

**PNOX EXPLORATION CORPORATION  
MONITORING REPORT OF CY 2015 PERFORMANCE TARGETS**

**I. PERFORMANCE SCORECARD**

	COMPONENT			BASELINE			CY 2015							
	Objective/Measure	Formula	Weight	1st Quarter		2nd Quarter		Revised		3rd Quarter		4th Quarter		
				2014	Target	Actual	Target	Actual	Full-Year Target	Target	Actual	Target	Actual	
<b>CUSTOMERS/STAKEHOLDER</b>	<b>SO 1 Focused Exploration for the Discovery of Potential Petroleum and Coal Resources for the Country</b>													
	SM 1	No. of Line-Kilometers of Seismic Data Interpreted in SCs	Total No. of Line-Kilometers of Seismic Data Interpreted	6%	4,700	1,800	1,848	425			1,200		925	
	SM 2	Coal Exploration Drilling Meterage in COCs	Total No. of Meters Drilled	3%	6,098	1,500	2,153	1,500			1,500		400	
	SM 3	No. of Hectares Mapped in COCs	Total No. of Hectares Mapped	4%	6,441	-	22	-			-		340 <sup>-/a</sup>	
	<b>SO 2 Created an Environment that Promotes Business Opportunities and Development in the Communities Where We Operate</b>													
	SM 4	Social Performance Programs	No. of Beneficiaries of Livelihood Programs Implemented in Project Areas	5%	21	-	Ongoing planning/preparation	50			100		150	
	<b>SO 3 Operated in a Regime of Transparency and Fairness in our Dealings with our Business Partners</b>													
	SM 5	Satisfaction Rating Based on a Survey Conducted by a Third-Party	Satisfaction Rating	5%	N/A	-	To be conducted after end of year	-			-		Satisfactory	
	<b>SO 4 Became the Partner of Choice of Other Energy Enterprises in Energy Exploration and Production</b>													
	SM 6	JV Partnership	No. of New JV Partnership (Farm-in Agreement) as a Result of Farm-in/Farm-out Activities	3%	1	-	Ongoing farm-in/farm-out activities	-			-		1	
	<b>SUB-TOTAL</b>		<b>26%</b>											
<b>FINANCE</b>	<b>SO 5 Optimized the Financial Benefits to Shareholders</b>													
	SM 7	Dividends to National Government and PNOX (in billion Pesos)	Amount of Dividends from Year's Income Paid to NG and PNOX	12%	1.5	-	Dividends to be declared after end of year	-			-		1.7	
	<b>SO 6 Accessed Capital Without Government Guarantee</b>													
	SM 8	Percent of Funding Raised Through Internal Cash Generation and Corporate Loans Without Government Guarantee or Support	Amount of Funding Raised Through Internal Cash Generation and Corporate Loans Without Government Guarantee or Support over Total Funding	12%	100%	100%	100%	100%			100%		100%	
	<b>SO 7 Ensured Profitability in a Sustainable Manner</b>													
	SM 9	Net Income before FOREX Gain/Loss and Exploration Costs (in billion Pesos)	Amount of Annual Net Income before FOREX Gain/Loss and Exploration Cost	10%	2.47	0.600	0.363	0.4			0.8		0.9 <sup>-/b</sup>	
		<b>SUB-TOTAL</b>		<b>34%</b>										

	COMPONENT			BASELINE			CY 2015							
	Objective/Measure	Formula	Weight	1st Quarter		2nd Quarter		Revised		3rd Quarter		4th Quarter		
				2014	Target	Actual	Target	Actual	Full-Year Target	Target	Actual	Target	Actual	
INTERNAL PROCESS	<b>SO 8 Achieve Operational Excellence Through Establishment and Implementation of Internationally-Accepted Quality Standards</b>													
	SM 10	Compliance to ISO 9001	ISO 9001 Audit Results	5%	N/A	-	Ongoing QMS implementation	-	N/A		-		Compliant	
	SM 11	No. of Lost Time Incident Resulting to Fatality to PNOEC Employees	No. of Reported Lost Time Incident Resulting to Fatality to PNOEC Employees	4%	0	0	0	0			0		0	
	<b>SO 9 Pursue Partnership with Other Energy Enterprises as Risk Management Strategy</b>													
	SM 12	No. of Companies Who Signified Interest to Partner in Projects	No. of Signed Confidentiality Agreements	6%	7	1	2	2			2		1	
	<b>SO 10 Determine the Prospectivity of the Areas Covered by the Service Contracts and Coal Operating Contracts</b>													
	SM 13	Geological Evaluation for Petroleum	No. of Geologic Evaluation Report/s Validated by DOE	5%	4	-	Ongoing technical activities	-			1		3	
	SM 14	Geophysical Evaluation for Petroleum	No. of Geophysical Interpretation Report/s Validated by DOE	5%	3	-	1	-			1		3	
	SM 15	Geologic Survey for Coal	No. of Geologic Survey Validated by DOE	3%	3	-	Ongoing technical activities	-			-		3	
	SM 16	Drilling Program/ Geophysical Logging for Coal	No. of Coal Drilling Programs Validated by DOE	3%	1	-	Ongoing technical activities	-			-		1	
	<b>SUB-TOTAL</b>		<b>31%</b>											
LEARNING AND GROWTH	<b>SO 11 Recruit Highly Competent People for Technical Positions Based on Meritocracy and Fairness</b>													
	SM 18	Percentage Filled-up of the Required Technical Positions	Actual No. of Employees in Technical Positions over Total No. of Required Technical Positions Based on Work Program <sub>c</sub>	3%	95%	90%	100%	85%			90%		95%	
	<b>SO 12 Provide our People with Appropriate Training and Exposure to New Developments in the Industry</b>													
SM 19	Percentage Eligible Management, Professional and Technical (MPT) Employees with at Least One Training Attended (as identified in the Training Needs Analysis to Address Gaps in Skills)	Actual No. of Eligible MPT Employees with at Least One Training Attended over Total No. of Eligible MPT Employees <sub>d</sub>	3%	53%	7%	4%	17%			52%		82%		

COMPONENT			BASELINE				CY 2015						
Objective/Measure	Formula	Weight	2014		1st Quarter		2nd Quarter		Revised Full-Year Target	3rd Quarter		4th Quarter	
			N/A	-	Target	Actual	Target	Actual		Target	Actual	Target	Actual
SM 20	Development of Manpower Competency Framework	Completed/Updated Manpower Competency Framework	3%	N/A	-	Ongoing preparation	Completed			-		-	
<b>SUB-TOTAL</b>			9%										
<b>TOTAL</b>			100%										

<sup>/a</sup> In connection with studies involving surface mapping conducted in prior years, a more concentrated area will be mapped was programmed for 2015

<sup>/b</sup> Attributed to the 30-day scheduled maintenance shutdown in SC38

<sup>/c</sup> Targets are made on the assumption that PNOEC will be given flexibility to adjust current compensation in order to attract professionals

<sup>/d</sup> Attendees are required to provide Knowledge Upgrade and/or Process Improvement recommendations on the Evaluation Report