

COVER SHEET

for
SEC FORM 17-Q

SEC Registration Number

A S O 9 4 - 8 8 1 1

Company Name

P H I N M A P E T R O L E U M A N D G E O T H E R M A
L I N C A N D A S U B S I D I A R Y (f o r m e r
I y T R A N S A S I A P E T R O L E U M C O R P O R
A T I O N)

Principal Office (No./Street/Barangay/City/Town/Province)

L E V E L 1 1 P H I N M A P L A Z A , 39 P L A Z A
D R I V E , R O C K W E L L C E N T E R , M A K A T I
C I T Y

Form Type

1 7 - Q

Department requiring the report

N A

Secondary License Type, If Applicable

N A

COMPANY INFORMATION

Company's Email Address

www.phinmappg.com

Company's Telephone Number/s

+(632) 7-730-6300

Mobile Number

No. of Stockholders

2,907

Annual Meeting
Month/Day

04/23

Fiscal Year
Month/Day

12/31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Mariejo P. Bautista

Email Address

bautista.mp@acenergy.com.ph

Telephone Number/s

+(632) 7-730-6300

Mobile Number

Contact Person's Address

4th floor, 6750 Office Tower, Ayala Avenue, Makati City

Note 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

Note 2: All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with commission and/or non-receipt of Notice of Deficiencies. Further, non receipt of the Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **September 30, 2019**
2. Commission identification number **AS094-8811**
3. BIR Tax Identification No. **004-500-964-000**
4. Exact name of issuer as specified in its charter **PHINMA PETROLEUM AND GEOTHERMAL, INC.**
5. Province, country or other jurisdiction of incorporation or organization **Metro Manila**
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's business address Postal Code
4th Floor, 6750 Office Tower, Ayala Avenue, Makati City, 1226
8. Issuer's telephone number, including area code **+(632) 7-730-6300**
9. Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Number of shares of common stock outstanding	250,000,001 shares
Amount of debt outstanding	NIL

11. Are any or all of the securities listed on a Stock Exchange?

Yes No

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange Common

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes No

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes No

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to attached ANNEX "A"

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Please refer to attached ANNEX "B"

PART II--OTHER INFORMATION

Please refer to attached ANNEX "C"

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on November 7, 2019.

PHINMA PETROLEUM AND GEOTHERMAL, INC.


RAYMUNDO A. REYES, JR.
Chief Operating Officer


MA. CORAZON G. DIZON
Treasurer and Chief Financial Officer 

ANNEX A

PHINMA Petroleum and Geothermal, Inc. and A Subsidiary
(A Subsidiary of AC Energy Philippines, Inc. [formerly PHINMA Energy Corporation])

Unaudited Interim Condensed Consolidated Financial Statements
As at September 30, 2019

and for the Nine Months Period Ended September 30, 2019 and 2018
(With Comparative Audited Consolidated Statement of Financial Position as at December 31, 2018)

PHINMA PETROLEUM AND GEOTHERMAL, INC. AND A SUBSIDIARY
(A Subsidiary of AC Energy Philippines, Inc. [formerly PHINMA Energy Corporation])
INTERIM CONDENSED CONSOLIDATED
STATEMENTS OF FINANCIAL POSITION

	September 30	December 31
	2019	2018
	Unaudited	Audited
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	P64,771,891	P9,863,588
Financial assets at fair value through profit or loss (FVTPL, Notes 5 and 15)	220,499	57,584,369
Receivables (Notes 6 and 15)	403,682	95,390
Prepaid expenses	749,446	37,079
Total Current Assets	P66,145,518	67,580,426
Noncurrent Assets		
Property and equipment (Note 7)	17,944	23,512
Deferred exploration costs (Note 8)	37,625,194	29,384,114
Total Noncurrent Assets	37,643,138	29,407,626
TOTAL ASSETS	P103,788,656	P96,988,052
LIABILITIES AND EQUITY		
Current Liability		
Accounts payable and other current liabilities (Note 9)	P34,365,995	P9,888,737
Noncurrent Liability		
Deferred income tax liability (Note 12)	4,101	287,133
Total Liabilities	34,370,096	10,175,870
Equity		
Attributable to Equity Holders of the Parent Company:		
Capital stock (Note 11)	250,000,001	250,000,000
Deficit	(180,906,612)	(163,904,395)
	69,093,389	86,095,605
Non-controlling interest (Note 14)	325,171	716,577
Total Equity	69,418,560	86,812,182
TOTAL LIABILITIES AND EQUITY	P103,788,656	P96,988,052

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

PHINMA PETROLEUM AND GEOTHERMAL, INC. AND A SUBSIDIARY
(A Subsidiary of AC Energy Philippines, Inc. [formerly PHINMA Energy Corporation])
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

	Three Months Ended September 30		Nine Months Ended September 30	
	2019	2018	2019	2018
INTEREST INCOME (Note 4)	₱9,913	₱17,074	₱22,743	₱30,310
EXPENSES				
Training fund expense	6,340,008	957,497	13,512,641	957,497
Professional fees (Note 10)	995,907	711,641	2,310,826	2,062,248
Employee costs	18,513	694,491	929,425	2,439,702
Project development cost	–	602,085	500,000	5,257,103
Filing and registration fees	7,977	1,700	286,027	307,932
Supplies	375,263	1,150	405,832	893,114
Taxes and licenses	262,306	–	292,169	14,750
Transportation	3,547	5,061	10,248	73,450
Depreciation (Note 7)	1,857	1,856	5,568	4,331
Meetings	28,619	14,362	29,724	185,371
Insurance (Note 10)	15,612	–	16,512	19,471
Utilities	125,553	1	126,303	33,142
Provision for probable losses (Note 8)	–	–	–	48,262,794
Others	222,474	109,044	467,349	874,871
	8,397,636	3,098,888	18,892,624	61,385,776
OTHER INCOME (CHARGES)				
Gains on changes in fair value of financial assets at FVTPL - net (Note 5)	613,891	344,930	1,385,308	1,040,715
Foreign exchange gains (losses) - net	(90,407)	75,881	(192,084)	99,113
	523,484	420,811	1,193,224	1,139,828
LOSS BEFORE INCOME TAX	7,864,239	2,661,003	17,676,656	60,215,638
PROVISION FOR (BENEFIT FROM) DEFERRED INCOME TAX	(68,390)	76,799	(283,033)	136,173
NET LOSS	₱7,795,849	₱2,737,802	₱17,393,623	₱60,351,811
Net Loss Attributable to:				
Equity holders of the Parent Company	₱7,613,190	₱2,737,196	₱17,002,217	₱60,343,428
Non-controlling interest (Note 13)	182,659	606	391,406	8,383
	₱7,795,849	₱2,737,802	₱17,393,623	₱60,351,811
Basic/Diluted Loss Per Share (Note 12)	₱0.030	₱0.011	₱0.068	₱0.241

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

PHINMA PETROLEUM AND GEOTHERMAL, INC. AND A SUBSIDIARY
(A Subsidiary of AC Energy Philippines, Inc. [formerly PHINMA Energy Corporation])
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME (UNAUDITED)

	Nine Months Ended		Nine Months Ended	
	September 30		September 30	
	2019	2018	2019	2018
NET LOSS	₱7,795,849	₱2,737,802	₱17,393,623	₱60,351,811
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE LOSS	₱7,795,849	₱2,737,802	₱17,393,623	₱60,351,811
Attributable to:				
Equity holders of the Parent Company	₱7,613,190	₱2,737,196	₱17,002,217	₱60,343,428
Non-controlling interest (Note 13)	182,659	606	391,406	8,383
	₱7,795,849	₱2,737,802	₱17,393,623	₱60,351,811

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

PHINMA PETROLEUM AND GEOTHERMAL, INC. AND A SUBSIDIARY
(A Subsidiary of AC Energy Philippines, Inc. [formerly PHINMA Energy Corporation])

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

	Attributable to Equity Holders of the Parent Company			Non-controlling Interest (Note 14)	Total Equity
	Capital Stock (Note 11)	Deficit	Total		
BALANCES AT JANUARY 1, 2019	P250,000,000	(P163,904,395)	P86,095,605	P716,577	P86,812,182
Net loss for the period	–	(17,002,217)	(17,002,217)	(391,406)	(17,393,623)
Issuance of Common Stock	1	–	–	–	1
BALANCES AT SEPTEMBER 30, 2019	P250,000,001	(P180,906,612)	P69,093,388	P325,171	P69,418,560
BALANCES AT JANUARY 1, 2018	P250,000,000	(P97,066,170)	P152,933,830	P2,398,372	P155,332,202
Net loss for the period	–	(60,343,428)	(60,343,428)	(8,383)	(60,351,811)
BALANCES AT SEPTEMBER 30, 2018	P250,000,000	(P157,409,598)	P92,590,402	P2,389,989	P94,980,391

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

PHINMA PETROLEUM AND GEOTHERMAL, INC. AND A SUBSIDIARY
(A Subsidiary of AC Energy Philippines, Inc. [formerly PHINMA Energy Corporation])
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH
FLows (UNAUDITED)

	For the nine months ended September 30	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(P17,484,572)	(P60,215,638)
Adjustment for:		
Provision for probable losses	–	48,262,794
Gains on changes in fair value of financial assets at FVTPL - net (Note 5)	(1,385,308)	(1,040,715)
Interest income (Note 4)	(22,743)	(30,310)
Depreciation (Note 7)	5,568	4,331
Unrealized foreign exchange loss - net	–	(99,466)
Operating loss before working capital changes	(18,887,055)	(13,119,004)
Decrease (increase) in:		
Receivables	(312,117)	(50,348)
Prepaid expenses	(712,367)	(64,506)
Increase (decrease) in accounts payable and other current liabilities	24,477,259	(1,269,941)
Interest income received	26,569	29,264
Net cash flows used in operating activities	4,592,289	(14,474,535)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from redemption of financial assets at FVTPL	78,749,178	18,137,704
Additions to:		
Investment held for trading	(20,000,000)	–
Deferred exploration costs (Note 8)	(8,241,080)	(275,970)
Property and equipment (Note 7)	–	(29,700)
Net cash flows from (used in) investing activities	50,508,098	17,832,034
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	55,100,387	3,357,499
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(192,084)	99,466
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Note 4)	9,863,588	3,271,882
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	P64,771,891	P 6,728,847

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

PHINMA PETROLEUM AND GEOTHERMAL, INC. AND A SUBSIDIARY
(A Subsidiary of AC Energy Philippines, Inc. [formerly PHINMA Energy Corporation])
NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

1. Corporate Information and Status of Operation

PHINMA Petroleum and Geothermal, Inc. (PHINMA Petroleum or the Parent Company), formerly Trans-Asia Petroleum Corporation, and Palawan55 Exploration & Production Corporation (Palawan55 or the Subsidiary), collectively referred to as “the Company”, were incorporated in the Philippines on September 28, 1994 and November 16, 2012, respectively, to engage in oil and gas exploration, exploitation and production. Palawan55 is 69.35% owned by the Parent Company. The Parent Company and its subsidiary are 75.92% and 30.65% directly owned, respectively, by PHINMA Energy Corporation (PHINMA Energy or the Intermediate Parent Company). The ultimate parent company is Mermac, Inc. PHINMA Energy and Mermac, Inc. are both incorporated and domiciled in the Philippines. Both PHINMA Petroleum and Palawan55 have not yet started commercial operations as at October 22, 2019 and are domiciled in the Philippines.

On August 14, 2014, the Philippine Securities and Exchange Commission (SEC) approved the listing of shares of the Parent Company. On August 28, 2014, the Parent Company listed its shares at the Philippine Stock Exchange by way of introduction.

On May 31, 2017, the Parent Company changed its name to PHINMA Petroleum and Geothermal, Inc.

On February 7, 2019, Philippine Investment Management (PHINMA), Inc., PHINMA Corporation and AC Energy, Inc. (AC Energy) signed an investment agreement for AC Energy’s acquisition of the PHINMA Group’s 51.476% stake in PHINMA Energy via a secondary share sale through the Philippine Stock Exchange (PSE). On June 24, 2019, the PSE confirmed the special block sale of PHINMA Energy shares to AC Energy.

PHINMA Energy conducted a Voluntary Tender Offer of PHINMA Petroleum shares on May 20, 2019 to June 19, 2019, with 3,332 PHINMA Petroleum public shares tendered during the tender offer period at P2.44 per share. On June 24, 2019, PHINMA Energy acquired the shares of PHINMA Inc and PHINMA Corporation in PPG representing 25.18% of PPG’s total outstanding stock.

On July 23, 2019, the Board of Directors (BOD) of PHINMA Petroleum approved the following amendments to the articles of incorporation of PHINMA Energy:

- Change in corporate name to ACE Enexor, Inc. (Enexor) to reflect the change in the ownership of the Parent Company; and
- Change in the principal office of the Parent Company to 4th Floor, 6750 Office Tower, Ayala Ave., Makati City for alignment, operational and management efficiency.

During the Annual Stockholders' Meeting held on September 17, 2019, the stockholders approved and adopted the same changes.

The Parent Company is in the process of securing SEC’s approval of the proposed amendments to the articles of incorporation.

The interim condensed consolidated financial statements of the Company were authorized for issuance by the Parent Company's BOD on October 22, 2019.

2. **Basis of Preparation and Consolidation, Statement of Compliance and Summary of Significant Accounting Policies and Disclosure**

Basis of Preparation

The interim condensed consolidated financial statements of the Parent Company and its subsidiary (collectively as the Company) for the nine months ended September 30, 2019 have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements as at December 31, 2018.

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for financial assets at FVTPL that are measured at fair value. The interim condensed consolidated financial statements are presented in Philippine peso (Peso), which is the Parent Company's functional and presentation currency. All values are rounded off to the nearest Peso, except when otherwise indicated.

Basis of Consolidation

The interim condensed consolidated financial statements comprise the interim financial statements of the Parent Company and its subsidiary, Palawan55, as at September 30, 2019 and December 31, 2018. The interim condensed financial statements of Palawan55 are prepared for the same reporting period as the Parent Company, using uniform accounting policies. When necessary, adjustments are made to the separate financial statements of the subsidiary to bring its accounting policies in line with the Parent company's accounting policies.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except that the Company has adopted the following new accounting pronouncements starting January 1, 2019. Adoption of these pronouncements did not have any significant impact on the Company's financial position or performance, unless indicated otherwise. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- PFRS 16, *Leases*

The Company applies, for the first time, PFRS 16, *Leases*. The nature and effect of these changes are disclosed below.

PFRS 16 supersedes PAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under PFRS 16 is substantially unchanged under PAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in PAS 17. Therefore, PFRS 16 did not have an impact for leases where the Company is the lessor.

The Company adopted PFRS 16 using the modified retrospective method of adoption with the date of initial application of January 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. The Company elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying PAS 17 and IFRIC 4 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The adoption of PFRS 16 as at January 1, 2019 does not have material impact in the Company's financial statements.

- *Philippine Interpretation IFRIC-23, Uncertainty over Income Tax Treatments*

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12, *Income Taxes*, and does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex environment, it assessed whether the Interpretation had an impact on its consolidated financial statements.

The adoption of IFRIC 23 as at January 1, 2019 does not have material impact in the Company's financial statements.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the interim condensed consolidated financial statements of the Company.

- *Amendments to PFRS 9, Prepayment Features with Negative Compensation*

Under PFRS 9, a debt instrument can be measured at amortized cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to PFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of

which party pays or receives reasonable compensation for the early termination of the contract. The amendments should be applied retrospectively and are effective from January 1, 2019, with earlier application permitted.

- Amendments to PAS 19, *Employee Benefits, Plan Amendment, Curtailment or Settlement*

The amendments to PAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after January 1, 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

- Amendments to PAS 28, *Long-term Interests in Associates and Joint Ventures*

The amendments clarify that an entity applies PFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in PFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying PFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognized as adjustments to the net investment in the associate or joint venture that arise from applying PAS 28, *Investments in Associates and Joint Ventures*.

The amendments should be applied retrospectively and are effective from January 1, 2019, with early application permitted.

- *Annual Improvements to PFRSs 2015-2017 Cycle*

- Amendments to PFRS 3, *Business Combinations*, and PFRS 11, *Joint Arrangements, Previously Held Interest in a Joint Operation*

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

- Amendments to PAS 12, *Income Tax Consequences of Payments on Financial Instruments Classified as Equity*

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognizes the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application is permitted.

- Amendments to PAS 23, *Borrowing Costs, Borrowing Costs Eligible for Capitalization*

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application permitted.

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in PFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2019 and to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after January 1, 2019, with early application permitted.

3. Significant Accounting Judgments and Estimates

The Company's consolidated financial statements prepared in accordance with PFRS require management to make a judgment and estimates that affect the amounts reported in the consolidated financial statements and related notes. In preparing the Company's consolidated financial statements, management has made its best estimate and judgment of certain amounts, giving due consideration to materiality.

The estimates and judgments used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from such estimates.

Determining and Classifying a Joint Arrangement.

Judgment is required to determine when the Company has joint control over an arrangement, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Company has determined that the relevant activities for its joint arrangements are those relating to the operating and capital decisions of the arrangement. Judgment is also required to classify a joint arrangement. Classifying the arrangement requires the Company to assess their rights and obligations arising from the arrangement. Specifically, the Company considers:

- The structure of the joint arrangement - whether it is structured through a separate vehicle
- When the arrangement is structured through a separate vehicle, the Company also considers the rights and obligations arising from:
 - a) The legal form of the separate vehicle
 - b) The terms of the contractual arrangement
 - c) Other facts and circumstances (when relevant)

This assessment often requires significant judgment, and a different conclusion on joint control and also whether the arrangement is a joint operation or a joint venture, may materially impact the accounting. As at September 30, 2019 and December 31, 2018, the Company's SCs are assessed as joint arrangements in the form of joint operations.

Definition of Default and Credit-impaired Financial Assets upon adoption of PFRS 9

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when one or more events that have occurred and have significant impact on the expected future cash flows of the financial assets. This includes the following observable criteria:

- *Quantitative Criteria*
The borrower is more than 90 days past due on its contractual payments, i.e., principal and/or interest, which is consistent with the Company's definition of default.
- *Qualitative Criteria*
The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:
 - a. The borrower is experiencing financial difficulty or is insolvent
 - b. The borrower is in breach of financial covenant(s)
 - c. Concessions have been granted by the Company, for economic or contractual reasons relating to the borrower's financial difficulty
 - d. It is becoming probable that the borrower will enter bankruptcy or other financial reorganization
 - e. Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Company's expected loss calculation.

Estimates

Impairment of Deferred Exploration Costs. The carrying value of deferred exploration costs is reviewed for impairment by management when there are indications that the carrying amount exceeds

the recoverable amount under PFRS 6. Among the factors considered by management in the impairment review of deferred exploration costs are the expiration of the contracts and the technical evaluation that the remaining prospects in these areas are small and are likely to be uneconomic. In the event of impairment, the Company measures, presents and discloses the resulting impairment loss in accordance with PAS 36.

The Company recognized impairment loss on its deferred exploration costs amounting to ₱48,262,794 in 2018 and presented as “Provision for probable losses” under “Expenses” in the consolidated statements of comprehensive income. The carrying value of deferred exploration costs amounted to ₱37,625,194 and ₱29,384,114 as at September 30, 2019 and December 31, 2018, respectively (see Note 8).

Realizability of Deferred Income Tax Asset. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax assets to be utilized. However, there is no assurance that sufficient taxable income will be generated to allow all or part of the deferred income tax assets to be utilized.

Estimating Provision for Credit Losses of Receivables (prior to adoption of PFRS 9)

The Company maintains allowance for credit losses based on the results of the individual assessment under PAS 39. Under the individual assessment, the Company considers the significant financial difficulties of the customer or significant delays in payments. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on age and status of financial asset, as well as historical loss experience. The methodology and assumptions used for the impairment assessment are based on management’s judgments and estimates. Therefore, the amount and timing of recorded expense for any period would differ depending on the judgments and estimates made for the year.

As at September 30, 2019 and December 31, 2018, the allowance for credit losses amounted to ₱20,000,000 (see Note 6). *Estimating Provision of Expected Credit Losses on Receivables (upon adoption of PFRS 9).*

No provision for doubtful accounts was recognized as at September 30, 2019 and 2018. The carrying value of receivables amounted to ₱403,681 and ₱95,390 as at September 30, 2019 and December 31, 2018, respectively (see Note 6).

4. Cash and Cash Equivalents

	September 30, 2019	December 31, 2018
Cash on hand and in banks	₱64,771,891	₱5,455,179
Short-term deposits	–	4,408,409
	₱64,771,891	₱9,863,588

Interest income on cash and short-term deposits amounted to ₱22,743 and ₱30,310 as at September 30, 2019 and 2018, respectively.

5. Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL consist of investments in UITFs amounting to ₱220,499 and ₱57,584,369 as at September 30, 2019 and December 31, 2018, respectively. The changes in fair

value on financial assets at FVTPL amounted to a net gain of ₱1,385,308 and ₱1,040,715 as at September 30, 2019 and 2018, respectively.

6. Receivables

This account consists of the following:

	September 30, 2019	December 31, 2018
Trade receivables	₱31,802	₱31,863
Due from third party (see Note 8)	20,000,000	20,000,000
Deposit receivable	15,779	-
Accrued interest receivable	-	3,826
Others	356,101	59,701
	20,403,681	20,095,390
Less allowance for credit losses	20,000,000	20,000,000
	₱403,682	₱95,390

The aging analysis of receivables is as follows:

September 30, 2019							
	Total	Neither Past Due nor Impaired	Past Due but not Impaired				Past Due and Impaired
			<30 Days	30-60 Days	61-90 Days	Over 90 Days	
Trade receivables	₱31,802	₱-	₱-	₱-	₱-	₱31,802	₱-
Receivable from a third party	20,000,000	-	-	-	-	-	20,000,000
Due from officers and employees	-	-	-	-	-	-	-
Deposit receivable	15,779	15,779	-	-	-	-	-
Others	356,101	-	-	-	-	356,101	-
	20,403,682	₱15,779	₱-	₱-	₱-	₱387,903	₱20,000,000

December 31, 2018							
	Total	Neither Past Due nor Impaired	Past Due but not Impaired				Past Due and Impaired
			<30 Days	30-60 Days	61-90 Days	Over 90 Days	
Trade receivables	₱31,863	₱-	₱-	₱-	₱-	₱31,863	₱-
Due from third party	20,000,000	-	-	-	-	-	20,000,000
Accrued interest receivable	3,826	3,826	-	-	-	-	-
Others	59,701	3,347	-	29,974	-	26,380	-
	₱20,095,390	₱7,173	₱-	₱29,974	₱-	₱58,243	₱20,000,000

Trade receivables mainly represent return of cash call from the service contract operator. Others pertain to advances to employees and a service provider subject to liquidation.

Due from third party pertains to advance payment made to a consortium partner. In 2016, the Company recognized a provision for credit losses on this advance. As at September 30, 2019 and 2018, no provision for credit losses was recognized.

7. Property and Equipment

Details and movement of this account follow:

	September 30, 2019		
	Equipment	Miscellaneous Assets	Total
Cost -			
Balance at beginning and end of year	P245,000	P124,215	P369,215
Less accumulated depreciation:			
Balance at beginning of year	245,000	100,703	345,703
Depreciation expense	-	5,568	5,568
Balance at the end of the quarter	245,000	106,271	351,271
Net book value	P-	P17,944	P17,944

	December 31, 2018		
	Equipment	Miscellaneous Assets	Total
Cost:			
Balance at beginning of year	P245,000	P94,515	P339,515
Additions	-	29,700	29,700
Balances at end of year	245,000	124,215	369,215
Less accumulated depreciation:			
Balance at beginning of year	245,000	94,515	339,515
Depreciation expense	-	6,188	6,188
Balance at end of year	245,000	100,703	345,703
Net book value	P-	P23,512	P23,512

The Company's fully depreciated assets are still in use as at September 30, 2019.

8. Deferred Exploration Costs

Details of deferred exploration costs are as follows:

	September 30, 2019	December 31, 2018
TA Petroleum:		
SC 51/Geophysical Survey and Exploration		
Contract (GSEC) 93 (East Visayas)	P-	P32,665,864
SC 69 (Camotes Sea)	-	15,596,930
SC 6 (Northwest Palawan):		
Block A	22,890,240	22,568,129
Block B	4,892,178	4,892,178
SC 50 (Northwest Palawan)	11,719,085	11,719,085
	39,501,503	87,442,186
Less allowance for probable loss	16,611,263	64,874,057
	22,890,240	22,568,129

Palawan55 -		
SC 55 (Southwest Palawan)	14,734,954	6,815,985
	₱37,625,194	₱29,384,114

Below is the rollforward analysis of the deferred exploration costs:

	September 30, 2019	December 31, 2018
Cost:		
Balances at beginning of year	₱94,258,171	₱92,716,658
Additions:		
Cash calls	8,241,080	1,541,513
Write-off	(48,262,794)	
Balance at end of year	54,236,457	94,258,171
Allowance for a probable loss:		
Balances at beginning of year	64,874,057	16,611,263
Provisions	-	48,262,794
Write-off	(48,262,794)	
Balance at end of year	16,611,263	64,874,057
Net book value	₱37,625,194	₱29,384,114

The foregoing deferred exploration costs represent the Company's share in the expenditures incurred under petroleum SCs with the Department of Energy (DOE). The contracts provide for certain minimum work and expenditure obligations and the rights and benefits of the contractor. Operating agreements govern the relationship among co-contractors and the conduct of operations under an SC.

In 2018, the Company provided for probable losses on deferred exploration costs for SC 51 amounting to ₱32.7 million due to deemed expiration of the exploration period, and for SC 69 amounting to ₱15.6 million, due to vigorous opposition of stakeholders and recent issuances of concerned LGUs declaring the Visayan Sea as a protected area and marine reserve.

On July 1 and July 29, 2019, the Company received the DOE's approval of the relinquishment of SC51 and SC 69, respectively. During the year, the deferred exploration costs and related allowance for probable losses of SC 51 and SC 69 amounting to ₱32.7 million and ₱15.6 million, respectively, were written off.

In 2019, additional costs were incurred and capitalized in the current work program for SC 55 and SC 6A.

Refer to Annex B-1 for the status of the Company's projects.

9. Accounts Payable and Other Current Liabilities

This account consists of:

	September 30, 2019	December 31, 2018
Accounts payable	₱2,408,133	₱1,096,177
Accrued expenses	14,907,342	4,852,037
Due to:		
Third parties	9,423,189	3,663,170
Employees	8,831	166,888
Related parties (see Note 10)	7,577,272	32,481
Withholding taxes	41,228	70,077
Others	-	7,907
	₱34,365,995	₱9,888,737

Accounts payable are trade payables to suppliers and service providers. Accrued expenses include training obligations for SC 55 and SC 69 payable to the DOE and professional fees. Due to third parties are advance payments from partners in the consortium to be applied to SC 55's 2019 work program.

10. Related Party Transactions

Parties are considered to be related if one party has the ability, directly, or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, or common significant influence which include affiliates. Related parties may be individual or corporate entities.

Outstanding balances at period-end are unsecured and are to be settled in cash throughout the financial year. There have been no guarantees provided or received for any related party receivables or payables.

The transactions and balances of accounts as at September 30, 2019 and for the year ended December 31, 2018 with related parties are as follows:

Company	For the nine months ended September 30, 2019				
	Amount/ Volume	Nature	Outstanding Balance	Terms	Conditions
<i>Parent Company</i>					
PHINMA Energy					
Advances	₱7,577,272	Advances	₱7,577,272	30–60 day terms; noninterest- bearing	Unsecured; no impairment

Company	As at and for the Year Ended December 31, 2018					
	Amount/ Volume	Nature	Outstanding Balance		Terms	Conditions
			Receivable	Payable		
Ultimate Parent Company						
PHINMA, Inc.						
Accounts payable and other current liabilities	₱262,645	Share in expenses	₱-	₱29,445	30–60 day terms; noninterest-bearing	Unsecured
Parent Company						
PHINMA Energy						
Others	140,724	Purchase of dollar	–	–	30–60 day terms; noninterest-bearing	Unsecured
Entity Under Common Control						
PHINMA Corporation						
Accounts payable and other current liabilities	54,038	Share in expenses	–	3,036	30–60 day terms; noninterest-bearing	Unsecured
T-O Insurance, Inc.						
Accounts payable and other current liabilities	2,459	Insurance expense	–	–	30–60 day terms; noninterest-bearing	Unsecured
Due to related parties (see Note 09)			₱-	₱32,481		

PHINMA Energy

PHINMA Energy provided advances to the Company to fund expenditures related to the SC work programs. The Company also purchased US dollars to pay various expenses through PHINMA Energy's banking facilities and accommodation of expenses.

PHINMA, Inc.

The Parent Company had a management contract with PHINMA, Inc. up to January 1, 2018. Under this contract, PHINMA, Inc. has a general management authority with corresponding responsibility over all operations and personnel of the Company including planning, direction, and supervision of all the operations, and other business activities. Under the existing agreement, the Company pays PHINMA, Inc. a fixed monthly management fee plus an annual incentive based on a certain percentage of the Company's net income. On February 23, 2016, the Company's BOD approved the suspension of the management contract. The contract was not renewed after January 1, 2018. PHINMA, Inc. also bills the Company for its share in expenses.

PHINMA Corporation

PHINMA Corporation is likewise controlled by PHINMA, Inc. through a management agreement. PHINMA Corporation bills the Company for its share in expenses.

T-O Insurance

T-O Insurance is likewise controlled by PHINMA, Inc. through a management agreement. The Company insures its properties through T-O Insurance.

11. Capital Stock

Following are the details of the Parent Company's capital stock as at September 30, 2019 and December 31, 2018:

	Number of Shares
Authorized - ₱1 par value	1,000,000,000
Issued and outstanding - ₱1 par value	250,000,001

The Company issued one (1) new share of stock at P1.00 on July 23, 2019.

The issued and outstanding shares as at September 30, 2019 and December 31, 2018 are held by 2,907 and 2,926 equity holders, respectively.

12. Basic/Diluted Loss Per Share

Basic/diluted loss per share is computed as follows:

	For the nine months ended September 30	
	2019	2018
(a) Net loss attributable to equity holders of the Parent Company	₱17,002,217	₱60,343,428
(b) Weighted average number of common shares outstanding	250,000,001	250,000,000
Basic/diluted loss per share (a/b)	₱0.068	₱0.241

As at September 30, 2019 and 2018, the Company does not have any potential common share nor other instruments that may entitle the holder to common shares. Hence, diluted loss per share is the same as basic loss per share.

13. Material Partly Owned Subsidiary

Financial information of Palawan55 is provided below:

	For the nine months ended September 30	
	2019	2018
Equity interest held by NCI	30.65%	30.65%
Accumulated balances of NCI	₱325,171	₱2,389,989
Net loss for the year allocated to NCI	391,406	8,383

The summarized financial information of Palawan55 is provided below. During the year, the Parent Company provided advances to Palawan55 amounting to ₱16.9 million to fund the expenditures for SC 55's 2019 work program.

Statements of Income and Statements of Comprehensive Income

	For the nine months ended September 30	
	2019	2018
Income	₱10,868	₱18,317
Expenses	1,287,927	45,668
Net loss	₱1,277,059	₱27,351
Total comprehensive loss	₱1,277,059	₱27,351
Attributable to NCI	₱391,406	₱8,383

Statements of Financial Position

	September 30, 2019	December 31, 2018
Total current assets	₱26,128,733	₱5,777,044
Total noncurrent assets	14,734,954	6,815,985
Total current liabilities	(39,802,682)	(10,254,963)
Total equity	₱1,061,066	₱2,338,066
Attributable to equity holders of the Parent Company	₱735,862	₱1,621,489
NCI	₱325,204	₱2,389,989

Cash Flow Information

	For the nine months ended September	
	2019	2018
Net cash flows provided by (used in):		
Operating activities	₱5,809,815	(₱31,124)
Investing activities	(8,451,625)	–
Financing activity	22,464,670	–

There were no dividends paid to NCI in September 30, 2019 and 2018.

14. Financial Risk Management Objectives and PoliciesObjectives and Investment Policies

The funds of the entities held directly by the Company and are managed by AC Energy's Risk, Corporate Finance, Investor Relations and Treasury Group (RCIT). All Cash investments of the Company are carried and governed by the following principles, stated in order of importance:

- Preservation of invested cash
- Liquidity of invested cash; and
- Yield on invested cash. Under no circumstance is yield to trump the absolute requirement that the principal amount of investment be preserved and placed in liquid instruments

RCIT manages the funds of the Company and invests them in highly liquid instruments such as short-term deposits, marketable instruments, corporate promissory notes and bonds, government bonds, and trust funds denominated in Philippine peso and U.S. dollar. It is responsible for the sound and prudent management of the Company's financial assets that finance the Company's operations and investments in enterprises.

RCIT focuses on the following major risks that may affect its transactions:

- Foreign exchange risk
- Credit or counterparty risk
- Liquidity risk
- Market risk

Professional competence, prudence, clear and strong separation of office functions, due diligence and use of risk management tools are exercised at all times in the handling of the funds of the Company.

Risk Management Process

Foreign Exchange Risk

The Company defines Foreign Exchange Risk as the risk of realizing reduced operating cash flows and/or increasing the volatility of future earnings from movements in foreign exchange. The risk is measured based on potential downside impact of market volatility to operating cash flows and target earnings.

Foreign exchange risk is generally managed in accordance with the Natural Hedge principle and further evaluated through:

- Continual monitoring of global and domestic political and economic environments that have impact on foreign exchange;
- Regular discussions with banks to get multiple perspectives on currency trends/forecasts; and
- Constant updating of the foreign currency holdings gains and losses to ensure prompt decisions if the need arises.

In the event that a Natural Hedge is not apparent, the Company endeavors to actively manage its open foreign currency exposures through:

- Trading either by spot conversions; and
- Entering into derivative forward transactions on a deliverable or non-deliverable basis to protect values

The Company has foreign currency exposures arising from cash calls and refunds in currency other than the Philippine peso. The Company's financial instruments denominated in US\$ as at September 30, 2019 and December 31, 2018 are as follows;

	2019		2018	
	In US\$	In Philippine Peso	In US\$	In Philippine Peso
<i>Financial Assets</i>				
Cash and cash equivalents	US\$172,028	₱8,916,209	US\$71,253	₱3,746,483
Trade receivable under 'Receivables'	606	31,409	606	31,863
	172,634	8,947,618	71,859	3,778,346

Financial Liability

Due to third party under 'Accounts payable and other current liabilities'	254,443	13,187,793	69,668	3,663,170
	(US\$81,809)	(P4,240,175)	US\$2,191	P115,176

Exchange rates used were P51.83 to \$1.00 and P52.58 to \$1.00 as at September 30, 2019 and December 31, 2018, respectively.

Management has determined that the volume of foreign currency-denominated transactions is not significant to the Company and, accordingly, its exposure to the risk of changes in foreign exchange rates has no material impact to its profitability.

Credit or Counterparty Risk

The Company defines Credit or Counterparty Risk as the **risk** of sustaining a loss resulting from a counterparty's default to a transaction entered with the Company.

Credit or counterparty risk is managed through the following:

- Investments are coursed through or transacted with duly accredited domestic and foreign banks subject to investment limits per counterparty as approved by the Board.
- Discussions are done on every major investment by RCIT before it is executed subject to the Chief Financial Officer (CFO) approval. Exposure limits are tracked for every transaction and RCIT Finance Managers supervise major transaction executions.
- Market and portfolio reviews are done at least once a week and as often as necessary should market conditions require. Monthly reports are given to the CFO with updates in between these reports as needed.
- A custodian bank for Philippine peso instruments and foreign currency instruments has been appointed based on its track record on such service and the bank's financial competence.

With respect to credit risk arising from the receivables of the Company, the Company's exposures arise from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

	2019					
	Neither Past Due nor Impaired			Past Due but not Impaired	Past Due Individually Impaired	Total
	Class A	Class B	Class C			
Trade receivables	P-	P-	P-	P31,802	P-	P31,802
Receivable from a third party	-	-	-	-	20,000,000	20,000,000
Due from officers and employees	-	-	-	-	-	-
Others	-	-	-	371,880	-	371,880
	P-	P-	P-	P403,682	P20,000,000	P20,403,682

	2018					
	Neither Past Due nor Impaired			Past Due but not Impaired	Past Due Individually Impaired	Total
	Class A	Class B	Class C			
Trade receivables	P-	P-	P-	P31,863	P-	P31,863
Due from third party	-	-	-	-	20,000,000	20,000,000
Accrued interest receivable	-	-	3,826	-	-	3,826
	P-	P-	P3,826	P31,863	P20,000,000	P20,035,689

The Company uses the following criteria to rate credit risk as to class:

<u>Class</u>	<u>Description</u>
Class A	Customers with excellent paying habits
Class B	Customers with good paying habits
Class C	Unsecured accounts

With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents and financial assets at FVTPL, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. These financial assets are assessed as high grade since these are deposited in or transacted with reputable banks, which have low probability of insolvency

Liquidity Risk

Liquidity risk is defined as the risk that the Company may not be able to settle or meet its obligations on time or at a reasonable price.

Liquidity risk is managed through:

- Asset and Liability Management principle. Short-term assets are used to fund short-term liabilities while major investments, capital expenditures and long-term assets are funded by long-term liabilities.
- Detailed cash flow forecasting and continuous monitoring of the weekly and monthly cash flows as well as frequent updates of the annual plans of the Company.
- Investment maturities being spread on a weekly, monthly, and annual basis as indicated in the Company's plans. Average duration of investments do not exceed one (1) year.
- Setting up working capital lines to address unforeseen cash requirements that may cause pressure to liquidity.

Market Risk

Market risk is the risk that the value of an investment will decrease due to drastic adverse market movements that consist of interest rate fluctuations affecting bid values or fluctuations in stock market valuation due to gyrations in offshore equity markets or business and economic changes. Interest rate, foreign exchange rate and risk appetite are factors of a market risk as the summation of the three defines the value of an instrument or a financial asset.

As of September 30, 2019, the Company has already liquidated most of its outstanding investments in UITF and will not invest in highly volatile financial instruments to keep a risk-averse position.

Monitoring of Risk Management Process

Risk management is regarded as a core competency, thus review of processes and approval processes including periodic audit are practiced and observed as follows:

- Monthly Treasury meetings are scheduled where approved strategies, limits, mixes are challenged and re-challenged based on current and forecasted developments on the financial and political events.
- Weekly market reports are submitted to the Management Committee that includes an updated summary of global and domestic events of the past month and the balance of the year.
- Annual teambuilding sessions are organized as a venue for the review of personal goals, corporate goals and professional development.
- One on one coaching sessions are scheduled to assist, train and advise personnel.
- Periodic review of Treasury risk profile and control procedures.

- Periodic specialized audit is performed to ensure active risk oversight.

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust its capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes in 2019 and 2018.

Capital includes all the items appearing in the equity section of the Company's consolidated statements of financial position totaling to ₱69,418,560 and ₱86,812,182 as at September 30, 2019 and December 31, 2018, respectively.

Fair Value of Financial Assets and Financial Liabilities

The following table shows the classifications, carrying values and fair values of the financial instruments, except for those whose fair values approximate its carrying values:

September 30, 2019				
Carrying Value	Fair Value			Significant Unobservable Inputs (Level 3)
	Quoted Prices in Active Markets (Level 1)	Significant Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)	
Asset				
Financial assets at FVTPL	₱220,499	₱-	220,499	₱-
December 31, 2018				
Carrying Value	Fair Value			Significant Unobservable Inputs (Level 3)
	Quoted Prices in Active Markets (Level 1)	Significant Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)	
Asset				
Financial assets at FVTPL	₱57,584,369	₱-	₱57,584,369	₱-

Cash and Cash Equivalents, Receivables and Accounts Payable and Other Current Liabilities (Excluding Statutory Payables). Due to the short-term nature of these balances, the fair values approximate the carrying values as at reporting date.

Financial assets at FVTPL. Net asset value per unit has been used to determine the fair values of financial assets at FVTPL.

At September 30, 2019 and December 31, 2018, there were no transfers between levels of fair value measurement.

Offsetting of Financial Instruments

There were no offsetting of financial instruments as at September 30, 2019 and December 31, 2018.

15. Segment Information

The Company has only one reportable segment, Petroleum and Gas, which is engaged in oil and gas exploration and development. The Company planned to expand its operations to include geothermal exploration and development; however, there are no activities undertaken under this segment during the year and all activities reported pertains to oil and gas exploration.

Management monitors the operating results of the reportable segment for the purpose of making decisions about resource allocation and performance assessment.

Capital expenditures in September 30, 2019 and December 31, 2018 were as follows:

	2019	2018
Deferred exploration cost (Note 8)	₱8,150,985	₱1,541,513
Property and equipment (Note 7)	-	29,700
	₱8,150,985	₱1,571,213

As at October 22, 2019, the Company has not started commercial operations yet and has no revenue or gross profit. The total assets of the segment of ₱103,788,656 and ₱96,988,052, as at September 30, 2019 and December 31, 2018, respectively, are the same as that reported in the consolidated statements of financial position.

ANNEX B

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial position and results of operations of PHINMA Petroleum and Geothermal, Inc. or "PPG" and its subsidiary should be read in conjunction with the unaudited interim condensed consolidated financial statements as at September 30, 2019 and audited consolidated financial statements as at December 31, 2018 and for the unaudited interim condensed consolidated financial statements for the nine months ended September 30, 2019 and 2018. The unaudited interim consolidated financial statements have been prepared in compliance with the Philippine Financial Reporting Standards (PFRS).

Results of Operation

	Jul-Sept		Increase (decrease)		Jan-Sept		Increase (decrease)	
	2019	2018	Amount	%	2019	2018	Amount	%
Interest income	9,913	17,074	(7,161)	(42)	22,743	30,310	(7,567)	(25)
Cost and expenses	8,397,636	3,098,888	5,298,748	171	18,892,623	61,385,776	(42,493,153)	(69)
Other income (charges)	523,484	420,811	102,673	24	1,193,224	1,139,828	53,396	5
Loss before income tax	(7,864,239)	(2,661,003)	(5,203,236)	196	(17,676,656)	(60,215,638)	42,538,982	(71)
Provision for (benefit from)								
Income tax	(68,390)	76,799	(145,189)	-	(283,033)	136,173	(419,206)	-
Net loss	(7,795,849)	(2,737,802)	(5,058,047)	185	(17,393,623)	(60,351,811)	42,958,188	(71)

Material Changes for the Third Quarter and Nine Months of 2019

- Interest income for the nine-month period of 2019 decreased due to lower level of short-term deposits compared to the same period last year.
- Cost and expenses increased due to the accrual of training obligations for SC 55 and SC 69. During the year, the Company paid the training fund obligations related to SC 51.
- Other income increased due to realized gain from higher redemption of financial assets at fair value through profit or loss (FVTPL).
- Provision for (benefit from) deferred income tax is mainly from reduction of unrealized gains from changes in fair value of financial assets at FVTPL as a result of the redemption.

Consolidated Statements of Financial Position

	September	December	Increase (Decrease)	
	2019	2018	Amount	%
Current Assets				
Financial assets at FVTPL	220,499	57,584,369	(57,363,870)	(100)
Receivables	403,682	95,390	308,292	323
Noncurrent Assets				
Property and equipment	17,944	23,512	(5,568)	(24)
Deferred exploration costs	37,625,194	29,384,114	8,241,080	28
Current Liabilities				
Accounts payable and other current liabilities	₱34,365,995	₱9,888,737	24,477,258	248
Deferred income tax liability	4,101	287,133	(283,032)	(99)

The following are the material changes in asset accounts of the interim consolidated statements of financial position between September 30, 2019 and December 31, 2018:

- Financial assets at FVTPL declined due to redemption of investments to fund the Company's activities.
- Advances to third party for business expenses accounted for the increase in receivables.
- Decrease in property and equipment is due to depreciation of assets.
- Deferred exploration costs grew due to expenditures incurred for the petroleum service contracts pursuant to the approved work programs in SC 55 and SC 6A.
- Increase in current liabilities was mainly due to advance payments from consortium partners to be applied to SC 55's 2019 work program and accrued training commitments with the DOE pertaining to SC 55 and SC 69.
- Deferred income tax liability went down from the movement of unrealized gains on changes in fair value of financial assets at FVTPL.

Financial Soundness Indicators

Key Performance Indicator	Formula	Sept 2019	Dec 2018	Increase (Decrease)	
				Amount	%
Liquidity Ratios Current Ratio	Current assets	1.92	6.83	(4.91)	(72)
	Current liabilities				
Acid test ratio	Cash + Short-term investments + Accounts receivables + Other liquid assets	1.90	6.83	(4.93)	(72)
	Current liabilities				
Solvency Ratios Debt-to-equity ratio	Total liabilities	0.50	0.12	0.38	317
	Total equity				
Asset-to-equity ratio	Total assets	1.50	1.12	0.38	33
	Total equity				
Profitability Ratios Return on equity	Net income after tax	(9.98)	(2.26)	(7.72)	(341)
	Average stockholders' equity				
Return on assets	Net income after taxes	(7.77)	(2.16)	(5.61)	(260)
	Average total assets				

Current ratio and Acid test ratio

Current ratio and acid test ratio decreased primarily because of a significant increase in accrued training expenses and accounts payable to service providers.

Debt-to-equity ratio

Debt-to-equity ratio rose due to the tripling of current liabilities.

Asset-to-equity ratio

As at September 30, 2019, asset-to-equity ratio increased with the net losses posted in the first nine months of 2019 which reduced total equity.

Return on equity and Return on assets

The Company showed negative returns because it has not started commercial operations yet and posted net losses during the periods covered.

During the Nine Months Period of 2019

- There were no unusual items that affected assets, liabilities, equity, net income or cash flows.
- There were no events that will trigger direct or contingent financial obligation that was material to the company, including any default or acceleration of an obligation.
- There were no events that had occurred subsequent to the balance sheet date that required adjustments to or disclosure in the financial statements.
- There were no contingent assets or contingent liabilities since the last annual balance sheet date.
- There were no material trends, demands, commitments, events or uncertainties known to the Company that would likely affect adversely the liquidity of the Company.
- There were no trends, events or uncertainties that have had or that were reasonably expected to have material favorable or unfavorable impact on net revenues/income from continuing operations.
- There were no significant elements of income or loss that did not arise from continuing operations that had material effect on the financial condition or result of operations.
- There are no material off balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.
- There were no operations subject to seasonality and cyclicity.

PHINMA PETROLEUM AND GEOTHERMAL, INC.
PROGRESS REPORT
For the Quarter July 01, 2019 to September 30, 2019

SC 6 Block A (Northwest Palawan)

Farm-in negotiations are ongoing for the development of the Octon oil discovery.

Technical studies over the northern part of the block progressed.

PPG has 7.78% participating interest and 2.575% carried interest in SC 6 Block A.

SC 51 (East Visayas)

On 04 July 2018, the consortium members notified the DOE of their decision to relinquish the SC 51 block, after the latter approved the transfer of the former Operator's interests without granting the partners' request for term extension and amendment of the work program commitment.

On 01 July 2019, the DOE approved said relinquishment upon PPG's full settlement of its financial obligations pertaining to training and development.

SC 55 (Ultra Deepwater West Palawan)

Seismic reprocessing of 1,000 sq. km. of 3D seismic data was completed.

Quantitative Interpretation Study aimed at identifying the gas-bearing zones in the service contract is nearing completion.

Palawan55 is currently interpreting the reprocessed seismic data to generate additional prospects in the Greater Hawkeye Area and to refine the mapping of the CINCO Prospect. Resource Assessment is also ongoing.



Palawan55 has also commenced the first phase of drilling preparations including well design, issuance of tenders for long lead items such as wellhead, conductor pipes and casing, and a rig market survey.

On 09 August 2019, the SC 55 Consortium notified the DOE of its election to proceed directly from the Exploratory Period to the Appraisal Period, with a one deep water well drilling commitment.

On 26 September 2019, Palawan55 informed the DOE of Century Red Pte. Ltd. withdrawal from SC 55 and accordingly requested for the approval of the transfer of Century Red's entire 37.50% participating interest to Palawan55.

The Consortium is awaiting confirmation from the DOE of its entry into the Appraisal Period and approval of the transfer of participating interest in SC 55.

Palawan55 Exploration & Production Corporation, subsidiary of PPG, holds 37.50% participating interest in SC 55. Once the transfer of interest is approved by the DOE, its interest will increase to 75%.

SC 69 (Central Visayas)

In June 2018, PPG notified the DOE of the consortium's relinquishment of the block in the light of strong opposition from several non-governmental stakeholders and the recent issuances of local government units declaring the Visayan Sea as a national protected area and marine reserve.

On 29 July 2019, the DOE approved said relinquishment subject to PPG's full settlement of its financial obligations pertaining to training and development.

PPG holds 50% participating interest in SC 69.

Certified Correct:


RAYMUNDO A. REYES, JR.
Chief Operating Officer

ANNEX C

The Company filed the following reports on SEC 17-C during the third quarter ended September 30, 2019 covered by this report:

Date of filing: July 3, 2019

Item Reported:

Election of new directors, appointment of officers and resignation of directors and officers.

Please be advised that the Board of Directors of PHINMA Petroleum and Geothermal, Inc. (PPG) approved today the following matters:

1. Resignations as Directors, Officers and Members of Board Committees.
2. Election of Directors of the Company.
3. Changes in the Composition of Board Committees.
4. Appointment of Officers.

Name of Person	Position/Designation	Effective Date of Resignation/ Cessation of term (mmm/dd/yyyy)	Reason(s) for Resignation/Cessation
Ramon R. Del Rosario, Jr.	Director, Chairman of the Board, Chairman of the Executive Committee	July 1, 2019	As per agreement on the sale of PHINMA Energy to AC Energy.
Magdaleno B. Albarracin, Jr.	Director, Member of the Executive Committee and Member of the Compensation Committee	July 1, 2019	As per agreement on the sale of PHINMA Energy to AC Energy.
Victor J. del Rosario	Director	July 1, 2019	As per agreement on the sale of PHINMA Energy to AC Energy.
Roberto M. Laviña	Director, Member of the Executive Committee, Member of the Risk Oversight Committee, Member of the Audit Committee and Member of the Compensation Committee	July 1, 2019	As per agreement on the sale of PHINMA Energy to AC Energy.
Cecille B. Arenillo	VP-Compliance Officer	July 1, 2019	As per agreement on the sale of PHINMA Energy to AC Energy.
Troy A. Luna	Corporate Secretary	July 1, 2019	As per agreement on the sale of PHINMA Energy to AC Energy.
Daniella Isabelle F. Palad	Asst. Corporate Secretary	July 1, 2019	As per agreement on the sale of PHINMA Energy to AC Energy.

Name of Person	Position/ Designation	Date of Appointment/ Election (mmm/dd/yyyy)	Effective Date of Appointment Election (mmm/dd/yyyy)	Shareholdings in the Listed Company		Nature of Indirect Ownership
				Direct	Indirect	
Maria Corazon G. Dizon	Director, Member of the Executive Committee, Member of the Risk Oversight Committee	July 1, 2019	July 1, 2019	1	0	-
Augusto Cesar D. Bengzon	Director, Chairman of the Compensation Committee, Member of the Audit Committee	July 1, 2019	July 1, 2019	1	0	-
Jaime Urquijo Zobel de Ayala	Director, Member of the Compensation Committee	July 1, 2019	July 1, 2019	1	0	-
Dodjie D. Lagazo	Corporate Secretary & Compliance Officer	July 1, 2019	July 1, 2019	0	0	-
Alan T. Ascalon	Assistant Corporate Secretary	July 1, 2019	July 1, 2019	1,818	0	-
Raissa C. Villanueva	Assistant Corporate Secretary	July 1, 2019	July 1, 2019	0	0	-
John Eric T. Francia	Chairman of the Executive Committee	July 1, 2019	July 1, 2019	1	0	-
Raymundo A. Reyes, Jr.	Member of the Executive Committee	July 1, 2019	July 1, 2019	111,230	0	-

The disclosure was amended today, July 3, 2019, to correct the shareholdings of Mr. Lagazo from 1 Direct share to 0 Direct share, and reflect the changes in the composition of Board Committees.

Date of filing: July 24, 2019

Item Reported:

Matters taken up at the special board meeting held today, 23 July 2019.

Please be informed that at the special meeting of the Board of Directors of PHINMA Petroleum and Geothermal, Inc. held today, 23 July 2019, the following were approved:

1. Election of Replacement Director of the Company
2. Change in the Composition of Board Committee
3. Amendments to the Articles of Incorporation
 - a. Change in the Company's name to ACE Enexor, Inc.; and
 - b. Change of the Company's principal place of business to the 4th floor, 6750 Office Tower, Ayala Avenue, Makati City.
4. Amendments to the By-laws
To change the reference to existing committees, and create new committees, as follows:
 - a. Corporate Governance and Nomination Committee;
 - b. Audit Committee;
 - c. Personnel and Compensation Committee; and
 - d. Board Risk Management and Related Party Transactions Committee.
5. Amendment of the Manual of Corporate Governance
6. 2019 Annual Shareholders' Meeting
7. Service Contract ("SC") No. 55

Date of filing: July 24, 2019

Item Reported:

Election of replacement director and change in the composition of board committee.

Please be advised that the Board of Directors of PHINMA Petroleum and Geothermal, Inc. approved today the following matters:

1. Election of Replacement Director of the Company
2. Change in the Composition of Board Committee

Name of Person	Position/ Designation	Date of Appointment/ Election (mmm/dd/yyyy)	Effective Date of Appointment Election (mmm/dd/yyyy)	Shareholdings in the Listed Company		Nature of Indirect Ownership
				Direct	Indirect	
Jaime Alfonso Eder Zobel de Ayala	Director and Member of Executive Committee	Jul 23, 2019	Jul 23, 2019	1	-	-

Date of filing: July 24, 2019

Item Reported:

Notice of Annual or Special Stockholders' Meeting of PHINMA Petroleum and Geothermal, Inc.

Please be advised that the annual meeting of shareholders of the Company will be held on Tuesday, 17 September 2019, at 2:00 in the afternoon at the Ballroom 2, Fairmont Hotel, 1 Raffles Drive, Makati Avenue, Makati City, 1224.

Date of Approval by Board of Directors	Jul 23, 2019
Date of Stockholders' Meeting	Sep 17, 2019
Time	2:00 PM
Venue	Ballroom 2, Fairmont Hotel, 1 Raffles Drive, Makati Avenue, Makati City, 1224
Record Date	Aug 16, 2019
Agenda	<ol style="list-style-type: none"> 1. Call to order 2. Proof of notice and determination of quorum 3. Approval of minutes of the previous Annual Shareholders' Meeting 4. Annual Report of Management including the 2018 Audited Financial Statements and ratification of all acts of the Board of Directors and of Management since the last Annual Shareholders' Meeting 5. Amendment of articles of incorporation and by-laws <ol style="list-style-type: none"> a. Change in corporate name b. Change in address c. Updating of Committees 6. Election of Directors (including Independent Directors) 7. Appointment of external auditor 8. Other matters 9. Adjournment <p>For the Notice of the Annual Shareholders' Meeting and the explanation of each agenda item, please refer to the attached.</p>

Inclusive Dates of Closing of Stock Transfer Books

Start Date	Aug 17, 2019
End Date	Sep 17, 2019

Date of filing: July 24, 2019

Item Reported:

Issuance of one (1) new share of PHINMA Petroleum and Geothermal, Inc.(PPG)

Please be informed that on 23 July 2019, the Company issued one (1) new share of stock at P1.00.

Change(s) in Number of Issued and Outstanding Shares

Type of Security /Stock Symbol	Before	After
Common Shares	250,000,000	250,000,001

Other Changes, if any

In percent	Before	After
Public float	23.43	23.43
Foreign Ownership level	0.26	0.26

Date of filing: July 24, 2019**Item Reported:***Service Contract No. 55 (SC55) Offshore West Palawan*

Please be informed that Palawan55 Exploration & Production Corporation (Palawan55), a subsidiary of PHINMA Petroleum and Geothermal, Inc. (PPG), notified the Department of Energy (DOE) today that Palawan55 is entering into the 5th sub-phase of Service Contract No. 55 (SC55), which covers a deepwater exploration block off southwest Palawan, effective 26 August 2019. This is without prejudice to Palawan55's option to enter the Appraisal Period of SC55 no later than the said date.

Palawan55 is the Operator of SC55 and owns a 37.5% participating interest. The 5th sub-phase carries a commitment to drill one ultradeepwater (water depth beyond 1,500 meters) well in the second quarter of 2020. In 2015, the SC55 Consortium drilled the Hawkeye-1 well in 1,700 meters of water at a cost of US\$23.5 million. The well discovered natural gas at the crest of the target structure but the estimated volume of the accumulation was deemed by the former Operator to be non-commercial on a stand-alone basis. Palawan55 is currently undertaking quantitative interpretation of over 1,000 sq. km. of recently reprocessed 3D seismic data over the greater Hawkeye area and a large carbonate reef prospect.

Date of filing: July 25, 2019**Item Reported:***Amendments to the By-Laws of the Company*

Please be informed that during the special board meeting held on 23 July 2019, the Board of Directors of the Company approved the amendments to the by-laws of the Company.

Date of Approval by Board of Directors	Jul 23, 2019	
Date of Approval by Stockholders	TBA	
Other Relevant Regulatory Agency, if applicable	Department of Energy (DOE)	
Date of Approval by Relevant Regulatory Agency, if applicable	TBA	
Date of Approval by Securities and Exchange Commission	TBA	
Date of Receipt of SEC approval	TBA	
Article and Section Nos.	From	To
Caption	AMENDED BY-LAWS OF PHINMA PETROLEUM AND GEOTHERMAL, INC.	AMENDED BY-LAWS OF ACE ENEXOR, INC.
Article V.	ARTICLE V: Committees SECTION 1. EXECUTIVE COMMITTEE. The Board of Directors may, by	ARTICLE V: Committees SECTION 1. EXECUTIVE COMMITTEE. (As amended

	<p>resolution or resolutions passed by a majority of all its members, create an executive committee whose members shall be appointed by the Board. At least three (3) members of the executive committee shall be members of the Board. Except as provided in Section 35 of the Corporation Code, the executive committee shall have and exercise all such powers as may be delegated to it by the Board. The executive committee shall keep regular minutes of its proceedings and report the same to the Board whenever required. The Board shall have the power to change the members of the executive committee either with or without cause.</p>	<p>on 23 July 2019) The Committee shall be composed of not less than three (3) but not more than five (5) members, majority of whom shall be citizens of the Philippines, and shall designate among the members of the Committee a Chairman and a Vice Chairman. The Board may, from time to time, increase the membership of the Committee, and appoint additional members therein, who may or may not be Directors. Except as provided in Section 34 of the Revised Corporation Code of the Philippines, the Committee shall act on such specific matters within the competence of the Board as may from time to time be delegated to it.</p>
<p>Article V-A. Section 1.</p>	<p>ARTICLE V-A: Nomination and Governance Committee (As amended on 28 August 2012) SECTION 1. CREATION. The Corporation shall have a Nomination and Governance Committee, which shall be composed of at least three (3) members of the Board of Directors and one of whom shall be an Independent Director.</p>	<p>ARTICLE V-A: Corporate Governance and Nomination Committee (As amended on 23 July 2019) SECTION 1. CREATION. The Committee shall be composed of at least three (3) Directors, all of whom shall be Independent Directors.</p>
<p>Article V-A. Section 2.a)</p>	<p>SECTION 2. DUTIES AND RESPONSIBILITIES. The Nomination and Governance Committee shall have the following duties and responsibilities: a) Review and evaluate the qualifications of all persons nominated to be a director of the Company and of all nominees to other positions in the Company requiring appointment by the Board;</p>	<p>SECTION 2. FUNCTION. The Committee shall be tasked to ensure that good corporate governance principles and practices are being complied with and observed by the Corporation, and to determine the nomination and election process for the Corporation's Directors.</p>
<p>Article V-A. Section 2.b) and 2.c)</p>	<p>b) Review and endorse to the Board the Compliance Officer's recommendations in relation to violations of the revised Code of Corporate Governance and such other circulars, rules and regulations issued in relation thereto; c) Recommend Committee membership, appointments, including Committee chairmanship, to the Board for approval after receiving advice from the Chairman of the Board and President and with consideration of the desires of individual Board members;</p>	-
<p>Article V-A. Section 2.d) and 2.e)</p>	<p>d) Review annually the Charters of the Committees created by the Board for the purpose of recommending any needed change(s) to the Board; e) Recommend processes and mechanisms for evaluating the performance of the Board, the Committees created by the Board, and the Corporation's Officers;</p>	-
<p>Article V-A. Section 2.f), 2.g) and 2.h)</p>	<p>f) Assess the effectiveness of the Board's processes and procedures in the election or replacement of directors; g) To comply with all the duties and responsibilities prescribed by the Commission under applicable laws, rules and regulations. h) Such other functions in accordance with Nomination and Governance Committee Charter, applicable laws, rules and regulations.</p>	-
<p>Article V-</p>	<p>ARTICLE V-B: Audit and Risk Management</p>	<p>ARTICLE V-B: Audit Committee. (As</p>

B. Section 1.	Committee (As amended on 28 August 2012) SECTION 1. CREATION. The Corporation shall have an Audit and Risk Management Committee, which shall consist of at least three (3) members of the Board of Directors, who shall preferably have accounting and finance backgrounds, one of whom shall be an Independent Director and another with audit experience. The Chair of the Audit and Risk Management Committee shall be an Independent Director.	amended on 23 July 2019) SECTION 1. CREATION. The Committee shall be composed of at least three (3) Non-Executive Directors, majority of whom shall be Independent Directors chaired by an Independent Director, who shall not chair any other Committee. The Chairman should not be the chairman of the Board or of any other committees.
Article V-B. Section 2.a)	SECTION 2. FUNCTIONS. The Audit and Risk Management Committee shall have the following functions: a) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process and monitoring of compliance with applicable laws, rules and regulations;	SECTION 2. FUNCTION. The Committee shall be responsible for ensuring that adequate, effective and adequate financial reporting, internal control, internal and external audit, and compliance systems are established and maintained.
Article V-B. Section 2.b) and 2.c)	b) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Corporation. This function shall include a regular receipt from Management of information on risk exposures and risk management activities; c) Perform oversight functions over the Corporation's internal and external auditors. It should ensure that the internal and external auditors act independently from each other and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;	-
Article V-B. Section 2.d) and 2.e)	d) Review the annual internal audit plan to ensure its conformity with the objectives of the Corporation. The plan shall include the audit scope, resources and budget necessary to implement it; e) Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;	-
Article V-B. Section 2.f), 2.g) and 2.h)	ff) Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal; g) Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, including financial reporting control and information technology security; h) Review the reports submitted by the internal and external auditors;	-
Article V-B. Section 2.i) and 2.j)	i) Review the quarterly, half-year and annual financial statements before their submission to the Board with particular focus on the following matters: • Any change/sin accounting policies and practices • Major judgmental areas • Significant adjustments resulting from the audit • Going concern assumptions • Compliance with accounting standards • Compliance with tax, legal and regulatory requirements. j) Coordinate, monitor and	-

	facilitate compliance with laws, rules and regulations;	
Article V-B. Section 2.k)	k) Evaluate and determine the non-audit work if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Corporation's overall consultancy expenses. The Committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Corporation's annual report;	-
Article V-B. Section 2.l) and 2.m)	1) Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities, free from interference from outside parties. He shall functionally report directly to the Audit and Risk Management Committee. rn) Such other functions in accordance with applicable laws, rules and regulations.	-
Article V-C. Section 1.	ARTICLE V-C: Compensation Committee (As amended on 28 August 2012) SECTION 1. CREATION. The Corporation shall have a Compensation Committee, which shall consist of at least three (3) members of the Board of Directors and one of whom should be an Independent Director.	ARTICLE V-C: Personnel and Compensation Committee (As amended on 23 July 2019) SECTION 1. CREATION. The Committee shall be composed of at least three (3) members, one of whom shall be an Independent Director.
Article V-C. Section 2.	SECTION 2. FUNCTION. The Compensation Committee shall establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the corporation's culture, strategy and the business environment in which it operates.	SECTION 2. FUNCTION. The Committee shall be responsible for establishing a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and Directors, ensuring that compensation is consistent with the Corporation's culture, strategy and control environment and aligned with the long-term interests of the Corporation and stakeholders.
Article V-D. Section 1. (new)	N/A	ARTICLE V-D: Board Risk Management and Related Party Transactions Committee (As amended on 23 July 2019) SECTION 1. CREATION. The Committee shall be composed of at least three (3) Non-Executive Directors, majority of whom shall be Independent Directors. An Independent Director shall chair the Committee. The Chairman should not be the chairman of the Board or of any other committee.
Article V-D. Section 2. (new)	N/A	SECTION 2. FUNCTION. The Committee shall be responsible for the oversight of the Corporation's Enterprise Risk Management (ERM) system and for the review of all material related party transactions of the Corporation.

Rationale for the amendment(s)	
<p>The change in corporate name reflects the change in the ownership of PHINMA Energy Corporation, the Company's principal shareholder. For alignment, operational and management efficiency, the Company's principal office will be transferred to 6750 Officer Tower where AC Energy, Inc. ("AC Energy") also holds office. AC Energy is the parent company of PHINMA Energy Corporation.</p> <p>The Board also approved the amendments to the Company's by-laws to change the reference to existing committees, and create new committees, to align the same with AC Energy.</p>	
The timetable for the effectivity of the amendment(s)	
Expected date of filing the amendments to the By-Laws with the SEC	Sep 23, 2019
Expected date of SEC approval of the Amended By-Laws	Nov 11, 2019
Effect(s) of the amendment(s) to the business, operations and/or capital structure of the Issuer, if any	
None.	

Date of filing: July 25, 2019

Item Reported:

Amendments to the articles of incorporation of the Company

Please be informed that during the special board meeting held on 23 July 2019, the Board of Directors of the Company approved the amendments to the articles of incorporation of the Company.

Date of Approval by Board of Directors	Jul 23, 2019	
Date of Approval by Stockholders	TBA	
Other Relevant Regulatory Agency, if applicable	Department of Energy (DOE)	
Date of Approval by Relevant Regulatory Agency, if applicable	TBA	
Date of Approval by Securities and Exchange Commission	TBA	
Date of Receipt of SEC approval	TBA	
Article No.	From	To
Caption	AMENDED ARTICLES OF INCORPORATION OF PHINMA PETROLEUM AND GEOTHERMAL, INC.	AMENDED ARTICLES OF INCORPORATION OF ACE ENEXOR, INC.
First	FIRST: The name of the corporation shall be PHINMA PETROLEUM AND GEOTHERMAL, INC.	FIRST: The name of the corporation shall be ACE ENEXOR, INC.
Third	THIRD: The principal office of the corporation is to be established or located at Level 11, PHINMA Plaza, 39 Plaza Drive, Rockwell Center. Makati City, Philippines.	THIRD: The principal office of the corporation is to be established or located at 4th floor, 6750 Office Tower, Ayala Avenue, Makati City.
Rationale for the amendment(s)		
<p>The change in corporate name reflects the change in the ownership of PHINMA Energy Corporation, the Company's principal shareholder. For alignment, operational and management efficiency, the Company's principal office will be transferred to 6750 Officer Tower where AC Energy, Inc. ("AC Energy") also holds</p>		

office. AC Energy is the parent company of PHINMA Energy Corporation.	
The timetable for the effectivity of the amendment(s)	
Expected date of filing the amendments to the Articles of Incorporation with the SEC	Sep 23, 2019
Expected date of SEC approval of the Amended Articles of Incorporation	Nov 11, 2019
Effect(s) of the amendment(s) to the business, operations and/or capital structure of the Issuer, if any	
None.	

Date of filing: August 9, 2019

Item Reported:

Service Contract No. 55 (SC55) Offshore West Palawan

Further to our disclosure of 24 July 2019, please be informed that Palawan55 Exploration & Production Corporation (“Palawan55”), a subsidiary of the Company, notified the Department of Energy (DOE) today of the entry of the SC 55 consortium (which Palawan 55 is a part of) into the Appraisal Period of SC 55 effective 26 August 2019.

The SC 55 consortium committed to drill one (1) deepwater well within the first two years of the Appraisal Period and, following reinterpretation of certain seismic data outside of the current study area, may undertake a new 3D seismic program to mature other prospects within SC 55 to drillable status. The SC 55 consortium submitted an indicative Appraisal Work Program to the DOE to support this commitment.

Palawan55 holds a 37.5% participating interest in, and is the Operator of, SC 55.

The disclosure was amended today to provide an update on the disclosure with PSE reference number C05142-2019 dated 24 July 2019.

Date of filing: August 16, 2019

Item Reported:

Notice of Annual or Special Stockholders' Meeting of PHINMA Petroleum and Geothermal, Inc.

Please be advised that the annual meeting of shareholders of the Company will be held on Tuesday,

17

September 2019, at 2:00 in the afternoon at the Ballroom 2, Fairmont Hotel, 1 Raffles Drive, Makati Avenue, Makati City, 1224.

Type of Meeting: Annual

Date of Approval by Board of Directors	Jul 23, 2019
Date of Stockholders' Meeting	Sep 17, 2019
Time	2:00 PM
Venue	Ballroom 2, Fairmont Hotel, 1 Raffles Drive, Makati Avenue, Makati City, 1224
Record Date	Aug 16, 2019

Agenda	<ol style="list-style-type: none"> 1. Call to order 2. Proof of notice and determination of quorum 3. Approval of minutes of the previous Annual Shareholders' Meeting 4. Annual Report of Management including the 2018 Audited Financial Statements and ratification of all acts of the Board of Directors and of Management since the last Annual Shareholders' Meeting 5. Amendments to the articles of incorporation <ol style="list-style-type: none"> a. Change in corporate name b. Change in address 6. Amendments to the by-laws <ol style="list-style-type: none"> a. Change in corporate name b. Updating of Committees 7. Election of directors (including Independent Directors) 8. Appointment of external auditor 9. Other matters 10. Adjournment
Inclusive Dates of Closing of Stock Transfer Books	
Start Date	Aug 17, 2019
End Date	Sep 17, 2019

Disclosure was amended today to reflect as separate approval items the amendments to the Articles of Incorporation and the amendments to the By-laws. Enclosed is the revised notice and agenda.

Date of filing: August 19, 2019

Item Reported:

Clarification of Manila Standard online news article on PHINMA Petroleum and Geothermal, Inc.'s plans to develop its petroleum assets.

Source	manilastandard.net
Subject of News Report	"Ayala seeking foreign partner for newly bought petroleum unit"
Date of Publication	Aug 18, 2019

Clarification of News Report

We write in response to the Exchange's request for clarification of the news article entitled "Ayala seeking foreign partner for newly bought petroleum unit" posted in manilastandard.net on August 18, 2019. The article reported in part that:

"Phinma Petroleum and Geothermal Inc., now controlled by Ayala Group through AC Energy Inc., plans to take in a strategic partner as it pursues opportunities in the oil and gas industry.

'First, we would like upstream to be developed. Having studied the upstream oil and gas exploration potential in the Philippines, we think that sector is under-invested,' AC Energy chief executive Eric Francia said.

Francia said the Philippine oil and gas sector remained largely unexplored.

'If you look at the last decade or so, there was hardly any significant or meaningful exploration activities. We have plans of making sure that we are able to address the development potential of the asset,' Francia said.

'We may be bringing in partners in the future... I think the idea is over time, we will bring in at least one strategic partner. Most likely foreign. In all likelihood, it's gonna be foreign with experience, big balance sheet and expertise in oil and gas exploration,' Francia said.

... "

We confirm that the Company has plans to develop its petroleum assets, specifically Service Contract No. 55 (SC 55). As disclosed earlier to the Exchange, the Company has informed the DOE of the entry of the SC 55 consortium into the Appraisal Period of SC 55 effective 26 August 2019, and that the SC 55 consortium has committed to drill one (1) deepwater well within the first two years of such Appraisal Period.

We also confirm that the Company has long term plans of bringing in a strategic partner with the financial and technical capability to develop its petroleum assets. We will advise the Exchange promptly of any developments as applicable.

Date of filing: September 4, 2019

Item Reported:

Service Contract No. 69 (SC 69) Camotes Sea, Eastern Visayas

Please be advised that the Company received today a notice from the Department of Energy approving the relinquishment of SC 69 pending settlement of all remaining financial obligations, which the Company has previously earmarked in its 2019 budget.

SC 69 covers an offshore area in the Visayan and Camotes Sea. The Company requested the relinquishment of SC 69 after strong opposition to the conduct of petroleum exploration activities in the area by various Local Government Units and environmental groups.

Date of filing: September 18, 2019

Item Reported:

Amendments to the By-Laws of the Company

Please be informed that during the special board meeting held on 23 July 2019, the Board of Directors of the Company approved the amendments to the by-laws of the Company. During the annual stockholders' meeting held on 17 September 2019, the stockholders approved and adopted the same.

Date of Approval by Board of Directors	Jul 23, 2019
Date of Approval by Stockholders	Sep 17, 2019
Other Relevant Regulatory Agency, if applicable	Department of Energy (DOE)
Date of Approval by Relevant Regulatory Agency, if applicable	TBA
Date of Approval by Securities and Exchange Commission	TBA
Date of Receipt of SEC approval	TBA

Article and Section Nos.	From	To
Caption	AMENDED BY-LAWS OF PHINMA PETROLEUM AND GEOTHERMAL, INC.	AMENDED BY-LAWS OF ACE ENEXOR, INC.
Article V.	ARTICLE V: Committees SECTION 1. EXECUTIVE COMMITTEE. The Board of Directors may, by resolution or resolutions passed by a majority of all its members, create an executive committee whose members shall be appointed by the Board. At least three (3) members of the executive committee shall be members of the Board. Except as provided in Section 35 of the Corporation Code, the executive committee shall have and exercise all such powers as may be delegated to it by the Board. The executive committee shall keep regular minutes of its proceedings and report the same to the Board whenever required. The Board shall have the power to change the members of the executive committee either with or without cause.	ARTICLE V: Committees SECTION 1. EXECUTIVE COMMITTEE. (As amended on 23 July 2019) The Committee shall be composed of not less than three (3) but not more than five (5) members, majority of whom shall be citizens of the Philippines, and shall designate among the members of the Committee a Chairman and a Vice Chairman. The Board may, from time to time, increase the membership of the Committee, and appoint additional members therein, who may or may not be Directors. Except as provided in Section 34 of the Revised Corporation Code of the Philippines, the Committee shall act on such specific matters within the competence of the Board as may from time to time be delegated to it.
Article V-A. Section 1.	ARTICLE V-A: Nomination and Governance Committee (As amended on 28 August 2012) SECTION 1. CREATION. The Corporation shall have a Nomination and Governance Committee, which shall be composed of at least three (3) members of the Board of Directors and one of whom shall be an Independent Director.	ARTICLE V-A: Corporate Governance and Nomination Committee (As amended on 23 July 2019) SECTION 1. CREATION. The Committee shall be composed of at least three (3) Directors, all of whom shall be Independent Directors.
Article V-A. Section 2.a)	SECTION 2. DUTIES AND RESPONSIBILITIES. The Nomination and Governance Committee shall have the following duties and responsibilities: a) Review and evaluate the qualifications of all persons nominated to be a director of the Company and of all nominees to other positions in the Company requiring appointment by the Board;	SECTION 2. FUNCTION. The Committee shall be tasked to ensure that good corporate governance principles and practices are being complied with and observed by the Corporation, and to determine the nomination and election process for the Corporation
Article V-A. Section 2.b) and 2.c)	b) Review and endorse to the Board the Compliance Officer	-
Article V-A. Section 2.d) and 2.e)	d) Review annually the Charters of the Committees created by the Board for the purpose of recommending any needed change(s) to the Board; e) Recommend processes and mechanisms for evaluating the performance of the Board, the Committees created by the Board, and the Corporation	-
Article V-A. Section 2.f), 2.g) and 2.h)	f) Assess the effectiveness of the Board's processes and procedures in the election or replacement of directors; g) To comply with all the duties and responsibilities prescribed by the Commission under applicable laws, rules and regulations. h) Such other	-

	functions in accordance with Nomination and Governance Committee Charter, applicable laws, rules and regulations.	
Article V-B. Section 1.	ARTICLE V-B: Audit and Risk Management Committee (As amended on 28 August 2012) SECTION 1. CREATION. The Corporation shall have an Audit and Risk Management Committee, which shall consist of at least three (3) members of the Board of Directors, who shall preferably have accounting and finance backgrounds, one of whom shall be an Independent Director and another with audit experience. The Chair of the Audit and Risk Management Committee shall be an Independent Director.	ARTICLE V-B: Audit Committee. (As amended on 23 July 2019) SECTION 1. CREATION. The Committee shall be composed of at least three (3) Non-Executive Directors, majority of whom shall be Independent Directors chaired by an Independent Director, who shall not chair any other Committee. The Chairman should not be the chairman of the Board or of any other committees.
Article V-B. Section 2.a)	SECTION 2. FUNCTIONS. The Audit and Risk Management Committee shall have the following functions: a) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process and monitoring of compliance with applicable laws, rules and regulations;	SECTION 2. FUNCTION. The Committee shall be responsible for ensuring that adequate, effective and adequate financial reporting, internal control, internal and external audit, and compliance systems are established and maintained.
Article V-B. Section 2.b) and 2.c)	b) Provide oversight over Management	-
Article V-B. Section 2.d) and 2.e)	d) Review the annual internal audit plan to ensure its conformity with the objectives of the Corporation. The plan shall include the audit scope, resources and budget necessary to implement it; e) Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;	-
Article V-B. Section 2.f), 2.g) and 2.h)	ff) Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal; g) Monitor and evaluate the adequacy and effectiveness of the Corporation	-
Article V-B. Section 2.i) and 2.j)	i) Review the quarterly, half-year and annual financial statements before their submission to the Board with particular focus on the following matters: • Any change/sin accounting policies and practices • Major judgmental areas • Significant adjustments resulting from the audit • Going concern assumptions • Compliance with accounting standards • Compliance with tax, legal and regulatory requirements. j) Coordinate, monitor and facilitate compliance with laws, rules and regulations;	-
Article V-B. Section 2.k)	k) Evaluate and determine the non-audit work if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Corporation	-
Article V-B. Section	1) Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his	-

2.l) and 2.m)	duties and responsibilities, free from interference from outside parties. He shall functionally report directly to the Audit and Risk Management Committee. m) Such other functions in accordance with applicable laws, rules and regulations.	
Article V-C. Section 1.	ARTICLE V-C: Compensation Committee (As amended on 28 August 2012) SECTION 1. CREATION. The Corporation shall have a Compensation Committee, which shall consist of at least three (3) members of the Board of Directors and one of whom should be an Independent Director.	ARTICLE V-C: Personnel and Compensation Committee (As amended on 23 July 2019) SECTION 1. CREATION. The Committee shall be composed of at least three (3) members, one of whom shall be an Independent Director.
Article V-C. Section 2.	SECTION 2. FUNCTION. The Compensation Committee shall establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the corporation	SECTION 2. FUNCTION. The Committee shall be responsible for establishing a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and Directors, ensuring that compensation is consistent with the Corporation
Article V-D. Section 1. (new)	N/A	ARTICLE V-D: Board Risk Management and Related Party Transactions Committee (As amended on 23 July 2019) SECTION 1. CREATION. The Committee shall be composed of at least three (3) Non-Executive Directors, majority of whom shall be Independent Directors. An Independent Director shall chair the Committee. The Chairman should not be the chairman of the Board or of any other committee.
Article V-D. Section 2. (new)	N/A	SECTION 2. FUNCTION. The Committee shall be responsible for the oversight of the Corporation

Rationale for the amendment(s)

The change in corporate name reflects the change in the ownership of PHINMA Energy Corporation, the Company's principal shareholder. For alignment, operational and management efficiency, the Company's principal office will be transferred to 6750 Officer Tower where AC Energy, Inc. ("AC Energy") also holds office. AC Energy is the parent company of PHINMA Energy Corporation.

The Board also approved the amendments to the Company's by-laws to change the reference to existing committees, and create new committees, to align the same with AC Energy.

The timetable for the effectivity of the amendment(s)

Expected date of filing the amendments to the By-Laws with the SEC	Sep 23, 2019
Expected date of SEC approval of the Amended By-Laws	Nov 11, 2019

Effect(s) of the amendment(s) to the business, operations and/or capital structure of the Issuer, if any

None.

The disclosure was amended today to include the date of approval of stockholders. This is to update the disclosure with PSE reference no. C05159-2019 dated 25 July 2019.

Date of filing: September 18, 2019

Item Reported:

Amendments to the articles of incorporation of the Company

Please be informed that during the special board meeting held on 23 July 2019, the Board of Directors of the Company approved the amendments to the articles of incorporation of the Company. During the annual stockholders' meeting held on 17 September 2019, the stockholders approved and adopted the same.

Date of Approval by Board of Directors	Jul 23, 2019
Date of Approval by Stockholders	Sep 17, 2019
Other Relevant Regulatory Agency, if applicable	Department of Energy (DOE)
Date of Approval by Relevant Regulatory Agency, if applicable	TBA
Date of Approval by Securities and Exchange Commission	TBA
Date of Receipt of SEC approval	TBA

Article No.	From	To
Caption	AMENDED ARTICLES OF INCORPORATION OF PHINMA PETROLEUM AND GEOTHERMAL, INC.	AMENDED ARTICLES OF INCORPORATION OF ACE ENEXOR, INC.
First	FIRST: The name of the corporation shall be PHINMA PETROLEUM AND GEOTHERMAL, INC.	FIRST: The name of the corporation shall be ACE ENEXOR, INC.
Third	THIRD: The principal office of the corporation is to be established or located at Level 11, PHINMA Plaza, 39 Plaza Drive, Rockwell Center. Makati City, Philippines.	THIRD: The principal office of the corporation is to be established or located at 4th floor, 6750 Office Tower, Ayala Avenue, Makati City.

Rationale for the amendment(s)
The change in corporate name reflects the change in the ownership of PHINMA Energy Corporation, the Company's principal shareholder. For alignment, operational and management efficiency, the Company's principal office will be transferred to 6750 Officer Tower where AC Energy, Inc. ("AC Energy") also holds office. AC Energy is the parent company of PHINMA Energy Corporation.

The timetable for the effectivity of the amendment(s)	
Expected date of filing the amendments to the Articles of Incorporation with the SEC	Sep 23, 2019
Expected date of SEC approval of the Amended Articles of Incorporation	Nov 11, 2019

Effect(s) of the amendment(s) to the business, operations and/or capital structure of the Issuer, if any
None.

The disclosure was amended today to include the date of approval of stockholders. This is to update the disclosure with PSE reference no. C05168-2019 dated 25 July 2019.

Date of filing: September 18, 2019

Item Reported:

Results of the Annual Stockholders Meeting of PHINMA Petroleum and Geothermal, Inc.

PHINMA Petroleum and Geothermal, Inc. held its Annual Stockholders' Meeting on 17 September 2019 at the Ballroom 2, Fairmont Makati, 1 Raffles Drive, Makati Avenue, Makati City.

Name of Person	Shareholdings in the Listed Company		Nature of Indirect Ownership
	Direct	Indirect	
John Eric T. Francia	1	0	-
Augusto Cesar D. Bengzon	1	0	-
Jaime Z. Urquijo	1	0	-
Raymundo A. Reyes, Jr.	111,230	0	-
Maria Corazon G. Dizon	1	0	-
Jaime Alfonso Eder Zobel de Ayala	1	0	-
Raphael Perpetuo M. Lotilla	1	0	-
Ma. Aurora D. Geotina-Garcia	1	0	-
Alberto A. Lim	75	0	-
External auditor	SyCip Gorres Velayo & Co.		

Ms. Ma. Aurora D. Geotina-Garcia and Messrs. Raphael Perpetuo M. Lotilla and Alberto A. Lim were elected as independent directors.

Date of filing: September 18, 2019

Item Reported:

Results of the Organizational Meeting of the Board of Directors of PHINMA Petroleum and Geothermal, Inc.

The newly-elected directors of PHINMA Petroleum and Geothermal, Inc. held its organizational meeting on 17 September 2019 at the Ballroom 2, Fairmont Hotel, 1 Raffles Drive, Makati Avenue, Makati City.

Name of Person	Position/Designation	Shareholdings in the Listed Company		Nature of Indirect Ownership
		Direct	Indirect	
John Eric T. Francia	Chairman, President and CEO	1	0	-
Raymundo A. Reyes, Jr.	Chief Operating Officer	111,230	0	-
Maria Corazon G. Dizon	Treasurer and CFO	1	0	-
Mariejo P. Bautista	SVP-Finance and Controller	1,046	0	-
Dodjie D. Lagazo	Corporate Secretary, Compliance Officer and Head of Legal and Regulatory	0	0	-

Alan T. Ascalon	Assistant Corporate Secretary 1, VP-Legal and Data Privacy Officer	1,818	0	-
Raissa C. Villanueva	Assistant Corporate Secretary 2	0	0	-

Name of Committees	Members	Position/Designation in Committee
Executive Committee	John Eric T. Francia	Chairman
Executive Committee	Maria Corazon G. Dizon	Member
Executive Committee	Raymundo A. Reyes	Member
Personnel and Compensation Committee	Jaime Alfonso Zobel de Ayala	Chairman
Personnel and Compensation Committee	Ma. Aurora D. Geotina-Garcia	Member
Personnel and Compensation Committee	Alberto A. Lim	Member
Audit Committee	Ma. Aurora D. Geotina-Garcia	Chairman
Audit Committee	Raphael Perpetuo M. Lotilla	Member
Audit Committee	Augusto Cesar D. Bengzon	Member
Board Risk and Related Party Transaction Committee	Alberto A. Lim	Chairman
Board Risk and Related Party Transaction Committee	Raphael Perpetuo M. Lotilla	Member
Board Risk and Related Party Transaction Committee	Jaime Z. Urquijo	Member
Corporate Governance and Nomination Committee	Raphael Perpetuo M. Lotilla	Chairman
Corporate Governance and Nomination Committee	Ma. Aurora Geotina-Garcia	Member
Corporate Governance and Nomination Committee	Alberto A. Lim	Member
Committee of Inspectors of Proxies and Ballots	Dodjie D. Lagazo	Chairman
Committee of Inspectors of Proxies and Ballots	Alan T. Ascalon	Member
Committee of Inspectors of Proxies and Ballots	Raissa C. Villanueva	Member

List of other material resolutions, transactions and corporate actions approved by the Board of Directors

The Board of Directors also approved the election of Ms. Ma. Aurora D. Geotina-Garcia as the lead independent director.

Date of filing: September 20, 2019

Item Reported:

Withdrawal of Century Red from SC 55

Please be advised that the Company's subsidiary, Palawan55 Exploration and Production Corporation (“Palawan55”) received today from Century Red, Pte. Ltd. (“Century Red”), a Deed of Assignment where Century Red assigned its 37.5% interest in Service Contract No. 55 (“SC 55”) to Palawan55, subject to approval of the Department of Energy (“DOE”). Century Red is effectively withdrawing as co-contractor in SC 55, leaving Palawan55 and Pryce Gases, Inc. as the remaining co-contractors. Upon DOE’s approval of the assignment, the participating interest of Palawan55 in SC 55 shall increase to 75%.

Palawan55 is the operator of SC 55.

Date of filing: September 20, 2019

Item Reported:

Clarification on the news article posted in BusinessWorld Online on 20 September 2019 entitled “PPG to finish SC 55 study by yearend”

Source	BusinessWorld Online
Subject of News Report	PPG to finish SC 55 study by yearend
Date of Publication	Sep 20, 2019
Clarification of News Report	
<p>This is in reply to your request for clarification of the news article entitled “PPG to finish SC 55 study by yearend” posted in BusinessWorld Online on 20 September 2019. The article reported in part that:</p> <p>“PHINMA PETROLEUM and Geothermal, Inc. (PPG) expects to complete in the next two months studies on an area off the Palawan shores for which the company holds a service contract that shows potential for gas exploration.</p> <p>‘We’re trying to complete the studies and hopefully within the year, within the next couple of months, and then on that basis, that will give us an idea of the potential target, the resource,’ Eric T. Francia, PPG president and chief executive officer, told reporters.</p> <p>He said the outcome of the studies would prompt the company whether it should start looking for ‘strategic’ partners. He estimated the budget, should PPG proceed to drill, is around \$30-\$40 million.</p> <p>Mr. Francia was referring to Service Contract (SC) 55, a deep-water block in the southwest Palawan Basin that covers an area of 9,880 square kilometers. PPG’s subsidiary Palawan55 Exploration & Production Corp. holds a 37.5% participating interest in the consortium behind SC 55. It is also the operator of the service contract.</p> <p>...”</p> <p>We confirm the accuracy of the news report. We will advise the Exchange promptly of any developments as applicable.</p> <p>Thank you.</p>	