



REPORT OF FACTUAL FINDINGS

PetroEnergy Resources Corporation

7th Floor, JMT Building
ADB Avenue, Ortigas Center
Pasig City

We have performed the procedures agreed with you and enumerated below with respect to the first quarter expenditures presented in the attached First Quarter Report for the Period Ended March 31, 2023 on the use of proceeds from the Stock Rights Offering (the Offering) of PetroEnergy Resources Corporation (the Company) undertaken from January 22 to 26, 2018. The procedures were performed solely to enable the Company to comply with the Philippine Stock Exchange, Inc.'s (PSE) requirement to submit an external auditor's certification on the information being presented by the Company relating to the use of proceeds. Our engagement was undertaken in accordance with the Philippine Standard on Related Services 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*. These agreed-upon procedures and results thereof are summarized as follows:

Obtained the First Quarter Report for the Period Ended March 31, 2023 on the use of proceeds from the Offering (the Report) and performed the following:

1. Checked the mathematical accuracy of the Report;
2. Compared the first quarter expenditures in the Report to the cash disbursements book of the Company for the quarter ended March 31, 2023;
3. Traced disbursements to the supporting documents such as official receipts and check vouchers, and agreed the amount to the accounting records; and
4. Inquired into and identified the nature of the disbursements in the cash disbursements book. Checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of the Offering proceeds.

We report our findings below:

1. With respect to item 1, we found the Report to be mathematically correct.
2. With respect to item 2, loans and related interest amounting to ₱154,514,788 were paid during the first quarter ended March 31, 2023.
3. With respect to item 3, we obtained the official receipts, bank statements, and check vouchers with related supporting documents such as the promissory note and payment order.
4. With respect to item 4, we noted that all the disbursements made as appearing in the Report is consistent with the planned use and as disclosed in Explanatory Notes to the Use of Proceeds of the Report of the fund based on our inquiries and understanding of the underlying transactions.

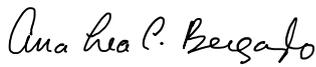
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Because the above procedures do not constitute either an audit or a review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standards on Review Engagements (PSRE), respectively, we do not express any assurance on the accounts of the Company or its financial statements, taken as a whole.

Had we performed additional procedures or performed an audit or review of the financial statements in accordance with PSA or PSRE, other matters might have come to our attention that would have been reported to you.

Our report is intended solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report relates only to the report on the Company's use of proceeds from the Offering and items specified above and do not extend to any financial statements of the Company taken as a whole.

SYCIP GORRES VELAYO & CO.



Ana Lea C. Bergado

Partner

CPA Certificate No. 80470

Tax Identification No. 102-082-670

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 80470-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-063-2020, November 27, 2020, valid until November 26, 2023

PTR No. 9369782, January 3, 2023, Makati City

April 17, 2023

April 17, 2023

PHILIPPINE STOCK EXCHANGE, INC.

Philippine Stock Exchange Tower
5th Avenue Corner, 28th St.
Taguig, 1634

Attention: **Ms. Alexandra D. Tom Wong**
OIC, Disclosure Department

Subject: **PetroEnergy Resources Corporation**
First Quarter Report for the Period Ended March 31, 2023

Gentlemen:

We hereby submit **PetroEnergy Resources Corporation's** (PERC) Report on the Use of Proceeds from the Stock Rights Offering (SRO) undertaken on January 22 to 26, 2018 for the First Quarter Ended March 31, 2023.

I. Summary of the Use of SRO Proceeds

Below is a Summary of the Expenses incurred using the proceeds from the SRO.

Proceeds from the Stock Rights Offering		Note	
Gross Proceeds			PhP758,282,458
Less: Listing and Registration Fees			<u>5,988,316</u>
Net Proceeds		1	<u>PhP752,294,142</u>
			<u>Total</u>
			<u>2023</u>
	<u>From inception to</u>	<u>1st Quarter</u>	
	<u>31-Dec-22</u>	<u>31-Mar-23</u>	
Less: Expenditures			
A. Development and expansion of Renewable Energy Projects	370,129,536	-	2
			370,129,536
B. General and Corporate requirements	36,774,276	-	3
			36,774,276
C. Loans and Interest	<u>190,875,542</u>	<u>154,514,788</u>	4 & 5
			<u>345,390,330</u>
Total Expenses Allocated to Proceeds	<u>597,779,354</u>	<u>154,514,788</u>	<u>752,294,142</u>
Remaining proceeds as of March 31, 2023			<u><u>Php -</u></u>

Explanatory Notes to the Use of Proceeds.

Net Proceeds

Note 1 – This pertains to the net proceeds from SRO after deducting expenses for the listing and registration fees.

Development and Expansion of Renewable Energy Projects

Note 2 – The total amount pertains to the payment of the Company's equity share in the programmed expansion of the Tarlac Solar Power Plant Phase 2 (TSPP2). This was tested and commissioned on April 22, 2019.

The SRO proceeds allocated to this activity were utilized in full.

General and Corporate requirements

Note 3 – These expenses pertain to the working capital requirements in the normal course of business operations not specifically related to any single project.

The SRO proceeds allocated to this activity were utilized in full.

Loans and Interests

Note 4 – On July 12, 2018, the Board of Directors approved the reallocation of the Use of Proceeds. A portion of the amount previously allotted for the Phase 2 of the Tarlac Solar Power Project amounting to P177,720,542.00 was re-allocated for the payment of the Company's loans and corresponding interest. The said loans partially funded the equity portions of the 36 MW Phase 1 of the Nabas Wind Power Project, and the 50MW_{DC} Phase 1 of the Tarlac Solar Power Project.

The SRO proceeds allocated to this activity were utilized in full.

Note 5 – On November 7, 2022, the Board of Directors approved the reallocation of the Use of Proceeds for the payment of the Company's loans and corresponding interest, which were incurred to partially fund the equity portions of project costs for the existing 36 MW Phase 1 of the Nabas Wind Power Project and 20MW_{DC} Phase 2 of the Tarlac Solar Power Project.

During the 4th quarter of 2022 and 1st quarter of 2023, the Company partially paid the outstanding loans and interest. The SRO proceeds allocated to this activity were utilized in full.

We trust that we have sufficiently complied with the disclosure requirements of the Exchange in relation to PERC's SRO.

Thank you.

Very truly yours,


Maria Cecilia L. Diaz de Rivera
Chief Finance Officer