COVER SHEET
for
SEC FORM 17-Q

SEC Registration Number

A S O 9 4 - 8 8 1 1

Company Name

ENEX ENERGY CORP.
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	SEC	NA

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
corpsec. aceph@acenergy.com.ph	+(632) 7-730-6300	09278370863

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
2,893	April 24	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	alan.ascalon@acenrenewables.com	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, 2023**

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 **ENEX ENERGY CORP.**

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 12, 2023.

ENEX ENERGY CORP.

MARIA CORAZON G. DIZON
President and Chief Executive Officer

HANNIELYN F. TUCAY
Treasurer and Chief Financial Officer

Annex A

ENEX Energy Corp.
and Subsidiary

Unaudited Interim Condensed Consolidated Financial Statements
as at March 31, 2023 (with Comparative Audited Figures
as at December 31, 2022) and for the three-month periods ended
March 31, 2023 and 2022.

ENEX ENERGY CORP.
AND SUBSIDIARY

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31 2023 (Unaudited)	December 31 2022 (Audited)
ASSETS		
Current Assets		
Cash (Notes 4 and 13)	**₱9,368,440**	₱13,435,336
Receivables (Notes 5 and 13)	**27,601**	27,601
Other current assets	**24,399**	24,399
Total Current Assets	**9,420,440**	13,487,336
Noncurrent Assets		
Investment in a joint venture (Notes 6 and 9)	**104,401,553**	111,452,351
Deferred exploration costs (Note 7)	**57,150,549**	57,150,549
Property and equipment	**250,196**	289,701
Total Noncurrent Assets	**161,802,298**	168,892,601
TOTAL ASSETS	**₱171,222,738**	₱182,379,937
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 8 and 13)	**₱95,753,311**	₱92,909,868
Subscription payable (Notes 6, 9 and 13)	**23,436,960**	23,436,960
Short-term loan (Note 9 and 13)	**127,000,000**	127,000,000
Total Liabilities	**246,190,271**	243,346,828
Equity		
Attributable to Equity Holders of the Parent Company:		
Capital stock (Note 10)	**250,000,001**	250,000,001
Deficit	**(320,460,772)**	(306,529,127)
	(70,460,771)	(56,529,126)
Non-controlling interest (Note 12)	**(4,506,762)**	(4,437,765)
Total Capital Deficiency	**(74,967,533)**	(60,966,891)
TOTAL LIABILITIES AND CAPITAL DEFICIENCY	**₱171,222,738**	₱182,379,937

See accompanying Notes to Consolidated Financial Statements.

ENEX ENERGY CORP.
AND SUBSIDIARY

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the three months ended March 31	
	2023 (Unaudited)	2022 (Unaudited)
EXPENSES		
Management and professional fees	**₱3,922,985**	₱6,406,000
Taxes, registration, and license fees	**425,349**	1,580,853
Depreciation	**39,505**	41,939
Advertising and promotion	**–**	196,800
Insurance	**–**	32,102
Transportation	**–**	7,000
Others	**39,536**	101,386
	4,427,375	8,366,080
OTHER CHARGES – NET		
Equity in net loss of a joint venture (Note 6)	**7,050,798**	6,644,255
Interest expense (Note 9)	**2,284,560**	1,038,182
Foreign exchange loss (gain) – net	**239,842**	(271,472)
Interest income (Note 4)	**(1,933)**	(2,608)
	9,573,267	7,408,357
LOSS BEFORE INCOME TAX	**14,000,642**	15,774,437
PROVISION FOR INCOME TAX	**–**	–
NET LOSS	**14,000,642**	15,774,437
OTHER COMPREHENSIVE INCOME	**–**	–
TOTAL COMPREHENSIVE LOSS	**14,000,642**	₱15,774,437
Total Comprehensive Loss Attributable to:		
Equity holders of the Parent Company	**₱13,931,645**	₱15,823,577
Non-controlling interest (Note 12)	**68,997**	(49,140)
	₱14,000,642	₱15,774,437
Basic/Diluted Loss Per Share (Note 11)	**₱0.056**	₱0.063

See accompanying Notes to Consolidated Financial Statements.

ENEX ENERGY CORP.
AND SUBSIDIARY

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY/(CAPITAL DEFICIENCY)
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022

	Attributable to Equity Holders of the Parent Company				
	Capital Stock (Note 10)	Deficit	Total	Non-controlling Interest (Note 12)	Total Equity
BALANCES AT JANUARY 1, 2023	**₱250,000,001**	**(₱306,529,127)**	**(₱56,529,126)**	**(₱4,437,765)**	**(₱60,966,891)**
Total comprehensive loss/ net loss for the period	**–**	**(13,931,645)**	**(13,931,645)**	**(68,997)**	**(14,000,642)**
BALANCES AT MARCH 31, 2023	**₱250,000,001**	**(₱320,460,772)**	**(₱70,460,771)**	**(₱4,506,762)**	**(₱74,967,533)**
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)

See accompanying Notes to Consolidated Financial Statements.

ENEX ENERGY CORP.
AND SUBSIDIARY

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31	
	2023 (Unaudited)	2022 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	**(₱14,000,642)**	(₱15,774,437)
Adjustments for:		
Equity in net losses of joint venture (Note 6)	**7,050,798**	6,644,255
Interest expense (Note 9)	**2,284,560**	1,038,182
Unrealized foreign exchange gain (loss)	**(227,565)**	271,830
Depreciation	**39,505**	41,939
Interest income (Note 4)	**(1,933)**	(2,608)
Provision for probable losses (Note 7)	**–**	16,204
Operating loss before working capital changes	**(4,855,277)**	(7,764,635)
Decrease in:		
Receivables	**–**	198,842
Accounts payable and other current liabilities	**(2,602,766)**	(3,420,050)
Cash used in operations	**(7,458,043)**	(10,985,843)
Interest received	**1,933**	2,608
Net cash used in operating activities	**(7,456,110)**	(10,983,235)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Investment in a joint venture (Note 6)	**–**	(126,783,040)
Deferred exploration costs (Note 7)	**–**	(777,924)
Net cash used in investing activities	**–**	(127,560,964)
CASH FLOWS FROM A FINANCING ACTIVITIES		
Availments of short-term loans (Note 9)	**–**	127,000,000
Increases in due to related parties	**3,161,649**	4,899,107
Net cash from financing activities	**3,161,649**	131,899,107
NET DECREASE IN CASH	**(4,294,461)**	(6,645,092)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	**227,565**	(271,830)
CASH AT BEGINNING OF PERIOD	**13,435,336**	22,993,727
CASH AT END OF PERIOD (Note 4)	**₱9,368,440**	₱16,076,805

See accompanying Notes to Consolidated Financial Statements.

1. **Corporate Information**

ENEX Energy Corp. (“ENEX” 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 ACEN CORPORATION (“ACEN” or the Intermediate Parent Company). ACEN is 57.74% owned by AC Energy and Infrastructure Corporation (ACEIC), a wholly owned subsidiary of Ayala Corporation (“AC”). AC is a publicly listed company incorporated in the Philippines which is 47.91% owned by Mermac, Inc. (ultimate parent company), and the rest by the public.

As at May 12, 2023, ENEX and Palawan55 have not yet started commercial operations.

On November 10, 2021, ENEX’s Board of Directors (BOD) approved the amendment to the Articles of Incorporation and By-laws to change the principal office of the Parent Company from “4th Floor, 6750 Office Tower, Ayala Avenue, Makati City 1226, Philippines” to “35th Floor Ayala Triangle Gardens Tower 2, Paseo De Roxas Cor. Makati Avenue, Makati City 1226, Philippines.”
On March 9, 2022, ENEX’s 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.”. Both amendments were approved by the Securities and Exchange Commission (SEC) on November 9, 2022. The change in registered corporate name was approved on April 4, 2023 by the Bureau of Internal Revenue (BIR), while change in registered address is still for approval by the BIR as of report date.

The Group’s oil and gas operation pursuant to service contract (SC) 55 is in the exploratory stage. The Department of Energy (DOE) confirmed the entry of SC 55 into the Appraisal Period effective April 26, 2020. The SC 55 Consortium, comprised of the Parent Company (owning 75%) and Pryce Gases, Inc. (owning 25%) has completed Quantitative Interpretation Studies and Resource Assessment. Committed work program under the Appraisal Period includes Geological and Geophysical studies and drilling of a well within the next two years. Subsequently, Palawan55 received a letter from DOE dated May 11, 2021 approving its request to place SC 55 under force majeure for a period of one year until April 26, 2023. The letter also states that the timeline of the SC 55 will be adjusted accordingly, and the end of the period will be adjusted by the same amount of time that SC 55 was on force majeure. The SC 55 consortium submitted an updated CINCO-1 Drilling Proposal to the DOE on December 22, 2021. The document is currently being evaluated by Petroleum Resources Development Division. Specialized pre-drill geological and geophysical studies were completed. Further, the Group intends to identify strategic partners that can provide financial, technical and operational expertise.

On November 19, 2021, the Parent Company, Buendia Christiana Holdings Corp. (“BCHC”, a subsidiary of ACEN), Red Holdings B.V. (“Gen X Energy”), Batangas Clean Energy, Inc. (BCEI) and Gen X Energy L.P. entered into an Investment Agreement, pursuant to which the Parent Company would acquire a 50% interest in BCEI, which is planning 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 Parent Company, together with its joint venture partners, has started some pre-development activities which will help bring the project to construction phase. Consequently, BCEI will incur pre-development losses during this period which will be taken up by the Parent Company as share in equity losses. The plant is targeted to achieve commercial operations two years from start of construction in line with the goal of providing additional power supply in the coming years.

The consolidated financial statements have been prepared on the basis that the Group will continue as a going concern. The Group has incurred net losses amounting to ₱13.93 million and ₱15.82 million for the years ended March 31, 2023 and 2022, respectively, and has a capital deficiency amounting to ₱74.97 and ₱60.97 million as at March 31, 2023 and December 31, 2022. The projects of the Group are at pre-development stage which contributes to the capital deficiency and raises an issue on the Group's going concern status. In view thereof, ACEN commits, for the next 12 months from the year-end 2022 auditor's report date and provided ENEX remains a direct subsidiary of ACEN, to provide financial support to ENEX.

The accompanying unaudited interim condensed consolidated financial statements of ENEX and its subsidiary as at March 31, 2023, and for the three-month periods ended March 31, 2023 and 2022 were approved and authorized for issuance by the Parent Company's Audit Committee (pursuant to the authority delegated by the Parent Company's BOD) on May 12, 2023.

2. Summary of Significant Accounting Policies

Basis of Preparation and Statement of Compliance

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 period ended March 31, 2023.

Basis of Consolidation

The unaudited interim consolidated financial statements comprise the financial statements of the Parent Company and its subsidiary, Palawan55, as at March 31, 2023 and December 31, 2022. 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.

Changes in Accounting Policies

The accounting policies adopted in the preparation of the unaudited 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, 2022, except for the adoption of new standards and amendments effective as at January 1, 2023. The Group has not early adopted may standard, interpretation or amendment that has been issued but is not yet effective.

Effective beginning on or after January 1, 2023

- 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.

- 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 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.

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 7).

Exercise of Joint Control
Pursuant to the Subscription Agreements executed between the ENEX and BCEI on January 14, 2022, ENEX 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, 2023, 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 did not recognize impairment loss in March 31, 2023 and 2022. The carrying value of deferred exploration costs amounted to ₱57.15 million as at March 31, 2023 and December 31, 2022 (see Note 7).

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, 2022 amounted to ₱41.04 million and ₱40.80 million respectively.

4. Cash

Cash in banks amounted to ₱9.37 million and ₱13.44 million as at March 31, 2023 and December 31, 2022, respectively. Cash in banks earn interest at the respective bank deposit rates.

Interest income on cash amounted to ₱1,933 and ₱2,608 as at March 31, 2023 and 2022, respectively.

5. Receivables

This account consists of the following:

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Due from third party	**₱20,000,000**	₱20,000,000
Others	**27,601**	27,601
	20,027,601	20,027,601
Less allowance for credit losses	**20,000,000**	20,000,000
	₱27,601	₱27,601

The aging analysis of receivables is as follows:

	March 31, 2023 (Unaudited)						
			Past Due but not Impaired				
	Total	**Neither Past Due nor Impaired**	**<30 Days**	**30–60 Days**	**61–90 Days**	**Over 90 Days**	**Past Due and Impaired**
Due from third party	**₱20,000,000**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱20,000,000**
Others	**27,601**	**27,601**	**–**	**–**	**–**	**–**	**–**
	₱20,027,601	**₱27,601**	**₱–**	**₱–**	**₱–**	**₱–**	**₱20,000,000**

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

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

6. Investment in a Joint Venture

On January 14, 2022, ENEX, BCEI, and Gen X Energy executed the Shareholders' Agreement and Subscription Agreements (see Note 1). ENEX subscribed to a total of 150,002 shares in BCEI for a total subscription price of ₱150.22 million, of which ₱23.44 million remains unpaid and presented under "Subscription payable" in the consolidated statement of financial position.

BCEI is a joint venture to develop a 1,100MW combined cycle power plant that will be able to use natural gas and/or green hydrogen as its fuel. BCEI's principal place of business and country of incorporation is Batangas City, Philippines.

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

	March 31, 2023 (Unaudited)	December 31, 2023 (Audited)
Acquisition costs	₱150,220,000	₱150,220,000
Equity in net losses	(45,818,447)	(38,767,649)
Balance at end of period	₱104,401,553	₱111,452,351

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, 2023 are shown below:

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Summarized Statements of Financial Position:		
Cash	₱29,628,351	₱47,356,728
Subscription receivable	46,871,323	46,871,323
Other current assets	10,425,164	10,065,993
Total assets	86,924,838	104,294,044
Accounts payable and other current liabilities	(1,241,269)	(4,508,880)
Total liabilities	(1,241,269)	(4,508,880)
Equity	₱85,683,569	₱99,785,164
Summarized Statements of Comprehensive Income:		
Revenue	₱–	₱–
Interest income	3,640	239,585
Interest expense	–	–
Depreciation	–	–
Cost and expenses	(14,105,235)	(77,774,883)
Net loss	(14,101,595)	(77,535,298)
Other comprehensive income	–	–
Total comprehensive loss	(14,101,595)	(77,535,298)
Group's share in total comprehensive loss	₱7,050,798	(₱38,767,649)

7. Deferred Exploration Costs

Details of deferred exploration costs are as follows:

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
ENEX		
SC 6 (Northwest Palawan):		
Block A	**₱23,963,291**	₱23,963,291
Block B	**4,892,178**	4,892,178
SC 50 (Northwest Palawan)	**11,719,085**	11,719,085
	40,574,554	40,574,554
Less allowance for probable losses	**40,574,554**	40,574,554
Palawan55		
SC 55 (Southwest Palawan)	**57,150,549**	57,150,549
	₱57,150,549	₱57,150,549

Below is the rollforward analysis of the deferred exploration costs:

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Cost:		
Balances at beginning of period	**₱96,251,541**	₱96,251,541
Additions	**1,473,562**	1,473,562
Balance at end of period	**97,725,103**	97,725,103
Allowance for a probable loss:	**40,574,554**	40,574,554
Net book value	**₱57,150,549**	₱57,150,549

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 ₱11.72 million due to the expiration of the SC's term and denial by the DOE of the request for Force Majeure.

In 2017, the Group recognized full provision for probable losses on deferred exploration costs pertaining to SC 6B amounting to ₱4.89 million due to the Parent Company's relinquishment of its participating interest, but not the carried interest to its partners. SC 6 will expire in February 2024.

On January 27, 2021, the ENEX 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 ₱23.96 million.

On September 5, 2022, the DOE approved the relinquishment of SC 6A following the Consortium's compliance with all its technical and financial obligation with DOE.

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. ENEX has 7.78% interest in SC 6 Block A.

Write-off of SC 6A will be done upon approval by the BOD and completion of the requirements of the BIR on the write-off of intangible assets.

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. ENEX's subsidiary, Palawan 55, has 75% participating interest in SC 55 and is the Operator.

On March 4, 2022, the DOE approved the CINCO-1 Drilling Proposal, Oil Spill Contingency Plan, and Health, Safety and Environmental Plan in accordance with the SC 55 Appraisal Work Program.

On October 20, 2022, the Palawan Council for Sustainable Development approved the transfer of SC 55 Strategic Environment Plan from BHP Billiton, the former Operator of SC, to the current Operator Palawan55.

On December 5, 2022, the SC 55 Consortium requested from the DOE a declaration of Force Majeure on the commitment to drill one deepwater well by April 2023 due to the geopolitical issues in the West Philippine Sea and recent regulatory developments in the upstream industry.

The Consortium is awaiting DOE's unequivocal assurance that the government would protect and defend the drilling operations in SC 55 in light of the ongoing maritime disputes in the area.

Additions for the year 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. The consortium conducted scoping activities for the environmental baseline study as part of the ongoing well planning and drilling preparations. ENEX's subsidiary, Palawan 55, has 75% participating interest in SC 55 and is the Operator.

As at March 31, 2023 and December 31, 2022, Palawan55 holds 75.00% and 37.50% participating interests in SC 55, respectively, and has met all compliance requirements of the DOE.

No impairment was recognized for SC 55 as at March 31, 2023 and December 31, 2022 as there are no indicators for impairment.

8. Accounts Payable and Other Current Liabilities

This account consists of:

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Accrued expenses	**1,363,845**	₱1,858,146
Accounts payable	**1,780,249**	1,545,900
Due to:		
Related parties (Note 9)	**59,890,527**	54,444,318
Third party	**32,714,935**	32,714,935
Withholding taxes	**3,755**	2,346,569
	₱95,753,311	₱92,909,868

Accrued expenses include accruals for professional fees such as retainers fee and audit fee that are noninterest-bearing and are normally settled on 30 to 60-day net terms from the date of billing. This also includes accrual for training obligations for SC 6A and SC 55 payable to the DOE.

Accounts payable consists of trade payables to suppliers and service providers which are noninterest bearing and are settled on 30 to 60-day terms.

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.

9. 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, 2023 and year ended December 31, 2022 with related parties are as follows:

	For the three months ended March 31, 2023 (Unaudited)					
	Amount/		Outstanding Balance			
Company	Volume	Nature	Receivable	Payable	Terms	Conditions
ACEIC						
Accrued expenses and other current liabilities - Due to related parties (see Note 8)	**₱–**	Advances	**₱–**	**₱58,200**	Due and demandable, noninterest-bearing	Unsecured
Entities Under Common Control						
ACE Shared Services, Inc. **(ACES)**						
Accrued expenses and other current liabilities - Due to related parties (see Note 8)	**–**	Other Expenses	**–**	**29,890**	Due and demandable, noninterest-bearing	Unsecured
BPGC						
Accrued expenses and other current liabilities - Due to related parties (see Note 8)	**–**	Advances	**–**	**4,000,000**	Due and demandable, noninterest-bearing	Unsecured
Joint venture						
BCEI						
Subscription payable (see Note 6)	**–**	Subscription payable		**23,436,960**	Due and demandable, noninterest-bearing	Unsecure
Intermediate Parent Company						
ACEN						
Short-term loans	**–**	Short-term loans	**–**	**127,000,000**	Interest-bearing	Unsecured
Accrued expenses and other current liabilities - Due to related parties (see Note 8)	**3,161,649**	Management and professional fees	**–**	**13,838,003**	Due and demandable, noninterest-bearing	Unsecured
Accrued expenses and other current liabilities – Due to related parties (see Note 8)	**–**	Management and professional fees capitalized as deferred exploration cost	**–**	**12,240,000**	Due and demandable, noninterest-bearing	Unsecured
Accrued expenses and other current liabilities – Due to related parties (see Note 8)	**–**	Management and professional fees charged to consortium partner	**–**	**5,100,000**	Due and demandable, noninterest-bearing	Unsecured
Accrued expenses and other current liabilities – Due to related parties (see Note 8)	**–**	Advances	**–**	**17,809,449**	Due and demandable, noninterest-bearing	Unsecured
Accrued interest expense	**2,284,560**	Interest expense on short-term loans	**–**	**6,814,985**	Interest-bearing	Unsecured

	As at and for the Year Ended December 31, 2022 (Audited)					
	Amount/		Outstanding Balance			
Company	Volume	Nature	Receivable	Payable	Terms	Conditions
ACEIC						
Accrued expenses and other current liabilities - Due to related parties (see Note 8)	₱67,200	Advances	₱–	₱58,200	Due and demandable, noninterest-bearing	Unsecured
Entities Under Common Control						
ACE Shared Services, Inc. **(ACES)**						
Accrued expenses and other current liabilities - Due to related parties (see Note 8)	29,890	Other Expenses	–	29,890	Due and demandable, noninterest-bearing	Unsecured
BPGC						
Accrued expenses and other current liabilities - Due to related parties (see Note 8)	4,000,000	Advances	–	4,000,000	Due and demandable, noninterest-bearing	Unsecured
Joint venture	23,436,960	Subscription payable		23,436,960	Due and demandable,	Unsecure

	As at and for the Year Ended December 31, 2022 (Audited)					
	Amount/		Outstanding Balance			
Company	Volume	Nature	Receivable	Payable	Terms	Conditions
BCEI					noninterest-bearing	
Subscription payable (see Note 6)						
Intermediate Parent Company						
ACEN						
Short-term loans	127,000,000	Short-term loans	–	127,000,000	Interest-bearing	Unsecured
Accrued expenses and other current liabilities - Due to related parties (see Note 8)	9,680,416	Management and professional fees	–	10,676,354	Due and demandable, noninterest-bearing	Unsecured
Accrued expenses and other current liabilities – Due to related parties (see Note 8)	–	Management and professional fees capitalized as deferred exploration cost	–	12,240,000	Due and demandable, noninterest-bearing	Unsecured
Accrued expenses and other current liabilities – Due to related parties (see Note 8)	–	Management and professional fees charged to consortium partner	–	5,100,000	Due and demandable, noninterest-bearing	Unsecured
Accrued expenses and other current liabilities – Due to related parties (see Note 8)	5,264,988	Advances	–	17,809,449	Due and demandable, noninterest-bearing	Unsecured
Accrued interest expense	5,329,912	Interest expense on short-term loans	–	4,530,425	Interest-bearing	Unsecured

ACEN

Payables to ACEN as at March 31, 2023 comprise of advances received by ENEX to cover for working capital as well as interest expense on short-term loans.

Short-term Loans

On December 10, 2021, the ENEX BOD approved the availment of a short-term loan from ACEN of up to ₱150.00 million to fund the initial subscription by ENEX to shares in BCEI and authorized ENEX to secure bank loans in an aggregate amount of up to ₱150.00 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 ENEX. As at March 31, 2023, a total of ₱127.00 million was already availed by ENEX to fund its investment in BCEI.

Interest expense related to short-term loan amounted to ₱2.28 million for the quarter ended March 31, 2023. The loan is subjected to 3.875% per annum, payable on or before November 10, 2022. On November 11, 2022, extension of the loan was granted. The loan is now subject to 7.2954% p.a., payable on or before November 10, 2023. Total interest expense remains unpaid as at March 31, 2023.

BPGC

BPGC provided advances to ENEX in 2022 amounting to ₱4.00 million for its operating expenses.

BCEI

Subscription payable as at March 31, 2023 amounting to ₱23.44 million pertains to unpaid balance for investment in BCEI.

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.

10. Capital Stock

Following are the details of the Parent Company's capital stock as at March 31, 2023 and December 31, 2022:

	March 31, 2023 (Unaudited)	December 31, 2022 (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, 2023 and December 31, 2022 are held by 2,893 equity holders.

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 as of March 31, 2023 and December 31, 2022.

11. **Basic/Diluted Loss Per Share**

Basic/diluted loss per share is computed as follows:

	For the three months ended March 31	
	2023 (Unaudited)	2022 (Unaudited)
(a) Net loss attributable to equity holders of the Parent Company	**₱13,931,646**	₱15,823,577
(b) Weighted average number of common shares outstanding	**250,000,001**	250,000,001
Basic/diluted loss per share (a/b)	**₱0.056**	₱0.063

As at March 31, 2023 and December 31, 2022, 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.

12. **Material Partly Owned Subsidiary**

Financial information of Palawan55 is provided below:

	For the three months ended March 31	
	2023 (Unaudited)	2022 (Unaudited)
Equity interest held by NCI	**30.65%**	30.65%
Accumulated balances of NCI	**₱4,506,762**	₱4,580,997
Net loss (income) allocated to NCI	**68,997**	(49,140)

The summarized financial information of Palawan55 is provided below.

<u>Statements of Comprehensive Income</u>

	For the three months ended March 31	
	2023 (Unaudited)	2022 (Unaudited)
Other loss (income)	**₱220,558**	(₱171,085)
Expenses	**4,560**	10,754
Total comprehensive loss (income)	**₱225,118**	(₱160,331)
Attributable to NCI	**₱68,997**	(₱49,140)

Statements of Financial Position

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Total current assets	**₱8,657,414**	₱8,907,177
Total noncurrent assets	**57,150,549**	57,150,549
Total current liabilities	**(80,514,099)**	(80,538,719)
Total capital deficiency	**(₱14,706,136)**	(₱14,480,993)
Attributable to equity holders of the Parent Company	**(₱10,199,374)**	(₱10,043,228)
NCI	**(₱4,506,762)**	(₱4,437,765)

Cash Flow Information

	For the three months ended March 31	
	2023 (Unaudited)	2022 (Unaudited)
Net cash flows provided by:		
Operating activities	**₱249,739**	₱782,864
Investing activities	**–**	–
Financing activity	**–**	–

There were no dividends paid to NCI in the three-month period ended March 31, 2023 and 2022.

13. **Financial Assets and Financial Liabilities**

Financial Risk Management Objectives and Policies

The main purpose of the Group's principal financial instruments is to fund it operations and capital expenditures. The main risk arising from the use of the financial instruments are credit risk and liquidity risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. The Group's holding of cash and due from related parties exposures the Group to credit risk of the counterparty. Credit risk management involves dealing only with institutions for which credit limits have been established.

The following table shows the maximum exposure to credit risk for the components of the statement of financial position:

	March 31, 2023	December 31, 2022
Cash	**₱9,368,440**	₱13,435,336
Receivables	**27,601**	27,601
	₱9,396,041	₱13,462,937

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, 2023 (Unaudited)					
	Neither Past Due nor Impaired			**Past Due but not**	**Past Due Individually**	
	Class A	**Class B**	**Class C**	**Impaired**	**Impaired**	**Total**
Due from third party	**₱–**	**₱–**	**₱–**	**₱–**	**₱20,000,000**	**₱20,000,000**
Others	**–**	**–**	**–**	**27,601**	**–**	**27,601**
	₱–	**₱–**	**₱–**	**₱27,601**	**₱20,000,000**	**₱20,027,601**

	December 31, 2022 (Audited)					
	Neither Past Due nor Impaired			Past Due but not	Past Due Individually	
	Class A	Class B	Class C	Impaired	Impaired	Total
Due from third party	₱–	₱–	₱–	₱–	₱20,000,000	₱20,000,000
Others	–	–	–	27,601	–	27,601
	₱–	₱–	₱–	₱27,601	₱20,000,000	₱20,027,601

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, 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 the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments.

The Group manage liquidity risk by maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover working capital requirements. The Group maintains a level of cash deemed sufficient to finance its operations. As part of liquidity risk management, the Group regularly evaluates its projected and actual cash flows.

The Group's financial assets and financial liabilities are settled within one year.

Fair Value Information
The carrying value of the Group's cash in banks, receivables, accounts payable and other liabilities, and short-term loans approximate their fair values due to short-term nature of these instruments.

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 as of March 31, 2023 and December 31, 2022.

Capital includes all the items appearing in the equity section of the Group's consolidated statements of financial position at net capital deficiency of ₱74.97 million as at March 31, 2023 and net equity of ₱60.97 as at December 31, 2022.

Fair Value of Financial Assets and Financial Liabilities
Cash, Receivables and Accounts Payable Other Current Liabilities. Due to the short-term nature of these balances, the fair values approximate the carrying values as at reporting date.

In 2023 and 2022, 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, 2023 and December 31, 2022.

14. **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, 2023 and for the year ended December 31, 2022 were nil and ₱1.47 million, respectively, mainly on deferred exploration cost (see Note 8).

As at May 12, 2023, the Group has not started commercial operations yet and has no revenue or gross profit. The total assets of the segment of ₱171.22 million and ₱182.38 million and liabilities amounting to ₱246.19 million and ₱243.35 million as at March 31, 2023 and December 31, 2022, 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 ENEX Energy Corp. or "ENEX" and its subsidiary should be read in conjunction with the unaudited interim consolidated financial statements as at March 31, 2023, for the three months ended March 31, 2023 and 2022 and the audited consolidated financial statements as at December 31, 2022. The unaudited interim consolidated financial statements have been prepared in compliance with the Philippine Financial Reporting Standards.

Consolidated Statements of Income

	For the three months ended March 31		Increase (Decrease)	
	2023	2022	**Amount**	**%**
Expenses	**₱4,427,375**	₱8,366,080	(₱3,938,705)	(47%)
Other charges loss (income) - net	**9,573,267**	7,408,357	(2,164,910)	29%
Loss before income tax	**14,000,642**	15,774,437	1,773,795	(11%)
Benefit from income tax	–	–	–	–
Net Loss	**₱14,000,642**	₱15,774,437	₱1,773,795	(11%)

The following are the material changes in the Consolidated Statements of Comprehensive Income for the three months ended March 31, 2023 and 2022:

- Decrease in management and professional fees, taxes, licenses and registration fees and other expenses from last year following limited activity in current year.

- Other charges (income) – net mainly came from equity in net losses of the Parent Company's joint venture investee (BCEI) (₱7.05 million). These are ENEX's share in pre-development expenses of BCEI, interest expense on short-term loan from ACEN (₱2.28 million) and foreign exchange losses from dollar-denominated deposits with the depreciation of the US dollar.

Consolidated Statements of Financial Position

	March	December	Increase (Decrease)	
	2023	2022	**Amount**	**%**
Current Assets				
Cash	**₱9,368,440**	₱13,435,336	(₱4,066,896)	(30%)
Noncurrent Assets				
Investment in a joint venture	**₱104,401,553**	₱111,452,351	(₱7,050,798)	(6%)
Property and equipment	**250,196**	289,701	(39,505)	(14%)
Deferred exploration costs	**57,150,549**	57,150,549	–	–

	March	December	**Increase (Decrease)**	
	2023	2022	**Amount**	**%**
Current Liabilities				
Accounts payable and other current liabilities	**₱95,753,311**	₱92,909,868	(₱2,843,443)	3%
Short-term loans payable	**127,000,000**	127,000,000	–	–
Subscription payable	**23,436,960**	23,436,960	–	–

The following are the material changes in the Consolidated Statements of Financial Position as at March 31, 2023 and December 31, 2022:

- Decrease in Cash was primarily due to payment of various working capital expenditures related to the Group's activities for the current period aggregating to ₱4.07 million.
- Investment in joint venture pertains to the Parent Company's ownership interest in BCEI which includes subscription cost (₱150.22 million) and accumulated share in net loss (₱45.82 million)
- Decrease in Property and equipment is due to depreciation.
- Accounts payable and other current liabilities decreased mainly due to payment of withholding taxes to the BIR.

Financial Soundness Indicators

Key Performance Indicator	**Formula**	**Mar 2023**	**Dec 2022**	**Increase (Decrease)**	
				Amount	**%**
Liquidity Ratios					
Current Ratio	Current assets / Current liabilities	**0.04**	0.06	(0.02)	(33%)
Acid test ratio	Cash + Short-term investments + Accounts receivables + Other liquid assets / Current liabilities	**0.04**	0.06	(0.02)	(33%)
Solvency Ratios					
Debt-to-equity ratio	Total liabilities / Total equity	**(3.28)**	(3.99)	0.71	(18%)
Asset-to-equity ratio	Total assets / Total equity	**(2.28)**	(2.99)	0.71	(24%)
Net bank Debt to Equity Ratio	Short & long-term loans - Cash / Total Equity	**N/A**	N/A	N/A	N/A

Key Performance Indicator	Formula	Mar 2023	Dec 2022	Increase (Decrease) Amount	%
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 additional cash used in operations and increase in Accrued expenses and other liabilities.

Debt-to-equity ratio

The Group's debt-to-equity ratio is negative with the capital deficiency reported in Q1 2023, same as last year.

Asset-to-equity ratio

As of March 31, 2023, 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 2023:

- 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 Group, 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.
- ENEX's subsidiary, Palawan 55, has 75% participating interest in SC 55 and is the Operator.
- 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

ENEX Energy Corp. (formerly ACE ENEXOR, INC.)
PROGRESS REPORT
For the Quarter January 31 to March 31, 2023

SC 55 (Ultra Deepwater West Palawan)

The SC 55 Consortium requested from the DOE a declaration of Force Majeure on the commitment to drill one (1) deepwater well by April 2023 due to the geopolitical issues in the West Philippine Sea and recent regulatory developments in the upstream industry.

The Consortium is awaiting DOE's unequivocal assurance that the government would protect and defend the drilling operations in SC 55 in light of the ongoing maritime disputes in the area.

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

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 2023:

1. January 9, 2023 – Attendance of Directors in the meetings for year 2022
2. January 9, 2023 – Clarification of news article entitled, "P60-billion Batangas power plant set to start construction in August" posted in manilastandard.net on January 8, 2023
3. January 13, 2023 – Public Ownership Report as of December 31, 2022
4. January 16, 2023 – List of Top 100 Stockholders of December 31, 2022
5. January 23, 2023 – Change in Stock Transfer Agent effective February 1, 2023
6. February 21, 2023 – Annual Certification of the Department of Energy
7. March 21, 2023 – Matters approved at the regular board meeting held on March 21, 2023
    a. Schedule, mode of conduct, and agenda of the 2023 annual stockholders' meeting ("ASM");
    b. Issuance of a Letter of Support to subsidiary Palawan55 Exploration & Production Corporation;
    c. The Company's 2022 audited financial statements; and
    d. Re-appointment of SGV & Co. as the Company's external auditor for 2023 and endorsement thereof to the stockholders for approval at the 2023 ASM.
8. March 21, 2023 – Detailed Notice and Agenda of the 2023 Annual Stockholders' Meeting
9. March 21, 2023 – Resignation of Michael E. Limbo as Chief Audit Executive effective 30 March 2023
10. March 29, 2023 – Notice of Company's Definitive Information Statement to be uploaded at https://enexor.com.ph/2023-dis/