

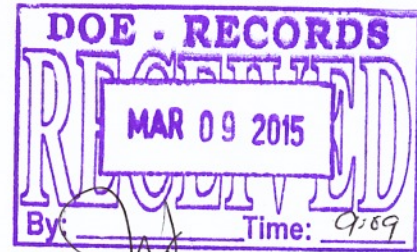


THE PHILODRILL CORPORATION

QUAD ALPHA CENTRUM, 125 PIONEER, MANDALUYONG CITY, PHILIPPINES
TEL. NOS. 631-1801 TO 05 ; 631-8151/52 ; FAX: (632) 631-8080 , (632) 631-5310

March 6, 2015

MS. ZENAIDA MONSADA
Undersecretary
Department of Energy
Energy Center, Rizal Drive
Bonifacio Global City, Taguig City



Subject : *Service Contract 14 C2 - West Linapacan
Pitkin - RMA Farmin Agreement Termination*

Dear **Usec. Monsada,**

During the meeting between the Department of Energy and the SC 14C2 Consortium held last 5 February 2015, the DOE deferred its action on the letter of the Farmor Group dated 14 January 2015, informing the DOE of the termination of the Farmin Agreement between the Farmor Group and Pitkin Petroleum because of the latter's substantial breach of contract. The DOE and the Consortium agreed to give RMA West Linapacan Pte Ltd (RMA WL) until 5 March 2015 to show satisfactory proof of funding and financial capability to carry out its obligations under the Service Contract and the FIA.

RMA WL has failed to meet this commitment to the DOE and the Consortium, consequently, we seek the following actions from the DOE:


1. Withdrawal of DOE's approval of the Deed of Assignment of 58.29075% collective participating interest by the farmers to PITKIN dated 29 May 2008.
2. Withdrawal of DOE's approval of the Deed of Assignment dated 7 April 2011 of the 29.145375% participating interest of PITKIN to RMA WL.
3. Reversion of their participating interests of the service contractors of SC 14 C2- West Linapacan to its participating interests structure prior to the Assignments above to wit:

The Philodrill Corporation	28.070 %
Nido Petroleum Philippines Pty Ltd	22.279
Oriental Petroleum & Minerals Corporation	19.860
Logpocor	10.428
Forum Energy Philippines Corporation	9.103
Cosco Capital, Inc. (formerly AGRC)	6.123
PetroEnergy Resources Corporation	4.137

4. Reversion of Philodrill as Operator of SC 14C2 - West Linapacan.

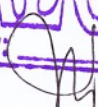
We request your immediate action on the foregoing in order to ensure the continued exploration/appraisal of the West Linapacan Block.

Very truly yours,



Francisco A. Navarro
President

~~Cc Rino Abad~~
~~U Ocampo~~

DOE - RECORDS
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