

PNOC EXPLORATION CORPORATION (PNOC EC)

|                          | Component         |   |  |               | Baseline                                |             | Targets      |                |                           |
|--------------------------|-------------------|---|--|---------------|---|-------------|--------------|----------------|---------------------------|
|                          | Objective/Measure | Formula   | Wt.  | Rating System | 2016                                    | 2017        | 2018         | 2019           |                           |
| 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   | No. of Satisfied Respondents<br>Total No. of Respondents                           | 5.00%         | (Actual/Target)<br>If less than 80%= 0% | Excellent   | Excellent    | 90%            | 90% <sup>i</sup>          |
|                          | SO 2              | Become the Partner of Choice of Other Energy Enterprises in Energy Exploration and Production |  |               |   |             |              |                |                           |
|                          | SM 2              | No. of JV Partnerships Resulting from Farm-In/ Farm-Out Activities                            | No. of new JV partnership as a result of farm-in/ farm-out activities              | 0.00%         | Actual over Target                      | 1           | 0            | 1              | 1                         |
|                          | <b>Subtotal</b>   |   |  | <b>5.00%</b>  |   |             |              |                |                           |
| FINANCE                  | SO 3              | Ensure Profitability in a Sustainable Manner  |  |               |   |             |              |                |                           |
|                          | SM 3              | NET INCOME before FOREX Gain/Loss and Petroleum Exploration Cost (in million ₱)               | Amount of Annual NET INCOME before FOREX gain/loss and petroleum exploration costs | 15.00%        | Actual over Target                      | 934 Million | 1.17 Million | 770.76 Million | 940 Million <sup>ii</sup> |
|                          | <b>Subtotal</b>   |   |  | <b>15.00%</b> |   |             |              |                |                           |

<sup>i</sup> Using the Standard Methodology and Questionnaire prescribed by the GCG.

<sup>ii</sup> Income from SC 38 (Malampaya) shall be based on actual pricing reflected in the invoice.

|                  | Component         |  |  |               | Baseline           |       | Targets |       |       |
|------------------|-------------------|--|--|---------------|--------------------|-------|---------|-------|-------|
|                  | Objective/Measure | Formula  | Wt.  | Rating System | 2016               | 2017  | 2018    | 2019  |       |
| INTERNAL PROCESS | <b>SO 4</b>       | <b>Focus Exploration for the Discovery of Potential Petroleum and Coal Resources for the Country</b> |  |               |                    |       |         |       |       |
|                  | 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 | 3,384 | 3,006   | 3,000 | 2,000 |
|                  | SM 5              | No. of Hectares Mapped in Coal Operating Contracts   | Total no. of hectares mapped                             | 5.00%         | Actual Over Target | 176   | 240     | N/A   | 20    |
|                  | <b>SO 5</b>       | <b>Pursue Partnership with Other Energy Enterprises as Risk Management Strategy</b>                  |  |               |                    |       |         |       |       |
|                  | SM 6              | No. of Companies Who Signified Interest to Partner in Projects                                       | No. of signed Confidentiality Agreements                 | 15.00%        | Actual over Target | 6     | 8       | 4     | 4     |
|                  | SM 7              | No. of Due Diligence Examination of Petroleum Concessions  | No. of Coal Mining Due Diligence Report                  | 10.00%        | Actual over Target | N/A   | N/A     | N/A   | 1     |
|                  | SM 8              | No. of Due Diligence Examination of Petroleum Concessions  | No. of Petroleum Concessions Due Diligence Report        | 10.00%        | Actual over Target | N/A   | N/A     | N/A   | 1     |

|                  | Component         |  |   |               | Baseline           |      | Targets |      |   |
|------------------|-------------------|--|---|---------------|--------------------|------|---------|------|---|
|                  | Objective/Measure | Formula  | Wt.   | Rating System | 2016               | 2017 | 2018    | 2019 |   |
| INTERNAL PROCESS | SO 6              | Determine the Prospectivity of the Areas Covered by the Service Contracts and Coal Operating Contracts |   |               |                    |      |         |      |   |
|                  | SM 9              | No. of Geological Evaluation for Petroleum   | No. of Geologic Evaluation Report/s validated by DoE        | 5.00%         | Actual over Target | 2    | 2       | 2    | 2 |
|                  | SM 10             | No. of Geophysical Evaluation for Petroleum  | No. of Geophysical Interpretation Report/s validated by DoE | 5.00%         | Actual over Target | 2    | 2       | 2    | 1 |
|                  | SM 11             | No. of Geologic Survey for Coal  | No. of Geologic Survey validated by DoE                     | 5.00%         | Actual over Target | 1    | 1       | 1    | 1 |
|                  | SM 12             | No. of Coal Mine Development Plan  | No. of Coal Mine Development Plan validated by DoE          | 5.00%         | Actual over Target | N/A  | 1       | 1    | 1 |
|                  |                   |  | <b>Subtotal</b>   |               | <b>70.00%</b>      |      |         |      |   |

|                     | Component         |  |  |                | Baseline           |                       | Targets                  |                                 |                           |
|---------------------|-------------------|--|--|----------------|--------------------|-----------------------|--------------------------|---------------------------------|---------------------------|
|                     | Objective/Measure | Formula  | Wt.  | Rating System  | 2016               | 2017                  | 2018                     | 2019                            |                           |
| LEARNING AND GROWTH | <b>SO 7</b>       | <b>Achieve Operational Excellence Through Establishment and Implementation of Internationally-Accepted Quality Standards</b> |  |                |                    |                       |                          |                                 |                           |
|                     | SM 13             | Compliance to Quality Standards  | ISO 9001 Audit Results   | 5.00%          | All or Nothing     | Compliant (9001:2008) | Maintained Certification | Recertified to ISO 9001:2015    | Surveillance Audit Passed |
|                     | <b>SO 8</b>       | <b>Provide our People with Appropriate Training and Exposure to New Developments in the Industry</b>                         |  |                |                    |                       |                          |                                 |                           |
|                     | SM 14             | Percentage of Employees with Required Competencies Met   | No. of Employees with Required Competencies Met<br>Total Employees | 5.00%          | Actual over Target | 1.4%                  | 8.09%                    | 5% increase in Competency Level | 15%                       |
|                     |                   |  | <b>Subtotal</b>  | <b>10.00%</b>  |                    |                       |                          |                                 |                           |
|                     |                   |  | <b>TOTAL</b>   | <b>100.00%</b> |                    |                       |                          |                                 |                           |