

Dividend Policy

The Board of Directors has the power to fix and determine the amount to be declared for dividends from the Company's unrestricted retained earnings.

The amount of such dividends (either in cash or stocks) will depend on the Corporation's profits, cash flow, capital expenditure, financial condition and other factors and will follow the SEC guidelines on determination of retained earnings available for dividend declaration. The existence of surplus profit is a condition precedent before a dividend can be declared. The surplus profits are the Company's Audited Net Income adjusted for unrealized items, including those earmarked for exploration and development projects.

During the Company's profitable years, from 2010 to 2016, Philodrill was able to declare cash dividends. The Board approved the amount of such dividends based on a certain percentage of the par value.

However, for the succeeding years, the Company has not been gainfully operating due to the decline in production volume as a result of the depletion of its petroleum reserves. In 2017, the Company incurred major expenses with the plug and abandonment of some of its operated fields. This was further aggravated by the effects of the Covid-19 pandemic to the Company's operations as some projects were put on hold.

With this, Philodrill has not declared any dividend since November 2016.