

THE PHILODRILL CORPORATION

MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS

held on June 17, 2015, 2:30 p.m.
Palawan, EDSA Shangri-la Manila
1 Garden Way, Ortigas Center, Mandaluyong City

Number of Shares Issued and Outstanding	:	191,868,805,358
Shares represented in person and by proxies	:	121,596,137,909
Percentage of Attendance	:	63.37%

CALL TO ORDER AND PROOF OF SERVICE OF NOTICE

The Chairman of the Board welcomed the stockholders to the 2015 Annual Stockholders' Meeting (the "Meeting") and called the meeting to order at 2:30 p.m. He requested the Secretary for proof that the required notices for the present Meeting were duly sent to all stockholders of record as of March 18, 2015 (the "Record Date").

For the purpose of providing proof that required notices for the Meeting were duly sent to stockholders, the Secretary has executed an Affidavit stating that in accordance with the Company's By-Laws, notices containing the date, time, place and agenda of the Meeting were sent at least one (1) month prior to the date of the Meeting (by personal delivery on May 15, 2015 and by mail on May 18, 2015) to each stockholder as of Record Date at the address of such stockholder appearing in the corporate registry. Notices of the Meeting were also published in the June 8 and 10, 2015 issues of the Manila Bulletin, a newspaper of general circulation, specifying the date, time, place and agenda of the Meeting.

The Certification executed by an authorized officer of the messengerial company utilized for the purpose and the Sworn Statement of the undersigned authorizing such publication by the Manila Bulletin are attached to the Secretary's Affidavit. The Chairman directed the Secretary to file his Affidavit with the Minutes of the Meeting.

CERTIFICATION OF THE PRESENCE OF QUORUM

The Chairman inquired from the Secretary whether or not a quorum is present for the transaction of business at the Meeting.

The Secretary replied that out of the Company's 191,868,805,358 issued and outstanding shares as of Record Date, there are present in person and/or represented by proxies 121,596,137,909 shares or 63.37% thereof. Thus, on the basis of the registered attendance, the Secretary certified the presence of a quorum for the transaction of business as may properly come at the Meeting.

The Chairman then endorsed to the President the next proceeding for continuation.

READING AND APPROVAL OF THE MINUTES OF THE LAST ANNUAL MEETING OF STOCKHOLDERS

The President announced that the next item in the Agenda is the reading and approval of the Minutes of the last Annual Stockholders' Meeting held on June 18, 2014, the original copy of which was made available for inspection at the Office of the Corporate Secretary and copies of which were furnished to each stockholder upon request as they came into the Meeting. The same is likewise accessible through the Corporation's website @ <http://www.philodrill.com>.

The President asked if there are any questions regarding the Minutes of the last Annual Stockholders' Meeting. There being none, a stockholder moved that the reading of the Minutes of the Annual Stockholders' Meeting held last June 18, 2014 be dispensed with and that said Minutes, as it appears recorded in the Minutes Book of the Company, be confirmed, ratified and approved. The motion was duly seconded and, there being no objections, the President declared the motion approved.

REPORT OF THE BOARD OF DIRECTORS

The President announced that the next item in the Agenda is the Report of the Board of Directors on the Results of Operations for the year 2014.

A. EXPLORATION & PRODUCTION REPORT

The Vice President for Exploration & Production, Mr. Alessandro O. Sales, presented the Exploration & Production Report.

Mr. Sales started his report with an overview of the eleven service contracts in the country wherein the Company has existing participating interests. Out of these eleven service contracts, the Company acts as operator in seven service contracts and as a consortium partner in the remaining four service contracts. The Company also intends to acquire participating interests in two other areas, namely, the SWAN Block and the Sulu Sea Block. Petroleum production is ongoing in the Galoc, Nido, Matinloc and North Matinloc fields.

Mr. Sales went on to discuss the activities of Philodrill for the past year and updates for 2015.

PRODUCTION BLOCKS

Service Contract 14 C-1 (Galoc)

Mr. Sales presented the Galoc Production Performance since the field opened in October 2008. Based on the slides presented, the normal decline in field production was noted, which is common to all reservoirs. Water cut is at 6% which is ideal for this type of reservoir. The spike in production sometime in November 2013 was due to the additional wells under the Phase 2 project. The Galoc field is producing from 4 wells.

The Galoc field's full year production for 2014 totaled to 2,909,421 barrels net of run-down basic sediment and water (BS&W). The total produced volume was about 69% higher than the total output of 1,723,063 barrels in 2013. Production from the Phase 2 wells G5 and G6, which started production in early December 2013, contributed to this increase. The decline in production sometime in November was attributed to the extended well testing of the production wells.

While showing some slides, Mr. Sales emphasized that the production rates from the four Galoc wells is being controlled in order to minimize gas production owing to the limited gas handling capacity of the FPSO.

Year-to-date production is at 1.087M barrels with forecast for 2015 of 2.1M barrels of crude.

On Galoc Phase 3 Development, Mr. Sales presented an outline of the Galoc Field denoting the location of the present production wells, including the proposed location of the new wells. Phase 3 development contemplates drilling production wells in the mid-Galoc Field area. By the first week of July a TCM/OCM will be conducted and the operator will make a technical presentation and the recommendation to proceed with the Phase 3 development.

Service Contract 14 Production Blocks (Nido/Matinloc/North Matinloc)

The combined production from the Nido, Matinloc and North Matinloc Fields in 2014 totaled 157,053 barrels which is about 2% less than the fields' combined output of 160,384 barrels in 2013. The decrease is attributed to normal depletion in all the remaining production wells, some of which have already been in production for over thirty years and which have long been believed to have already reached maximum economic life. A summary of the 2014 production from the three fields is shown below:

2014 Crude Oil Production Summary
(in barrels)

	Nido	Matinloc	North Matinloc	2014 Total	2013 Total
January	6,608	4,212	537	11,357	<i>17,354</i>
February	6,629	6,360	615	13,604	<i>11,434</i>
March	6,636	6,912	898	14,446	<i>19,592</i>
April	6,577	6,614	783	13,974	<i>14,163</i>
May	6,583	6,328	658	13,569	<i>11,191</i>
June	6,646	4,102	869	11,617	<i>12,315</i>
July	6,576	4,081	575	11,232	<i>13,247</i>
August	6,850	6,092	733	13,675	<i>10,577</i>
September	6,454	5,685	732	12,871	<i>10,217</i>
October	6,528	6,438	1,103	14,069	<i>14,267</i>
November	6,630	7,060	667	14,357	<i>13,000</i>
December	6,518	5,445	319	12,282	<i>13,027</i>
Total	79,235	69,329	8,489	157,053	<i>160,384</i>

For 2015, the outlook is to produce about 136,241 barrels of crude. At present, year-to-date production rate is at 74,640 barrels. The Company is on track to producing at this rate.

Service Contract No. 14 (Pandan, Libro and Tara P&A)

Contractor Enhanced Drilling Solution Limited carried out the final plugging and abandonment (P&A) of the Libro, Pandan and Tara South wells from April 19 to May 10, 2014 using the offshore supply vessel MEO Glory. The P&A cost was approximately USD 1.8 MM. The wells are currently being observed for any leaks.

If P&A activities are proven successful, talks with the Philippine Navy are on-going for the turn-over of the facilities.

PHILODRILL OPERATED BLOCKS

Service Contract 6A (Octon)

Geophysical contractor Fairfield Vietnam Limited completed in April 2014 the processing of the new 3D seismic data that Seabird Exploration acquired for block operator Pitkin Petroleum in 2013. Results indicate a significant improvement on the quality of data as against the 1997 TQ3D data set. Provisional processed results were reviewed by Pitkin in June 2014 and the final data sets delivered in September 2014. Immediately, Pitkin commenced the interpretation of the new data set which they also tied with the interpretation of the old 1997 3D data volume. Mapping was continued towards the northern portion of the block where a number of interesting prospects are located.

Philodrill has mapped the new data set and the principal output is a map on the Galoc clastic unit, this is the reservoir unit where the Galoc field is produced. The field could be as large as 77 sq. km. larger than the Galoc field. Philodrill is continuing to develop it as a potential drilling objective.

Parallel to the seismic mapping, other G&G programs are being carried on the block, including petrophysical, biostratigraphic and geochemical analysis of selected wells within the block. A field work program that investigated formation outcrops in onshore Northern Palawan was likewise initiated during the year.

Service Contract 6B (Bonita)

In September 2013, the DOE approved the consortium's submitted work program and budget for the remaining months of the first 5-year extension of the contract term. This consisted of in-house resource and economic evaluation of three major structures of commercial interest within the block namely, the East Cadlao and Elephant prospects and the Bonita discovery. The in-house study was completed and the results presented to the consortium in February 2014. The study results indicated that both the East Cadlao prospects and Bonita are handicapped with low computed resource volumes, and are considered uneconomic to develop on a stand-alone basis. An upside, however, is offered by a large untested structure, the Elephant Prospect, which is now the main focus of the various studies planned under the contract's second 5-year term extension.

In April 2014, Philodrill submitted for the DOE's consideration the consortium's proposed forward programs for the first sub-phase of the second 5-year extension of the contract term. The submitted work program under Sub-Phase 1, which will run from 1 March 2014 – 28 February 2016, include satellite gravity modelling and oil seep mapping as initial activities, followed by 3D seismic data re-processing and interpretation as the second part of the program. In May 2014, Philodrill was able to secure DOE approval for the Sub-Phase 1 work programs which in effect also approved entry into the second 5-year term extension of the contract.

The programmed satellite gravity over the block has been completed. This program in SC 6B was part of a bigger coverage which also included 3 other offshore Palawan blocks, with Cosine International as geophysical contractor. Meanwhile, Philodrill continued seismic interpretation work which now focused on the northern and eastern section of the block using scanned/vectorized data. Incorporation of the satellite gravity model into the seismic interpretation work will be undertaken when it becomes available. Philodrill also started reviewing the coverage area for the programmed seismic re-processing commitment. A formal quote for a 200-400 km² re-processing work has been sent to a prospective contractor.

Service Contract No. 14 D (Retention Block)

While under the Service Contract System Philodrill is not required to do any work on retention blocks, but because of the analysis of the data around the areas there is potential to develop new plays within the block.

The seismic interpretation of the TQ3D data over the block continues, focusing on the Top Nido Limestone horizon and the Galoc Clastic Unit, with the Top Pagasa, Base Carcar and Pre-Nido as secondary mapping horizons.

Service Contract NO. 14 C-2 (West Linapacan)

A Map of West Linapacan structure was presented. It was noted that operatorship of this block has reverted back to Philodrill after former operator RMA West Linapacan Pte was removed by the Department of Energy from the Service Contract for failure to show proof of funding to continue with the West Linapacan drilling program. As of March 12, 2015, Philodrill was re-elected as the operator of the SC 14C-2 West Linapacan Block.

Currently, the main focus is to reconstitute the joint venture affairs in terms of commercial commitments of the previous operator, after which the consortium will decide on how to move forward.

NON-OPERATED BLOCKS

Service Contract 53 (Onshore Mindoro)

In early 2014, block operator Pitkin contracted Geocon which did a scouting and “walk through” of the proposed lines to be acquired under the programmed Test Mini-Sosie seismic program. Due to operational constraints, it was observed that there were very few areas where the Mini-Sosie seismic survey can be run, thus the program was suspended indefinitely. In lieu of the suspended seismic work, the consortium implemented a test seismic re-processing program. By end-June 2014, Pitkin had sourced, prepared and shipped appropriate seismic tapes for transcription and re-processing by Spectrum Data based in Perth, Australia. The test seismic reprocessing program involved four select lines. While results of the re-processing have shown some improvements on the data, these were considered marginal, and thus Pitkin decided not to proceed with a larger future re-processing program.

Parallel to the seismic activities, Pitkin continued to prepare for the drilling of the Progreso-2 well. Early in 2014, the operator had secured some of the appropriate endorsements and relevant permits from concerned community organizations and government units and mobilized teams to kick-off information and educational campaigns in the various areas where drilling activities will take place. They have likewise finalized tenders and evaluated received bids for most of the major drilling services and equipment.

The Onshore Mindoro Consortium, during a Technical Committee Meeting held in April 2014, agreed to drill another well, Progreso-3, back-to-back with Progreso-2 subject to agreement on the final well locations. Interpretation of the re-processed data later in the year provided support on new locations for the proposed wells, the drilling of which is now seen to materialize in the second half of 2015. By end-2014, the consortium was waiting for partner RMA Limited (RMA) to approve the new well locations and drilling budget AFE. Execution of the drilling rig contract with rig provider DESCO remains on hold pending the RMA approvals.

Service Contract 74 (Linapacan)

Following Pitkin's assessment of the availability of vintage 2D and 3D seismic and field data for seismic re-processing, the operator immediately commenced the re-processing program by sourcing data from contractors Western Geco for the TQ3D data and EZ Data, the DOE's partner for the PECRs, for the scanned 2D data within and around SC 74 block. Pitkin likewise conducted and completed petrophysical analyses on the old Linapacan B-1 and Linapacan A-1A wells.

The first leg of the programmed geological fieldwork was carried out in March 2014 and covered onshore Northern Palawan. The second leg, completed in January 2015, covered the neighboring Calamian Island Group. The field campaigns were designed to map and sample pre-Nido sequences and how they correlate with formations found offshore NW Palawan, crucial in understanding the potential of the Linapacan Block.

During the 3rd quarter, Pitkin received and evaluated a proposal from Schlumberger Petro Technical Services for an integrated evaluation of the Linapacan B structure which includes re-processing of the TQ3D seismic dataset as well as reservoir modelling and simulation study of the Linapacan B discovery field.

B. FINANCIAL REPORT

The Treasurer and Vice-President for Administration, Mr. Reynaldo E. Nazarea, presented the Financial Report consisting of a summary of the Company's operating results and financial performance for the year ending December 31, 2014, followed by an update on the interim financial results as of May 31, 2015.

It was noted that the complete Audited Financial Report is contained in the 2014 Annual Report furnished to the stockholders

Compared with the figures for the year 2013, the consolidated financial highlights for the calendar year ended December 31, 2014 are as follows:

FINANCIAL HIGHLIGHTS (in million pesos)		
	Consolidated	
	2014	2013
FOR THE YEAR		
Petroleum Revenues	969.3	725.5
Investment Income	14.0	12.5
Interest & Other Income	49.8	67.6
Net Income	374.7	315.2
AS OF END OF YEAR		
Total Assets	3,418.7	3,296.5
Total Liabilities	109.7	85.8
Net Worth	3,309.0	3,210.8
Authorized Capital	2,000.0	2,000.0
Issued & Subscribed Capital	1,743.4	1,743.3

The Company's petroleum revenues increased to P969.3M in 2014 representing 34% increase from the P725.5M revenue in year 2013. Investment income for 2014, consisting primarily of equitized share in the income from PentaCapital Investment Corporation & PentaCapital Holdings Corporation amounted to P14M versus P12.5M in 2013. Interest & other income for 2014 amounted to P50M compared to P67.6M in 2013. Total net income for the year 2014 was 19% better at P374.7M versus P315.2M in 2013.

As of end of December 2014, total assets amounted to P3.418B, which is higher than the P3.296B total asset level in 2013. The Company continued to be debt-free as of end of 2014, with total liabilities, consisting mainly of accounts payable and accrued expenses, at P110M compared to P86M in 2013. Stockholders' equity/net worth slightly increased from P3.210B in 2013 to P3.309B in 2014. The Company's authorized capital stock remained the same for both years at P2.0B. Issued & subscribed capital were the same in both years with P1.74B.

The 2014 and 2013 comparative consolidated income statements are as follows:

CONSOLIDATED STATEMENTS OF INCOME		
(in million pesos, except EPS)		
	2014	2013
REVENUES		
Petroleum Operations	969.3	725.5
Equity in Net Earnings of Associates	14.0	12.5
Interest & Other Income	49.8	67.7
	1,033.1	805.7
COSTS AND EXPENSES		
Production & Depletion Costs	505.1	360.1
General & Administrative	75.2	87.4
	580.3	447.5
INCOME BEFORE TAX	452.8	358.2
PROVISION FOR INCOME TAX	78.1	43.0
NET INCOME	374.7	315.2
EARNINGS PER SHARE	0.0020	0.0016
RETURN ON AVERAGE EQUITY	11%	10%

Total revenues for the year 2014 amounted to P1.033B, which is around P227M higher compared to P805.7M in 2013. This consisted of revenues from petroleum operations amounting to P969.3M, this is, equitized share in affiliates' income of P14M, and interest and other income of P50M was lower by 26% than 2013 mainly due to the lower forex gain for 2014.

The increase in petroleum revenues from P725.5M in 2013 to P969.3 in 2014 is mainly on account of the full year operation of the 2 additional wells in the Galoc Phase 2 development project. Meanwhile, the equitized earnings increased from P12.5M in 2013 to P14M in 2014. Miscellaneous & other income was substantially lower in 2014 at P49.8M compared to P67.7M in 2013 as a result of a lower foreign exchange gain that the Company derived in 2014.

Total costs and expenses for the year 2014 amounted to P580.3M, which is around 30% higher than the expense level in 2013 of P447.5M. Bulk of this increase is mainly due to higher expenses on production & depletion costs from P360M it went up to P505M in 2014. The major component of the increase represents the amortization of the investment in Galoc Phase 2 development project. After taking out from revenues the costs and expenses and the provision for income tax of P78.1M, the Company's net income for the year 2014 amounted to P375.M which is P60M higher (19% increase) than P315.2M in 2013. EPS for 2014 is P0.0020 and for 2013 is at P0.0016. Return on average equity is at 11%, slightly higher than the 10% for 2013.

PETROLEUM OPERATIONS	2014	2013
Production Volume (in barrels)		
Galoc	2,855,260	1,691,442
Nido/Matinloc/North Matinloc	157,053	158,998
	3,012,313	1,850,440
Average price per barrel (in US\$)		
Galoc	99.59	110.06
Nido/Matinloc/North Matinloc	84.69	95.68

The total 2014 output from the four fields was 3,012,313 barrels. Total Galoc production of 2,855,260 barrels is 69% higher than the 1,691,442 barrels of crude produced in 2013. For Nido/Matinloc/North Matinloc, the total aggregate production from the three fields was 157,053 barrels which is 1% lower than the 158,998 barrels of crude production in 2013.

Average price per barrel of Galoc crude for the year 2014 was at US\$99.59 per barrel which is 10% lower compared to US\$110.06 per barrel for the same period in 2013. Crude from Nido/Matinloc/North Matinloc was priced at an average of US\$84.69 per barrel for the period ended December 2014 which is also about 11% lower compared to US\$95.68 per barrel for the same period during the previous year.

Based on the Company's audited financial statements, the comparative consolidated balance sheets for the calendar years 2014 and 2013 are as follows:

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION		
(in million pesos, except BVPS)		
	2014	2013
Current Assets	934.8	673.1
Property & Equipment	797.0	926.7
Deferred Oil Exploration & Development Costs	949.7	895.1
Investments & Other Assets	737.2	801.6
	3,418.7	3,296.5
Liabilities	109.7	85.7
Equity	3,309.0	3,210.8
	3,418.7	3,296.5
Book Value Per Share	0.0182	0.0176

As of end of December 2014, total assets of the Company amounted to P3.42B versus P3.3B as of end of December 2013. Current assets increased by 39% from P673.1M in 2013 to P934.8M in 2014 due to the higher revenues generated by Galoc. Property and equipment decreased from P926.7M in 2013 to P797M in 2014 as a result of the depletion cost. Deferred oil exploration and development costs slightly increased from P895.1M in 2013 to about P950M in 2014. Investments and other assets decreased by around P64M from P801.6M in 2013 to P737.2M in 2014 mainly due to the higher valuation reserve that the Company had in its listed shareholdings as of the end of 2014.

Total liabilities as of the end of December 2014 increased from P85.7M in 2013 to P109.7M mainly due to the income tax provision. Stockholders' equity increased by P98M from P3.21B in 2013 to P3.31B in 2014 due to the net income booked in year 2014 which was reduced by the amount of cash dividends declared during the same year. Book value per share amounted to P0.0182 in 2014 versus P0.0176 in 2013.

The interim financial results of the Company estimated to the end of May 2015 are as follows:

STATEMENT OF INCOME (in million pesos, except EPS)	
	Unaudited YTD
	May 2015
REVENUES	
Petroleum Operations	218.5
Equity in Net Earnings of Associates	8.6
Interest & Other Income	14.6
	241.7
COSTS AND EXPENSES	
Production & Depletion Costs	174.5
General & Administrative	22.4
	196.9
INCOME BEFORE TAX	44.8
PROVISION FOR INCOME TAX	1.3
NET INCOME	43.5

Total estimated revenues for the first five months of the year 2015 amounted to P241.7M, substantially lower than revenues for the same period last year mainly due to the decline in crude price starting at the second half of 2014, consisting of revenues from petroleum operations of P218.5M, equitized share in affiliates' income of P8.6M, and interest and other income of P14.6M. Total estimated costs and expenses as of end of May 2015 is at P197M, with P174.5M in production and depletion costs, and P22.4M in general and administrative costs. Year-to-date net income is estimated at P43.5M after considering provision for income tax amounting to P1.3M.

PETROLEUM OPERATIONS	Jan - May 2015
Production Volume (in barrels)	
Galoc	953,616
Nido/Matinloc/North Matinloc	65,891
	1,019,507
Average price per barrel (in US\$)	
Galoc	60.88
Nido/Matinloc/North Matinloc	54.30

For the five-month period ending May 2015, total output from the four oil fields is estimated at 1,019,507 barrels, with 953,616 barrels from Galoc, down by 28% from production for the same period last year and 65,891 barrels of combined Nido/Matinloc/North Matinloc crude, or 2% lower than same period last year. Year-to-date average of crude price per barrel for Galoc is estimated at \$60.88, down by 39% from the average price last year while the estimate for Nido/Matinloc/North Matinloc crude price is \$54.30 per barrel, down by 36% also from the average price last year.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in million pesos, except BVPS)	
	Unaudited May 2015
Current Assets	1,006.7
Property & Equipment	747.0
Deferred Oil Exploration & Development Costs	950.3
Investments & Other assets	619.9
	3,323.9
Liabilities	49.8
Equity	3,274.1
	3,323.9
Book Value Per Share	0.0180

As of end of May 2015, total assets of the Company which is estimated at P3.324B. This consists of current assets amounting to P1.006B, investments at P619.9M, property and equipment of P747M, deferred oil exploration and development costs at P950.3M.

Estimated total liabilities and equity for the period ending May 2015 amounts to P3.323B, consisting of P49.8M of estimated liabilities and P3.274B worth of stockholders' equity. Book value per share is estimated at P0.0180 for the month of May 2015.

At this point, the President opened the floor for any questions that the stockholders may have regarding the Management Report presented by Messrs. Sales and Nazarea. He likewise requested the stockholders who will raise questions to first identify themselves and that the questions should refer to the item in the agenda under consideration.

Mr. Peralta, asked Management to explain if the Company has a service contract similar to the Malampaya gas field. In response, the President explained that at present the Company has no Service Contract as big as the Malampaya project. While the President is hopeful that Philodrill will soon have a big project similar to Malampaya, currently the big block it has is Service Contract 6A (Octon Block). Mr. Peralta further asked how far is Philodrill's Service Contract from Malampaya, to which the President explained that it does not have to be near the Malampaya Project, it is a stand alone Service Contract. The Service Contract has been drilled about eight (8) times and there are discovery wells that can be developed for production. The Company is completing the mapping of the area, with significant structures seen. The President also explained that SC 6A is different from Malampaya gas field since this one is an oil field.

Another stockholder, Mr. David Kho, inquired if the oil exploration activities of Philodrill is within the exclusive economic zone of the Philippines and outside the Nine-Dash line claimed by China. The President confirmed that the Company's Service Contracts are within the Philippine territory outside of the nine-dash line of China.

A stockholder inquired on the Notice that was sent to him, the Corporate Secretary explained that the Information Statement was sent to all stockholders of record as of March 18, 2015 in CD format. It was likewise mentioned that all these information are available and may be viewed at the Company's website. The Stockholder then commended the Board for consistently generating income for the Company and for continuously distributing cash dividends to its stockholders. He further inquired how far the Service Contracts are from the Spratley Islands. The President replied it is very far, it takes about 5 hours chopper ride going to the Spratleys while it only takes 45 minutes from El Nido to the Nido/Matinloc fields. The stockholder also inquired on the cost of production in general. The President explained that cost per barrel differs from field to field, like the Nido/Matinloc field, which is around US\$54/barrel. One must consider that this is an old field with low production rate average, compared to the Galoc field, where break-even is around US\$34/barrel since average production rate is higher.

Another stockholder queried what if China will continuously disregard the UNCLOS and tell the Company to stop operating and get out of the fields, the President pointed out that China should be the one to go away since it is within Philippine territory and has no jurisdiction over the assets.

After the Management Reports presented by Messrs. Sales and Nazarea and considering that the stockholders have been sufficiently informed of the current status of the Company, a motion was raised for the approval of Philodrill's 2014 Annual Report and the 2014 Consolidated Financial Statements of the corporation and its subsidiary as audited by SyCip Gorres Velayo & Co.

The motion having been seconded and there being no objections, the President declared the motion carried and duly approved.

**APPROVAL, RATIFICATION AND / OR CONFIRMATION
OF THE ACTS AND RESOLUTIONS OF THE
BOARD OF DIRECTORS AND MANAGEMENT**

The President announced that the next item in the agenda is the ratification of the acts and resolutions of the Board of Directors and Management. A stockholder moved for the approval of the following resolution:

“RESOLVED, That the Minutes of the meetings and all acts and resolutions taken or adopted by the Board of Directors, Board Committees and Management since the last Annual Meeting of Stockholders last June 18, 2014 up to the date of this meeting be confirmed, ratified and approved.”

The motion having been seconded and there being no objections, the President declared the motion carried and the resolution approved.

**APPOINTMENT OF EXTERNAL AUDITOR
FOR CALENDAR YEAR 2015**

The next item in the agenda is the appointment of the external auditor for the Company for the calendar year 2015. The President inquired if there are nominees for appointment as external auditor of the Company.

A stockholder nominated the auditing firm of SyCip Gorres Velayo & Company for appointment as the Company's external auditor for the calendar year ending December 31, 2015. The nomination was duly seconded.

There being no other nominees, the nomination was, upon motion duly made and seconded, closed. The President declared SyCip Gorres Velayo & Company duly appointed as the Company's external auditors for the calendar year ending December 31, 2015.

ELECTION OF DIRECTORS

The Chairman announced that the next item in the Agenda is the election of the Directors and opened the nominations therefor. He requested the Secretary to read the names of the nominees for directors as certified by the Nominations and Elections Committee.

The Secretary announced the following individuals who have been duly nominated to compose the Board of Directors of the Company and to serve as such for one (1) year and until their successors shall have been duly elected and qualified in the next annual meeting of the stockholders in 2015:

1. Alfredo C. Ramos
2. Augusto B. Sunico
3. Presentacion S. Ramos
4. Adrian S. Ramos
5. Christopher M. Gotanco
6. Francisco A. Navarro
7. Maureen Alexandra R. Padilla
8. Honorio A. Poblador III – Independent Director
9. Nicasio I. Alcantara– Independent Director

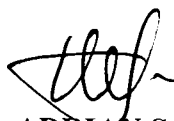
The Chairman then asked if there are other nominations. There being none, and upon motion duly made and seconded, the nomination for the Board of Directors was closed. There being no objection to the closing of the nomination and considering that there are only nine (9) nominees to the nine-member Board, the Chairman directed the Secretary to cast all votes in favor of all the nominees to the Board of Directors and, thereafter, declared the above-named nominees as the duly-elected directors of the Company.

ADJOURNMENT

The Chairman inquired if there are matters which the stockholders would want to discuss in the Meeting.

There being no further questions and matters to discuss, and upon motion duly made and seconded, the Meeting was adjourned at 4:15 p.m.

Certified Correct:



ADRIAN S. ARIAS
Secretary of the Meeting



Attest:




ALFREDO C. RAMOS
Chairman of the Meeting

REPUBLIC OF THE PHILIPPINES)
[Signature]) S.S.

SUBSCRIBED AND SWORN to before me this 23 day of February at Manila, affiants exhibiting to me their respective valid government-issued IDs as follows:

Name	Community Tax Certificate No./Valid Gov't ID	CTC/ID Date Issued	CTC/ID Place Issued
ALFREDO C. RAMOS	10541336	01-02-2015	Manila
	TIN No. 132-017-513		
ADRIAN S. ARIAS	17209304	01-08-2015	Mandaluyong City
	TIN 107-439-052		

Doc. No. 142
Page No. 16;
Book No. 10;
Series of 2015.


ATTY. RONALD SEGUNDINO C. CHING
NOTARY PUBLIC-MANILA
ROLL NO. 54999
IBF NO. 949508/12-19-14
PTR NO. 3837980/01-05-15
VALID UNTIL DEC. 31, 2016