

# THE PHILODRILL CORPORATION

## MINUTES OF THE 2024 ANNUAL MEETING OF STOCKHOLDERS

*held on June 19, 2024, 2:30 p.m.  
via remote communication*

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Number of Shares Issued and Outstanding	:	191,868,805,358
Shares represented in person and by proxies	:	<u>105,874,658,370</u>
Percentage of Attendance	:	55.18%

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### CALL TO ORDER AND PROOF OF SERVICE OF NOTICE

The formal proceedings started with the Philippine national anthem, then prayer. The Philodrill Corporation's Chairman of the Board, Mr. Gerard Anton S. Ramos, welcomed the stockholders to Philodrill's 2024 Annual Stockholders' Meeting (the "Meeting") and called the same to order at 2:30 p.m. As Philodrill adapts to the technology trends and pursuant to the provisions of its By-Laws, the Annual Meeting was held via remote communication.

Mr. Ramos acknowledged the presence of the distinguished Members of the Board present, starting off with Mrs. Presentacion S. Ramos, Mrs. Maureen Alexandra Ramos-Padilla, Mr. Adrian Paulino S. Ramos, Mr. Christopher M. Gotanco, and Mr. Reynaldo E. Nazarea. The Independent Directors, Messrs. Allen L. Copok, Vincent L. Tempongko and John Peter Hager.

The Chairman also acknowledged the presence of the Management Team of Philodrill headed by the Vice President for Exploration & Production, Mr. Dennis Panganiban and the Treasurer Mr. Reynaldo E. Nazarea, together with the Corporate Secretary, Atty. Adrian S. Arias. The representatives from Stock Transfer Service, Inc., and SyCip Gorres Velayo and Co. were likewise present during the meeting.

The Chairman welcomed all shareholders and guests attending the meeting.

For the first order of business, the Chairman asked the Corporate Secretary if the required Notices for the Annual Meeting were duly sent to all stockholders of record (April 15, 2024).

In compliance with the requirements of the Securities and Exchange Commission on the alternative mode for distributing the Notice of meeting, information on the date, time, and place of meeting has been published in The Manila Times and Business World on May 20 & 21, 2024, both in print and online format. Likewise, Notices were sent via email to the stockholders of record. The electronic copy of the Definitive Information Statement, Management Report, SEC Form 17-A, and other required documents are also available at the Company's website philodrill.com and uploaded at the PSE Edge portal.

### CERTIFICATION OF THE PRESENCE OF QUORUM

The Chairman inquired from the Corporate Secretary whether or not a quorum was present for the transaction of business at the meeting.

The Corporate Secretary replied that as verified by the Transfer Agent, STSI, at least 105,874,658,370 shares, representing 55.18% of the Company's outstanding capital stock were in attendance and participated by remote communication either personally or by proxy. For this year's ASM a total of 11 proxies were validated, equivalent to 105,402,656,259

shares (54.93%) represented in the meeting. A quorum therefore existed for the transaction of business.

As the Annual Stockholders' Meeting is again held by remote communication, the Corporate Secretary explained the voting and tabulation procedures.

In compliance with the requirements of Section 49 of the Revised Corporation Code, the voting procedures are as follows

- All stockholders of record as of April 15, 2024 who will participate in the meeting are required to send a digital copy of their Registration Form, together with the required documents to [info@philodrill.com](mailto:info@philodrill.com) or [2024asm@philodrill.com](mailto:2024asm@philodrill.com) no later than June 12, 2024 for validation.
- Upon successful registration, each stockholder will be provided a Proxy Form and/or ballot to enable him to vote on each item in the Agenda. All votes will be counted and tabulated by the Election Committee composed of representatives from the Office of the Corporate Secretary.
- 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.
- The Proxy Validation Committee will tabulate all votes received through Proxy or in absentia, and an independent third party will validate the results.
- 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.
- In all items for approval, each voting share entitles the registered owner 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 shares of the registered Stockholder.
- In the election of directors, straight and cumulative voting shall be allowed. A 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 all his votes; provided that, the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the number of directors to be elected.

Stockholders are encouraged to send their questions and/or comments during the meeting by email to [2024asm@philodrill.com](mailto:2024asm@philodrill.com) with subject "ASM Question/Comment". Relevant questions on the agenda items were read by the Moderator and answered by concerned officers during the meeting.

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](http://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 Chairman announced that the next order of business is the reading and approval of the Minutes of the last Annual Stockholders' Meeting held on June 21, 2023, the original copy of which was available for inspection at the Office of the Corporate Secretary. The same is likewise accessible through the Corporation's website @ <http://www.philodrill.com>.

Ms. Violy, a stockholder, raised a motion to dispense with the reading of the Minutes of the Annual Stockholders' Meeting held last June 21, 2023. She moved for the immediate approval since the video of the proceedings last year was already uploaded in the website and made available for public viewing. Likewise, the Minutes of the last Annual Stockholders' Meeting are available in the website since June 26, 2023, and there were no questions raised or corrections made by any stockholder. In order to save time and effort in the reading of an 8-page document, she moved that the Minutes be approved, confirmed and ratified. The motion was duly seconded and there being no objections, the Chairman declared the motion approved.

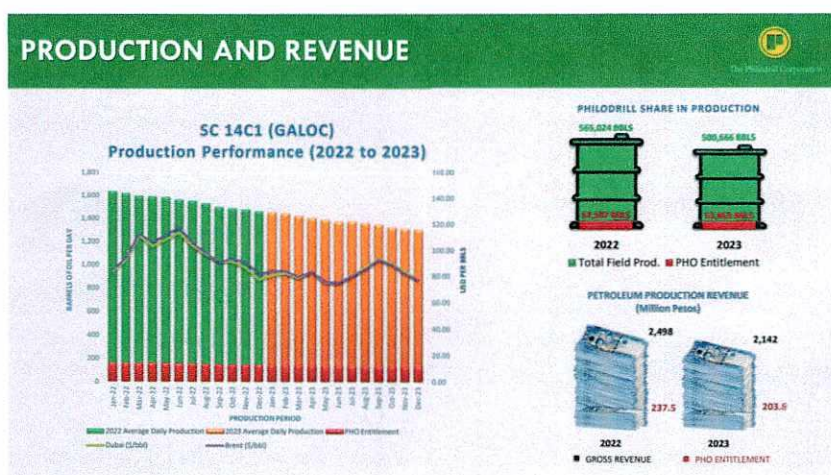
**RESOLUTION NO. 2024-06-19-01**

*“RESOLVED, that the Minutes of the Annual Stockholders’ Meeting of The Philodrill Corporation held on June 21, 2023, be approved, confirmed and ratified.”*

**MANAGEMENT REPORT**

The Chairman then proceeded to the next item in the Agenda, the Management Report on the Results of Operations for the year 2023. He asked the President, Mr. Adrian Ramos, to report on the Company’s activities and accomplishments for the year 2023.

Ladies and Gentlemen, good afternoon. It is my honor and privilege to present the management report to our shareholders.



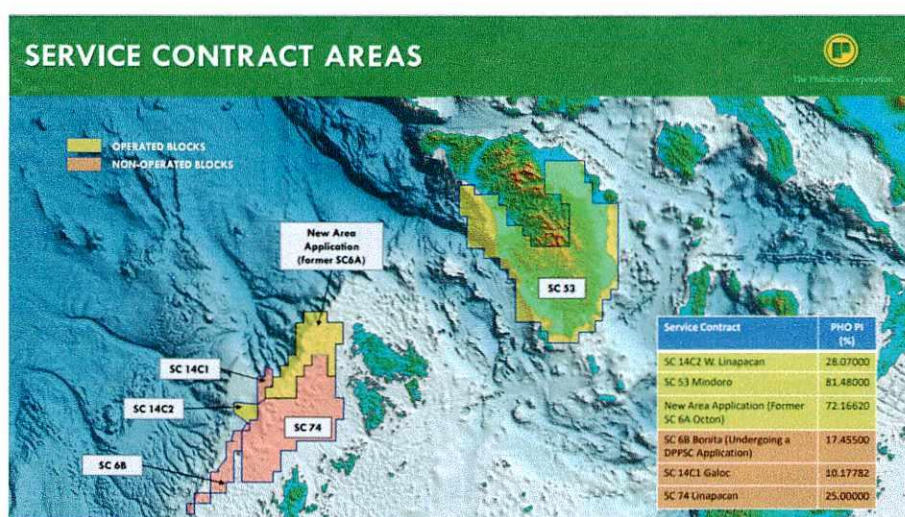
The Galoc Field, under Service Contract 14C-1, in which Philodrill has a 10.18% equity stake, continues to be the main source of our company’s revenues. Galoc production decreased by 11% year on year, and with lower crude prices between 2022 and 2023, revenues ultimately decreased from P237.5m to P203.6m. Our company’s share in production costs also increased from P105.4m in 2022 to P138.7m in 2023.

CONSOLIDATED STATEMENTS OF INCOME (in million pesos, except EPS)		
	2023	2022
<b>REVENUES</b>		
Petroleum Operations	203.6	237.5
Equity in Net Earnings of Associates	13.3	33.2
Interest & Other Income (net)	25.5	11.0
	<b>242.4</b>	<b>281.7</b>
<b>COSTS AND EXPENSES</b>		
Production Costs	138.7	105.4
Depletion Costs	52.7	48.3
General & Administrative	56.2	64.9
Foreign Exchange (Gains) Losses	(0.8)	(40.6)
	<b>246.8</b>	<b>178.0</b>
<b>PROVISION FOR UNRECOVERABLE COSTS</b>		
	<b>61.5</b>	<b>423.8</b>
INCOME (LOSS) BEFORE INCOME TAX	(65.9)	(320.1)
(PROVISION FOR) BENEFIT FROM INCOME TAX	32.0	(19.2)
<b>NET INCOME (LOSS)</b>	<b>(33.9)</b>	<b>(339.3)</b>
<b>EARNINGS (LOSS) PER SHARE</b>	<b>(0.0002)</b>	<b>(0.0018)</b>

The company registered a Net Loss for 2023 of P33.9m, which is a significant improvement versus the net loss of P339m in 2022. In 2023, the management, in coordination with our external auditors conducted an additional review of our assets and determined that an additional provision to declare a portion of these assets as impaired, amounting to P61.4m, was appropriate. Without this one-time adjustment, net income for the year would have stood at P12.1m.

HIGHLIGHTS – 1Q PERFORMANCE (in million pesos)		
	Unaudited	
	1Q 2024	1Q 2023
<b>REVENUES</b>	<b>65.0</b>	<b>59.0</b>
Petroleum	58.6	51.9
Other income	6.4	7.1
<b>COSTS AND EXPENSES</b>	<b>54.1</b>	<b>74.8</b>
<b>NET INCOME (LOSS) AFTER TAX</b>	<b>16.0</b>	<b>(0.9)</b>

Highlights from our 1<sup>st</sup> Quarter performance are shown on screen. Petroleum revenues year on year are increased by 13% on account of higher oil prices, although production declined slightly by 7.2%. As a result, the company registered a net income of P16m versus a net loss of P0.9m for the same period in 2023.



Aside from Galoc, Philodrill is an operator or member of several other service contracts under exploration, development, or application with the Department of Energy. These are namely,

SC14C2 or West Linapacan, SC53 Mindoro, SC6B Bonita, SC74 Linapacan, and SC6A Octon. The participating interest of Philodrill is shown on screen. While SC6A is under a new application, as Nominated Area 10, for a new Service Contract with the Department of Energy, the others are in various stages of exploration and development. Of these, SC6B Bonita is the most advanced, with Nido Petroleum entering into a Farm-in Agreement with the consortium in early 2022, which has since been approved by the DOE in December. A new Joint Operating Agreement was signed in July 2023 and an application for a Development and Production Petroleum Service Contract over the old SC 6B was submitted to the DOE in January of this year. With a new operator for the service contract, the goal is to drill the Cadlao-4 well and bring the Cadlao field to production as soon as possible. A drillship has been identified and is currently undergoing repairs in Vietnam to prepare the ship for deployment.

The Board and Management of Philodrill would like to thank all our stockholders, partners, officers and staff for your support. With your help, we will be able to honor the legacy and vision that our late Chairman, Mr. Alfredo C. Ramos had for his beloved company, in the months and years ahead.

Thank you and good afternoon.

After the President's Report, the Chairman opened the floor for any questions, comments or issues that the stockholders may have.

Stockholders were encouraged to participate in the ASM by sending their questions and/or comments during the meeting by email to [2024asm@philodrill.com](mailto:2024asm@philodrill.com) with subject "*ASM Question/Comment*". The following questions were raised during the meeting:

1. With the current trend, does the Company have any plans of venturing into renewable energy?
2. Does the ongoing issue with China in the West Philippine Sea affect any of the service contract area where Philodrill operates?

The Vice President for Exploration and Production, Mr. Dennis Panganiban, replied to the question stating that, while the Company continues to prioritize the exploration and development of oil and gas resources, it has already started to explore opportunities in the renewable energy sector. This is in response to the growing demand and efforts for the country to transition to cleaner energy sources. This is also in line with the company's commitment to sustainable and environmentally responsible operations. Furthermore, it will enable the Company to capitalize on the potential for growth and innovation in the alternative energy market.

On the second question, Mr. Panganiban explained that the ongoing issue with China has no direct impact on the Service Contracts that Philodrill is involved in, whether as JV Partner or as Operator. Our Service contracts are within the territorial waters of the Philippines and located outside of the controversial 9-line of China.

After the rendition of the President's Report, with the stockholders being sufficiently informed of the current status of the Company, a motion was raised that the Management Report and Financial Statements for the year 2023 be noted and approved.

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

**RESOLUTION NO. 2024-06-19-02**

*“RESOLVED, that the Management Report of the Company for the year 2023 and the 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 21, 2023 until May 3, 2024. Atty. Arias referred the stockholders to the summary of resolutions for ratification/confirmation which were flashed on the screen for the stockholders to view, it was also noted that the same are disclosed in the Company’s Information Statement. 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 21, 2023 until May 3, 2024.

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

**RESOLUTION NO. 2024-06-19-03**

*“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 21, 2023 until May 3, 2024 be approved, confirmed and ratified.”*

**APPOINTMENT OF EXTERNAL AUDITOR  
FOR CALENDAR YEAR 2024**

The next order of business is the appointment of Independent External Auditor for the Company for fiscal year 2024. 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 2024. Representatives of SGV & Co. were present in the meeting to answer any questions addressed to them.

A total of 105,781,502,120 shares representing 99.91% of the total voting shares represented in the June 19, 2024 meeting voted in favor of the appointment of SyCip Gorres Velayo & Co. as the Company’s External Auditor for 2024. Therefore, the resolution appointing SyCip Gorres Velayo & Co. as the Company’s External Auditor for 2024 is hereby approved.

**RESOLUTION NO. 2024-06-19-04**

*“RESOLVED, that Sycip Gorres Velayo & Co. are hereby appointed external auditors of the Company for fiscal year 2024.”*

## ELECTION OF DIRECTORS

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 2024-2025, which were evaluated by the Corporate Governance and Nominations Committee:

*The nominees for Regular Directors are:*

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

*For Independent Directors:*

- 7) ALLEN L. COPOK
- 8) VINCENT L. TEMPONGKO
- 9) JOHN PETER HAGER

The nominees for Directors received the following votes:

1. Presentacion S. Ramos	105,874,658,370
2. Maureen Alexandra R. Padilla	105,874,658,370
3. Gerard Anton S. Ramos	105,874,558,370
4. Adrian Paulino S. Ramos	105,874,658,370
5. Christopher M. Gotanco	105,874,558,370
6. Reynaldo E. Nazarea	105,874,558,370
7. Allen L. Copok	105,874,658,370
8. Vincent L. Tempongko	105,874,658,370
9. John Peter Hager	105,874,658,370

The Corporate Secretary certified that all 9 Nominees for Directors have received sufficient votes to elect them as Board of Directors of The Philodrill Corporation for the term 2024 to 2025.

### RESOLUTION NO. 2024-06-19-05

*“RESOLVED, that the following be elected as members of the Board of Directors of the Company, to serve as such beginning June 19, 2024 and until their successors are elected and qualified:*

*Mrs. Presentacion S. Ramos  
Mrs. Maureen Alexandra R. Padilla  
Mr. Gerard Anton S. Ramos  
Mr. Adrian Paulino S. Ramos*

*Mr. Christopher M. Gotanco*  
*Mr. Reynaldo E. Nazarea*  
*Mr. Allen L. Copok (Independent Director)*  
*Mr. Vincent L. Tempongko (Independent Director)*  
*Mr. John Peter Hager (Independent Director).”*

### **OTHER MATTERS**

The President informed the body of the impending retirement of the Company’s Treasurer and VP for Administration, Mr. Reynaldo E. Nazarea, by the end of June 2024. On behalf of Philodrill’s Board, Management and staff, the President expressed gratitude to Mr. Nazarea for his 37 long years of dedicated service and loyalty to the Company. His contributions to the Company’s success were acknowledged and much appreciated.

### **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 2:55 p.m.

Certified Correct:

  
**ADRIAN S. ARIAS**  
*Secretary of the Meeting*

Attest:

  
**GERARD ANTON S. RAMOS**  
*Chairman*



**ACKNOWLEDGMENT**


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

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of 24 JUN 2024 at  
Mandaluyong City, affiants exhibiting to me their competent ID as follows:

<b>Name</b>	<b>Competent ID</b>	<b>Date and Place of Issue</b>
Gerard Anton S. Ramos		
Adrian S. Arias		

NOTARY

Doc. No. 293  
Page No. 40  
Book No. 1  
Series of 2024.

  
**ATTY. JOSEPHINE C. LAFIGUERA - ILAS**  
**NOTARY PUBLIC - CITY OF MANDALUYONG**  
**APPT. NO. 0644-23 UNTIL 12-31-2024**  
**QUAD ALPHA CENTRUM, 125 PIONEER STREET**  
**MANDALUYONG CITY 1550**  
**PTR NO. 3131139/ MANDALUYONG CITY / 01-16-2023**  
**IBP NO. 273594/01-06-2023/RSM CHAPTER**  
**MCLE COMPLIANCE NO. VI-0030421/04-14-2022**  
**ROLL NO. 44784**