

**PROCEDURES AND IMPLEMENTING GUIDELINES FOR THE
1:2.6 STOCK RIGHTS OFFERING OF**



(These Guidelines supplement and do not supersede or revoke, and must be read in conjunction with the Terms and Conditions of the Application to Subscribe and Purchase (the “Application”), the Prospectus dated January 8, 2018 of PETROENERGY RESOURCES CORPORATION prepared in relation to the Stock Rights Offering of Common Shares to be distributed during the Rights Offer. All requirements stated in the Application must be complied with, except when clearly inconsistent herewith. All capitalized terms used have the same meanings ascribed to them in the Prospectus, unless otherwise defined herein.)

PETROENERGY RESOURCES CORPORATION (the “Company”) is conducting a **1:2.6 Stock Rights Offering** (the “Rights Offer”) of **157,975,512 Common Shares** (the “Rights Shares”) to Eligible Shareholders (as defined below) of record as of **January 12, 2018** (the “Record Date”) starting **9:00 a.m. (Manila time) of January 22, 2018** and **no later than 11:00 a.m. (Manila time) of January 26, 2018** (the “Offer Period”).

The Rights Shares are being offered to eligible existing holders of record of Common Shares as of the Record Date (“Eligible Shareholders”). The Common Shares of the Company may be held by any natural person of legal age residing in the Philippines regardless of nationality, or any corporation, association, partnership, trust account, fund or entity, residing in and organized under the laws of the Philippines and/or licensed to do business in the Philippines, regardless of nationality, subject to the right of the Company to reject an Application or reduce the number of Rights Shares applied for subscription or purchase if the same will cause the Company to be in breach of Philippine ownership requirement under relevant Philippine laws. Due to the constitutional limit on foreign ownership applicable to the Company, the aggregate voting stock held by foreign shareholders cannot exceed 40% of the Company’s issued and outstanding capital stock.

Each Eligible Shareholder is entitled to subscribe to **One (1) Rights Share for every Two and Six-Tenths (2.6) Common Shares** held as of the **Record Date of January 12, 2018** at the **Offer Price of ₱4.80 per Rights Share**. The Final Offer Price is at 20.00% discount over the volume-weighted average price (“VWAP”) during the ten (10) trading day period from December 19, 2017 to January 5, 2018.

Fractions of the Rights Shares will not be allotted to existing shareholders and fractional entitlements will be rounded down to the nearest whole number of the Rights Shares. Such fraction will be aggregated and sold for the benefit of the Company.

Subscription to the Rights Shares in certain jurisdictions may be restricted by law. Foreign investors interested in subscribing or purchasing the Rights Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. Foreign investors, both corporate and individual, warrant that their purchase of the Rights Shares will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase and hold the Rights Shares.

If an Eligible Shareholder (the “Applicant”) fully subscribes to his Entitlement Shares and subject to the availability of unsubscribed Rights Shares arising from the failure of the other Eligible Shareholders to fully exercise their Rights Shares Entitlement, the Applicant may simultaneously apply for an additional subscription of the unsubscribed Rights Shares (the “Additional Rights Shares”). The Additional Rights Shares are payable in full upon submission of the Application.

If the aggregate number of Additional Rights Shares available for subscription equals or exceeds the aggregate number of Additional Rights Shares so subscribed for, an Applicant shall be allocated the number of Additional Rights Shares indicated in his Application.

If the aggregate number of Additional Rights Shares available for subscription is less than the aggregate number of Additional Rights Shares so subscribed for, the available Additional Rights Shares shall be allocated to Applicants who have applied to subscribe for such Additional Rights Shares. Such allocation will be made at the discretion of the Company primarily based on each Applicant’s relative shareholding in the Company as of the Record Date, provided that no Applicant for Additional Rights Shares shall be allocated more Additional Rights Shares than the number for which they have applied.

There can be no guarantee made as to the number of Additional Rights Shares an Applicant may be allocated. A subscription for Additional Rights Shares is irrevocable on the part of the Applicant and may not be cancelled or modified by such Applicant.

RCBC Capital Corporation, the Issue Manager and Lead Underwriter, has agreed to firmly underwrite the Rights Offer. The firm underwriting ensures that the Rights Shares covered by the Rights Offer are fully subscribed. In the event that there is an offering to qualified investors (“QIBs”) of any Rights Shares which remain unsubscribed after the second round, a separate notice of exemption shall be filed by the Company.

All Eligible Shareholders as of the Record Date will be notified of the Rights Offer by courier service. The following documents will be attached to the Notice:

- Notice of Rights Entitlement
- Procedures and Implementing Guidelines for the Rights Offer

Eligible Shareholders may get a copy of the Application and signature card during the Offer Period at the office of the Company’s Stock Transfer Agent or the Receiving Agent:

Stock Transfer Agent:

**Rizal Commercial Banking Corporation
Stock Transfer Department**
Ground Floor, West Wing, Grepalife Building
221 Sen. Gil Puyat Avenue, Makati City
Philippines
Tel. No. (632) 892-7566 or 892-9362

Receiving Agent

**Rizal Commercial Banking Corporation
Trust and Investments Group**
9th Floor, Yuchengco Tower, RCBC Plaza,
6819 Ayala Avenue, Makati City.
Philippines
Tel. No. (632) 894-9000 local 1278 / 9014

A copy of the Application and signature card will also be made available for download at the Company’s website: <http://www.petroenergy.com.ph>. A hyperlink to the Company’s website containing the Prospectus, Application, and signature card will also be made available at the PSE Edge portal at edge.pse.com.ph. The Application must be printed in quadruplicate (4) copies.

I. Procedure for Full Payment of Subscriptions during the Offer Period

Payment must be made by personal check, corporate check, manager's check or cashier's check drawn against a bank account with a Bangko Sentral ng Pilipinas (the "BSP") -authorized agent bank or any branch thereof in Metro Manila. Checks must be made payable to "PERC SRO". Checks subject to clearing periods of over three (3) banking days shall not be accepted.

1. For Immobilized Holdings (Lodged Shares)

- (a) Eligible Shareholders shall advise their Depository Participants ("DP") of their intention to subscribe and DPs shall follow the usual procedure for rights offering where take-up of rights is done through the Philippine Depository and Trust Corporation ("PDTC") system. Check payments from DPs representing full payment of the total subscription price must be received by the PDTC on or before 5:00 pm, Manila time, of 23 January 2018. DPs may also pay via the auto-debit facility of the PDTC on or before 11:00 a.m., Manila time, of 25 January 2018.
- (b) PDTC shall accomplish and submit to the Receiving Agent the Application (one for Filipino and one for non-Filipino applicants) reflecting all the Rights Shares taken up by the DPs as well as the Additional Rights Shares requested relative to the Second Round of the Rights Offer, together with the check payment representing full payment of the subscribed Rights Shares on or before 11:00 a.m., Manila time, on 26 January 2018.

PDTC shall provide the Lead Underwriter, Receiving Agent, Stock Transfer Agent and the Company with a list of subscribing DPs with the corresponding number of Rights Shares availed and Additional Rights Shares applied for purposes of computing the final allocation for Additional Rights Shares.

2. For Certificated Shareholders:

- (a) Certificated Eligible Shareholders shall accomplish and submit the Application together with the Notice of Entitlement. In the Application, the certificated Eligible Shareholders must also designate a DP, whose depository account will be credited with the approved subscriptions of such Eligible Shareholders upon full payment on the Listing Date or on 2 February 2018. Designation of a DP is a requirement to avail of the Rights Shares. The designated DP must affix its signature, stamp and PDTC code in the Application to signify its conformity.
- (b) If the Applicant is a corporation, partnership, or trust account, the Application must be accompanied by the following documents:
 - (1) A certified true copy of the Applicant's latest articles of incorporation and by-laws and other constitutive documents (each as amended to date) duly certified by its corporate secretary;
 - (2) A certified true copy of the Applicant's SEC certificate of registration duly certified by its corporate secretary; and
 - (3) A duly notarized corporate secretary's certificate setting forth the resolution of the Applicant's Board of Directors or equivalent body authorizing the purchase of the Rights Shares indicated in the Application, identifying the designated signatories authorized for the purpose, including his or her specimen signature, and certifying to the percentage of the Applicant's capital or capital stock held by Philippine nationals.

- (c) The Eligible Shareholder must then submit his duly accomplished Application together with the required supporting documents and check payments to the office of the Receiving Agent located at the 9th Floor, Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue, Makati City starting 9:00 a.m. of 22 January 2018 and no later than 11:00 a.m. of 26 January 2018.

Duly accomplished Applications, check payments and other required supporting documents may also be submitted to the RCBC Baguio Branch located at RCBC Building, 20 Session Road, Baguio City starting 9:00 a.m. of 25 January 2018 up to 11:00 a.m. of 26 January 2018.

The check payments must be received by the Receiving Agent not later than 11:00 a.m. on 26 January 2018. The check should be made payable to "PERC SRO" covering the full payment of the subscription price for ALL subscriptions (Rights Entitlement and Additional Rights Shares).

The Application to the Rights Offer, together with the required supporting documents and check payment, must be received by the Receiving Agent **not later than 11:00 a.m. on 26 January 2018.**

The Application to the Rights Offer shall be non-transferable and not acceptable for trading.

The Receiving Agent shall provide each Applicant with the acknowledgment copy of the Application and a provisional receipt covering the payment for the subscription.

- (d) The Receiving Agent shall generate a preliminary sales report summarizing the list of Applicants who have paid the entire subscription amount, including the corresponding number of Rights Shares subscribed, any Additional Rights Shares, the amount paid and check details and the designated DP. A copy of the preliminary sales report (in soft & hard forms) shall be furnished to the Company, the Lead Underwriter, and the Stock Transfer Agent at the end of the Offer Period.

The Receiving Agent shall inform the Company and Lead Underwriter by phone whether the Rights Offer is fully subscribed, oversubscribed, or undersubscribed, on 26 January 2018, with a written notice to be furnished to the Company and the Lead Underwriter soon thereafter.

- (e) All payments received shall be deposited in an escrow account and a certification from the Escrow Agent shall be issued in favor of the Company.

II. Procedure for the Allocation and Listing of the Rights Shares

- (a) Upon the closing of the Offer Period, the Lead Underwriter closely coordinating with the Stock Transfer Agent shall jointly proceed with the First Round of the Rights Offer and furnish the Company with a report containing the total subscription of Rights Entitlement by the Eligible Shareholders, the total Additional Rights Shares (if any), and the total Rights Shares available for the Second Round of the Rights Offer (the "Summary of Subscription to the Rights Shares"), in electronic form, no later than 6:00 p.m. on the last day of the Offer Period.
- (b) Based on the Company's advice, which shall be given no later than 9:00 a.m. one (1) banking day after the last day of the Offer Period or on **29 January 2018**, the Lead

Underwriter closely coordinating with the Stock Transfer Agent shall proceed with the Second Round of the Rights Offer, and thereafter, the allocation of any remaining unsubscribed Rights Shares after the Second Round to the QIBs and the Lead Underwriter, if any. The Lead Underwriter, in coordination with the Stock Transfer Agent, shall then submit a copy of the Final Sales Report (in physical and electronic form), containing the list of Eligible Shareholders who participated in the Rights Offer, the subscription amount, including the corresponding number of Rights Shares subscribed, any Additional Rights Shares subscribed, the amount paid, the approved allocation of Rights Shares (including any Additional Rights Shares), and the designated DP (the "Final Sales Report") to the Company, the PSE and the PDTC on or before 3:00 p.m., one banking day after the end of the Offer Period or on 29 January 2018. The Final Sales Report shall also include the Rights Shares allocated to the QIBs and the Lead Underwriter, if applicable.

- (c) The Stock Transfer Agent shall issue and release to the PDTC the corresponding Registry Confirmation Advice for the Rights shares in favor of the PCD Nominee, two (2) Banking Days prior to the Listing Date or on 31 January 2018. The Registry Confirmation Advice shall include the allocated Rights Shares for the subscriptions of:
 - i. Shareholders with Immobilized Shares (Lodged Shares);
 - ii. Shareholders with Certificated Shares; and
 - iii. Investors who participated in the private placement of the excess Rights Shares after the Second Round of the Rights Offer (if any).
- (d) The PDTC, upon receipt of the Registry Confirmation Advice from the Stock Transfer Agent, shall issue a certification confirming the total number of Rights Shares due for credit to such DP as provided under the Registry Confirmation Advice and that such Rights Shares shall be credited to the securities accounts of the DPs on the Listing Date, and transmit such certification to the DPs.
- (e) On Listing Date, PDTC shall credit the securities accounts of the DPs for the corresponding Rights Shares due for credit to such DP.

The Company, through its Stock Transfer Agent, has the right to deny any subscription from any person, or his agent, with whom the Company or its agents have reason to believe is not an Eligible Shareholder.

The Company has full discretion to accept or reject all or a portion of any Application under the terms and conditions of the Rights Offer. The actual number of Rights Shares to which any Applicant may be entitled is subject to the confirmation of the Company. Further, applications where checks are dishonored upon first presentment, payment is insufficient, and Applications, together with the other required documents, which do not comply with the terms of the Rights Offer, shall be rejected. Moreover, the mere fact of payment received upon submission of an Application is not tantamount to approval or acceptance by the Company of the Application.

III. Procedure for Refunds

In the event that the number of Rights Shares to be received by an Applicant is less than the number covered by his Application, or if an Application is rejected by the Company, the Company shall refund, without interest, via check payable to the relevant Applicant by way of a written instruction duly signed by the Company's authorized signatories and within five (5) banking days from 26 January 2018 the amount corresponding to the number of Rights Shares not issued to such Applicant. Such refund check shall be made

available for pickup at the offices of the Receiving Agent. Refund checks that remain unclaimed after thirty (30) days from the date such checks are made available for pickup shall be mailed at the Applicant's risk to the address indicated in the Application.

Any questions related to the Rights Offer or the Procedures and Implementing Guidelines for the Rights Offer may be directed to the representatives of the following.

HELPDESK HOTLINES:

Receiving Agent	MR. RYAN ROY W. SINAON / MS. MARIA LIZETH M. LAUS Rizal Commercial Banking Corporation Trust and Investments Group Tel. No. (632) 894 9000 LOC. 1278/9014
Stock Transfer Agent.....	MR. ANTONIO B. MADRID, JR. Rizal Commercial Banking Corporation Stock Transfer Department Tel. No. (632) 892 7566
Lead Underwriter	MR. XAVIER Y. ZIALCITA MS. CLAUDINE C. DEL ROSARIO MS. GWENDALENE T. DOMINGO RCBC Capital Corporation Tel. No. (632) 894 9000 LOC. 2206/2208/2251
Issuer	ATTY. ARLAN P. PROFETA PetroEnergy Resources Corporation Tel. No. (632) 637 2917 local 110