Ended December 31			
2024	2023	2022	
₽66,982	₽63,192	₽74,100	
37,471	39,893	40,466	
54,359	62,677	59,106	
91,830	102,570	99,572	
7,327	92,440	6,186	
,	*	201	
734		(4,048)	
	,	(, ,	
(4,033)	_	(13,882)	
	(128,771)		
(10,243)		(3,592)	
		9,192	
(2,603)	(40,230)	(5,943)	
(27,451)	(79,608)	(31,415)	
211	537	183	
921	(2,968)	750	
1,132	(2,431)	933	
(₱28,583)	(₱77,177)	(₱32,348)	
(¥30.880)	(2 97 403)	(₱36,107)	
		3,759	
(P 28,583)	(₱77,177)	(₱32,348)	
	₽66,982 37,471 54,359 91,830 7,327 3,612 734 (4,033) — (10,243) — (2,603) (27,451) 211 921 1,132 (₽28,583) (₽30,880) 2,297	₱66,982 ₱63,192 37,471 39,893 54,359 62,677 91,830 102,570 7,327 92,440 3,612 1,951 734 2,108 (4,033) - - (128,771) (10,243) (7,958) - - (2,603) (40,230) (27,451) (79,608) 1,132 (2,968) 1,132 (2,431) (₱28,583) (₱77,177) (₱30,880) (₱97,403) 2,297 20,226	

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Amounts in Thousands)

	Years Ended December 31			
	2024	2023	2022	
NET LOSS	(₱28,583)	(₽77,177)	(₱32,348)	
OTHER COMPREHENSIVE INCOME (LOSS)				
Items to be reclassified to profit or loss				
in subsequent periods:				
Gain (loss) on translation of foreign subsidiaries	98,877	(22,121)	315,114	
TOTAL COMPREHENSIVE INCOME (LOSS)	₽70,294	(₱99,298)	₽282,766	
TOTAL COMPREHENSIVE INCOME (LOSS)				
ATTRIBUTABLE TO				
Equity holders of the Parent Company	₽ 46,157	(P 116,698)	₱202,657	
Non-controlling interests	24,137	17,400	80,109	
	₽70,294	(P 99,298)	₽282,766	
	1.0,221	(177,270)	1202,700	

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022 (Amounts in Thousands)

	Attributable to Equity Holders of the Parent Company							
	Capital Stock	Additional paid-in capital	Equity Reserves	Deficit	Cumulative Translation on Foreign Subsidiaries	Subtotal	Non-controlling Interests	Total
BALANCES AT DECEMBER 31, 2021	₽1,960,000	₽2,816,545	₽139,319	(₱3,414,263)	₽183,293	₽1,684,894	₽931,693	₽2,616,587
Net income (loss) for the year		_	_	(36,107)	_	(36,107)	3,759	(32,348)
Other comprehensive income:								
Gain on translation of foreign subsidiaries	_	-	_	_	238,764	238,764	76,350	315,114
Total comprehensive income (loss) for the year	_	-	-	(36,107)	238,764	202,657	80,109	282,766
Effect of transactions with owners		_	275,888	_	94,835	370,723	(570,311)	(199,588)
BALANCES AT DECEMBER 31, 2022	1,960,000	2,816,545	415,207	(3,450,370)	516,892	2,258,274	441,491	2,699,765
Net income (loss) for the year	_	_	_	(97,403)	_	(97,403)	20,226	(77,177)
Other comprehensive loss:								
Loss on translation of foreign subsidiaries	_	-	_	_	(19,295)	(19,295)	(2,826)	(22,121)
Total comprehensive income (loss) for the year	_	-	-	(97,403)	(19,295)	(116,698)	17,400	(99,298)
Effect of transactions with owners		_	(3,658)	_	_	(3,658)	37,378	33,720
BALANCES AT DECEMBER 31, 2023	1,960,000	2,816,545	411,549	(3,547,773)	497,597	2,137,918	496,269	2,634,187
Net income (loss) for the year	-	-	_	(30,880)	-	(30,880)	2,297	(28,583)
Other comprehensive income:								
Gain on translation of foreign subsidiaries	_	-	_	_	77,037	77,037	21,840	98,877
Total comprehensive income (loss) for the year		_	_	(30,880)	77,037	46,157	24,137	70,294
BALANCES AT DECEMBER 31, 2024	₽1,960,000	₽2,816,545	₽411,549	(₽3,578,653)	₽574,634	₽2,184,075	₽520,406	₽2,704,481

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Years Ended December 31			
	2024	2023	2022	
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax	(₽27,451)	(P 79,608)	(₱31,415)	
Adjustments for:	(, ,	, ,	, , ,	
Interest expense	10,243	7,958	3,592	
Reversal of plug and abandonment costs	(7,327)	(92,440)	(6,186)	
Provision for (reversal of) retirement benefits costs	(4,669)	18	2,250	
Provision for impairment of:	(, ,		,	
Input VAT	4,033	_	13,882	
Deferred oil and gas exploration costs	´ –	128,771		
Interest income	(3,612)	(1,951)	(201)	
Unrealized foreign exchange gains (loss) - net	2,748	(884)	(5,905)	
Depreciation Services Services (1997)	984	886	944	
Operating loss before working capital changes	(25,051)	(37,250)	(23,039)	
Decrease (increase) in:	(23,031)	(37,230)	(23,037)	
Trade and other receivables	(7,981)	6,281	15,578	
Inventories	5,405	(3,833)	(3,525)	
Other current assets	(4,163)	(100)	1,182	
Increase (decrease) in trade and other payables	(3,046)	836	51,238	
Net cash generated from (used in) operations	(34,836)	(34,066)	41,434	
Interest received		1,690	201	
	3,529			
Income taxes paid	(404)	(339)	(221)	
Net cash flows from (used in) operating activities	(31,711)	(32,715)	41,414	
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Deferred oil and gas exploration costs	(16,608)	(13,928)	(350,152)	
Property and equipment	(608)	(151)	(39)	
Proceeds from sale of long lead items	_	58,293	-	
Increase in other noncurrent assets	(815)	(981)	(747)	
Net cash flows from (used in) investing activities	(18,031)	43,233	(350,938)	
	(-0,00-)	,	(000,000)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments for:				
Interest on notes payable	(6,071)	(5,695)	(2,833)	
Lease liability	(736)	(670)	(609)	
Proceeds from:				
Issuance of subsidiary's new shares	_	33,720	_	
Notes payable	_	_	62,040	
Acquisition of non-controlling interest		_	(199,588)	
Net cash flows from (used in) financing activities	(6,807)	27,355	(140,990)	
NET INCDEASE (DECDEASE) IN				
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5(540)	27 972	(450 514)	
CASH AND CASH EQUIVALENTS	(56,549)	37,873	(450,514)	
EFFECT OF EXCHANGE RATE CHANGES				
ON CASH AND CASH EQUIVALENTS	2,814	575	27,743	
	,			
CASH AND CASH EQUIVALENTS AT	1 45 1 40	106.701	500 470	
BEGINNING OF YEAR	145,149	106,701	529,472	
CASH AND CASH EQUIVALENTS AT				
END OF YEAR	₽91,414	₽145,149	₽106,701	
EAD OF TEAM	1-71,717	1 173,177	1 100,701	

Company Officers and Corporate Information

Company Officers

Manuel V. Pangilinan CHAIRMAN

Daniel Stephen P. Carlos PRESIDENT

Paraluman M. Navarro TREASURER

Barbara Anne C. Migallos CORPORATE SECRETARY

Corporate Governance Officers

Paraluman M. Navarro

TREASURER AND CHIEF COMPLIANCE OFFICER

Mark Raymond H. Rilles

FINANCE CONTROLLER AND CHIEF RISK OFFICER

Geraldine B. Ateo-an CHIEF AUDIT EXECUTIVE

Corporate Directory

PXP Energy Corporation

2F LaunchPad, Reliance corner Sheridan Streets Mandaluyong City 1550, Philippines Telephone: (632) 8631-1381 Facsimile: (632) 8997-7185 Email: admin@pxpenergy.com.ph

Major Subsidiaries

Forum Energy Limited FEC Resources, Inc.

Independent Auditors

SyCip Gorres Velayo & Co.

Attorneys

Migallos & Luna Law Offices SyCip Salazar Hernandez & Gatmaitan (SyCipLaw)

Bankers

BDO Unibank, Inc. Union Bank of the Philippines Land Bank of the Philippines China Banking Corporation

Transfer Agent

Stock Transfer Service, Inc. Unit D, 34th Floor, Rufino Pacific Tower 6784 Ayala Avenue, Makati City 1223, Philippines

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