

For approval in the 2021 stockholders' meeting

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
Tuesday, 20 April 2020 at 2:00 P.M.
Conducted virtually via livestream – <https://asm.ayala.com/ACEX2020>

		<i>Percentage of Total</i>
No. of Outstanding and Voting Shares	250,000,001	
Shareholders Present:	189,804,478	75.92%

Directors Present:

John Eric T. Francia ¹	<i>Chairman, Board of Directors Chairman, Executive Committee</i>
Augusto Cesar D. Bengzon	<i>Member, Audit Committee</i>
Maria Corazon G. Dizon	<i>Member, Executive Committee</i>
Raymundo A. Reyes, Jr. ²	<i>Member, Executive Committee</i>
Jaime Z. Urquijo	<i>Member, Board Risk Management and Related Party Transactions Committee</i>
Jaime Alfonso Zobel de Ayala	<i>Chairman, Personnel and Compensation Committee</i>
Ma. Aurora Geotina-Garcia (independent director)	<i>Chairman, Audit Committee Member, Corporate Governance and Nomination Committee</i>
Alberto A. Lim (independent director)	<i>Chairman, Board Risk Management and Related Party Transactions Committee Member, Personnel and Compensation Committee Member, Corporate Governance and Nomination Committee</i>
Raphael Perpetuo M. Lotilla (independent director)	<i>Chairman, Corporate Governance and Nomination Committee Member, Audit Committee Member, Board Risk Management and Related Party Transactions Committee</i>

¹ Mr. Francia presided over the meeting and presented while being physically present in the principal office of the Corporation.

² Mr. Reyes participated and presented from his residence in Paranaque City.

1. Call to Order

The Chairman, Mr. John Eric T. Francia, called the meeting to order at 2:00 p.m. He welcomed the stockholders who joined the meeting through the live webcast and thanked the stockholders who participated in the meeting through the Corporation's voting in absentia system or their appointment of the Chairman as proxy. He then introduced his co-presenters, namely: Mr. Raymundo A. Reyes, Jr., the Chief Operating Officer, Mr. Dodjie D. Lagazo³, the Corporate Secretary, and Mr. Alan T. Ascalon⁴, the Assistant Corporate Secretary. Finally, he noted the participation of the other members of the Board of Directors (the "**Board**"), other officers of the Corporation, and representatives of the Corporation's external auditor, SyCip Gorres Velayo & Co. ("**SGV**"), who joined the meeting through the live webcast.

2. Notice of Meeting

The Corporate Secretary certified that the Notice of the Annual Stockholders' Meeting (the "**Notice**") and the Definitive Information Statement (the "**DIS**") were sent on March 26, 2020 to the Corporation's stockholders of record as of March 31, 2020, the record date for the meeting, in three ways: first, by e-mail to stockholders who provided their e-mail addresses; second, by posting on the Corporation's website; and third, by disclosure in the Philippine Stock Exchange ("**PSE**"). In addition, the Notice was published on March 30, 2020 in the Philippine Star, a newspaper of general circulation. The Notice contained the agenda, the requirements and procedures for participation and manner of casting votes by remote communication, contact information of the Corporate Secretary, requirements and process of nomination of directors, and the fact that there will be a visual and audio recording. Accordingly, the Corporate Secretary confirmed that the stockholders were duly notified of the meeting in accordance with the Corporation's By-Laws and applicable rules, including the Corporation's Internal Guidelines on Participation in Stockholders' Meeting by Remote Communication and Voting in Absentia under Extraordinary Circumstances, which are embodied in the Corporation's DIS.

3. Determination of Quorum

The Corporate Secretary certified that a quorum had existed for the meeting and that based on partial tabulation, stockholders owning at least 189,804,478 shares representing 75.92% of the 250,00,001 total outstanding shares were present in the meeting.

4. Instructions on Rules of Conduct, Voting Procedures and Voting Requirements

The Chairman stated that although the meeting was held in a virtual format because of government regulations that prevented the Corporation from conducting an in-person meeting, the Corporation strived to provide the stockholders the opportunity to participate in the meeting to the same extent possible as in an in-person meeting. Thereafter, the Corporate Secretary explained the rules of conduct and voting procedures for the meeting, as provided in the DIS and the Explanation of Agenda Items, which were part of the Notice that was distributed to the stockholders.

The Corporate Secretary further emphasized the following:

- i. Stockholders who registered under the Voting in Absentia & Shareholder ("**VIASH**") System or who notified the Corporation by email to corpsec.enexor@acenergy.com.ph by April 15, 2020 of their intention to participate in the meeting by remote communication may send their questions or comments to the above-mentioned email address.
- ii. The Assistant Corporate Secretary will read the questions or comments received before 2:30 p.m. under the item "Other Matters". Management would reply by e-mail to questions

³ Mr. Lagazo participated and presented while being physically present in the principal office of the Corporation.

⁴ Mr. Ascalon participated and presented from his residence in Quezon City.

and comments not taken up during the meeting.

- iii. As indicated in the ballot, there are five (5) resolutions proposed for adoption by the stockholders in the meeting. Each proposed resolution will be shown on the screen as the same is being taken up.
- iv. Stockholders could cast their votes on these proposed resolutions and in the election of directors beginning April 14, 2020 through the Corporation's VIASH System. The polls would remain open until the end of the meeting for stockholders who had successfully registered to cast their votes electronically using the VIASH System.
- v. The Corporation tabulated the votes cast as of April 15, 2020, after the end of the proxy validation process. Those votes were from stockholders owning 189,804,435 voting shares representing 75.92% of the total outstanding shares. All voting results reported at the meeting, will refer to this preliminary tabulation. The results of the final tabulation of votes, with full details of the affirmative and negative votes and abstentions, would be reflected in the minutes of the meeting.

5. Approval of the Minutes of the 2019 Stockholders' Meeting

The Chairman then proceeded with the approval of the minutes of the annual stockholders' meeting held on September 17, 2019. An electronic copy of the minutes was posted on the Corporation's website and contained in the DIS.

The Corporate Secretary, on behalf of management, proposed the adoption of Resolution No. S-2020-001 for the approval of the minutes of the annual stockholders' meeting on September 17, 2019. Resolution No. S-2020-001 was shown on the screen:

Resolution No. S-2020-001

RESOLVED, to approve the minutes of the annual stockholders' meeting held on 17 September 2019.

Thereafter, the Secretary reported that stockholders owning 189,804,435 shares, or 75.92% of the total outstanding shares, voted in favor of Resolution No. S-2020-001. Therefore, the said resolution was approved.

As tabulated by the Committee of Inspectors of Proxies and Ballots and validated by SGV, the stockholders voted on Resolution No. S-2020-001 as follows:

	For	Against	Abstain
Number of voted shares	189,804,435	0	0
% of Total Outstanding Shares	75.92%	0%	0%

6. Annual Report of Officers

Message of the Chairman

The Chairman acknowledged the stockholders, the directors, management, and guests, and delivered the following message:

The impact of the COVID-19 pandemic continues to be felt globally, and the crisis is set to hit the most vulnerable the hardest. The various businesses within the Ayala group have been proactive in mobilizing resources to help overcome the challenges.

There are no known COVID-19 cases among the ACE Enexor and AC Energy Group employees. The Corporation is fully supportive of the government efforts to address the challenges by ensuring the health and safety of its employees and their families, providing support to immediate communities where the Corporation operates, and supporting broader efforts such as feeding programs, creation of additional health facilities, and the provision of medical supplies and PPEs.

Despite the current challenges, the Corporation is making progress on its initiatives. Significant strides have been made on investments and towards exploratory drilling, yet the Corporation acknowledges that headwinds were encountered on the macro environment in which it operates.

The year was marked by oversupply, few reserves replacement, and modest annual increase in capital spending. From a high of \$86 per barrel in 2018, Brent crude settled in the \$60 level through most of 2019. Meanwhile the COVID-19 crisis reached pandemic levels in early 2020, severely affecting economic activity and oil demand, resulting in Crude prices declining to less than \$30 per barrel.

The same challenges experienced will persist into 2020. The local upstream sector has been in dormancy in the last four (4) years and efforts to revitalize exploration have so far not achieved the desired results, despite the latest petroleum bid round that was formally launched in November 2018.

Aware of the country's dire need for replacement reserves, the Corporation, through its subsidiary Palawan55 Exploration & Production Corporation ("**Palawan55**"), has responded proactively by bringing its primary asset, Service Contract 55 ("**SC 55**"), closer to exploratory drilling.

Palawan55 acquired the entire participating interest of its erstwhile foreign partner, thereby doubling its stake in SC 55 to 75%, highly encouraged by the results of its technical studies centered on a gas discovery made in the area in 2015.

Last week, the Department of Energy ("**DOE**") confirmed SC 55's entry into the Appraisal Period, with a commitment to drill one (1) exploratory well within the first two (2) years of the said time frame. Two (2) candidate target sites are currently being evaluated using leading edge standards, and upon completion of the assessment, preparations for drilling will commence soon after.

2019 has been a year of good progress for the Corporation. The Corporation's decisions and actions during this period positioned it well to work on its future growth and aid in the country's future energy landscape.

The business of oil and gas exploration will continue to be challenging, uncertain and very complex. With the stockholders' continued trust and support, the Corporation will constantly pursue business growth and value creation, while the Corporation moves towards playing a significant role in helping the country's energy security in due course.

The Chairman then called on Mr. Raymundo A. Reyes, Jr., the Chief Operating Officer ("**COO**"), to give his report.

Report of the Chief Operating Officer

Mr. Reyes acknowledged the stockholders and guests, and reported as follows:

Since the middle of last year when AC Energy took over the Corporation, the Corporation focused on validating the gas discovery made at the Hawkeye-1 well in 2015. While the former operator of SC 55 notified the DOE of the gas find prior to its withdrawal, such operator failed to submit a formal gas

discovery report as required under said contract. Palawan55, the Corporation's subsidiary and current SC 55 Operator, remedied this deficiency by undertaking specialized technical studies that proved the existence of the gas resource, to the satisfaction of the DOE.

Palawan55 also confirmed the drill-ready status of the prospect that another former operator almost tested in 2012, were it not for last-minute permitting problems. Palawan55 also conducted advanced reprocessing and interpretation of seismic data that were originally acquired by the two (2) former operators, and this exercise yielded a number of new prospects and leads in the vicinity of the Hawkeye gas accumulation. Drilling scenario planning indicated that the primary prospects are technically drillable.

Encouraged by the promising results of technical studies, Palawan55 acquired the entire 37.5% participating interest of its Australian partner that opted to withdraw from the consortium due to financial constraints. Given this, Palawan55 doubled its stake in the block to 75% and remains as the Operator.

Palawan55 notified the DOE of SC 55's direct entry into the Appraisal Period with a commitment to drill one (1) deep water well. This exploration phase would allow the consortium to test other prospects in the block that could merit stand-alone or cluster field development. The DOE confirmed SC 55's entry into the Appraisal Period effective April 26, 2020. The consortium will prepare for the DOE's approval, a definitive work program that shall include the drilling of at least one (1) well no later than April 2022.

In conclusion, Palawan55 is currently conducting follow-on evaluation of two (2) candidate targets for drilling. Upon completion of the comparative assessment, the consortium will choose the prospect to be drilled, then commence preparations for drilling immediately thereafter. The Corporation will keep the stockholders posted of material developments through its regulatory disclosures.

After the COO's report, the Chairman then asked the Corporate Secretary to present the proposed resolution on this item and the voting results.

The Corporate Secretary, on behalf of management, proposed the adoption of Resolution No. S-2020-002 to note the Corporation's Annual Report, and approve the 2019 consolidated audited financial statements of the Corporation and its subsidiaries as of December 31, 2019, as audited by SGV. Resolution No. S-2020-002, was shown on the screen:

Resolution No. S-2020-002

RESOLVED, to note the Corporation's Annual Report, which consists of the Chairman's Message, the President's Report, and the audio-visual presentation to the stockholders, and to approve the consolidated financial statements of the Corporation and its subsidiaries as of 31 December 2019, as audited by the Corporation's external auditor, SyCip Gorres Velayo & Co.

The Corporate Secretary then reported that stockholders owning 189,804,435 shares, or 75.92% of the total outstanding shares, voted for the adoption of Resolution No. S-2020-002. Therefore, the said resolution was approved.

As tabulated by the Committee of Inspectors of Proxies and Ballots and validated by SGV, the votes on the adoption of Resolution No. S-2020-002, are as follows:

	For	Against	Abstain
Number of voted shares	189,804,435	0	0
% of Total Outstanding Shares	75.92%	0%	0%

7. Ratification of the Acts of the Board and Officers

The Corporate Secretary, upon the Chairman's request, explained that stockholders' ratification is being sought for all the acts and resolutions of the Board, the Executive Committee, and other Board Committees exercising powers delegated by the Board, which were adopted from September 18, 2019 until April 19, 2020. The acts and resolutions of the Board were reflected in the minutes of the meetings, and they include the election of officers and members of the various Board Committees, project launches, updating of the lists of authorized representatives and bank signatories, treasury matters, budget and funding plan, investments, and matters covered by disclosures to the Securities and Exchange Commission (“SEC”) and the PSE.

Stockholders' ratification was also sought for all the acts of the Corporation's officers performed in accordance with the resolutions of the Board, the Executive Committee and other Board Committees as well as the By-Laws, from September 18, 2019 to April 19, 2020. These acts were performed to implement the resolutions of the Board or its Committees, or as part of the Corporation's general conduct of business.

Thereafter, the Corporate Secretary reported that stockholders owning 189,804,435 shares, or 75.92% of the total outstanding shares, voted for the adoption of Resolution No. S-2020-003, which was shown on the screen. Therefore, the said resolution was adopted:

Resolution No. S-2020-003

RESOLVED, to ratify each and every act and resolution, from 18 September 2019 to 19 April 2020 (the “Period”), of the Board of Directors (the “Board”), the Executive Committee and other Board committees exercising powers delegated by the Board, and each and every act, during the Period, of the officers of the Corporation performed in accordance with the resolutions of the Board, the Executive Committee, and other Board committees as well as with the By-laws of the Corporation.

As tabulated by the Committee of Inspectors of Proxies and Ballots and validated by SGV, the stockholders voted on the adoption of Resolution No. S-2020-003 as follows:

	For	Against	Abstain
Number of voted shares	189,804,435	0	0
% of Total Outstanding Shares	75.92%	0%	0%

8. Election of Directors

The next item in the Agenda was the election of the nine (9) members of the Board for the ensuing year. The Chairman requested the Corporate Secretary to explain this item.

The Corporate Secretary explained that in accordance with the requirements of the Corporation's By-Laws, the Manual of Corporate Governance, and the rules of the SEC, the following stockholders were duly nominated to the Board for the ensuing term: Augusto Cesar D. Bengzon, Maria Corazon G. Dizon,

John Eric T. Francia, Raymundo A. Reyes, Jr., Jaime Z. Urquijo, Jaime Alfonso Zobel de Ayala, Ma. Aurora Geotina-Garcia, Alberto A. Lim, and Raphael Perpetuo M. Lotilla.

Ms. Geotina-Garcia, Mr. Lim, and Mr. Lotilla were nominated as independent directors.

The Corporate Governance and Nomination Committee of the Board ascertained that the nine (9) nominees, including the three (3) nominees for independent directors, are qualified to serve as Directors of the Corporation, and that each has given his or her consent to the nomination.

The Corporate Secretary reported that each of the nine (9) nominees garnered at least 189,804,435 votes, which represent 75.92% of the total outstanding shares. Thus, each nominee received sufficient number of votes for election to the Board, and that Resolution No. S-2020-004, as shown on the screen, for the election of the nine (9) nominees to the Board was approved:

Resolution No. S-2020-004

RESOLVED, to elect the following as directors of the Corporation to serve as such beginning today until their successors are elected and qualified:

Augusto Cesar D. Bengzon
Maria Corazon G. Dizon
John Eric T. Francia
Raymundo A. Reyes, Jr.
Jaime Alfonso E. Zobel de Ayala
Jaime Z. Urquijo
Ma. Aurora D. Geotina-Garcia (*Independent Director*)
Raphael Perpetuo M. Lotilla (*Independent Director*)
Alberto A. Lim (*Independent Director*)

As tabulated by the Committee of Inspectors of Proxies and Ballots and validated by SGV, the final votes received by the nominees based on the total cumulative votes received are as follows:

Director	No. of votes received
1. Augusto Cesar D. Bengzon	189,804,435
2. John Eric T. Francia	189,804,435
3. Maria Corazon G. Dizon	189,804,435
4. Raymundo A. Reyes, Jr.	189,804,435
5. Jaime Z. Urquijo	189,804,435
6. Jaime Alfonso Zobel de Ayala	189,804,435
7. Ma. Aurora Geotina-Garcia	189,804,435
8. Alberto A. Lim	189,804,435
9. Raphael Perpetuo M. Lotilla	189,804,435

9. Appointment of External Auditor and Fixing of Its Remuneration

The Corporate Secretary informed the stockholders that the Audit Committee evaluated the performance during the past year of the Corporation's present auditor, the firm of SGV, and found it satisfactory. Therefore, the Corporate Secretary reported that the Committee and the Board endorse the appointment of SGV as the Corporation's external auditor for the present fiscal year for an audit fee of PhP162,750.00, exclusive of value-added tax and out-of-pocket expenses.

The Corporate Secretary, on behalf of management, then proposed the adoption of Resolution No. S-2020-005 appointing SGV as the Corporation's external auditor and fixing its remuneration, as shown on the screen:

Resolution No. S-2020-005

RESOLVED, as endorsed by the Board of Directors, to approve the appointment of SyCip Gorres Velayo & Co. as the external auditor of the Corporation for the year 2020 for an audit fee of One Hundred Sixty-Two Thousand Seven Hundred Fifty Pesos (PHP 162,750.00), exclusive of value-added tax and out-of-pocket expenses.

The Corporate Secretary then reported that stockholders owning 189,804,435 shares, or 75.92% of the total outstanding shares, voted for the adoption of Resolution No. S-2020-005. Therefore, the said resolution was approved.

As tabulated by the Committee of Inspectors of Proxies and Ballots and validated by SGV, the votes on the adoption of Resolution No. S-2020-005 are as follows:

	For	Against	Abstain
Number of voted shares	189,804,435	0	0
% of Total Outstanding Shares	75.92%	0%	0%

10. Other Matters

There being no other matters for consideration by the stockholders, the Chairman opened the floor for questions or comments from the stockholders. The Assistant Corporate Secretary, Mr. Alan T. Ascalon, read the questions and comments together with the names of the stockholders who sent them.

Rodolfo C. Dela Cruz (stockholder): *What are the plans of ACE Enexor for 2021? Does it plan to actively seek more drilling sites?*

Chairman: The Corporation is currently focused on assessing two (2) prospective sites within Service Contract 55. The Corporation aims to complete these on-going studies within the year, so management can focus on hopefully one (1) specific target for potential drilling by 2022. As requested by the Chairman, the COO expounded that right now Palawan55 is in the middle of prospect-specific technical studies that would help the consortium decide, which of the prospects in the block to drill, and that the Corporation expects to finish this work program in the next two (2) months.

COO: The second half of 2020 will be spent primarily for well planning and that the Corporation anticipates the execution of the drilling program will be the focus throughout 2021. This phase will include, among others, permitting, procurement of drilling equipment, materials, supplies and services, and employment of the drilling team. The final stage will be actual drilling operations. This will likely happen in the first quarter of 2022 and may last around 40 days.

Danilo L. Panes (stockholder): *Are we planning to have new partners in developing SC55?*

Jhe Conese (guest): *Do you already have an update on how will you fund the drilling? Will this be through foreign partner? Do you already have a foreign partner?*

Chairman: The Corporation prefers a strategic partner for this significant undertaking. The Corporation does not have a foreign partner as of this moment but in the next few months, the Corporation will begin discussion with potential partners, taking into consideration their financial and technical capabilities that can be complementary and beneficial to the consortium.

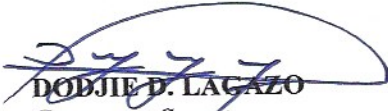
Gina Judith dela Cruz (stockholder): *How has COVID-19 affected the business?*

Chairman: The Enhanced Community Quarantine has minimal effect on the Corporation's ongoing operations given that the Corporation is not yet in the drilling stage.

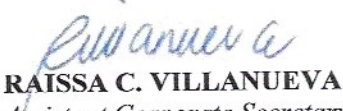
COO: The Corporation is routinely interacting with its foreign contractors via videoconferences and online exchanges. Its employees have access to the necessary computer hardware and software and, thus, continue to work unhampered. The team can probably work off-site with high productivity up to the end of this year or even up to the first quarter of next year. However, permitting activities for drilling should start by the second quarter of 2020. As these are mostly face-to-face transactions, the drilling timetable may be adversely affected depending on the level of government restrictions on people mobility.

11. Adjournment

There being no other comments or questions from the stockholders, the Chairman adjourned the meeting. The Chairman mentioned that a link to the recorded webcast of the meeting will be posted on the Corporation's website and that stockholders may raise issues, clarifications and concerns on the meeting conducted within two (2) weeks from posting of the link by sending an email to corpsec.enexor@acenergy.com.ph.


DOBBIE D. LAGAZO
Corporate Secretary


ALAN T. ASCALON
Assistant Corporate Secretary


RAISSA C. VILLANUEVA
Assistant Corporate Secretary

ATTESTED BY:


JOHN ERIC T. FRANCIA
Chairman of the Meeting, Director