COVER SHEET
for
SEC FORM 17-Q

SEC Registration Number

A S O 9 4 - 8 8 1 1

Company Name

ACE ENEXOR, INC.
AND SUBSIDIARY

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

35TH FLOOR, AYALA TRIANGLE
GARDENS TOWER 2, PASEO DE
ROXAS CORNER MAKATI AVENUE,
MAKATI CITY 1226

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-Q	NA	NA

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
www.enexor.com.ph	+(632) 7-730-6300	

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
2,900	April 25	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Alan T. Ascalon	ascalon@acenergy.com.ph	7 730 6300	

Contact Person's Address

35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati 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.*

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 **March 31, 2022**
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 **ACE ENEXOR, 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
   35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati 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	**None registered in the Philippine SEC and listed In PDEX/others**

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

    Yes [**X**] 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 [**X**] No [ ]

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

    Yes [**X**] 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 May 11, 2022.

ACE ENEXOR, INC.

ROLANDO J. PAULINO, JR.
President and Chief Executive Officer

MARIA CORAZON G. DIZON
Treasurer and Chief Financial Officer

Annex A

ACE Enexor, Inc.
and Subsidiary

Unaudited Interim Condensed Consolidated Financial Statements as at March 31, 2022 (with Comparative Audited Figures as at December 31, 2021) and for the three-month periods ended March 31, 2022 and 2021.

ACE ENEXOR, INC. AND SUBSIDIARY

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31 2022 (Unaudited)	December 31 2021 (Audited)
ASSETS		
Current Assets		
Cash (Note 4)	**₱16,076,805**	₱22,993,727
Receivables (Notes 5 and 15)	**27,601**	226,443
Other current assets	**24,399**	24,399
Total Current Assets	**16,128,805**	23,244,569
Noncurrent Assets		
Investment in a joint venture (Note 6)	**120,138,785**	–
Property and equipment (Note 7)	**407,018**	448,957
Deferred exploration costs (Note 8)	**56,438,707**	55,676,987
Total Noncurrent Assets	**176,984,510**	56,125,944
TOTAL ASSETS	**₱193,113,315**	₱79,370,513
LIABILITIES AND EQUITY		
Current Liability		
Accrued expenses and other current liabilities (Note 9)	**₱69,111,580**	₱66,594,341
Short-term loans (Notes 9 and 10)	**127,000,000**	–
Total Liabilities	**196,111,580**	66,594,341
Equity		
Attributable to Equity Holders of the Parent Company:		
Capital stock (Note 11)	**250,000,001**	250,000,001
Deficit	**(248,417,269)**	(232,593,692)
	1,582,732	17,406,309
Non-controlling interest (Note 14)	**(4,580,997)**	(4,630,137)
Total Equity/(Capital Deficiency)	**(2,998,265)**	12,776,172
TOTAL LIABILITIES AND EQUITY	**₱193,113,315**	₱79,370,513

See accompanying Notes to Consolidated Financial Statements.

ACE ENEXOR, INC. AND SUBSIDIARY

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the three months ended March 31	
	2022 (Unaudited)	2021 (Unaudited)
EXPENSES		
Management and professional fees	**₱6,406,000**	₱2,114,339
Filing and registration fees	**1,092,000**	302,650
Taxes and licenses	**488,853**	18,627
Advertising and promotion	**196,800**	–
Depreciation (Note 7)	**41,939**	42,558
Insurance	**32,102**	–
Provision for probable losses (Note 8)	**16,204**	23,379,340
Transportation	**7,000**	–
Others	**85,182**	9,094
	8,366,080	25,866,608
OTHER CHARGES - NET		
Equity in net loss of a joint venture (Note 6)	**6,644,255**	–
Interest expense (Note 9)	**1,038,182**	–
Foreign exchange gain – net	**(271,472)**	(595)
Interest income (Note 4)	**(2,608)**	–
	7,408,357	(595)
LOSS BEFORE INCOME TAX	**15,774,437**	25,866,013
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 12)	**–**	–
NET LOSS	**15,774,437**	25,866,013
OTHER COMPREHENSIVE INCOME	**–**	–
TOTAL COMPREHENSIVE LOSS	**₱15,774,437**	₱25,866,013
Total Comprehensive Loss Attributable to:		
Equity holders of the Parent Company	**₱15,823,577**	₱25,462,835
Non-controlling interest (Note 14)	**(49,140)**	403,178
	₱15,774,437	₱25,866,013
Basic/Diluted Loss Per Share (Note 13)	**₱0.063**	₱0.102

See accompanying Notes to Consolidated Financial Statements.

ACE ENEXOR, INC. AND SUBSIDIARY

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY/(CAPITAL DEFICIENCY) FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021

	Attributable to Equity Holders of the Parent Company				
	Capital Stock (Note 11	Deficit	Total	Non-controlling Interest (Note 14	Total Equity
BALANCES AT JANUARY 1, 2022	**₱250,000,001**	**(₱232,593,692)**	**₱17,406,309**	**(₱4,630,137)**	**₱12,776,172**
Total comprehensive loss/ net loss for the period	–	(15,823,577)	(15,823,577)	49,140	(15,774,437)
BALANCES AT MARCH 31, 2022	**₱250,000,001**	**(₱248,417,269)**	**₱1,582,732**	**(₱4,580,997)**	**(₱2,998,265)**
BALANCES AT JANUARY 1, 2021	**₱250,000,001**	**(₱194,808,886)**	**₱55,191,115**	**(₱2,223,984)**	**₱52,967,131**
Total comprehensive loss/ net loss for the period	–	(25,462,835)	(25,462,835)	(403,178)	(25,866,013)
BALANCES AT MARCH 31, 2021	**₱250,000,001**	**(₱220,271,721)**	**₱29,728,280**	**(₱2,627,162)**	**₱27,101,118**

See accompanying Notes to Consolidated Financial Statements.

ACE ENEXOR, INC. AND SUBSIDIARY

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31	
	2022 (Unaudited)	2021 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	**(₱15,774,437)**	(₱25,866,013)
Adjustments for:		
Equity in net losses of joint venture (Note 6)	**6,644,255**	–
Interest expense (Note 9)	**1,038,182**	–
Unrealized foreign exchange gain – net	**271,472**	595
Depreciation (Note 7)	**41,939**	42,558
Interest income (Note 4)	**2,608**	–
Provision for probable losses (Note 8)	**16,204**	23,379,340
Operating loss before working capital changes	**(7,759,777)**	(2,443,520)
Decrease (increase) in:		
Receivables	**198,842**	–
Other current assets	**–**	(40,260)
Increase (decrease) in accrued expenses and other current liabilities	**(3,420,050)**	8,321,566
Cash from (used in) operations	**(10,980,985)**	5,837,786
Interest received	**(2,608)**	–
Net cash used in (generated from) operating activities	**(10,983,593)**	5,837,786
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Investment in a joint venture (Note 6)	**(126,783,040)**	–
Deferred exploration costs (Note 8)	**(777,924)**	(1,953,031)
Net cash used in investing activities	**(127,560,964)**	(1,953,031)
CASH FLOWS FROM A FINANCING ACTIVITIES		
Availments of short-term loans (Note 9)	**127,000,000**	–
Increases in due to related parties	**4,899,107**	–
Net cash from financing activities	**131,899,107**	–
NET INCREASE (DECREASE) IN CASH	**(6,645,450)**	3,884,755
EFFECT OF EXCHANGE RATE CHANGES ON CASH	**(271,472)**	(595)
CASH AT BEGINNING OF PERIOD	**22,993,727**	27,515,014
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 4)	**₱16,076,805**	₱31,399,174

See accompanying Notes to Consolidated Financial Statements.

ACE ENEXOR, INC. AND SUBSIDIARY

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. **Corporate Information**

ACE Enexor, Inc. (“ACEX” or “the Parent Company”) and Palawan55 Exploration & Production Corporation (Palawan55 or the Subsidiary), collectively referred to as “the Group”, were incorporated in the Philippines on September 28, 1994 and November 16, 2012, respectively, to engage in oil and gas exploration, exploitation and production. The Parent Company’s primary purpose also includes generally engaging in the business of power generation. Palawan55 is 69.35% owned by the Parent Company.

The Parent Company and the Subsidiary are 75.92% and 30.65% directly owned, respectively, by AC Energy Corporation (“ACEN” or the Intermediate Parent Company). The ultimate parent company is Mermac, Inc. ACEN and Mermac, Inc. are both incorporated and domiciled in the Philippines. Both ACEX and Palawan55 are domiciled in the Philippines and have not yet started commercial operations as at May 11, 2022.

On August 14, 2014, the Philippine Securities and Exchange Commission (“SEC”) approved the registration 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 SEC approved the amendment of the Parent Company’s Articles of Incorporation to change its corporate name to PHINMA Petroleum and Geothermal, Inc. and to include in its primary and secondary purposes the exploration and development of geothermal resources.

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

ACEN conducted a Voluntary Tender Offer of ACEX shares on May 20, 2019 to June 19, 2019, with 3,332 ACEX public shares tendered during the tender offer period at ₱2.44 per share. On June 24, 2019, ACEN acquired the shares of PHINMA, Inc. and PHINMA Corporation in ACEX representing 25.18% of ACEX’s total outstanding stock. The transaction increased ACEN’s direct ownership over ACEX from 50.74% as at December 31, 2018 to 75.92% as at December 31, 2020 and 2019.

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

- Change in corporate name to ACE Enexor, Inc. to reflect the change in the ownership of the Intermediate 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 amendments.

On November 11, 2019, the SEC approved the proposed changes in the articles of incorporation of the Parent Company.

On March 9, 2022, the Parent Company BOD approved the amendment to the Articles of Incorporation and By-laws to change the corporate name of the Parent Company from "ACE Enexor, Inc." to "ENEX Energy Corp."

<u>Status of Operation</u>
The Group has not started its commercial operations as at March 31, 2022. As a result, the Group incurred net losses of ₱15,774,437 for the three-month period ended March 31, 2022, resulting in capital deficiency of ₱2,998,265 as at March 31, 2022. In addition, the Group's current liabilities exceeded its current assets by ₱179,982,775 as at March 31, 2022. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern, and therefore, the Group may be unable to realize its assets and discharge its liabilities in the normal course of business.

In response, the Group's shareholders have committed to provide continuing financial support to the Group. The Group's shareholders further confirm that the repayment of third party payables shall not be demanded until such time that the Group is in a position to repay the amount without prejudicing its ability to continue as a going concern. As such, the Group's financial statements were prepared on a going concern basis.

Property for shares swap between ACEX and ACEN
On October 18, 2021, the ACEN BOD announced the transitioning of ACEN's power generation portfolio to 100% renewable energy by 2025, and a commitment to spin-off all its thermal assets by 2025. For this purpose, the ACEN Board approved the infusion of certain thermal assets into ACEX in the form of a property-for-share swap.

On the same date, the ACEX BOD approved the property-for-share swap with ACEN whereby ACEN will assign 100% of its equity in Palawan55 Exploration & Production Corporation (Palawan55), Bulacan Power Generation Corporation (BPGC), One Subic Power Generation Corporation (OSPGC), CIP II Power Corporation (CIP II), and Ingrid3 Power Corp. (Ingrid 3), valued at ₱3.39 billion, in exchange for 339 million primary shares to be issued by the Parent Company to ACEN at a price of ₱10.00 per share, as supported by a fairness opinion from FTI Consulting Philippines, Inc. and subject to compliance with applicable regulatory requirements.

As a result of the issuance of primary shares to ACEN, the ACEX BOD also approved the conduct of a Stock Rights Offer (SRO) of up to 105 million of ACEX's shares at ₱10.00 per share, subject to regulatory approvals. The ACEN BOD approved the underwriting of this SRO in relation to the share swap.

On December 29, 2021, ACEX and ACEN signed the Deed of Assignment wherein ACEX will issue 339,076,058 shares of stock in ACEX to ACEN at an issue price of ₱10 per share in exchange for the following properties of ACEN: (a) 3,064,900 common shares in Palawan55 with a par value of ₱100 per share, comprising 30.65% of the issued and outstanding shares in Palawan55; (b) 6,000,000 common shares in BPGC representing 100% of the issued and outstanding shares in BPGC; (c) 6,351,000 common shares in CIP II with a par value of ₱50 per share representing 100% of the issued and outstanding shares in CIP II; (d) 3,600,000 redeemable preferred shares in Ingrid3, a special purpose vehicle for the development of a new power project, with a par value of ₱1 per share, representing 100% of the issued and outstanding redeemable preferred shares in Ingrid 3; and (e) 33,493,366 common shares in OSPGC with a par value of ₱1 per share representing 17.13% of the issued and outstanding shares in OSPGC.

On January 31, 2022, the Parent Company and ACEN executed an Amendment to the Deed of Assignment for the transfer of ACEN's rights and interests in Palawan55, BPGC, CIP II, Ingrid3 and OSPGC. The sole amendment sought to correct the reference to the resulting ownership percentage of ACEN in the Parent Company from 89.96% to 89.78% of the outstanding capital stock of ACEX.

After the Share Swap, ACEN's stake in ACEX is expected to go up from 76.3% to 89.8%, prior to the conduct of the SRO.

The Parent Company has made the required submissions and awaiting SEC's review and approval as at report date.

On November 10, 2021, the BOD approved the change of the principal office address of the Parent Company from 4th Floor 6750 Office Tower, Ayala Avenue, Makati City to 35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City and for this purpose, to amend the Articles of Incorporation.

Pursuant to delegated authority from the Parent Company's BOD, on May 11, 2022, the Parent Company's Audit Committee approved and authorized the issuance of the March 31, 2022 interim condensed consolidated financial statements.

2. Summary of Significant Accounting Policies

<u>Basis of Preparation and Statement of Compliance</u>
The unaudited interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standards ("PAS") 34, *Interim Financial Reporting*.

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

The unaudited 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 Group's annual consolidated financial statements as at and for the year ended December 31, 2021.

<u>Basis of Consolidation</u>
The unaudited interim consolidated financial statements comprise the financial statements of the Parent Company and its subsidiary, Palawan55, as at March 31, 2022 and December 31, 2021. The interim financial statements of the subsidiary are prepared for the same reporting year 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.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and

- the ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests (NCI), even if this results in the NCI having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the Parent Company and the Subsidiary are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Parent Company loses control over the Subsidiary, it derecognizes the related assets (including goodwill), liabilities, NCI and other components of equity while any resultant gain or loss is recognized in the consolidated statement of income. Any investment retained is recognized at fair value.

NCI represents the interest in the Subsidiary not held by the Parent Company and are presented separately in the consolidated statement of income and consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to holders of the Parent Company.

New Standards, Interpretations and Amendments
The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2021 except for the adoption of new standards effective as at January 1, 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have a material impact on the interim condensed consolidated financial statements of the Group.

Effective beginning on or after January 1, 2022

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

  The amendments are intended to replace a reference to the *Framework for the Preparation and Presentation of Financial Statements*, issued in 1989, with a reference to the *Conceptual Framework for Financial Reporting* issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential ‘day 2’gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine IFRIC 21, *Levies*, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively. The amendments are not expected to have material impact to the Group.

- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*

  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

  The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

  The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 37, *Onerous Contracts - Costs of Fulfilling a Contract*

  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The amendments are not expected to have a material impact on the Group.

- *Annual Improvements to PFRSs* 2018-2020 Cycle

  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

    The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

    The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

- Amendments to PFRS 9, *Financial Instruments*, *Fees in the '10 per cent' test for derecognition of financial liabilities*

  The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

  The amendment is effective for annual reporting periods beginning on or after January 1, 2022, with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the Group first applies the amendment. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

  The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

  An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have an impact on the Group.

Effective beginning on or after January 1, 2023

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

  An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023. The amendments are not expected to have material impact to the Group.

- Amendments to PAS 8, *Definition of Accounting Estimates*

  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

  The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

<u>Interest in Joint Arrangements</u>
PFRS defines a joint arrangement as an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require unanimous consent of the parties sharing control.

Joint Operations. A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities and share in the revenues and expenses relating to the arrangement. The Group's service contracts (SC) are considered joint operations.

Investments in Associates and Joint Ventures
An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associates and a joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share in the net assets of the associate or joint venture since the acquisition date.

Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is collectively assessed for impairment.

The consolidated statements of income reflect the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share in profit or loss of the associate or the joint venture is shown in the consolidated statement of income outside operating profit and represents profit or loss after tax and NCI in the subsidiaries of the associate or joint venture.

If the Group's share in losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture, the Group discontinues recognizing its share of further losses.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss in the consolidated statement of income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated statement of income.

The consolidated financial statements include additional information about the Group's investment in Batangas Clean Energy, Inc.(see Note 6).

3. Significant Accounting Judgments and Estimates

The Group'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 Group'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 Group 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 Group 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 Group to assess their rights and obligations arising from the arrangement. Specifically, the Group 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 Group also considers the rights and obligations arising from:

  - The legal form of the separate vehicle
  - The terms of the contractual arrangement
  - 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 March 31, 2022 and December 31, 2021, the Group's SCs are assessed as joint arrangements in the form of joint operations (see Note 8).

Exercise of Joint Control
Pursuant to the Subscription Agreements executed between the ACEX and BCEI on January 14, 2022, ACEX acquired 50% equity interest in BCEI and reduced Red Holdings B.V.'s equity interest in BCEI to 50%. The parties agreed to enter into the agreement to embody their mutual agreements and covenants concerning the organization, management and governance of the joint venture entity.

As at March 31, 2022, The Group's investment in Batangas Clean Energy, Inc. is assess as a joint arrangement in the form of joint venture (see Note 6).

<u>Estimates</u>

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 Group measures, presents and discloses the resulting impairment loss in accordance with PAS 36.

The Group recognized impairment loss on its deferred exploration costs amounting to ₱16,204 and ₱23,379,340 in March 31, 2022 and March 31, 2021, respectively (presented as "Provision for probable losses" under "Expenses" in the consolidated statements of comprehensive income). The carrying value of deferred exploration costs amounted to ₱56,438,707 and ₱55,676,987 as at March 31, 2022 and December 31, 2021, respectively (see Note 8).

Recognition 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. Unrecognized deferred tax assets as at March 31, 2022 and December 31, 2021 amounted to ₱19,882,398 and ₱45,627,364, respectively (see Note 12).

Estimating Provision for Credit Losses of Receivables
The Group maintains allowance for credit losses based on the results of the individual assessment under PAS 39. Under the individual assessment, the Group 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 period.

As at As at March 31, 2022 and December 31 2021, the allowance for credit losses amounted to ₱20,000,000 (see Note 5).

The carrying value of receivables amounted to ₱27,600 and ₱226,443 as at March 31, 2022 and December 31, 2021 (see Note 5).

4. Cash

Cash in banks amounted to ₱16,076,805 and ₱22,993,727 as at March 31, 2022 and December 31, 2021, respectively. Cash in banks earn interest at the respective bank deposit rates.

Interest income on cash amounted to ₱2,608 and nil as at March 31, 2022 and 2021, respectively.

5. Receivables

This account consists of the following:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Due from third party	**₱20,000,000**	₱20,000,000
Trade receivables	**–**	30,750
Others	**27,601**	195,693
	20,027,601	20,226,443
Less allowance for credit losses	**20,000,000**	20,000,000
	₱27,601	₱226,443

The aging analysis of receivables is as follows:

	March 31, 2022 (Unaudited)						
		Neither Past Due nor	**Past Due but not Impaired**				**Past Due and**
	Total	**Impaired**	**<30 Days**	**30–60 Days**	**61–90 Days**	**Over 90 Days**	**Impaired**
Due from third party	**₱20,000,000**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱20,000,000**
Trade receivables	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Others	**27,601**	**27,601**	**–**	**–**	**–**	**–**	**–**
	₱20,027,601	**₱27,601**	**₱–**	**₱–**	**₱–**	**₱–**	**₱20,000,000**

	December 31, 2021 (Audited)						
		Neither Past Due nor	Past Due but not Impaired				Past Due and
	Total	Impaired	<30 Days	30–60 Days	61–90 Days	Over 90 Days	Impaired
Due from third party	₱20,000,000	₱–	₱–	₱–	₱–	₱–	₱20,000,000
Trade receivables	30,750	30,750	–	–	–	–	–
Others	195,693	195,693	–	–	–	–	–
	₱20,226,443	₱226,443	₱–	₱–	₱–	₱–	₱20,000,000

Due from third party pertains to advance payment made pursuant to the Memorandum of Agreement with Frontier Energy and Frontier Oil and is due and demandable. This has been fully provided with allowance for impairment since 2016.

Trade receivables mainly represent return of cash call from the service contract operator. The Group's receivables are noninterest-bearing and are due and demandable.

Others pertain to advances to employees and a service provider subject to liquidation.

The Group's receivables have been reviewed for indicators of impairment. As at March 31, 2022 and December 31, 2021, no additional provision was recognized.

6. Investment in a Joint Venture

ACEX Joint Venture with Red Holdings B.V.
On November 10, 2021, the ACEX BOD approved the joint venture between the Parent Company and Red Holdings B.V. ("Gen X Energy"), a wholly owned subsidiary of Gen X Energy L.P., to develop a 1,100MW combined cycle power plant that will be able to use natural gas and/or green hydrogen as its fuel to provide firm power to the grid to meet the country's growing energy demand. The joint venture will be through a special purpose vehicle company, Batangas Clean Energy, Inc. (BCEI), where ACEX and Gen X Energy will each own a fifty percent (50%) interest, subject to satisfaction of agreed conditions precedent and execution of definitive documents.

On January 14, 2022, ACEX, BCEI and Gen X Energy executed the Shareholders' Agreement and Subscription Agreements implementing the transaction. ACEX will subscribe to a total of 150,002 shares in BCEI for a total subscription price of ₱150,219,040. Gen X Energy L.P. is a portfolio company of Blackstone Inc., the world's largest alternative asset manager.

BCEI shall file an application for the increase in its authorized capital stock with the Securities and Exchange Commission.

BCEI's principal place of business is at Block E. Units 1 to 4, Caedo Commercial Center, Brgy. Calicanto, Batangas City, Philippines.

The investment in a joint venture was funded from ACEN's ₱150 million short-term facility, of which ₱127,000,000 was already availed by ACEX.

The details of the movement of investment in a joint venture accounted for under equity method are as follows:

	March 31, 2022 (Unaudited)
Acquisition costs	₱126,783,040
Equity in net losses	(6,644,255)
Balance at end of period	₱120,138,785

The summarized financial information of BCEI, and the reconciliation with the carrying amounts of the investments in the consolidated financial statements as at March 31, 2022 are shown below:

Summarized Statements of Financial Position:	
Cash	₱112,561,768
Other current assets	29,677,840
Total current assets	142,239,609
Total noncurrent assets	–
Total assets	₱142,239,609
Financial liabilities	(873,786)
Other current liabilities	(77,337,871)
Current liabilities	(78,211,657)
Noncurrent liabilities	–
Equity	₱64,027,952
Share in net assets	₱32,013,976
Notional goodwill	88,124,809
Carrying value of investments	₱120,138,785
Summarized Statements of Comprehensive Income:	
Revenue	₱–
Interest income	10,073
Interest expense	–
Depreciation	–
Cost and expenses	(13,298,584)
Net loss	(₱13,288,511)
Other comprehensive income	–
Total comprehensive loss	(₱13,288,511)
Group's share in total comprehensive loss	₱6,644,255

7. Property and Equipment

Details and movement of this account follow:

	March 31, 2022 (Unaudited)		
	Equipment	**Miscellaneous Assets**	**Total**
Cost:			
Balance at beginning and end of period	**₱1,045,000**	**₱124,215**	**₱1,169,215**
Less accumulated depreciation:			
Balance at beginning of period	**597,281**	**122,977**	**720,258**
Depreciation	**40,701**	**1,238**	**41,939**
Balance at end of period	**637,982**	**124,215**	**762,197**
Net book value	**₱407,018**	**₱–**	**₱407,018**

	December 31, 2021 (Audited)		
	Equipment	Miscellaneous Assets	Total
Cost:			
Balance at beginning and end of year	₱1,045,000	₱124,215	₱1,169,215
Less accumulated depreciation:			
Balance at beginning of year	434,474	115,552	550,026
Depreciation	162,807	7,425	170,232
Balance at end of year	597,281	122,977	720,258
Net book value	₱447,719	₱1,238	₱448,957

Miscellaneous assets pertain to software and licenses.

The cost of the Group's fully depreciated assets still in use amounted to ₱124,215 as at March 31, 2022 and nil as at December 31, 2021.

8. Deferred Exploration Costs

Details of deferred exploration costs are as follows:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
ACEX		
SC 6 (Northwest Palawan):		
Block A	**₱23,963,291**	₱23,963,291
Block B	**4,908,382**	4,892,178
SC 50 (Northwest Palawan)	**11,719,085**	11,719,085
	40,590,758	40,574,554
Less allowance for probable losses	**40,590,758**	40,574,554
	–	–
Palawan55		
SC 55 (Southwest Palawan)	**56,438,707**	55,676,987
	₱56,438,707	₱55,676,987

Below is the rollforward analysis of the deferred exploration costs:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Cost:		
Balances at beginning of period	**₱96,251,541**	₱83,157,479
Additions	**777,924**	13,094,062
Balance at end of period	**97,029,465**	96,251,541
Allowance for a probable loss:		
Balances at beginning of period	**40,574,554**	16,611,263
Provisions	**16,204**	23,963,291
Balance at end of period	**40,590,758**	40,574,554
Net book value	**₱56,438,707**	₱55,676,987

The foregoing deferred exploration costs represent the Group's share in the expenditures incurred under petroleum SCs with the 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.

The Group's SCs are assessed as joint arrangements in the form of joint operations.

In 2016, the Group recognized full provision for probable loss on SC 50 amounting to ₱11,719,085 due to the expiration of the SC's term and denial by the DOE of the request for Force Majeure.

On January 27, 2021, the ACEX Executive Committee approved the Parent Company's withdrawal from the SC 6 Block A consortium. SC 6A does not have any commercial operations. Provision for probable loss was recognized for SC 6A amounting to ₱23,963,291. Write-off of SC 6 will be done when DOE approval is received.

The SC 55 consortium submitted an updated CINCO-1 Drilling Proposal to the DOE December 22, 2021. The Department of Energy has approved the Consortium's CINCO-1 Drilling Proposal, Oil Spill Contingency Plan, and Health, Safety and Environmental Management Plan on March 4, 2022. Specialized pre-drill geological and geophysical studies were completed while well planning and drilling preparations are ongoing. ACEX's subsidiary, Palawan 55, has 75% participating interest in SC 55 and is the Operator.

The SC 6A consortium paid its outstanding financial obligations to the DOE in full as required for the DOE's approval of the former's relinquishment of said service contract. ACEX has 7.78% interest in SC 6 Block A.

Additions for the period for SC 55 pertains to the well engineering, drilling planning services and assessment. Specialized pre-drill geological and geophysical studies were completed while well planning and drilling preparations are ongoing.

No impairment was recognized for SC 55 as at March 31, 2022 and December 31, 2021 as there are no indicators for impairment.

9. Accrued Expenses, Other Current Liabilities and Short-term Loans

This account consists of:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Accrued expenses and other current liabilities		
Accrued expenses	**₱1,309,357**	₱4,895,016
Accrued interest (Note 10)	**1,038,182**	–
Due to:		
Related parties (Note 10)	**37,349,494**	32,450,387
Third party	**29,059,856**	29,059,856
Withholding taxes	**354,691**	189,082
	₱68,073,398	₱66,594,341

Accrued expenses include accrual for professional fees and training obligations for SC 6A and SC 55 payable to the DOE. Accruals for professional fee are noninterest-bearing and are settled on 30 to 60-day terms. Training obligations payable to the DOE are due and demandable.

Due to a third party is an advance payment made by a partner in the consortium to be applied to SC 55's work program.

Short-term Loans
On December 10, 2021, the ACEX BOD approved the availment of a short-term loan from ACEN of up to ₱150.00 million to fund the initial subscription by ACEX to shares in BCEI and authorized the ACEX to secure bank loans in an aggregate amount of up to ₱150 million to be guaranteed by ACEN subject to the payment of a guarantee fee. On December 13, 2021, the ACEN BOD approved the short-term loan up to ₱150.00 million in favor of ACEX. As at March 31, 2022, a total of ₱127.00 million was already availed to ACEX to fund its investment in BCEI (see Note 10).

Interest expense related to the short-term loan amounted to ₱1.04 million for the three-month period ended March 31, 2022.

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. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely its legal form.

Outstanding balances for the period are unsecured and settlement occurs 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 and for the three-month period ended March 31, 2022 and year ended December 31, 2021 with related parties are as follows:

	For the three months ended March 31, 2022 (Unaudited)					
			Outstanding Balance			
Company	Amount/ Volume	Nature	Receivable	Payable	Terms	Conditions
Intermediate Parent Company						
ACEN						
Accrued expenses and other current liabilities - Due to related parties (see Note 9)	**₱5,000,000**	Management and professional fees	**₱–**	**₱7,448,000**	30–60 day terms; noninterest-bearing	Unsecured
Accrued expenses and other current liabilities - Due to related parties (see Note 9)	**–**	Management and professional fees capitalized as deferred exploration cost	**–**	**12,023,039**	30–60 day terms; noninterest-bearing	Unsecured
Accrued expenses and other current liabilities - Due to related parties (see Note 9)	**–**	Management and professional fees charged to consortium partner	**–**	**5,100,000**	30–60 day terms; noninterest-bearing	Unsecured
Accrued expenses and other current liabilities - Due to related parties (see Note 9)	**233,994**	Advances	**–**	**12,778,455**	30–60 day terms; noninterest-bearing	Unsecured
Due to related party (see Note 9)			**₱–**	**₱37,349,494**		
Accrued interest expense (see Note 9)	**₱1,038,182**	Accrued interest expense on short-term loans	**₱–**	**₱1,038,182**	noninterest-bearing	Unsecured
Short-term loans (see Note 9)	**₱126,783,040**	Short-term loans	**₱–**	**₱127,000,000**	interest-bearing	Unsecured

	As at and for the Year Ended December 31, 2021 (Audited)					
			Outstanding Balance			
Company	Amount/ Volume	Nature	Receivable	Payable	Terms	Conditions
Intermediate Parent Company						
ACEN						
Accrued expenses and other current liabilities - Due to related parties (see Note 9)	₱–	Management and professional fees	₱–	₱2,448,000	30–60 day terms; noninterest-bearing	Unsecured
Accrued expenses and other current liabilities - Due to related parties (see Note 9)	–	Management and professional fees capitalized as deferred exploration cost	–	12,240,000	30–60 day terms; noninterest-bearing	Unsecured
Accrued expenses and other current liabilities - Due to related parties (see Note 9)	–	Management and professional fees charged to consortium partner	–	5,100,000	30–60 day terms; noninterest-bearing	Unsecured
Accrued expenses and other current liabilities - Due to related parties (see Note 9)	4,967,189	Advances	–	12,544,461	30–60 day terms; noninterest-bearing	Unsecured
Entities Under Common Control of Intermediate Parent Company						
ACE Shared Services, Inc. (ACES)						
Accrued expenses and other current liabilities - Due to related parties (see Note 9)	134,400	Management and professional fees	–	117,926	30–60 day terms; noninterest-bearing	Unsecured
Due to related parties (see Note 9)			₱–	₱32,450,387		

ACEN
ACEN extended short-term loans to ACEX in 2022 totaling to ₱127,000,000 which ACEX used to fund the initial subscription of BCEI shares (see Note 9). The related accrued interest expense amounted to ₱1.04 million as at March 31, 2022. ACEX also incurred management fees payable to ACEN totaling to ₱5,000,000 for the three-month period ended March 31, 2022 pertaining to compensation of officers. ACEN provided advances to ACEX in 2022 totaling to ₱233,994 pertaining to other various expenses.

ACES
ACES provided to the Group a full range of business process outsourcing services, such as, but not limited to, financial and general accounting/ bookkeeping services (without engaging in the practice of accountancy), human resources management, manpower related services and other related functions.

Compensation of Key Management Personnel
Starting January 1, 2020, the compensation of the Group's key management personnel is paid by the Intermediate Parent Company and as such, the necessary disclosures required by PAS 24, *Related Party Disclosures*, are included in the financial statements of the Intermediate Parent Company.

Identification, Review and Approval of Related Party Transactions
All (1) SEC-defined material related party transactions, i.e., related party transaction/s, either individually or in aggregate over a twelve (12)-month period of the Group with the same related party, amounting to ten percent (10%) or higher of the Group's total consolidated assets based on its latest audited consolidated financial statements; and (2) any related party transaction/s that meet the threshold values approved by the Risk Management and Related Party Transactions Committee (the Committee), i.e., ₱50.00 million or five percent (5%) of the Group's total consolidated assets, whichever is lower, shall be reviewed by the Committee and approved by the BOD before its commencement, except transactions that are explicitly excluded/exempted by the SEC and transactions delegated to management.

For SEC-defined material related party transactions, the approval shall be by at least 2/3 vote of the BOD, with at least a majority vote of the independent directors. In case that the vote of a majority of the independent directors is not secured, the material related party transactions may be ratified by the vote of the stockholders representing at least 2/3 of the outstanding capital stock.

11. Capital Stock

Following are the details of the Parent Company's capital stock as at March 31, 2022 and December 31, 2021:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Authorized - ₱1 par value	**1,000,000,000**	1,000,000,000
Issued and outstanding - ₱1 par value	**250,000,001**	250,000,001

The issued and outstanding shares as at March 31, 2022 and December 31, 2021 are held by 2,900 equity holders.

12. Income Taxes

a. There was no provision for current tax in March 31, 2022 and 2021 both under RCIT and MCIT due to a taxable loss position.

b. The reconciliation of the Group's provision for (benefit from) income tax using the statutory tax rate is as follows:

	March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
Income tax at statutory rate	**(₱3,154,887)**	(₱6,466,503)
Tax effects of:		
Movement in temporary differences, NOLCO for which no deferred income tax assets were recognized	**1,826,560**	6,466,503
Interest income subject to final tax	**(524)**	–
Equity in net loss of a joint venture	**1,328,851**	–
	₱–	₱–

Deferred income tax assets related to the following temporary differences, including NOLCO were not recognized because management believes that it is not probable that sufficient future taxable income will be available to allow deferred income tax assets to be utilized.

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
NOLCO	**₱107,082,305**	₱97,965,708
Provisions for:		
Credit losses (see Note 5)	**20,000,000**	20,000,000
Probable losses (see Note 8)	**40,590,758**	40,574,555
	₱167,673,063	₱158,540,263
Unrecognized deferred income tax asset	**₱33,534,613**	₱31,708,053

Movements in the NOLCO are shown in the table below:

Year Incurred	Availment Period	Amount	NOLCO Applied Previous periods	NOLCO Expired	NOLCO Applied Current Year	NOLCO Unapplied
2019	2020-2022	67,478,506	–	–	–	67,478,506
2020	2021-2025	13,595,875	–	–	–	13,595,875
2021	2022-2026	16,891,327	–	–	–	16,891,327
2022	2023-2027	9,116,597	–	–	–	9,116,597
		₱107,082,305	₱–	₱–	₱–	₱107,082,305

**RR-15-20 Bayanihan Act 2: NOLCO incurred for the taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive years.*

13. Basic/Diluted Loss Per Share

Basic/diluted loss per share is computed as follows:

	For the three months ended March 31	
	2021 **(Unaudited)**	2020 (Unaudited)
(a) Net loss attributable to equity holders of the Parent Company	**₱15,823,577**	₱25,462,835
(b) Weighted average number of common shares outstanding	**250,000,001**	250,000,001
Basic/diluted loss per share (a/b)	**₱0.063**	₱0.102

As at March 31, 2022 and December 31, 2021, the Group 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.

14. Material Partly Owned Subsidiary

Financial information of Palawan55 is provided below:

	For the three months ended March 31	
	2022 **(Unaudited)**	2021 (Unaudited)
Equity interest held by NCI	**30.65%**	30.65%
Accumulated balances of NCI	**₱4,580,997**	₱2,627,162
Net loss allocated to NCI	**49,140**	403,178

The summarized financial information of Palawan55 is provided below.

Statements of Comprehensive Income

	For the three months ended March 31	
	2022 **(Unaudited)**	2021 (Unaudited)
Other loss (income)	**(₱171,085)**	₱5,792
Expenses	**10,754**	1,309,634
Total comprehensive loss (income)	**(₱160,331)**	₱1,315,426
Attributable to NCI	**₱49,140**	₱403,178

Statements of Financial Position

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Total current assets	**₱7,362,280**	₱8,145,145
Total noncurrent assets	**56,438,708**	55,676,987
Total current liabilities	**(78,749,066)**	(78,930,541)
Total capital deficiency	**(₱14,948,078)**	(₱15,108,409)
Attributable to equity holders of the Parent Company	**(₱10,367,081)**	(₱10,478,272)
NCI	**(₱4,580,997)**	(₱4,630,137)

Cash Flow Information

	For the three months ended March 31	
	2022 (Unaudited)	2021 (Unaudited)
Net cash flows provided by:		
Operating activities	**₱782,864**	₱4,771,385
Investing activities	–	–
Financing activity	–	–

There were no dividends paid to NCI in the three-month period ended March 31, 2022 and 2021.

15. Financial Risk Management Objectives and Policies

Objectives and Investment Policies

The funds of the entities are held directly by the ACEN Group and are managed by the Corporate Finance and Treasury Group (“CFT”).

All cash investments of the Group 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 will yield to trump the absolute requirement that the principal amount of investment be preserved and placed in liquid instruments

The CFT manages the funds of the Group 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 Group’s financial assets that finance the Group’s operations and investments in enterprises.

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

- Foreign exchange risk
- Credit or counterparty risk
- Liquidity risk
- Interest rate risk

Corporate Planning and Investor Relations ("CPIR") focuses on the following major risks that may affect its transactions:

- Market risk
- Equity price risk

Commercial Operations focuses on commodity price 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 Group.

Risk Management Process

Foreign Exchange Risk
The Group 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 Group 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 Group has foreign currency exposures arising from cash calls and refunds in currency other than the Philippine peso. The Group's financial instruments denominated in US$ as at March 31, 2022 and December 31, 2021 are as follows:

	March 31, 2022 (Unaudited)		December 31, 2021 (Audited)	
	In US$	**In Philippine Peso**	In US$	In Philippine Peso
Financial Assets				
Cash and cash equivalents	**US$199,988**	**₱10,391,376**	US$314,839	₱15,985,635
Trade receivable under 'Receivables'	**–**	**–**	–	–
	199,988	**10,391,376**	314,839	15,985,635
Financial Liability				
Due to third party under 'Accounts payable and other current liabilities'	**(US$15,352)**	**(797,690)**	–	–
	US$184,636	**₱9,593,686**	US$314,839	₱15,985,635

Exchange rates used were ₱51.960 to $1.00 and ₱50.774 to $1.00 as at March 31, 2022 and December 31, 2021, respectively.

Management has determined that the volume of foreign currency-denominated transactions is not significant to the Group 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 Group defines Credit or Counterparty Risk as the risk of sustaining a loss resulting from a counterparty's default to a transaction entered with the Group.

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 CFT before it is executed subject to the Chief Financial Officer (CFO) approval. Exposure limits are tracked for every transaction and CFT 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 Group, the Group's exposures arise from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

	March 31, 2022 (Unaudited)					
	Neither Past Due nor Impaired			**Past Due but not**	**Past Due Individually**	
	Class A	**Class B**	**Class C**	**Impaired**	**Impaired**	**Total**
Trade receivables	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**
Due from third party	**–**	**–**	**–**	**–**	**20,000,000**	**20,000,000**
Others	**–**	**–**	**–**	**27,601**	**–**	**27,601**
	₱–	**₱–**	**₱–**	**₱27,600**	**₱20,000,000**	**₱20,027,600**

	December 31, 2021 (Audited)					
	Neither Past Due nor Impaired			Past Due but not	Past Due Individually	
	Class A	Class B	Class C	Impaired	Impaired	Total
Trade receivables	₱–	₱–	₱–	₱30,750	₱–	₱30,750
Due from third party	–	–	–	–	20,000,000	20,000,000
Others	–	–	–	195,693	–	195,693
	₱–	₱–	₱–	₱226,443	₱20,000,000	₱20,226,443

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

Class	Description
Class A	Collateralized accounts with excellent paying habits
Class B	Secured accounts with good paying habits
Class C	Unsecured accounts

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group'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 Group may not be able to settle or meet its obligations on time or at a reasonable price.

The cash balance of the Group as at March 31, 2022 is more than enough to pay its accrued expenses and withholding taxes totaling ₱354,691 (see Note 9) and operating expenses

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 Group.
- Investment maturities being spread on a weekly, monthly, and annual basis as indicated in the Group's plans. Average duration of investments does not exceed one (1) year.
- Setting up working capital lines to address unforeseen cash requirements that may cause pressure to liquidity.

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 Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust its capital structure, the Group 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 2022 and 2021.

Capital includes all the items appearing in the equity section of the Group's consolidated statements of financial position at net capital deficiency of ₱2,998,265 as at March 31, 2022 and net equity of ₱12,776,172 as at December 31, 2021.

Fair Value of Financial Assets and Financial Liabilities
Cash, Receivables and Accrued Expenses 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.

In 2022 and 2021, there were no transfers between levels of fair value measurement.

Offsetting of Financial Instruments
There was no offsetting of financial instruments as at March 31, 2022 and December 31, 2021.

16. Segment Information

The Group has only one reportable segment, Petroleum and Gas, which is engaged in oil and gas exploration and development. The Group planned to expand its operations to include geothermal exploration and development; however, there are no activities undertaken under this segment during the period 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 for the three-month period ended March 31, 2022 and for the year ended December 31, 2021 were at ₱777,924 and ₱13,094,062, respectively, mainly on deferred exploration cost (see Note 8).

As at May 11, 2022, the Group has not started commercial operations yet and has no revenue or gross profit. The total assets of the segment of ₱193,113,315 and ₱79,370,513 and liabilities amounting to ₱196,111,580 and ₱66,594,341 as at March 31, 2022 and December 31, 2021, respectively, are the same as that reported in the consolidated statements of financial position.

17. Events After the Reporting Period

Stockholders' Approval of the Parent Company's Follow-On Offering
During the Parent Company's Annual Stockholders' Meeting held last April 25, 2022, stockholders holding at least majority of the Parent Company's outstanding capital stock approved, among others, the following:

1. the issuance of up to 74,000,000 shares of the Parent Company pursuant to the Parent Company's planned follow-on offering ("FOO") at an FOO price range of ₱10.00 to ₱11.84 per share (the "FOO Shares"); and

2. the registration under the Securities Regulation Code with the Securities and Exchange Commission and listing with the Philippine Stock Exchange of the FOO Shares.

On March 21, 2022, the Executive Committee, by authority of the BOD, approved the conduct of an FOO with a size of up to 74,000,000 shares to be priced at ₱10 to ₱11.84 per share. On March 25, 2022, the Company's Executive Committee, by authority of the BOD, approved the Parent Company's filing with the Securities and Exchange Commission of a registration statement covering a three-year shelf registration of up to 649,870,100 primary common shares and the Parent Company's offer, issuance and listing of such securities in up to three (3) separate tranches. The proposed first tranche under the Shelf Registration is the issuance of up to 74,000,000 common shares pursuant to an FOO.

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 ACE Enexor, Inc. or "ACEX" and its subsidiary should be read in conjunction with the unaudited interim consolidated financial statements as at March 31, 2022, for the three months ended March 31, 2022 and 2021 and the audited consolidated financial statements as at December 31, 2021. The unaudited interim consolidated financial statements have been prepared in compliance with the Philippine Financial Reporting Standards.

Corporate Highlights:

- On January 14, 2022, the Parent Company, Batangas Clean Energy, Inc. (BCEI) and Red Holdings B.V. ("Gen X Energy"), a wholly owned subsidiary of Gen X Energy L.P., executed a Shareholders' Agreement and Subscription Agreements for ACEX to subscribe to a total of 150,002 shares in BCEI for a total subscription price of ₱150.22 million. ACEX will subscribe to shares in BCEI such that the Parent Company and Gen X Energy will each own a 50% interest in BCEI. Gen X Energy L.P. is a portfolio company of Blackstone Inc., the world's largest alternative asset manager.

- As of March 2022, the Parent Company's cost of investment in BCEI amounted to ₱126.78 million. This was funded by ACEN's ₱150.00 million short-term facility, of which ₱127.00 million was already availed by ACEX.

Financial Highlights:

<u>Consolidated Statements of Income</u>

	For the three months ended March 31		Increase (Decrease)	
	2022	2021	**Amount**	**%**
Expenses	**₱8,366,080**	₱25,866,608	(₱17,500,528)	(68%)
Other charges loss (income) - net	**7,408,357**	(595)	7,408,952	(1245202%)
Loss before income tax	**15,774,437**	25,866,013	(10,091,576)	(39%)
Benefit from income tax	–	–	–	–
Net Loss	**₱15,774,437**	₱25,866,013	(₱10,091,576)	(39%)

The following are the material changes in the Consolidated Statements of Comprehensive Income for the three months ended March 31, 2022 and 2021:

- Last year's expenses included full impairment of the Parent Company's service contract (SC) 6A amounting to ₱23.38 million. Excluding this provision for impairment, expenses as of March 2022 is higher than same period last year mainly driven by the increase in management and professional fees aggregating to ₱6.41 million (vs. ₱2.11 million last year) and taxes, filing and registration fees totaling to ₱1.58 million (vs. ₱0.32 million last year).

- Other charges (income) - net mainly came from equity in net losses of the Parent Company's joint venture investee (BCEI) amounting to ₱6.64 million and ₱1.04 million interest expense on short-term loan from ACEN, partly cushioned by foreign exchange gains from dollar-denominated deposits with the appreciation of the US dollar.

Consolidated Statements of Financial Position

	March	December	**Increase (Decrease)**	
	2022	2021	**Amount**	**%**
Current Assets				
Cash	**₱16,076,805**	₱22,993,727	(₱6,916,922)	(30%)
Receivables	**27,601**	226,443	(198,842)	(88%)
Noncurrent Assets				
Investment in a joint venture	**₱120,138,785**	₱–	₱120,138,785	100%
Property and equipment	**407,018**	448,957	(41,939)	(9%)
Deferred exploration costs	**56,438,707**	55,676,987	761,720	1%
Current Liabilities				
Accrued expenses and other current liabilities	**₱69,111,580**	₱66,594,341	₱2,517,239	4%
Short-term loans payable	**127,000,000**	–	127,000,000	100%

The following are the material changes in the Consolidated Statements of Financial Position as at March 31, 2022 and December 31, 2021:

- Decrease in Cash was primarily due to payment of the various expenditures related to the Group's activities for the current period aggregating to ₱6.92 million such as creditable and expanded withholding taxes, professional fees, documentary stamp tax and filing and registration fees.
- Decrease in Receivables was primarily due to clean-up of long-outstanding items.
- Investment in joint venture pertains to the Parent Company's ownership interest in BCEI which includes subscription cost (₱126.78 million) and accumulated share in net loss (₱4.59 million)
- Decrease in Property and equipment is due to depreciation.
- Increase in Deferred exploration costs was primarily due to due to the additional expenditures related to SC 55.
- Accrued expenses increased mainly due to accrued management and professional fees, as well as accrued interest expense booked in Q1 2022, none last year.
- Short-term loans payable pertain to the Parent Company's availment of ACEN's short-term loan facility to fund the initial subscription to BCEI.

Financial Soundness Indicators

Key Performance Indicator	Formula	Mar 2022	Dec 2021	Increase (Decrease) Amount	Increase (Decrease) %
Liquidity Ratios Current Ratio	Current assets / Current liabilities	**0.08**	0.35	(0.27)	(77%)
Acid test ratio	Cash + Short-term investments + Accounts receivables + Other liquid assets / Current liabilities	**0.08**	0.35	(0.27)	(77%)
Solvency Ratios Debt-to-equity ratio	Total liabilities / Total equity	**(65.41)**	5.21	(70.62)	(1355%)
Asset-to-equity ratio	Total assets / Total equity	**(64.41)**	6.21	(70.62)	(1137%)
Net bank Debt to Equity Ratio	Short & long-term loans - Cash & Cash Equivalents / Total Equity	**N/A**	N/A	N/A	N/A
Profitability Return on equity	Net income after tax / Average stockholders' equity	**N/A**	N/A	N/A	N/A
Return on assets	Net income after taxes / Average total assets	**N/A**	N/A	N/A	N/A
Asset turnover	Revenues / Average total assets	**N/A**	N/A	N/A	N/A

Current ratio and acid test ratio

Current ratio and acid test ratios decreased as the Group's current liabilities increased with the availment of short-term loan from ACEN.

Debt-to-equity ratio

The Group's debt-to-equity ratio is negative with the capital deficiency reported in Q1 2022.

Asset-to-equity ratio

As of March 31, 2022, asset-to-equity ratio is negative with the capital deficiency reported for the period.

Return on equity, Return on assets and Asset turnover

These ratios are not applicable since the Group has not started commercial operations yet.

During the first quarter 2022:

- 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 interim consolidated financial statements.
- There were no contingent assets or contingent liabilities since the last annual balance sheet date.
- The SC 55 consortium submitted an updated CINCO-1 Drilling Proposal to the DOE December 22, 2021. The Department of Energy has approved the Consortium's CINCO-1 Drilling Proposal, Oil Spill Contingency Plan, and Health, Safety and Environmental Management Plan on March 4, 2022. Specialized pre-drill geological and geophysical studies were completed while well planning and drilling preparations are ongoing. ACEX's subsidiary, Palawan 55, has 75% participating interest in SC 55 and is the Operator.
- The SC 6A consortium paid its outstanding financial obligations to the DOE in full as required for the DOE's approval of the former's relinquishment of said service contract. ACEX has 7.78% interest in SC 6 Block A.
- There were no other material trends, demands, commitments, events or uncertainties known to the Group that would likely affect adversely the liquidity of the Group.
- 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 were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.
- There were no operations subject to seasonality and cyclicality.

ANNEX B-1
Progress Report

ACE ENEXOR, INC.
PROGRESS REPORT
For the Quarter January 01, 2022 to March 31, 2022

SC 55 (Ultra Deepwater West Palawan)

The Department of Energy has approved the Consortium's CINCO-1 Drilling Proposal, Oil Spill Contingency Plan, and Health, Safety and Environmental Management Plan on 04 March 2022.

The Consortium is awaiting the DOE's response to its letter dated 14 July 2021, requesting unequivocal assurance that the government would protect and defend the drilling operations in SC 55 in light of the ongoing maritime disputes in the West Philippine Sea.

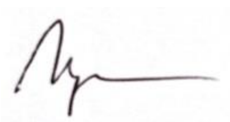
Completed specialized pre-drill geological and geophysical studies. Well planning and drilling preparations are ongoing.

Enexor's subsidiary, Palawan55 Exploration & Production Corporation, has 75% participating interest in SC 55 and is the Operator.

SC 6 Block A (Northwest Palawan)

The SC 6A consortium paid its outstanding financial obligations to the DOE in full as required for the DOE's approval of the former's relinquishment of said service contract.

Enexor has 7.78% interest in SC 6 Block A



Certified Correct:
RAYMUNDO A. REYES, JR.
General Manager

ANNEX C

Reports on SEC Form 17-C
The Company submitted SEC form 17-C and Press Statements to PSE, SEC on the following matters in the first quarter ended 31 March 2022:

1. January 6, 2022 – Change in Directors and/or Officers
2. January 6, 2022 – Submission of SEC Form 23-A of Rolando J. Paulino, Jr.
3. January 7, 2022 – Comprehensive Corporate Disclosure on Backdoor Listing - Property for shares swap between the Company and AC Energy Corporation ("ACEN") (sent in six tranches)
4. January 14, 2022 –Attendance record for the meetings of our Board of Directors for the year 2021.
5. January 14, 2022 –Investment Agreement by and among the Company, Buendia Christiana Holdings Corp., Red Holdings B.V., Batangas Clean Energy, Inc. and Gen X Energy L.P.
6. January 18, 2022 – Public Ownership Report
7. January 20, 2022 – List of Top 100 Stockholders for the period ended 31 December 2021
8. February 2, 2022 – Change in Directors and/or Officers
9. February 2, 2022 —Certification on Participation of Directors and Officers in Corporate Governance Training for the year ended 31 December 2021.
10. February 4, 2022 – Annual Verification of the Department of Energy
11. February 9, 2022 – Update on Property for shares swap between ACE Enexor, Inc. and AC Energy Corporation.
12. February 15, 2022 –Notice to Shareholders to Update Contact Information.
13. March 10, 2022 – Change in Directors and/or Officers Officers
14. March 10, 2022 –Amendment of the By-Laws to change principal address and the corporate name.
15. March 10, 2022 –Amendment of the Articles of Incorporation to Change the Principal Place of Business and the Corporate Name.
16. March 10, 2022 –Matters take up at the regular meeting of the Board of Directors on 9 March 2022, via video conferencing:
    a. Schedule and agenda for the 2022 Annual Stockholders' Meeting;
    b. Amendment to the Articles of Incorporation and By-laws to change the corporate name;
    c. The Company's 2021 Audited Financial Statements;
    d. Re-appointment of SGV & Co. as the Company's external auditor for 2022 subject to approval of the stockholders during the 2022 Annual Stockholders' Meeting; and
    e. Appointment of Mr. Arnel A. Racelis as the Company's OIC Chief Audit Executive
17. March 10, 2022 – Notice of Annual Stockholders' Meeting.
18. March 10, 2022 –Submission of the SEC Form 23-A of Mr. Arnel A. Racelis.
19. March 10, 2022 - 2021 Financial Statements.
20. March 11, 2022 – Amendment of Notice of Annual Stockholders' Meeting.
21. March 18, 2022 - Department of Energy Approval of Service Contract No. 55 Updated Cinco-1 Drilling Proposal.
22. March 22, 2022 -- Material Information/Transactions - Executive Committee approval of Follow-On Offering.
23. March 22, 2022 – Amendment of Notice of Annual Stockholders' Meeting.
24. March 28, 2022 - Executive Committee approval of the Company's Shelf Registration.
25. March 29, 2022 -2021 Audited Financial Statements.
26. March 30, 2022 – Amendment of Notice of Annual Stockholders' Meeting.
27. March 31, 2022 – Amendment of Notice of Annual Stockholders' Meeting.
28. April 5, 2022 –The Company's Definitive Information Statement for the 2022 Annual Stockholders' Meeting.