

COVER SHEET

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SEC Registration Number

E N E X E N E R G Y C O R P . A N D
S U B S I D I A R Y

(Company's Full Name)

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G A R D E N S T O W E R 2 , P A S E O D E
R O X A S C O R N E R M A K A T I A V E N U E ,
M A K A T I C I T Y 1 2 2 6

(Business address: No. Street City / Town / Province)

ATTY. ALAN T. ASCALON

Contact Person

(632) 7730-6300

Company's Telephone Number

1 2

Month

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Form Type

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Not Applicable

(Secondary License Type, If Applicable)

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Amended Articles Number/Section

Total Amount of Borrowings

2,889

Total No. of Stockholders

-

Domestic

-

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

CASHIER

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Remarks: Please use BLACK ink for scanning purposes.

SEC Number: 094008811
File Number: _____

ENEX Energy Corp.
(Company's Full Name)

**35th Floor, Ayala Triangle Gardens Tower 2,
Paseo de Roxas corner Makati Avenue, Makati City**
(Company's Address)

(632) 7730-6300
(Telephone Number)

2024 June 30
(Fiscal Year ending) (month & day)

SEC FORM 17-Q
(Form Type)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES

- 1. For the fiscal period ended **June 30, 2024**
- 2. Commission identification number **094008811**
- 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, Philippines**
- 6. Industry Classification Code: (SEC Use Only)
- 7. Address of issuer's principal office **35th Floor, Ayala Triangle Gardens
Tower 2, Paseo de Roxas corner
Makati Avenue, Makati City
Postal Code: 1226**
- 8. Issuer's telephone number, including area code **(632) 7730-6300**
- 9. Former name, former address and former fiscal year, if changed since last report **ACE Enexor, Inc.**
- 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 No
 - Stock Exchange : Philippine Stock Exchange
 - Classes of Securities Listed : Common shares
- 12. Check whether the issuer:
 - (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 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 that the registrant was required to file such reports);
 - Yes No
 - (b) has been subject to such filing requirements for the past ninety (90) days.
 - Yes No

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to attached ANNEX "A"

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

Please refer to attached ANNEX "B"

PART II--OTHER INFORMATION

Please refer to attached ANNEX "C"

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on August 5, 2024.

ENEX ENERGY CORP.

DocuSigned by:



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JOHN ERIC T. FRANCIA

President and Chief Executive Officer

DocuSigned by:



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HANNIELYNN F. TUCAY

Treasurer and Chief Financial Officer

DocuSigned by:



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Annex A

ENEX Energy Corp. and Subsidiary

Unaudited Interim Condensed Consolidated
Financial Statements
as at June 30, 2024
and for the six-month periods ended
June 30, 2024 and 2023
(with Comparative Audited Figures
as at December 31, 2023)

ENEX ENERGY CORP. AND SUBSIDIARY**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
As at June 30, 2024 (with Comparative Audited Figures as at December 31, 2023)

	Notes	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
ASSETS			
Current Assets			
Cash	4, 13	P28,094,711	₱7,538,325
Receivables	5, 13	–	27,601
Other current assets		402,017	24,399
Total Current Assets		28,496,728	7,590,325
Noncurrent Assets			
Investment in a joint venture	6, 9	71,473,893	80,809,131
Deferred exploration costs	7	54,349,977	54,349,977
Property and equipment		52,673	131,682
Total Noncurrent Assets		125,876,543	135,290,790
TOTAL ASSETS		P154,373,271	₱142,881,115
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other current liabilities	8	P82,458,102	₱100,168,139
Short-term loan	9	–	155,300,000
Total Current Liabilities		82,458,102	255,468,139
Noncurrent Liability			
Deposit for future stock subscriptions	9	207,544,011	–
Total Noncurrent Liability		207,544,011	–
Total Liabilities		290,002,113	255,468,139
Equity			
Attributable to Equity Holders of the Parent Company:			
Capital stock	10	250,000,001	250,000,001
Deficit		(380,959,810)	(358,153,764)
Total Capital Deficiency		(130,959,809)	(108,153,763)
Non-controlling interest	12	(4,669,033)	(4,433,261)
Total Capital Deficiency		(135,628,842)	(112,587,024)
TOTAL LIABILITIES AND CAPITAL DEFICIENCY		P154,373,271	₱142,881,115

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ENEX ENERGY CORP. AND SUBSIDIARY**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

		Three-Month Period Ended June 30 (Unaudited)		Six-Month Period Ended June 30 (Unaudited)	
	Notes	2024	2023	2024	2023
EXPENSES					
Management and professional fees		₱2,595,026	₱459,263	₱4,051,311	₱4,382,248
Taxes, registration, and licenses fees		1,024,422	8,000	1,368,225	433,349
Advertising and promotion		1,262,236	280,560	1,262,236	280,560
Training fund contributions	7	218,930	3,334,044	429,985	3,334,044
Depreciation		39,505	39,504	79,010	79,009
Rent		62,757	236,821	62,757	236,821
Provision for expected credit loss	5	27,600	–	27,600	–
Repairs and maintenance		19,600	–	19,600	–
Communication		5,196	–	9,093	–
Others		(871,465)	7,463	11,544	46,999
		4,383,807	4,365,655	7,321,361	8,793,030
OTHER CHARGES – NET					
Equity in net loss of a joint venture	6	3,567,406	8,443,563	9,335,238	15,494,361
Interest expense	9	3,187,017	2,315,562	6,701,757	4,600,122
Foreign exchange (gain) loss – net		(190,340)	(123,559)	(261,071)	116,283
Interest income	4	(122,159)	(1,826)	(123,864)	(3,759)
		6,441,924	10,633,740	15,652,060	20,207,007
LOSS BEFORE INCOME TAX		10,825,731	14,999,395	22,973,421	29,000,037
PROVISION FOR INCOME TAX		–	–	68,397	–
NET LOSS		10,825,731	14,999,395	23,041,818	29,000,037
OTHER COMPREHENSIVE INCOME					
		–	–	–	–
TOTAL COMPREHENSIVE LOSS		₱10,825,731	₱14,999,395	₱23,041,818	₱29,000,037
Total Comprehensive Loss Attributable to:					
Equity holders of the Parent Company		₱10,736,952	₱13,960,645	₱22,806,046	₱27,892,291
Non-controlling interest	12	88,779	1,038,750	235,772	1,107,746
		₱10,825,731	₱14,999,395	₱23,041,818	₱29,000,037
Basic/Diluted Loss Per Share	11	₱0.043	₱0.056	₱0.091	₱0.112

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ENEX ENERGY CORP. AND SUBSIDIARY**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024 AND 2023**

	Attributable to Equity Holders of the Parent Company			Non-controlling Interest (Note 12)	Total Equity
	Capital Stock (Note 10)	Deficit	Total		
BALANCES AT JANUARY 1, 2024 (Audited)	₱250,000,001	(₱358,153,764)	(₱108,153,763)	(₱4,433,261)	(₱112,587,024)
Total comprehensive loss for the period	–	(22,806,046)	(22,806,046)	(235,772)	(23,041,818)
BALANCES AT JUNE 30, 2024 (Unaudited)	₱250,000,001	(₱380,959,810)	(₱130,959,809)	(₱4,669,033)	(₱135,628,842)
BALANCES AT JANUARY 1, 2023 (Audited)	₱250,000,001	(₱306,529,127)	(₱56,529,126)	(₱4,437,765)	(₱60,966,891)
Total comprehensive loss for the period	–	(27,892,291)	(27,892,291)	(1,107,746)	(29,000,037)
BALANCES AT JUNE 30, 2023 (Unaudited)	₱250,000,001	(334,421,418)	(84,421,417)	(5,545,511)	(89,966,928)

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ENEX ENERGY CORP. AND SUBSIDIARY**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

		Six-Month Period Ended June 30 (Unaudited)	
	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		(P22,973,421)	(P29,000,037)
Adjustments for:			
Equity in net loss of a joint venture	6	9,335,238	15,494,361
Interest expense	9	6,701,757	4,600,122
Unrealized foreign exchange (gain) loss		(261,091)	70,965
Interest income	4	(123,864)	(3,759)
Depreciation		79,010	79,009
Provision for expected credit loss	5	27,601	–
Operating loss before working capital changes		(7,214,770)	(8,759,339)
Increase in other current assets		(377,618)	–
Decrease in accounts payable and other current liabilities		(24,188,750)	(7,082,784)
Cash used in operations		(31,781,138)	(15,842,123)
Interest received		123,864	3,759
Income tax paid		(68,397)	–
Net cash used in operating activities		(31,725,671)	(15,838,364)
CASH FLOWS FROM A FINANCING ACTIVITIES			
Proceeds from deposit for future stock subscription	9	30,000,000	–
Availments of short-term loans	9	21,972,858	1,000,000
Increases in due to related parties		–	7,484,873
Infusion from consortium partners		–	1,176,987
Net cash from financing activities		51,972,858	9,661,860
NET INCREASE (DECREASE) IN CASH		20,247,187	(6,176,504)
EFFECT OF EXCHANGE RATE CHANGES ON CASH		309,199	(70,965)
CASH AT BEGINNING OF PERIOD		7,538,325	13,435,336
CASH AT END OF PERIOD	4	P28,094,711	P7,187,867

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ENEX ENERGY CORP. AND SUBSIDIARY
NOTES TO UNAUDITED INTERIM CONDENSED 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 57.95% 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 47.80% owned by Mermac, Inc. (ultimate parent company), and the rest by the public.

As at August 5, 2024, ENEX and Palawan55 have not yet started commercial operations.

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 ₱23.04 million and ₱29.00 million for the six months ended June 30, 2024 and 2023, respectively, and has a capital deficiency amounting to ₱135.63 million and ₱112.59 million as at June 30, 2024 and December 31, 2023, respectively. The projects of the Group are at pre-development stages which contribute to the capital deficiency and raises an issue on the Group’s going concern status. In view thereof, on August 4, 2023, ENEX has submitted to the Philippine Stock Exchange, Inc. a detailed plan to address the capital deficiency (referred to as “the Plan”). To address ENEX’s capital deficiency, ENEX intends to cause the conversion of advances made to ENEX by its parent company, ACEN, and certain of the latter’s affiliates into additional equity of ENEX. The advances include the short-term loan from ACEN and its affiliate. With the conversion of these advances to additional equity, ENEX stockholders’ equity will have a positive balance as illustrated in the pro forma and indicative balance sheet appended to the submitted detailed plan. To implement the Plan, ENEX will perform, and/or caused to be performed, the following activities with relevant timetable:

Activity	Updates/ Target Date
<p>1. ACEN affiliates namely ACEN International, Inc. (ACEN International), Bulacan Power Generation Corporation (BPGC), and ACES Shared Services, Inc. (ACES) (collectively the ACEN Group) to secure approval from their respective BOD to assign their receivables from ENEX to ACEN.</p>	<p>On July 2, 2024, ENEX signed the following:</p> <p>(a) Conformity to the Deed of Assignment of Advances between ACEN and ACEN International, for the assignment of ACEN International’s advances to ENEX in the amount of ₱6,271,153.21, inclusive of interest (the “Assigned Receivables”) in favor of ACEN.</p>
<p>ACEN International, BPGC, and ACES to enter into the relevant Deed of Assignment with ACEN.</p>	<p>(b) Deed of Assignment of Advances between ACEN and ENEX for the assignment of (a) the Assigned Receivables, and (b) shareholder</p>

Activity	Updates/ Target Date
	<p>advances due to ACEN in the amount of ₱171,272,858.00 (the “Direct Receivables”), in the aggregate amount of ₱177,544,011.21, in exchange of, and as ACEN’s full payment for, 177,544,011 non-voting Preferred Shares of the Company with a par value of ₱1.00 per non-voting Preferred Share, to be issued upon the SEC’s approval of the increase in ENEX’s authorized capital stock and the creation of the non-voting Preferred Shares.</p> <p>(c) Subscription Agreement between ACEN and ENEX for the subscription by ACEN to 177,544,011 non-voting Preferred Shares of the Company, as described in Item (b), for a total subscription price of ₱177,544,011.00, to be paid out of the assignment of the Advances as described in Item (b).</p>
<p>2. ENEX to obtain BOD approval for the following matters:</p> <p>a. Amendment of the Seventh Article of its Articles of Incorporation (“AOI”) to increase the authorized capital stock from 1,000 million shares to 1,300 million shares and to create 300 million redeemable preferred shares (RPS) with par value of 1/share (RPS) (the “AOI Amendment”)</p> <p>Subject to relevant approvals, the RPS shall have the following features:</p> <ul style="list-style-type: none"> i. Non-voting; ii. With cumulative dividends; iii. Non-participating; iv. Non-convertible; v. Non-reissuable; vi. Redeemable at the option of the issuer at issue price; vii. With preference as to liquidation; and viii. With preference as to dividend distribution, at a dividend rate to be determined by the BOD at the time of issuance of the shares. 	<p>Approved by the BOD on March 14, 2024</p> <p>Approved by the Stockholders, representing at least 2/3 of the Corporation’s total outstanding shares.</p> <p>On April 24, 2024, In relation to the Preferred Shares to ACEN, on April 30, 2024, ENEX executed a Subscription Agreement with ACEN for the latter’s subscription to 30 million non-voting Preferred Shares (to be issued out of the increase of authorized capital stock and creation of the non-voting Preferred Shares) at par value of ₱1.00 per non-voting Preferred Share, for a total subscription price of ₱30,000,000.00.</p> <p>This subscription was paid in cash, which ENEX will use to fund its operational requirements and transaction costs for the creation and issuance of the non-voting Preferred Shares.</p>

Activity	Updates/ Target Date
<p>b. Conversion of ACEN Group’s loans and receivables into equity in ENEX and subscription by ACEN to, and the issuance to ACEN of up to 300 million RPS to be issued out of the newly created RPS, via a Private Placement.</p> <p>Consideration of the subscription will be the ACEN Group loans and receivables (for conversion), and cash, to address the negative stockholders’ equity and cover working capital.</p> <p>c. Valuation of ACEN’s advances reported by an independent external auditor, which valuation is subject to the approval of the SEC.</p>	
<p>3. ENEX to file an application with the SEC for the amendment of its AOI to increase its authorized capital stock and create RPS.</p>	<p>Ongoing - within August 2024</p>
<p>4. ENEX to request SEC confirmation of valuation of advances.</p>	<p>Ongoing- within August 2024</p>
<p>5. Upon SEC approval of the AOI amendment and confirmation of valuation, ENEX to convert ACEN loans and receivables into RPS and issue the corresponding shares to ACEN.</p>	<p>Within 30 days from issuance of SEC approval of the AOI Amendment.</p>
<p>6. Upon issuance of the shares, the equity of ENEX is forecasted to be positive.</p>	

The accompanying unaudited interim condensed consolidated financial statements of ENEX and its subsidiary as at June 30, 2024, and for the six-month periods ended June 30, 2024 and 2023 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 August 5, 2024.

2. Summary of Significant Accounting Policies

Basis of Preparation

The unaudited interim condensed consolidated financial statements as at June 30, 2024 and for the six-month periods ended June 30, 2024 and 2023 have been prepared on a historical cost basis. The unaudited interim condensed consolidated financial statements are presented in Philippine peso which is the Parent Company's functional and presentation currency. All values are rounded to the nearest Peso, except when otherwise indicated.

Statement of Compliance

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*.

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 June 30, 2024.

Basis of Consolidation

The unaudited interim consolidated financial statements comprise the financial statements of the Parent Company and its subsidiary, Palawan55, as at June 30, 2024 and December 31, 2023. 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, 2023, except for the adoption of new standards and amendments effective as at January 1, 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The amendments are not expected to have a material impact on the Group.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier adoption is permitted and that fact must be disclosed. The amendments are not expected to have a material impact on the Group.

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:
 - o The legal form of the separate vehicle
 - o The terms of the contractual arrangement
 - o 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 June 30, 2024 and December 31, 2023, the Group's SCs are assessed as joint arrangements in the form of joint operations (see Note 7).

Investment in a Joint Venture

The Group's investments in joint ventures are structured in separate incorporated entities. The investment in BCEI is accounted for as an investment in a joint venture since the fundamental business and operational matters require unanimous consent from all parties. The Group and the parties to the agreement only have rights to the net assets of the joint venture through the terms of the contractual arrangements (see Note 6).

Estimates

Impairment of Deferred Exploration Costs.

The carrying value of deferred exploration costs is reviewed for impairment by management when there are indications that the carrying amount exceeds the recoverable amount under PFRS 6. Among the factors considered by management in the impairment review of deferred exploration costs are the expiration of the contracts and the technical evaluation that the remaining prospects in these areas are small and are likely to be uneconomic. In the event of impairment, the Group measures, presents and discloses the resulting impairment loss in accordance with PAS 36.

The Group did not recognize impairment loss for the six-month period ended June 30, 2024 and 2023. The carrying value of deferred exploration costs amounted to ₱54.35 million as at June 30, 2024 and December 31, 2023 (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 June 30, 2024 and December 31, 2023 amounted to ₱59.75 million and ₱53.91 million respectively.

4. **Cash**

This account consists of:

	June 30, 2024	December 31, 2023
	(Unaudited)	(Audited)
Cash in Bank	₱7,094,711	₱7,538,325
Cash equivalents	21,000,000	–
	₱28,094,711	₱7,538,325

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three months, depending on the immediate cash requirements of the Group.

Interest income on cash in bank and cash equivalents amounted to ₱123,864 and ₱3,759 for the six-month period ended June 30, 2024 and 2023, respectively.

5. Receivables

This account consists of the following:

	June 30, 2024	December 31, 2023
	(Unaudited)	(Audited)
Due from third party	₱20,000,000	₱20,000,000
Others	–	27,601
	20,000,000	20,027,601
Less allowance for credit losses	20,000,000	20,000,000
	₱–	₱27,601

During the six-month period ended June 30, 2024, ENEX wrote-off ₱27,601 other receivables.

The aging analysis of receivables is as follows:

June 30, 2024 (Unaudited)							
	Total	Neither Past Due nor Impaired	Past Due but not Impaired				Past Due and Impaired
			<30 Days	30–60 Days	61–90 Days	Over 90 Days	
Due from third party	₱20,000,000	₱–	₱–	₱–	₱–	₱–	₱20,000,000
Others	–	–	–	–	–	–	–
	₱20,000,000	₱–	₱–	₱–	₱–	₱–	₱20,000,000

December 31, 2023 (Audited)							
	Total	Neither Past Due nor Impaired	Past Due but not Impaired				Past Due and Impaired
			<30 Days	30–60 Days	61–90 Days	Over 90 Days	
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

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:

	June 30, 2024	December 31, 2023
	(Unaudited)	(Audited)
Acquisition costs	₱150,220,000	₱150,220,000
Equity in net losses	(78,746,107)	(69,410,869)
Balance at end of period	₱71,473,893	₱80,809,131

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

	June 30, 2024	December 31, 2023
	(Unaudited)	(Audited)
Summarized Statements of Financial Position:		
Cash	₱2,956,418	₱19,650,193
Other current assets	21,789,621	21,376,176
Total assets	24,746,039	41,026,369
Accounts payable and other current liabilities	(4,917,790)	(2,527,645)
Total liabilities	(4,917,790)	(2,527,645)
Equity	₱19,828,249	₱38,498,724
Share in net assets	₱9,914,124	₱19,249,362
Notional goodwill	61,559,769	61,559,769
Carrying value of the investment	₱71,473,893	₱80,809,131

	June 30, 2024	June 30, 2023
	(Unaudited)	(Unaudited)
Summarized Statements of Comprehensive Income:		
Revenue	₱-	₱-
Interest income	4,944	5,742
Cost and expenses	(18,675,419)	(30,994,464)
Net loss	(18,670,475)	(30,988,722)
Other comprehensive income	-	-
Total comprehensive loss	(18,670,475)	(₱30,988,722)
Group's share in total comprehensive loss	(₱9,335,238)	(₱15,494,361)

7. Deferred Exploration Costs

Details of deferred exploration costs are as follows:

	June 30, 2024 (Unaudited)	December 31, 2023 (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)	54,349,977	54,349,977
	₱54,349,977	₱54,349,977

Below is the rollforward analysis of the deferred exploration costs:

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Cost:		
Balances at beginning of period	₱94,924,531	₱97,725,103
Additions	-	54,614
Recoveries from a consortium partner	-	(2,855,186)
Balance at end of period	94,924,531	94,924,531
Allowance for a probable loss:	40,574,554	40,574,554
Net book value	₱54,349,977	₱54,349,977

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.

Additions 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 June 30, 2024 and December 31, 2023, Palawan55 holds 75.00% participating interests in SC 55, respectively, and has met all compliance requirements of the DOE.

No impairment was recognized for SC 55 as at June 30, 2024 and December 31, 2023 as there are no indicators for impairment.

8. Accounts Payable and Other Current Liabilities

This account consists of:

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Accrued expenses and other payables	₱1,745,600	₱1,300,091
Due to:		
Related parties (Note 9)	54,012,725	70,044,440
Third party	26,649,148	28,733,133
Withholding taxes	50,629	90,475
	₱82,458,102	₱100,168,139

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 six-month period ended June 30, 2024 and year ended December 31, 2023 with related parties are as follows:

Company	Amount/ Volume Nature		As at and for the six months ended June 30, 2024 (Unaudited)		Terms	Conditions
			Receivable	Payable		
<i>Intermediate Parent Company</i>						
ACEIC						
Accounts payable and other current liabilities (see Note 8)	₱-	Advances	₱-	₱58,200	Due and demandable, noninterest-bearing	Unsecured
ACEN						
Short-term loans	21,272,858	Short-term loans	-	-	Interest-bearing	Unsecured
Accounts payable and other current liabilities (see Note 8)	1,245,719	Management and professional fees	₱-	₱694,605	Due and demandable, noninterest bearing	Unsecured
Accounts payable and other current liabilities (see Note 8)		- Management and professional fees capitalized as deferred exploration cost	-	12,240,000	Due and demandable, noninterest bearing	Unsecured
Accounts payable and other current liabilities (see Note 8)		- Management and professional fees charged to a Consortium Partner	-	5,100,000	Due and demandable, noninterest bearing	Unsecured
Accounts payable and other current liabilities (see Note 8)	(3,776,585)	Advances	-	14,449,041	Due and demandable, noninterest bearing	Unsecured

(Forward)

As at and for the six months ended June 30, 2024 (Unaudited)

Company	Amount/ Volume	Nature	Outstanding Balance		Terms	Conditions
			Receivable	Payable		
Accounts payable and other current liabilities (see Note 8)	6,459,565	Interest expense on short-term loans	–	19,324,264	Noninterest bearing	Unsecured
Deposit for future stock subscriptions	30,000,000	Cash subscription	–	30,000,000	–	–
Deposit for future stock subscriptions	6,271,153	Assigned ACEN International short-term loans, including accrued interest expense	–	6,271,153	–	–
Deposit for future stock subscriptions	171,272,858	Assigned ACEN short-term loans	–	171,272,858	–	–
<i>Entities Under Common Control</i>						
ACES						
Accounts payable and other current liabilities (see Note 8)	65,315	Management fees	–	313,150	Due and demandable, noninterest bearing	Unsecured
Accounts payable and other current liabilities (see Note 8)	(647,388)	Contracted services	–	1,710,860	Due and demandable, noninterest bearing	Unsecured
BPGC						
Accounts payable and other current liabilities (see Note 8)	(4,000,000)	Advances	–	–	Due and demandable, noninterest bearing	Unsecured
ACEN International						
Short-term loans	700,000	Short-term loans	–	–	Interest-bearing	Unsecured
Accounts payable and other current liabilities (see Note 8)	242,192	Interest expense on short-term loans	–	122,606	Noninterest bearing	Unsecured

As at and for the year ended December 31, 2023 (Audited)

Company	Amount/ Volume	Nature	Outstanding Balance		Terms	Conditions
			Receivable	Payable		
<i>Intermediate Parent Company</i>						
ACEIC						
Accounts payable and other current liabilities (see Note 8)	–	Advances	–	₱58,200	Due and demandable, noninterest-bearing	Unsecured
ACEN Short-term loans	23,000,000	Short-term loans	–	150,000,000	Interest-bearing	Unsecured
Accounts payable and other current liabilities (see Note 8)	₱2,651,147	Management and professional fees	–	₱13,327,501	Due and demandable, noninterest bearing	Unsecured
Accounts payable and other current liabilities (see Note 8)	–	Management and professional fees capitalized as deferred exploration cost	–	12,240,000	Due and demandable, noninterest bearing	Unsecured
Accounts payable and other current liabilities (see Note 8)	–	Management and professional fees charged to a Consortium Partner	–	5,100,000	Due and demandable, noninterest bearing	Unsecured
Accounts payable and other current liabilities (see Note 8)	416,177	Advances	–	18,225,626	Due and demandable, noninterest bearing	Unsecured
Accounts payable and other current liabilities (see Note 8)	9,805,028	Interest expense on short-term loans	–	14,335,453	Noninterest bearing	Unsecured

(Forward)

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Company	As at and for the year ended December 31, 2023 (Audited)					
	Amount/ Volume	Nature	Outstanding Balance		Terms	Conditions
			Receivable	Payable		
<i>Entities Under Common Control</i>						
ACES						
Accounts payable and other current liabilities (see Note 8)	1,252,598	Management fees	–	247,835	Due and demandable, noninterest bearing	Unsecured
Accounts payable and other current liabilities (see Note 8)	2,860,074	Contracted services	–	2,358,258	Due and demandable, noninterest bearing	Unsecured
BPGC						
Accounts payable and other current liabilities (see Note 8)	–	Advances	–	4,000,000	Due and demandable, noninterest bearing	Unsecured
ACEN International						
Short-term loans	5,300,000	Short-term loans	–	5,300,000	Interest-bearing	Unsecured
Accounts payable and other current liabilities (see Note 8)	151,567	Interest expense on short-term loans	–	151,567	Noninterest bearing	Unsecured

ACEN

Payables to ACEN as at June 30, 2024 comprise of advances received by ENEX to cover working capital as well as interest expense on short-term loans. ENEX made partial payment amounting to ₱18.29 million on June 25, 2024.

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.

On January 13, 2022, first loan drawdown was made amounting to ₱127.00 million with 3.88% interest per annum, payable on or before July 12, 2022. Maturity date was subsequently extended until November 10, 2022. On November 11, 2022, the loan was restructured to 7.30% interest per annum payable on or before November 10, 2023. On November 11, 2023 the loan was restructured to 8.66% interest per annum payable on or before September 30, 2024.

On August 2, 2023, second loan drawdown was made amounting to ₱23.00 million with 5.75% interest per annum, payable on or before February 1, 2024. On February 2, 2024, the loan was restructured to 8.10% interest per annum payable on or before September 30, 2024.

On June 20, 2024, ENEX availed short-term loan amounting to ₱21.27 million with 0% interest payable on or before September 30, 2024, in immediately available funds.

On June 26, 2024, ACEN converted its short-term loans and interest receivable from ENEX amounting to ₱177.27 million and ₱0.27 million, respectively, to subscription to ENEX's non-voting Preferred Shares at par value of ₱1.00.

Interest expense related to the short-term loans amounted to ₱6.46 million and ₱4.59 million for the six months period ended June 30, 2024 and 2023 respectively.

Deposit for Future Stock Subscriptions

On April 30, 2024, ENEX, signed a subscription contract with ACEN for the subscription by ACEN to 30,000,000 non-voting Preferred Shares of ENEX at par value of ₱1.00, for a total subscription price of ₱30.00 million.

On June 26, 2024, ENEX signed a subscription agreement with ACEN for the subscription by ACEN to 177,544,011 non-voting Preferred Shares of ENEX at par value of ₱1.00, for a total subscription price of ₱177.54 million, to be paid out of the assignment of short-term loans and interest receivable from ENEX via the Deed of Assignment between ACEN and ENEX.

ACEN’s subscription to Preferred Shares will be in exchange of below ACEN receivables from ENEX and cash infusion:

Short-term loan principal	₱171,272,858
Assigned receivables from ACEN International	
Short-term loan principal	6,000,000
Short-term loan interest accrued	271,153
	₱177,544,011
Cash infusion	30,000,000
Deposit for future stock subscription	₱207,544,011

As at June 30, 2024, the subscription is treated as deposit for future stock subscription presented as liability.

The shares will be issued upon the SEC’s approval of the increase in authorized capital stock (ACS) of ENEX and the creation of the non-voting Preferred Shares. ENEX’s application for increase in authorized capital stock to SEC is ongoing

Under SEC Financial Reporting Bulletin No. 6, as revised, dated May 11, 2017, a company shall classify a contract to deliver its own equity instruments under equity as a separate account (e.g., Deposit for Future Stock Subscription) from “Outstanding Capital Stock” if and only if, all the following elements are present as of end of the reporting period:

- The unissued authorized capital of the entity is insufficient to cover the amount of shares indicated in the contract;
- There is Board of Directors’ approval on the proposed increase in authorized capital stock (for which a deposit was received by the corporation);
- There is stockholders’ approval of said increase; and
- The application for the approval of the proposed increase has been presented for filing or has been filed with the Commission.

ACES

Payable to ACES includes management fees and contracted services. On May 2, 2024, ENEX made partial payment to ACES amounting to ₱2.21 million.

BPGC

BPGC provided advances to ENEX in 2022 amounting to ₱4.00 million for its operating expenses and subsequently paid on June 27, 2024.

ACEN InternationalShort-term Loan

On June 7, 2023, ENEX's Executive Committee approved the availment of short-term loan of up to ₱6.00 million from ACEN International. As of June 30, 2024, a total of ₱6.00 million was availed by ENEX to fund its working capital requirements.

The first drawdown amounted to ₱1.00 million is subject to 8.20% per annum, payable on or before June 5, 2024. The second drawdown amounted to ₱1.50 million is subject to 8.39% per annum, payable on or before August 1, 2024. The third drawdown amounted to ₱2.80 million is subject to 8.36% per annum, payable on or before September 26, 2024. The fourth drawdown amounted to ₱0.70 million is subject to 8.29% per annum, payable on or before February 1, 2025.

On June 26, 2024, ACEN International assigned its short-term loans and interest receivable from ENEX amounting to ₱6.00 million and ₱0.27 million, respectively, in favor of ACEN.

Interest expense related to the short-term loans amounted to ₱0.24 million and ₱0.01 million for the six months period ended June 30, 2024 and 2023 respectively.

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 June 30, 2024 and December 31, 2023:

	June 30, 2024 (Unaudited)	December 31, 2023 (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 June 30, 2024 and December 31, 2023 are held by 2,889 and 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 June 30, 2024 and December 31, 2023.

11. Basic/Diluted Loss Per Share

Basic/diluted loss per share is computed as follows:

	Six-Month Period Ended June 30 (Unaudited)	
	2024	2023
(a) Net loss attributable to equity holders of the Parent Company	₱22,806,046	₱27,892,291
(b) Weighted average number of common shares outstanding	250,000,001	250,000,001
Basic/diluted loss per share (a/b)	₱0.091	₱0.112

As at June 30, 2024 and December 31, 2023, 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 six months ended June 30 (Unaudited)	
	2024	2023
Equity interest held by NCI	30.65%	30.65%
Accumulated balances of NCI	₱4,669,033	₱5,545,511
Net loss allocated to NCI	(235,772)	(1,107,746)

The summarized financial information of Palawan55 is provided below.

Statements of Comprehensive Income

	For the six months ended June 30 (Unaudited)	
	2024	2023
Other (income) loss	₱265,184	(₱97,484)
Expenses	(1,034,424)	(3,515,153)
Total comprehensive loss	(769,240)	(₱3,612,637)
Attributable to NCI	(₱235,772)	(₱1,107,746)

Statements of Financial Position

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Total current assets	₱5,697,452	₱6,927,010
Total noncurrent assets	54,349,977	54,349,977
Total current liabilities	(75,280,815)	(75,741,620)
Total capital deficiency	(₱15,233,386)	(₱14,464,633)
Attributable to equity holders of the Parent Company	(₱10,564,353)	(₱10,031,372)
NCI	(₱4,669,033)	(₱4,433,261)

Cash Flow Information

	For the six months ended June 30 (Unaudited)	
	2024	2023
Net cash flows provided by:		
Operating activities	(₱1,229,559)	(₱2,271,717)
Investing activities	-	-
Financing activity	-	-

There were no dividends paid to NCI in the six-month period ended June 30, 2024 and 2023.

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 its operations and capital expenditures. The main risk arising from the use of 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 exposes 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:

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Cash	₱28,094,711	₱7,538,325
Receivables	–	27,601
	₱28,094,711	₱7,565,926

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.

	June 30, 2024 (Unaudited)					
	Neither Past Due nor Impaired			Past Due but not Impaired	Past Due Individually Impaired	Total
	Class A	Class B	Class C			
Due from third party	₱–	₱–	₱–	₱–	₱20,000,000	₱20,000,000
Others	–	–	–	–	–	–
	₱–	₱–	₱–	₱–	₱20,000,000	₱20,000,000

	December 31, 2023 (Audited)					
	Neither Past Due nor Impaired			Past Due but not Impaired	Past Due Individually Impaired	Total
	Class A	Class B	Class C			
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 manages 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.

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 six-month period ended June 30, 2024 and for the year ended December 31, 2023 were nil and ₱0.05 million, respectively, mainly on deferred exploration cost (see Note 7).

As at August 5, 2024, the Group has not started commercial operations yet and has no revenue or gross profit. The total assets of the segment of ₱154.37 million and ₱142.88 million and liabilities amounting to ₱290.00 million and ₱255.47 million as at June 30, 2024 and December 31, 2023, 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. (ENEX) and its subsidiary should be read in conjunction with the unaudited interim consolidated financial statements as at June 30, 2024, for the six months ended June 30, 2024 and 2023 and the audited consolidated financial statements as at December 31, 2023. The unaudited interim consolidated financial statements have been prepared in compliance with the Philippine Accounting Standards ("PAS") 34, *Interim Financial Reporting*.

Consolidated Statements of Income

	Six-Month Period Ended June 30 (Unaudited)		Increase (Decrease)	
	2024	2023	Amount	%
	Expenses	₱7,321,361	₱8,793,030	(₱1,471,669)
Other charges (income) - net	15,652,060	20,207,007	(4,554,947)	(23)
Loss before income tax	22,973,421	29,000,037	(6,026,616)	(21)
Provision for income tax	68,397	–	68,397	–
Net Loss	₱23,041,818	₱29,000,037	(₱5,958,219)	(21)

The following are the material changes in the consolidated statements of comprehensive income for the six months ended June 30, 2024 and 2023:

- Decrease in management and professional fees, contribution expenses and advertising and promotion expenses from previous period following limited activity in current period.
- Taxes and licenses increased due to additional documentary stamp taxes on short-term loan availment, while advertising and promotion increased from expenses for the annual stockholders meeting. These are offset by decrease in training fund contributions.
- Other charges (income) – net mainly came from equity in net losses of the Parent Company's joint venture investee (BCEI) (₱9.34 million). These are ENEX's share in pre-development expenses of BCEI, while increase in interest expense on short-term loan from ACEN and ACEN International (₱6.70 million). Interest income increased due to placements in time deposit.

Consolidated Statements of Financial Position

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)	Increase (Decrease)	
			Amount	%
Current Assets				
Cash	₱28,094,711	₱7,538,325	₱20,556,386	273
Receivables	–	27,601	(27,601)	(100)
Other current assets	402,017	24,399	377,618	1,548
Noncurrent Assets				
Investment in a joint venture	71,473,893	80,809,131	(9,335,238)	(12)
Deferred exploration costs	54,349,977	54,349,977	–	–
Property and equipment	52,673	131,682	(79,009)	(60)
Current Liabilities				
Accounts payable and other current liabilities	82,458,102	100,168,139	(17,710,037)	(18)
Short-term loan	–	155,300,000	(155,300,000)	(100)
Deposit for future stock subscriptions	207,544,011	–	207,544,011	–

The following are the material changes in the Consolidated Statements of Financial Position as at June 30, 2024 and December 31, 2023:

- Increase in Cash was primarily due to short-term loan proceeds for working capital purposes.
- Increase in Other current assets were due to prepayments of rental expenses and taxes expenses for current period aggregating to ₱.38 million.
- Investment in a joint venture pertains to the Parent Company's ownership interest in BCEI which includes subscription cost (₱150.22 million) and current year share in net loss amounting to (₱9.34 million)
- Decrease in Property and equipment is due to depreciation.
- Net decrease due assignment of short-term loan from ACEN International to ACEN and eventually exchanged as subscription to ENEX Preferred Shares amounting to ₱177.54 million. Additional availment during the period amounted to ₱21.97 million.
- Decrease in Accounts payable and other current liabilities mainly due to payments of advances from ACEN pertaining to management fees and other various payables (₱19.28 million), payment to ACES pertaining to management fees and contracted services (₱2.21 million) and payment to BPGC pertaining to cash advance (₱4.00 million). ₱0.27 million outstanding interests from short-term loans was exchanged for subscription in ENEX.
- ENEX availed ₱21.27M million and ₱0.70 million short-term loans from ACEN and ACEN International, respectively, during the year 2024. ACEN International's total outstanding short-term loans from ENEX amounting to ₱6.00 million was assigned in favor of ACEN. ACEN's total outstanding short-term loans from ENEX, including the assignment from ACEN International, amounting to ₱177.27 million, was used in exchange for the latter's subscription in non-voting Preferred Shares of ENEX.
- Deposit for future stock subscriptions pertain to subscriptions by ACEN, in exchange for ₱177.27 million and ₱0.27 million short-term loans and interest payable, respectively, by ENEX. The account also includes ₱30.00 million cash infusion from ACEN.

Financial Soundness Indicators

Key Performance Indicator	Formula	June 30,	December 31,	Increase (Decrease)	
		2024 (Unaudited)	2023 (Audited)	Amount	%
Liquidity Ratios					
Current Ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	0.35	0.03	0.32	1,067
Acid test ratio	$\frac{\text{Cash + Short-term investments + Accounts receivables + Other liquid assets}}{\text{Current liabilities}}$	0.34	0.03	0.31	1,033
Solvency Ratios					
Debt-to-equity ratio	$\frac{\text{Total liabilities}}{\text{Total equity}}$	(2.14)	(2.27)	0.13	(6)
Asset-to-equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	(1.14)	(1.27)	0.13	(10)
Net bank Debt to Equity Ratio	$\frac{\text{Short \& long-term loans} - \text{Cash}}{\text{Total Equity}}$	N/A	N/A	N/A	N/A

- 3 -

Key Performance Indicator	Formula	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)	Increase (Decrease)	
				Amount	%
Profitability					
Return on equity	$\frac{\text{Net income after tax}}{\text{Average stockholders' equity}}$	N/A	N/A	N/A	N/A
Return on assets	$\frac{\text{Net income after taxes}}{\text{Average total assets}}$	N/A	N/A	N/A	N/A
Asset turnover	$\frac{\text{Revenues}}{\text{Average total assets}}$	N/A	N/A	N/A	N/A

Debt-to-equity ratio

The Group's debt-to-equity ratio is negative with the capital deficiency reported in Q2 2024, same as last year.

Asset-to-equity ratio

As of June 30, 2024, 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 second quarter 2024:

- 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 cyclicity.

ENEX Energy Corp. (formerly ACE ENEXOR, INC.)
PROGRESS REPORT

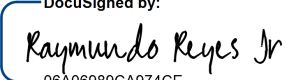
For the Quarter March 01 to June 30, 2024

SC 55 (Ultra Deepwater West Palawan)

Service Contract 55 is currently under Force Majeure. Under this condition, the Consortium will have a total of twenty-three (23) months from the lifting of Force Majeure to drill the committed well.

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

Certified Correct:

DocuSigned by:

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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 second quarter ended 30 June 2024:

1. April 12, 2024 – Public Ownership Report for the period ending March 31, 2024
2. April 12, 2024 – Annual Report for the fiscal year ended December 31, 2023
3. April 12, 2024 – List of Top 100 Stockholders (common shares) for the period ended March 31, 2024
4. April 25, 2024 – Results of 2024 Annual Stockholders' Meeting
5. April 25, 2024 – Results of the 2024 Organizational Meeting of the Board of Directors
6. April 25, 2024 – Amendments to Articles of Incorporation to Increase the Authorized Capital Stock and Create Preferred Shares
7. April 25, 2024 – Submission of the SEC Form 23-A of Mae Christine L. Go as newly appointed Chief Audit Executive
8. April 25, 2024 – Submission of the SEC Form 23-A of Gerardo C. Ablaza, Jr. as newly elected director and Chairman of the Board of Directors
9. May 2, 2024 – Subscription by ACEN to 30,000,000 non-voting Preferred Shares
10. May 6, 2024 – Participation of our Directors and Officers in Corporate Governance Training for period December 31, 2023
11. May 9, 2024 – Quarterly Report for the period ending March 31, 2024
12. May 30, 2024 – Submission of Integrated Annual Corporate Governance Report for the fiscal year ended December 31, 2023