SUPPORTING THE NATION'S ENERGY SECURITY

2025 Annual Report

PXP ENERGY

ABOUT THE COVER

The 2025 Annual Report cover illustrates the vessel that makes offshore exploration possible, alongside a thriving society built on energy security. Lines are drawn seamlessly from the ocean to the ship, and finally to the buildings, representing the interconnected process of securing resources to build a better future.

The cover also takes inspiration from blueprints and navigation. This is to symbolize the Company's commitment to continued exploration and operation to augment the Philippine's energy needs through clear plan and strategy.

Just as a blueprint provides the design to turn vision into reality, a roadmap is also needed to secure the nation's energy future. For the Philippines, achieving energy independence demands exploration and commitment to developing domestic resources.

PXP Energy Corporation stands at the forefront of this effort. By developing new petroleum service contracts, PXP is actively expanding its operations across the archipelago. These initiatives serve as vital lines that map out the country's long-term energy security goals.

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CORPORATE PROFILE

PXP Energy Corporation (PXP or the Company) is a Philippine corporation organized on December 27, 2007, and listed on the second board of the Philippine Stock Exchange (PSE: 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 interests in Philippine petroleum SCs include the following:

- 50% operating interest in SC 75 in Northwest Palawan
- 12.50% non-operating interest each in SC 80 and SC 81 in Southwest Sulu Sea
- 6.84% non-operating interest in SC 86 (Octon-Malajon) located in offshore Northwest Palawan
- 100% operating interest in Block A North Recto Bank (Nominated Area No. 6) located in offshore West Palawan, under SC nomination

PXP holds a 98.08% effective interest in FEL, with 92.55% held directly and 6.80% indirectly through an 81.25%-owned subsidiary, FEC Resources, Inc. (FEC).

FEC is a Canadian public company incorporated in July 1993 under the Canada Business Corporations Act. It primarily acts as an investment holding company.

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

- 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)
- Minority interests in four blocks in offshore Northwest Palawan, including a 4.69174% interest in the producing Galoc Field, held through Forum Energy Philippines Corporation (FEPC)
- 100% operating interest in SC 40 (North Cebu) through FEPC's 66.67%[a]-owned subsidiary Forum Exploration, Inc. (FEI)

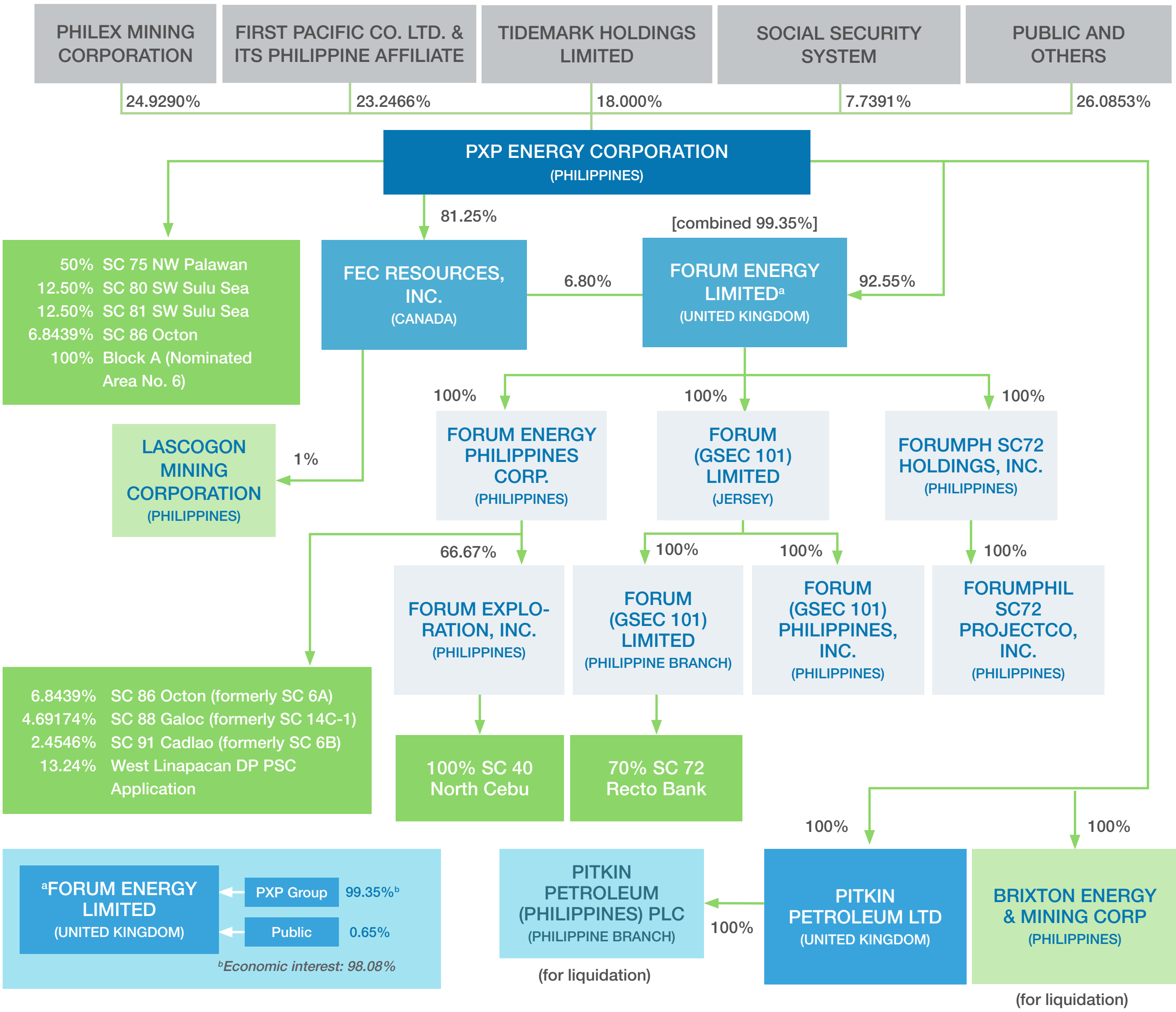
Photo courtesy of NPG Pty Ltd

[a] On March 23, 2026, the Board of Directors and stockholders of FEI approved the conversion of shareholder advances into equity, which will increase the FEPC's indirect interest in FEI from 66.67% to 91.65%, subject to completion of required documentation and regulatory filings.

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

Subsidiary	Nature of Business
Forum Energy Limited	FEL was incorporated on April 1, 2005, in England and Wales, primarily to engage in oil and gas exploration and production, with a 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, particularly a 4.69174% interest in SC 88 Galoc (formerly SC 14C-1). It is a 100% subsidiary of FEL.
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. It is a 100% subsidiary of FEL.
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, to engage 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 is a Canadian public company incorporated in July 1993 under the Canada Business Corporations Act and primarily acts as an investment holding company.
Brixton Energy & Mining Corporation (BEMC)	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



PXP ENERGY'S PETROLEUM BLOCKS

PXP ENERGY CORPORATION (PHILIPPINES)

SC 75 NW Palawan[a]	**50.00%**
SC 80 SW Sulu Sea	12.50%
SC 81 SW Sulu Sea	12.50%
SC 86 Octon (formerly SC 6A)	6.8439%
Block A North Recto Bank[a,b]	**100.00%**

99.35%[c] — **FORUM ENERGY LIMITED**

SC 72 Recto Bank[a]	**70.00%[d]**
SC 40 North Cebu[a]	**66.67%[e]**
SC 86 Octon (formerly SC 6A)	6.8439%
SC 88 Galoc (formerly SC 14C-1)	4.69174%
SC 91 Cadlao (formerly SC 6B)	2.4546%
West Linapacan Block (formerly SC 14C-2)[f]	13.24%

100% — **PITKIN PETROLEUM LIMITED**

[a] Operator

[b] Nominated area; under process with the Department of Energy (DOE)

[c] FEL effective interest of 98.08%

[d] SC 72 effective interest of 68.66%

[e] Will increase to 91.65% upon approval by the Securities and Exchange Commission (SEC) of the conversion of FEPC's advances to FEI into equity

[f] Under application for a Development & Production Petroleum SC (DP PSC)


SEABIRD
VOYAGER EXPLORER

MESSAGE FROM THE CHAIRMAN AND THE PRESIDENT

TO OUR FELLOW SHAREHOLDERS:

In 2025, PXP Energy Corporation took important steps to renew and expand our upstream portfolio. While the operating environment for domestic exploration remained challenging, the Company continued to pursue opportunities that strengthen our position in the Philippine oil and gas industry, and create new pathways for future growth.

A key development during the year was the award of new Service Contracts in the Sulu Sea—SCs 80 and 81—through our joint venture partnerships. These blocks are located in a frontier basin that remains largely underexplored but prospective. The award of these contracts in September 2025 is particularly significant, as they are among the first petroleum SCs granted within the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). This reflects renewed momentum for upstream activity in emerging areas of the Philippines, and provides PXP with exposure to new exploration opportunities beyond our legacy assets.

We further strengthened our portfolio with the award of SC 86, which covers the Malajon Prospect and the Octon Discovery. This area benefits from prior exploration work, including several identified prospects and leads that remain to be fully evaluated. Through focused technical studies, SC 86 will build on earlier work under former SC 6A to further assess potential resources within an existing petroleum system.

Beyond the reporting period, we were also encouraged by the award of SC 91 in April 2026 to a consortium that includes FEPC. SC 91 covers the Cadlao Oil Field and the nearby East Cadlao Prospect, offering the potential to redevelop a proven producing area using modern techniques.

In addition, PXP continues to pursue further growth through applications for new SCs covering areas with existing discoveries. Among these is the West Linapacan area in offshore Northwest Palawan, where prior production and an oil discovery have confirmed an active petroleum system.

Photo courtesy of NPG Pty Ltd

Taken in the round, these additions mark an important broadening of PXP's opportunity set. They provide new exploration acreage, exposure to both frontier and proven petroleum areas, and multiple avenues for future growth. While these projects will require patience, capital discipline, and strong partnerships, they introduce fresh optionality and reinforce PXP's active participation in the Philippine upstream sector.

More importantly, these new opportunities sit alongside PXP's existing core assets —SC 72 Recto Bank and SC 75 Northwest Palawan. Both remain under force majeure and continue to be affected by circumstances beyond the Company's control. Nevertheless, they represent significant long-term potential for PXP. We continue to maintain technical readiness and engage constructively with relevant stakeholders, with the objective of resuming work when conditions allow.

In SC 40 North Cebu, operated by FEI, the Company continued to advance technical work programs during the year. Subsurface studies and detailed planning for the Dalingding Prospect progressed, with the aim of bringing it closer to drill-ready status. SC 40 remains one of PXP's more immediate exploration opportunities and may provide a practical pathway toward drilling activity.

At the same time, we recognize that the Galoc Oil Field, our sole producing asset, is approaching the later stages of its productive life. Galoc has been an important contributor to the Company and to Philippine oil production, having produced more than 25.4 million barrels of oil since 2008. Following its transition to a Development and Production Petroleum Service Contract framework under SC 88, our focus is to manage the field prudently, optimize remaining value, and ensure operational discipline through the remainder of its life.

Recent developments in global energy markets have again demonstrated the vulnerability of import-dependent economies to external supply and price shocks. For the Philippines, this reinforces the importance of energy security and the continued exploration and development of indigenous energy resources. While such activities are inherently long-term and require patience, they remain strategically relevant. PXP's role is to continue building and advancing a portfolio that can contribute to this national objective over time.

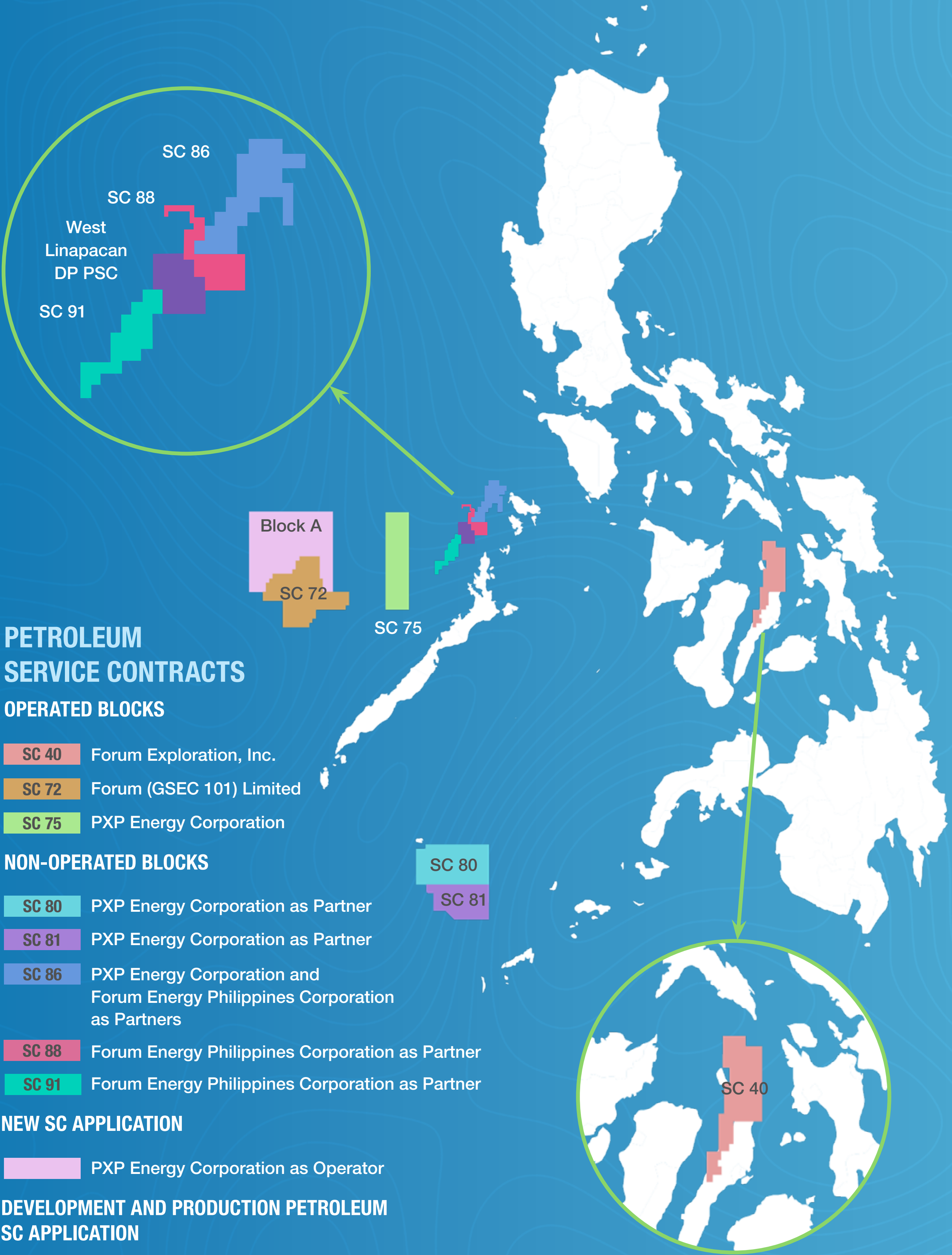
Everything considered, our activities reflect a deliberate strategy. We are expanding into new service contracts, advancing nearer-term prospects, preserving the long-term value of SC 72 and SC 75, and managing Galoc responsibly as it approaches end-of-life production. Our objective is to move selected assets toward drilling, discovery, and eventual development, while maintaining financial discipline and responsible operating standards.

In closing, we extend our sincere appreciation to our Shareholders for their continued trust and support. We thank our partners and stakeholders for their collaboration, and we recognize the dedication of our employees, whose efforts drive the Company forward each day. We also acknowledge the guidance of our Board of Directors, whose leadership remains instrumental as we enter a new and exciting—albeit uncertain at this stage—future.

MANUEL V. PANGILINAN
CHAIRMAN OF THE BOARD

DANIEL STEPHEN P. CARLOS
PRESIDENT

PXP SERVICE CONTRACT MAP



PETROLEUM SERVICE CONTRACTS

OPERATED BLOCKS

- SC 40 Forum Exploration, Inc.
- SC 72 Forum (GSEC 101) Limited
- SC 75 PXP Energy Corporation

NON-OPERATED BLOCKS

- SC 80 PXP Energy Corporation as Partner
- SC 81 PXP Energy Corporation as Partner
- SC 86 PXP Energy Corporation and Forum Energy Philippines Corporation as Partners
- SC 88 Forum Energy Philippines Corporation as Partner
- SC 91 Forum Energy Philippines Corporation as Partner

NEW SC APPLICATION

- PXP Energy Corporation as Operator

DEVELOPMENT AND PRODUCTION PETROLEUM SC APPLICATION

- PXP Energy Corporation as Partner

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 km^2 area in the Northwest Palawan Basin.

SC 75 is considered a frontier area, with no wells drilled to date. The primary exploration target remains the Nido Limestone, a proven reservoir that has yielded commercial oil and gas accumulations in nearby blocks. More recent evaluations, however, have identified additional potential within the Top Cretaceous (pre-Nido) section.

Mapped plays include Nido reef build-ups and platform carbonates within fault-bounded closures; basement drape structures involving the Galoc and Batas clastic units with potential for stratigraphic pinch-outs; and pre-Nido conventional tilted fault blocks of Paleogene and Cretaceous age.

The main area of prospectivity lies in the central part of the block, where several leads (Leads A, B, and C) have been identified with structural closures mapped at both the Top Nido and Top Cretaceous levels. These leads are located adjacent to a potential source kitchen, in a setting analogous to the Malampaya Field.

In addition to the prospectivity mapped at the Nido level, this area is distinct from the shallower-water parts of the NW Palawan Basin in that the pre-Nido Cretaceous section is clearly imaged on seismic, and a recognizable Paleogene section is present. These intervals may provide significant upside through additional reservoir targets. Improving seismic imaging of these deeper sections will be a key objective of the proposed 3D seismic acquisition program.

Total unrisked in-place prospective gas resources are estimated at 3.38 trillion cubic feet (TCF), of which 231 billion cubic feet (BCF) (Nido level) and 2.37 TCF (Cretaceous level) are attributed to Lead B, and 236 BCF (Nido level) to Lead C, with the remainder associated with other mapped leads.

Under an oil case, total unrisked in-place prospective oil resources are estimated at 2.23 billion barrels of oil (BBO), of which 298 million barrels (MMbbl) (Nido level) and 1.44 BBO (Cretaceous level) are attributed to Lead B, and 167 MMbbl (Nido level) to Lead C, with the remainder associated with other mapped leads.

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 & 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 effective at the end of SP 1 on December 27, 2015. In view of this, all exploration activities in the block have been suspended until the DOE informs the Consortium of the lifting of the force majeure.

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 km^2 of 3D seismic data. Shearwater GeoServices was contracted for the project.

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. In a letter dated April 8, 2022, PXP informed the DOE of its readiness to resume operations but 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 its 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 recoverable, subject to audit, and that an extension of the exploration period equivalent to the time lost would be 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 November 21, 2025, the DOE approved the work program and budget (WP&B) for 2026, 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 km^2 of 3D seismic data, will be contingent upon the lifting of the force majeure imposed by the DOE in April 2022.

SC 80 (SULU SEA) - FORMERLY PDA-BP-2

SC 80 was awarded on September 24, 2025, with Triangle Energy (Global) Limited (now Tetragon Energy (Philippines) Pty Ltd) appointed as Operator and PXP holding a 12.5% participating interest. This award followed PXP's participation in a consortium that submitted a bid in August 2024 for PDA-BP-2 under the 1st Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) Conventional Energy Bid Round, jointly conducted by the DOE and the Ministry of Environment, Natural Resources, and Energy (MENRE) of BARMM, as part of the government's initiative to open new conventional energy areas. The application was found complete and progressed through substantive evaluation, with the Certification Precondition approved in November 2024 after confirmation that Free, Prior, and Informed Consent from the affected Indigenous Cultural Communities/Indigenous Peoples had been obtained.

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 km^2, with water depths ranging from 200 to 3,000 m in the eastern portion of the block.

Between 2009 and 2010, ExxonMobil, as operator, along with consortium members BHP Billiton and Mitra Energy, drilled four (4) wells in deeper waters within SC 80. Two (2) of these wells—Dabakan and Palendag—discovered gas in multiple stacked turbidite sands within deepwater thrusted anticline traps.

In addition to the discovered gas, several significant exploration prospects have been identified within both the fold belt and basin floor fan systems, located both within and outboard of the thrust belt. There are also indications of older carbonate deposits exhibiting reef-like characteristics. The largest and most attractive prospect is Halcon, an outboard basin floor fan with potential multi-TCF of prospective gas resources. This large deepwater prospect, along with several other prospects, will be further evaluated during the initial sub-phases of the contract.

Under the first sub-phase of the new SC, which has a 24-month term, comprehensive G&G studies will be carried out, including the reprocessing of existing 3D seismic data using the Pre-Stack Depth Migration (PSDM) method.

SC 81 (SULU SEA) - FORMERLY PDA-BP-3

On September 24, 2025, SC 81 was awarded, with Triangle Energy (Global) Limited (now Tetragon Energy (Philippines) Pty Ltd) appointed as Operator, and PXP holding a 12.5% participating interest in the block. The award followed the submission in August 2024 of bid documents for PDA-BP-3 by PXP, together with three (3) other consortium partners, to the DOE and BARMM-MENRE. The application was found to be complete and advanced to substantive evaluation, with the Certification Precondition secured from the BARMM Ministry of Indigenous Peoples' Affairs in November 2024, satisfying a key requirement for the signing of the service contract.

SC 81 is located south of and adjacent to SC 80. Formerly known as PDA-BP-3, SC 81 was likewise among the blocks offered for bidding in early 2024. It has an area of 5,321 km^2 and water depths ranging from less than 100 m in the west to an excess of 3,000 m in the east. The block is covered by 2D and 3D seismic data with seven (7) wells drilled by previous operators. It contains exploration prospects primarily in the eastern portion of the permit, within slope fan channel facies and deepwater fold-belt settings. These prospects and leads formed in similar structural and depositional settings similar to those in the SC 80 contract area to the north. While no commercial discoveries have yet been made, hydrocarbon indications have been recorded in some wells.

The first sub-phase of SC 81 has a term of 24 months. During this period, G&G studies will be conducted, including the PSDM reprocessing of existing 2D and 3D seismic data.

SC 86 (OCTON BLOCK) – FORMERLY SC 6A

SC 86 was awarded on September 30, 2025, as the successor to SC 6A, with PXP and FEPC as consortium members, each holding a 6.8439% participating interest.

SC 6A was originally set to expire on February 28, 2024, leaving limited time for the Consortium to drill an exploratory well and develop a field in the event of a commercial discovery. As a result, the Consortium surrendered the contract effective March 31, 2021, and subsequently applied for a new contract under the Philippine Conventional Energy Contracting Program through area nomination. The surrender was approved by the DOE on September 5, 2022. On March 17, 2023, The Philodrill Corporation (Philodrill), as Operator and on behalf of the Consortium, submitted the application documents for the new service contract, which covered an expanded area of 1,320 km^2. This includes the former SC 6A Octon area as well as additional areas relinquished from SC 74 in 2022.

SC 86 lies within a proven petroleum system characterized by multiple prospects and leads, most notably the Malajon-Salvacion-Saddle Rock Anticlinorium and the Octon Discovery.

The Malajon-Salvacion-Saddle Rock Anticlinorium is interpreted as an inverted Paleogene syn-rift graben comprising four individual prospects: Malajon, West Malajon, Salvacion, and Saddle Rock. The structure covers an area of approximately 108 km^2. Best-case unrisked resource estimates for the West Malajon and Salvacion prospects are 50.2 MMbbl and 17.7 MMbbl, respectively.

The Octon Discovery is a four-way dip-closed anticline discovered by the Octon-1 well in 1990, which flowed 12.5 million standard cubic feet of gas per day (MMSCFD) and 1,050 barrels of condensate per day (BCPD) from the Galoc Clastic Unit. A subsequent step-out well, Octon-2, drilled downdip, established an oil leg and flowed 1,800 BOPD. A second appraisal well, Octon-3, located east of the discovery, encountered hydrocarbon-saturated sands; however, testing recovered only water. Subsequent evaluation of drilling, casing, cementing, and petrophysical data suggests that these results were likely affected by poor cement integrity. The estimated stock tank oil initially in place (STOIIP) for the Octon Discovery is approximately 22 MMbbl.

Overall, SC 86 represents a structurally complex but highly prospective block, combining large inverted structures with a proven discovery, offering both exploration and appraisal opportunities.

The initial sub-phases of the new SC will focus on further subsurface evaluation, building on the G&G studies previously conducted under SC 6A. These activities aim to finalize the well location and design for the Malajon Prospect and to advance appraisal planning for the Octon Discovery.

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

PXP submitted an application for Block A (the DOE's Nominated Area No. 6) in March 2020, which the DOE opened on September 14, 2020, and found complete and qualified for further legal, technical, and financial evaluation. The service contract application remains pending with the DOE.

Block A is located north of and contiguous with SC 72 in offshore NW Palawan, approximately 180 to 375 km from Palawan Island. It has an area of 14,300 km^2, covering all of Nares Bank and parts of the greater Recto Bank, with water depths ranging from 20 to 2,500 m.

Block A currently has limited subsurface information derived from select academic studies, primarily based on potential field geophysical data, as well as the legacy Joint Marine Seismic Undertaking (JMSU) 2D dataset, which is not accessible to PXP. The most relevant and proximate subsurface control is provided by SC 72, where the Reed Bank A-1 and B-1 wells offer valuable geological insights from the northern portion of the service contract area.

Upon award, the proposed work program for the first sub-phase will include the acquisition of at least 2,200 line-kilometers of 2D seismic data, together with marine gravity and magnetic data.

SC 74 (LINAPACAN)

SC 74, covering 4,240 km^2 in the shallow waters of the Northwest Palawan Basin, was awarded on August 13, 2013, to a consortium led by PXP as Operator, together with Philodrill and PNOC EC. Following unfavorable evaluation results, the Consortium surrendered the block to the DOE on December 13, 2023, with the surrender formally approved on July 12, 2024, subject to settlement of the remaining scholarship fund obligation. To complete this requirement, a Memorandum of Agreement on Scholarship Assistance was ceremonially signed at the DOE on October 22, 2025, awarding the outstanding USD55,000 scholarship commitment to Palawan State University. This settlement formally released the Consortium from all remaining financial obligations under SC 74.

Forum (GSEC 101) Limited

SC 72 (RECTO BANK)

SC 72 was awarded on February 15, 2010, to FGL and Monte Oro Resources & Energy, Inc. It lies approximately 130 km off the northwestern coast of Palawan Island and 330 km southwest of the Malampaya Gas Field. The area is characterized by shallow-water reefs and carbonate banks underlain by continental crust.

The Block covers an area of 8,800 km^2 and contains the Sampaguita Gas Discovery, a northeast-southwest-trending, faulted anticlinal structure with an aerial closure of approximately 98 km^2 and a vertical relief of about 531 m. A 2012 study by Weatherford Petroleum Consultants estimated the field to have 2.6 TCF of In-Place Contingent Resources and 5.4 TCF of In-Place Prospective Resources. The results of the study were used to define the location of two (2) wells, to be named

Photo courtesy of NPG Pty Ltd

Sampaguita-4 and Sampaguita-5, which, if successfully drilled, were expected to increase the volume of potentially recoverable resources. However, due to maritime disputes 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 2015, reinterpretation of reprocessed 2D data identified a significant additional structure, the North Bank Prospect, with estimated in–place prospective gas resources of up to 3.084 TCF. Acquisition of 3D seismic data is planned to further de-risk the prospect and advance it toward drill-ready status.

In July 2016, the United Nations (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, 2022, expressing its readiness to resume operations. The company advised that, if no confirmation was received by April 10, 2022, it would consider the suspension indefinite and declare a force majeure event, thereby relieving the Joint Venture 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.

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 form part of the approved recoverable costs, subject to 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 to its re-imposition (October 14, 2020 to April 6, 2022) will be credited back to SC 72. Consequently, once the force majeure is lifted, FGL will have 20 months, equivalent to the remaining term of the SP 2 before October 14, 2020, to drill the two (2) commitment wells.

On November 21, 2025, the DOE approved the WP&B for 2026 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 88 (GALOC) – FORMERLY SC 14 BLOCK C-1

SC 14C-1 covered an area of 164 km^2 and contained the Galoc Oil Field, which had produced approximately 25.33 MMbbl of oil as of December 31, 2025.

Gross production in 2025 averaged 1,093 barrels of oil per day (BOPD), down from 1,224 BOPD in 2024, representing a year-on-year decline of 10.7%. This decline is consistent with the field's natural decline rate observed over the past three (3) to four (4) years.

Three (3) liftings, totaling 414,124 barrels, were delivered during 2025. The first lifting was completed on February 28, 2025, with a cargo of 157,381 barrels; the second on June 1, 2025, totaling 123,361 barrels; and the third on October 1, 2025, with a cargo of 133,382 barrels. The crude oil was sold to regional refineries at an average realized price of USD69.96 per barrel.

The field's profitability is expected to continue over the next one (1) to two (2) years, subject to effective cost management, operational efficiency, favorable oil price environment, and sustained performance of the remaining production wells, Galoc-5 and Galoc-6.

In December 2023, the DOE issued Department Circular No. 2023-12-0033, which took effect on January 3, 2024, establishing the framework for awarding Development and Production Petroleum Service Contracts (DP PSCs) through direct negotiation for expiring service contracts with ongoing production or DOE-certified reserves. 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 terms and conditions.

Under the Circular, SC 14C-1 qualified for a new DP PSC, allowing continued production from the Galoc Field beyond its December 17, 2025 expiration. Accordingly, the Consortium applied for a DP PSC in March 2025 and submitted the required documentation over the succeeding months. The government awarded the new contract, SC No. 88, on December 18, 2025, and, following the withdrawal of one (1) company from the application, FEPC's participating interest increased from 3.2103% under the expired SC 14C-1 to 4.69174%.

WEST LINAPACAN DP PSC – FORMERLY SC 14 BLOCK C-2

The SC 14 Block C-2 in the Northwest Palawan Basin covered an area of 176.5 km^2 and hosted two (2) main oil-bearing structures, West Linapacan A and West Linapacan B, which are structural traps formed by fault-related folding. The West Linapacan A Field was discovered in 1990 and, from 1992 to 1996, produced over 8.5 MMbbl from fractured Linapacan Limestone, the stratigraphic equivalent of the Nido Limestone. The field is located in 300 to 350 m of water, approximately 60 km offshore Palawan Island.

West Linapacan B, located along the same structural trend, was discovered in 1993 with the drilling of West Linapacan B1-X but was never developed. Test results confirmed reservoir productivity, and available data suggest the well did not reach the oil-water contact, indicating that additional hydrocarbon accumulations may extend beyond the currently defined structural limits.

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

On November 17, 2025, the Consortium submitted a Letter of Intent to apply for a DP PSC covering SC 14C-2, which expired on December 17, 2025, along with additional open acreages. The new DP PSC will provide a fresh evaluation window to assess West Linapacan B, Linapacan B in the former SC 74 block, and other adjacent structures for potential cluster development.


Photo courtesy of NPG Pty Ltd

The block qualifies for a DP PSC based on the declared reserves in the West Linapacan A Field.

SC 91 (CADLAO) - FORMERLY SC 6B

SC 6B covered 567 km^2 and included the Cadlao Oil Field. The field was discovered in 1977 and produced about 11 MMbbl from two (2) subsea production wells from 1981 to 1991. The remaining recoverable reserves are estimated at 3.7 MMbbl for proven reserves (1P) and 5.7 MMbbl for proven plus probable reserves (2P) based on a 2012 study by Gaffney, Cline & Associates Inc. Additionally, near Cadlao lies the East Cadlao Prospect, where Philodrill estimated recoverable resources of 1.48 MMbbl at the P10 level, and 1.17 MMbbl 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 operatorship of the license. A farm-in agreement (FIA) was later executed on February 11, 2022, with FEPC's interest reduced from 8.182% to 2.4546% in exchange for a free carry by Nido for the drilling of a deviated well, the conduct of an Extended Well Test (EWT), and the subsequent development of the Cadlao Field.

Nido proposes a two-phase redevelopment consisting of:

- Phase 1: A 3- to 6-month EWT using the new 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 following the EWT, including additional wells and potentially substituting the MOPU with 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 need to be carefully controlled.

The Deed of Assignment (DOA) of Participating Interest to Nido and the revised 2022 WP&B were submitted to the DOE on April 11, 2022. The WP&B includes the drilling of Cadlao-4 and the conduct of an EWT. However, the spud date of the well will depend on rig and FSO unit availability. The DOA was approved on December 19, 2022.

From November 28 to December 1, 2022, Nido conducted a geophysical site survey at Cadlao using the vessel Cassandra VI. The purpose of the survey was to identify the possible constraints and hazards on the seafloor where the Cadlao-4 well will be located.

On November 15, 2023, Nido and PNOC EC signed a farm-in agreement that provided for PNOC EC's acquisition of a 20% participating interest in the block, including sharing the cost of drilling and the EWT for the Cadlao-4 well. While PNOC EC's participation was approved by the Consortium, the formal transfer and assignment of the 20% interest from Nido to PNOC EC shall be subject to DOE approval.

On January 5, 2024, the Consortium sent the DOE its letter of intent to apply for a DP PSC before the end of SC 6B's production term. On January 26, 2024, Nido, as Operator, submitted the application documents over the former SC 6B block and additional open areas. These documents include a copy of the POD for the Cadlao Field. SC 6B expired on February 28, 2024, and was replaced by the new DP PSC—SC 91—which was executed on April 13, 2026.

Forum Exploration, Inc.

SC 40 (NORTH CEBU BLOCK)

SC 40 was awarded on February 9, 1995, and currently covers an area of 3,400 km^2 from the original coverage of 6,112.53 km^2. It is being operated by FEI.

In June 2022, FEI contracted a drilling consultant to prepare drilling programs and budgets for two (2) wells, one of which will be located in the Dalingding Prospect, a reef structure defined by seismic with the Late Miocene to Pliocene-age Barili Limestone as the primary target. A well, Dalingding-1, was drilled on this structure in 1996 and was plugged and abandoned as a dry hole with minor gas shows after reaching a total depth of 460 m. FEI's re-evaluation of the prospect concluded that the Dalingding-1 well did not reach the Barili target, which is currently estimated to lie approximately 146 m below the well's final depth. FEI proposes drilling a new well to a depth of 1,200 m to reach the Barili Limestone and secondary targets below it.

An independent technical evaluation, including a review of available data, project risk assessment, and project economics for the Maya and Dalingding Prospects, commenced in the first quarter of 2023. The results indicate that both deterministic and probabilistic volumetric estimates for the Dalingding Prospect show mean resources of 10 BCF in the gas case and 3.5 MMbbl in the oil case. The study was completed in March 2024.

On January 3, 2024, the DOE approved the work program and budget for 2024, which includes the conduct of a magnetotelluric (MT) survey over the Dalingding Prospect. The survey aimed to define the top of the carbonate target and help determine its depth from the surface. The results will be used to further refine the Dalingding-2 drilling program.

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.

On December 23, 2024, the proposed WP&B for 2025 was submitted to the DOE. It included a firm program consisting of the continuation and finalization of MT data processing and interpretation, as well as the technical re-evaluation of the Dalingding prospect, wherein MT data were integrated with existing geological, geophysical, and well data. The DOE approved the 2025 WP&B on January 7, 2025.

Processing and interpretation of the MT data were completed in April 2025. The results successfully mapped the presence of a reef boundary, interpreted as the Barili Limestone, identified through sharp resistivity contrasts with surrounding formations. However, the interpreted reef depth and thickness of the overlying seal vary, possibly due to data interpolation effects, as a significant amount of cultural noise had to be removed during processing and interpretation.

A data integration study was conducted by FEI following receipt of the MT report and was completed in June 2025. The subsurface resistivity data derived from the MT method indicate that resistivity may vary laterally within a formation, reflecting differences in its physical properties. When combined with other geophysical methods, MT data can provide a more comprehensive understanding of subsurface geology. The study also concluded that while seismic remains the primary tool for defining prospect structures, MT-derived resistivity can assist in predicting porosity and fluid type within seismically delineated geologic bodies. By integrating data from multiple geophysical tools and sources, porosity distribution on the Barili Limestone surface was successfully estimated and mapped.

The WP&B and Annual Procurement Plan for 2026 were submitted to the DOE on February 27, 2026, and were approved on March 11, 2026. The firm work program includes the re-evaluation of the Dalingding Prospect and Dalingding-2 geologic prognosis, as well as Maya site maintenance. Drilling preparations for Dalingding-2 are a contingent program.

FINANCIAL AND OPERATING PERFORMANCE

PXP reported consolidated operating revenues amounting to PHP49.8 million (2024: PHP67.0 million), consisting solely of revenues from petroleum.

Revenues were derived from the Company's indirect interest in the Galoc oil field through FEL, a 98.08% owned subsidiary, via its wholly owned subsidiary, FEPC.

Oil production during the year was as follows:

	2025	2024
Oil Revenues (in Millions PHP)	**49.8**	67.0
Barrels (net to FEL)	**12,285**	14,791

The decrease was driven by a 16.5% decline in sales volume to 414,124 barrels from three (3) liftings (2024: 498,168 barrels), primarily reflecting the natural decline associated with the late-life stage of the Galoc field, as well as a 12.5% decrease in the average realized crude price to USD70.0/bbl (2024: USD80.0/bbl) amid weaker market conditions. Notwithstanding this, production from SC 88 (formerly SC 14C-1 Galoc) remained operationally stable given the field's maturity. Revenues were recognized by FEPC corresponding to its 4.69% participating interest in the Galoc.

Consolidated costs and expenses totaled PHP94.7 million (2024: PHP91.8 million). Petroleum production costs increased modestly to PHP39.3 million (2024: PHP37.5 million), while general and administrative expenses were slightly higher at PHP55.4 million (2024: PHP54.4 million). Overall, the Group's cost run-rate remained broadly stable year-on-year, reflecting controlled spending levels during the year.

The Group recognized net other charges of PHP35.1 million (2024: PHP2.6 million), mainly attributable to a higher provision for plug and abandonment costs of PHP16.1 million (2024: reversal of PHP7.3 million) relating to SC 14C-2 West Linapacan, reflecting updated cost estimates and timing assumptions. Interest expense likewise increased to PHP12.7 million (2024: PHP10.2 million) due to the higher principal balance of interest-bearing shareholder advances during the year. The Group also recognized a write-off of deferred exploration costs pertaining to projects that did not proceed following the results of technical evaluations. These were partially offset by a lower provision for write-off of unused input value-added tax (VAT) of PHP1.7 million (2024: PHP4.0 million), reflecting updated recoverability assessments, and lower interest income from short-term bank deposits of PHP1.3 million (2024: PHP3.6 million) due to reduced average cash balances. In addition, the Group recognized a net foreign exchange loss of PHP1.9 million (2024: net gain of PHP0.7 million), primarily arising from the translation of the Parent Company's US dollar-denominated notes payable.

Net other charges comprise of:

(in Millions PHP)	2025	2024
Reversal of (Provision for) plug and abandonment costs due to change in estimates	**(16.1)**	7.3
Interest expense	**(12.7)**	(10.2)
Provision for impairment/loss on write-off of:		
Deferred oil and gas exploration costs	**(4.0)**	–
Input VAT	**(1.7)**	(4.0)
Foreign exchange gains (losses) - net	**(1.9)**	0.7
Interest income	**1.3**	3.6
	(35.1)	(2.6)

Consequently, the Group recorded a consolidated net loss of PHP80.4 million during the year (2024: PHP28.6 million). Net loss attributable to equity holders of the Parent amounted to PHP77.5 million (2024: PHP30.9 million), equivalent to PHP0.034 per share (2024: PHP0.016), while core net loss was PHP50.2 million (2024: PHP33.3 million). The results were primarily driven by the higher provision for plug and abandonment costs, lower realized crude prices, and reduced sales volumes associated with the late-life stage of the producing asset, as well as higher financing costs and foreign exchange losses during the year. Notwithstanding these factors, underlying field operations remained stable and recurring cost levels were generally maintained, with the variance largely attributable to non-recurring and non-cash items.

BOARD OF DIRECTORS

MANUEL V. PANGILINAN

DIRECTOR AND CHAIRMAN OF THE BOARD

79, FILIPINO

Date of Appointment: **December 8, 2009** Last Re-Elected: **July 11, 2025**

ACADEMIC BACKGROUND

Mr. Pangilinan graduated cum laude from the Ateneo de Manila University, with a Bachelor of Arts degree in Economics. He received his Master of Business Administration (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 Company Limited (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 (CEO). 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 CEO of PLDT, Inc. (PLDT) and Smart Communications, Inc. in January 2024. He also became the President and CEO of Manila Electric Company (Meralco) effective June 1, 2023. He is the Chairman, President, and CEO 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 (Philex); 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 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 serves 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 of the U.S.– Philippine Society.

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

Listed companies in the Philippines, of which Mr. Pangilinan is currently a director:
- Manila Electric Company
- PXP Energy Corporation
- Philex Mining Corporation
- PLDT, Inc.
- Roxas Holdings, Inc.
- Manila Electric Company

BOARD OF DIRECTORS

DANIEL STEPHEN P. CARLOS

DIRECTOR

62, FILIPINO

Date of Appointment: **August 16, 2015** Last Re-Elected: **July 11, 2025**

ACADEMIC BACKGROUND

Mr. Carlos obtained his Bachelor of Science degree in Geology from the University of the Philippines (UP) 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 DOE (1985–1991), Basic Energy Corporation, PNOC Exploration Corporation, Forum Pacific, Inc., and CGG Multiwave. In February 2007, he joined FEPC 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 FGL's Philippine Branch, which operates SC 72 or Recto Bank. He is the Chairman and President of FEI, which operates SC 40 or North Cebu Block. He is also the President and CEO of FEC, a Canadian public company and an 81.25% 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, of which Mr. Carlos is currently a director:
- PXP Energy Corporation

EULALIO B. AUSTIN, JR.

DIRECTOR

64, FILIPINO

Date of Appointment: **May 18, 2010** Last Re-Elected: **July 11, 2025**

ACADEMIC BACKGROUND

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 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 CEO 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 & 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 (PRC) 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. In November 2016, he was selected as an Asia Pacific Entrepreneurship Awardee by Enterprise Asia.

Listed companies in the Philippines, of which Mr. Austin is currently a director:

- PXP Energy Corporation
- Philex Mining Corporation

BOARD OF DIRECTORS

BENJAMIN S. AUSTRIA

INDEPENDENT DIRECTOR

80, FILIPINO

Date of Appointment: **August 4, 2011** Last Re-Elected: **July 11, 2025**

ACADEMIC BACKGROUND

Dr. Austria received his Bachelor of Science degree in Geology from 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 (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 as a Member of the Technical Panel for Geology of the Commission on Higher Education (CHED). On August 16, 2025, the University of the Philippines Alumni Association (UPAA) conferred on Dr. Austria the UPAA Lifetime Distinguished Achievement Award.

Listed company in the Philippines, of which Dr. Austria is currently a director:

- PXP Energy Corporation (Independent Director)

EMERLINDA R. ROMAN

INDEPENDENT DIRECTOR

76, FILIPINO

Date of Appointment: **August 4, 2011** Last Re-Elected: **July 11, 2025**

ACADEMIC BACKGROUND

Dr. Roman received her Bachelor of Science degree in Agriculture from UP-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 UP-Diliman.

BUSINESS AND PROFESSIONAL BACKGROUND/EXPERIENCE

Dr. Roman was the first woman president of 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 the University celebrated its centennial, at which time the university went on an aggressive fundraising campaign, raising more than PHP6 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., 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, of which Dr. Roman is currently a director:

- PXP Energy Corporation (Independent Director)

BOARD OF DIRECTORS

MARILYN A. VICTORIO-AQUINO

DIRECTOR

70, FILIPINO

Date of Appointment: **April 18, 2013** Last Re-Elected: **July 11, 2025**

ACADEMIC BACKGROUND

Atty. Victorio-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

Atty. Victorio-Aquino was elected to the Board in June 2023. She is a member of the Board of Directors of PLDT. She is also PLDT's Corporate Secretary and Senior Legal Advisor to the Chairman. She is also PLDT's Corporate Secretary and Senior Legal Advisor to the Chairman.

She joined First Pacific in 2012 as an Assistant Director and 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, and PXP. She is also a director of Lepanto Consolidated Mining Company (Lepanto). PMC, PXP, and Lepanto are PSE-listed companies. 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, Atty. Victorio-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, Federacion International de Abogadas, Philippine Bar Association, and Integrated Bar of the Philippines.

Listed companies in the Philippines, of which 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[1]

DIRECTOR

80, FILIPINO

Date of Appointment: **August 2, 2017** Last Re-Elected: **July 11, 2025**

ACADEMIC BACKGROUND

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 the 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 CEO of Meralco. He was the Chairman of Pepsi Cola Products Phils., Inc. He was 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 was 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, of which Mr. Reyes was a director:

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

[1] Mr. Reyes served as a Director of PXP from his initial election on August 2, 2017, until his passing on October 3, 2025.

BOARD OF DIRECTORS

JOSEPH H.P. NG

DIRECTOR

63, BRITISH

Date of Appointment: **May 21, 2019** Last Re-Elected: **July 11, 2025**

ACADEMIC BACKGROUND

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 Group Treasurer, Head of Finance for the Group's regional telecom division, and Director of several First Pacific Group 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, and a Director of PacificLight Power Pte. Ltd., which are First Pacific Group subsidiary and associates.

Listed companies in the Philippines, of which Mr. Ng is currently a director:
- PXP Energy Corporation
- Philex Mining Corporation

ERIC RAMON O. RECTO

DIRECTOR

62, FILIPINO

Date of Appointment: **July 8, 2024** Last Re-Elected: **July 11, 2025**

ACADEMIC BACKGROUND

Mr. Recto holds a degree in Industrial Engineering from the University of the Philippines as well as 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 Chairperson and President of Bedfordbury Development Corporation, Chairman of the Board and CEO of Atok-Big Wedge Co., Inc., Vice Chairman of Alphaland Corporation, Chairman of the Board of Pylon Holdings Corporation, Chairman of the Board of Eight-8-Ate Holdings, Inc., and Independent Director of Sun Life of Canada (Philippines), 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 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, of which 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.

BOARD OF DIRECTORS

RODOLFO MA. A. PONFERRADA

DIRECTOR

49, FILIPINO

Date of Appointment: **July 8, 2024** Last Re-Elected: **July 11, 2025**

ACADEMIC BACKGROUND

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 currently the President of DoubleDragon Corporation (PSE: DD) and Hotel of Asia, Inc. He is also the Executive Chairman of Hotel101 Global Holdings Corporation (NASDAQ: HBNB). He was the founding managing 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. (PSE:AB) 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 Gloria Macapagal-Arroyo in 2003, Assistant Chief of Staff to Vice President Noli de Castro from 2004 to 2006, and as a member of the Board of Directors of the Social Housing Finance Corporation from 2006 to 2016. He started his law practice as an associate at SyCip Salazar Hernandez & Gatmaitan Law Offices in 2002.

Listed companies in the Philippines, of which 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

DIRECTOR

69, FILIPINO

Date of Appointment: **July 8, 2024** Last Re-Elected: **July 11, 2025**

ACADEMIC BACKGROUND

Mr. Espinosa has a Master of Laws degree from the University of Michigan School of Law 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 President and CEO of Meralco until May 2023 and General Counsel of Meralco from December 2009 until May 2019. He is a Director of Meralco, PLDT Inc. (PLDT), Smart Communications, Inc., Metro Pacific Investments Corporation (MPIC), Meralco PowerGen Corporation, Chromite Gas Holdings, Inc. (CGHI), 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 Concreat Holdings Philippines, Inc. (CHPI); and an Independent Director of Lepanto Consolidated Mining Company and Chairman of its Audit Committee; and a Member of the Technology Strategy Committee and Data Privacy and Information Security 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 for the Philippines.

Listed companies in the Philippines, of which Mr. Espinosa is currently a director:

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

BOARD OF DIRECTORS

EVA B. ARCOS

DIRECTOR

64, FILIPINO

Date of Appointment: **February 26, 2025** Last Re-Elected: **July 11, 2025**

ACADEMIC BACKGROUND

Ms. Arcos obtained her Bachelor of Science degree in Business Economics from the University of the Philippines-Diliman in 1982. She also undertook Master's studies in Labor Policy and Administration, and Psychology at the same university.

Ms. Arcos took multi-disciplinary courses from the Institute for Pastoral and Social Ministry, Notre Dame University, Indiana, USA; the Mexican American Cultural Center, San Antonio, Texas, USA; the Turin International Training Centre, Italy (with field visits to Austria, Sweden, and Germany); the Asian Productivity Organization and Iranian Productivity Organization, Tehran, Iran; Ministry Resource Centre, Alamo, Texas; Centro de Enseñanza para Extranjeros, Universidad Nacional Autonoma de Mexico; Cuernavaca Language School, Mexico City; the International Institute – Histadrut, Israel, among others.

BUSINESS AND PROFESSIONAL BACKGROUND/EXPERIENCE

Ms. Arcos was appointed Commissioner of the Social Security System (SSS) on March 23, 2023, and took her Oath of Office on April 3, 2023. She was reappointed and took her oath of office anew on April 24, 2024. 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 Actuary Oversight, and Contribution and Collection Oversight, 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 and Legal, Coverage and Collection Oversight, and Information Technology Committees. She has been the Vice Chair of SSS Provident Fund since 2025.

She has been the Vice Chair of the board of Directors of the Philamlife Tower Management Corporation since 2025 and served as Vice Chair of the Board of Directors of the AIA Tower Condominium Corporation in 2024. She has been the President and CEO, 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 has three decades of trade union work, 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 served as Executive Director of the TUCP Workers' College.

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

Listed companies in the Philippines, of which Ms. Arcos is currently a director:

- PXP Energy Corporation

CORPORATE GOVERNANCE

CONFIRMATION STATEMENT

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

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

The Institute of Corporate Directors (ICD) has recognized the Company multiple times as one of the top-performing publicly listed companies in the Philippines under the ASEAN Corporate Governance Scorecard (ACGS). The awards were given in October 2025, September 2024, September 2023, January 2023, February 2021, June 2019, and July 2018.

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).

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.

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
5. Waiver of preemptive rights for specific transactions
6. Mergers and consolidations

RIGHT TO PARTICIPATE EFFECTIVELY AND VOTE

PXP's shareholders have the right to participate effectively in and vote at shareholders' meetings. The Company ensures that 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, as 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 March 23 of each year, or any such other date as may be determined by the Board.

For 2026, the deadline for nominations was announced by the Company on February 27, 2026, through the PSE's disclosure system. PXP also announced the date of the Annual Stockholders' Meeting (ASM) and the corresponding record date.

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
3. 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 conducted by ballot and shareholders shall be entitled to vote either in person or by proxy. Shareholders who are present and did not submit proxies before the meeting were given ballots upon registration. In the case of proxies submitted prior to the meeting, the proxy designated by the shareholder to represent them at 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 June 5, 2026.

For 2026, the Company maintained the 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 May 28 to June 5, 2026.

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 of 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 item, 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 (BRROC) Chairman, representatives of the external auditor, and other key officers and employees are present during scheduled meetings of shareholders. They shall have the opportunity to make statements, should they so desire, and 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 May 21, 2026. It likewise sent out the Notice of Meeting to shareholders, stating the date, time, place, and detailed agenda with explanatory circulars as needed for each item. The Notice is sent 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 date of the meeting and was published in at least two (2) major newspapers of general circulation.

MARKETS FOR CORPORATE CONTROL

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

In such cases, 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, along with legal counsel, is retained to review the terms and conditions of the contracts and evaluate the merits of each transaction.

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 8.161% ownership stake as of December 31, 2025. PXP does not have any shareholders owning more than 50%.

Equitable Treatment of Shareholders

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.

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 several 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:

1. Profiles of each director seeking for 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/

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 date of the disclosure.

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/corporate-governance/company-policy/policy-on-dealings-in-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.

RELATED PARTY TRANSACTIONS (RPT) BY DIRECTORS AND KEY EXECUTIVES

The Company strictly adheres to the guidelines governing securities dealings to ensure compliance with existing government regulations and to promote fairness.

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

All material and/or significant RPTs are subject to review and endorsement by the Corporate Governance and Related Party Transaction Committee, with the concurrence of all Independent Directors, prior to approval of the Board. This ensures that such transactions 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-policy/

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, free from bias or partiality. The directors, employees, or consultants concerned shall likewise inhibit themselves from any direct or indirect participation or involvement at any stage of the transactional process where a conflict exists. They are also not allowed to sign any paper or document related to such transactions.

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.

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:

1. 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 conflict.
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 as 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 at arm's length dealings.

Role of Stakeholders

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:

1. 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 on the basis of competitive bidding. The Company may apply the Negotiated Contract option if it will be 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 the continuous improvement of its operations, full compliance with all applicable laws and legislations, and the promotion of environmental awareness and commitment among its workers at all levels to minimize adverse environmental impacts.

COMPLIANCE WITH ENVIRONMENTAL LAWS

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

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

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

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

Compliance by the Company and its subsidiaries (the Group) with environmental laws helps assure Management that its businesses can be operated in a sustainable manner. To the best of the Company's knowledge, the Group has complied with all environmental regulations relating to the SCs.

COMMUNITIES

Through its subsidiaries, FEI and FEPC, as well as 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 upholds the basic human rights provided under the Philippine Constitution and the Universal Declaration of Human Rights (UDHR). 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 also established a Vendor Relations Policy and a Policy on Gifts, Entertainment, and Sponsored Travel.

VENDOR RELATIONS POLICY

PXP promotes and implements standards governing 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's website 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 placing 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 receive gifts, entertainment, or sponsored travel from any third party with whom the Company does business or proposes to do business, whether directly or indirectly, must inform the donor that such items are received on behalf of the Company and will 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 its loan covenants.

EFFECTIVE REDRESS FOR VIOLATION OF STAKEHOLDERS' RIGHTS

The Company provides contact details on its website to enable stakeholders (e.g., customers, suppliers, the general public) to raise concerns and/or complaints regarding possible violations of their rights. The contact person is 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

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, non-discrimination, environmental awareness, and commitment in the workplace, and supports programs that foster employee engagement and development.

In 2025, the Company conducted various learning sessions and employee development programs. Each program was tailored to a specific audience within the organization to ensure focus and maximize effectiveness. These programs are:

Level	Program Title
All levels	New employee orientation
Senior Managers and Officers	ACGES: "Decision Intelligence and Supercreativity: Leading in the Age of AI"

SITE SAFETY POLICY

The Company adheres to a Site Safety Policy. It is committed to the highest standards of health and safety to ensure the well-being of all stakeholders. It espouses loss prevention as a way of life and strives to maintain a safe and sound working environment to prevent injury, illness, property damage, and operational losses, in compliance with all relevant laws and regulations and with due regard for environmental protection.

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

MEANS OF COMMUNICATION OF ILLEGAL OR UNETHICAL PRACTICES BY EMPLOYEES

WHISTLEBLOWING POLICY

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

CONFIDENTIALITY

All complaints, including the identity of the whistleblower, witnesses, and employees named in the complaint, shall be treated with strict confidentiality, unless the Company is required or compelled by law to disclose such information.

ANONYMOUS REPORTING

Whistleblower complaints may be filed through any of the designated reporting channels. To facilitate further investigation, a whistleblower who files a complaint anonymously may choose to provide means of contact that preserves anonymity (e.g., a post office box, email address, or prepaid mobile number).

PROTECTION FROM RETALIATION

Subject to the provisions on 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 shall be addressed in accordance with this policy, other relevant Company policies and rules, and applicable laws. Whistleblowers or witnesses who identify themselves shall be afforded protection from retaliation.

MALICIOUS ALLEGATIONS

All whistleblower complaints are referred to the Appropriate Investigating Unit (AIU). If an investigation determines that a complaint was made in bad faith or contains baseless, false, fabricated, malicious, or vexatious allegations, disciplinary action may be taken against the whistleblower and/or witness, in accordance with applicable Company policies and relevant laws. This is to protect the reputation of individuals who may have been unjustly accused.

For purposes of this Policy, the AIU may consist of representatives from the Internal Audit, Human Resources, Legal, or Security units, or a committee composed of such representatives, 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/

DISCLOSURE AND TRANSPARENCY

TRANSPARENT OWNERSHIP STRUCTURE

The following stockholders own more than 5% of the Company's stock as of December 31, 2025:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Bene-ficial Owner and Relatioship with Record Owner	Citizenship	No. of Shares Held	% of Total Outstanding Shares
Common	PMC 2nd Floor LaunchPad, Reliance Street corner Sheridan Street, Mandaluyong City, Metro Manila (Stockholder) See Note 2.	PMC (Direct and through PCD Nominee) See Note 2.	Filipino	595,864,728	24.92%
Common	Tidemark 31st Floor Kerry Centre 683 King's Road Quarry Bay, Hong Kong	Atok-Big Wedge Co., Inc.	Non-Filipino	430,243,903	18.00%
Common	PCD Nominee Corporation (PCD Nominee) (Stockholder) See Note 1.	See Note 1.	Filipino	416,405,908 (excludes shares of PMC, SSS, and Two Rivers Pacific Holdings Corp held through PCD Nominee)	17.42%
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	11.90%
Common	Social Security System c/o Loan and Investment Office, 7/F SSS Building, Diliman, Quezon City (Stockholder) See Note 4.	Social Security System (Direct and through PCD Nominee) See Note 4.	Filipino	200,504,505	8.16%
Common	Two Rivers Pacific Holdings Corp. 10/F MGO Building, Legaspi cor. Dela Rosa Sts., Legaspi Village, Makati City (Stockholder)	Two Rivers Pacific Holdings Corporation	Filipino	131,224,794	5.49%

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 actively participating in the Philippine capital markets to implement an automated book-entry system for handling securities transactions in the Philippines. The 416,405,908 shares shown above are exclusive of the 335,864,728 shares owned by PMC, the 48,130,867 shares owned by SSS, and the 5,616,638 shares owned by Two Rivers Pacific Holdings Corporation, held through PCD Nominee.

2. PMC is represented by Mr. Manuel V. Pangilinan, Mr. Eulalio B. Austin Jr., and Mr. Daniel Stephen P. Carlos 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 2.73% 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 2.70% 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 0.43% 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 in the Company's Board of Directors.

4. Of the 195,086,505 shares of the Social Security System (SSS), 48,130,867 shares are held through PCD Nominee. Ms. Eva B. Arcos was nominated to the Company's Board of Directors as the SSS representative.

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	54
Key Performance Indicators (Financial and Non-Financial)	54
Dividend Payment Policy	31
Details of Whistleblowing Policy	36
Biographical Details of Directors	18–30
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	31

DISCLOSURE OF RELATED PARTY TRANSACTIONS (RPTS)

Please see page 33–34 for the discussion on the RPT Policy.

Director/Officer	Shareholdings as of January 1, 2025	Changes in 2025	Shareholdings as of December 31, 2025	% of Capital Stock
Manuel V. Pangilinan (Chairman)	1,603,466	–	1,603,466	0.0671%
Daniel Stephen P. Carlos (President)	766	–	766	0.0000%
Marilyn A. Victorio-Aquino (Non-Executive Director)	76,529	–	76,529	0.0032%

Director/Officer	Shareholdings as of January 1, 2025	Changes in 2025	Shareholdings as of December 31, 2025	% of Capital Stock
Eulalio B. Austin, Jr. (Non-Executive Director)	208,224	–	208,224	0.0087%
Comm. Eva B. Arcos (Non-Executive Director)	1	–	1	0.0000%
Benjamin S. Austria (Independent Director)	191	–	191	0.0000%
Emerlinda R. Roman (Independent Director)	1	–	1	0.0000%
Joseph H.P. Ng (Non-Executive Director)	1	–	1	0.0000%
Ray C. Espinosa (Non-Executive Director)	76,500	–	76,500	0.0000%
Eric Ramon O. Recto (Non-Executive Director)	347	–	347	0.0000%
Rodolfo Ma. A. Ponferrada (Non-Executive Director)	3,104,414	–	3,104,414	0.1299%
Barbara Anne C. Migallos (Corporate Secretary)	71,677	–	71,677	0.0030%
Paraluman M. Navarro (Treasurer)	2,431	–	2,431	0.0001%
Total	**5,144,548**	**–**	**5,144,548**	**0.2625%**

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

AUDIT AND NON-AUDIT FEES

For 2025, 2024, and 2023, independent auditors were engaged to express an opinion on the consolidated and stand-alone financial statements of the Group, and to review the income tax calculations reflected in the income tax returns. A regular audit was conducted in accordance with Philippine Standards on Auditing.

The audit fees for the Parent Company amounted to PHP1.2 million for each of 2025, 2024, and 2023.

There were no non-regular audits conducted in 2025, 2024, and 2023.

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 timely and appropriate disclosures to regulatory authorities, such as the SEC and the PSE. In addition to regular periodic reports, PXP discloses all material information that may affect the valuation, stock price, or 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/company-disclosure/other-disclosures/

QUARTERLY REPORTS

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

The Company regularly prepares and submits quarterly and annual reports on or before the deadlines prescribed by regulatory agencies. Its quarterly reports can be found on the Company's website via the link: https://www.pxpenergy.com.ph/company-disclosure/sec-filings/

ANALYST BRIEFINGS

Analyst briefings, conducted through in-person meetings or teleconferences, are held regularly to provide timely updates on the Company's financial and operating performance to the investment community.

Media briefings are conducted after the ASM and, in some instances, prior to 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/

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/corporate-governance/cg-disclosures/mar-1-2026/

Philippine law mandates that publicly listed companies submit their SEC Form 17-A Annual Report to the PSE and SEC on or before April 15, 2026.

The accuracy and fair presentation of the Audited Financial Statements/Annual Report are affirmed by the Chairman of the Board, the President, and the Treasurer through the Statement of Management's 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/

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

Responsibilities of the Board

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/corporate-governance/cg-manuals/pxp-corporate-governance-2017/

DECISIONS REQUIRING BOARD APPROVAL

Matters requiring Board approval generally pertain to significant corporate transactions and strategic matters of the Company, and do not extend to routine operational decisions, except as may be required under applicable laws, rules, or regulations.

ROLES AND RESPONSIBILITIES OF DIRECTORS

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

a. Act in the best interest of the Company and for the common benefit of its shareholders and stakeholders;
b. Exercise due care, skill, and judgment, and observe utmost good faith in the conduct and management of the Company's business and affairs; and
c. Act within the scope of power and authority granted to the Company and the Board, as provided in the Articles of Incorporation, By-Laws, and applicable laws, rules and regulations.

Faithful compliance with the principles of good corporate governance is the primary responsibility of, and shall start with, the Board. The Board shall exercise its corporate powers, conduct business, and oversee the properties of the Company in accordance with the governance principles set out in the Company's MCG. It is likewise responsible for fostering the long-term success of the Company and ensuring 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/corporate-governance/cg-manuals/pxp-board-charter/

VISION AND MISSION

Management and the Board review and approve the Company's vision, mission, and corporate strategy on an annual basis and monitor or oversee the implementation of such 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 be a responsible energy resource company engaged in the exploration and development of petroleum and coal resources for the benefit 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/

BOARD STRUCTURE

CODE OF BUSINESS CONDUCT AND ETHICS

PXP is committed to conducting its business in accordance with the highest standards of ethics. The Company, its directors, officers, and employees are required to comply with the Code of Business Conduct and Ethics.

The Company seeks to promote a culture of good corporate governance by observing and maintaining its core values of integrity, teamwork, work excellence, respect for individuals, and corporate, social, and environmental responsibility in its dealings with shareholders, employees, customers, suppliers, competitors, business partners, 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/corporate-governance/cg-manuals/pxp-code-of-business-conduct-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 who is independent of Management. Apart from shareholdings, an Independent Director is 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, in accordance with applicable SEC rules and regulations. The cumulative term may consist of continuous or intermittent service and shall be reckoned beginning in 2012. Upon completion of the maximum cumulative term, an Independent Director shall be perpetually barred from re-election as an Independent Director of the Company, but may continue to qualify for nomination and election as a non-independent director, subject to applicable qualification requirements.

DIRECTORSHIP IN OTHER LISTED COMPANIES

Information on the directorships of Board members in other listed companies of the Board is included in their respective profiles found on pages 18-30 of this Annual Report.

THE BOARD COMMITTEES

Board Committees monitor activities and conduct regular reviews of matters within their respective areas of responsibilities.

The various Committee Charters define their 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/corporate-governance/cg-manuals/pxp-compensation-committee-charter/

AUDIT COMMITTEE

The Audit Committee Charter sets out the Committee's purposes, authority, duties and responsibilities, structure, and procedures, in accordance with 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:

1. 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 External Auditor, including the External Auditor's qualifications and independence

The Committee shall likewise perform other duties and powers as may be delegated by the Board, subject to defined limitations.

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 defines its purposes, authority, duties and responsibilities, structure, and procedures in accordance with the Company's Revised Code of Corporate Governance.

The primary purpose of the Committee is to assist the Board in fulfilling corporate governance responsibilities in compliance with the Company'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 primary oversight responsibility over the Company's corporate finance activities, including capital structure management, financial risk management (credit, concentration, liquidity, market, foreign currency, interest rate, equity price, commodity, hedging, and derivative risks), and 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 (BRROC)

The primary purpose of the BRROC is to assist the Board in the identification, assessment, and management of enterprise risks, including financial, regulatory, strategic, and operational risks. It ensures the implementation of an effective and integrated risk management framework for the benefit of the Company and its shareholders. The Committee shall also perform other duties as may be delegated by the Board, subject to such limitations 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/

BOARD PROCESSES

ATTENDANCE

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

DIRECTORS' ATTENDANCE IN BOARD MEETINGS FOR 2025

Board Position	Name	Meetings Held	Meetings Attended	Attendance Rate (%)
Chairman	Manuel V. Pangilinan	8	5	62.5
Member	Daniel Stephen P. Carlos	8	8	100
Member	Marilyn A. Victorio-Aquino	8	6	75
Member	Eulalio B. Austin, Jr.	8	8	100
Member	Joseph H.P. Ng	8	8	100
Member	Benjamin S. Austria (Independent Director)	8	8	100
Member	Emerlinda R. Roman (Independent Director)	8	8	100
Member	Comm. Eva B. Arcos	8	8	100
Member	Oscar S. Reyes	8	5	62.5
Member	Ray C. Espinosa[a]	8	7	87.5
Member	Eric Ramon O. Recto[a]	8	5	62.5
Member	Rodolfo Ma. A. Ponferrada[a]	8	8	100

[a] Elected at the July 11, 2025 Annual Stockholders' Meeting, aligned with the increase in number of directors from nine (9) to thirteen (13).

DIRECTORS' ATTENDANCE IN COMMITTEE MEETINGS FOR 2025

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	5	100

Board Risk and 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	Eulalio B. Austin, Jr.	3	3	100
Member	Comm. Eva B. Arcos[a]	3	2	100
Member	Eric Ramon O. Recto	3	3	100

[a] Comm. Eva B. Arcos attended all meetings following her election on February 26, 2025.

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 materials to directors via email at least five (5) days in advance of each meeting. The hard copies are distributed on the day of the Board meeting or earlier upon the request of any director.

CORPORATE SECRETARY

The Company's Corporate Secretary is Atty. Barbara Anne C. Migallos, a Filipino and a resident of the Philippines. She brings with her 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 and remain in office until a successor is duly elected and qualified. Any vacancy on the Board occurring before the expiration of the term shall be filled in accordance with applicable laws and regulations. When necessary, the Board engages professional search firms to assist in identifying qualified candidates to fill Board vacancies.

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 comprise 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 levels that attract and retain talent and motivate them to contribute to the long-term success of PXP.

Compensation is determined in accordance with the Corporation Code of the Philippines, the Company's By-Laws, and/or as approved by shareholders.

DIRECTOR

A director, as determined by the Board, is entitled to receive a reasonable per diem for attendance at 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 Mr. Ludovico V. Ayad, Jr.

In accordance with 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. It also includes ensuring the adequacy and effectiveness of the Company's risk management, control, and governance processes.

As provided in the Audit Committee Charter, the Internal Audit Group submits to the Audit Committee an annual report on the internal audit organization's activities, authority, responsibilities, and performance relative to approved audit plans and strategies. This report shall include significant risk exposures and control issues, corporate governance matters, 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 management of risk is vital to the continued growth and success of the Group. The Company is committed to managing risk in a proactive and effective manner 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 inherent risks and uncertainties. To mitigate these risks, the Group has established a BRROC, which reviews the effectiveness of the Group's (including that of its subsidiaries, major associated companies, and Joint Ventures) Enterprise Risk Management (ERM) system.

The bi-annual review covers all material strategic, financial, operational, and compliance risks, as well as the corresponding mitigation measures.

The most recent evaluation of PXP's ERM process, together with the review of the periodic ERM reports, and discussions with the Chief Risk Officer and the external auditor, has provided assurance to the BRROC that material risks have been appropriately identified, evaluated, managed, and reported.

The following are the Group's material strategic, financial, operational, and compliance risks, together with 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 its operations 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 commercially viable oil or gas deposits, given the inherent uncertainties in locating and estimating subsurface resources, despite advances in exploration technology.

  Even where substantial oil or gas deposits are discovered, other factors may prevent or delay commercial development, including 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 adopting a phased exploration with defined exit options.

- **International maritime issues over the West Philippine Sea**

  The Company operates SC 72 in the Recto Bank (Reed Bank) Area, offshore west of Palawan, which is subject to international maritime issues on certain areas of the West Philippine Sea (WPS) and was placed by the DOE under force majeure starting December 2014. Another block affected by the dispute is SC 75 in offshore Northwest Palawan, which was also directed to be under Moratorium starting 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' EEZ as defined under the 1982 United Nations Convention on the Law of the Sea (UNCLOS).

On November 20, 2018, a Memorandum of Understanding on oil and gas development between the Philippines and China was signed by the Department of Foreign Affairs (DFA) Secretary Teodoro Locsin, Jr. and Chinese Foreign Minister Wang Yi. Under the Memorandum of Understanding, an inter-governmental Steering Committee and Inter-Entrepreneurial Working Groups will be created that will work out a program of cooperation for joint exploration.

In October 2019, the DFA announced that the Philippines and China had officially convened a Steering Committee that will supervise projects under the two countries' joint oil and gas exploration in the WPS. The DFA further announced that the Steering Committee held its first meeting in Beijing on October 28, 2019. China had appointed China National Offshore Oil Corporation (CNOOC) as the representative to the Working Group(s). FGL was the representative to the Working Group for SC 72.

On October 14, 2020, FGL received notice from the Philippine DOE that the force majeure imposed on SC 72 in December 2014 was lifted with immediate effect and that FGL was to resume exploration activities on SC 72. FGL had 20 months from the date of lifting of the force majeure to drill two (2) commitment wells. The total cost of drilling these wells depended on several factors, the Company's Management estimated the total work to be between USD70 million and USD100 million. It is important to note that at the time of force majeure lifting there has been no announcement of any agreement between FGL and CNOOC in relation to SC 72.

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

However, on April 6, 2022, (i) the Company, as operator under SC 75, and (ii) FGL, as operator under SC 72, received a directive from DOE to "put on hold any exploration activities for SCs 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 WPS beginning April 6, 2022, in the process, incurring substantial stand-by and other costs." In the same letter, the Company and FGL advised the DOE further that they were prepared to resume operations immediately provided they receive written confirmation from DOE by April 10, 2022 that they can resume their exploration activities.

On April 11, 2022, the Company and FGL informed the DOE that as they did not receive advice from the DOE that they can resume their exploration activities, 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 as an indefinite suspension by the DOE of the exploration activities under SC 72 and SC 75.

In June 2022, media outlets reported that the Memorandum of Understanding between China and the Philippines had been terminated, although media outlets also reported that discussions would continue on joint exploration of SC 72.

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


Photo courtesy of John Patrick Gabriel

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 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 same was re-imposed), will be credited back to SC 72 and to SC 75. Thus, in the event the force majeure is lifted in the future, FGL will have 20 months to drill the two (2) commitment wells, equivalent to the remaining term of Sub-Phase 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 Sub-Phase 2 of SC 75 prior to 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 takes guidance from the Philippine government in respect of any future activity in SC 72 and SC 75.

- **Failure to fund expenditures and maintain adequate liquidity for exploration and development activities**

  The exploration and development of oil and gas resources are capital-intensive and require sustained funding support over extended periods. The Company's ability to fund its expenditures and investments, as well as to meet its operating and contractual obligations, depends on several factors, including the availability of funding from principal shareholders, access to external financing, and the extent to which work commitments can be managed under the relevant SCs and similar agreements.

  Given the nature of the Company's operations, which currently generate limited operating cash flows, maintaining adequate liquidity remains an important consideration. While the Company has historically been supported by its principal shareholders in funding its operating requirements, there can be no assurance that such support will continue indefinitely.

  The Company mitigates these risks through prudent cash management, disciplined capital allocation, and regular monitoring of its liquidity position. In addition, the Company continues to pursue farm-in and joint venture arrangements to share exploration costs and reduce upfront capital requirements, while undertaking phased exploration programs with defined exit options. Where appropriate, the Company may also consider capital raising initiatives to support its strategic objectives and maintain financial flexibility.

- **Price fluctuations and substantial or extended declines in prices**

  Prices for oil and gas have demonstrated significant volatility in the past. Historically, prices of oil and gas 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 for the petroleum exploration industry, as well as those on environment, 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 changes which may result in delays or restrictions on exploration, development, or production activities as well as increased cost 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 with good industry practice relating to health, safety, and environment. Some of the risks and some of the potential losses and liabilities arising therefrom may not be covered by insurance. The Company assesses the acceptability of residual risks not covered by insurance policies, and 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 made by the Company and third parties of oil and gas reserves and resources. 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 information which is currently available, but such estimates 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 the Company's financial condition, future prospects, and market value.

- **Compliance with laws, regulations, and contracts, failing of which the Company may lose its contracts, licenses, and approvals from the Philippine government or otherwise be penalized**

Substantially all of the Company's revenues are or will be 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 their JV partners are also expected to secure business licenses and permits in relation to their operations. The Group and their 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 their 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 the 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 their agreements with their JV partners to address defaults and non-compliance with laws, regulations, and contracts.

- **Operating risks and natural disasters resulting in losses**

Exploration and production of oil and gas are subject to various operating risks such as fires, explosion, oil spills, gas leaks, collisions, mechanical failures, and natural disasters that 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, please note that 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, and 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.

- **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. The Company's 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 results of operations.

The Company mitigates the foregoing risks by partnering with experienced JV partners and hiring experienced consultants that will provide the best value proposition to the government in terms of technical, financial, and legal feasibility during the bidding/ nomination process for new SCs.

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

  Global energy transformation efforts towards decarbonization on the oil and gas sector are facing 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 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 like China are willing to bear higher costs for emission reductions while in some areas, energy transformation and security are viewed as synonymous. The EU's "Fit for 55" proposals may be accelerated due to the Ukraine crisis with a goal of reducing greenhouse gas (GHG) emissions by at least 55% by 2030.

  The Company mitigates such risks of decarbonization through close coordination with the DOE, being 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 the 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 combined with following the growing worldwide trend in decarbonization.

PEOPLE ON THE BOARD

CHAIRMAN

The Chairman of the Board ensures that the Board functions effectively. He helps ensure compliance with and adherence to corporate governance policies and practices. He provides leadership to the Board, ensures its effective operation, and facilitates the timely discussion of key issues, taking into account the proposals and recommendations of the President and Management. In addition, the Chairman ensures that an open line of communication and a free flow of information between Management and the Board are maintained.

THE PRESIDENT

The President is responsible for the general care, management, and administration of the Company's business. He ensures that operations and financial affairs are conducted 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 efficiency and effectiveness of operations and the safeguarding of assets in compliance with applicable laws, rules, and regulations.

The President provides leadership to 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. It recognizes that human capital remains its most valuable asset. As such, PXP is committed to fostering, cultivating, and preserving a culture of diversity and inclusion. 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/

BOARD PERFORMANCE

PERFORMANCE APPRAISAL/ASSESSMENT POLICY

The Policy aims to enable the Board to periodically assess its overall performance, identify strengths and areas for improvement based on the assessment results, and obtain important feedback and views from its members. The results of the assessment 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	Self-Assessment
Board of Directors	✔	Individual Director/s
Director	✔	Individual Director/s
Board Committees	✔	Member of 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 policy, each member of the Board of Directors shall comply with the requirements set out herein with respect to orientation programs for new Directors and the mandatory annual training programs for all Board members. The mandatory annual training program shall also apply to executive officers with the rank of Vice President and above. These training programs are in accordance with the Philippine SEC Memorandum Circular 20, Series of 2013.

Name	Date	Seminar/Training Title	Hosted by
Manuel V. Pangilinan	Nov. 18, 2025	2025 ACGES: "Winning with AI: Embracing Change and Optimizing Decisions at Scale" and "Supercreativity: Leading in the Age of AI"	MVP Group of Companies
Eulalio B. Austin, Jr.	Oct. 22–23, 2025	From Policy to Progress: Driving Mining through Innovation and Investment	Mining Philippines 2025: International Conference and Exhibition
	Nov. 18, 2025	2025 ACGES: "Winning with AI: Embracing Change and Optimizing Decisions at Scale" and "Supercreativity: Leading in the Age of AI"	MVP Group of Companies
Emerlinda R. Roman	Nov. 18, 2025	2025 ACGES: "Winning with AI: Embracing Change and Optimizing Decisions at Scale" and "Supercreativity: Leading in the Age of AI"	MVP Group of Companies
Benjamin S. Austria	Aug. 6, 2025	Facing Environmental Challenges & Climate Change in the Philippines: Future Actions in Line with Pagtanaw 2050	Philippine Association for the Advancement of Science and Technology (PhilAAST) & Department of Science and Technology - National Capital Region (DOST-NCR)
	Oct. 18–19, 2025	14th Philippine Profession Summit (PPS14) 5IR: Future-Proofing Professionals for Global Economic Growth	Philippine Association of the Professional Regulatory Members, Inc.

Name	Date	Seminar/Training Title	Hosted by
Benjamin S. Austria	Nov. 17, 2025	Insights from Industry: RTD for the External Review of Pagtanaw 2050	PhilAAST & National Academy of Science and Technology (NAST)
	Nov. 18, 2025	2025 ACGES: "Winning with AI: Embracing Change and Optimizing Decisions at Scale" and "Supercreativity: Leading in the Age of AI"	MVP Group of Companies
Eva B. Arcos	Mar. 21, 2025	ASEAN Social Security Association (ASSA) Sustainability Pledge Summit	ASEAN Social Security Association (ASSA)
	Mar. 28, 2025	Orientation on the New Government Procurement Act (R.A. No. 12009) for the Social Security Commission	SSS Learning and Development Department
	Mar. 29–30, 2025	Beyond the Algorithm: Exploring the Cybersecurity and AI Revolution	Institute of Corporate Directors
	Jun. 20, 2025	Executive Briefing on Gender and Development	SSS Learning and Development Department
	Sep. 28, 2025	131st Meeting of the ISSA Bureau	International Social Security Association
	Sep. 29–Oct. 3, 2025	ISSA World Social Security Forum 2025	International Social Security Association
	Oct. 17, 2025	SSS Strategy Refresh Program	SSS Management Services and Planning Division
	Nov. 4–6, 2025	42nd ASEAN Social Security Association Board Meeting	ASEAN Social Security Association (ASSA)
	Nov. 12, 2025	Briefer on Republic Act 12009, New Government Procurement Act	SSS Procurement Management Division
	Nov. 18, 2025	2025 ACGES: "Winning with AI: Embracing Change and Optimizing Decisions at Scale" and "Supercreativity: Leading in the Age of AI"	MVP Group of Companies
Daniel Stephen P. Carlos	Nov. 18, 2025	2025 ACGES: "Winning with AI: Embracing Change and Optimizing Decisions at Scale" and "Supercreativity: Leading in the Age of AI"	MVP Group of Companies
	Dec. 2–3, 2025	GEOCON 2025: "Forged by Time, Strengthened by Integrity, Driven by Professionalism"	GSP – GeoCon 2025
Marilyn A. Victorio-Aquino	Nov. 18, 2025	2025 ACGES: "Winning with AI: Embracing Change and Optimizing Decisions at Scale" and "Supercreativity: Leading in the Age of AI"	MVP Group of Companies

Name	Date	Seminar/Training Title	Hosted by
Joseph H. P. Ng	May 23, 2025	Health Talk: Brain Health for Adults and Reduction of Dementia Risks	First Pacific Corporation
	Oct. 17, 2025	Directors' Training: Artificial Intelligence	First Pacific Corporation
	Nov. 18, 2025	2025 ACGES: "Winning with AI: Embracing Change and Optimizing Decisions at Scale" and "Supercreativity: Leading in the Age of AI"	MVP Group of Companies
	Dec. 8, 2025	Board Training by George Yeo Yong-Boon	Indofood
Ray C. Espinosa	Nov. 18, 2025	2025 ACGES: "Winning with AI: Embracing Change and Optimizing Decisions at Scale" and "Supercreativity: Leading in the Age of AI"	MVP Group of Companies
	Nov. 21, 2025	12th SEC Corporate Governance Forum	Securities and Exchange Commission
Eric Ramon O. Recto	Sep. 25, 2025	2025 In-House Corporate Governance Seminar – "Economic Factors That Drive Demand For Energy"	Aboitiz Power Corporation
Barbara Anne C. Migallos	Aug. 29, 2025	2025 Annual Corporate Governance Seminar –"Board Responsibilities and Artificial Intelligence, Exploring the Future and Embracing the Future of Work"	Good Governance Advocates and Practitioners of the Philippines (GGAPP)
	Nov. 18, 2025	2025 ACGES: "Winning with AI: Embracing Change and Optimizing Decisions at Scale" and "Supercreativity: Leading in the Age of AI"	MVP Group of Companies
Paraluman M. Navarro	Nov. 18, 2025	2025 ACGES: "Winning with AI: Embracing Change and Optimizing Decisions at Scale" and "Supercreativity: Leading in the Age of AI"	MVP Group of Companies

CORPORATE STRENGTHS, OBJECTIVES, AND STRATEGIES

PXP 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 the following strategies:

STRENGTHS

- The Company and its subsidiaries, or the Group, have substantial participating interests in underexplored areas of proven hydrocarbon basins, namely: 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).

  These substantial participating interests in the 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 BOD also has extensive corporate governance experience across some of the most valuable companies in the Philippines and Asia.

- As a company established in the Philippines, PXP, as a Filipino participant in a Consortium, may contribute to the qualification for the Filipino Participation Incentive Allowance (FPIA) under the country's fiscal terms for petroleum service contracts, provided that the required thresholds are met. The combination of its ability to support FPIA eligibility and its strong principal shareholders makes the Company an attractive joint venture partner for foreign oil and gas companies interested in local petroleum service contracts.

- Its principal shareholders, Philex and First Pacific, are leading entities in various 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 in telecommunications, power distribution and generation, water utilities, infrastructure development, natural resource development, healthcare, and consumer food products. Through First Pacific, PXP is affiliated with Meralco, the largest power distribution company in the Philippines. Meralco is expanding 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
  The maturation of 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 in petroleum exploration and ensure alignment of resources with the Company's objectives and strategies.

- Control of Costs and Expenses
  Optimizing costs and expenses across the Group would enhance financial efficiency and strengthen financial stability.

- Manage Financials
  Prudent and effective financial management will extend the Company's ability to finance its activities and, consequently, support its corporate longevity.

- Promote Health and Safety and Preserve Environment
  A commitment to conducting activities without endangering the environment or 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 (NW 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.


Photo courtesy of Jobert Enamno

CORPORATE SOCIAL RESPONSIBILITY (CSR)

PXP, through its subsidiary FEPC and Joint Venture (JV) 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 the Service Contract (SC) 88 Galoc block (formerly SC 14C-1), through the Galoc Field Area and Development (GFAD) Project. The municipalities covered in the CAPs are Culion, Busuanga, and Linapacan, which were identified during the environmental impact study conducted prior to Galoc Field's commercial production.

EDUCATION SUPPORT

PXP and its Galoc JV partners coordinate with local schools within host communities to improve their facilities and enhance the quality of education. In previous years, the Galoc JV has donated solar-powered educational television units (E-TVs) to boost teachers' instructional capabilities, provided financial support for teacher training programs, and undertaken construction projects to build and rehabilitate classrooms. As part of the GFAD Project, a laboratory house for Hospitality Management students of Western Philippines University (WPU) in Busuanga, as well as two (2) modified buses for students in 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 received Starlink Internet kits with portable solar generators in November 2024. These initiatives ensure reliable internet connectivity for students and teachers in 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-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 the skills and strategies needed to respond to oil spill incidents. It also highlighted the use of improvised oil spill equipment available in their respective areas to help ensure minimal environmental impact.

On September 1, 2023, FEI conducted a school donation drive at the Maya National High School (MNHS) in Brgy. Maya, Daanbantayan, Cebu, as part of the Social

Photo courtesy of NPG Pty Ltd

Development Program commitment under SC 40. A total of 1,050 school kits, each consisting of a water bottle and basic writing materials, were distributed to the students. Teaching materials, such as blackboard chalk and erasers, were also provided to the faculty. The turnover ceremony was attended by students, teachers, and staff of MNHS; local government officials of Daanbantayan; representatives from the DOE; and FEI's President and staff.

PXP considers its people its greatest asset and is committed to continuously implementing training and development programs for them. During the 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 locally hired field assistants (FAs). The training for FAs also covered essential safety techniques, including the appropriate use of fire extinguishers—skills that could prove invaluable. In December 2024, the technical team, along with MT survey consultants, participated in a geological conference hosted by the GSP, where the consultants presented the initial results of the survey.

The Company's safety officer, who is responsible for overseeing the safe conduct of daily operations, has completed extensive health and safety trainings to meet the qualifications 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

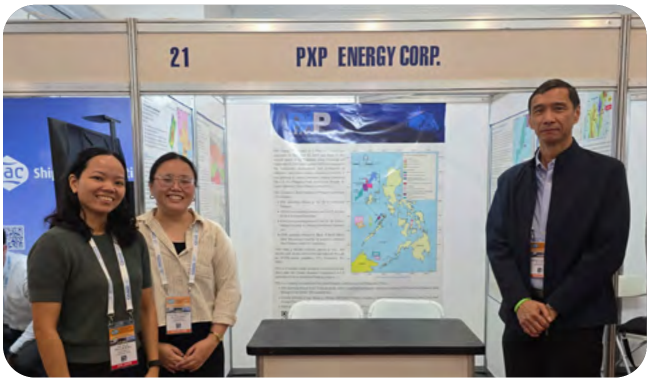
Compressed Air Emergency Breathing System; and (4) Institution of Occupational Safety and Health (IOSH) Training.

In January 2024, the safety officer and another PXP employee successfully completed SFA Training with the Philippine Red Cross, Quezon City Chapter. Additionally, in December 2025, four (4) employees completed the virtual Mandatory Eight-hour Safety and Health Seminar (MESH) for Workers. The session aims to ensure that participating employees remain compliant with Department of Labor and Employment requirements and are equipped with the necessary knowledge on workplace safety, health standards, and emergency response procedures.

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 of 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 SEAPEX Society in Manila.

In May 2025, two (2) PXP personnel attended the three-day SEAPEX Exploration Conference in Singapore. In October 2025, two (2) PXP geoscientists attended DUG software seismic interpretation training, together with petroleum explorationists from PXP's partner, Philodrill. In April 2026, three (3) PXP personnel attended the SEAPEX Regional Conference in Manila, where the company showcased its service contracts at an exhibition booth and delivered an oral presentation on seismic studies of the SC 72 Sampaguita Gas Field.


Photo courtesy of GSP



HEALTHCARE SUPPORT

Healthcare initiatives have expanded in recent years from the provision of 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 primary care facilities and barangay health centers in Culion.

The Group consistently fosters a safe working environment. With the emergence of COVID-19, PXP implemented new work arrangements 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 provided COVID-19 vaccines, along with standard influenza and pneumococcal vaccines, as well as routine annual physical examinations for employees.

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. In 2024, during the MT Survey, 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. Nutritious meals, snacks, and clean water were also provided daily 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 healthcare facilities, GFAD has undertaken construction projects, including 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 a 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. The project is expected to provide the community with safe, potable water, improve public health, and support both residents and the growing tourism sector.

Photo courtesy of NPG Pty Ltd

LIVELIHOOD SUPPORT

The Company supports the creation of livelihood opportunities for local communities, whether through construction projects undertaken in Palawan or manpower development programs such as baking classes for women. PXP also provided short-term employment to the 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 engaged 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 also been engaged to provide transportation services for site inspection visits with the DOE to the Maya storage facility from 2023 to the present.

During the MT survey in Daanbantayan, Cebu, conducted from June to September 2024, FEI provided extended employment opportunities to local communities by hiring five (5) field assistants, two (2) field guides, and one (1) administrative assistant. Additionally, a former FEI contractor was re-engaged to provide catering services for the MT survey field team.

In December 2025, two (2) local laborers were engaged under a fixed-price contract for the repair of the entrance gate and the installation of a safety enclosure around an old wellhead at the Maya Site. The work was completed in January 2026.

ENVIRONMENTAL COMPLIANCE AND RESOURCE MANAGEMENT

PXP continues to strictly comply with environmental laws and policies. Exploration, production, and development activities are carried out with minimal to no adverse impact on flora and fauna, as well as on marine, and onshore environments (i.e., soils and surface, ground, and marine waters). Furthermore, PXP promotes environmental awareness within host communities before and after conducting G&G activities.

In 2020, FEI inspected the Maya storage site, where radioactive materials had been previously stored prior to their transport to the Philippine Nuclear Research Institute (PNRI) for proper disposal. In 2022, PNRI personnel confirmed that there were no radioactive materials or contamination leaks in the area. Site restoration subsequently commenced, including 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, including comprehensive cleanup activities, while site inspections with DOE representatives are conducted at least quarterly. In late 2025, the entrance gate to the storage site was repaired, and an enclosure was constructed around a well to ensure site security.

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

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

Photo courtesy of NPG Pty Ltd


Photo courtesy of NPG Pty Ltd

CULTIVATING AMICABLE RELATIONS WITH INDIGENOUS COMMUNITY

Although there are no Indigenous Peoples (IPs) residing within PXP's areas of operation, the Company strives to manage any potential impacts of its activities on the traditional lifestyles of IPs in neighboring islands or adjacent territories through careful planning, consultation, accommodation, and engagement with local communities and indigenous groups.

The Company, in coordination with the Department of Energy, 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, fostering a harmonious relationship between PXP and the local communities.

CONTRIBUTION TO THE LOCAL ECONOMY

PXP recognizes the importance of working closely with the communities in which it operates. The Company strives to build strong relationships and achieve positive outcomes for both local communities and the broader local economy.

The Company contributes to economic growth by promptly paying taxes to local governments and rental fees to landowners. It also supports community projects based on locally identified needs. FEI contributed to the local economy by leasing service vehicles and a house for a duration of three (3) months during the MT survey. Office supplies, field tools, personal protective equipment (PPE) used during the MT survey were purchased in Daanbantayan, Bogo City, or Cebu City. Snacks and refreshments were sourced daily from local stores within the survey area. Furthermore, all materials used for the repair of the Maya site entrance gate and the fabrication of the well enclosure were sourced from Daanbantayan, Cebu.

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

The Company will continue to report on its corporate sustainability performance as part of its commitment to transparency, risk management, and long-term business growth. Through these efforts, it also aims to contribute meaningfully to environmental preservation and protection, as well as the promotion of public well-being and sustainable development in the communities where it operates.


Photo courtesy of NPG Pty Ltd


Photo courtesy of NPG Pty Ltd

SUSTAINABILITY REPORT

Annex A: Reporting Template

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	Headquarters 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, 2025 to December 31, 2025[1]
Highest Ranking Person responsible for this report	President

[1]While this report primarily covers the reporting period January 1 to December 31, 2025, it also briefly discusses selected initiatives, developments, and activities that took place in the first half of 2026, where relevant, for context and continuity.

Materiality Process

EXPLAIN HOW YOU APPLIED THE MATERIALITY PRINCIPLE (OR THE MATERIALITY PROCESS) IN IDENTIFYING YOUR MATERIAL TOPICS.[1]

PXP acknowledges that, with a growing interest from shareholders and other stakeholders in corporate sustainability, it is increasingly important to formally disclose how the Company 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.

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.

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

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
2. Finance
3. Legal and Compliance
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 preservation of the environment as its core value.

SAFETY

PXP's approach to health, safety, and environment is proactive, with workforce training at all 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 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, FEL, and JV partners, has undertaken community assistance programs in Cebu and Palawan, particularly in Daanbantayan, and the Calamian Islands—including Culion, and Busuanga. These programs aim to support local communities through educational, livelihood, and health initiatives.

PXP'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 healthcare 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-risk/high-reward industry that requires significant financial resources to establish and implement exploration 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 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 financial year 2019. The Company will continue to report more on corporate sustainability to assist financial lenders in their assessments in the future.

LEGAL AND COMPLIANCE

PXP recognizes bribery and corruption as legal and compliance sustainability risks that may affect its 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, as can be found on its website at: https://www.pxpenergy.com.ph/corporate-governance/company-policy/code-of-business-conduct-and-ethics/

Photo courtesy of Ganesh Ramsumair

PEOPLE AND CULTURE

The key sustainability risk relating to people and culture within the Company is inadequate governance structures, which may hinder the effective enforcement of rules and procedures in its business operations.

The success of PXP not only depends on having talented and dedicated employees and contractors, but also on providing them with an environment that enables them to perform at their best.

The Company recognizes the importance of establishing policies and procedures to govern its operations, provide clear direction to employees and contractors, and foster a culture that supports and upholds these policies and their effective implementation.

The Company maintains publicly available written policies that are regularly reviewed and updated to ensure alignment with the latest regulations and guidelines, including best practices in corporategovernance. This reflects on the business practices and culture of the Company. Such 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
- RPT

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. These policies are publicly available and accessible under Corporate Governance at: https://www.pxpenergy.com.ph/corporate-governance/company-policies/.

ECONOMIC

Economic Performance

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

Disclosure	Amounts in thousands	Units
Direct economic value generated (revenue)		
a. Petroleum revenue	49,791	PHP
b. Other income	1,284	PHP
Direct economic value distributed:		
a. Operating costs	(39,270)	PHP
b. Employee wages and benefits	(13,592)	PHP
c. Payments to suppliers, other operating costs	(77,277)	PHP
d. Dividends given to stockholders and interest payments to loan providers	-	PHP
e. Taxes given to government	(1,269)	PHP
f. Investments to community (e.g. donations, CSR)	(50)	PHP
Economic value retained	**(80,383)**	**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 indirectly derives revenue from SC 88 (formerly SC 14C-1 Galoc) through its subsidiary, FEPC. Crude oil lifted from the Galoc Field was sold to customers from nearby Southeast and East Asian countries. 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.	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.

What are the risk/s identified?	Which stakeholders are affected?	Management Approach
Financial lenders may increasingly focus on the implementation of the Company's sustainability programs as part of their corporate lending requirements.	All Stakeholders	The Company is committed to adhere to best corporate sustainability practices. Thus, it will continue expanding its report on corporate sustainability to assist financial lenders, if opportunities arise.

What are the opportunity/ies identified?	Which stakeholders are affected?	Management Approach
Oil and gas revenue contribution to the Philippine Gross Development Product (GDP). Encourage foreign investment that could result in increased revenue and local employment. Pursue new venture projects within the Philippines as either an operator or a JV partner for exploration and development.	All Stakeholders	Review and evaluate petroleum blocks for possible participation, either through application for a new service contract or farm-in to an existing contract. Farm out participating interests in service contracts with capable foreign entities that could share in the costs of exploration and development.

Climate-related risks and opportunities[2]

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 BRROC. The BRROC is responsible for a range of risk and governance matters, including identifying material exposures to economic, environmental, and social sustainability risks. This Committee is supported by the Risk Management Team, which involves senior management.

a) Describe the board's oversight of climate-related risks and opportunities

PXP remains true to its Vision and Values through the aligned objectives of its Board members. Its goal is to become a world-class Philippine energy resources company with a genuine concern for its communities and the 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 key issues requiring Board approval.

Management ensures that environmental impacts (e.g., climate change) are carefully considered in the recommendations presented to the Board. Updates on implemented policies, actions undertaken, and the resulting effects of these decisions are discussed with the Board in subsequent 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 provide informed recommendations and take appropriate actions in urgent situations. In addition, PXP Management monitors all operations and assesses the potential environmental impacts of the Company's activities.

For non-operated blocks, PXP Management informs both the Board and employees of actions taken by the JV partners to evaluate and address any climate-related risks.

STRATEGY

Disclose the actual and potential impacts[3] 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, effectively identifying and managing these challenges are 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.

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 operations is conducted at the head office.

In the short term, the Company identifies paper waste generation as a minor environmental impact. Since 2020, the Company has discontinued its subscription to printed newspapers, thereby reducing paper waste consumption and minimizing operational expenses through digitalization.

The Company also recognizes natural disasters, such as typhoons, as a short-term minimal risk that may affect employees, based on the strong typhoons experienced in the country in recent years.

At the Galoc platform, the flaring of natural gas results in GHG emissions, which may potentially result in medium-term occupational health considerations for personnel onboard, and contribute to long-term climate change impacts.

In the long term, the increasing global shift toward renewable energy presents a transition risk for the oil and gas industry. The energy market is progressively moving toward more sustainable energy sources. However, fossil fuels will continue to play a role in global energy consumption in the foreseeable future.

[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.

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 climate-related risks initially requires higher capital expenditures for equipment acquisition and employee training. However, improved equipment efficiency is expected to lead to reduced operational costs over time. In addition, the Company plans its activities with consideration of climate-related risks such as weather patterns, which may result in additional expenses. For example, in 2020, the plug and abandonment activities in SC 14 were 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 reduce weather-related disruptions. 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 rough sea conditions are 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 plan its activities in advance, unexpected events may still arise and disrupt normal operations. However, employees are well-trained to respond to such situations and operations are continued only when it is safe to do so.

The Company's Management and staff conduct scenario analyses and develop contingency plans prior to project implementation. These plans are presented to the Board and typically include a 10–15% contingency in both budget and schedule.

To support operational continuity and portfolio resilience, the Company also pursues additional service contracts to expand its asset base. For instance, PXP participated in the DOE's conventional energy contracting program through the acquisition of new prospective areas for exploration and development. PXP is part of a JV that was awarded two (2) new service contracts (Nos. 80 & 81) in October 2025.

As a participant in the energy sector, the Company recognizes the increasing global focus on climate change and the transition toward a lower-carbon economy. While not part of its immediate strategy, the Company may consider opportunities aligned with a lower-carbon transition, subject to regulatory developments and commercial viability.


Photo courtesy of Enrique

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.

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 WP&B for the succeeding year. The exploration program includes 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 ensuring the safety and well-being of its employees, stakeholders, and the communities affected by its projects. This includes strategic planning that considers potential expenses associated with climate-related risks such as typhoons, floods, and droughts.

PXP has implemented regular office emergency drills, and provides personal protective equipment (PPE), grab-and-go bags, and medical insurance to its employees. Moreover, the Company provides additional insurance coverage for employees, contractors, and equipment during exploration activities, ensuring protection for both the Company and its stakeholders.

The Company and its JV partners comply with relevant environmental laws governing water, air, and land pollution, and regularly monitor environmental quality in its operated 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 action plans for climate-related risks, these are integrated with other risk categories to establish interrelationships and potential cause-and-effect linkages.

To minimize the impact of inclement weather on operations, most geological and geophysical activities, such as fieldwork, seismic surveys, and drilling, are scheduled during the dry season.

The assessment of financial and operational risks also considers the potential suspension of activities due to adverse weather conditions.

During the planning stage, the Company sets aside contingent budgets to cover the potential extensions of field operations resulting from weather-related disruptions.

In addition, the schedules and scopes of work of office-based employees are adjusted to account for periods when deployed personnel are unavailable to perform their usual tasks.

METRICS AND TARGET

Disclose the metrics and targets used to assess and manage relevant climate-related 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 Company's GHG emissions have minimal impact on the environment.

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

Once its operated assets commence production, the Company will actively monitor its own GHG emissions.

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

Since 2018, the produced crude oil from the Galoc Field has been sold using the arithmetic average of Arab Extra Light official selling price (OSP) and Upper Zakum OSP.

The Galoc JV strictly complies with RA 8749 or the Philippine Clean Air Act of 1999, which has the 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 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 primary objective is to reduce the carbon footprint and overall environmental impact of its exploration activities, while continuing to achieve its operational goals.

The Company promotes recycling within its office premises, including repurposing of papers, carton boxes, plastic bags, as well as plastic and glass bottles to reduce operational costs and minimize waste generation. PXP also implements measures for the conservation of electricity and water and promotes the efficient use of equipment that generates GHG emissions to reduce air pollutants.

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

To monitor performance, the Company compares annual results against previous years, using key indicators such as GHG emissions (kg or tons), effluent discharge (m^3), solid waste generation (kg or m^3), electricity consumption (kWh), and water consumption (m^3).

Photo courtesy of NPG Pty Ltd

Procurement Practices

PROPORTION OF SPENDING ON LOCAL SUPPLIERS

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	19,394,145.00	PHP

In 2025, 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 28 suppliers, of which 26 were local (accounting for 93% 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 and minimizes 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 provides opportunities to increase revenue in the local economy by engaging local suppliers. At the same time, costs may be lower due to reduced logistics expenses with sourcing locally.	Suppliers and other oil and gas companies	The Company's policy on supplier/contractor relation is available at the Company's website: https://www.pxpenergy.com.ph/corporate-governance/company-policy/supplier-contractor-relation/ 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 that have received anti-corruption training	-	-

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 Supply Chain Department of the Company's affiliate provides support by maintaining guidelines and issuing necessary notices to suppliers, including requiring them to disclose any prior business or official relationships (e.g., former business partners, brokers, superiors or subordinates), as well as personal relationships (e.g., relatives, former classmates, or coworkers, etc.) with any of the Company's directors, employees, or consultants prior to participating in any bid or transaction with the Company.	Suppliers, Board of Directors, Employees, and Consultants of PXP	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?	Which stakeholders are affected?	Management Approach
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 proposal 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 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 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 manipulation of documents by suppliers. • Suppliers not remitting the correct SSS, PhilHealth, Pag-IBIG, and other employee contributions.	Suppliers, and Board of Directors, Employees, and Consultants of PXP	The appropriate business units conduct 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 set out 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 another 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 communicated to	None	-
Number of incidents when contracts with business partners	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, 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 suspension, dismissal, and/or filing of appropriate civil and/or criminal actions.

What are the opportunity/ies identified?	Which stakeholders are affected?	Management Approach
Provides a more competitive pricing to the Company through open competitive bidding, except in unavoidable circumstances.	Board of Directors, Officers, Employees, Suppliers, and Shareholders.	Regularly communicate PXP business policies to stakeholders. Procurement should be done through open competitive bidding, except in unavoidable circumstances. Seek ways for further employee development, such as seminars against corruption.

ENVIRONMENT

Resource Management

ENERGY CONSUMPTION WITHIN THE ORGANIZATION:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	None	GJ
Energy consumption (gasoline)	10,800[b]	L
Energy consumption (LPG)	None	GJ
Energy consumption (diesel)	280,000[a]	L
Energy consumption (electricity)	2,050[b]	kWh/yr
Energy consumption (natural gas)	54.67[a]	MMSCF

[a] Data are from Galoc Floating Production Storage and Offloading (FPSO) Vessel for the year 2025 as provided by the Operator, NPG Pty Ltd. PXP Energy produces oil through its subsidiary, Forum Energy Philippines Corporation which has a 4.6% stake in Galoc.
[b] Electricity and gasoline consumption at PXP headquarters.

REDUCTION OF ENERGY CONSUMPTION

Disclosure	Quantity	Units
Energy reduction (gasoline)	Minimal	GJ
Energy reduction (LPG)	Not applicable	GJ
Energy reduction (diesel)	Minimal	GJ
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 head 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 resulting in higher energy consumption.	Employees	Continuous monitoring and regular reminders to company employees regarding the efficient use of office equipment. Orient maintenance staff on the schedule for the use of lights, air conditioners, workstations, and other electrical equipment, especially when the flexible work arrangements are inplace and remotely. employees are working.

What are the opportunity/ies identified?	Which stakeholders are affected?	Management Approach
The Company continues to evaluate the implementation of a telecommuting arrangement that allows employees to work from home twice a week, as it reduces operational costs and enhances productivity by minimizing travel time.	Employees	The Company implemented a flexible work arrangement under which employees are required to report to the office only three (3) business days a week. This arrangement has resulted in reduced electricity and water consumption.

WATER CONSUMPTION WITHIN THE ORGANIZATION[a]

Disclosure	Quantity	Units
Water withdrawal	None	m^3
Water consumption	48	m^3
Water recycled and reused	None	m^3

[a] Water consumption at PXP headquarters in 2025. Water use pertains only to the office 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. In addition, at the FPSO, the Galoc operator continuously employs reverse osmosis for seawater desalination to produce clean water for drinking, bathing, food preparation, and other general use.	Community, Employees, and Marine Crew at the FPSO	The Company educates its employees on the efficient use of water. Since 2012, the FPSO has been reprocessing seawater to produce clean and safe water, enabling self-sufficiency and reducing reliance on supply vessels for water resupply, which would otherwise require additional logistical operations.

What are the risk/s identified?	Which stakeholders are affected?	Management Approach
Within the office premises, some personnel could be unaware that they consume water irresponsibly, resulting in higher consumption.	Employees	The Company instills water conservation practices in its employees. Management has adjusted the water pressure in restrooms to regulate water flow and prevent spillage. To further prevent water wastage, management conducts monthly inspections to ensure there are no faucet or toilet leaks in the office and replaces any damaged parts as necessary.

What are the opportunity/ies identified?	Which stakeholders are affected?	Management Approach
Efficient water consumption results in financial savings that the Company can allocate to other purposes. Moreover, water conservation benefits the community by helping to sustain water supply levels, particularly during the dry months from March to May, when reservoir levels typically fall below normal.	Employees and Building Management	The Company emphasizes responsible water use to its employees.

MATERIALS USED BY THE ORGANIZATION

Disclosure	Quantity	Units
Materials used by weight or volume		
Renewable		
a. Water	4,800,017.99[a]	m^3
b. Wood/Paper	16.5[a]	m^3
Non-Renewable		
a. Metals	27.5[a]	m^3
b. Plastics	114[a]	m^3
c. Diesel	280,000[a]	L
d. Natural Gas	54.67[a]	MMSCF
Percentage of recycled input materials used to manufacture the organization's primary products and services	None	%

[a] Data from Galoc for the year 2025. 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?	Which stakeholders are affected?	Management Approach
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.	Employees onboard the platform/FPSO, nearby Community, and Environment	Although offshore platforms are built far from communities, some or all of these structures may remain permanently offshore. The DOE may opt to take over these structures after the cessation of 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 Department of National Defense (DND)/Armed Forces of the Philippines (AFP) for use in national defense purposes. Platforms are equipped with facilities to process formation water from subsurface reservoirs. Recycling and waste segregation are implemented within Company premises and on the FPSO. Papers, carton boxes, plastic bags, and plastic bottles generated in the office are reused, repurposed, or sold. In offshore operations, these materials are collected and disposed of onshore in accordance with the International Conventions for the Prevention of Pollution from Ships (MARPOL) guidelines.

What are the risk/s identified?	Which stakeholders are affected?	Management Approach
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/diesel-contaminated 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 disposal of used plastic and paper materials may result in pollution.	Employees onboard the platform/FPSO, Nearby Community, and Environment	PXP, through its JV partners, assisted the DND/AFP by providing training on proper care and maintenance procedures. The platforms were also refurbished prior to turnover. Regular inspection, care, and maintenance of water-processing equipment are regularly implemented to ensure operational efficiency and to prevent accidents. The oil content of overboard and subsea water discharges is strictly monitored in accordance with MARPOL guidelines. Management encourages employees to practice recycling and proper waste management. Tree-planting activities have also been conducted to replace wood-based materials used by the Company and to comply with ECC obligations to the government.

What are the opportunity/ies identified?	Which stakeholders are affected?	Management Approach
Platforms may function as artificial habitats for aquatic organisms that attach to steel structures below the water's surface. Marine life that develops around these structures may provide ecological value and, in some cases, potential benefits to local communities and platform operators. The discharge of treated water into the ocean around subsea structures is managed in accordance with applicable environmental standards to minimize potential impacts on marine ecosystems. By ensuring that discharges are free from oil, diesel, and other contaminants, the Company complies with regulatory requirements and reduces the risk of environmental non-compliance. Recycling also benefits the Company by reducing operational expenses and, in some instances, generating additional income.	Employees onboard the platform/FPSO, Nearby Community, Environment, and Management	Technical support from the Company and its JV partners was provided during the turnover of the Nido and Matinloc platforms. In the Galoc Block, the Consortium ensures compliance with environmental laws governing water/sea. The Company sells used plastic and paper waste, while some materials are repurposed into new items for employee use. Since the lockdown in March 2020, the Company has discontinued its newspaper subscription, opting instead to access news online. This has resulted in cost 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[a]	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

[a] Prior to the awarding of SCs, the DOE carves out protected areas as 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?	Which stakeholders are affected?	Management Approach
The Company is committed to upholding environmental laws and policies by obtaining the necessary permits from regulatory bodies such as the DOE, DENR, and Mines and Geosciences Bureau (MGB). Moreover, PXP raises environmental awareness among the community both before and after undertaking G&G activities.	Employees and Communities adjacent or within the SCs	PXP and its subsidiary, FEL, have acquired CNCs and ECC from DENR–EMB to cover all their exploration activities, as summarized below. 1. SC 88 (formerly SC 14C-1 Galoc) – 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 Implementing Rules and Regulations (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.

What are the risk/s identified?	Which stakeholders are affected?	Management Approach
Field activities, including marine and land seismic, gravity, and MT surveys, well drilling, and production activities, pose risks such as disruption to the local ecosystem. These risks may manifest as tree-cutting, oil spills, improper disposal of large volumes of saline water, gas flaring, and disturbance of marine mammals.	Employees, Marine Crew onboard the Seismic Vessel or FPSO, and Local Communities adjacent or within the SCs	To avoid damaging shallow water areas or reef pinnacles during seismic surveys, the Company initially conducts Bathymetric Surveys. During seismic surveys in SC 75 and SC 74 in 2014 and 2016, respectively, Marine Mammal Observers (MMOs) were deployed onboard seismic vessels to monitor wildlife species such as dolphins, turtles, and whales, and to ensure compliance with Philippine government environmental guidelines. The SC 40 Libertad Field L95-1 well was safely and properly plugged and abandoned in 2017. Production and office facilities were also decommissioned, and the project site was restored to its original condition. Similarly, the Plug and Abandonment (P&A) of production wells in SC 14A and SC 14B from 2018 to 2020 had no significant environmental impact. Equipment and materials stripped from some platforms were removed and transported onshore for recycling or proper disposal, and the platforms were subsequently donated to the DND for national defense purposes. For Galoc field operations, Oil Spill Contingency Plans are in place in the event of any unplanned incidents. During the planned SC 75 3D seismic survey in 2022, an MMO was engaged to monitor marine species in the area. The survey report recorded sightings of dolphins and birds. An Oil Spill Contingency Plan and Health and Safety Plans were also prepared for the drilling project of SC 72 in 2022. However, both projects did not proceed due to government directives. Onshore geophysical surveys may involve minor ground disturbances, such as shallow digging for electrode or geophone placement; however, field teams are trained to ensure that sites are restored to their original condition after surveys are completed. The Company ensures that produced water and petroleum-related wastes are monitored in accordance with permissible levels set by the DENR. Likewise, used diesel is closely monitored and properly stored to prevent spillage.

[4] International Union for Conservation of Nature

What are the opportunity/ies identified?	Which stakeholders are affected?	Management Approach
Partnering with other petroleum contractors can help reduce environmental impacts and exploration costs. Reduce the environmental impact and carbon footprint of office operations by transitioning to a paperless or electronic system. During offshore operations, JV partners may explore opportunities to repurpose decommissioned platforms, such as those used by government agencies as defense outposts, rather than constructing new structures to minimize environmental impact and costs. The Company is committed to fulfilling its work obligations without compromising environmental protection and maintaining its reputation as a responsible contractor.	Local communities adjacent or within the SCs, Employees, and Third-Party Contractors	The Company collaborated with other service contractors in the CGG Multi-Client Seismic Survey 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, resulting in cost savings and 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 purposes, rather than requiring the construction of new offshore facilities. During the 2020 gravity survey in SC 40 North Cebu, FEL inspected the Maya storage site where radioactive materials had been previously stored. These materials were transported to the Philippine Nuclear Research Institute (PNRI) for proper disposal. In 2022, PNRI personnel confirmed that the site was free from contamination or leakage of radioactive materials. Site restoration was subsequently undertaken, including the disposal of old pipes and equipment used in previous drilling operations. To the extent practicable, PXP implements paperless transactions and processes permits, licenses, and payments through online portals.

Environmental Impact Management

AIR EMISSIONS

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions (CO_2, CH_4, N_2O, and Fluorinated Gases)	125,348.48[a]	Tons
Energy indirect (Scope 2) GHG Emissions	None[a]	Tons
Emissions of ozone-depleting substances (ODS) [CO, NO_x, and non-methane VOCs (i.e. ethane, propane, butane)]	450.33[a]	Tons

[a] Data is from the Galoc FPSO vessel's gas flaring and fuel combustion for the year 2025.

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 office operations, the use of air conditioning (AC) systems containing refrigerants such as hydrofluorocarbons (HFCs), may contribute to greenhouse gas emissions and global warming potential. Older refrigerants, such as chlorofluorocarbons (CFCs), are also associated with ozone-depleting properties. In the Galoc field, natural gas (primarily methane, CH_4), a greenhouse gas and volatile organic compound (VOC), is flared as it is currently not economically viable to capture and utilize, and to manage safety risks such as potential blowouts that may result in major accidents, equipment damage, or fatalities if not properly controlled. Flaring of natural gases results in combustion by-product, including carbon dioxide (CO_2), carbon monoxide (CO), nitrogen oxides (NO_x), sulfur oxides (SO_x), unburned hydrocarbons, and other air pollutants. Two (2) out of nine (9) employees regularly use personal or company-issued vehicles to report to the office. The combustion of diesel and gasoline produces CO_2, NO_x, and particulate matter (PM), which contribute to air pollution and climate change.	Employees of PXP in the office and onboard the platform, FPSO, and nearby communities	The Company regulates its AC systems to reduce power consumption. Of the 16 AC systems pre-installed in the office, only four (4) are in operation during work hours (from 8:00-17:00) due to the reduced on-site workforce resulting from the implementation of a flexible work arrangement. These units are located near workstations occupied by employees who are physically present in the office. The flexible work arrangement also reduces the use of fuel-powered vehicles by employees commuting to the office.

What are the risk/s identified?	Which stakeholders are affected?	Management Approach
GHG emissions into the environment include HCFs, which represent only a small portion of total emissions but have a high global warming potential and can trap heat in the atmosphere comparable to CO_2. Although flaring (combustion) of natural gas emits various pollutants, it is generally considered safer than venting, which directly releases uncombusted natural gas into the atmosphere. Uncontrolled release of natural gas, primarily CH_4, may pose health and safety risks to platform personnel and contributes to climate change and atmospheric pollution. Employees may also be exposed to smog and other air pollutants when traveling to office, whether via personal vehicles or public transportation.	Employees of PXP and onboard the platform, FPSO, and nearby communities	Along with the reduced use of AC units in the office, routine inspection and maintenance are also conducted to ensure the efficiency of AC systems. In offshore operations, gas flaring is permitted in accordance with applicable government regulations, as an alternative to venting. This practice helps mitigate health and safety risks and prevent accidents.

What are the opportunity/ies identified?	Which stakeholders are affected?	Management Approach
In the office, transitioning to electronic processes is expected to reduce environmental impact and the Company's carbon footprint. Reduced electricity consumption due to the minimal use of AC units, as well as improved cost efficiency resulting from regular maintenance, will generate savings that can be allocated to other Company expenses.	Employees	The Company is taking steps to conserve energy, including adopting a paperless approach for certain transactions. This initiative aims to reduce paper consumption and the associated carbon dioxide emissions from printing and photocopying activities.

AIR POLLUTANTS

Disclosure	Quantity	Units
NO_x	61.8[a]	Tons
SO_x	0.01[a]	Tons
Persistent organic pollutants (POPs)	None[a]	Tons
Volatile organic compounds (VOCs)	88.42[a]	Tons
Hazardous air pollutants (HAPs)	None[a]	Tons
PM	0.46[a]	Tons

[a] Data is from SC 88 FPSO vessel's gas flaring and fuel combustion for the year 2025. No measured/reported POPs and HAPs in SC 88.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Fuel combustion and ship emissions release NO_x, SO_x, VOCs, and PM into the atmosphere, which can contribute to air pollution and climate change. In SC 88, the flaring of natural gas, including CH_4, produces combustion by-products and air pollutants such as NO_x, SO_x, VOCs, and PM.	Employees onboard the platform, FPSO, and nearby communities	In SC 88 offshore operations, the guidelines set by MARPOL are strictly enforced.

What are the risk/s identified?	Which stakeholders are affected?	Management Approach
Ship emissions and fossil fuel combustion release significant amounts of NO_x and SO_x into the environment, which can lead to acid deposition. These pollutants are key contributors to acid rain and smog and may indirectly affect climate and environment quality. While the flaring (combustion) of gases also emits pollutants, it is generally considered safer than venting, which involves the direct release of uncombusted natural gas into the atmosphere. Venting may pose health and safety risks to platform personnel, as exposure to associated pollutants can contribute to respiratory and cardiovascular issues.	Employees onboard the platform, FPSO, and nearby communities	Strict implementation of the MARPOL guidelines to decrease ship emissions. FPSO/ship engines are properly maintained to prevent mechanical failures that could increase fuel consumption and reduce operational efficiency. Gas flaring, as an alternative to venting, is conducted in compliance with applicable government regulations to mitigate health and safety risks and prevent accidents.

What are the opportunity/ies identified?	Which stakeholders are affected?	Management Approach
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 onboard the platform and FPSO. A healthier and more conducive environment for the employees onboard the platform and FPSO.	Employees onboard the platform/FPSO and nearby communities	Strict compliance with MARPOL guidelines

Solid and Hazardous Wastes

SOLID WASTE

Disclosure	Quantity	Units
Total solid waste generated	334.6	m^3
Reusable	17	m^3
Recyclable Total for CY 2025	None	m^3
1. PXP Office	None	m^3
2. SC 88 Operations (MARPOL Guidelines)	235.5	m^3
Composted	None	m^3
Incinerated	None	m^3
Residuals/Landfilled	124.2	m^3

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Proper solid waste disposal practices help prevent environmental contamination (e.g., air, soil, and water), which could otherwise pose health risks to communities and cause adverse impacts on ecosystems, such as habitat degradation and loss of biodiversity.	Employees and the adjacent community	The Company, together 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 and recyclable materials. The reverse side of used scratch paper is reused, and recyclable materials such as cartons and bottles are collected and sold as scrap. While these waste management practices may appear minor, PXP believes that they contribute to long-term benefits for both the community and the environment. In offshore SC 88 operations, MARPOL guidelines are strictly enforced.

What are the risk/s identified?	Which stakeholders are affected?	Management Approach
Improper waste management poses adverse effects on the environment with health implications for the community.	Employees and the adjacent Community	The Company maintains and improves the solid waste management policies of its subsidiaries and JV partners, which adhere to international health, safety, and environmental standards.

What are the opportunity/ies identified?	Which stakeholders are affected?	Management Approach
At the office, environmental impact and carbon footprint can be reduced by minimizing printouts and transitioning to electronic formats. Avoiding single-use plastics would also help. Business transactions, both internal and external, are done online or electronically.	Employees and the adjacent community	PXP is committed to reducing CO_2 emissions by minimizing the use of paper and office supplies. To achieve this, the Company implements paperless transactions wherever possible. Internal memoranda and announcements are circulated via email, while permits, reports, disclosures, and other required documents are submitted through online portals hosted by the government and other relevant institutions. Furthermore, PXP encourages employees to bring reusable containers for food to reduce paper and plastic waste. This initiative aligns with the Company's commitment to sustainable practices and the reduction of its environmental footprint.

HAZARDOUS WASTE

Disclosure	Quantity	Units
Total weight of hazardous waste generated in Year 2025	33.07822	Tons
1. SC 88	33.07822	Tons
Total weight of hazardous waste transported and disposed in Year 2025	23.1467	Tons
1. SC 88	23.1467	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, together with its subsidiaries and JV partners, strictly complies with applicable hazardous waste disposal regulations to prevent environmental contamination (e.g., air, soil, and water), which could pose health risks to communities and cause adverse impacts on ecosystems, such as habitat degradation and loss of biodiversity. In 2020, the Company ensured the proper and safe disposal of Radioactive Materials (RAM) used in SC 40.	Employees and the adjacent community	In SC 88 and other operations offshore, the MARPOL guidelines are strictly enforced. The disposal of RAMs was coordinated with the PNRI and the DOE to ensure compliance with all required safety clearances and guidelines. In 2022, PNRI personnel conducted radiation monitoring activities to ensure that there was no residual radiation in the area following the removal of the RAMs.

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 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 disposal of hazardous wastes, such as batteries containing lead, used containers with toxic substances, and expired medicines, are implemented in the office.	Employees	Additional guidelines on proper hazardous waste disposal should be formulated and applied in the office.

EFFLUENTS

Disclosure	Amounts in thousands	Units
Total volume of water discharges	4,799,862.15[a]	m^3
Percent of wastewater recycled	None	%

[a] Data is from the Galoc FPSO for the year 2025.

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 to minimize its impact on the marine environment and ecosystem.	Marine crew at the FPSO, Fishermen, and Community	In offshore petroleum operations of the Company, subsidiaries, and JV partners, the MARPOL guidelines are and will be strictly enforced.

What are the risk/s identified?	Which stakeholders are affected?	Management Approach
Effluents containing oil and other toxic substances that exceed the acceptable limits set under MARPOL guidelines may contaminate seawater and seabed areas. This could result in harm to marine flora and fauna and may have associated health implications for nearby communities.	Marine crew at the FPSO, Fishermen, and Community	Strict implementation of safety and environmental standards is observed by the JV consortium. Mitigation procedures are in place in the event of unplanned incidents or accidents. At the FPSO vessel and platforms, produced water is analyzed and discharged overboard if it contains less than 15 parts per million (ppm) of oil content. If the produced water exceeds the 15 ppm allowable limit, procedures under the Oil Spill Contingency Plan are carried out to treat the water prior to 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 Community	Reprocessed or treated water discharges onboard by 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	-
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 Policies.	Employees and Communities adjacent or within the SCs	PXP and its subsidiary FEL have acquired CNC and ECC from DENR–EMB to cover all its exploration activities, as summarized below. 1. SC 88 (formerly 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 one was issued on May 23, 2012 to cover all exploration activities, which includes 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. For the land gravity surveys, CNCs were issued in 2009 and 2012. For the MT survey in 2024, a CNC was also issued by the DENR–EMB Region 7. 4. 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 to the cancellation of the SC.	Employees and 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 environmentally, ergonomically, and legally compliant operations.	Employees and 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 employees[a]		
a. Number of female employees	7	#
b. Number of male employees	2	#
Attrition rate[b]	-	%
Ratio of lowest paid employee against minimum wage[c]	NONE	ratio

[a] 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.
[b] 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).
[c] All employees of PXP are paid above the minimum wage rates.

EMPLOYEE BENEFITS

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	22%	-
PhilHealth	Y	-	-
Pag-IBIG	Y	22%	-
Parental leaves	Y	-	-
Vacation leaves	Y	100%	100%
Sick leaves	Y	100%	50%
Medical benefits (aside from PhilHealth)	Y	100%	50%
Housing assistance (aside from Pag-IBIG)	N	-	-
Retirement fund (aside from SSS)	N	-	-
Further education support	N	-	-
Company stock options	N	-	-
Telecommuting	Y	100%	100%
Flexible-working Hours	Y	100%	100%
(Others)		-	-

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
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.	The Company considers its people its greatest asset. Employees are provided with benefit packages (e.g., maternity benefits, sickness benefits, salary loans, and calamity fund assistance) along with a wide range of learning and professional development opportunities to help them achieve their full potential. Benefits provided for the employees are as follows: 1. Base salary; 2. 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 team-building 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 SSS maternity leave benefits 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). In addition, 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?	Management Approach
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.	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?	Management Approach
The Company is implementing telecommuting or flexible work arrangements even after pandemic restrictions have been lifted. This policy has resulted in reduced operational expenses and improved employee work efficiency.	The Company prioritizes effective employee management to ensure a high-performing workforce that is competitive with the best in the industry.

EMPLOYEE TRAINING AND DEVELOPMENT

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	88	hours
b. Male employees	47	hours
Average training hours provided to employees		
a. Female employees	16	hours/ employee
b. Male employees	23.5	hours/ employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
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.	Technical personnel regularly attend meetings and seminars, both locally and internationally, as well as the annual Philippine Geological Conferences (GEOCON) since 2015. In 2025, two (2) geoscientists attended the GEOCON onsite, while one (1) attended online. The Company's staff has also attended webinars related to their respective fields organized by government agencies, petroleum service companies, and other professional organizations and societies. Health, Safety, Security, and Environment (HSSE) trainings, such as the BOSH training conducted by the Department of Labor and Employment (DOLE) and First Aid and Basic Life Saving Trainings conducted by the Philippine Red Cross, were attended by PXP personnel in the third quarter of 2021. In February 2022, two (2) female employees completed a three (3)-day Basic Offshore Safety Induction and Emergency Training with Compressed Air Emergency Breathing System in preparation for onboarding to seismic vessels and drill rigs. In August 2022, an employee completed a three (3)-day Institution of Occupational Safety and Health training program. In January 2024, two (2) employees attended a four (4)-day First Aid and Basic Life Saving Training conducted by the Philippine Red Cross. Earthquake and fire drills are implemented by the Company. In May 2024, an employee enrolled in a SEAPEX short course on the Petroleum Geology of South East Asia. In May 2025, two (2) PXP personnel attended the SEAPEX conference. In December 2025, four (4) employees completed the Mandatory Eight-hour Safety and Health (MESH) Training. In April 2026, three (3) employees attended the SEAPEX regional conference in Manila.The Company supports its employees by covering membership fees for professional organizations, enabling them to access associated benefits.

What are the risk/s identified?	Management Approach
The lack of trainings and development programs may result in outdated knowledge and potential misinformation.	Personnel are encouraged to take advantage of free webinar courses offered by technical experts. Management identifies and supports training programs that are relevant to employees and aligned with their respective roles in the Company.

What are the opportunity/ies identified?	Management Approach
While the Company's petroleum operations have scaled back due to the moratorium imposed on certain SCs, it can take this opportunity to invest in cost-effective training, particularly those conducted locally in collaboration with other petroleum operators. Moreover, online training provides a more affordable option by reducing the need for travel and accommodation expenses.	Two (2) PXP personnel attended the free online BOSH training by the DOLE during the third quarter of 2021. PXP's Safety Officer regularly attends Standard First Aid Training and Basic Life Support Training by the Philippine Red Cross, in compliance with DOE requirements to assign one (1) to two (2) safety officers on site and during field operations.
HSSE training should be attended by all personnel to ensure adherence to safety standards, regardless of their backgrounds and roles within the Company.	The Company seeks opportunities for cost-effective local or online training, where available, to manage expenses. In addition, technical personnel are encouraged to participate in free online courses offered by petroleum industry experts.

Photo courtesy of SEAPEX Society

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 fosters a work environment conducive to open discussion and collaboration, enabling employees to work together to improve working conditions and enhance 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 and expects its workforce to comply with applicable rules and regulations, holding them accountable for any violations in the performance of their duties.

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[a]	2	#

[a]Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with human immunodeficiency virus (HIV) and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company conducts employment practices, including hiring, promotion, and compensation without regard to race, color, ethnicity, religion, national origin, gender, gender identity or expression, sexual orientation, marital status, dependents, genetic information, disability, age, social class, or political views.	Management respects individual differences and fosters an inclusive workplace culture. It does not tolerate harassment or prejudice. To respect and value the diversity of the employees and all stakeholders with whom the Company conducts business, managers are required to ensure that the working environment is 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. In addition, the Company adheres to the Solo-Parents' Welfare Act of 2000 (RA 8972) and the Magna Carta for Persons with Disabilities (RA 7277). The Company's board diversity policy can be found on 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 individuals bring different skills and qualities to the workplace.

What are the opportunity/ies identified?	Management Approach
The Company has nine (9) employees comprising seven (7) women and two (2) men. The Company continues to encourage and sees opportunities for employees regardless of gender or race. Diversity creates goodwill within the community and within the industry.	The Company will continue to promote inclusiveness to help break down barriers and reduce the fear of rejection, regardless of gender or race. The Company engages both local and foreign consultants for its exploration projects based on competency, rather than gender or race.

Workplace Conditions, Labor Standards, and Human Rights

OCCUPATIONAL HEALTH AND SAFETY

Disclosure	Quantity	Units
Safe Man-Hours	9,960	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?	Management Approach
The Company and its subsidiaries consistently foster a safe working environment. PXP implements health and safety measures and training programs to protect its employees from occupational hazards and to prevent injuries, illnesses, and fatalities.	The Company strictly complies with all relevant occupational health and safety laws and regulations. PXP aims to achieve zero injuries and fatalities among its employees. The same applies to the offshore operations of subsidiaries, which adhere to international HSSE policies. The Company has designated a Safety Officer responsible for monitoring health and safety conditions in the office. The officer has completed several training courses to qualify for the role, including 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 Philippine Red Cross; Basic Offshore Safety Induction and Emergency Training (BOSIET) with Compressed Air Emergency Breathing System (CA-EBS) conducted by Consolidated Training Systems Incorporated (OPITO-accredited); and the Institute of Occupational Safety and Health (IOSH) training conducted by HSEPro. First aid kits and fire extinguishing equipment are clearly located and properly maintained in the workplace. Employees participate in regular fire and earthquake evacuation drills to ensure emergency preparedness. The Company's Safety Officer also regularly attends refresher training in first aid and lifesaving skills.

What are the risk/s identified?	Management Approach
During the year, no fatalities, occupational injuries, or incidents were recorded in the office and in the field. Failure to effectively manage workplace safety could negatively impact employee health and productivity.	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 trainings, employees and contractors can perform their jobs safely for the benefit of the organization and all stakeholders. The Company aims to be up to date with current best practices in HSSE.	The Company will continue to provide the necessary equipment, training, and resources to enable employees and contractors to work safely. PXP will consistently encourage and empower employees to attend safety training courses and retake training sessions when necessary.

Photo courtesy of NPG Pty Ltd

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? Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	Philippine labor laws and regulations prohibit forced labor. 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	Y	Philippine labor laws and regulations prohibit child labor. 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	The Philippine Constitution provides for the UDHR. 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?	Management Approach
This may occur in host communities where the enforcement of labor laws may vary. However, the Company adheres to the principles of fairness and transparency in its recruitment process. The Company does not engage in forced labor and does not employ people below the minimum legal working age.	The Company values the dignity of every individual and strictly complies with fundamental human rights as enshrined in the Philippine Constitution and the UDHR. In case of violations, the Company has a policy for whistleblowers who may report any instance of violations at: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 are the risk/s identified?	Management Approach
Subcontractors may have violations of labor laws and human rights.	The Company values the dignity of every individual and strictly complies with fundamental human rights as enshrined in the Philippine Constitution and the UDHR. Any violation of laws is encouraged to be reported as indicated in Company's whistleblower policy.

What are the opportunity/ies identified?	Management Approach
The Company aims to be up to date with current Labor Laws and Human Rights policies, which protect both the stakeholders and the Company.	The Company values the dignity of every individual and strictly complies with fundamental human rights as enshrined in the Philippine Constitution and the UDHR. Any violation of laws should be reported, as indicated in the Company's whistleblower policy.

Supply Chain Management

DO YOU HAVE A SUPPLIER ACCREDITATION POLICY? IF YES, PLEASE ATTACH THE POLICY OR LINK TO THE POLICY:

Do you consider the following sustainability topics when accrediting suppliers?	Y/N	If Yes, cite reference in the company policy
Environmental performance	Y	https://www.pxpenergy.com.ph/corporate-governance/company-policy/supplier-contractor-relation/
Forced labor	Y	
Child labor	Y	
Human rights	Y	
Bribery and corruption	Y	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
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.	All directors, employees, and consultants are encouraged to remain vigilant against any irregular, illegal, or unethical conduct by Suppliers and/or fellow directors, employees, and consultants (see Annex A of the Supplier/Contractor Relations Policy, which can be found at https://www.pxpenergy.com.ph/corporate-governance/company-policy/supplier-contractor-relation/ for examples of Supplier/Contractor Relations Policy violations). The Company encourages the reporting of such violations in accordance with its Whistleblowing Policy or any equivalent policy. Directors, employees, and consultants may report in writing any knowledge of 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. (b) Officers shall report to the Company President, with a copy furnished to the Corporate Governance Office (CGO). (c) Employees and consultants shall inform their respective Group Heads, with a copy furnished to the CGO. Each reported case shall be properly investigated and resolved by the appropriate business units. The results shall be forwarded to the Chairman of the Board, the President or the appropriate executive-level superior, the CGO, and other relevant bodies, in accordance with the procedure set out in the Company's Whistleblowing Policy. The Board of Directors, Officers, and Executives shall ensure that any director, employee, or consultant who reports a suspect 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?	Management Approach
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. 2. 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 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 official procurement procedure since these were tested or evaluated beforehand through product demos with particular suppliers, thus limiting the chances for other suppliers to compete. 7. 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. 9. Incorrect payment of government taxes due to manipulation of documents by suppliers. 10. Suppliers not remitting the correct SSS, PhilHealth, Pag-IBIG, and other employee contributions to their employees.	The Company's Supplier Contractor Relations Policy outlines 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 or loss suffered by PXP, and/or may be subject to penalties and sanctions as may be determined by the appropriate authorities, in accordance with the applicable laws and existing Company policies. 2. Suppliers who violate Company policies shall also be subject to penalties. Sanctions may include, but are not limited to, termination of business relationships with the Company and blacklisting.

What are the opportunity/ies identified?	Management Approach
Responsible supply chain management can generate value for the Company by securing the most competitive bids for its requirements. It can also enhance collaboration with suppliers, providing greater assurance to investors and creditors and potentially creating new market opportunities.	PXP shall continuously uphold the highest standards of professional conduct, core values, and ethics as enshrined in its Code of Business Conduct and Ethics in its dealings with suppliers in the procurement of goods 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)[a]	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 Secure property Proper land use according to agreement with the landowner

[a]Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)

For operations that are affecting Indigenous Peoples (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[a]	#
CP secured	Not applicable[a]	#

[a]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?	Management Approach
Misunderstandings between PXP and local communities may lead to issues that could disrupt operations and affect the health and safety of deployed field personnel.	PXP implements careful planning and conducts consultations with local communities. In June 2018, during geologic fieldwork in Coron Island, PXP properly coordinated with the Tagbanua Tribe before, during, and after the activity. The field team, composed of PXP personnel and graduate students from the University of the Philippines, complied with the tribe's requirement to seek permission before collecting rock samples, as the area is considered sacred by the local community. In 2024, an IEC campaign and ocular inspection were conducted with DOE and the local government units (LGUs) of Daanbantayan, Cebu, prior to the MT survey. During the campaign, community leaders and local representatives were informed of the plans and scope of the survey. With the assistance of local hires, permissions were also obtained from landowners before the commencement of data acquisition at each MT station. The Company also manages community tensions, grievances, and concerns through a transparent and formal grievance mechanism. It likewise supports and collaborates with host local governments to promote good governance.

What are the opportunity/ies identified?	Management Approach
Involvement of the local community in the Company's project by hiring local residents.	The Service Contract stipulates that the Company (as Contractor) shall provide scholarships to qualified individuals residing within the vicinity of the Contract Area, preferably in state colleges and universities. The scholarship amount shall be at least USD5,000 per year, cumulative during the Exploration Period, and at least USD10,000 per year, cumulative during the Production Period. The Company's strict adherence to the Service Contract helps support and benefit indigenous and local communities. The Company also prioritizes hiring of local residents during G&G surveys and fieldwork to provide employment opportunities 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 was provided with insurance coverage and benefits for the three (3)-month survey. In addition, local businesses were engaged to provide services such as meals and accommodation for field personnel.

Customer Management

CUSTOMER SATISFACTION

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	Not applicable[a]	N

[a]PXP does not directly engage with customers of its operating asset, Galoc, as its participation is limited to being a member of the Galoc consortium, which produces and sells crude oil to refining companies. Galoc operations are conducted through its subsidiary, FEPC, under FEL. The consortium ensures compliance with the quantity and quality requirements of its customers. 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?	Management Approach
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 are covered by contracts and comply with applicable laws and regulations in the country.	As part of the Company's commitment to the welfare of its customers, Company representatives and customers meet annually to review and discuss new or existing contract terms, as well as identify areas for improvement in operations and 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?	Management Approach
There were no identified customer satisfaction risks during the year.	PXP will continuously review, update, and improve the Company's policy with customers.

What are the opportunity/ies identified?	Management Approach
PXP shall determine the level of satisfaction of the Company's stakeholders and customers once its exploration fields are converted to the production stage.	The Company shall regularly conduct Stakeholder and Customer Satisfaction Surveys through third-party contractors to assess and improve performance, service quality, and operational exploration fields are converted to the production stage.

HEALTH AND SAFETY

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety[a]	None	#
No. of complaints addressed	None	#

[a]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?	Management Approach
Customer health and safety are important for all businesses and remains PXP's top priority.	PXP will continuously review, update, and improve the Company's policy with customers.

What are the risk/s identified?	Management Approach
There are currently no identified health and safety risks to customers. Customer-related risks will be identified once its exploration assets transition to the production stage.	PXP currently has no customers. Once its exploration assets transition to the production stage, relevant risks will be identified. The Company shall consistently promote a safe and healthy working environment for its employees and future customers.

What are the opportunity/ies identified?	Management Approach
PXP has no customers yet. Opportunities shall be identified once its exploration assets transition to the production stage.	The Company should regularly conduct Stakeholder and Customer Satisfaction Surveys through third-party contractors to assess and improve health, safety, and working conditions once its exploration assets transition to the production stage.

MARKETING AND LABELLING

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling[a]	None	#
No. of complaints addressed	None	#

[a]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?	Management Approach
Although the Company currently holds mostly exploration assets, its communication and stakeholder efforts are reflected in the maintenance of its website (www.pxpenergy.com.ph), which serves its stakeholders, clients, and prospective investors.	The Company regularly updates and improves its website.

What are the risk/s identified?	Management Approach
Security risks and falsification of information posted on the website.	PXP ensures that all information uploaded on its website is secure, accurate, and regularly updated.

What are the opportunity/ies identified?	Management Approach
Study digital marketing.	The market is evolving. Thus, the Company should enhance its marketing strategies by leveraging digital marketing channels.

CUSTOMER PRIVACY

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy[a]	None	#
No. of complaints addressed	None	#
No. of customers, users and account holders whose information is used for secondary purposes	None	#

[a]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?	Management Approach
PXP respects every stakeholder's right to privacy and is committed to protecting all personal data. The collection, retention, and use of sensitive information are limited to their intended purpose.	The Company strictly complies with RA 10173, otherwise known as the Data Privacy Act of 2012, and implements internal control on data security. As a personal information controller/processor, the Company has established protocols to protect the personal information of data subjects.

What are the risk/s identified?	Management Approach
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 (e.g., with the PSE or SEC).	The Company adheres to RA 10173, otherwise known as the Data Privacy Act of 2012, and implements internal controls on data security. PXP adopts risk management and control measures to prevent and mitigate data security breaches. Appropriate levels of data security are in place.

What are the opportunity/ies identified?	Management Approach
Compliance with customer privacy can build customer trust and loyalty.	In this digital age, compliance with the Data Privacy Act strengthens the Company's integrity and security in relation to its electronic databases 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?	Management Approach
The Company maintains up-to-date and effective security software that protects Company data and provides real-time detection of potential threats to prevent security breaches. Daily data backup is also in place. The Company consistently ensures the security of classified G&G data for both its operated and non-operated SCs.	The Company takes precautions and educates employees not to share any sensitive or confidential information. Preventive security measures, such as data backup, date recovery, and firewalls are in place. The technical team uses a File Transfer Protocol (FTP) server to ensure data security. Employees handling technical data use corporate email accounts 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?	Management Approach
Outdated cyber security software may make the server vulnerable to unauthorized third-party access, data loss, and increased operational costs for the Company. Information breaches may result in the loss of confidential data.	Anti-virus and cyber security software are continuously updated to ensure data security. The Company immediately notifies the relevant person or entity involved in the event of any breach or unauthorized use of sensitive information.

What are the opportunity/ies identified?	Management Approach
Strong data security can result in financial savings and help avoid any reputational damage. Technical data, which is a detrimental asset to the Company, is securely stored to prevent unauthorized access or leakage.	The Company ensures the continuous updating of its data security programs. The Company has procured additional Network-Attached Storage (NAS) with enhanced security features to store technical data. Access to this system is restricted to a select group of employees.

SUSTAINABLE DEVELOPMENT GOALS

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 operations.	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, 2025, 2024 and 2023**, 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 27th day of February 2026

2025 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 2025.
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, 2025 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, 2025 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 2025 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, 2025. 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

SGV
Building a better working world

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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, 2025 and 2024, 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, 2025, 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, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2025 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 (the Code of Ethics), as applicable to the audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to the audits of financial statements of public interest entities 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.

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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, 2025, the carrying value of the Group's deferred oil and gas exploration costs, and goodwill amounted to ₱2,845 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, 2025, 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 disclosures, including those that have the most significant effect on the determination of the recoverable amount of deferred oil and gas exploration costs.

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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, 2025, 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, 2025 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.

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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
SEC Partner Accreditation No. 116783-SEC (Group A)
Valid to cover audit of 2025 to 2029 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-160-2025, December 18, 2024, valid until December 17, 2027
PTR No. 10765015, January 2, 2026, Makati City

February 27, 2026

PXP ENERGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands, Except Par Value per Share and Number of Equity Holders)

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	**₱40,143**	₱91,414
Trade and other receivables	**11,985**	17,206
Inventories	**6,131**	7,077
Other current assets	**6,595**	8,994
Total Current Assets	**64,854**	124,691
Noncurrent Assets		
Deferred oil and gas exploration costs	**2,844,529**	2,799,390
Goodwill	**254,397**	254,397
Property and equipment	**2,629**	1,367
Right-of-use (ROU) asset	**2,438**	2,895
Other noncurrent assets	**8,642**	7,819
Total Noncurrent Assets	**3,112,635**	3,065,868
TOTAL ASSETS	**₱3,177,489**	₱3,190,559
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	**₱19,066**	₱19,768
Notes payable	**105,822**	69,414
Current portion of lease liability	**891**	810
Income tax payable	**42**	96
Total Current Liabilities	**125,821**	90,088
Noncurrent Liabilities		
Lease liability - net of current portion	**2,756**	3,338
Deferred tax liabilities - net	**92,976**	92,783
Retirement benefits liability	**6,801**	12,746
Other noncurrent liabilities	**306,642**	287,123
Total Noncurrent Liabilities	**409,175**	395,990
Total Liabilities	**534,996**	486,078
Equity		
Capital stock - ₱1 par value per share		
Authorized - 6,800,000,000 common shares		
Issued and subscribed common shares - 2,390,243,903 in 2025 and 1,960,000,000 in 2024	**2,390,244**	1,960,000
Additional paid-in capital (APIC)	**3,925,315**	2,816,545
Equity reserves	**(718,688)**	411,549
Deficit	**(3,656,183)**	(3,578,653)
Cumulative translation adjustment on foreign subsidiaries	**610,802**	574,634
Total equity attributable to equity holders of the Parent Company	**2,551,490**	2,184,075
Non-controlling interests	**91,003**	520,406
Total Equity	**2,642,493**	2,704,481
TOTAL LIABILITIES AND EQUITY	**₱3,177,489**	₱3,190,559

PXP ENERGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, Except Loss per Share)

	Years Ended December 31		
	2025	2024	2023
PETROLEUM REVENUES	**₱49,791**	₱66,982	₱63,192
COSTS AND EXPENSES			
Petroleum production costs	**39,270**	37,471	39,893
General and administrative expenses	**55,441**	54,359	62,677
	94,711	91,830	102,570
OTHER INCOME (CHARGES)			
Reversal of (provision for) plug and abandonment costs	**(16,103)**	7,327	92,440
Interest expense	**(12,684)**	(10,243)	(7,958)
Loss on write-off of deferred oil and gas exploration costs	**(3,990)**	–	–
Foreign exchange gains (losses) - net	**(1,913)**	734	2,108
Provision for impairment of:			
Input value-added tax (VAT)	**(1,729)**	(4,033)	–
Deferred oil and gas exploration costs	**–**	–	(128,771)
Interest income	**1,284**	3,612	1,951
	(35,135)	(2,603)	(40,230)
LOSS BEFORE INCOME TAX	**(80,055)**	(27,451)	(79,608)
PROVISION FOR (BENEFIT FROM) INCOME TAX			
Current	**135**	211	537
Deferred	**193**	921	(2,968)
	328	1,132	(2,431)
NET LOSS	**(₱80,383)**	(₱28,583)	(₱77,177)
NET INCOME (LOSS) ATTRIBUTABLE TO:			
Equity holders of the Parent Company	**(₱77,530)**	(₱30,880)	(₱97,403)
Non-controlling interests	**(2,853)**	2,297	20,226
	(₱80,383)	(₱28,583)	(₱77,177)
BASIC/DILUTED LOSS PER SHARE (Note 21)	**(₱0.034)**	(₱0.016)	(₱0.050)

PXP ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

	Years Ended December 31		
	2025	2024	2023
NET LOSS	**(₱80,383)**	(₱28,583)	(₱77,177)
OTHER COMPREHENSIVE INCOME (LOSS)			
Item to be reclassified to profit or loss in subsequent periods:			
Gain (loss) on translation of foreign subsidiaries	**36,864**	98,877	(22,121)
TOTAL COMPREHENSIVE INCOME (LOSS)	**(₱43,519)**	₱70,294	(₱99,298)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO			
Equity holders of the Parent Company	**(₱41,362)**	₱46,157	(₱116,698)
Non-controlling interests	**(2,157)**	24,137	17,400
	(₱43,519)	₱70,294	(₱99,298)

PXP ENERGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Thousands)

	Attributable to Equity Holders of the Parent Company							
	Capital Stock (Note 15)	Additional paid-in capital (Note 15)	Equity Reserves (Note 15)	Deficit	Cumulative Translation on Foreign Subsidiaries	Subtotal	Non-controlling Interests (Note 15)	Total
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 (Note 15)	–	–	(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**
Net loss for the year	–	–	–	(77,530)	–	(77,530)	(2,853)	(80,383)
Other comprehensive income:								
Gain on translation of foreign subsidiaries	–	–	–	–	36,168	36,168	696	36,864
Total comprehensive income (loss) for the year	–	–	–	(77,530)	36,168	(41,362)	(2,157)	(43,519)
Issuance of shares, net of transaction costs (Note 15)	430,244	1,108,770	–	–	–	1,539,014	–	1,539,014
Effect of transactions with owners (Note 15)	–	–	(1,130,237)	–	–	(1,130,237)	(427,246)	(1,557,483)
BALANCES AT DECEMBER 31, 2025	**₱2,390,244**	**₱3,925,315**	**(₱718,688)**	**(₱3,656,183)**	**₱610,802**	**₱2,551,490**	**₱91,003**	**₱2,642,493**

PXP ENERGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax	**(₱80,055)**	(₱27,451)	(₱79,608)
Adjustments for:			
Provision for (reversal of) plug and abandonment costs	**16,103**	(7,327)	(92,440)
Interest expense	**12,684**	10,243	7,958
Provision for (reversal of) retirement benefits costs	**(5,945)**	(4,669)	18
Loss on write-off of deferred oil and gas exploration costs	**3,990**	–	–
Provision for impairment of:			
Input VAT	**1,729**	4,033	–
Deferred oil and gas exploration costs	**–**	–	128,771
Interest income	**(1,284)**	(3,612)	(1,951)
Depreciation	**931**	984	886
Unrealized foreign exchange gains (loss) - net	**438**	2,748	(884)
Operating loss before working capital changes	**(51,409)**	(25,051)	(37,250)
Decrease (increase) in:			
Trade and other receivables	**5,613**	(7,981)	6,281
Inventories	**1,038**	5,405	(3,833)
Other current assets	**765**	(4,163)	(100)
Increase (decrease) in trade and other payables	**(1,350)**	(3,046)	836
Net cash used in operations	**(45,343)**	(34,836)	(34,066)
Interest received	**1,284**	3,529	1,690
Income taxes paid	**(189)**	(404)	(339)
Net cash flows used in operating activities	**(44,248)**	(31,711)	(32,715)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Deferred oil and gas exploration costs	**(13,394)**	(16,608)	(13,928)
Property and equipment	**(1,686)**	(608)	(151)
Proceeds from sale of long lead items	**–**	–	58,293
Increase in other noncurrent assets	**(680)**	(815)	(981)
Net cash flows from (used in) investing activities	**(15,760)**	(18,031)	43,233
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Notes payable	**34,245**	–	–
Issuance of subsidiary's new shares	**–**	–	33,720
Payments for:			
Transaction costs related to issuance of shares	**(18,469)**	–	–
Interest on notes payable	**(7,593)**	(6,071)	(5,695)
Lease liability	**(812)**	(736)	(670)
Net cash flows from (used in) financing activities	**7,371**	(6,807)	27,355
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(52,637)**	(56,549)	37,873
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**1,366**	2,814	575
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**91,414**	145,149	106,701
CASH AND CASH EQUIVALENTS AT END OF YEAR	**₱40,143**	₱91,414	₱145,149

COMPANY OFFICERS AND CORPORATE INFORMATION

COMPANY OFFICERS

MANUEL V. PANGILINAN
CHAIRMAN OF THE BOARD

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

LUDOVICO V. AYAD, JR.
CHIEF AUDIT EXECUTIVE

CORPORATE DIRECTORY

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