

THE PHILODRILL CORPORATION
MINUTES OF THE
2020 ANNUAL MEETING OF STOCKHOLDERS

held on August 13, 2020, 2:30 p.m.
via remote communication

| | | |
|---|---|-----------------|
| Number of Shares Issued and Outstanding | : | 191,868,805,358 |
| Shares represented in person and by proxies | : | 108,733,251,074 |
| Percentage of Attendance | : | 56.67% |

CALL TO ORDER AND PROOF OF SERVICE OF NOTICE

After the national anthem and invocation, the Chairman of the Board, Mr. Alfredo C. Ramos, welcomed the stockholders to the 2020 Annual Stockholders' Meeting (the "Meeting") and called the meeting to order at 2:30 p.m. In light of the Covid-19 pandemic and in support of the measures to prevent the spread of the disease, the Annual Stockholders' Meeting for the year 2020 was conducted *by remote communication*.

He introduced the Members of the Board present, starting off with Mrs. Presentacion S. Ramos, Mrs. Maureen Alexandra Ramos-Padilla, Mr. Gerard Anton S. Ramos, Mr. Adrian Paulino S. Ramos, Mr. Christopher M. Gotanco, Mr. Reynaldo E. Nazarea, Mr. Nicasio I. Alcantara, and Mr. Honorio A. Poblador III.

The Chairman also acknowledged the presence of the representatives from Stock Transfer Service, Inc., and SyCip Gorres Velayo and Co.

The Chairman then turned over the floor to Mr. Adrian S. Ramos who was appointed as Presiding Officer for the meeting.

For the first order of business, the Presiding Officer asked the Corporate Secretary if the required Notices for the Annual Meeting were duly sent to all stockholders of record as of March 18, 2020 (the "Record Date"). In compliance with the requirements of the Securities and Exchange Commission on the alternative mode for distributing the Notice of meeting, the Corporate Secretary replied that information on the date, time, and place of meeting were published in the Business Sections of The Manila Times last July 21 & 22, 2020 and Manila Bulletin last July 22 & 23, 2020, both in print and online format. Likewise, Notices were sent via email to the stockholders of record as indicated in the corporate records. The electronic copy of the Definitive Information Statement, Management Report, SEC Form 17-A, other required documents were also made available at the Company's website, www.philodrill.com and uploaded at the PSE Edge portal.

CERTIFICATION OF THE PRESENCE OF QUORUM

The Presiding Officer inquired from the Corporate Secretary whether or not a quorum is present for the transaction of business in today's meeting.

The Corporate Secretary replied that, as verified by the Transfer Agent, Stock Transfer Service, Inc., at least 108,733,251,074 shares, representing 56.67% of the Company's outstanding capital stock, were present in person or represented by proxy in the meeting. A quorum therefore existed for the valid transaction of business.

Considering that it is the first time that the Annual Stockholders' Meeting was held via remote communication, the Assistant Corporate Secretary explained the procedure for the discussion and voting.

In support of the efforts to contain the outbreak of COVID-19 and to ensure the safety and welfare of its stockholders, directors, officers, and employees, the Corporation dispensed with the physical attendance of stockholders at the meeting and allowed attendance only by remote communication. All stockholders of record as of March 18, 2020 who participated in the meeting via remote communication were required to send a scanned or digital copy of their Registration Form, together with the requisite documents to the email address 2020asm@philodrill.com within the Registration Period or until August 6, 2020, for validation. Under Item 19 of the Corporation's Definitive Information Statement, the voting procedures were as follows:

(i) In all items for approval, each voting share of stock entitles its registered owner as of record date to one vote. For items other than the Election of Directors, the registered Stockholder has the option to vote: For, Against, or Abstain. The vote is considered cast for all the registered Stockholder's shares.

(ii) In the election of directors, straight and cumulative voting shall be allowed. Each stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate the shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many nominees as he shall see fit; provided that, the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the total number of directors to be elected.

(iii) Upon successful registration at the Annual Stockholders' Meeting, each stockholder will be provided a ballot to enable him to vote on each item or proposal in the Agenda. All votes will be counted and tabulated by the Election Committee composed of representatives from the Office of the Corporate Secretary.

Registration for the annual stockholders' meeting and tabulation of votes shall be conducted in the following manner:

(1) Registration is to commence by the filing of a scanned or digital copy of the completed Registration Form together with other required documents to 2020asm@philodrill.com beginning July 23, 2020 at 8:00am until August 6, 2020 at 5:00pm.

(2) The stockholder has the option to either vote in absentia, in which case the stockholder will have to complete the ballot included in the Registration Form; or to appoint the Chairman of the meeting as Proxy.

(3) Subject to validation by the Company, the stockholder will receive an email confirming their valid registration which shall also contain the link to the live webcast of the Meeting.

(4) The Proxy Validation Committee will tabulate all votes received through Proxy or in absentia, and an independent third party will validate the results.

(5) Stockholders who notified the Company of their intent to attend the meeting remotely can either vote in advance or during the meeting through the link provided to their email addresses. Votes are subject to the validation of an independent third party.

Stockholders who registered and voted were deemed to have given their consent to the collection, use storing, disclosure, transfer sharing and general processing of their personal data by the Corporation and by any other relevant third party for the purpose of electronic voting in absentia for the Annual Stockholders' meeting and for all other purposes for which the Stockholder can cast his/her/its vote as a stockholder of the Corporation.

Stockholders may send their questions and/or comments during the meeting by email to 2020asm@philodrill.com with subject "ASM Question/Comment". Stockholders who participated in the Meeting were encouraged to send their questions, comments and motions before the meeting. Relevant questions on the agenda items were read by the Moderator and answered by concerned officers during the meeting.

Upon adjournment, the Company shall post the link to the recorded webcast of the Annual Stockholder's Meeting on the Company's website, for two (2) weeks. Within this period, Stockholders may raise to the Company any issues, clarifications and concerns on the Annual Stockholder's Meeting conducted.

All details pertaining to registration, proxy and voting are fully disclosed in the Definitive Information Statement filed with the SEC and uploaded in the Company's website @www.philodrill.com and through the PSE Edge portal <https://edge.pse.com.ph/>

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

The Presiding Officer announced that the next order of business is the reading and approval of the Minutes of the last Annual Stockholders' Meeting held on June 19, 2019, the original copy of which was made available for inspection at the Office of the Corporate Secretary. The same is likewise accessible through the Corporation's website @ <http://www.philodrill.com>

A stockholder proposed that since the minutes have long been uploaded in the Company's website since June 21, 2019, and there were no questions/corrections raised, to save time, a motion to dispense with the reading of the Minutes of the Annual Stockholders' Meeting held last June 19, 2019 was made and that said Minutes, as it appears recorded in the Minutes Book of the Company, be approved, confirmed and ratified without reading. The motion was duly seconded and, there being no objections, the Presiding Officer declared the motion approved.

RESOLUTION NO. 2020-08-13-01

*"**RESOLVED**, that the Minutes of the Annual Stockholders' Meeting of The Philodrill Corporation held on June 19, 2019, be approved, confirmed and ratified."*

MANAGEMENT REPORT

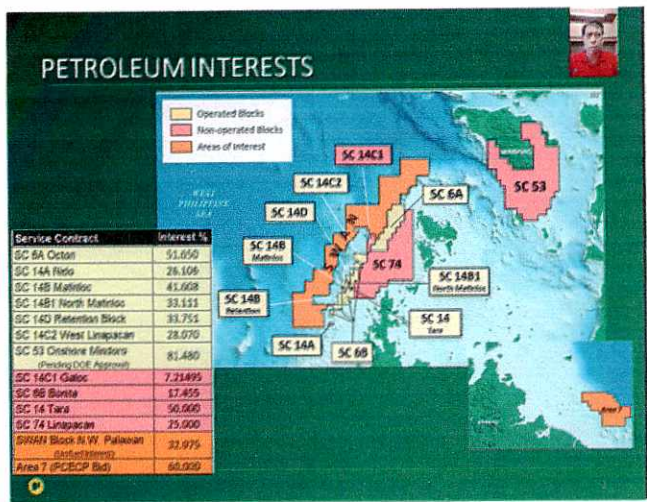
The Presiding Officer announced that the next item in the Agenda is the Management Report on the Results of Operations for the year 2019.

A. EXPLORATION & PRODUCTION REPORT

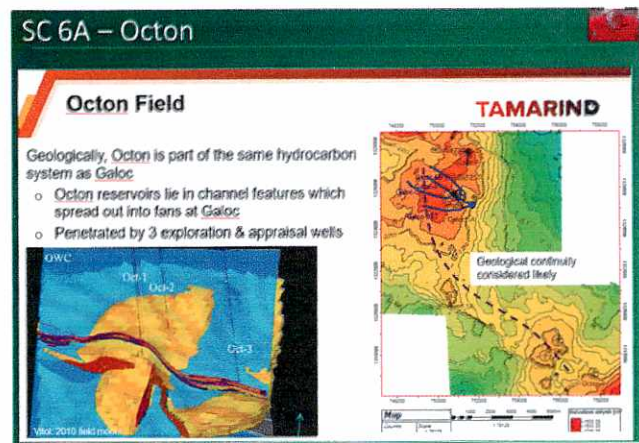
The Vice President for Exploration & Production, Mr. Alessandro O. Sales, presented the Exploration and Production Report for 2019-2020.

Philodrill currently operates 7 Service Contracts, SC6A Octon, SC14A Nido, SC14B Matinloc, SC 14B1 North Matinloc, SC14D, SC14C2 West Linapacan and pending DOE approval SC 53 Onshore Mindoro. The company has participating interests in 4 other SCs

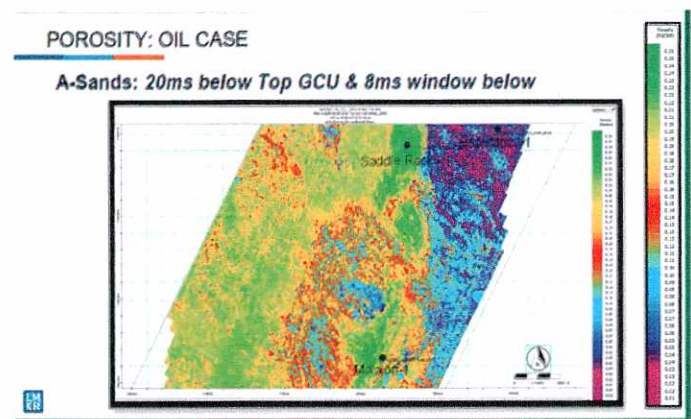
namely, SC14C1 Galoc, SC6B Bonita, SC14Tara, and SC 74 Linapacan. In addition, we are pursuing interests in 2 potential areas the deep-water NW Palawan SWAN block and the Sulu Sea area.



Service Contract 6A (Octon)



Last year, Philodrill had ongoing negotiations with Tamarind Resources for a potential farm-in to the Octon discovery as a tie back project to the Galoc field which Tamarind operates through GPC. However, the recent oil price crash has impacted the production operations at the Galoc Field and subsequently resulted in the suspension of farm-in negotiations with Tamarind Resources for the Octon discovery.

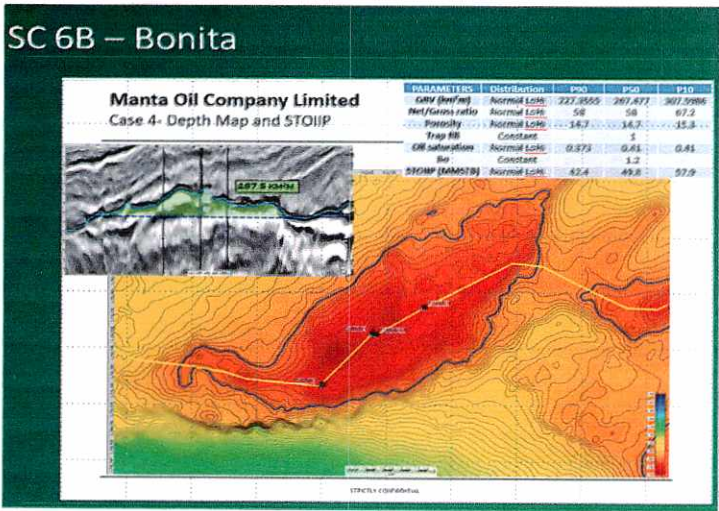


In the north part of the block, LMKR’s Quantitative Interpretation (QI) - Proof of Concept (POC) study was completed in early March 2020. The POC results were consistent with the in-house analysis done by Philodrill and supported the general well location being identified in the area. Following Philodrill’s recommendation to do a full Quantitative Interpretation (QI) work over the north block, the consortium agreed to amend the 2020 WP&B to incorporate the QI work. The amended SC 6A 2020 WP&B has been approved by the DOE

last July. It is anticipated that the full QI work will give us the best location for the appraisal well on the Malajon-Saddle Rock structure.

Meanwhile, NWP Ventures Ltd., an affiliate of Manta Oil, operator of the SC6B Bonita Block has expressed interest farming into the north block. A Confidentiality Agreement, granting them access to data on the area, was executed in February and data transmittal was completed only in early July due to the Enhanced Community Quarantine (ECQ) and lockdowns.

Service Contract 6B (Bonita)



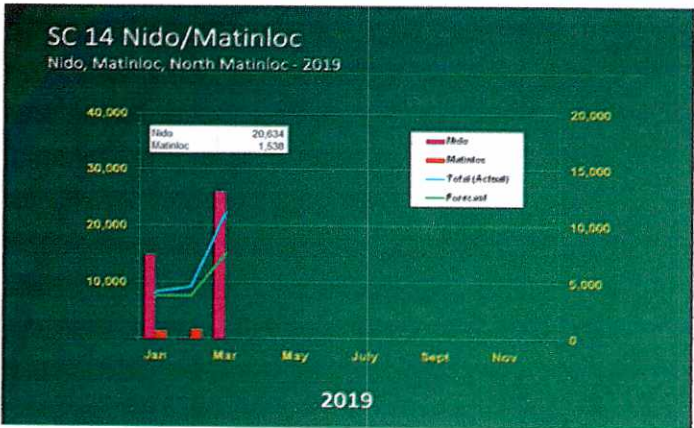
Upon approval by the DOE last October 2019, Manta Oil as the new operator has commenced pre-development tasks and activities as part of the new Plan of Development (POD) that they are now preparing for the Cadlao Field. They have engaged a local environmental group for the preparation of reports and securing environmental permits. Manta Oil has also put-up their branch in Manila.

Manta Oil continues with their subsurface evaluation of the Cadlao Field, identifying potential locations for the production wells as well as refining the potential recoverable reserve estimates from the Cadlao structure. They have also reviewed other prospects in the block that could be drilled in conjunction with the Cadlao redevelopment.

Currently, Manta is reviewing PSDM seismic data reprocessing to further de-risk subsurface uncertainty related to fluid levels and gross rock volumes. Manta is discussing with several third-party contractors who can provide PSDM work.

Philodrill continued to provide Manta Oil with necessary G&G data in their ongoing work for the Plan of Development for the Cadlao field.


Service Contract No. 14 A & B (Nido/Matinloc)



Production operations from the Nido / Matinloc fields ended last March 2019 after 40 years from its development in 1979. The Nido and Matinloc fields produced a total of 18,917,419 bbls and 12,582,589 bbls respectively. The final Plug and abandonment of the remaining 9 wells in the block was conducted from April to May in 2019. Seven wells were successfully cemented with the Nido A wells requiring additional work for the intermediate and surface cement plugs.

The April 2020 program for the final plug and abandonment (P&A) for the Nido A-1 and A-2 wells was suspended due to the Covid-19 situation and the implemented ECQ which restricted movement of personnel and deployment of the vessels that will execute the P&A works.


Well P&A Status – Actual



| Well | Primary Well Barrier | Secondary Well Barrier | Surface Plug | NORSOK | OGUK |
|------|-------------------------|---------------------------|------------------------------------|--------|------|
| B1 | 610' Tag+Test | 500' Tag+Test | 200' – Tbg 500' – Ann Tagged | Yes | Yes |
| B2 | 712' Tag+Test | 500' Tag+Test | 200' – Tbg 500' – ann Tagged | Yes | Yes |
| B3 | 896' Tag+Test | 500' Tag+Test | 500' Tagged | Yes | Yes |
| A1 | 705' Tag+Test | | | No | No |
| A2 | 658' Tag+Test | | | No | No |
| M1 | > 1,000' Tag+Test | 500' Tag+Test | 500' Tag+Test | Yes | Yes |
| M2 | 593' Tag+Test | 500' Test | 500' Tag | Yes | Yes |
| M3 | > 1,000' Tag+Test | 500' Tag | 500' Tag | Yes | Yes |
| NM2 | 500' Test | 500' Tag+Test | 500' Tag+Test | Yes | Yes |

The current plan is to resume the P&A operations within the next weather window in September 2020. All contracts and operational programs remain valid. In addition, almost all the equipment and personnel required to resume operations are available. A slight increase in the P&A budget brought by the deferment of the P&A execution was also approved by the Joint Venture.

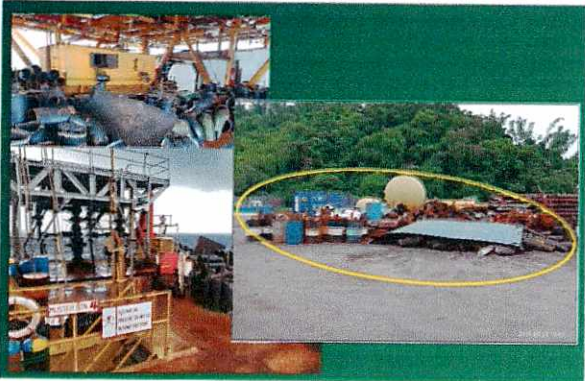
Summary – September Ops



- Weather in September not as good as April but risk is manageable
- Vessel is available and highly capable
- All equipment and personnel are available
- Can complete operation within original AFE barring any major unplanned downtime
- Majority of planning and preparation can be done remotely – not subject to C19 restrictions
- Personnel movement to Singapore and Philippines required only in September for operational phase
- Will ensure exit clauses for vessel in the event of travel restrictions being imposed in Batangas and Singapore.

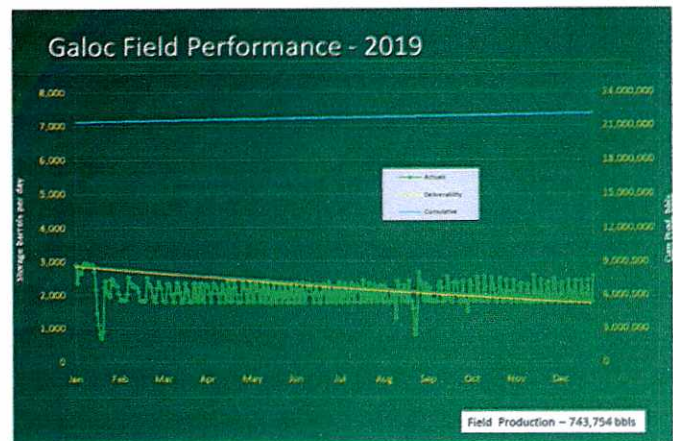
With the end of production operations, the Nido and Matinloc platforms were stripped of all oil processing and handling equipment from June to December 2019 with the scrap being shipped back to Batangas.

The sale of the scrap materials was bid out by a DOE authorized third-party auctioneer. The winning bidder, Felpet, to-date has completed removing the scrap material from our rented yard at the ESB in Mabini Batangas.

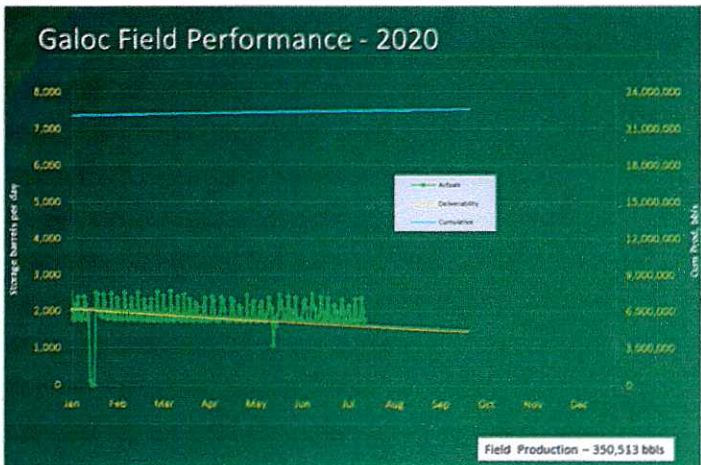


Meanwhile, the Deed of Donation and Acceptance formalizing the transfer of custody and ownership of the Nido and Matinloc platforms in Service Contract 14 has been finalized and executed by the DOE and DND last 26 June 2020, with Philodrill signing as witness to the donation.

Service Contract No. 14 C-1 (Galoc)



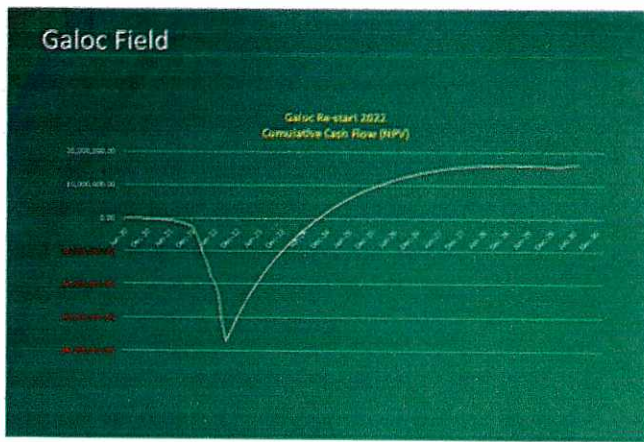
In 2019, Galoc field production totalled 743,754 barrels, about 18% lower than the forecast/budget volume of 905,025 barrels set by GPC. The lower production resulted from the shutdown of the G4 well which GPC tried to bring back online with several attempts made last year and early this year without success results. Well G4 has not been restarted since January 18, 2019 while G3 is now into cyclic production.



For the first half of 2020, Galoc field produced 350,513 barrels with a total cumulative field production of 22,443,678. As at end-June 2020, about 26,034 barrels of crude remain on board the FPSO Intrepid after the completion of the latest Galoc offtake of about 220,000 barrels on June 28, 2020.

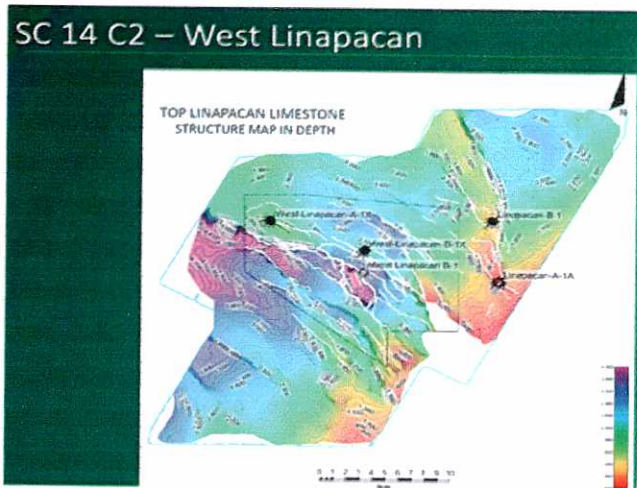
On March 25, 2020, FPSO owner Rubicon Offshore International (ROI) issued to GPC a notice of termination of the FPSO contract. Contractually, a six-month notice is required, hence cessation of production is anticipated on September 24, 2020. Production operations will continue until the said date, despite restricted movements of offshore crew who remained on an extended tour of duty due to the Covid-19 pandemic.

GPC in the meantime continues its other programs and commitments on the Galoc Block particularly working out a program for re-starting the field in 2022 to recover at least 6.5 MM bbls of remaining oil. Initial studies indicate positive NPV values for reactivating Galoc production in 2022 even with the remobilization of a new FPSO.



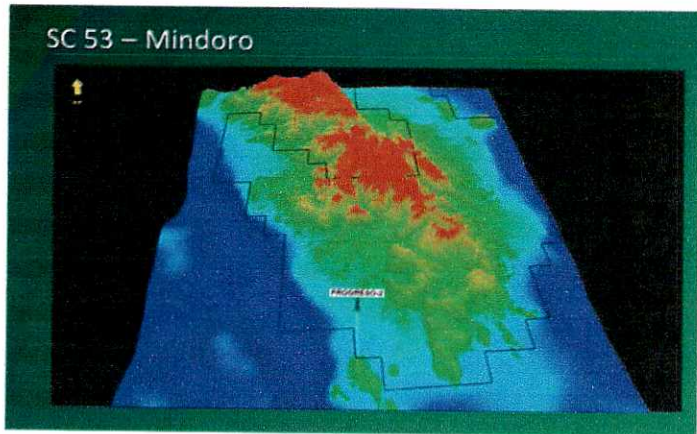
The DOE had been notified of the temporary shut-down and suspension of operations in the field. GPC is currently drawing plans for the temporary suspension of the Galoc wells and the eventual release of the FPSO from the site by October 2020. At the same time, GPC continues to work on firming up the re-start plans for the Galoc Field.

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



The Sale and Purchase Agreement (SPA) and the Farm-out Agreement (FOA) with Desert Rose Petroleum Limited (DRPL) have been signed by the partners, with both documents having Effective Date of 7 January 2020. Separately, a Deed of Assignment arising from the Farmout has been executed by the JV partners and has also been electronically executed by DRPL. As of end-July we are preparing the for execution the DoA for the Sale Purchase Agreement. Once finalized, the DOAs will be submitted to the DOE together with the Desert Rose work program, legal, technical, and financial documentation in support of the request for transfer of interests and operatorship of the block to DRPL.

Service Contract No. 53 (Onshore Mindoro)



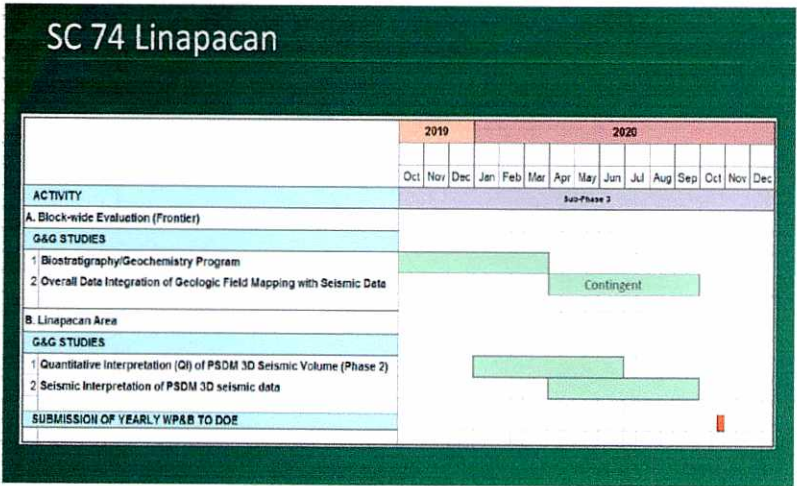
The DOE continued evaluating the merits of the Motion for Reconsideration (MR) on the termination of SC 55 that the continuing partners filed with the DOE in June 2019. While still awaiting the DOE decision on the MR, partner Basic Energy indicated in writing that they are formally withdrawing from the MK and that they will settle their remaining liabilities to the consortium.

Following a meeting held at the DOE on 9 January 2020 where the DOE agreed in principle that they will give due course to the continuing partners' appeal subject to a reconstitution of the JV and submission of technical and financial documentations. The remaining parties, Philodrill and Anglo are currently preparing and compiling the documents requested by the DOE.

While awaiting favorable decision from the DOE on the pending MR, Philodrill, on behalf of the SC53 remaining partners, concluded the sale of the long lead items intended for the Progreso drilling to buyer Felpet Trading. The LLIs were sold due to their deteriorating conditions and the added cost to repair and maintain them. Felpet had to wait until early June 2020 to pull out the said LLIs because of restricted access to the Energy Supply Base during the Covid lockdown.



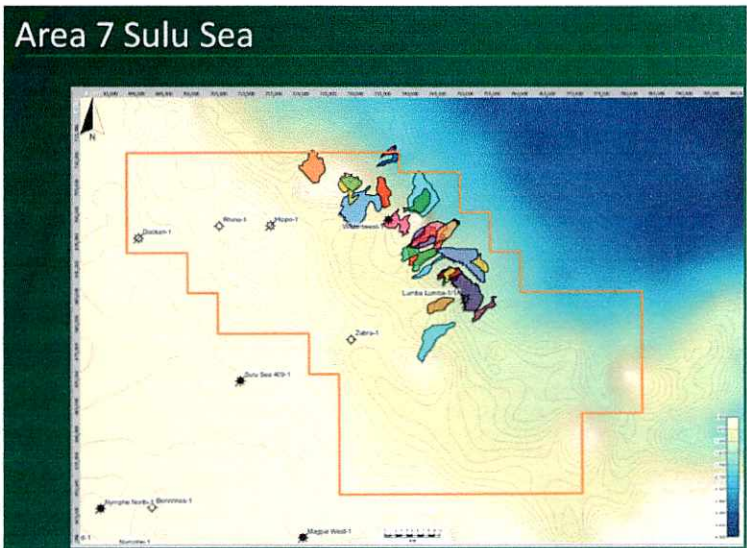
Service Contract No. 74 (Linapacan)



The DOE approved on December 20, 2019, the WP&B for CY 2020, with an advice that PXP should have identified a drillable prospect at the end of Sub-Phase 3. Last March 12, 2020, DOE also approved the extension of the current SP3 until December 13, 2020. The extension will allow the Joint Venture to complete the on-going evaluation works before deciding on entering the succeeding Sub-Phase 4 that requires a well commitment.

However, because of the continuing negative impact of the COVID-19 pandemic on business operations and timely implementation of SC 74 work activities PXP, on behalf of the Joint Venture partners, requested the DOE for the imposition of Force Majeure over SC 74 for nine (9) months starting from 13 March 2020 to 12 December 2020. The DOE approved the request in a letter to the Operator dated 14 July 2020.

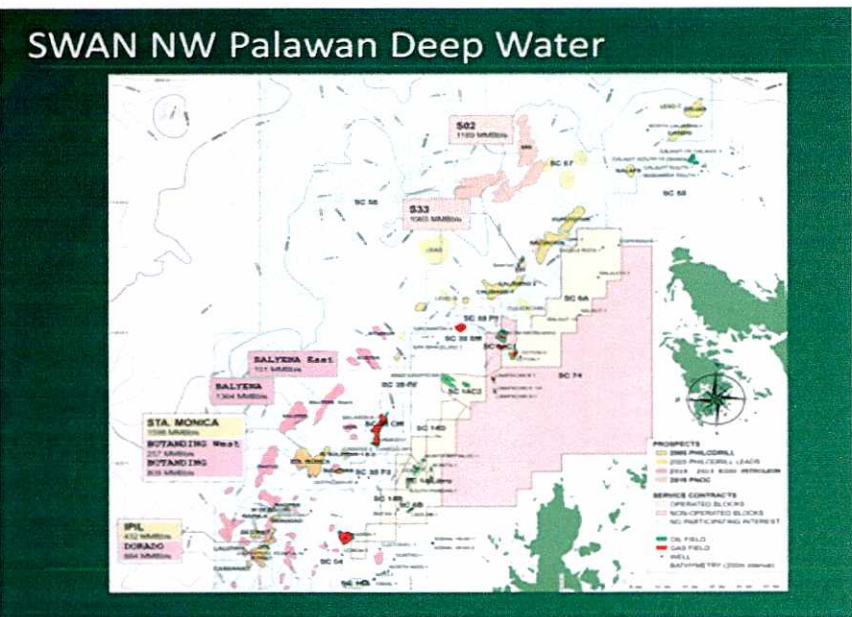
SULU SEA (PCECP Area 7)



Philodrill and bid co-applicant PXP Energy submitted the lone application for Area 7 in the last PCECP and had subsequently qualified for further technical, legal, and financial evaluation.

However, the DOE suspended the awarding of service contracts and approval of energy projects in areas under the jurisdiction of the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) until an Executive Order (EO), now being drafted by the DOE, is signed by the President. The said EO will clarify the extent of BARMM’s participation and entitlements from energy contracts within BARMM.

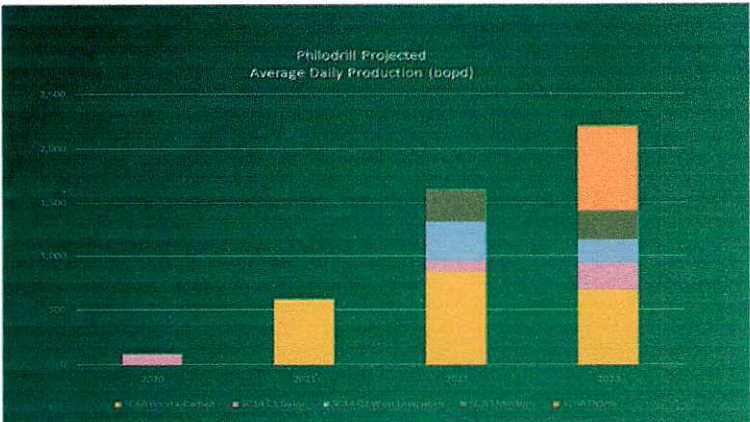
SWAN Block (Deepwater Northwest Palawan)



Philodrill continued to compile all available exploration data on the deepwater areas offshore Northwest Palawan. This is in line with the Company’s planned participation in the farm-in program of PNOC-Exploration Corporation for their Service Contract 57 and possible

participation in exploration ventures on other deep-water blocks in the West Philippine Sea region.

As we begin the next 50 years, Philodrill’s average daily production projection is presented below.



There is potential to exceed our historical production rates in the near term 2-3 years.

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, 2019, followed by an update on the Company’s financial performance for the first six (6) months of 2020, or up to June 30, 2020.

It was noted that the presentation is a condensed report and that the complete Audited Financial Report is contained in the 2019 Annual Report (SEC Form 17-A) which is available in the Company’s website.

The Consolidated Financial Highlights for the year ended December 31, 2019 with comparative figures for the year 2018 were presented as follows:

| FINANCIAL HIGHLIGHTS | | |
|-------------------------------|--------------|---------|
| (in million pesos) | | |
| | Consolidated | |
| | 2019 | 2018 |
| FOR THE YEAR | | |
| Petroleum Revenues | 246.5 | 382.7 |
| Investment Income | 42.0 | 32.4 |
| Interest & Other Income (net) | 3.0 | 42.4 |
| Net Loss | 63.2 | 262.0 |
| AS OF END OF YEAR | | |
| Total Assets | 3,354.6 | 3,480.3 |
| Total Liabilities | 123.3 | 181.0 |
| Net Worth | 3,231.3 | 3,299.4 |
| Authorized Capital | 2,000.0 | 2,000.0 |
| Issued & Subscribed Capital | 1,918.7 | 1,918.7 |

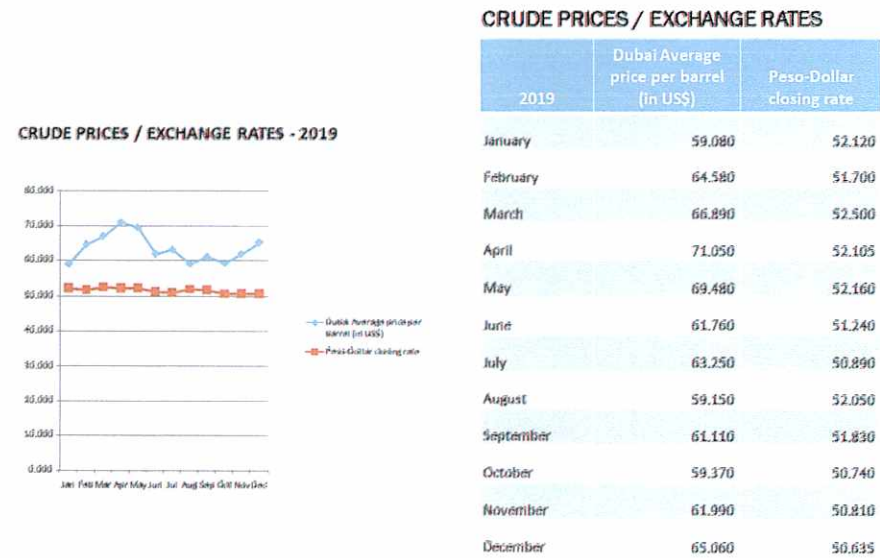
For 2019, the Company’s total revenues amounted to P246.5M, compared to P382.7M in 2018. Investment Income was P42.0M versus P32.4M in 2018. Interest and other income went down from P42.4M in 2018 to P3.0M in 2019. With regard to the operating result, the Company incurred a net loss of P63.2M in 2019 versus P262.0M in 2018.

Regarding the Company’s financial position, as of end of December 2019, total assets stood at P3.354B versus P3.480B as of end-2018. Liabilities as of year-end amounted to P123.3M compared to P181.0M in 2018. The Company remained debt free in 2019. Net worth stood at P3.231B compared to P3.299B in 2018. Authorized Capital stood at P2.0B. Issued and subscribed capital was the same at P1.918B.

| PETROLEUM OPERATIONS | 2019 | 2018 |
|--|-----------|-----------|
| Production Volume (in barrels) | | |
| GALOC | 993,761 | 1,152,943 |
| NIDO/MATINLOC | 22,192 | 94,789 |
| | 1,015,953 | 1,247,732 |
| Average LIFTING price per barrel (in US\$) | 65.17 | 70.71 |

With regard to petroleum operations, total Galoc crude production was 993,761 barrels, around 14% lower than the 2018 production of about 1.153M barrels on account of the normal depletion of the wells. For Nido/Matinloc operations, the total production from the fields in 2019 was 22,192 barrels which declined by 77% from the previous year’s production of 95,000 barrels on account of the cessation of production operations in March 2019 to give way to the plug and abandonment operations done between April and May 2019.

Average lifting price for Galoc and Nido/Matinloc crude for the year 2019 was at US\$65.17 per barrel down by about 8% from US\$70.71 per barrel from the previous year’s average price.



Above is the graph showing the behavior of the Dubai Crude prices and the Peso:Dollar exchange rates.

The blue line represents the fluctuation in the Dubai crude prices in 2019. In January, the Dubai crude average price/barrel was \$59.08. The price trend was upward until April which fetched an average price of \$71.05/barrel. From there, prices headed downward to \$59.15/barrel in August and traded within a narrow range until November. By the end of the

year Dubai crude closed at \$65.06/barrel average, around 10% higher than its starting average in January.

The orange graph shows the trend in the peso-dollar exchange rate. The year 2019 started with an exchange rate of P52.58:\$1. For the first three quarters of 2019, the exchange rate moved within a relatively narrow range. However the peso appreciated in the fourth quarter, ending the year at P50.63:\$1. This corresponded to a P1.95 or 3.7% appreciation of the peso versus the dollar during the year.

CONSOLIDATED STATEMENTS OF INCOME
(in million pesos, except EPS)

| | 2019 | 2018 |
|---|--------------|--------------|
| REVENUES | | |
| Petroleum Operations | 246.5 | 382.7 |
| Equity in Net Earnings of Associates | 42.0 | 32.4 |
| Interest & Other Income (net) | 3.0 | 42.4 |
| | 291.5 | 457.4 |
| COSTS AND EXPENSES | | |
| Production Costs | 248.2 | 247.8 |
| Plug & Abandonment Costs | 39.0 | 242.6 |
| Depletion Costs | 64.6 | 88.4 |
| Impairment Losses | 0.0 | 149.1 |
| General & Administrative | 62.7 | 82.0 |
| | 414.5 | 809.9 |
| LOSS BEFORE INCOME TAX | 123.0 | 352.5 |
| PROVISION FOR (BENEFIT FROM) INCOME TAX | (59.8) | (90.5) |
| NET LOSS | 63.2 | 262.0 |
| LOSS PER SHARE | 0.0003 | 0.0014 |

For 2019, the Company's total revenues amounted to P291.5M, compared to P457.4 in 2018, a decline of about 36%. The biggest decline was in petroleum operations, from P382.7M in 2018 to P246.5M in 2019 or a decline of about P136M on account of the lower production volume coupled with lower average crude price for the year. With regard to equitized income from affiliates, mainly Penta Capital, the Company booked P42M equitized income, compared to P32.4 in 2018, P10M or 30% higher than the previous year's earnings on account of the improved profitability of the Penta Capital group. Interest and other income was substantially lower at P3.0M, compared to P42.4 in 2018, mainly on account of movement in the peso-dollar exchange rate. In 2018, the company booked a forex gain of P23M due to the depreciation of the peso versus the dollar. However in 2019, because of the relative strength of the peso, the Company booked a loss of P15M.

Total cost and expenses for 2019, at P414.5M was 50% lower than the P810M total costs in 2018. This was mainly due to two major items. In 2018 the Company booked P242.6M plug and abandonment (P&A) costs, the bulk of which was accrual for the 2019 P&A program for the Nido, Matinloc and North Matinloc wells. However, the P&A program for 2019 was not completed due to technical difficulties and had to be rescheduled for completion in 2020, thus incurring additional costs of which the company's share of P39M was accrued in 2019. The second item behind the decline in the 2019 costs was the absence of impairment losses in 2019 as against P149.1M impairment provision in 2018.

With regard to other items of cost and expenses, production costs for 2019 and 2018 were almost at the same level, at around P248M. Depletion costs went down from P88.4M in 2018 to P64.6M in 2019 due to the lower level of production during the year. General and administrative costs went down from P82M in 2018 to P62.7M in 2019. Taking out the cost and expenses from the revenues, the Company had a loss before income tax of P123M in 2019 from P352.5M in 2018. For 2019, the Company had a negative income tax, same as in 2018, due to the booking of deferred tax assets on the NOLCO. In 2019 the amount was about P60M and in 2018, P90.5M. Taking out this negative income tax provision

from the loss before income tax, the Company’s net loss for 2019 was P63.2M, compared to P262M in 2018.

Moving on to the Company’s Balance Sheet.

CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION
(in million pesos, except BVPS)

| | 2019 | 2018 |
|--|----------------|----------------|
| Current Assets | 693.7 | 918.1 |
| Property & Equipment | 477.7 | 489.8 |
| Deferred Oil Exploration & Development Costs | 1074.4 | 1,058.5 |
| Investments & Other Assets | 1,108.7 | 1,013.9 |
| | <u>3,354.6</u> | <u>3,480.3</u> |
| Liabilities | 123.3 | 180.9 |
| Equity | <u>3,231.3</u> | <u>3,299.4</u> |
| | <u>3,354.6</u> | <u>3,480.3</u> |
| Book Value Per Share | 0.0168 | 0.0172 |

Total assets stood at P3.354B as of the end of 2019, P126M or 4% lower than the total assets as of the end of 2018 of P3.480B. Current assets were down by P224M from P918.1M in 2018 to P693.7M in 2019 due to the drawdown in the Company’s cash position as a result of the P&A program for Nido, Matinloc and North Matinloc in 2019, coupled with the lower crude oil inventory as of year-end. With regard to property, plant and equipment, there was a decline of about P12M, from P489.8M in 2018 to P477.7M in 2019 on account of the depletion costs of P68M booked during the year which was partially offset by the additional capex of P56M pertaining to the Galoc condensate recovery project. Deferred oil exploration costs increased by about P16M to P1.074B due to the booking of additional deferred costs during the year. Investments and other assets were higher by P95M, due to the booking of increased equitized share in the Penta Capital income, plus the deferred tax asset booked on the NOLCO.

With regard to liabilities, the Company remained debt-free, with liabilities standing at P123.3M for 2019, down by about P57.6M from P180.9M in 2018 due mainly to the payment of the Company’s share in the P&A costs for Nido, Matinloc and North Matinloc in 2019. Stockholders’ equity at P3.231B was lower by about P68M from P3.299B in 2018, mainly on account of the net loss booked in 2019. Book value for 2019 stood at P0.0168/share, compared to P0.0172/share as of the end of 2018.

Interim Results for the first half of 2020.

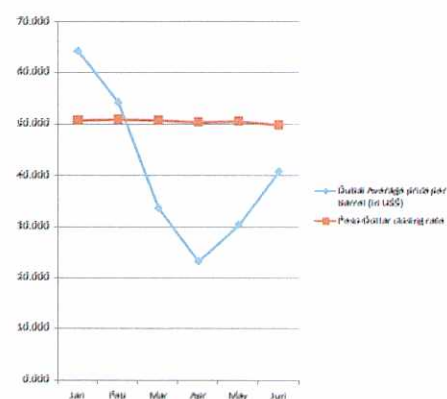
| PETROLEUM OPERATIONS | January-June 2020 |
|---|----------------------|
| Production Volume (in barrels) | |
| GALOC | 350,957 |
| Average Lifting price per barrel (in US\$) | |
| GALOC | 33.64 |

The Galoc field produced around close to 351,000 barrels for the first half of 2020, with an average lifting price of US\$33.64/barrel.

CRUDE PRICES / EXCHANGE RATES

| 2020 | Dubai Average price per barrel (in US\$) | Peso-Dollar closing rate |
|----------|--|--------------------------|
| January | 64.290 | 50.830 |
| February | 54.240 | 50.970 |
| March | 33.750 | 50.680 |
| April | 23.270 | 50.400 |
| May | 30.490 | 50.610 |
| June | 40.800 | 49.830 |

CRUDE PRICES / EXCHANGE RATES – 2020



The blue line represents the Dubai crude prices for 2020. The year started with the Dubai crude average price/barrel at \$64.29. On account of the Covid-19 crisis, there was a steep decline in the prices for the first quarter, with Dubai average posting a low of \$23.27/barrel in April. By the end of June, the Dubai average had partially recovered to \$40.58/barrel.

With regard to the peso-dollar exchange rate, 2020 started with the exchange rate of ₱50.64:\$1. By June, the exchange rate was at ₱49.83:\$1.

Interim financial results for the first half of 2020.

STATEMENT OF INCOME
(in million pesos)

| | Unaudited YTD June 2020 |
|---|----------------------------|
| REVENUES | |
| Petroleum Operations | 40.0 |
| Equity in Net Earnings of Associates | 11.7 |
| Interest & Other Income | 8.4 |
| | 60.1 |
| COSTS AND EXPENSES | |
| Production Costs | 49.6 |
| Depletion Costs | 30.9 |
| General & Administrative | 31.0 |
| Foreign Exchange Loss | 5.4 |
| Provision for (Benefit from) Income Tax | (12.5) |
| | 104.4 |
| NET LOSS | 44.3 |

The Company’s total revenues amounted to ₱60.1M, with petroleum operations amounting to ₱40M. Total cost and expenses, including negative income tax provision of ₱12.5M, amounted to ₱104.4M. The Company has an unaudited net loss for the six month period ending June 30, 2020 of ₱44.3M

CONSOLIDATED STATEMENT OF
FINANCIAL POSITION
(in million pesos, except BVPS)

| | Unaudited June 2020 |
|--|------------------------|
| Current Assets | 654.6 |
| Property & Equipment | 447.0 |
| Deferred Oil Exploration & Development Costs | 1,076.8 |
| Investments & Other Assets | 1,116.7 |
| | 3,295.1 |
| Liabilities | 124.6 |
| Equity | 3,170.5 |
| | 3,295.1 |
| Book Value Per Share | 0.0165 |

Total assets stood at ₱3.295B as of the end of June 2020, with current assets of about ₱655M, property, plant and equipment of ₱447M, deferred exploration costs of ₱1.08B and investments and other assets of ₱1.11B. Total liabilities amounted to ₱124.6M, while stockholders’ equity was at ₱3.170B. Book value per share was ₱0.0165 as of the end of June 2020.

At this point, the Presiding Officer opened the floor for any questions, comments or issues that the stockholders may have regarding the Management Report presented by Messrs. Sales and Nazarea.

Stockholders were encouraged to participate in the ASM by sending their questions and/or comments during the meeting by email to 2020asm@philodrill.com with subject “ASM Question/Comment”. Stockholders who participated in the Meeting sent their questions before the meeting. Relevant questions were raised and read by the Moderator and were answered by concerned officers during the meeting.

1.

There are reported foreign vessels, apparently Chinese vessels doing surveys on the Recto Bank. Will this affect the Company’s operations? How near is this to the Company’s operating fields?
- VP for Exploration Mr. Alessandro Sales replied that Philodrill’s operating fields are quite far from the Reed Bank, otherwise known as Recto Bank. It is about 260 km to the South West of the operating fields in Galoc, even the Malampaya gas field. He believes the surveys being done have no immediate effect to the operations of the Company.
2.

Please enlighten us on the company's plans within the next 2-3 years regarding some of its maturing blocks, will there be exciting developments we can look forward to?

As a petroleum exploration Company, Philodrill is always optimistic. The Company has several projects that we are optimistic will come to fruition in the next year or two. Principally, there is the Cadlao field which is scheduled to begin production in the second half of 2021. Hopefully, the schedule will not be delayed by the current COVID-19 pandemic. The operator Manta Oil is continuing with the finalization of the plan of development, but it remains to be seen how it will be executed, taking into consideration the effects the COVID-19 pandemic. We are keeping our fingers crossed on this. Philodrill is also finalizing the West

Linapacan farm-out for the re-development by Desert Rose and that should come online by 2022. Another thing that Philodrill is closely pursuing is the Onshore Mindoro Block, for a quick gas to power project. Should the company get a favorable decision, the Operator can proceed with the actual drilling by early 2022.

These projects will bring immediate cash flow to Philodrill, but further down the horizon, Philodrill is also working on bigger impact projects principally the exploration projects and appraisal projects in Service Contract 6A and in the Sulu Sea area.

3. How is Philodrill affected by the global pandemic in terms of its financial position? What is the Company's outlook for the rest of 2020?

The Treasurer and Vice President for Administration, Mr. Reynaldo E. Nazarea explained that, the COVID crisis has resulted in the identification of three major concerns which have a negative impact on the company in 2020.

First item is the crude price. Based on the presentation earlier, there has been a substantial decline in crude prices due to the global pandemic. The year 2020 started with a Dubai crude price average of around \$64/barrel which plunged to as low as \$23/barrel in April. Since then, because of the production cuts that were implemented by the major oil-producing countries, crude price levels have partially recovered. Currently Dubai crude is hovering at about \$43/barrel. At this level, the cash production cost per barrel for Galoc crude is almost covered.

The second concern is the peso-US dollar exchange rate. This affects the Company's petroleum revenues which is dollar-denominated, as well as the Company's US-dollar assets. The peso has so far remained relatively strong against the US dollar. In 2019, the year started with a Peso-US dollar rate of P52.58 to \$1 and appreciated by 3.7% to close the year at P50.635 to \$1. As of August 13, 2020, the Peso was at P48.84 to \$1. This is a 3.5% appreciation from the beginning of 2019. This has a negative effect on petroleum revenues in peso terms and could translate to the booking of a possible forex loss if the peso continues to remain strong by the end of 2020.

The third concern is crude production. Mr. Sales mentioned earlier that in March, the owner of the floating production storage vessel in Galoc, Rubicon Oil Intl. served a 6-month termination notice to the joint venture. This means that unless there is a supervening development, Galoc crude production will shut down by late September 2020. The impending production shutdown coupled with the drop in crude prices and the strong peso, will have a strong impact on the Company's 2020 revenues, and will probably result in an operating loss for the current year.

On a positive note, Mr. Nazarea pointed out that Philodrill has no existing bank obligations and has set aside funds to sustain its operations during these difficult times. In addition, the Company will continue to implement cost-reduction measures and at the same time rationalize its exploration projects as a prudent measure to conserve funds.

Over the medium term, as reported by Mr. Sales, Philodrill looks forward to some projects that could bring about a turnaround in its operating results. Notably this could be the Cadlao-Bonita project under Service Contract 6B which has been farmed out to a foreign company called Manta Oil and also the West Linapacan project which is currently being farmed out.

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 that the Management Report and Financial Statements for the year 2019 be noted and approved.

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

RESOLUTION NO. 2020-08-13-02

*“**RESOLVED**, that the Management Report of the Company for the year 2019, including its Audited Financial Statements be noted and approved.”*

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

The next item in the agenda is the ratification of the acts and resolutions of the Board of Directors and Management.

The Corporate Secretary explained that the ratification by the stockholders is sought for the acts and resolutions of the Board of Directors, its Committees, and Management of the Company taken or adopted since the annual stockholders’ meeting last June 19, 2019 until the date of the meeting, August 13, 2020. Atty. Arias referred the stockholders to the summary of resolutions for ratification/confirmation which appeared in the Company’s Information Statement and were flashed on the screen for the stockholders to view. After sufficient time, a stockholder moved for the approval of all the acts and resolutions of the Board of Directors, its Committees, and Management of the Company taken or adopted since the Annual Stockholders’ Meeting last June 19, 201 until August 13, 2020.

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

RESOLUTION NO. 2020-08-13-03

*“**RESOLVED**, that the acts and resolutions of the Board of Directors, its Committees, and the Management taken or adopted since the annual stockholders’ meeting last June 19, 2019 until the date of this meeting August 13, 2020 be approved, confirmed and ratified.*

**APPOINTMENT OF EXTERNAL AUDITOR
FOR CALENDAR YEAR 2020**

The next order of business is the appointment of Independent External Auditor for the Company for fiscal year 2020. The Audit Committee has evaluated the performance of the current external auditor, SyCip Gorres Velayo & Co. Based on the recommendation of the Audit Committee, The Philodrill Corporation reappoints SyCip Gorres Velayo & Co. as external auditor for fiscal year 2020. Representatives of SGV & Co. are present in the meeting to answer any questions addressed to them

A total of 108,640,215,917 shares representing 99.9% of the total voting shares represented in the August 13, 2020 meeting voted in favor of the appointment of SyCip Gorres Velayo & Co. as the Company’s External Auditor for 2020. Therefore, the resolution appointing SyCip Gorres Velayo & Co. as the Company’s External Auditor for 2020 is hereby approved.

RESOLUTION NO. 2020-08-13-04

*“**RESOLVED**, that Sycip Gorres Velayo & Co. are hereby appointed external auditors of the Company for calendar year 2020.”*

ELECTION OF DIRECTORS

The Presiding Officer announced that the next item in the Agenda is the election of the Directors. The Corporate Secretary noted that in accordance with the Company's Revised Manual on Corporate Governance, all nominations for director were reviewed and approved by the Corporate Governance and Nominations Committee.

Under SEC rules, only nominees whose names have been submitted to and evaluated by the Corporate Governance and Nominations Committee, and whose names appear in the Final List of Candidates set forth in the Definitive Information Statement, shall be eligible for election as independent directors.

The Company received the following nominations for regular and independent directors for the ensuing term 2020-2021, which were evaluated by the Corporate Governance and Nominations Committee:

For Regular Directors:

- 1) ALFREDO C. RAMOS
- 2) PRESENTACION S. RAMOS
- 3) CHRISTOPHER M. GOTANCO
- 4) ADRIAN PAULINO S. RAMOS
- 5) GERARD ANTON S. RAMOS
- 6) MAUREEN ALEXANDRA R. PADILLA
- 7) REYNALDO E. NAZAREA

For Independent Directors:

- 8) NICASIO I. ALCANTARA
- 9) HONORIO A. POBLADOR III

The nominees for Directors each has received at least 108,733,251,074 votes, representing 100% of the total voting shares represented in the August 13, 2020 meeting.

On the screen was presented the tally of the total votes cast for each Director as of August 13, 2020. Therefore Mr. Chairman, I hereby certify that all 9 Nominees for Directors have received sufficient votes to elect them as Board of Directors of The Philodrill Corporation for the term 2020 to 2021.

RESOLUTION NO. 2020-08-13-05

***"RESOLVED**, that the following be elected as members of the Board of Directors of the Company, to serve as such beginning August 13, 2020 and until their successors are elected and qualified:*

*Mr. Alfredo C. Ramos
Mrs. Presentacion S. Ramos
Mr. Christopher M. Gotanco
Mr. Adrian Paulino S. Ramos
Mr. Gerard Anton S. Ramos
Mrs. Maureen Alexandra R. Padilla
Mr. Reynaldo E. Nazarea
Mr. Nicasio I. Alcantara (Independent Director)
Mr. Honorio A. Poblador III (Independent Director)."*

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, upon motion duly made and seconded, the Meeting was adjourned at 3:50 p.m.

Certified Correct:



ADRIAN S. ARIAS
Secretary of the Meeting

Attest:




ADRIAN S. RAMOS
Chairman of the Meeting

REPUBLIC OF THE PHILIPPINES)
QUEZON CITY) S.S.

SUBSCRIBED AND SWORN to before me this 17 day of AUG 2020 at
QUEZON CITY, affiants exhibiting to me their competent ID as follows:

Adrian S. Ramos
Adrian S. Arias

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Book No. IV
Series of 2020.


NOTARY
ALLAN S. JAO
Notary Public - Quezon City
1010 EDSA, Bago Bantay, QC
Roll No. 44786
IBP Lifetime No. 02131
PTR No. 1399624/1.2.2020/San Juan City
MCLE No. VI-0028149/7.20.2019
Commission No. NP-134 until Dec. 31, 2021