

**Minutes of the 2015 Regular Annual Stockholders' Meeting  
of PetroEnergy Resources Corporation**

Date : 16 July 2015

Time : 1:30 p.m.

Place : Rooms 526-528 YIAS, Level 5, Podium 4, RCBC Plaza Building  
6819 Ayala cor. Sen. Gil J. Puyat Avenues, Makati City

The Chairman, Ms. Helen Y. Dee, welcomed all stockholders to the 2015 Regular Annual Stockholders' Meeting. The Chairman thereafter introduced the other incumbent directors who were present during the meeting, as follows:

Mr. Cesar A. Buenaventura	– Independent Director
Mr. Basil L. Ong	– Independent Director
Mr. Eliseo B. Santiago	– Independent Director
Ms. Yvonne S. Yuchengco	– Director / Treasurer
Mr. Raul M. Leopando	– Director

**I. Certification of Service of Notice**

The Corporate Secretary, Atty. Samuel V. Torres, was called to submit proofs of service of Notice of Meeting. The Corporate Secretary certified that Notices of the Meeting were sent to all stockholders of record as of May 18, 2015, either by mail or through messengerial services; and that the messengerial company issued a certificate of completion of delivery. The Corporate Secretary also certified that the Notice of the Meeting was published in The Manila Bulletin on June 7, 2015, as evidenced by an affidavit executed by the representative of the Advertising Department of the said publication.





## II. Determination of Quorum / Call to Order

The Corporate Secretary certified that there was a quorum for the transaction of any business that may be properly brought before the body, with attendance of shareholders present in person covering 440,955 shares (0.16%) and 189,667,238 shares (69.27%) represented by proxy, for a total of 190,108,193 shares (69.43%) out of the total outstanding shares of 273,824,220. Thereafter, the Chairman called the meeting to order.


## III. Approval of the Minutes of the Special Stockholders' Meeting held on December 5, 2014

The Chairman requested the shareholders present to review the minutes of the Special Stockholder's Meeting held on December 5, 2014, copies of which were earlier distributed. Upon motion duly made and seconded, the reading of the minutes was dispensed with, and the following resolution was unanimously approved:

**"RESOLVED**, that the Minutes of the Special Stockholders' Meeting held on December 5, 2014 be, as it is hereby, approved."

## IV. Approval of Management Report and the 2014 Audited Financial Statements

The Chairman directed the attention of the stockholders to the Management Report and the 2014 Audited Financial Statements which were earlier distributed to all stockholders through mail or messengerial services and at the registration table. She requested the stockholders that all questions and requests for clarification be raised only after the presentation of the results of operation by the Vice President, Mr. Francisco G. Delfin, Jr. (FGD), in the absence of the President, Ms. Milagros V. Reyes. She then called FGD to give the 2014 year-end report and result of operations, including some updates. With the aid of an LCD projector, FGD reported the following, to wit:



"Good afternoon Fellow Stockholders,

The cover of our Annual Report shows how your Company has progressed from upstream industry player engaged in oil production in Africa, to our very timely diversification into the Renewable Energy and Power Generation Business.

From the time we announced our intention to go into the downstream business four years ago, your Company has developed, and now operates a 20 MW Geothermal Power Plant in Batangas, and a 36 MW Wind Power Project in Nabas, Aklan (near Boracay).

Your Company's consolidated revenues thus increased to US\$25.875 million in 2014, up by 88% from 2013, with net income of US\$9.75 million, up from US\$1.5 million in 2013.

We are glad that we were able to bring these projects to completion as oil prices hit record lows, thus maintaining the profitability of your Company.

The Maibarara Geothermal Power field has generated and exported to the Luzon grid some 152 GWh of electricity, bringing-in over US\$14 million in revenues in 2014, and is now being expanded from a 20 MW to a 30 MW power plant after the successful drilling of a new production well last year. The new 10 MW Power Plant is programmed to be commissioned in mid-2017.

Last year, we reported that we were in the Civil Works stage of developing the 36 MW Nabas Wind Farm. For many of us, who have not yet seen a Wind Farm up close, the installation of these giant towers, measuring 78 meters in height or equivalent of a 26-storey building, is an awesome sight.

On the screen are shown a series of pictures of the unloading and transportation of the towers and blades up the mountain, and the erection at the site. Your Company put up 18 wind turbines to generate 36 MW of electricity.

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On June 9, 2015, PWEI successfully completed the commissioning tests of all 18 towers, leading the Department of Energy to endorse for ERC approval the date "June 10, 2015" as the start of commercial operations for the 36 MW Nabas Wind Power Project.

From the time we started testing these turbines on March 24 to July 14, 2015, total Energy Production has reached over 10,200 MWh, with total WESM revenue/sales of P41.45 million.

After geothermal and wind power, your Company has embarked on a 50 MW Solar Power Project in Tarlac. We have secured the lease agreement with Hacienda Luisita for a 55-hectare property in the Luisita Industrial Park Corporation. The target commercial operation of our newest power facility will be the first quarter of 2016.

Our core business is still oil exploration and production which is amply covered in the annual report.

While oil prices have stabilized somewhat at US\$60/barrel, this is still not enough to bring back our former revenues without increasing production; and this is now the focus of our Gabon Consortium program. We are expanding the field development by drilling additional production wells from the newly installed platform in order to bring up the volume of oil production.

We are fortunate that we still have substantial recoverable reserves of 168 million barrels. This is expected to make the Gabon Oil Field profitable until 2026.

In the midst of all these activities geared towards the assured growth of the Company, we have not left behind our support to our host communities which has also expanded and grown so that it now merits additional printout or publication which we included in the distribution of our annual report.

Once again, we thank all of you for your unwavering support.

Thank you."

