

**PNOC EXPLORATION CORPORATION (PNOC EC)
Validated 2022 Performance Scorecard**

	Component				Target	Submission		GCG Validation		Supporting Documents	Remarks
	Objective/Measure	Formula	Wt.	Rating System	2022	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	$\frac{\text{No. of Satisfied Respondents}}{\text{Total No. of Respondents}}$	10.00%	Actual/Target <i>If less than 80% = 0%</i>	93%	100%	-	99%	10%	<ul style="list-style-type: none"> PNOC EC Stakeholder Satisfaction Survey 2022 Main Report prepared by the Department of Social Development Services (DSDS), College of Human Ecology, UP Los Baños 10 sample accomplished questionnaires

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CUSTOMERS / STAKEHOLDERS	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 or PCECP	0%	Actual over Target	1	Ongoing farm-out activities	-	Excluded	-	<ul style="list-style-type: none"> Justification for the non-accomplishment of the target Copy of the Invitation to Farm-In Published in Philippine Star Copy of the Letters of Intent (LOIs) Minutes of the Meeting reflecting the Zero Bid Proposals Letter to DOE requesting TOR Approval Financial Evaluation of SKLOGC 	<p><i>Measure excluded.</i></p> <p>Upon evaluation, the following is a summary of developments on the farm-in/out in 2022:</p> <ul style="list-style-type: none"> SC 57 farm-out selection process was conducted from 02 February to 04 April 2022. PNOEC signed Confidentiality Agreements (CAs) with three Third Party Participants who submitted a Letter of Intent. On 04 April 2022, which was the deadline for submission of eligibility requirements and proposals, PNOEC received no proposals. SC 59 farm-out did not commence until 12 December 2022. On 06 May 2022, PNOEC requested DOE's approval of the farm-out Terms of Reference (TOR). However, PNOEC received DOE's approval only on 18 November 2022. On 12 December 2022, PNOEC posted Invitation to Farm-in in Philippine Star and PNOEC's website. PNOEC also sent out letters of invitation to 49 companies (domestic and international). PNOEC deferred the offer to participate in SC 77. PNOEC could not determine the financial capacity of SK Ligan Oil and Gas Corporation (SKLOGC), the operator of the block, to finance the SC 77 seven-year work program. <p>Considering that the foregoing circumstances were beyond PNOEC's control and noting the time constraint to achieve the said target within the year, the subject measure is excluded from PNOEC's 2022 Performance Scorecard.</p>
				Subtotal	20.00%					10.00%		

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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 (in Billion Pesos)	Amount of Annual NET INCOME before FOREX gain/loss and petroleum exploration costs	15.00%	Actual over Target	0.538 Billion	1.606 Billion	-	1.811 Billion	15%	<ul style="list-style-type: none"> PNO C EC Statement of Profit and Loss For The Year Ended 31 December 2022 – Target & Actual 2022 COA Audited Financial Statement - SCI 	Breakdown as follows: <table border="1"> <thead> <tr> <th></th> <th>2022 COA Audit Report</th> </tr> </thead> <tbody> <tr> <td>Net Revenue</td> <td>4,566.09</td> </tr> <tr> <td>COS</td> <td>(1,971.24)</td> </tr> <tr> <td>GP</td> <td>2,584.85</td> </tr> <tr> <td>OPEX</td> <td>(250.85)</td> </tr> <tr> <td>Gen. CO</td> <td>(111.20)</td> </tr> <tr> <td>P/L from Operation</td> <td>2,222.80</td> </tr> <tr> <td>Non-Operating Income/ Loss</td> <td>412.58</td> </tr> <tr> <td>P/L before Taxes & Royalty</td> <td>2,635.38</td> </tr> <tr> <td>Taxes & Royalties</td> <td>(929.08)</td> </tr> <tr> <td>Net Income</td> <td>1,706.30</td> </tr> <tr> <td>Petroleum Exploration Cost & Forex, net of Tax</td> <td>59.12</td> </tr> <tr> <td>Net Income before Exploration Cost & FOREX</td> <td>1,765.42</td> </tr> <tr> <td>OCI</td> <td>46.04</td> </tr> <tr> <td>CI</td> <td>1,811.46</td> </tr> </tbody> </table>		2022 COA Audit Report	Net Revenue	4,566.09	COS	(1,971.24)	GP	2,584.85	OPEX	(250.85)	Gen. CO	(111.20)	P/L from Operation	2,222.80	Non-Operating Income/ Loss	412.58	P/L before Taxes & Royalty	2,635.38	Taxes & Royalties	(929.08)	Net Income	1,706.30	Petroleum Exploration Cost & Forex, net of Tax	59.12	Net Income before Exploration Cost & FOREX	1,765.42	OCI	46.04	CI
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FINANCE	SM 4	Budget Utilization Rate	Actual disbursement of capital expenditure & MOOE over Approved corporate operating budget for Capital Outlay and MOOE	5.00%	Actual over Target	90%	33.60%	-	35.74%	1.99%	<ul style="list-style-type: none"> Budget Utilization Rate as of 4th Quarter of 2022 Justification on the non-attainment of target 2022 Investment Budget Utilization 2022 COA Audited Financial Statement - SCI <table border="1"> <thead> <tr> <th colspan="4">Details:</th> </tr> <tr> <th></th> <th>2022 Approved Budget</th> <th>COA Financial Statement</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>MOOE</td> <td>209.32</td> <td>198.47</td> <td>94.82%</td> </tr> <tr> <td>CO</td> <td>3,522.70</td> <td>1,135.38</td> <td>32.23%</td> </tr> <tr> <td>Total</td> <td>3,732.03</td> <td>1,333.85</td> <td>35.74%</td> </tr> </tbody> </table>	Details:					2022 Approved Budget	COA Financial Statement	%	MOOE	209.32	198.47	94.82%	CO	3,522.70	1,135.38	32.23%	Total	3,732.03	1,333.85	35.74%
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SO 4 Focus Exploration for the Discovery of Potential Petroleum and Coal Resources for the Country																															
INTERNAL PROCESS	SM 5	No. of Line-Kilometers of Seismic Data Interpreted in SCs	Total no. of line-kilometers of seismic data interpreted	5.00%	Actual over Target	2,000 line-km	2,020 line-km	-	2,020 line-km	5%	<ul style="list-style-type: none"> Copy of Evaluation of East Palawan Basin Philippines dated 19 October 2022 as submitted to the DOE on 28 December 2022. DOE letter with Certification dated 01 February 2023 	Validated with internal documents.																			
	SM 6	No. of Hectares Mapped in Coal Operating Contracts	Total no. of hectares mapped	5.00%	Actual over Target	1,000 has.	1,458 has.	-	1,458 has.	5%	<ul style="list-style-type: none"> PNOEC Report for Exploration in COC 204 for December 2022. 	The report dated 03 January 2023 showed that PNOEC has mapped a total of 1,458 has. in the COC 204. The same was submitted to the DOE for reference and information.																			

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INTERNAL PROCESS	SM 7	Length of COC 41 Mine 3 Development Meterage	Total Length of Development Meterage as validated by DoE	7.50%	Actual over Target	1,575 meters	379 meters	-	379 meters	1.80%	<ul style="list-style-type: none"> Justification on the non-attainment of the target PNOEC Report for Development & Production in COC 41 for December 2022 COC No. 41 Monthly Accomplishment Reports 	PNOEC was not able to implement blasting services in 2022 and resorted to manual advancement using pneumatic breakers which reduced the advance rate and the actual accomplishment of the mine.
	SO 5	Pursue Partnership with Other Energy Enterprises as Risk Management Strategy										
	SM 8	No. of Due Diligence Examination of Petroleum Concessions	No. of Petroleum Concessions Due Diligence Report	5.00%	Actual over Target	1	1	-	1	5%	<ul style="list-style-type: none"> PNOEC Transmittal Letter to DOE dated 14 December 2022, officially received by DOE on same date. 	Petroleum Due Diligence - Nagtipunan Area, Quirino Province (Cagayan Basin)
	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	7.50%	Actual over Target	1	1	-	1	7.50%	<ul style="list-style-type: none"> DOE letter dated 09 August 2022 officially received by PNOEC on 05 September 2022 DOE Certification dated 02 September 2022 	Golok Prospect File (SC 59) dated 15 June 2022	

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INTERNAL PROCESS	SM 10	No. of Geophysical Evaluation for Petroleum	No. of Geophysical Interpretation Report/s validated by DoE	5.00%	Actual over Target	1	1	-	1	5%	<ul style="list-style-type: none"> • DOE letter dated 29 July 2022 • DOE Certification (no date) signed by Atty. Cesar G. Dela Fuente, Director IV-Energy Resource Development Bureau 	Passive Seismic Tomography Survey for the San Antonio-Arabiata Area (SC 37) dated 31 May 2022.
	SM 11	No. of Geologic Survey for Coal	No. of Geologic Survey validated by DoE	5.00%	Actual over Target	1	1	-	1	5%	<ul style="list-style-type: none"> • DOE Certification dated 21 December 2022 	Geomorphology and Lineament Analysis of COC No. 204 Using Remote Sensing Data & GIS dated 11 November 2022
	SM 12	No. of Coal Mine Development Plan	No. of Coal Mine Development Plan validated by DoE	5.00%	Actual over Target	1	1	-	1	5%	<ul style="list-style-type: none"> • DOE Letter and Certification dated 13 February 2023 	Preliminary Assessment of Underground Mine Support Systems for Coal Operating Contract No. 41 Coal Mines dated 29 December 2022
	Subtotal			45.00%						39.30%		

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LEARNING AND GROWTH	SO 7 Achieve Operational Excellence Through Establishment and Implementation of Internationally-Accepted Quality Standards																																			
	SM 13	Adherence to Company Safety Programs	Accident Frequency Rate= (No. LTA/ Total Man-hours) x 1,000,000 Where: • No. of LTA = No. of LTA in a year • Total Man-Hours=(No. of workers) x (working hours/day) x (working days/month) x (12 months/year)	5.00%	All or Nothing	≤ 1 frequency rate on non-fatal lost time accident (with zero number of fatal LTA)	Lost Time Accident Frequency Rate = 0 No. of LTA = 0 4Q Total Man-Hours = 823,044	-	Non-Fatal LTA=0 Fatal LTA= 0	5%	<ul style="list-style-type: none"> Safety Performance as of 31 December 2022 dated 10 January 2023 PNOEC EC Safety Statistics as of 31 December 2022 	Details are as follows: <table border="1"> <thead> <tr> <th>Areas</th> <th>Total Man-hours</th> <th>Frequency Rate & LTA</th> </tr> </thead> <tbody> <tr> <td>HO</td> <td>238,764</td> <td>0</td> </tr> <tr> <td>ICP</td> <td>8,616</td> <td>0</td> </tr> <tr> <td>COG-Malangas</td> <td>118,308</td> <td>0</td> </tr> <tr> <td>Mine 3</td> <td>435,612</td> <td>0</td> </tr> <tr> <td>Mine 4</td> <td>760</td> <td>0</td> </tr> <tr> <td>Upstream Petroleum</td> <td>20,984</td> <td>0</td> </tr> <tr> <td></td> <td>823,044</td> <td>0</td> </tr> </tbody> </table>	Areas	Total Man-hours	Frequency Rate & LTA	HO	238,764	0	ICP	8,616	0	COG-Malangas	118,308	0	Mine 3	435,612	0	Mine 4	760	0	Upstream Petroleum	20,984	0		823,044	0
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SM 14	Compliance to Quality Standards	ISO 9001 Audit Results	5.00%	All or Nothing	Surveillance Audit Passed	Surveillance Audit Passed	-	Surveillance Audit Passed	5%	<ul style="list-style-type: none"> Audit Report dated 20 June 2022 issued by the TUV Rheinland 	TUV Rheinland audit conducted on 15-16 June 2022. Scope of Certification is "Petroleum and Coal Exploration Reporting System"																									
SO 8 Provide our People with Appropriate Training and Exposure to New Developments in the Industry																																				
SM 15	Percentage of Employees with Required Competencies Met	No. of Employees with Required Competencies Met over Total Employees	5.00%	All or Nothing	Increase from 2021 Competency Level	33%	-	33.33%	5%	<ul style="list-style-type: none"> List of Employees with Required Competencies Met as of 31 December 2022 Individual Applied Learning Evaluation Forms (ALEF) 	37 out 111 (33.33%) PNOEC EC employees met the competency requirement in 2022. This represents an increase of 5.91% from the 2021 competency level of 27.42%.																									
Subtotal			15.00%						15%																											
TOTAL EXCLUDED WEIGHTS			100.00% (10.00%)				-		81.29%																											
VALIDATED TOTAL			90.00%				-	81.29/90 = 90.32%																												