

**PNOC EXPLORATION CORPORATION (PNOC EC)  
2017 Validated Performance Scorecard**

	Component				Target	Submission		GCG Validation		Supporting Documents	Remarks
	Objective/Measure	Formula	Wt.	Rating System	2017	Actual	Rating	Actual	Rating		
<b>CUSTOMERS / STAKEHOLDERS</b>	<b>SO 1</b>	<b>Operate in a Regime of Transparency and Fairness in our Dealings with our Business Partners</b>									
	SM 1	Stakeholders Satisfaction Rating	Satisfaction Rating	5.00%	All or Nothing	Very Satisfactory	Excellent	5.00%	Excellent	5.00%	<ul style="list-style-type: none"> <li>Stakeholder Satisfaction Survey 2017</li> </ul> <p>PNOC EC tapped the services of Department of Social Development Services (DSDS) under the College of Human Ecology of the University of the Philippines Los Baños. According to DSDS, PNOC EC obtained an overall satisfaction rating of 4.52 or "Excellent or Highly Satisfactory" using the Kruskal Wallis Test and "findings of the influential factors on satisfaction rating using the ordinal regression analysis."</p>
	<b>SO 2</b>	<b>Become the Partner of Choice of Other Energy Enterprises in Energy Exploration and Production</b>									
	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	5.00%	Actual over Target	1	0	0%	0	0%	-
		<b>Subtotal</b>		<b>10.00%</b>			<b>5.00%</b>		<b>5.00%</b>		

**PNOC EXPLORATION CORPORATION (PNOC EC)  
2017 Validated Performance Scorecard**

	Component				Target	Submission		GCG Validation		Supporting Documents	Remarks															
	Objective/Measure	Formula	Wt.	Rating System	2017	Actual	Rating	Actual	Rating																	
<b>FINANCE</b>	<b>SO 3</b>	<b>Ensure Profitability in a Sustainable Manner</b>																								
	SM 3	NET INCOME before FOREX gain/loss and exploration costs (in billion Pesos)	Amount of Annual NET INCOME before FOREX gain/loss and exploration costs	15.00%	Actual over Target	960 Million <sup>1</sup>	1.17 Million	15.00%	1.17 Million	15.00%	<ul style="list-style-type: none"> <li>• 2017 Financial Statements Submitted to and Received by COA.</li> <li>• Adjusted Statement of Profit or Loss based on SC 38 Actual Pricing</li> </ul>	<table border="1"> <tr> <td colspan="2"><i>(In Million Pesos)</i></td> </tr> <tr> <td>NET INCOME (NI)</td> <td align="right">1,166.35</td> </tr> <tr> <td>Add: Petroleum Exploration Cost</td> <td align="right">-</td> </tr> <tr> <td>Forex Loss</td> <td align="right">3.26</td> </tr> <tr> <td>Balance</td> <td align="right">3.26</td> </tr> <tr> <td>NOLCO Effect (P3.26 x 30%)</td> <td align="right">(0.98)</td> </tr> <tr> <td>NI before FOREX and exploration cost</td> <td align="right">1,168.63</td> </tr> </table>	<i>(In Million Pesos)</i>		NET INCOME (NI)	1,166.35	Add: Petroleum Exploration Cost	-	Forex Loss	3.26	Balance	3.26	NOLCO Effect (P3.26 x 30%)	(0.98)	NI before FOREX and exploration cost	1,168.63
	<i>(In Million Pesos)</i>																									
NET INCOME (NI)	1,166.35																									
Add: Petroleum Exploration Cost	-																									
Forex Loss	3.26																									
Balance	3.26																									
NOLCO Effect (P3.26 x 30%)	(0.98)																									
NI before FOREX and exploration cost	1,168.63																									
	<b>Subtotal</b>			<b>15.00%</b>				<b>15.00%</b>		<b>15.00%</b>																
<b>INTERNAL PROCESS</b>	<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	3000	3,000	10.00%	3,006 kms.	10.00%	<ul style="list-style-type: none"> <li>• Evaluation of the Neogene Play using Multi-Client 2D Seismic Data dated 8 Dec 2017</li> </ul>	The 3,006 line kms. seismic data in SC 59 interpreted in 2017 is an enhanced interpretation of the preliminary brute stack seismic data interpreted in the same area in 2016.														

<sup>1</sup> Income from SC 38 (Malampaya) shall be based on actual pricing reflected in the invoice.

**PNOC EXPLORATION CORPORATION (PNOC EC)  
2017 Validated Performance Scorecard**

	Component				Target	Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/Measure	Formula	Wt.	Rating System	2017	Actual	Rating	Actual	Rating			
INTERNAL PROCESS	SM 5	Coal Exploration Drilling Meterage in COCs	Total no. of meters drilled	5.00%	Actual Over Target	1500	1,246	4.2%	1,245.80	4.15%	<ul style="list-style-type: none"> <li>Monthly Accomplishment Report for COC No. 41 Coal Exploration Drilling Project (Zamboanga Sibugay) for the month of December 2017 submitted to the DOE.</li> </ul>	Validated with supporting documents.
	SM 6	No. of Hectares Mapped in COCs	Total no. of hectares mapped	5.00%	Actual over Target	240	110	2.30%	110	2.29%		
	SO 5	<b>Pursue Partnership with Other Energy Enterprises as Risk Management Strategy</b>										
	SM 7	No. of companies who signified interest to partner in projects	No. of signed Confidentiality Agreements	10.00%	Actual over Target	4	8	10.00%	8	10.00%	<ul style="list-style-type: none"> <li>Signed Confidentiality Agreements</li> </ul>	PNOC EC entered into eight (8) Confidentiality Agreements, with the following partners:  <i>Petroleum</i> - Shell Philippines Exploration B.V. (3 agreements), - Sino-Phil Advance Solutions, Corp. (1 agreement), - Green Energy (1 agreement) - Repsol Oil (1 agreement)  <i>Coal Exploration</i> - Ultimax Asia (1 agreement)

**PNOC EXPLORATION CORPORATION (PNOC EC)  
2017 Validated Performance Scorecard**

	Component				Target	Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/Measure	Formula	Wt.	Rating System	2017	Actual	Rating	Actual	Rating			
<b>INTERNAL PROCESS</b>	<b>SO 6</b>	<b>Determine the Prospectivity of the Areas Covered by the Service Contracts and Coal Operating Contracts</b>										
	SM 8	No. of Geological Evaluation for Petroleum	No. of Geologic Evaluation Report/s validated by DOE	10.00%	Actual over Target	2	2	10.00%	2	10.00%	<ul style="list-style-type: none"> <li>DOE Certifications signed by OIC Director-ERDD Melita V. Obillo dated 12 January 2018</li> </ul>	Reports of Geological Evaluations for Petroleum are as follows: (1) Charge Modeling of the Cagayan Basin, Northern Luzon; (2) Evaluation of Overseas E & P Opportunities
	SM 9	No. of Geophysical Evaluation for Petroleum	No. of Geophysical Interpretation Report/s validated by DOE	10.00%	Actual over Target	2	2	10.00%	2	10.00%		Reports of Geophysical Evaluations for Petroleum are as follows: (1) Neogene Play using Multi-client 2D Seismic Data; (2) Petrophysical Evaluation of Pazanan Wells.
	SM 10	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"> <li>DOE Certifications signed by OIC Director-ERDD Melita V. Obillo dated 26 February 2018 and 21 March 2017.</li> </ul>	The Report of Geologic Survey for Coal and Drilling Program refers to the Area-1 Infill Drilling and Geophysical Logging in COC 41.
	SM 11	No. of Drilling Program/ Geophysical Logging for Coal	No. of Coal Drilling Programs validated by DOE	5.00%	Actual over Target	1	1	5.00%	1	5.00%		

**PNOC EXPLORATION CORPORATION (PNOC EC)  
2017 Validated Performance Scorecard**

	Component				Target	Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/Measure	Formula	Wt.	Rating System	2017	Actual	Rating	Actual	Rating			
<b>INTERNAL PROCESS</b>	SM 12	No. of Coal Mine Development Plans	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"> <li>DOE Certifications signed by OIC Director-ERDD Melita V. Obillo dated 26 February 2018.</li> </ul>	The Geological and Drilling Report refers to the Pre-Feasibility Study of Area-1 in Coal Operating Contract No. 41.
	<b>Subtotal</b>			<b>65.00%</b>				<b>61.50%</b>		<b>61.44%</b>		
<b>LEARNING AND GROWTH</b>	<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	Maintained Certification	Maintained Certification	5.00%	Maintained Certification	5.00%	<ul style="list-style-type: none"> <li>2nd Follow-up Audit Report</li> <li>ISO 9001:2008 Certificate</li> </ul>	Validated with supporting documents.
	<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 <hr/> Total Employees	5.00%	Actual over Target	3.4%	8.00%	5.00%	8.09%	5.00%	<ul style="list-style-type: none"> <li>List of Employees with Required Competencies Met as of 31 December 2017</li> <li>Percentage of Personnel and Organizational Competency as of 31 December 2017</li> </ul>	Validated with supporting documents.
<b>Subtotal</b>			<b>10.00%</b>				<b>10.00%</b>		<b>10.00%</b>			
<b>TOTAL</b>			<b>100.00%</b>				<b>91.50%</b>		<b>91.44%</b>			