

**PNOC EXPLORATION CORPORATION (PNOC EC)
Validated 2019 Performance Scorecard**

Component					Target	Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/Measure	Formula	Wt.	Rating System	2019	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	No. of Satisfied Respondents Total No. of Respondents	5.00%	(Actual/Target) If less than 80% = 0%	90% ⁱ	93.60%	5.00%	93.89%	5.00%	<ul style="list-style-type: none"> Executive Summary PNOC EC Stakeholder Satisfaction Survey 2019 Main Report 5 sample accomplished questionnaire Erratum and Addendum to Main Report 	<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 323 of the 344 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 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	0%	0	0%	<ul style="list-style-type: none"> Updated List of SCs/COCs offered for Farm-Out 	No new JV partnership was entered into in 2019.
	Subtotal		5.00%				5.00%		5.00%			

ⁱ Using the Standard Methodology and Questionnaire prescribed by the GCG.

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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 petroleum exploration costs	15.00%	Actual over Target	1.18 Billion ⁱⁱ	1.227 Billion	15.00%	1.227 Billion	15.00%	<ul style="list-style-type: none"> 2019 Original Projection, Revised Projection based on SC 38 Actual Pricing, and Actual Statement of Profit or Loss COA Audited 2019 Financial Statements 	Detailed Computation: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;"><i>(In Million Pesos)</i></td> <td></td> </tr> <tr> <td style="text-align: right;">NET INCOME (NI)</td> <td style="text-align: right;">1,042.22</td> </tr> <tr> <td style="text-align: right;">Add: Petroleum Exploration Cost</td> <td style="text-align: right;">(77.66)</td> </tr> <tr> <td style="text-align: right;">Forex Loss</td> <td style="text-align: right;">(122.12)</td> </tr> <tr> <td style="text-align: right;">Balance</td> <td style="text-align: right;">(199.79)</td> </tr> <tr> <td style="text-align: right;">NOLCO Effect (30%)</td> <td style="text-align: right;">184.44</td> </tr> <tr> <td style="text-align: right;">NI before FOREX and exploration cost</td> <td style="text-align: right;">1,226.65</td> </tr> </table>	<i>(In Million Pesos)</i>		NET INCOME (NI)	1,042.22	Add: Petroleum Exploration Cost	(77.66)	Forex Loss	(122.12)	Balance	(199.79)	NOLCO Effect (30%)	184.44	NI before FOREX and exploration cost	1,226.65
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		Subtotal	15.00%					15.00%		15.00%																

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

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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	2,000	2,011	10.00%	2,011.51	10.00%	<ul style="list-style-type: none"> Preliminary Evaluation of the 2018 Philippine Conventional Energy Contracting Program Pre-Determined Areas dated 06 Sept 2019 submitted to DOE 	Validated with supporting documents.
	SM 5	No. of Hectares Mapped in Coal Operating Contracts	Total no. of hectares mapped	5.00%	Actual over Target	20	21.5	5.00%	21.36	5.00%	<ul style="list-style-type: none"> COC 41 Monthly Accomplishment Reports for the month of December 2019 submitted to DOE (with full year data). 	Validated with supporting documents.
	SO 5	Pursue Partnership with Other Energy Enterprises as Risk Management Strategy										
SM 6	No. of Companies who Signified Interest to Partner in Projects	No. of signed Confidentiality Agreements	15.00%	Actual over Target	4	5	15.00%	4	15.00%	<ul style="list-style-type: none"> List of Companies who Signified Interest to Partner in Projects Copies of the Confidentiality Agreements 	PNOC EC reported 5 signed confidentiality agreements, but only 4 were submitted as supporting document. <i>Petroleum</i> <ul style="list-style-type: none"> Philodrill Asia United Builders PXP Energy Rosneft Oil Company and Region Oil Service PTA. 	

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	INTERNAL PROCESS	SM 7	No. of Due Diligence Examination of Coal Mine	No. of Coal Mining Due Diligence Report	10.00%	Actual over Target	1	1	10.00%	1	10.00%	<ul style="list-style-type: none"> Copy of Transmittal to DOE dated 23 Dec 2019
SM 8		No. of Due Diligence Examination of Petroleum Concessions	No. of Petroleum Concessions Due Diligence Report	10.00%	Actual over Target	1	1	10.00%	1	10.00%	<ul style="list-style-type: none"> Copy of Transmittal to DOE dated 09 Dec 2019 	“New Zealand Assets Due Diligence – Asset Acquisition Project” dated 28 October 2019.
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	5.00%	2	5.00%	<ul style="list-style-type: none"> Copy of Transmittals to DOE dated 20 Dec 2019 DOE Certification signed by Atty. Cesar G. Dela Fuente III, ERDB Director, dated 27 May 2020. DOE Certification signed by Atty. Cesar G. Dela Fuente III, Director, dated 21 January 2020 	Reports of Geological Evaluations for Petroleum are as follows: (1) Preliminary Evaluation of the 2018 Philippine Conventional Energy Contracting Program Pre-Determined Areas dated 6 Sept 2019; and (2) Preliminary Report on the Proposed Cagayan Basin Joint Study dated 20 Dec 2019.

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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	5.00%	1	5.00%	<ul style="list-style-type: none"> DOE Certification signed by Atty. Cesar G. Dela Fuente III, Director - ERDB, dated 16 January 2020 	"Updated Prospects and Leads Inventory of Inboard SC 59 West Balabac Block" dated 20 December 2019.
	SM 11	No. of Geologic Survey for Coal	No. of Geologic Survey validated by DoE	5.00%	Actual over Target	1	1	5.00%	1	5.00%	<ul style="list-style-type: none"> DOE Certification signed by Director-ERDB Atty. Cesar G. Dela Fuente III dated 27 January 2020. 	"Detailed Geological Mapping of Selected Small-Scale Coal Mine (SSCM) Areas Within COC 41, Zamboanga Sibugay Province" dated 23 December 2019.
	SM 12	No. of Coal Mine Development Plan	No. of Coal Mine Development Plan validated by DoE	5.00%	Actual over Target	1	1	5.00%	1	5.00%	<ul style="list-style-type: none"> DOE Certification signed by Director-ERDB Atty. Cesar G. Dela Fuente III dated 04 March 2020. 	Coal Mine Development Plan entitled "Detailed Mine Plan of Mine 3 Extension – Coal Operating Contract No. 41 (COC 41)" dated 20 December 2019.
	Subtotal			70.00%				70.00%		70.00%		

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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	Surveillance Audit Passed	Surveillance Audit Passed	5.00%	Surveillance Audit Passed	5.00%	<ul style="list-style-type: none"> TUV Rheinland Audit Report for Audit conducted on 15-16 July 2019 	Auditors recommended the maintenance of PNOC-EC's existing certification.
	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	15%	22.00%	5.00%	8.15%	2.72%	<ul style="list-style-type: none"> List of Employees with Required Competencies Met Rating Sheets of Employees reported to have met the required competencies 	Out of the 30 rating sheets submitted by PNOC EC, only 11 out of its 135 employees met the required competencies for their positions. Four (4) rating sheets were not readable and one (1) rating sheet was for the period ending 31 December 2018.
	Subtotal		10.00%				10.00%		7.72%			
TOTAL		100.00%				100.00%		97.72%				