

**PNOC EXPLORATION CORPORATION (PNOC EC)
Validated 2023 Performance Scorecard**

Objective/Measure	Component				PNOC EC Submission		GCG Validation		Supporting Documents	Remarks	
	Formula	Wt.	Rating System	Target	Actual	Rating	Actual	Rating			
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 over Total No. of Respondents	10%	Actual over Target <i>(If less than 80% = 0%)</i>	93%	97.87%	-	97.87%	10%	<ul style="list-style-type: none"> Rectification of the Compliance Status of Government-Owned or - Controlled Corporations with the Client Satisfaction Measurement transmitted by ARTA through letter dated 27 August 2024 	<p>The result is based on the responses of clients availing external services only.</p> <p>The CSM score refers to the percentage of respondents who rated 'Agree' and 'Strongly Agree' for Service Quality Dimension 0: "I am satisfied with the service that I availed".</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 Partnerships as a result of Farm-In/Farm-Out Activities or PCECP	5%	Actual over Target	1	1	-	1	5%	<ul style="list-style-type: none"> Farm-In Agreement by and between PNOC EC and NIDO Petroleum Philippines PTY Ltd. dated 15 November 2023 	<p>PNOC EC successfully entered into a Farm-In Agreement with NIDO Petroleum Philippines Property Ltd relating to Service Contract (SC) No. 6B Bonita block in Northwest Palawan.</p> <p>The FIA will be submitted to the DOE for approval after the award of the Development and Production Service Contract (also by the DOE).</p>
Subtotal			15%				-		15%		

CUSTOMERS/ STAKEHOLDERS

Component					PNOCEC Submission		GCG Validation		Supporting Documents	Remarks																														
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SO 2 Ensure Profitability in a Sustainable Manner																																								
FINANCE	SM 3	Net Income before FOREX Gain/ Loss and Petroleum Exploration Cost (in billion ₱)	Amount of Annual Net Income before FOREX Gain/ Loss and Petroleum Exploration Costs	15%	Actual over Target	0.574	1.124	-	1.078	15%	<ul style="list-style-type: none"> Statement of Profit and Loss (Unaudited) for the year ended 31 December 2023 2023 COA Audited Annual Report (AAR) Breakdown of the 2023 OPEX Details of Other Income 	Breakdown is as follows: <table border="1"> <thead> <tr> <th>ITEM (In ₱ BILLIONS)</th> <th>COA AAR</th> </tr> </thead> <tbody> <tr><td>Net Revenues</td><td>3.717</td></tr> <tr><td>Cost Of Sales</td><td>(1.926)</td></tr> <tr><td>Gross Profit</td><td>1.792</td></tr> <tr><td>OPEX</td><td>(0.459)</td></tr> <tr><td>Profit from Operations</td><td>1.333</td></tr> <tr><td>Non-operating Income/ Loss</td><td>0.110</td></tr> <tr><td>Profit before Taxes & Royalty</td><td>1.443</td></tr> <tr><td>Taxes & Royalties</td><td>(0.311)</td></tr> <tr><td>Net Profit/ (Loss)</td><td>1.132</td></tr> <tr><td>Adjustments to Net Profit:</td><td></td></tr> <tr><td>FOREX Gain/ (Loss)</td><td>(0.053)</td></tr> <tr><td>Petroleum Exploration Cost, net of tax</td><td>-</td></tr> <tr><td>Net Income before Exploration Cost & FOREX</td><td>1.078</td></tr> </tbody> </table>	ITEM (In ₱ BILLIONS)	COA AAR	Net Revenues	3.717	Cost Of Sales	(1.926)	Gross Profit	1.792	OPEX	(0.459)	Profit from Operations	1.333	Non-operating Income/ Loss	0.110	Profit before Taxes & Royalty	1.443	Taxes & Royalties	(0.311)	Net Profit/ (Loss)	1.132	Adjustments to Net Profit:		FOREX Gain/ (Loss)	(0.053)	Petroleum Exploration Cost, net of tax	-	Net Income before Exploration Cost & FOREX	1.078
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SM 4	Budget Utilization Rate (BUR)	Actual Disbursement of Capital Expenditure & MOOE over Approved-Corporate Operating Budget for Capital Outlay and MOOE (all net of PS Cost)	5%	Actual over Target	90%	17.05%	-	57.75%	3.21%	<ul style="list-style-type: none"> Budget Utilization Report as submitted to ICRS Justification on low BUR with attachments 	The BUR computation is as follows: <table border="1"> <thead> <tr> <th>Items (In Millions)</th> <th>Board-approved COB</th> <th>Actual Disbursements</th> <th>BUR</th> </tr> </thead> <tbody> <tr><td>MOOE</td><td>252.10</td><td>162.32</td><td>64.39%</td></tr> <tr><td>CO</td><td>12,005.58</td><td>1,927.89</td><td>24.53%</td></tr> <tr><td>Less:</td><td></td><td></td><td></td></tr> <tr><td>Contingent</td><td>6,310.34</td><td></td><td></td></tr> <tr><td>Firm</td><td>2,327.87</td><td></td><td></td></tr> <tr><td>Total</td><td>3,619.47</td><td>2,090.21</td><td>57.75%</td></tr> </tbody> </table>	Items (In Millions)	Board-approved COB	Actual Disbursements	BUR	MOOE	252.10	162.32	64.39%	CO	12,005.58	1,927.89	24.53%	Less:				Contingent	6,310.34			Firm	2,327.87			Total	3,619.47	2,090.21	57.75%	
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Objective/Measure	Component				PNOEC Submission		GCG Validation		Supporting Documents	Remarks	
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INTERNAL PROCESS											
SO 4	Focus Exploration for the Discovery of Potential Petroleum and Coal Resources for the Country										
SM 5	No. of Line-Kilometers of Seismic Data Interpreted in SCs	Total No. of Line-Kilometers of Seismic Data Interpreted	5%	Actual over Target	2,000 line-km	6,036 line-km	-	6,036 line-km	5%	<ul style="list-style-type: none"> • SC 38 Prospect Inventory – Interim Report dated 17 November 2023 as submitted to the DOE on 29 December 2023 • DOE Certification dated 08 February 2024 	A total of 6,036 line-kilometers of 3D seismic data were interpreted in the SC 38 Prospect.
SM 6	No. of Hectares Mapped in Coal Operating Contracts	Total No. of Hectares Mapped	5%	Actual over Target	264 has.	270 has.	-	0.236 has.	0%	<ul style="list-style-type: none"> • Revised Monthly Accomplishment Report for COC 41 for December 2023 received by the DOE on 18 January 2024 with the accompanying Budget Execution Document (BED Form) dated 08 January 2024 • Timeline of Activities • Justification in Change of Target and Explanation of Field Mapping 	The BED Form dated 08 January 2024 indicates an accomplishment of 0.236 hectares for its Field Mapping and 270 hectares under Geophysical Investigation (Seismic Interpretation) for the Mine 3 Extended Project, Malangas – Imelda, COC 41. Considering that the measure specifically pertains to "Hectares Mapped," PNOEC will be credited for the 0.236 hectares mapped as reported to the DOE.

Objective/Measure		Component				PNOEC Submission		GCG Validation		Supporting Documents	Remarks
		Formula	Wt.	Rating System	Target	Actual	Rating	Actual	Rating		
INTERNAL PROCESS	SM 7	Coal Production	Metric Tons of Coal Produced as submitted to DOE	7.5%	Actual over Target	36,000 mt	748.79 mt	-	Excluded	-	<ul style="list-style-type: none"> • PNOEC Report for Development & Production in COC 41 • Justification on the Non-accomplishment of SM 7 • Timeline of Activities – Implementation of Blasting Services • Copies of PPME, Photos of underground deformation and • Letter from DOE re: Result of Field Inspection at PNOEC COC 41 <p><i>Measure excluded.</i></p> <p>PNOEC only accomplished 748.79 MT of coal produced for the year, due to the following reasons:</p> <p>a) Delay in arrival of explosives, which were only delivered in June 2023 upon release of Permit to Purchase and Move Explosives/ Explosive Ingredients (PPME);</p> <p>b) Persistent geotechnical issues; and</p> <p>c) Geological complexities, such as the discovery of the newly identified faults along the direction of the shafts.</p> <p>Considering that the foregoing circumstance is beyond PNOEC's control, the strategic measure is <i>excluded</i> from PNOEC's 2023 Performance Scorecard.</p>
	SO 5	Pursue Partnership with other Energy Enterprise as Risk Management Strategy									
	SM 8	No. of Due Diligence Examination of Petroleum Concessions	No. of Due Diligence or Evaluation Report of areas under consideration <i>validated by DOE</i>	7.5%	Actual over Target	1	1	-	1	7.5%	<ul style="list-style-type: none"> • PNOEC Transmittal Letter to DOE dated 14 December 2023 • DOE Certification dated 13 February 2024 <p>Due Diligence Report on Service Contracts (SCs) 6B and 54A, officially received by DOE on 15 December 2023.</p>

		Component				PNOEC Submission		GCG Validation		Supporting Documents	Remarks	
Objective/Measure	Formula	Wt.	Rating System	Target	Actual	Rating	Actual	Rating				
SO 6	Determine the Prospectivity of the Areas Covered by the Service Contracts and Coal Operating Contracts											
INTERNAL PROCESS	SM 9	No. of Geological Evaluation for Petroleum	No. of Geological Evaluation Report/s validated by DOE	5%	Actual over Target	1	1	-	1	5%	<ul style="list-style-type: none"> • PNOEC Transmittal Letter to DOE dated and received by DOE on 29 December 2023 • DOE Certification dated 21 February 2024 	Geological Report on Geological Field Mapping Palawan, Philippines – SC 79 (Araceli).
	SM 10	No. of Geophysical Evaluation for Petroleum	No. of Geophysical Interpretation Report/s validated by DOE	7.5%	Actual over Target	2	2	-	2	7.5%	<ul style="list-style-type: none"> • Geophysical Reports on Petrophysical Evaluation of Bantac-1 (SC 57) and SC 38 Prospect Inventory Report • DOE Certifications dated 23 January 2024 and 08 February 2024 	Reports of Geophysical Evaluations (Petrophysical Evaluation & Prospect Inventory), received by the DOE on 29 December 2023: <ol style="list-style-type: none"> Bantac-1 (SC 57) dated 15 August 2023; and SC 38 Prospect Inventory dated 17 November 2023.
	SM 11	No. of Geologic Survey for Coal	No. of Geologic Survey validated by DOE	5%	Actual over Target	1	1	-	1	5%	<ul style="list-style-type: none"> • PNOEC Transmittal Letter to DOE dated and officially received on 29 December 2023 • DOE Certification dated 23 January 2024 	Land Seismic Reflection Survey of Mine 3 Extended Project, Malangas-Imelda Coal Operating Contract No. 41 (Interim Report).

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SM 12	No. of Coal Mine Development Plan	No. of Coal Mine Development Plan <i>validated by DOE</i>	5%	Actual over Target	1	1	-	1	5%	<ul style="list-style-type: none"> • PNOEC Transmittal Letter to DOE dated and officially received on 29 December 2023 • DOE Certification dated 01 April 2024 	Preliminary Assessment of the Proposed KM 9 Satellite Mine in COC 41.
Subtotal			47.5%						35%		
SO 7	Achieve Operational Excellence Through Establishment and Implementation of Internationally-Accepted Quality Standards										
SM 13	Adherence to Company Safety Programs										
13a	No. of Lost Time Accidents (LTA) resulting to fatality to PNOEC employees	Actual Number of PNOEC employees with fatal LTA	3.75%	All or Nothing	0	0	-	0	3.75%	<ul style="list-style-type: none"> • Safety Performance as of 31 December 2023 dated 09 January 2024 • PNOEC Safety Statistics as of 31 December 2023 • Incident Reports 	No recorded LTA resulting to fatality in 2023.
13b	No. of Lost Time Accidents (LTA) resulting to non-fatality to PNOEC employees	Actual Number of PNOEC employees with non-fatal LTA	3.75%	≤ 1 = 100% 2 to 3 = 80% 4 to 5 = 60% 6 to 7 = 40% 8 to 10 = 20% ≥ 11 = 0%	≤ 1	2	-	2	3%		Two (2) Non-fatal LTA reported in 2023.

LEARNING AND GROWTH

Component					PNOEC Submission		GCG Validation		Supporting Documents	Remarks		
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LEARNING AND GROWTH	SM 14	Compliance to Quality Standards	ISO 9001 Audit Results	5%	All or Nothing	Surveillance Audit Passed	Surveillance Audit Passed	-	Surveillance Audit Passed	5%	<ul style="list-style-type: none"> Audit Report dated 17 August 2023 issued by the TUV Rheinland ISO 9001:2015 Certificate 	<p>Based on the Audit Report issued by TUV Rheinland on the audit conducted on 10 & 11 July 2023, PNOEC has maintained its existing certification.</p> <p>PNOEC's ISO Certification covers "Petroleum and Coal Exploration Reporting System" and is valid until 27 October 2024.</p>
	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%	All or Nothing	Increase from 2022 Competency Level	34%	-	38.94% (5.61% increase)	5%	<ul style="list-style-type: none"> List of Employees with Required Competencies Met as of 31 December 2023 Individual Applied Learning Evaluation Forms 	<p>44 out of 113 (38.94%) PNOEC employees met the competency requirement in 2023. This represents an increase of 5.61% from the 2022 competency level of 33.33%.</p>
	Subtotal			17.5%				-		16.75%		
TOTAL			100%							84.96%		
EXCLUDED WEIGHTS			(7.5%)									
TOTAL			92.5%				-	84.96/92.50 = 91.85%				