

**PNOC EXPLORATION CORPORATION (PNOC EC)
Validated 2018 Performance Scorecard**

	Component				Target	Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/Measure	Formula	Wt.	Rating System	2018	Actual	Rating	Actual	Rating			
CUSTOMERS / STAKEHOLDERS	SO 1	Operate in a Regime of Transparency and Fairness in our Dealings with our Business Partners										
	SM 1	Percentage of Satisfied Customers	Percentage of Customers with at least Satisfactory Rating	5.00%	(Actual/Target) If less than 80% = 0%	90%	96%	5.00%	96.1%	5.00%	<ul style="list-style-type: none"> Stakeholder Satisfaction Survey 2018 5 sample accomplished questionnaire Report on Quality Control Procedure 	<p>PNOC EC tapped the services of Department of Social Development Services (DSDS) of the College of Human Ecology, UP Los Baños</p> <p>PNOC EC was given "very satisfied" and "satisfied" ratings by 96.1% of the 538 total respondents.</p>
	SO 2	Become the Partner of Choice of Other Energy Enterprises in Energy Exploration and Production										
	SM 2	No. of JV Partnerships	No. of new JV partnership as a result of farm-in/ farm-out activities	0.00%	Actual over Target	1	0	0%	0	0%	-	No new JV partnership was entered into in 2018. There is continuing effort in farm-out activities and evaluation of farm-in activities.
		Subtotal		5.00%			5.00%		5.00%			

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FINANCE	SO 3	Ensure Profitability in a Sustainable Manner																								
	SM 3	NET INCOME before FOREX Gain/Loss and Petroleum Exploration Costs	Amount of Annual NET INCOME before FOREX gain/loss and Exploration Costs	15.00%	Actual over Target	1.19 Billion ¹	1.24 Billion	15.00%	1.24 Billion	15.00%	<ul style="list-style-type: none"> 2018 Unaudited Statement of Profit or Loss 2018 Revised Projected Statement of Profit or Loss based on SC 38 Actual Pricing 	Detailed Computation: <table border="1" style="font-size: small;"> <tr><td>(In Million Pesos)</td><td></td></tr> <tr><td>NET INCOME (NI)</td><td>1,367.30</td></tr> <tr><td>Add: Petroleum Exploration Cost</td><td>(12.50)</td></tr> <tr><td>Forex Gain</td><td>195.25</td></tr> <tr><td>Balance</td><td>182.75</td></tr> <tr><td>NOLCO Effect (P3.26 x 30%)</td><td>(127.93)</td></tr> <tr><td>NI before FOREX and exploration cost</td><td>1,239.37</td></tr> </table>	(In Million Pesos)		NET INCOME (NI)	1,367.30	Add: Petroleum Exploration Cost	(12.50)	Forex Gain	195.25	Balance	182.75	NOLCO Effect (P3.26 x 30%)	(127.93)	NI before FOREX and exploration cost	1,239.37
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Subtotal			15.00%				15.00%		15.00%																	
INTERNAL PROCESS	SO 4	Focus Exploration for the Discovery of Potential Petroleum and Coal Resources for the Country																								
	SM 4	No. of Line-Kilometers of Seismic Data Interpreted in SCs	Total no. of line-kilometers of seismic data interpreted	10.00%	Actual over Target	3,000	3,146	10.00%	3,146	10.00%	<ul style="list-style-type: none"> Assessment of the Hydrocarbon Prospectivity of East Palawan Basin dated 21 Sep 2018. 	With Department of Energy (DOE) certification that the assessment conforms to the standards of technical reporting in the Oil and Gas Industry.														

¹ Target adjusted based on actual net income from SC 38 (Malampaya).

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INTERNAL PROCESS	SM 5	Aerial Photographic Interpretation and Analysis	Total no. of hectares mapped	5.00%	Actual Over Target	5,000	5,913	5.00%	5,913	5.00%	<ul style="list-style-type: none"> Monthly Accomplishment Report (with full year data) for COC No. 185 and 186 on Geological Investigation (Field Mapping) for the month of December 2018 submitted to the DOE. 	Validated with supporting documents.
	SM 6	Coal Bed Methane Assessment	No. of coal seams evaluated	5.00%	Actual over Target	2	2	5.00%	2	5.00%	<ul style="list-style-type: none"> Assessments on Lumbog A (LA) and Lumbog C (LC) in COC No. 41 (Zamboanga Sibugay) dated 21 December 2018. 	

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	SO 5	Pursue Partnership with Other Energy Enterprises as Risk Management Strategy										
INTERNAL PROCESS	SM 7	No. of Companies who Signified Interest to Partner in Projects	No. of signed Confidentiality Agreements	10.00%	Actual over Target	4	4	10.00%	4	10.00%	<ul style="list-style-type: none"> Signed Confidentiality Agreements 	PNOEC entered into eight (4) Confidentiality Agreements, with the following partners: <i>Petroleum</i> <ul style="list-style-type: none"> - Beijing Igeosight Energy Technology Co., Ltd (2 agreements), - Forum Exploration Inc. (1 agreement), - China International Mining Petroleum Company Ltd. (1 agreement)
	SO 6	Determine the Prospectivity of the Areas Covered by the Service Contracts and Coal Operating Contracts										
	SM 8	No. of Geological Evaluation for Petroleum	No. of Geologic Evaluation Report/s validated by DoE	8.00%	Actual over Target	2	2	8.00%	2	8.00%	<ul style="list-style-type: none"> DOE Certifications signed by OIC Director-ERDD Melita V. Obillo dated 21 January 2019 	Reports of Geological Evaluations for Petroleum are as follows: (1) Basis Analysis of Southwest Palawan Basin dated 21 December 2018; (2) Chico Prospect File, Service Contract 37 dated 31 October 2018.

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INTERNAL PROCESS	SM 9	No. of Geophysical Evaluation for Petroleum	No. of Geophysical Interpretation Report/s validated by DoE	8.00%	Actual over Target	2	2	8.00%	2	8.00%	<ul style="list-style-type: none"> DOE Certifications signed by OIC Director-ERDD Melita V. Obillo dated 21 January 2019 <p>Reports of Geophysical Evaluations for Petroleum are as follows: (1) SC 37 Gravity, Magnetic and DGPS Surveys Completion Report dated 22 October 2018; (2) Assessment of the Hydrocarbon Prospectivity of East Palawan Basin dated 21 September 2018.</p>
	SM 10	No. of Geologic Survey for Coal	No. of Geologic Survey validated by DoE	8.00%	Actual over Target	1	1	8.00%	1	8.00%	<ul style="list-style-type: none"> DOE Certifications signed by OIC Director-ERDD Melita V. Obillo dated 18 January 2019.. <p>"Geomorphology and Lineament Analysis of COC No. 185 and COC No. 186 Using Remote Sensing Data" dated 27 December 2018.</p>
	SM 11	Methane Gas Resource Assessment	No. of Methane Gas Resource Assessment validated by DoE	8.00%	Actual over Target	1	1	8.00%	1	8.00%	<ul style="list-style-type: none"> DOE Certifications signed by OIC Director-ERDD Melita V. Obillo dated 18 January 2019. <p>"Preliminary Assessment of Coalbed Methane (CBM) Resource Potential of the LA and LC Seams in Coal Operating Contract No. 41 (COC 41)" dated 21 December 2018.</p>

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INTERNAL PROCESS	SM 12	No. of Coal Mine Development Plan	No. of Coal Mine Development Plan validated by DoE	8.00%	Actual over Target	1	1	8.00%	1	8.00%	<ul style="list-style-type: none"> DOE Certifications signed by OIC Director-ERDD Melita V. Obillo dated 18 January 2019. 	Coal Mine Development Plan entitled "Technical and Economic Feasibility of Sta. Barbara – Little Baguio Coal Project Coal Operating Contract No. 41 (COC 41)" dated 27 Dec 2018.
	Subtotal			70.00%				70.00%		70.00%		
LEARNING AND GROWTH	SO 7	Achieve Operational Excellence Through Establishment and Implementation of Internationally-Accepted Quality Standards										
	SM 13	Compliance to Quality Standards	ISO 9001 Audit Results	5.00%	All or Nothing	Recertified to ISO 9001:2015	Recertified to ISO 9001:2015	5.00%	Recertified to ISO 9001:2015	5.00%	<ul style="list-style-type: none"> ISO 9001:2015 Certificate 	PNOEC re-certified by TUV Rheinland to ISO 9001:2015 on 25 Oct 2018.
	SO 8	Provide our People with Appropriate Training and Exposure to New Developments in the Industry										
	SM 14	Percentage of Employees with Required Competencies Met	$\frac{\text{No. of Employees with Required Competencies Met}}{\text{Total Employees}}$	5.00%	Actual over Target	5% increase in Competency Level	16.00%	5.00%	16.78%	5.00%	<ul style="list-style-type: none"> List of Employees with Required Competencies Met Percentage of Personnel and Organizational Competency as Rating Sheet of Employees with Required Competencies Met 	<p>24 out of 143 (16.78%) total employees met the required competencies of their positions.</p> <p>This translates to an 8.7% increase from the Competency Level of 8.08% in 2017.</p>
Subtotal			10.00%					10.00%		10.00%		
TOTAL			100.00%					100.00%		100.00%		