

are mainly attributable to the acquisition of additional stakes in its existing renewable energy (RE) portfolio and to sustained and well-managed power plant operations.

The increases in Consolidated Assets and Liabilities result largely from PERC's acquisition from EEI Power Corporation (EEIPC) of a 20% direct equity interest in PetroWind Energy Inc. (PWEI), a 44% direct equity interest in PetroSolar Corporation (PSC), and an additional 7.5% equity interest in PetroGreen Energy Corporation ("PGEC", now PERC's 75%-owned subsidiary). These acquisitions have been funded through term loans from local banks. PERC's and PGEC's combined 60% equity in PWEI enabled the consolidation of PWEI's financials into that of PERC's, thus further increasing PERC's Consolidated Assets and Liabilities. Another reason for the increases is the start of the funding and construction of PWEI's 13.2 MW Phase 2 of the Nabas Wind Power Project in Aklan (6.6 MW is now under testing and commissioning).

The increase in Consolidated Net Income is attributable to the higher electricity sales of its RE projects and higher interest income generated by the proceeds from Kyuden International Corporation's 25% equity investment in PGEC. Electricity sales went up largely due to the full-year operation of the 32 MW Maibarara Geothermal Power Project—Units 1 and 2 (operated by Maibarara Geothermal, Inc. or "MGI") compared to 2022 when MGI conducted a scheduled major plant preventive maintenance activities for close to one month. PWEI's 2023 generation was likewise better, particularly due to higher wind speeds in the months of July and August 2023; while PSC's performance has been consistently good.

The RE projects' notable performance tempered the impact of the Impairment loss recognized on account of the decline in the valuation of PERC's minority interest in its oil assets in Gabon, West Africa, as well as the notional Remeasurement loss and amortization of an intangible asset in relation to the investments in PWEI.

Meanwhile, in scaling up its RE footprint, PERC, through PGEC, recently established Rizal Green Energy Corporation to hold and spearhead the development of new solar projects. Included in the pipeline are the four (4) solar projects located in the provinces of Bohol, Nueva Ecija, Pangasinan, and Isabela. These new projects already have secured offtake arrangements through the Green Energy Auction Program or with a private retail electricity supplier.

Reaping the returns on its RE investments, PERC received ₱163 million in dividends in 2023 from PGEC. In return, on November 29, 2023, PERC declared and paid a 5% cash dividend or ₱0.05 per share to its stockholders in December 2023.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on behalf by the undersigned hereunto duly authorized.

PETROENERGY RESOURCES CORPORATION

Issuer

By:  **Atty. Louie Mark R. Limcolioc**
Assistant Corporate Secretary
Alternate Information Officer
Compliance Officer

Date: **April 16, 2024**