



PXP ENERGY CORPORATION

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28th October 2021

PRESS RELEASE

UNAUDITED FINANCIAL AND OPERATING HIGHLIGHTS FOR THE 9-MONTH PERIOD ENDED SEPTEMBER 30, 2021

- 9M Core net loss lower at P15.7 million (9M 2020: P30.6 million). Unaudited Consolidated Net Loss Attributable to Equity Holders of the Parent Company at P1.682 billion (9M 2020: P52.1 million) largely as a result of a P1.655 billion full write-down of the carrying value (net of the settlement sum, as defined below) of oil and gas assets related to Peru block Z-38.

Consolidated petroleum revenues 196.3% higher at P42.6 million (9M 2020: P14.4 million) coming from: (a) 90% surge in Galoc crude sale price at US\$66.97 per barrel (9M 2020: US\$35.32 per barrel), offset by (b) slightly lower output following normal decline in field production rate in Service Contract (SC) 14C-1 Galoc, with 2 completed lifting for both periods at 429,549 bbls (2020: 448,297 bbls).

Consolidated costs and expenses 81.6% higher at P96.0 million (9M 2020: P52.9 million) brought about by higher petroleum production costs in SC 14C-1 Galoc at P29.7 million (9M 2020: P18.8 million), and the increase in general and administrative expenses at P66.6 million (9M 2020: P34.0 million).

- On September 17, 2021, the Company's 53.43%-owned subsidiary, Pitkin Petroleum Limited ("PPL") and its wholly-owned subsidiary, Pitkin Petroleum Peru Z-38 SRL ("Pitkin Peru"), have entered into a Deed of Settlement and Release (the "Deed") with KEI (Peru Z-38) Pty Ltd ("KEI") and its wholly-owned branch KEI (Peru Z-38) Pty Ltd Sucursal del Peru ("KEI Peru"), wholly-owned by Karoon Energy Ltd (ASX: KAR), in respect of Pitkin Peru's dispute with KEI Peru in Block Z-38 located in offshore Peru. Under the Deed, KEI has agreed to pay US\$9.6 million in cash ("Settlement Sum") to PPL in full and final settlement of all claims by Pitkin Peru and its associates in connection with Block Z-38. The said Deed became effective upon the receipt of the Settlement Sum by PPL on October 4, 2021.

Outlook

Each of Forum and PXP Energy is focused on fulfilling its commitments for SC72 and SC75, respectively, which have been approved by the Philippine government, including the undertaking of an Environmental Baseline Study.

About PXP Energy Corporation

PXP is an upstream oil and gas company incorporated in the Philippines whose shares are listed on the Philippine Stock Exchange.

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PXP ENERGY CORPORATION
(Formerly Philex Petroleum Corporation)
AND SUBSIDIARIES

**UNAUDITED CONSOLIDATED
CONDENSED INTERIM
FINANCIAL STATEMENTS**
September 30, 2021

PXP ENERGY CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS

(Amounts in Thousands)

ASSETS	September 30, 2021	December 31, 2020
Current Assets		0
Cash and cash equivalents	₱ 136,335	₱ 143,008
Accounts receivable	502,983	32,838
Inventories	6,490	2,925
Other current assets - net	20,890	16,567
Total Current Assets	666,698	195,338
Noncurrent Assets		
Property, Plant and Equipment - net	11,826	6,169
Goodwill	254,397	1,234,387
Deferred oil and gas exploration costs - net	2,178,047	5,316,062
Other noncurrent assets	4,481	3,631
Total Noncurrent Assets	2,448,751	6,560,249
TOTAL ASSETS	₱ 3,115,449	₱ 6,755,587
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LIABILITIES AND EQUITY		
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Current Liabilities		
Accounts payable and accrued liabilities	₱ 54,692	₱ 24,287
Income tax payable	-	14
Lease liability - current portion	582	553
Total Current Liabilities	55,274	24,854
Noncurrent Liabilities		
Deferred income tax liabilities - net	84,511	1,069,412
Right-of-use liability	4,549	4,654
Provision for decommissioning and other liabilities	316,349	187,716
Total Noncurrent Liabilities	405,409	1,261,782
Total Liabilities	460,683	1,286,636
Equity		
Capital Stock - P1 par value	1,960,000	1,960,000
Additional paid-in capital	2,816,545	2,816,545
Subscription receivable	-	(121,114)
Equity reserves	139,319	139,319
Deficit	(3,381,781)	(1,699,966)
Cumulative translation adjustment on foreign subsidiaries	174,929	57,954
	1,709,012	3,152,738
Non-controlling Interests	945,754	2,316,213
Total equity	2,654,766	5,468,951
TOTAL LIABILITIES AND EQUITY	₱ 3,115,449	₱ 6,755,587

PXP ENERGY CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, except Earnings or Loss Per Share)

	For the 9-Month Period Ended September 30	
	2021	2020
PETROLEUM REVENUES	₱ 42,586	₱ 14,375
COSTS AND EXPENSES		
Petroleum production costs	29,728	18,827
General and administrative expenses	66,259	34,029
	95,987	52,856
OTHER INCOME (CHARGES)		
Provision for decommissioning costs	(127,221)	-
Provision for impairment of assets - net	(3,914,706)	(20,178)
Foreign exchange gains (losses) - net	20,188	(7,726)
Interest expense (income) - net	(270)	302
Others - net	(47)	-
	(4,022,056)	(27,602)
LOSS BEFORE TAX	(4,075,457)	(66,083)
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	21	-
Deferred	(984,024)	(450)
	(984,003)	(450)
NET LOSS	(₱ 3,091,454)	(₱ 66,533)
Net Loss Attributable to:		
Equity holders of the Parent Company	(₱ 1,681,815)	(₱ 52,116)
Non-controlling interests	(1,409,639)	(14,417)
	(₱ 3,091,454)	(₱ 66,533)
BASIC AND DILUTED LOSS PER SHARE	(₱ 0.86)	(₱ 0.03)

PXP ENERGY CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands, except Earnings Per Share)

For the 3rd Quarter Ended September 30

	2021	2020
PETROLEUM AND OTHER REVENUES	₱ 22,974	₱ 8,253
COSTS AND EXPENSES		
Petroleum production costs	15,848	2,801
General and administrative expenses	25,711	10,555
	41,559	13,356
OTHER INCOME (CHARGES)		
Provision for impairment of assets - net	(3,914,706)	-
Provision for decommissioning costs	(5,438)	(13)
Foreign exchange gain (loss) - net	17,538	(4,617)
Interest income (expense) - net	(214)	(29)
Others - net	(18)	-
	(3,902,838)	(4,659)
LOSS BEFORE INCOME TAX	(3,921,423)	(9,762)
BENEFIT FROM INCOME TAX	(815,924)	(451)
NET LOSS	(₱ 3,105,499)	(₱ 10,213)
Net income (loss) attributable to:		
Equity holders of the Parent Company	(₱ 1,658,665)	(₱ 7,732)
Non-controlling interests	(1,446,834)	(2,481)
	(₱ 3,105,499)	(₱ 10,213)
BASIC/DILUTED EARNINGS PER SHARE	(₱ 0.85)	(₱ 0.00)
DILUTED EARNINGS (LOSS) PER SHARE	(₱ 0.85)	(₱ 0.00)