

***THE PHILODRILL CORPORATION***  
***Code of Ethics***

**PHILODRILL** is committed to maintaining the highest standards of business conduct and ethics, as well as full compliance with all applicable government laws, rules and regulations, corporate reporting and disclosure, accounting practices, auditing practices and other matters relating to fraud against shareholders.

This Code of Ethics sets out the ethical and behavioral standards expected of **PHILODRILL's** (*the "Company"*) Directors, Officers, Employees and Contractors.

The purpose of this Code of Ethics is to underpin and support the Company's vision and values that govern our individual and collective behavior, in order to be the leading publicly listed company with a wide portfolio of oil and gas projects in the Philippines and enable our stakeholders to participate in the growth of the Philippine Energy Sector, fully aware of our obligation to enhance stakeholder values. With these, we will help attain the ultimate goal of energy-self sufficiency for the Country.

To be able to attain our goals:

- We have an obligation to be straightforward, honest and sincere in our approach to our work and to avoid improper personal benefits as a result of our position.
- We have an obligation to ensure that our individual interests do not interfere, or appear to interfere, with the Company's interests. We will be impartial, intellectually and morally honest and minimize actual and perceived conflicts of interest. We will be fair and not allow prejudice or bias to override our objectivity.
- We will not have any undisclosed and unapproved business relationships, including with joint venture participants, suppliers, customers or competitors that might impair, or appear to impair, the independence of any judgment that we may make on behalf of the Company.

**Compliance with all Laws, Regulations and Rules**

We will at all times act honestly and in good faith, and comply with all applicable laws, legislation, rules and regulations implemented by the Securities and Exchange Commission, the Philippine Stock Exchange and the Department of Energy, including our by-laws. We will ensure our exploration and development practices not only comply with all applicable laws and regulations but adhere to "best practice" standards.

**Professional Behavior, Compliance with Corporate Policies**

We will conduct ourselves, both at work and outside of business hours, in a manner

consistent with the good reputation of the Company and refrain from any conduct that might bring discredit to the Company. Directors, Officers and employees shall refrain from taking any action that improperly influences, coerces, manipulates, or misleads the firm engaged in the performance of the audit of the financial statements of the Company.

We will at all times behave and conduct ourselves in a manner that is consistent with the Company's vision and values set out in this Code, and will comply with all Corporate Policies.

### **Reject Bribery and Corruption**

We will not give or accept bribes or engage in any form of corruption.

Bribery and corruption damages our business and conflicts with our lives. We oppose all forms of bribery and corruption because it is illegal and dishonest, and damages the countries and communities where it occurs. We are in breach of the Code and also liable for criminal prosecution if we engage in such activities.

Most countries have laws prohibiting bribery and corruption. Many countries have laws that prohibit this even when it is committed outside the country. A breach of these laws is a serious offense, which may result in fines to Philodrill and the imprisonment of employees. Even the appearance of a breach may have a serious reputational impact on Philodrill.

Suspicion or knowledge of anyone seeking or offering personal payments, benefits, or other favours in contravention of the Code, must be immediately reported to management.

### **Fair Dealing, Due Care**

We will deal honestly and fairly in all our dealings with the Company's shareholders, joint venture partners, customers, suppliers, professional advisors, competitors and other stakeholders.

We will maintain a high standard of competence, only undertaking work that we can expect to complete with professional competence. We will complete our obligations with due care and in a timely manner. We will carry out our work in accordance with the highest technical and professional standards appropriate to that work. We will use the utmost skill and care in our recruitment and employment practices, and treat all colleagues with respect and dignity.

### **The Company's Funds and Other Assets:**

Employees who have access to the Company's funds in any form must follow the prescribed procedures for recording, handling, and utilizing resources as detailed in the Company's Procedures Manual. The Company imposes strict standards to prevent

fraud and dishonesty. If employees become aware of any evidence of fraud and dishonesty, they should immediately advise their supervisor or seek appropriate legal guidance so that the Company can promptly investigate further.

When an employee's position requires spending the Company's funds or incurring any reimbursable personal expenses, that individual must use good judgment to ensure that good value is received for every expenditure.

The funds and all other assets of the Company are to be used for Company purposes only and not for personal benefit. This includes the personal use of the Company's assets, such as computers.

### **The Company's Records and Communications:**

Accurate and reliable records are necessary to meet the Company's legal and financial obligations and to efficiently manage its affairs. The Company's books and records must reflect in an accurate and timely manner all business transactions. The employees responsible for accounting and record keeping must fully disclose and record all assets, liabilities, or both, and must exercise diligence in enforcing these requirements.

Employees must not make or engage in any false record or communication of any kind, whether internal or external, including but not limited to:

False expense, attendance, production, financial, or similar reports and statements, deceptive practices, or other misleading representations.

### **Dealing With Outside People and The Organization:**

Employees must be able to distinguish their personal roles from their positions in the Company when communicating on matters not involving the Company's business.

Employees must not use the Company's identification, stationery, supplies, and equipment for personal or political matters.

When communicating publicly on matters that involve the Company's business, employees must not presume to speak for the Company on any topic, unless they are certain that the views they express are those of the Company's, and it is the Company's desire that such views be publicly disseminated.

When dealing with anyone outside, Directors, Officers and Employees must ensure they will not compromise the integrity or damage the reputation of either the Company's, or any outside individual, business, or government body.

### **Prompt Communications:**

In all matters relevant to customers, suppliers, government authorities and the public, all employees must make every effort to achieve complete, accurate, and timely disclosures - responding promptly and courteously to all proper requests for information and to all complaints.

### **Privacy and Confidentiality:**

When handling financial and personal information about customers or others with whom the Company's has dealings, observe the following principles:

- Collect, use, and retain only the personal information necessary for the Company's business. Whenever possible, obtain any relevant information directly from the person concerned. Use only reputable and reliable sources to supplement this information.
- Retain information only for as long as necessary or as required by law. Protect the physical security of this information.
- Limit internal access to personal information to those with a legitimate business reason for seeking that information. Use only personal information for the purposes for which it was originally obtained. Obtain the consent of the person concerned before externally disclosing any personal information, unless legal process or contractual obligation provides otherwise.

### **Compliance with Code of Ethics**

This Code forms part of every one of the Company's employee's conditions of employment and for all officers and directors as well. Failure to comply with the Code can result in disciplinary action including, where appropriate, dismissal. Compliance with this Code shall be taken into account on a regular basis when assessing individual performance. Failure of contractors to comply with this Code may result in termination of the contractor's contract for services with the Company.

If any person becomes aware of a breach, or suspected breach, of this Code, they must report it immediately to their immediate Supervisor or the Corporate Secretary for action. If this is inappropriate or uncomfortable for the individual, the breach, or suspected breach, should be reported to a member of the Senior Management team or an appropriate Board Committee or Member for appropriate action. No action will be taken against any individual reporting a breach, or suspected breach, by virtue of that report. Subject to any legal restriction, the name of the person disclosing the information pertaining to breach, or suspected breach, of this Code will be kept confidential.