From: noreply-cifssost@sec.gov.ph
Sent: Thursday, May 15, 2025 10:23 AM
Subject: SEC eFast Initial Acceptance

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Greetings!

SEC Registration No: AS94008880
Company Name: PETROENERGY RESOURCES CORP.
Document Code: SEC_Form_17-Q

This serves as temporary receipt of your submission.
Subject to verification of form and quality of files of the submitted report.
Another email will be sent as proof of review and acceptance.

Thank you.

REMINDER:
TO ALL FILERS OF REPORTS IN THE e-FAST

Please strictly follow the instruction stated in the form.

Filings not in accordance with the prescribed template for the following reports will be automatically reverted by the system to the filer.

1. General Information Sheet (GIS-Stock)
2. General Information Sheet (GIS-Non-stock)
3. General Information Sheet (GIS- Foreign stock & non-stock)
4. Broker Dealer Financial Statements (BDFS)
5. Financing Company Financial Statements (FCFS)
6. Investment Houses Financial Statements (IHFS)
7. Publicly – Held Company Financial Statement
8. General Form for Financial Statements
9. Financing Companies Interim Financial Statements (FCIF)
10. Lending Companies Interim Financial Statements (LCIF)

Per Section 18 of SEC Memorandum Circular No. 3 series of 2021, the reckoning date of receipt of reports is the date the report was initially submitted to the eFast, if the filed report is compliant with the existing requirements.

A report, which was reverted or rejected, is considered not filed or not received. A notification will be sent to the filer, stating the reason for the reports rejection in the remarks box.

SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, 7907 Makati Avenue,
Salcedo Village, Barangay Bel-Air, Makati City,
1209, Metro Manila, Philippines

COVER SHEET

A	S	O	9	4	-	0	8	8	0

SEC Registration Number

PETROENERGY RESOURCES CORPORATION
AND SUBSIDIARIES

(Company's Full Name)

7TH FLOOR JMT BUILDING
ADB AVENUE ORTIGAS CENTER
PASIG CITY

(Business Address: No. Street City/Town/Province)

Maria Cecilia L. Diaz de Rivera
(Contact Person)

09999910722
(Company Telephone Number)

1	2		3	1

Month *Day*
(Fiscal Year)

Form Type

1	7	-	Q	

0	7		1	7

Month *Day*
(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

1,980
Total No. of Stockholders

Total Amount of Borrowings

Domestic | Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 11
OF THE SECURITIES REGULATION CODE (SRC)
AND SRC RULE 17(a)-1(b) (2) THEREUNDER

1. 31 March 2025
   For the quarterly period ended

2. SEC Identification Number ASO94-08880 3. BIR Tax Identification No. 004-471-419-000

4. PetroEnergy Resources Corporation
   Exact name of registrant as specified in its charter

5. Manila, Philippines 6. (SEC Use Only)
   Province, country or other jurisdiction of incorporation Industry Classification Code:

7. 7th Floor JMT Condominium, ADB Avenue, Pasig City 1605
   Address of principal office Postal Code

8. (632) 8637-2917
   Registrant's telephone number, including area code

9. Not Applicable
   Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Section 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding
Common (par value of P1.00/share)	568,711,842

Amount of Debt Outstanding = ₱9,919,816,099

11. Are any or all of the securities listed on the Philippine Stock Exchange?
    All issued and outstanding common shares are listed in the Philippine Stock Exchange.

12. Indicate by check mark whether the registrant:

    a. has filed all reports required to be filed by Section 11 of the Securities Regulation Code(SRC) and SRC Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports)

       Yes [/]

    b. has been subject to such filing requirements for the past 90 days

       Yes [/]

TABLE OF CONTENTS

PETROENERGY RESOURCES CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Philippine Peso)

	Unaudited	Unaudited	Audited
	31-Mar-25	30-Mar-24	31-Dec-24
ASSETS			
Current Assets			
Cash and cash equivalents (Note 6)	**₱2,043,336,693**	₱3,944,592,810	₱2,770,469,655
Short term investments (Note 6)	**-**	-	200,000,000
Restricted cash (Note 7)	**377,432,462**	374,251,690	217,290,257
Receivables (Note 8)	**997,859,432**	722,951,569	759,004,222
Financial assets at fair value through profit and loss (FVTPL) (Note 9)	**6,189,623**	7,059,247	6,144,437
Contract Assets - current portion (Note 10)	**112,881,903**	93,866,114	161,320,397
Crude oil inventory	**37,455,181**	24,216,179	49,440,029
Other current assets (Note 11)	**383,508,466**	280,707,857	434,581,875
Total Current Assets	**3,958,663,760**	5,447,645,466	4,598,250,872
Noncurrent Assets			
Property and equipment-net (Notes 5 and 12)	**15,851,365,339**	12,372,701,414	14,974,940,788
Deferred oil exploration cost (Note 13)	**457,986,953**	410,338,944	431,416,713
Contract assets - net of current portion (Note 10)	**756,777,066**	662,603,813	675,168,269
Investment in joint venture and business combination (Note 14)	**2,882,000**	2,882,000	2,882,000
Right-of-use of assets (Note 15)	**249,019,366**	316,999,128	302,353,808
Deferred tax assets-net	**-**	18,691,787	8,182,787
Intagible assets and goodwill (Note 16)	**868,229,398**	1,166,357,242	875,957,481
Investment properties - net (Note 17)	**1,611,533**	1,611,533	1,611,533
Other noncurrent assets (Note 18)	**1,670,597,550**	1,618,831,703	1,489,876,484
Total Noncurrent Assets	**19,858,469,205**	16,571,017,564	18,762,389,863
TOTAL ASSETS	**23,817,132,965**	22,018,663,030	23,360,640,735
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued expenses (Note 19)	**667,939,678**	687,662,241	899,967,148
Loans payable - current (Note 20)	**1,760,193,681**	1,691,082,703	1,263,628,373
Lease liabilities - current (Note 15)	**45,073,615**	61,319,984	37,063,244
Income tax payable	**67,735,220**	44,075,621	32,721,792
Total Current Liabilities	**2,540,942,194**	2,484,140,549	2,233,380,557
Noncurrent Liabilities			
Loans payable - net of current portion (Note 20)	**6,754,037,779**	6,071,153,898	6,881,665,545
Lease liabilities - net of current portion (Note 15)	**284,278,085**	269,881,742	282,061,826
Asset retirement obligation (Note 21)	**165,296,019**	171,349,371	162,534,249
Deferred tax liability - net	**128,618,638**	-	138,837,688
Other noncurrent liability	**46,643,384**	31,345,890	45,610,791
Total Noncurrent Liabilities	**7,378,873,905**	6,543,730,901	7,510,710,099
Total Liabilities	**9,919,816,099**	9,027,871,450	9,744,090,656
Equity			
Attributable to equity holders of the Parent Company			
Capital stock (Note 22)	**568,711,842**	568,711,842	568,711,842
Additional paid- in capital (Note 22)	**2,156,679,049**	2,156,679,049	2,156,679,049
Retained earnings	**3,897,893,890**	3,855,352,878	3,754,431,369
Equity reserve (Note 22)	**1,495,570,578**	1,334,950,575	1,495,570,578
Remeasurement loss on defined benefit obligation	**(20,196,795)**	(12,374,372)	(20,161,301)
Cumulative translation adjustment	**114,499,681**	114,499,681	114,499,681
	8,213,158,245	8,017,819,653	8,069,731,218
Noncontrolling interest	**5,684,158,621**	4,972,971,927	5,546,818,861
Total Equity	**13,897,316,866**	12,990,791,580	13,616,550,079
Total Liabilities and Equity	**₱23,817,132,965**	₱22,018,663,030	₱23,360,640,735

PETROENERGY RESOURCES CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Philippine Peso)

	Unaudited For the 1st Quarter ending	
	31-Mar-25	31-Mar-24
REVENUES		
Electricity sales (Note 4)	**₱885,307,929**	₱785,852,912
Oil revenues (Note 4)	**112,389,739**	139,797,833
Other revenues	**2,557,894**	19,446,299
	1,000,255,562	945,097,044
COST OF SALES		
Cost of sales - Electricity (Notes 4 and 22)	**376,686,252**	308,345,798
Cost of sales - Oil Production (Note 4)	**101,357,867**	107,081,132
Change in crude oil inventory (Note 4)	**11,984,848**	(10,540,127)
Cost of sales - Others	**2,347,971**	19,192,621
	492,376,938	424,079,424
GROSS INCOME	**507,878,624**	521,017,620
GENERAL AND ADMINISTRATIVE EXPENSES	**80,043,822**	84,088,535
OTHER INCOME (CHARGES)		
Interest expense (Notes 15 and 20)	**(147,089,974)**	(133,118,268)
Interest income (Notes 4, 6, 7 and 8)	**34,692,502**	46,370,447
Net unrealized foreign exchange gain (loss)	**(1,094,861)**	1,022,948
Accretion expense (Note 21)	**(3,261,157)**	(3,199,041)
Net unrealized gain (loss) on fair value changes on financial assets at FVPL	**45,186**	100,527
Miscellaneous income (charges) (Note 4)	**5,108,299**	4,297,217
	(111,600,005)	(84,526,170)
INCOME BEFORE INCOME TAX	**316,234,797**	352,402,915
PROVISION FOR (BENEFIT FROM) INCOME TAX	**35,432,517**	30,677,519
NET INCOME	**280,802,280**	321,725,396
NET INCOME ATTRIBUTABLE TO:		
Equity Holders of the Parent Company	**143,462,519**	185,523,586
Noncontrolling interest - IS	**137,339,761**	136,201,810
NET INCOME	**₱280,802,280**	₱321,725,396
EARNINGS PER SHARE FOR NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY- BASIC AND DILUTED	**0.2523**	0.3262

PETROENERGY RESOURCES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Philippine Peso)

	Unaudited For the 1st Quarter ending	
	31-Mar-25	31-Mar-24
NET INCOME	**₱280,802,280**	₱321,725,396
OTHER COMPREHENSIVE INCOME (LOSS)		
Remeasurement gains on net accrued retirement liability - net of tax	-	(97,778)
Share in other comprehensive income of a joint venture	-	-
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	-	(97,778)
TOTAL COMPREHENSIVE INCOME	**₱280,802,280**	₱321,627,618
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTATBLE TO:		
Equity Holders of the Parent Company	**143,462,519**	185,425,808
Noncontrolling interest - IS	**137,339,761**	136,201,810
TOTAL COMPREHENSIVE INCOME	**₱280,802,280**	**₱321,627,618**

PETROENERGY RESOURCES CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Philippine Peso)

		Unaudited	Unaudited	Audited
		31-Mar-25	**31-Mar-24**	**31-Dec-24**
CAPITAL STOCK				
Authorized capital	700,000,000			
Issued and outstanding				
Balance beginning of year	568,711,842	**₱568,711,842**	**₱568,711,842**	**₱568,711,842**
Issuance during the period	-			
Total issued and outstanding	568,711,842			
		568,711,842	**568,711,842**	**568,711,842**
ADDITIONAL PAID-IN CAPITAL				
Balance beginning of year		2,156,679,049	2,156,679,049	2,156,679,049
Additions during the period		-	-	-
		2,156,679,049	**2,156,679,049**	**2,156,679,049**
UNAPPROPRIATED RETAINED EARNINGS				
Balance at beginning of year		3,754,431,369	3,669,829,291	3,311,057,942
Dividend declaration		-	-	(28,435,592)
Net Income		143,462,519	185,523,586	471,809,019
		3,897,893,888	**3,855,352,877**	**3,754,431,369**
REMEASUREMENT OF NET ACCRUED RETIREMENT LIABILITY				
Balance at beginning of year		**(20,161,301)**	(12,472,150)	**(12,472,150)**
Remeasurement gain (loss) on accrued retirement liability		**(35,493)**	(97,778)	**(7,689,151)**
		(20,196,794)	**(12,374,372)**	**(20,161,301)**
CUMULATIVE TRANSLATION ADJUSTMENT				
Balance at beginning of year		114,499,681	114,499,681	114,499,681
Movement of cumulative translation adjustment		-	-	-
		114,499,681	**114,499,681**	**114,499,681**
PARENT'S OTHER EQUITY RESERVES				
Balance at beginning of year		1,495,570,578	1,334,950,575	1,334,950,575
Change in ownership without loss of control		-	-	170,170,003
Share issuance costs		-	-	(9,550,000)
PARENT'S OTHER EQUITY RESERVES		**1,495,570,578**	**1,334,950,575**	**1,495,570,578**
TOTAL EQUITY ATTRIBUTED TO EQUITY HOLDERS OF PARENT		**8,213,158,244**	**8,017,819,652**	**8,069,731,218**
NONCONTROLLING INTEREST				
Balance at beginning of year		5,546,818,861	4,836,770,117	4,835,320,996
Net income		137,339,761	136,201,811	409,603,702
Increase in non-controlling interests - stock issuances		-	-	604,394,800
Change in ownership without loss of control		-	-	(250,170,003)
Remeasurement loss on net accrued retirement liabilities		-	-	(2,330,634)
Cash dividends		-	-	(50,000,000)
		5,684,158,622	**4,972,971,928**	**5,546,818,861**
TOTAL EQUITY		**₱13,897,316,866**	**₱12,990,791,580**	**₱13,616,550,079**

PETROENERGY RESOURCES CORPORATION

UNAUDITED CONSOLIDATED STATEMENTS OF CASHFLOWS

(Amounts in Philippine Peso)

	Unaudited	Unaudited	Audited
	31-Mar-25	31-Mar-24	31-Dec-24
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**316,234,797**	352,402,915	993,830,477
Adjustments for:			
Interest expense	**147,089,974**	133,118,268	555,725,055
Depletion, depreciation and amortization	**240,023,958**	197,240,137	831,328,554
Impairment loss (reversal)	**-**	-	52,442,592
Net unrealized foreign exchange loss (gain)	**1,094,861**	(1,022,948)	(3,798,131)
Provision for probable losses	-	-	4,648,449
Accretion expense	**3,261,157**	3,199,041	11,980,721
Dividend income	**-**	-	(18,893)
Net gain on sale of equipment and investment	**-**	-	(543,532)
Net loss (gain) on fair value changes on financial assets at fair value through profit or loss	**(45,186)**	(100,527)	814,283
Interest income	**(34,692,502)**	(46,370,447)	(191,203,364)
Movement in accrued retirement liability	**(35,494)**	97,778	6,472,709
Operating income before working capital changes	**672,931,565**	638,564,217	2,261,678,920
Decrease (increase) in:			
Short-term investments	**214,478,424**	2,016,708,112	-
Receivables	**(262,263,808)**	(108,980,902)	(104,208,320)
Contract Assets	**(33,170,303)**	(19,762,529)	(99,781,268)
Other current assets	**(4,942,833)**	(45,454,463)	(161,653,795)
Increase in Accounts payable and accrued expenses	**(177,394,220)**	(120,298,349)	83,949,749
Cash generated from (used in) operations	**409,638,825**	2,360,776,086	1,979,985,286
Interest received	**38,852,467**	117,537,116	266,928,903
Income taxes paid, including movement in CWT	**7,763,698**	(1,273,661)	(82,703,088)
Net cash provided by (used in) operating activities	**456,254,990**	2,477,039,541	2,164,211,101
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for:			
Acquisitions of property, plant and equipment	**(1,140,130,194)**	(344,415,162)	(3,574,290,337)
Deferred oil exploration costs	**(26,570,240)**	(23,541,979)	(40,052,013)
Deferred development costs	**(92,141,115)**	(94,003,319)	(89,505,254)
Acquisitions of intangibles	**-**	-	(1,029,434)
Advances to contractors	**-**	-	(100,619,459)
Decrease in short-term investments	**-**	-	1,775,286,425
Proceeds from sale of property, plant and equipment	**-**	-	543,532
Dividends received	**-**	-	18,893
(Increase)/decrease in Other noncurrent assets	**(91,206,646)**	(174,598,364)	58,611,711
Net cash used in investing activities	**(1,350,048,195)**	(636,558,824)	(1,971,035,936)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Availments of loans	**500,000,000**	2,012,500,000	3,993,181,074
Issuance of stocks to NCI	**-**	-	604,394,800
Payments of:			
Loans	**(129,634,254)**	(2,130,986,646)	(3,717,068,818)
Interest	**(194,229,987)**	(113,177,220)	(492,370,770)
Dividends to Non-Controlling Interest	**-**	-	(72,500,000)
Lease liabilities	**(911,070)**	(911,070)	(38,419,188)
Equity issuance cost	**-**	-	(9,550,000)
Dividends by the Parent Company	**-**	-	(28,475,106)
Increase in other noncurrent liabilities	**(6,970,198)**	742,298	-
Net cash provided by financing activities	**168,254,491**	(231,832,638)	239,191,992
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(1,594,248)**	1,640,364	3,798,131
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(727,132,962)**	1,610,288,443	436,165,288
CASH AND CASH EQUIVALENTS, BEGINNING	**2,770,469,655**	2,334,304,367	2,334,304,367
CASH AND CASH EQUIVALENTS, END	**2,043,336,693**	3,944,592,810	2,770,469,655

PETROENERGY RESOURCES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

a. Organization

PetroEnergy Resources Corporation ("PERC" or "PetroEnergy" or the "Parent Company") is a publicly-listed domestic corporation. Its registered office and principal place of business is 7th Floor, JMT Building, ADB Avenue, Ortigas Center, Pasig City.

PERC was organized on September 29, 1994 as Petrotech Consultants, Inc. to provide specialized technical services to its then parent company, Petrofields Corporation, and to companies exploring for oil in the Philippines.

In 1997, PERC simultaneously adopted its present name and changed its primary purpose to oil exploration and development and mining activities. Subsequently in 1999, PERC assumed Petrofields' oil exploration contracts in the Philippines and the Production Sharing Contract covering the Etame discovery block in Gabon, West Africa.

On August 11, 2004, PERC's shares of stock were listed on the Philippine Stock Exchange (PSE) by way of introduction.

In 2009, following the enactment of Republic Act No. 9513, otherwise known as the "Renewable Energy Act of 2008" (RE Law), PERC amended its articles of incorporation to include among its purposes the business of generating power from renewable sources such as, but not limited to, biomass, hydro, solar, wind, geothermal, ocean and such other renewable sources of power.

On March 31, 2010, PERC incorporated PetroGreen Energy Corporation ("PetroGreen" or "PGEC"), its 75%-owned subsidiary (77%-owned in 2022), to act as its renewable energy arm and holding company. PGEC ventured into renewable energy development and power generation through its subsidiaries and affiliate: (a) Maibarara Geothermal, Inc. ("MGI", 65%-owned) - owner and Renewable Energy (RE) developer of the 20 MW Maibarara Geothermal Power Project (MGPP-1) in Santo Tomas, Batangas and its expansion, the 12 MW MGPP-2; (b) PetroSolar Corporation ("PetroSolar or PSC", 56%-owned) - owner and RE developer of the 50 MW_{DC} Tarlac Solar Power Project (TSPP-1) in Tarlac City and its 20 MW_{DC} expansion (TSPP-2); and (c) PetroWind Energy Inc. ("PetroWind or PWEI", 40%-owned subsidiary in 2023 (joint venture in 2022) - owner and developer of the 36 MW Nabas Wind Power Project (NWPP-1) and its 13.2 MW expansion (NWPP-2) in Nabas and Malay, Aklan.

In 2023, PetroEnergy made direct acquisition of shares in PetroWind and PetroSolar and additional acquisition of equity shares in PetroGreen. In 2023 also, PGEC incorporated new RE entities which are disclosed in detail in Note 1d. The subsidiaries of PetroEnergy and the respective percentages of ownership are disclosed in Note 4.

In 2023, the Securities and Exchange Commission approved the incorporation of Rizal Green Energy Corporation (RGEC) as a wholly owned subsidiary of PGEC to develop new solar projects. In 2024, Taisei Corporation acquired a 25% equity stake in RGEC.

RGEC subsequently established three (3) renewable energy entities: Dagohoy Green Energy Corporation (DGEC) for the Dagohoy Solar Power Project, San Jose Green Energy Corporation (SJGEC) for the San Jose Solar Power Project (SJSPP), and Bugallon Green Energy Corporation (BGEC) for the Bugallon Solar Power Project (BSPP).

Separately, on August 16, 2023, PGEC acquired 100% of BKS Green Energy Corp. (BKSGEC or BKS), which holds the service contract for the Limbauan Solar Power Project in Isabela. BKSGEC was subsequently sold by PGEC to RGEC on December 19, 2024.

On November 20, 2024, EcoSolar Energy Corporation (ESEC) was incorporated. ESEC is a 100%-owned subsidiary of PGEC, that holds shares in RE companies that will develop the solar power projects in Panitan, Capiz.

b. Nature of Operations

The Group's two (2) main energy businesses are: (1) upstream oil exploration and development, and (2) power generation from RE resources including, (a) geothermal, (b) solar, and (c) wind.

Upstream Oil Exploration and Development

Petroleum production is on-going in the Etame (Gabon) concession, while the other petroleum concessions in the Philippines are still in the advanced exploration stages or pre-development stages.

Renewable Energy

Geothermal Energy

MGI's geothermal projects are the 20 MW MGPP-1 in Sto. Tomas, Batangas that started commercial operations on February 8, 2014 and its expansion, the 12 MW MGPP-2 that started commercial operations on April 30, 2018.

Solar Energy

PetroSolar's solar power projects are the 50 MW_{DC} TSPP-1 in Tarlac City, Tarlac that started commercial operations on February 10, 2016 and its 20 MW_{DC} TSPP-2 which started exporting power to the grid on April 22, 2019.

Other solar power projects currently undergoing testing and commissioning include the 27 MW_{DC} Dagohoy Solar Power Project (DSPP) in Dagohoy, Bohol, which began exporting power to the grid on November 12, 2024, and the 19.6 MW_{DC} San Jose Solar Power Project (SJSPP) in San Jose, Nueva Ecija, which started exporting power on December 21, 2024.

Additionally, the 25 MW_{DC} Bugallon Solar Power Project (BSPP) in Bugallon, Pangasinan, is under construction, with target commercial operations date by December 2025, along with the 40MW_{DC} Limbauan Solar Power Project (LSPP) in Isabela, which is also set for commercial operations date by December 2025.

Wind Energy

PetroWind's Nabas Wind Power Projects are located in Nabas and Malay, Aklan. Phase 1 with a capacity of 36 MW NWPP-1 commenced commercial operations on June 10, 2015. On the other hand, the 13.2 MW NWPP-2 is underway. The first three (3) 6.6 MW turbines started its testing and commissioning on April 4, 2024.

c. Acquisition of Shares of Stock

On April 24, 2023, PERC and EEI Power Corporation (EEIPC) entered into a Share Purchase Agreement (SPA), wherein PERC agreed to purchase all of EEIPC's equity interests in PGEC (7.5%), PSC (44%), and PWEI (20%) on different payment schedules. PERC executed the respective Deeds of Absolute Sale and fully paid EEIPC the purchase price for the latter's shares in PWEI, PSC and PGEC on May 10, 2023, August 1, 2023, and August 31, 2023, respectively.

This acquisition resulted in changes in the classification of PGEC's and PERC's investment in PWEI as well as Group's interest and non-controlling interests (NCI) in the three entities mentioned (see Notes 4, 5, 13, 21 and 31).

In 2024, the purchase price allocation was completed in relation to the investment in PWEI. Provisional goodwill and customer relationships which were initially recorded in 2023 comparative balances were finalized and restated (see Notes 4, 5, 13, 21 and 31).

d. Pipeline RE Projects

On March 5, 2021, PetroGreen and Copenhagen Energy A/S, a Danish company and affiliate of CE Pacific ApS (CE), executed the Heads of Terms as basis for the potential collaboration on the development of offshore wind (OSW) power projects in the Philippines and creation of SPVs that will develop the projects.

Pursuant to the Heads of Terms, PGEC and CE entered into Joint Venture Agreements (JVAs) that will govern the obligations of the parties in the development of the Northern Luzon, Northern Mindoro and East Panay OSW projects, and incorporated three (3) special purpose vehicles (SPVs) in November 2022 namely: BuhaWind Energy Northern Luzon Corporation (BuhaWind NL or BENLC), BuhaWind Energy Northern Mindoro Corporation (BuhaWind NM or BENMC) and BuhaWind Energy East Panay Corporation (BuhaWind EP or BEEPC) [collectively called BuhaWind Energy Philippines or BEP]. PGEC owns 40% and 60% equity interest in BEP as of December 31, 2023 and 2022, respectively. The DOE approved the assignment of PGEC's DOE wind service contracts to BEEPC, BENMC and BENLC on December 27, 2023, December 29, 2023 and February 21, 2024, respectively.

On August 31, 2023, the Securities and Exchange Commission (SEC) approved the incorporation of Rizal Green Energy Corporation (RGEC), PGEC's 100%-owned subsidiary in 2023 and 75%-owned in 2024, that shall hold shares in the RE companies that will develop the solar power projects in Bohol, Pangasinan, Isabela and Nueva Ecija.

On September 13, 2023, the SEC approved the incorporation of Dagohoy Green Energy Corporation (DGEC), a wholly owned subsidiary of RGEC, the RE entity that will own, develop, and operate the Dagohoy Solar Power Project in Bohol. On February 28, 2024, the DOE approved the assignment of Solar Energy Operating Contract (SEOC) No. 2022-06-629 from PGEC to DGEC and issued the corresponding new Certificate of Registration (COR) with Registration No. SEOC 2022-06-629-AF1.

On October 14, 2023, the SEC approved the incorporation of San Jose Green Energy Corporation (SJGEC), a wholly owned subsidiary of RGEC, the RE entity that will own, develop and operate the San Jose Solar Power Project in Nueva Ecija. On July 19, 2023, the DOE approved the assignment of V-Mars Solar Energy Corporation's DOE service contract to PGEC, allowing PGEC to develop the San Jose Solar Power Project in Nueva Ecija. On April 16, 2024, the DOE approved the assignment of SEOC No. 2015-09-251-AFI from PGEC to SJGEC and issued the corresponding new COR with Registration No. SEOC 2015-09-251-AF2.

On October 14, 2023, the SEC approved the incorporation of Bugallon Green Energy Corporation (BGEC), a wholly owned subsidiary of RGEC, the RE entity that will own, develop, and operate the Bugallon Solar Power Project (BSPP) in Pangasinan. On April 16, 2024, the DOE approved the assignment of SEOC 2022-04-622 from PGEC to BGEC and issued the corresponding new COR with Registration No. SEOC 2022-04-622-AF1.

On August 16, 2023, PGEC acquired 100% of BKS Green Energy Corp.'s (BKS) shares of stock, a Filipino corporation that holds the service contract over the Limbauan Solar Power Project (LSPP) in Isabela. BKSGEC was subsequently sold to RGEC on December 19, 2024. The transaction was accounted for business combination under common control.

On November 20, 2024, the SEC approved the incorporation of ESEC, currently, a wholly owned subsidiary of PGEC, that is planned to hold the new projects of PGEC, such as utility-scale solar, aquavoltaics and Battery Energy Storage Systems (BESS), among others.

e. Approval of Consolidated Financial Statements
The accompanying unaudited consolidated interim financial statements as of and for the period ended March 31, 2025 were approved and authorized for issue by the Board of Directors (BOD).

2. Basis of Preparation

Basis of Preparation

The accompanying consolidated financial statements have been prepared under the historical cost basis, except for financial assets carried at fair value through profit or loss (FVTPL) which are measured at fair value, and crude oil inventory which is valued at net realizable value (NRV).

The financial statements are presented in Philippine Peso (PHP or ₱), which is the Parent Company's functional currency. All amounts are rounded to the nearest PHP unless otherwise stated.

Statement of Compliance
The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

3. **Changes in Accounting Policies**

The accounting policies adopted are consistent with those of the previous financial year, except that the Group has adopted the following new accounting pronouncements starting January 1, 2023. Adoption of these pronouncements did not have any significant impact on the Group's financial position or performance.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

  The amendments to the Practice Statement provide non-mandatory guidance.

- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

New Accounting Standards, Interpretations and Amendments Effective Subsequent to December 31, 2024

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2024
- Amendments to PAS 1*, Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16*, Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7*, Disclosures: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025
- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21*, Lack of exchangeability*

Deferred effectivity
- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to 2024 on the Group's financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the consolidated financial statements when these amendments are adopted.

4. **Summary of Significant Accounting Policies**

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Group as at March 31, 2025, March

31, 2024 and December 31, 2024. The financial statements of the subsidiaries are prepared in the same reporting year as the Parent Company, using consistent accounting policies.

Below are the subsidiaries, which are all incorporated in the Philippines, with their respective percentage ownership as of March 31, 2025, March 31, 2024 and December 31, 2024:

	31-Mar-2025	31-Mar-2024	31-Dec-2024
Direct interest:			
PGEC	**75%**	75%	75%
PSC	**44%**	44%	44%
PWEI	**20%**	20%	20%
Navy Road Development Corporation (NRDC) - dormant company	**100%**	100%	100%
Indirect interest:			
Percentage share of PetroGreen in its subsidiaries:			
MGI	**65%**	65%	65%
PSC	**56%**	56%	56%
PWEI	**40%**	40%	40%
BKS	**–**	100%	–
RGEC	**75%**	100%	75%
ESEC[(1)]	**100%**	–	100%
Subsidiaries of RGEC:			
DGEC	**100%**	100%	100%
SJGEC	**100%**	100%	100%
BGEC	**100%**	100%	100%
BKS[(2)]	**100%**	–	100%

[1] *Incorporated subsidiary in 2024 (Note 1)*
[2]*PGEC sold its 100% shares in BKS to RGEC (Note 1)*

Subsidiaries are entities controlled by PERC. PERC controls an investee if and only if PERC has:

a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
b) exposure, or rights, to variable returns from its involvement with the investee; and
c) the ability to use its power over the investee the amount of the investor's returns.

When PERC has less than a majority of the voting or similar rights of an investee, PERC considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a) contractual arrangement with the other vote holders of the investee;
b) rights arising from other contractual arrangements; and
c) Group's voting rights and potential voting rights.

PERC re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidations of a subsidiary begins when PERC obtains control over the subsidiary and ceases when PERC loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date PERC gains control until the date PERC ceases to control the subsidiary.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Adjustments where necessary are made to ensure consistency with the policies adopted by the Group. All intra-group balances, transactions, profits and expenses and gains and losses are eliminated during consolidation.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction, as transactions with the owners in their capacity as owners. For purchases from non-controlling interests (NCI), the difference between any consideration paid and the relevant share acquired of the carrying value of the net asset of the subsidiary is recorded in equity. Gains or losses on disposals from NCI are also recorded in equity.

NCI are presented separately from the Parent Company's equity. The portion of profit or loss and net assets in subsidiaries not wholly owned are presented separately in the consolidated statement of comprehensive income and consolidated statement of changes in equity, and within equity in the consolidated statement of financial position under 'Non-controlling interests'.

Cash and Cash Equivalents

Cash includes cash on hand and in banks (demand deposits). Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from the dates of acquisition and that are subject to an insignificant risk of change in value.

Short-term Investments

This pertains to interest bearing time deposits with terms of more than 3 months but not more than one year.

Restricted Cash

Restricted cash is recognized when the Group reserves a portion of its cash for a specific purpose such as to pay loan interest charges and loan principal amortization, and that there are contractual restrictions directly related to the use of and access of the bank accounts. This includes cash held under escrow accounts. Restricted cash that are expected to be used for a period of no more than 12 months after the financial reporting period are classified as current assets, otherwise, these are classified as noncurrent assets.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets – Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI), and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flow that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

The Group has no financial asset classified as financial assets at FVOCI.

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include cash and cash equivalents, short-term investments, receivables, restricted cash, and refundable deposits.

Financial assets at FVTPL
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognized as other income in the consolidated statement of profit or loss when the right of payment has been established.

The Group's financial assets at FVTPL includes marketable equity securities and investment in golf club shares.

Impairment of financial assets
The Group recognizes an allowance for ECLs for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group may consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities – Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, financial liabilities at amortized cost (loans and borrowings) or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include accounts payable and accrued expenses, excluding statutory liabilities, loans payable and lease liabilities. The Group does not have financial liabilities at FVTPL.

Subsequent measurement
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of comprehensive income.

<u>Derecognition of Financial Assets and Financial Liabilities</u>
Financial assets
A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

<u>Crude Oil Inventory</u>
Crude oil inventory is stated at NRV at the time of production. NRV is the estimated selling price less cost to sell. The estimated selling price is the market values of crude oil inventory at the time of production.

<u>Other Current Assets</u>
This account comprises supplies inventory, refundable deposits, prepayments and advances to suppliers.

Supplies inventory refers to parts purchased for used in operations. Supplies inventory are stated at the lower of cost or NRV. Cost is determined using the specific identification method. NRV is the current replacement cost of supplies inventory.

Prepayments are expenses paid in advance and recorded as asset before these are utilized. The prepaid expenses are apportioned over the period covered by the payment and charged to the appropriate accounts in profit or loss when incurred. Prepayments that are expected to be realized for a period of no more than 12 months after the financial reporting period are classified as current assets, otherwise, these are classified as noncurrent assets.

Advances to suppliers are reclassified to the proper asset or expense account and deducted from the supplier's billings as specified in the provisions of the contract.

<u>Property, Plant and Equipment</u>
Property, plant and equipment, except for land, are stated at cost less accumulated depletion, depreciation and amortization and any accumulated impairment losses. Land is stated at cost less any accumulated impairment losses. The initial cost of the property, plant and equipment consists of its purchase price, including any import duties, taxes and any directly attributable costs of bringing the assets to its working condition and location for its intended use and abandonment costs.

Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance, are normally charged to the consolidated statement of comprehensive income in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property, plant and equipment.

Depreciation of an item of property, plant and equipment begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation ceases at the earlier of the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, and the date the asset is derecognized.

Wells, platforms and other facilities related to oil operations are depleted using the units-of-production method computed based on estimates of proved reserves. The depletion base includes the exploration and development cost of the producing oilfields.

Land improvements consist of betterments, site preparation and site improvements that ready land for its intended use. These include excavation, non-infrastructure utility installation, driveways, sidewalks, parking lots, and fences.

Property, plant and equipment are depreciated and amortized using the straight-line method over the estimated useful lives of the assets as follows:

	Number of Years
Power plant, FCRS and production wells	25
Office condominium units	15
Land improvements	5
Transportation equipment	4 to 5
Office improvements	3
Office furniture and other equipment	2 to 3

The useful lives and depletion, depreciation and amortization methods are reviewed periodically to ensure that the period and method of depletion, depreciation and amortization are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Construction in progress represents property, plant and equipment under construction and is stated at cost. This includes the cost of construction to include materials, labor, professional fees, borrowing costs and other directly attributable costs. Construction in progress is not depreciated until such time the construction is completed.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation is credited or charged to current operations.

When the assets are retired or otherwise disposed of, the cost and the related accumulated depletion, depreciation and amortization and any accumulated impairment losses are removed from the accounts and any resulting gain or loss is recognized in profit or loss.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any NCI in the acquiree. For each business combination, the acquirer measures the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. In a business combination achieved in stages, the acquirer shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in profit or loss or other comprehensive income, as appropriate.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for NCI and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

Following initial recognition, goodwill is measured at cost less any accumulated impairment loss. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

PFRS 3 provides that if the initial accounting for a business combination can be determined only provisionally by the end of the reporting period in which the combination occurs because either the fair values to be assigned to the acquiree's identifiable assets or liabilities or the consideration of the combination can be determined only provisionally, the acquirer shall account for the business combination using those provisional values. The acquirer shall recognize any adjustments to those provisional values as a result of completing the initial accounting within twelve months from the acquisition date as follows: (i) the carrying amount of the identifiable assets or liabilities that is recognized or adjusted as a result of completing the initial accounting shall be calculated as if its fair value at the acquisition date had been recognized from that date; (ii) goodwill or any gain recognized shall be adjusted by an amount equal to the adjustment to the fair value at the acquisition date of the identifiable assets or, liabilities being recognized or adjusted; and (iii) comparative information presented for the periods before the initial accounting for the combination is complete shall be presented as if the initial accounting has been completed from the acquisition date.

Deferred Oil Exploration Costs
PERC follows the full cost method of accounting for exploration costs determined on the basis of each SC area. Under this method, all exploration costs relating to each SC are tentatively deferred pending determination of whether the area contains oil reserves in commercial quantities.

Deferred oil and gas exploration costs are assessed at each reporting period for possible indications of impairment. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case or is considered as areas permanently abandoned, the costs are written off through the consolidated statement of comprehensive income. Exploration areas are considered permanently abandoned if the related permits of the exploration have expired and/or there are no definite plans for further exploration and/or development.

The exploration costs relating to the SC where oil in commercial quantities are discovered are subsequently reclassified to "Wells, platforms and other facilities" shown under "Property and equipment" account in the consolidated statements of financial position upon substantial completion of the development stage.

Deferred Development Costs – Geothermal included in Other Noncurrent Assets
All costs incurred in the geological and geophysical activities such as costs of topographical, geological and

geophysical studies, rights of access to properties to conduct those studies, salaries and other expenses of geologists, geophysical crews, or others conducting those studies are charged to profit or loss in the year such costs are incurred.

If the results of initial geological and geophysical activities reveal the presence of geothermal resource that will require further exploration and drilling, subsequent exploration and drilling costs are accumulated and deferred under the “Other noncurrent assets” account in the consolidated statement of financial position.

These costs include the following:

- costs associated with the construction of temporary facilities;
- costs of drilling exploratory and exploratory type stratigraphic test wells, pending determination of whether the wells can produce proved reserves; and
- costs of local administration, finance, general and security services, surface facilities and other local costs in preparing for and supporting the drill activities, etc. incurred during the drilling of exploratory wells.

If tests conducted on the drilled exploratory wells reveal that these wells cannot produce proved reserves, the capitalized costs are charged to expense except when management decides to use the unproductive wells for recycling or waste disposal.

Once the project’s technical feasibility and commercial viability to produce proved reserves are established, the exploration and evaluation assets shall be reclassified to “Property, plant and equipment” and depreciated accordingly.

Deferred Development Costs – Solar and Wind Power Projects included in Other Noncurrent Assets
These are costs incurred in the development of the RE projects. Costs are capitalized if the technological and economic feasibility is confirmed, usually when a project development has reached a defined milestone according to an established project management model. These costs include the following:

- costs incurred for the RE projects
- costs of administration, finance, general and security services and other costs attributed to the RE projects.

Deferred development costs of RE projects are recognized under “Other noncurrent assets” in the statement of financial position. Once the project’s technical feasibility and commercial viability has been established, development costs shall be reclassified to “Property, plant and equipment” and depreciated accordingly.

Investment in a Joint Venture (JV)
A JV is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Investment in a JV is accounted for under the equity method of accounting.
Under the equity method, the investment in a JV is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group’s share of net assets of the JV since the acquisition date.

The consolidated statement of comprehensive income reflects the Group’s share of the financial performance of the joint venture. Any change in OCI of those investees is presented as part of the Group’s OCI. In addition, when there has been a change recognized directly in the equity of the JV, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses from transactions between the Group and the JV are eliminated to the extent of the interest of the JV.

The aggregate of the Group’s share in profit or loss of a JV is shown under “Other income (charges)” in the consolidated statement of comprehensive income and represents profit or loss after tax and non-controlling interests in the subsidiaries of the JV.

The financial statements of the JV are prepared in the same reporting period of the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method for the investment in a JV, the Group determines whether it is necessary to recognize an impairment loss on its investment in a JV. At each reporting date, the Group determines whether there is objective evidence that the investment in JV is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the JV and its carrying value, then recognizes the loss in the consolidated statement of comprehensive income.

Upon loss of joint control over the JV, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated statement of comprehensive income.

Contract Assets
A contract asset is recognized for the earned consideration for goods or services transferred to a customer before the customer pays or before payment is due. Contract assets are measured at the present value of future collections to be received over a period of time. Contract assets that are expected to be received within 12 months after the financial reporting period are classified as current assets, otherwise, these are classified as noncurrent assets.

Intangible Assets (Other than Goodwill)
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income in the expense category consistent with the function of the intangible assets.

Intangible assets are amortized using the straight-line method over the estimated useful lives of the assets as follows:

	Number of Years
Customer relationship	27
Land rights	25
Production license	10
Software license	1.5 to 3

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of comprehensive income when the asset is derecognized.

Interest in Joint Operations
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group recognized in relation to its interest in a joint operation its:
- assets, including its share of any assets held jointly
- liabilities, including its share of any liabilities incurred jointly
- revenue from the sale of its share of the output arising from the joint operation
- share of the revenue from the sale of the output by the joint operation
- expenses, including its share of any expenses incurred jointly

The Group accounts for the assets it controls and the liabilities it incurs, the expenses it incurs and the share of income that it earns from the sale of crude oil by the joint operations.

The Group's participating interest in the Etame block in Gabon, West Africa and participating interests in

Philippine service contracts (SCs) are classified as joint operations.

Impairment of Nonfinancial Assets (excluding Goodwill)
The Group assesses at each reporting date whether there is an indication that an asset (e.g., property, plant and equipment, investment properties, deferred costs, intangible assets and right-of-use assets) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depletion, depreciation and amortization had no impairment loss been recognized for the asset in prior years.

Capital Stock and Additional Paid-in Capital
The Group records common stock at par value and additional paid-in capital in excess of the total contributions received over the aggregate par values of the equity shares. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax. When any member of the Group purchases the Group's capital stock (treasury shares), the consideration paid, including any attributable incremental costs, is deducted from equity attributable to the Group's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity.

Retained Earnings
Retained earnings represent the cumulative balance of consolidated net income, effects of changes in accounting policy and other capital adjustments, net of dividend declaration.

Cumulative Translation Adjustment
Cumulative translation adjustment represents the resulting exchange differences in the remeasurement of accounts due to change in functional currency.

Equity Reserve
Equity reserve is made up of equity transactions other than equity contributions such as gain or loss resulting from increase or decrease of ownership without loss of control.

Dividend Distribution
Cash dividends on capital stock are recognized as a liability and deducted from retained earnings when approved by the BOD.

Revenue Recognition
Revenue is recognized when the control of petroleum and electricity are transferred to the customer at an amount that reflects the consideration which the Group expects to be entitled in exchange for those goods and services. The Group has generally concluded that it is the principal in its revenue arrangements.

Electricity sales

Revenues from sale of electricity using renewable energy is consummated and recognized over time whenever the electricity generated by the Group is transmitted through the transmission line designated by the buyer, for a consideration.

Oil revenues
Revenue from crude oil is recognized at a point in time when the control of the goods has transferred from the sellers (Consortium) to the buyer at the delivery point. Revenue is measured at the fair value of the consideration received.

The revenue recognized from the sale of petroleum products pertains to the Group's share in revenue from the joint operations. The revenue sharing is accounted for in accordance with PFRS 11, *Joint Arrangements*.

Other Revenues
Revenues from passed on wheeling charges are consummated and recognized over time whenever the electricity generated by the Group is transmitted through MERALCO's distribution system, for a consideration. Revenues from pass-on Wholesale Electricity Spot Market (WESM) transactions are consummated and recognized over time whenever the electricity generated by the Group is traded through WESM, for a consideration.

Interest income
Interest income is recognized as the interest accrues taking into account the effective yield on the asset.

Dividend income
Dividend income is recognized according to the terms of the contract, or when the right of the payment has been established.

Share in Net Income of a Joint Venture
Share in net income of a joint venture represents the Group's share in profit or loss of its joint venture.

Miscellaneous Income
Miscellaneous income is recognized when the Group's right to receive the payment is established.

Costs and Expenses
Cost of electricity sales
Costs of electricity sales pertain to direct costs in generating electricity power which includes operating and maintenance costs (O&M) for power plant and fluid collection and reinjection system (FCRS), depreciation and other costs directly attributed to producing electricity.

Oil production
Oil production are costs incurred to produce and deliver crude oil inventory, including transportation, storage and loading, among others.

Change in crude oil inventory
Change in crude oil inventory pertains to the movement of beginning and ending crude oil inventory charged as part of cost of sales.

General and administrative expenses
General and administrative expenses constitute costs of administering the business.

Costs and expenses are recognized as incurred.

Income Taxes
Current Tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date.

Deferred Tax
Deferred tax is provided using the balance sheet liability method on all temporary differences at the reporting

date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences except to the extent that the deferred tax liabilities arise from the: a) initial recognition of goodwill; or b) the initial recognition of an asset or liability in a transaction which is not: i) a business combination; and ii) at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences with certain exceptions, and carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient future taxable income will be available against which the deductible temporary differences and carryforward benefits of unused tax credits from excess MCIT and unused NOLCO can be utilized. Deferred tax assets, however, are not recognized when it arises from the: a) initial recognition of an asset or liability in a transaction that is not a business combination; and b) at the time of transaction, affects neither the accounting income nor taxable profit or loss.

The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date, and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered. The Group does not recognize deferred tax assets and deferred tax liabilities that will reverse during the income tax holiday (ITH).

Deferred tax assets and liabilities are measured at the tax rates that are applicable to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as of the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in profit or loss or other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Subsidiaries operating in the Philippines file income tax returns on an individual basis. Thus, the deferred tax assets and deferred tax liabilities are offset on a per entity basis.

Leases

Group as a lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The cost of right-of-use assets includes the amount of lease liability recognized, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term, as follows:

	Number of Years
Land	18 to 25
Office space	2

Lease liabilities
At the commencement date of the lease, the Group recognizes lease liability measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liability is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies to the leases of low-value assets recognition exemption to leases that are considered of low value (i.e., below ₱250,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Retirement Benefits
The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Defined benefit costs comprise the following:
- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the consolidated statement of comprehensive income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the consolidated statement of comprehensive income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to consolidated statement of comprehensive income in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Asset Retirement Obligation (ARO)
The Group records present value of estimated costs of legal and constructive obligations required to restore the oilfields and plant sites upon termination of its operations. The nature of these restoration activities includes dismantling and removing structures, rehabilitating settling ponds, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas. The obligation generally arises when the asset is constructed or the ground or environment at the sites are disturbed. When the liability is initially recognized, the present value of the estimated cost is capitalized as part of the carrying amount of the ARO assets (included under "Property, plant and equipment") and ARO liability.

Liability and capitalized costs included in oil properties are equal to the present value of the Group's proportionate share in the total decommissioning costs of the consortium on initial recognition. Additional costs or changes in decommissioning costs are recognized as additions or charges to the corresponding assets and ARO when they occur.

For closed sites or areas, changes to estimated costs are recognized immediately in the consolidated statement of comprehensive income.

If the decrease in liability exceeds the carrying amount of the asset, the excess shall be recognized immediately in profit or loss.

For the oil operation, the Group depreciates ARO assets based on units-of-production method.
For the renewable energy, the Group depreciates ARO assets on a straight-line basis over the estimated useful life of the related asset or the service contract term, whichever is shorter, or written off as a result of impairment of the related asset.

The Group regularly assesses the provision for ARO and adjusts the related liability and asset.

Foreign Currency-Denominated Transactions and Translation
The consolidated financial statements are presented in PHP, which is the Parent Company's functional and presentation currency. Transactions in foreign currencies are initially recorded in the functional currency using the exchange rate at date of transaction. Monetary assets and liabilities denominated in foreign currencies are reinstated to the functional currency using the closing exchange rate at reporting date.

All exchange differences are taken to the consolidated statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Earnings Per Share
Basic earnings per share is computed on the basis of the weighted average number of shares outstanding during the year after giving retroactive effect to any stock split or stock dividends declared and stock rights exercised during the current year, if any.

Diluted earnings per share is computed on the basis of the weighted average number of shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Segment Reporting
The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and services, serves different markets subject to different risks and returns. Financial information on business segments is presented in Note 25 to the consolidated financial statements.

Provisions and Contingencies
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the consolidated financial statements.

Events After the Reporting Period
Post year-end events that provide additional information about the Group's situation at the reporting date (adjusting events) are reflected in the financial statements, if any. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

5. **Significant Accounting Judgments, Estimates and Assumptions**

The preparation of the consolidated financial statements in compliance with PFRS requires the Group to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in judgments, estimates and assumptions are reflected in the consolidated financial statements, as they become reasonably determinable.

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognized in the consolidated financial statements:

Determination of Functional Currency
The Parent Company determines its functional currency based on economic substance of underlying circumstances relevant to the Parent Company. The functional currency has been determined to be the PHP based on the economic substance of the Parent Company's business circumstances.

Capitalization of Deferred Oil Exploration Costs and Deferred Development Costs
Initial capitalization of costs is based on management's judgment that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. If the conditions for asset capitalization of development costs are not met, then such costs are expensed outright.

As of March 31, 2025 and December 31, 2024, the carrying value of deferred oil explorations costs amounted to ₱457.99 million and ₱431.42 million, respectively (see Note 13), and the Group's deferred development costs amounted to ₱420.34 million and ₱328.20 million as of March 31, 2025 and December 31, 2024, respectively (see Note 18).

Classification of Joint Arrangements
Judgment is required to determine when the Group has joint control over an arrangement, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous

consent. The Group assesses their rights and obligations arising from the arrangement and specifically considers:

- the structure of the joint arrangement – whether it is structured through a separate vehicle
- when the arrangement is structured through a separate vehicle, the Group also considers the rights and obligations arising from:
  - the legal form of the separate vehicle
  - the terms of the contractual arrangement
  - other facts and circumstances, considered on a case to case basis

This assessment often requires significant judgment. A different conclusion about both joint control and whether the arrangement is a joint operation or a joint venture, may materially impact the accounting of the investment.

The Group's investment in PWEI and BEP are structured in a separate incorporated entity. The Group and the parties to the agreement only have the right to the net assets of the joint venture through the terms of the contractual arrangement. Accordingly, the joint arrangement is classified as a joint venture. As of March 31, 2025 and December 31, 2024, the Group's investment in a joint venture amounted to ₱2.88 million (see Note 14).

The Group and the parties to the agreement in investment in Gabon, West Africa and investments in petroleum concessions in the Philippines have joint control over its rights to the assets and obligations for the liabilities, relating to the arrangement. Accordingly, the joint arrangements are classified as joint operations (see Notes 12 and 13).

<u>Estimates and Assumptions</u>
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimation of Geothermal Field Reserves
The Group performed volumetric reserve estimation to determine the reserves of the Maibarara geothermal field. As a requirement for project financing, the Group engaged at its own cost the New Zealand firm Sinclair Knight Merz (SKM) in 2011 to undertake a comprehensive third-party technical review of the Maibarara geothermal field. This review included analysis of the resource assessment performed in-house by the Group as well as a separate SKM reserve estimation and numerical modeling of the Maibarara reserves.

The Group's simulation indicated a mean (P50) proven reserves of 27.8 MW for 25 years. In contrast, SKM calculated the P50 reserves at 44 MW. At 90% probability (P90), the reserves calculated are 28 MW and 12 MW by SKM and the Group, respectively. SKM concluded that the approach taken by the Group is conservative as it limits reservoir thickness to depths where a maximum thickness of 280°C will be encountered although the measured temperature reached as high as 324°C. There is reasonable confidence that the 20 MW (gross) plant development is feasible as the P90 level appears also conservative as with the Group's approach. In addition, SKM identified indicated reserves, translating to 10 MW-26 MW in the area south of and outside the current area of development.

Also, there is a likely geothermal potential south of the proven area where two old wells were drilled and encountered high fluid temperatures (T ~ 300°C). MGI identified the southern block as a probable reserve area. SKM in 2011 suggested that the southern block can be classified as Indicated Resource based on the Australian Code as high temperatures have been intersected by the two wells. SKM estimated that the stored heat in the Southern Block has a resource potential equivalent to 12 MW for a project life of 25 years.

An updated reserves estimation using the stored-heat calculation was made in 2015 by the Group as a result of reservoir and production performance and the 2014 drilling campaign. The 2014 drilling proved that the current resource area can produce around 33.1 MW, more than enough to meet the steam requirement of the existing 20 MW power plant plus the 12 MW expansion power plant. Using Monte Carlo simulation to estimate the reserves, the proven resource area has an 80% probability of delivering between 18.1 MW to 50.9 MW over a 25-year operating period. This Monte Carlo simulation also showed that the expected mean reserve for the proven resource area is 30.4 MW for 25 years.

The Group engaged a U.S. firm Geothermal Science, Inc. (GSI) in 2015 to perform a third-party technical appraisal of the resource for the planned 12 MW expansion. This third-party review was also made as a requirement for the project financing of MGPP-2 or M2. GSI adopted the technique from the US Geological Survey Circular 790 in making the probabilistic calculation of the geothermal reserves at Maibarara. Based on this approach, GSI estimates that Maibarara has a minimum or proven reserves of 40.2 MW, P90 for 25 years plant life and Most Likely Reserve of 61.6 MW, P50 for 25 years of plant life.

The Group commenced producing power commercially last February 8, 2014. To date, the current production wells of M1 and M2 are capable of producing 38 MW at full-bore capacity. These production wells including the complement reinjection wells are concentrated on the proven resource area.

As of March 31, 2025 and December 31, 2024, there has been no significant change in the estimated reserves that would affect the carrying value and useful life of the Group's property, plant and equipment.

Estimation of Proved and Probable Oil Reserves
The Parent Company assesses its estimate of proved and probable reserves on an annual basis. The estimate is based on the technical assumptions and is calculated in accordance with accepted volumetric methods, specifically the probabilistic method of estimation. Probabilistic method uses known geological, engineering and economic data to generate a range of estimates and their associated probabilities.

All proved and probable reserve estimates are subject to revision, either upward or downward, based on new information, such as from development drilling and production activities or from changes in economic factors, including product prices, contract terms or development plans. Estimates of reserves for undeveloped or partially developed fields are subject to greater uncertainty over their future life than estimates of reserves for fields that are substantially developed and depleted. Estimated oil reserves are utilized in the impairment testing and the calculation of depletion expense using the unit of production method of the investments.

As of March 31, 2025 and December 31, 2024, the carrying value of "Wells, Platforms and other Facilities" under "Property, Plant and Equipment" amounted to ₱425.03 million and ₱446.76 million, respectively (see Note 12).

Estimation of Useful Lives of Property, Plant and Equipment
The Group reviews on an annual basis the estimated useful lives of property, plant and equipment based on expected asset utilization as anchored on business plans and strategies that also consider expected future technological developments and market behavior.

It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depletion, depreciation and amortization expense and decrease noncurrent assets.

There is no change in the estimated useful lives of property, plant and equipment as of March 31, 2025 and December 31, 2024 (see Note 12).

Impairment of Nonfinancial Assets
The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less cost of disposal and its value in use.

Facts and circumstances that would require an impairment assessment as set forth in PFRS 6, *Exploration for and Evaluation of Mineral Resources,* are as follows:

- the period for which the Group has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and

- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

The related balances of the Group's nonfinancial assets as of March 31, 2025 and December 31, 2024 follow:

	Unaudited 31-Mar-2025	Audited 31-Dec-2024
Property, plant and equipment (Note 12)	**₱15,851,365,339**	₱14,974,940,788
Intangible assets (Note 16)	**772,426,870**	780,154,952
Deferred oil exploration costs (Note 13)	**457,986,953**	431,416,713
Deferred development costs (Note 18)	**420,343,246**	328,202,131
Right-of-use assets (Note 15)	**249,019,366**	302,353,808
Investment properties (Note 17)	**1,611,533**	1,611,533
	₱17,752,753,307	₱16,818,679,925

There are no indicators of impairment that would trigger impairment review on March 31, 2025 and December 31, 2024 other than those mentioned below.

Gabon, West Africa
The Parent Company believes that the fluctuation in crude oil prices in the market, political risks in Gabon, discount rates and changes in other assumptions such as change in production profile which is based on continued production until the term of the existing PSC are indicators that the assets might be impaired or if there is reversal of prior impairment loss.

In 2018, the Gabonese Government allowed the sixth amendment to the Exploration Production Sharing Contract ("EPSC") that extends the exploitation period for the production licenses by ten (10) years, or from September 2018 until September 2028, extendible by five (5) years and by a final extension of 5 more years. The extension of the EPSC will allow the consortium to maximize the use of the existing facilities that are already in place to increase or maintain production until the field's extended life (see Note 12).

SC 14-C2 – West Linapacan
SC 14-C2 has not yet expired and was granted with a 15-year extension of the SC as approved by the DOE from December 18, 2010 to December 18, 2025. The SC 14-C2 consortium proceeded with a third-party technical evaluation to assess potential production opportunities. With the SC nearing its expiration in December 2025, the assets were tested for impairment.

Impairment loss (reversal)
In assessing whether impairment is required, the carrying value of the asset is compared with its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Given the nature of the Parent Company's activities, information on the fair value of an asset is usually difficult to obtain unless negotiations with potential purchasers or similar transactions are taking place. Consequently, unless indicated otherwise, the recoverable amount used in assessing the impairment loss is value in use.

The Parent Company estimates value in use using a discounted cash flow model using a discount rate of 12.28% in 2024.

The Parent Company recognized impairment (reversal of impairment) loss, nil in March 31, 2025 and below for the year ended December 31, 2024, presented on a net basis:

Wells, platforms and other facilities – net (Note 12)	**₱169,899,110**
Deferred oil exploration costs – net (Note 13)	**(117,456,518)**
	₱52,442,592

Estimation of Asset Retirement Obligations
The Group has various legal obligations to decommission or dismantle its assets related to the oil production, geothermal energy project, wind energy project and solar power project at the end of each respective service contracts. In determining the amount of provisions for restoration costs, assumptions and estimates are required in relation to the expected costs to restore sites and infrastructures when such obligation exists. The Group recognizes the present value of the obligation to dismantle and capitalizes the present value of this cost as part of the balance of the related property, plant and equipment, which are being depreciated and amortized on a straight-line basis over the useful life of the related assets (for the renewable energy) and based on units-of-production method based on estimates of proved reserves (for the oil operations).

Cost estimates expressed at projected price levels until dismantling date are discounted using rates ranging from 6.10% to 9.50% in 2024 to take into account the timing of payments. Each year, the provision is increased to reflect the accretion of discount and to accrue an estimate for the effects of inflation, with charges being recognized as accretion expense (see Note 21).

Changes in the asset retirement obligation that result from a change in the current best estimate of cash flow required to settle the obligation or a change in the discount rate are added to (or deducted from) the amount recognized as the related asset and the periodic unwinding of the discount on the liability is recognized in profit or loss as it occurs.

While the Group has made its best estimate in establishing the asset retirement obligation, because of potential changes in technology as well as safety and environmental requirements, plus the actual time scale to complete decommissioning activities, the ultimate provision requirements could either increase or decrease significantly from the Group’s current estimates. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

Asset retirement obligation as of March 31, 2025 and December 31, 2024 follows (see Note 21):

	Unaudited 31-Mar-25	Audited 31-Dec-24
Solar power project	**₱60,491,417**	₱43,544,555
Wind power project	**45,186,789**	44,485,756
Oil production	**44,468,696**	59,580,781
Geothermal energy project	**15,149,117**	14,923,157
	₱165,296,019	₱162,534,249

Recoverability of input VAT
The Group maintains an allowance for input VAT based on an assessment of the recoverability of these assets using the historical success rate of VAT refunded from the Bureau of Internal Revenue (BIR). A review is made by the Group on a continuing basis annually to determine the adequacy of the allowance for losses. The carrying value of input VAT amounted to ₱654.56 million and ₱594.37 million as of March 31, 2025 and December 31, 2024, respectively (see Note 18).

Recognition of deferred tax assets
The Group reviews the carrying amounts of deferred tax assets at each reporting date and reduces them to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

As of March 31, 2025 and December 31, 2024, the Group did not recognize deferred tax assets on certain temporary differences, NOLCO and MCIT as the Group believes that it may not be probable that sufficient taxable income will be available in the near foreseeable future against which the tax benefits can be realized prior to their expiration.

6. **Cash and Cash Equivalents and Short-term Investments**

	Unaudited	Audited

	31-Mar-24	31-Dec-24
Cash on hand and in banks	**₱746,864,274**	₱795,686,309
Cash equivalents	**1,296,472,419**	1,974,783,346
Cash and Cash Equivalents	**2,043,336,693**	2,770,469,655
Short-term investments	**₱–**	₱ 200,000,000

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest at the prevailing short-term investment rates.

As of March 31, 2025 and December 31, 2024, the Group has nil and ₱200.00 million short-term investments with periods of more than three months but less than one year.

Interest income earned on cash and cash equivalents and short-term investments amounted to ₱14.48 million, P150.81 million as of March 31, 2025 and December 31, 2024, respectively.

7. Restricted Cash

The Group is required to maintain in Debt Service Payment Account (DSPA) pursuant to the Project Loan Facility Agreement (PLFA) of MGI and Omnibus Loan and Security Agreement (OLSA) of PSC and Debt Service Reserve Account (DSRA) of PWEI pursuant to its OLSA (see Note 20). The funds maintained in these accounts are used to pay the forthcoming debt service scheduled every year until the loan is fully paid off. Under the PLFA/OLSA, where the banks are one of the parties, the banks shall have the exclusive control over and exclusive right of withdrawal from the restricted cash accounts.

8. Receivables

	Unaudited 31-Mar-25	Audited 31-Dec-24
Trade receivables:		
Electricity sales	**₱623,577,959**	₱395,415,640
Electricity sales – related party (Note 23)	**97,677,584**	103,154,602
Oil revenues	**54,983,533**	66,079,326
Other trade receivables	**678,919**	1,053,324
Non-trade receivables:		
Receivables from related party	**158,478,060**	132,255,582
Receivable from contractors	**19,195,658**	19,195,658
Interest receivable	**6,924,355**	11,084,320
Consortium operator	**2,682,452**	2,682,452
Others	**36,343,364**	30,765,770
	1,000,541,884	761,686,674
Less allowance for impairment losses	**2,682,452**	2,682,452
	₱997,859,432	₱759,004,222

Trade receivables are generally on 30 days credit term. Interest income earned from the delayed payment of trade and other receivable amounted to nil and ₱9.62 million in March 31, 2025 and December 31, 2024, respectively. The Renewable Energy Payment Agreement with TransCo stipulates that in the event TransCo fails to pay upon the lapse of one billing period after the payment date, TransCo shall pay interest thereon, calculated from the payment date to the day such amount is actually paid. Interest rate is T-bill rate plus 3%.

9. Financial Assets at Fair Value Through Profit or Loss (FVTPL)

	Unaudited 31-Mar-25	Audited 31-Dec-24
Marketable equity securities	**₱5,419,623**	₱5,374,437
Investment in golf club shares	**770,000**	770,000
	₱6,189,623	₱6,144,437

Net gain (loss) on fair value changes on financial assets at FVTPL included in profit or loss amounted to (₱0.05 million) and ₱0.81 million as of March 31, 2025 and December 31, 2024, respectively. Dividend income received from equity securities amounted to nil and ₱0.02 million as of March 31, 2025 and December 31, 2024, respectively.

10. Contract Assets – current and noncurrent portion

On May 26, 2020, the Energy Regulatory Commission (ERC) approved Resolution No. 6 series of 2020 approving the adjustment to Feed in Tariff for the years 2016 – 2020 using 2014 as the base year for the consumer price index and foreign exchange. TransCo has an annual application for the adjusted FIT rate with the ERC which is the basis for recording of FIT arrears and contract assets.

As of March 31, 2025 and December 31, 2024, current portion of the contract asset amounted to ₱112.88 million and ₱161.32 million, respectively, while noncurrent portion amounted to ₱756.78 million and ₱675.17 million, respectively.

11. Other Current Assets

	Unaudited 31-Mar-25	Audited 31-Dec-24
Supplies inventory	**₱ 220,354,711**	₱ 218,028,949
Prepaid expenses	**132,491,092**	141,502,783
Advances to suppliers	**11,478,732**	64,935,026
Prepaid income taxes	**13,717,547**	8,111,388
Others	**5,466,384**	2,003,729
	₱383,508,466	₱ 434,581,875

Supplies Inventory
Supplies inventory refers to purchased supplies and parts that are intended to be used for operations and maintenance.

Prepaid Expenses
Prepaid expenses include various prepaid insurances, services and rent. Prepaid expenses also include advance payment for Real Property Taxes (RPT), Stand-by Letter of Credit (SBLC) charges and operations and maintenance fees.

12. **Property, Plant and Equipment**

	Unaudited 31-Mar-25									
	Power plants	**FCRS and production wells - geothermal**	**Wells, platforms and other facilities**	**Land**	**Land improvements**	**Office condominium units and improvements**	**Transportation equipment**	**Office furniture and other equipment**	**Construction in progress**	**Total**
Cost										
Balances at beginning of year	**₱14,129,412,958**	**₱2,424,039,537**	**₱2,522,427,946**	**₱708,771,894**	**₱283,630,557**	**₱90,108,940**	**₱128,750,580**	**₱1,425,508,913**	**₱939,199,729**	**₱22,651,851,053**
Additions	**45,753,742**	**65,832,668**	–	**524,911,586**	–	**1,264,005**	**7,993,392**	**5,821,728**	**488,553,073**	**1,140,130,195**
Balances at end of year	**14,175,166,700**	**2,489,872,205**	**2,522,427,946**	**1,233,683,480**	**283,630,557**	**91,372,945**	**136,743,972**	**1,431,330,641**	**1,427,752,802**	**23,791,981,248**
Accumulated depletion and depreciation										
Balances at beginning of year	**4,594,774,402**	**671,283,792**	**1,659,650,233**	–	**24,528,533**	**46,147,245**	**72,495,020**	**192,066,768**	–	**7,260,945,993**
Depletion and depreciation	**205,495,642**	**30,006,240**	**21,735,310**	–	**476,083**	**1,279,713**	**1,394,166**	**3,266,530**	–	**263,653,685**
Balances at end of year	**4,800,270,045**	**701,290,032**	**1,681,385,543**	–	**25,004,616**	**47,426,958**	**73,889,186**	**195,333,298**	–	**7,524,599,678**
Accumulated impairment losses										
Balances at beginning of year	–	–	**416,016,231**	–	–	–	–	–	–	**416,016,231**
Impairment loss (Note 5)	–	–	–	–	–	–	–	–	–	–
Balances at end of year	–	–	**416,016,231**	–	–	–	–	–	–	**416,016,231**
Net book values	**₱9,374,896,654**	**₱1,788,582,174**	**₱425,026,172**	**₱1,233,683,480**	**₱258,625,941**	**₱43,945,987**	**₱62,854,787**	**₱1,235,997,344**	**₱1,427,752,802**	**₱15,851,365,339**

	Audited 31-Dec-24									
	Power plants	FCRS and production wells - geothermal	Wells, platforms and other facilities	Land	Land improvements	Office condominium units and improvements	Transportation equipment	Office furniture and other equipment	Construction in progress (Note 13)	Total
Cost										
Balances at beginning of year	₱11,579,180,788	₱2,125,079,210	₱2,420,151,480	₱685,163,228	₱280,299,351	₱80,500,468	₱99,913,336	₱232,539,845	₱1,497,104,568	₱18,999,932,274
Additions	1,953,089,912	170,065,700	717,825	23,608,666	3,331,206	9,608,472	30,866,279	620,078,952	762,923,325	3,574,290,337
Transfers from deferred exploration costs (Note 12)	–	–	112,888,783	–	–	–	–	–	–	112,888,783
Change in ARO estimate (Note 20)	(9,506,927)	1,799,792	(11,330,142)	–	–	–	–	–	–	(19,037,277)
Disposal	(13,086,270)	(1,107,758)	–	–	–	–	(1,966,964)	–	–	(16,160,992)
Reclassifications	619,735,454	128,202,594	–	–	–	–	–	572,890,116	(1,320,828,164)	–
Balances at end of year	14,129,412,957	2,424,039,538	2,522,427,946	708,771,894	283,630,557	90,108,940	128,812,651	1,425,508,913	939,199,729	22,651,913,125
Accumulated depletion and depreciation										
Balances at beginning of year	4,068,728,242	562,671,715	1,568,996,366	–	22,162,978	41,243,424	65,537,656	179,162,886	–	6,508,503,267
Depletion and depreciation	539,132,429	109,719,835	90,653,867	–	2,365,555	4,903,821	8,934,443	12,903,881	–	768,613,831
Disposals	(13,086,269)	(1,107,758)	–	–	–	–	(1,966,965)	–	–	(16,160,992)
Balances at end of year	4,594,774,402	671,283,792	1,659,650,233	–	24,528,533	46,147,245	72,505,134	192,066,767		7,260,956,106
Accumulated impairment losses										
Balances at beginning of year	–	–	246,117,121	–	–	–	–	–	–	246,117,121
Impairment loss (Note 5)	–	–	169,899,110	–	–	–	–	–	–	169,899,110
Balances at end of year	–	–	416,016,231	–	–	–	–	–	–	416,016,231
Net book values	₱9,534,638,555	₱1,752,755,746	₱446,761,482	₱708,771,894	₱259,102,024	₱43,961,695	₱56,307,517	₱1,233,442,146	₱939,199,729	₱14,974,940,788

Foreign Operations

Gabon, West Africa

Background

The Group holds approximately 2.53% participating interest in the Exploration and Production Sharing Contract covering the Etame block in Gabon, West Africa (the "Etame Marin Permit"). The other parties in the consortium are Addax Petroleum Etame, Inc. (33.90%) and VAALCO Gabon (Etame), Inc. (63.58%) (the "Gabon Consortium"), are leaders in their respective areas of operation. VAALCO is the Consortium's operator, and is in charge of conducting the exploration and production activities in the Gabon contract area.

The EPSC is a contract with the Gabonese Government that gives the holder of the said EPSC exclusive rights and obligations to perform exploration, exploitation, and production activities and in the case of the consortium, within the Etame Marin Permit area.

In August 2021, the Consortium entered into a Bareboat Charter Agreement and Operating Agreement with World Carrier Offshore Services Corporation (World Carrier) to provide and operate a Floating Storage and Offloading (FSO) unit at the Etame Marin field for up to eight (8) years with additional option periods available upon the expiration of the current 20-year Floating Production, Storage and Offloading (FPSO) contract with BW Offshore in September 2022.

In December 2021, the consortium commenced a four-well drilling program in the Etame, Avouma and North Tchibala fields using the Borr Norve jack-up drilling rig, aimed to sustain field production to above 20,000 BOPD.

Etame-8H sidetrack was completed in February 2022. Avouma-3H sidetrack was completed in April 2022, South Tchibala-1HB sidetrack in July 2022, and North Tchibala-2H sidetrack in November 2022. Workovers were also conducted on Ebouri-2H, North Tchibala-1H and Southeast Etame-4H wells within 2022. This resulted in an increase in overall crude production of ~18,000-20,000 BOPD by the end of 2022.

Throughout 2023 and 2024, the consortium carried out preparatory activities (i.e. permitting, reservoir modelling and oil platform upgrades) for the Phase 3 Drilling Campaign, comprised of four (4) new production wells, one (1) new gas well, and two (2) workovers of existing wells. Target commencement of the drilling campaign is July 2025 with expected completion by Q2 2026.

Update on Production

Production was routed to the Petroleo Nautipa, the spread-moored (FPSO) vessel from the Etame, Avouma-Southeast Etame-North Tchibala and Ebouri platforms, and from the wells tied to the subsea Etame manifold. The produced oils were processed and exported from the FPSO, which had a storage capacity of one million barrels of oil (MMBO).

Throughout 2022, facility reconfiguration works were being completed in parallel for the hook-up and commissioning of the new FSO vessel Teli, which replaced the Petroleo Nautipa FPSO vessel in mid-October 2022. The FSO vessel is now operational and receiving crude from all Etame Marin platform wells. The two (2) old subsea wells – Etame-6H and Etame-7H – which were originally connected directly to the old Petroleo Nautipa FPSO, have been hooked-up to the FSO last December 30, 2022.

Crude production comes from four (4) oil fields (Etame, Avouma, Ebouri and North Tchibala).

For the 1st Quarter of 2025, total crude production reached 1.38 MMBO. The Consortium managed 2 liftings, resulting in net crude export of 1.29 MMBO. Since the Gabon oilfield has been put on-line in 2002, a total of 143.73 MMBO has been extracted to date over the last 22 years.

As of March 31, 2025 and December 31, 2024, PetroEnergy has investments in Gabon, West Africa included in "Wells, platforms and other facilities" account under "Property, plant and equipment" amounting to ₱425.03 million and ₱446.76 million, respectively. With the fluctuation in crude oil prices and recoverable oil reserves, impairment loss (reversal of impairment loss) was recognized amounting to nil and ₱169.90 million in March 31, 2025 and December 31,2024, respectively.

<u>Philippine Operations</u>

SC 14-C2 – West Linapacan, Northwest Palawan
West Linapacan was discovered in the early 1990s. It produced oil from 1992 to 1996, peaking at 18,000 BOPD, before it was shut-in due to early water incursion.

The SC 14C2 Consortium, led by operator Philodrill Corp., negotiated with a potential farmee for the drilling of potential drilling targets, in exchange for a majority share and Operatorship of SC 14C2. This farm-in is subject to the approval of the DOE.

While the consortium awaited the farmee's completion of the farm-in documentation, Philodrill continued to do in-house G&G work over at the West Linapacan area at the interim. For compliance, a "Transition Work Program and Budget, covering November 2020 to March 2021 was submitted to the DOE in November 2020 and was approved.

Throughout the second half of 2022, the SC 14-C2 consortium proceeded with a third-party technical evaluation of the West Linapacan B field, to assess potential production opportunities.

On May 11, 2023, the SC 14-C2 consortium approved to unitize the service contract with SC 6B, subject to the issuance Department Circular (DC) regarding application for new petroleum service contract by the Department of Energy (DOE). However, following the release of DOE DC No. 2023-12-0033 titled "Guidelines on the Awarding of Petroleum Service Contracts for Development and Production" on December 18, 2023 with supplementary guidelines issued on January 10, 2024, the SC 14-C2 consortium decided to apply for a new Development and Production Petroleum Service Contract (DP PSC) prior to the expiration of the current SC 14-C2 service contract. This new application would combine the SC 14-C2 (West Linapacan) and SC 14-C1 (Galoc) blocks.

SC 14 C2 is due to expire in December 2025.

Due to the limited term remaining, the Group assessed the recoverability of the investment included in "Wells, platforms and other facilities" account under "Property, plant and equipment" and recorded impairment loss amounted to nil and ₱0.34 million in March 31, 2025 and December 31, 2024, respectively.

As of March 31, 2025 and December 31, 2024, PetroEnergy's investments in the West Linapacan Oilfield included in "Wells, platforms and other facilities" account under "Property, plant and equipment" amount to nil.

SC 75 – Offshore Northwest Palawan
Service Contract 75 (SC 75) was signed on December 27, 2013 with partners PXP Energy Corporation (50%) and PNOC-Exploration Corporation (35%). The block covers the West Philippine Sea with an area of 616,000 hectares.

On October 14, 2020, the DOE issued a formal notice to the SC 75 consortium, lifting the Force Majeure imposed since September 2015. Through this letter, the consortium was notified to resume its Work Program commitments under SC 75, including the committed ~1,000 sq.km 3D seismic survey over the identified leads in SC 75.

On January 06, 2022, the SC 75 consortium officially engaged Shearwater Geoservices Ltd. for the ~1,100 sq.km 3D seismic survey over SC 75 using the M/V Geo Coral seismic vessel. However, the programmed 3D seismic acquisition campaign was suspended on April 06, 2022 after Operator PXP Energy Corporation received a written directive from the DOE to put all exploration activities on hold until the Security, Justice and Peace Coordinating Cluster (SJPCC) issues the necessary clearance to proceed. On April 11, 2022, PXP declared a Force Majeure event over the suspended seismic survey.

The SC 75 consortium is awaiting further instructions from the DOE, while all contracted vessels and personnel for the seismic survey have since demobilized from the SC 75 area.

As of March 31, 2025 and December 31, 2024, the corresponding percentages of the Group's participation in the various Petroleum SC areas are as follows:

Gabonese Oil Concessions	2.525%
SC 14C2 - West Linapacan	4.137%
SC 75 - NW Palawan	15.000%

The oil revenues are derived from Gabon Operations. All contractual obligations with the Gabonese Government are complied with. The Philippine contracts are in exploration stage and some contracts are being farmed out to reduce risk inherent to the business.

Development, and power generation from Renewable Energy Resources

Maibarara Geothermal Power Project

Geothermal Renewable Energy Service Contract (GRESC) No. 2010-02-012

Following the DOE Philippine Energy Contracting Round for Geothermal in 2009, PERC signed the Service Contract for the Maibarara Geothermal Power Project (MGPP) on February 1, 2010. PERC then conducted pre-development activities in 2010 to 2011. In order to carry out the development and operations of the MGPP, PetroEnergy (through its subsidiary, PetroGreen) then created Maibarara Geothermal, Inc. (MGI) along with Trans-Asia Oil and Energy Development Corporation ("Trans-Asia", subsequently renamed as PHINMA Energy Corporation or "PHINMA", and now known as ACEN Corporation or "ACEN") and PNOC Renewable Corporation (PNOC RC), with 65%, 25%, and 10% equity ownerships, respectively.

In June 2019, ACEN, the energy platform of Ayala Corporation, completed the acquisition of PHINMA, including PHINMA's 25% share in MGI.

20 MW Maibarara-1 Geothermal Power Plant (MGPP-1)

The DOE confirmed the commerciality of the 20-MW MGPP-1 in 2011, allowing MGI to proceed with the MGPP's development stage, involving 1) the drilling of two (2) wells to complete the steam production and reinjection well capacities, and 2) the construction of the steamfield and power plant facilities. The MGPP-1's 115kV Transmission Line system was successfully connected to the existing Manila Electric Company (MERALCO) line in September 2013. Upon completion of the reliability and performance testing, the MGPP-1 went on commercial operations on February 8, 2014. All electricity generated are sold to offtaker, ACEN, following the aforementioned acquisition of PHINMA by ACEN.

On June 23-28, 2023, the MGPP-1 and 2 power plants had an opportunity maintenance shutdown during the relocation of transmission line and stub poles affected by SLEX-TR4 construction. Various maintenance activities for the plants' mechanical, electrical, and instrumentation facilities, as well as for the switchyard and transmission lines, were carried-out by MGI technical staff and private contractors.

MGPP-1 delivered 40.41 GWh and 160.27 GWh of electricity on March 31, 2025 and December 31, 2024, respectively.

12 MW Maibarara-2 Geothermal Power Plant (MGPP-2)

With the stable performance of the reservoir, MGI decided to pursue an expansion of the MGPP. There was at least 5 MW of excess steam supply from the MGPP-1 wells, and with the ~6 MW capacity of the new well, an expansion of 12 MW was decided and approved in 2015 (MGPP-2).

Major power plant components from Fuji Electric Co. Ltd. ("Fuji", the same supplier as the MGPP-1) were delivered and installed on site from March to April 2017. MGPP-2 was first synchronized to the grid on March 9, 2018, with the full 12 MW attained on March 18, 2018. Reliability tests were then conducted from March 18 to 27, 2018, during which the power plant was on full 12 MW operation.

The Energy Regulatory Commission (ERC) formally notified MGI of the approval of MGPP-2's Certificate of Compliance (COC) application on April 26, 2018. Subsequently, the MGPP-2 was accepted into the Wholesale Electricity Spot Market (WESM) on April 30, 2018 – pegging the MGPP-2's start of Commercial Operations on the same date. This operationally started the application of MGPP-2's Electricity Supply Agreement (ESA) with PHINMA, now ACEN, wherein all of MGPP-2's generated electricity are sold to ACEN.

Workover operations were conducted on production well MB-15D in June 2022. After which, new production well MB-18D was drilled in September 2022 and hooked-up in November 2022. To date, the field's total gross output is now being sustained at ~33 MW.

MGPP-2 transmitted 24.02 GWh and 96.49 GWh of electricity on March 31, 2025 and December 31, 2024, respectively.

Both the MGPP-1 and the MGPP-2 are registered with the Board of Investments and are enjoying the incentives under the Renewable Energy Act of 2008.

<u>*Tarlac Solar Power Project (TSPP)*</u>
Solar Energy Service Contract (SESC) No. 2015-03-115
The SESC for the TSPP was awarded by the DOE on March 19, 2015. On June 17, 2015, PGEC and affiliate EEI Power Corporation ("EEIPC", 100% subsidiary of EEI Corporation), incorporated PetroSolar to undertake the development of the TSPP.

50 MW_{DC} Tarlac Solar Power Project-1 (TSPP-1)
On June 22, 2015, PetroGreen and solar farm lot owner, Luisita Industrial Park Corporation (LIPCO), executed a Lease Agreement for the 55-hectare solar farm development. This was assigned to PetroSolar on September 15, 2015. As the LIPCO property is within the Central Technopark, which is under the jurisdiction of the Philippine Economic Zone Authority (PEZA), PetroSolar was able to register as an Ecozone Utilities Enterprise on July 28, 2015, entitling it to the incentives available to PEZA locators.

After only four (4) months of ground works, the TSPP-1 was completed by mid-January 2016 and was able to export power to the grid on January 27, 2016. The DOE eventually gave its Certificate of Endorsement (COE) – Feed-in-Tariff (FiT) for TSPP-1, with an official Commercial Operations Date on February 10, 2016. Subsequently, on April 6, 2016, PSC executed its Renewable Energy Payment Agreement (REPA) with the National Transmission Corporation (TransCo), assuring the TSPP-1's revenues from the FiT payment of ₱8.69/kWh from 2016 to 2036.

On April 24, 2023, PERC and EEI Power Corporation (EEIPC) entered into a Share Purchase Agreement (SPA), where PERC agreed to purchase all of EEIPC's equity interests in PetroSolar (44%). The full payments for the EEIPC shares in PSC were made on August 1, 2023.

The total energy exported to the grid was 17.43 GWh and 69.46 GWh on March 31, 2025 and December 31, 2024, respectively.

20 MW_{DC} Tarlac Solar Power Project (TSPP-2)
On September 17, 2018, the BOI formally awarded to PetroSolar the latter's Certificate of Registration for the 20 MWDC TSPP-2. This approval entitles the TSPP-2 to enjoy duty-free importations, and a seven-year Income Tax Holiday (ITH), among others.

After the site construction works for the TSPP-2 were completed in March 2019 and its registration with the WESM was secured from the Independent Electricity Market Operator of the Philippines Inc. (IEMOP) on April 21, 2019, the TSPP-2 started exporting power to the grid on April 22, 2019 as part of its testing and commissioning activities. The ERC conducted its technical inspections for the TSPP-2 on May 31, 2019, as part of PetroSolar's Certificate of Compliance (COC) for TSPP-2.

On February 27, 2020 and March 18, 2020, the DOE formally issued to PSC the Certificate of Confirmation of Commerciality (COCOC) and the Certificate of Endorsement (COE) for TSPP-2, respectively. The COE is a prerequisite to the issuance of the Certificate of Compliance (COC) by the ERC. The COC will determine the official Commercial Operations Date (COD) for TSPP-2.

The ERC issued a Provisional Approval to Operate (PAO) to TSPP-2 on December 16, 2021, subject to PSC's compliance to 1) public offering requirement and 2) terms under PSC's Point-to-Point application, once approved. The said PAO is valid until December 15, 2022, and sets TSPP-2's WESM COD to January 25, 2022.

On October 25, 2022, PSC submitted application for validity extension of the PAO for TSPP-2. While evaluation of the application was underway, ERC issued 2023 COC revised guidelines that extended the effectivity of TSPP-2's PAO until December 15, 2024. On December 13, 2024, the ERC extended the validity of the PAO until December 15, 2025.

In December 2023, PSC completed the construction of the TSPP-2 49 MWac substation. PSC will use this new substation once it receives approval from ERC.

TSPP-2 exported 7.36 GWh and 28.92 GWh on March 31, 2025 and December 31, 2024, respectively.

Nabas Wind Power Project (NWPP)
Wind Energy Service Contract (WESC) No. 2009-09-002
The service contract for the Nabas Wind Power Project (NWPP) covers 2,000 hectares of public and private lands in rolling terrain located near the northwestern tip of Panay Island. It lies about 6 km southeast of Caticlan, and electricity-deficient Panay and Boracay islands are natural markets of future power from NWPP.

On August 1, 2013, the DOE formally issued the Confirmation of Commerciality for the 36 MW NWPP-1, making it the third WESC to be declared commercially feasible. Construction of NWPP-1 started in December 2013 and was completed in the first half of 2015.

On June 16, 2015, the DOE released the COE for FIT Eligibility (COE-FIT), endorsing the official start of commercial operations to be June 10, 2015. On August 17, 2015, the ERC approved PWEI's COC for NWPP-1. This confirms the commercial operations date of the wind farm to be June 10, 2015.

NWPP-1 exported 35.38 GWh and 96.38 GWh on March 31, 2025 and December 31, 2024, respectively.

Nabas Wind Power Project-2 (NWPP-2)
On May 13, 2020, the DOE formally awarded to PetroWind the Certificate of Confirmation of Commerciality (COCOC) for the planned Nabas-2 Wind Power Project (NWPP-2). This signifies that NWPP-2 has been approved for construction as being commercially feasible.

On February 17, 2021, the DENR-EMB Region 6 issued the amended Environmental Compliance Certificate (ECC) to PetroWind for NWPP-2, while the Forest Land Use Agreement (FLAG) has been signed by the DENR Central Office on January 4, 2022.

PWEI emerged as the lone qualified bidder for the Visayas wind allocation for a capacity of 13.2MW. On September 28, 2022, the DOE awarded PWEI its GEA Certificate of Award No. GEA-W2022-09-005, for winning the bid for the Visayas Wind Auction at ₱5.755/kWh. PWEI, for its NWPP-2, is to be awarded a twenty (20)-year offtake, through (REPA), effective upon its Delivery Commencement Date (DCD) originally set for May 25, 2025.

PWEI awarded the NWPP-2 WTG Supply, Supervision, and Services Agreements to Vestas on December 13, 2022. On the other hand, PWEI also awarded and issued the Notice to Proceed (NTP) for the contract for the NWPP-2 Main Balance of Plant (BoP) for the Civil, Electrical (Substation and Switching Station, and Electrical Feeder Lines), including WTG Electro-Mechanical Works installation to EEI Corporation (EEI) on December 20, 2022.

On January 13, 2023, DENR signed Special Agreement for Protected Areas (SAPA) of NWPP-2. This agreement allows PWEI to develop NWPP-2 in the approved area for at least 25 years. PWEI also secured the tree cutting permit within private lands and forestlands on March 16, 2023.

Following the successful completion of grid connection facilities and the erection of the first three (3) wind turbines (WTGs), PWEI commenced the testing and commissioning of these WTGs on April 4, 2024.

Meanwhile, due to the challenges related to the originally planned total six (6) WTGs in the Malay side, PWEI opted to relocate the remaining three (3) turbines within the Municipality of Nabas and has engaged EEI for the necessary civil works. All necessary environmental permits were secured in December 2024, and EEI is expected to mobilize at the project site by January 2025.

In response to PetroWind's request, the DOE Green Energy Auction Committee (GEAC) granted an extension of the DCD until October 25, 2025.

NWPP-2 exported 10.34 GWh and 18.24 GWh on March 31, 2025 and December 31, 2024, respectively.

Bugallon Solar Power Project (BSPP)
Solar Energy Operating Contract (SEOC) No. 2022-04-622-AF1

On May 5, 2022, PGEC was awarded the SEOC by the DOE for the development of the BSPP in Brgy. Salomague Sur, Bugallon, Pangasinan.

In 2023, PGEC completed the Distribution Impact Study (DIS), which was approved by the Central Pangasinan Electric Cooperative (CENPELCO) and endorsed to the NEA for final approval. PGEC also secured a Certificate of Non-Overlap (CNO) from the National Commission on Indigenous Peoples (NCIP), confirming that the project site is outside ancestral domains and free from tribal claims.

On November 14, 2023, PGEC obtained the locational clearance, followed by an ECC Amendment on November 28, 2023, transferring the ECC grantee from PGEC to BGEC. CENPELCO also approved PGEC's DIS, and the subsequent Distribution Asset Study (DAS) submitted on November 21, 2023, which was approved on February 26, 2024. The SEOC was later transferred by PGEC to BGEC on April 16, 2024.

On September 17, 2024, BGEC awarded the Design, Supply, and Installation Agreement for EPC to Crosslink Construction Corporation. On September 19, 2024, BGEC engaged Schema Konsult, Inc. as the Owner's Engineer. On November 15, 2024, BGEC signed a Distribution Wheeling Services Agreement and a Connection Agreement with CENPELCO for BSPP's integration as an embedded generator.

On November 12, 2024, BGEC was awarded with a Certificate of Energy Project of National Significance (CEPNS), entitling the BSPP to all rights and privileges stated in DOE Department of Order No. DO2024-04-0003.The BSPP was a winning bid in the second round of the Green Energy Auction Program (GEA-2) held in June 2023. Upon its commercial operations date target in December 2025, the project will be entitled to a Green Energy Tariff of ₱4.4043/kWh for a term of twenty (20) years.

Dagohoy Solar Power Project (DSPP)
Solar Energy Operating Contract (SEOC) No. 2022-06-629 – AF1

On June 28, 2022, PGEC was awarded the SEOC by the DOE for the development of DSPP in Brgy. San Vicente, Dagohoy, Bohol. PGEC secured favorable endorsements for land reclassification from the Dagohoy Sangguniang Bayan in October 2022 and the Bohol Sangguniang Panlalawigan in December 2022. These endorsements are necessary for obtaining Locational Clearance and the Building Permit.

On February 28, 2024, the DOE approved the assignment/ transfer of the SEOC No. 2022-06-629 from PGEC to Dagohoy Green Energy Corporation (DGEC). Consequently, DGEC was issued with a new Certificate of Registration (COR) with Registration No. SEOC 2022-06-629-AF1.

NGCP approved PGEC's application to conduct the System Impact Study (SIS) for DSPP via its Online Transmission Connection Application (OTCA) portal, with the SIS scheduled for mid-2023. While awaiting SIS completion, PGEC awarded an initial site development contract to Media Construction and Development Corporation (MCDC) for site grading, access roads, drainage, and perimeter fencing. The SIS was completed on August 1, 2023. By Q1 2024, Global Electric and Philcantech Enterprises had commenced the construction of solar farm facilities and grid connections. On May 20, 2024, DGEC executed an Omnibus Loan and Security Agreement with Rizal Commercial Banking Corporation (RCBC) for a facility of up to ₱834.76 million.

DSPP began delivering power to the grid on November 12, 2024, with full commercial operations expected by Q2 2025. DGEC entered into an Operations and Maintenance Agreement with Global Electric for an initial one-year term, subject to extension.

<u>*San Jose Solar Power Project (SJSPP)*</u>
Solar Energy Service Contract (SESC) No. 2015-09-251-AF2

On July 19, 2023, the DOE approved the assignment of the SESC 2015-09-251 from V-Mars Solar Energy Corporation (V-MARS) to PGEC. Consequently, SJGEC was issue with a new Certificate of Registration (COR) with Registration No. SESC 2015-09-251-AF1. Later, on July 27, 2023, PGEC purchased parcels of land in San Jose and Science City of Muñoz, Nueva Ecija, from V-MARS. The land titles were registered under PGEC's name on September 21, 2023. The SEC approved the incorporation of SJGEC (Note 1d) on October 14, 2023 (Note 1d). On April 16, 2024, the DOE later approved the transfer of PGEC's SESC 2015-09-AF1 to SJGEC with the corresponding issuance of new COR No. SESC 2015-09-251-AF2.

Meanwhile, site clearing and development were substantially completed, enabling Schema Konsult, Inc. and Philcantech Enterprises to begin construction in Q1 2024. SJGEC entered into an Owner's Engineer Agreement with Maschinen and Technik Inc. for SJSPP's two phases - Phase 1 on January 23, 2024, and Phase 2 on June 5, 2024. The EPC contracts were awarded to Schema Konsult, Inc. on April 1, 2024, for Phase 1 and May 22, 2024, for Phase 2.

On May 3, 2024, SJGEC signed a Power Supply Agreement with SN Aboitiz Power - Magat, Inc. for the sale of SJSPP electricity generation.

On December 19, 2024, SJGEC signed the Connection Agreement and Distribution Wheeling Services Agreement with Nueva Ecija II Electric Cooperative (NEECO-II).

<u>*Limbauan Solar Power Project (LSPP)*</u>
Solar Energy Service Contract (SESC) No. 2017-05-394

On November 10, 2020, BKS and Isabela Electric Cooperative II (ISELCO II) executed a 15-year Power Supply Agreement (PSA) at a rate of ₱5.40/kWh for LSPP-1. As of March 31, 2025, the PSA approval remains pending with the ERC.

In September 2023, the BIR issued a Certificate Authorizing Registration for PGEC's acquisition of 100% of BKS's shares. As the acquisition was made through BKSGEC's shares, the existing SESC between BKS and the DOE remains with BKS.

On December 1, 2023, BKS obtained the DOE's Clearance to undertake the System Impact Study (SIS), with submission to NGCP scheduled for January 2024. Additionally, on December 13, 2023, the DOE issued a Certificate of Award granting BKS's LSPSS-2 a Green Energy Tariff of ₱4.4045/kWh for twenty (20) years. The SIS was completed on September 23, 2024.

BKSGEC entered into an Early Works Agreement with Harmonic System Incorporated on October 2, 2024. On December 10, 2024, BKSGEC signed EPC contracts with Schema Konsult, Inc. for the DC portion and Harmonic System Incorporated for the AC portion of the project. On December 16, 2024, BKSGEC engaged Tractebel Engineering Ltd. as the Owner's Engineer.

<u>*Collateral to Secure Borrowings*</u>
MGI has mortgaged as collateral in favor of RCBC (the Lender) its property consisting of real assets and chattel with the total carrying value of ₱4,662.01 million and ₱4,507.46 million as of December 31, 2024 and 2023, respectively, in relation to its two (2) loan facilities.

PSC mortgaged all its property and equipment related to TSPP-1 as collateral in connection with its loan in favor of PNB and DBP.

PWEI pledged all of its property and equipment items related to NWPP-1 and NWPP-2 as collateral to secure its borrowings to DBP

DGEC mortgaged all its property and equipment related to DSPP as collateral in connection with its loan in favor of RCBC.

Change in ARO estimate and transfers from advances to contractors, deferred oil exploration costs and development costs are considered as noncash investing activities.

Depletion of wells, platforms and other facilities is presented as a separate item under cost of sales in the consolidated statements of comprehensive income.

13. Deferred Oil Exploration Costs

The movements in deferred oil exploration costs are as follows:

	Unaudited 31-Mar-25	Audited 31-Dec-24
Cost		
Balances at beginning of year	**₱617,837,215**	₱690,673,984
Additions	**26,570,239**	40,052,013
Transfer to property plant and equipment (Note 12)	–	(112,888,783)
Balances at end of year	**644,407,454**	**617,837,214**
Accumulated impairment losses		
Balances at beginning of year	**186,420,501**	303,877,019
Impairment loss (reversal) (Note 5)	–	(117,456,518)
Balances at end of year	**186,420,501**	186,420,501
	₱457,986,953	₱431,416,713

Details of deferred oil exploration costs as of March 31, 2025 and December 31, 2024 are as follows:

	Unaudited 31-Mar-25	Audited 31-Dec-24
Cost		
Gabonese Oil Concessions (Note 13)	**₱574,867,981**	₱ 548,566,651
SC. No. 75 – Offshore Northwest Palawan	**65,819,126**	65,550,217
SC. No. 14 - C2 (West Linapacan)	**3,720,347**	3,720,346
	644,407,454	617,837,214
Accumulated impairment losses		
Gabonese Oil Concessions (Note 13)	**182,700,154**	182,700,155
SC. No. 14 – C2 (West Linapacan)	**3,720,347**	3,720,346
	186,420,501	186,420,501
	₱457,986,953	₱431,416,713

Philippine Oil Operations – Development Phase

Under the SCs entered into with the DOE covering certain petroleum contract areas in various locations in the Philippines, the participating oil companies (collectively known as "Contractors") are obliged to provide, at their sole risk, the services, technology and financing necessary in the performance of their obligations under these contracts. The Contractors are also obliged to spend specified amounts indicated in the contract in direct proportion to their work obligations.

However, if the Contractors fail to comply with their work obligations, they shall pay to the government the amount they should have spent, but did not, in direct proportion to their work obligations. The participating companies have Operating Agreements among themselves which govern their rights and obligations under these contracts.

The full recovery of these deferred costs is dependent upon the discovery of oil in commercial quantities from any of the petroleum concessions and the success of future development thereof.

As of March 31, 2025 and December 31, 2024, the remaining participating interest of the Parent Company in Petroleum SC areas is SC 75 – Offshore Northwest Palawan wherein the Parent Company has 15% interest.

SC 75 – Offshore Northwest Palawan
Service Contract 75 (SC 75) was signed on December 27, 2013 with partners PXP Energy Corporation (PXP energy) [50%] and PNOC-Exploration Corporation (35%). The block covers the West Philippine Sea with an area of 616,000 hectares.

On October 14, 2020, the DOE issued a formal notice to the SC 75 consortium, lifting the Force Majeure imposed since September 2015. Through this letter, the consortium was notified to resume its Work Program commitments under SC 75, including the committed ~1,000 sq.km 3D seismic survey over the identified leads in SC 75.

On January 6, 2022, the SC 75 consortium officially engaged Shearwater Geoservices Ltd. For the ~1,100 sq.km 3D seismic survey over SC 75 using the M/V Geo Coral seismic vessel. However, the programmed 3D seismic acquisition campaign was suspended on April 6, 2022 after Operator PXP Energy received a written directive from the DOE to put all exploration activities on hold until the Security, Justice and Peace Coordinating Cluster (SJPCC) issues the necessary clearance to proceed. On April 11, 2022, PXP declared a Force Majeure event over the suspended seismic survey.

The SC 75 consortium is awaiting further instructions from the DOE, while all contracted vessels and personnel for the seismic survey have since demobilized from the SC 75 area.

14. **Investments in Joint Venture and Business Combination**

All joint ventures are incorporated in the Philippines. Details of the Company's investments with respective percentages of ownership follow:

	Unaudited 31-Mar-25		Audited 31-Dec-2024	
Joint ventures	**Percentages of ownership**	**Carrying values**	Percentages of ownership	Carrying values
BUHAWIND EP	**40%**	**₱1,234,000**	40%	₱1,234,000
BUHAWIND NL	**40%**	**934,000**	40%	934,000
BUHAWIND NM	**40%**	**714,000**	40%	714,000
		₱2,882,000		₱2,882,000

BuhaWind NL, BuhaWind NM, and BuhaWind EP
As disclosed in Note 1d, the SEC approved the incorporation of BuhaWind Energy Philippines entities. PGEC initially invested ₱420,000 for each of the BEP Companies and accounted those as investment in joint ventures.

From 2022 to 2024, PGEC and CE proceeded with several feasibility studies for the three (3) offshore wind blocks, namely 1) desktop wind and met-ocean resource studies, 2) power market study, and 3) desktop site characterization studies in preparation for detailed geophysical and geotechnical studies.

In 2023, PGEC made an additional oil investment of ₱1.70 million in Buhawind Energy. Also, in 2023 PGEC sold 20% of its interest in BEP to CE for ₱1.77 million which resulted in a gain of ₱1.69 million.

On December 2, 2024, the NGCP issued the System Impact Study (SIS) for the 2,000 MW Northern Luzon

Offshore Wind Project (NLOWPP).

As of March 31, 2025 and December 31, 2024, these entities were still in the pre-development stage and have not yet started its operations.

Business Combination

PetroWind Energy Inc.

Prior to May 2023, PetroGreen's 40% interest in PetroWind is accounted for as investment in joint venture. The other 60% interest is owned by EEIPC (20%) and BCPG Wind Cooperatief U.A. (40%).

As disclosed in Notes 1 and 5, the Group, through PGEC, consolidated PWEI starting May 2023 as the Group gained control over the relevant activities of PWEI.

The valuation was completed in 2024 and the acquisition date fair value of PWEI's net asset, including the identifiable intangible asset (customer relationship) has been determined. The fair value of the property, plant and equipment and customer relationship increased by ₱36.98 million and ₱397.21 million, respectively, from the provisional fair values. As a result, there was an increase in the deferred tax liability - net of ₱138.84 million and an increase in the non-controlling interest of ₱118.14 million. There was also a corresponding reduction in the goodwill of ₱645.64 million, resulting in ₱95.80 million of total goodwill arising from acquisition.

Goodwill amounting to ₱95.80 million, based on the final purchase price allocation study, represents the fair value of expected synergies arising from the business acquisition of PWEI. The Group performed its annual impairment test and did not note any indicators of impairment on the goodwill as of December 31, 2024 and 2023. None of the goodwill recognized is expected to be deductible for income tax purposes.

Based on the final valuation performed, the Group has identified the final fair value of the other intangible asset which is the customer relationship with an estimated useful life of 27 years based on the remaining term of PWEI's service contract for the NWPP. The carrying value of customer relationship as of December 31, 2024 and 2023 amounted ₱663.30 million and ₱689.84 million, respectively, net of amortization during the period amounting to ₱26.53 million and ₱17.69 million, respectively (see Note 16).

15. **Leases**

The Group entered into lease contracts for office spaces and land used as geothermal field and photovoltaic (PV) solar power facility. The office space lease agreements are for a period of two (2) years and are renewable by mutual agreement of both parties.

The land lease agreement (LLA) with NPC and PSALM for the geothermal field in Sto. Tomas, Batangas has a lease term of twenty-five (25) years, extendable for another 25 years upon mutual agreement of both parties.

The two lease agreements with Luisita Industrial Park Corporation (LIPCO) for land used for the photovoltaic solar power facility in Tarlac are for a period of 25 years, renewable by mutual agreement of both parties, generally under the same terms and conditions, with an escalation clause of 3% for TSPP-1 and 2% for TSPP-2 every 2 years.

The Group's obligations under these leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets.

The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for all other leases, including leases of vehicles and parking slots.

The rollforward analyses of right-of-use assets follow:

	Unaudited 31-Mar-2025		
	Land	**Office Spaces**	**Total**
Cost			
Beginning balance	**₱420,099,971**	**₱19,740,687**	**₱439,840,658**
Additions	**80,253**	**3,780,903**	**3,861,156**
Refund	**–**	**–**	**–**
Derecognition	**(77,934,108)**	**–**	**(77,934,108)**
Ending balance	**342,246,116**	**23,521,590**	**365,767,706**
Accumulated depreciation			
Beginning balance	**120,776,976**	**16,709,874**	**137,486,850**
Depreciation (Notes 4, 5, 21 and 23)	**5,833,629**	**793,742**	**6,627,371**
Derecognition	**(27,365,882)**	**–**	**(27,365,882)**
Ending balance	**126,610,605**	**17,503,616**	**116,748,340**
Net Book Value	**₱ 215,635,511**	**₱6,017,974**	**₱249,019,366**

	Audited 31-Dec-24		
	Land	Office spaces	Total
Cost			
Beginning balances	₱420,180,224	₱16,609,844	₱436,790,068
Additions	–	3,130,843	3,130,843
Refund	(80,253)	–	(80,253)
Ending balances	420,099,971	19,740,687	439,840,658
Accumulated amortization			
Beginning balances	100,632,211	13,263,394	113,895,605
Amortization (Notes 4, 5, 23 and 25)	20,144,765	3,446,480	23,591,245
Ending balances	120,776,976	16,709,874	137,486,850
Net Book Values	₱299,322,995	₱3,030,813	₱302,353,808

The depreciation of the right-of-use of the lands in Tarlac and Batangas are presented as part of "Cost of electricity sales" while the depreciation of the right-of-use of office spaces are presented as part of "General and administrative expenses" in the consolidated statement of comprehensive income.

No lease liability was recognized for leases of land that have been prepaid. The rollforward analyses of lease liabilities are as follows:

	Unaudited 31-Mar-25	Audited 31-Dec-24
Beginning balance	**₱319,125,070**	₱324,638,301
Payments	**(6,045,539)**	(38,419,188)
Interest expense	**16,287,499**	29,775,114
Additions	**-**	3,130,843
Ending balance	**329,351,700**	319,125,070
Less current portion	**45,073,615**	37,063,244
Noncurrent portion	**₱284,278,085**	₱282,061,826

16. **Intangible Assets and Goodwill**

	Unaudited 31-Mar-25					
	Goodwill	**Customer relationship**	**Land rights**	**Production license**	**Software and others**	**Total**
Cost:						
Balances at beginning of year	**₱95,802,529**	**₱707,523,801**	**₱153,277,610**	**₱45,074,178**	**₱48,994,290**	**₱1,050,672,408**
Additions	**–**	**–**	**–**	**–**	**1,887,343**	**1,887,343**
Balances at end of year	**95,802,529**	**707,523,801**	**153,277,610**	**45,074,178**	**50,881,633**	**1,052,559,751**
Accumulated amortization:						
Balances at beginning of year	**–**	**44,220,238**	**54,686,146**	**27,737,958**	**48,070,585**	**174,714,927**
Amortization	**–**	**6,633,036**	**1,532,776**	**1,155,748**	**293,866**	**9,615,426**
Balances at end of year	**–**	**50,853,274**	**56,218,922**	**28,893,706**	**48,364,451**	**184,330,353**
Net book values	**₱95,802,529**	**₱656,670,527**	**₱97,058,688**	**₱16,180,472**	**₱2,517,182**	**₱868,229,398**

	Audited 31-Dec-24					
	Goodwill	Customer relationship	Land rights	Production license	Software and others	Total
Cost:						
Balances at beginning of year	₱95,802,529	₱ 707,523,801	₱153,277,610	₱45,074,178	₱47,964,856	₱1,049,642,974
Additions	–	–	–	–	1,029,434	1,029,434
Balances at end of year	95,802,529	707,523,801	153,277,610	45,074,178	48,994,290	1,050,672,408
Accumulated amortization:						
Balances at beginning of year	–	17,688,095	48,555,042	23,114,965	46,233,347	135,591,449
Amortization	–	26,532,143	6,131,104	4,622,993	1,837,238	39,123,478
Balances at end of year	–	44,220,238	54,686,146	27,737,958	48,070,585	174,714,927
Net book values	₱95,802,529	₱ 663,303,563	₱98,591,464	₱17,336,220	₱923,705	₱875,957,481

Goodwill and customer relationship were recognized from business combination in Note 14.

Intangible assets (other than form business combination) pertain to land rights, which refers to grant of easement of right of way entered by PetroSolar to construct, operate, maintain, repair, replace and remove poles, wire, cables, apparatus, and equipment and such other apparatus and structures needed for the transmission line. This also includes production license and software for accounting and for geological interpretation of Gabon Etame oil fields.

17. Investment Properties

As of March 31, 2025 and December 31, 2024 this account consists of land and parking lot space (located in Tektite) with cost amounting to ₱1.61 million.

The fair values of the investment properties of the Group are between ₱1 million to ₱1.70 million as of March 31, 2025 and December 31, 2024. The Group determined the fair values of the Group's investment properties on the basis of recent sales of similar properties in the area where the investment in properties is located and taking into account the economic conditions prevailing at the time the valuations were made.

As of March 31, 2025 and December 31, 2024, the fair value of the investment properties is classified under the Level 3 category (see Note 24).

Except for insignificant amounts of real property taxes on the investment properties, no other expenses were incurred, and no income was earned in relation to the investment properties.

18. Other Noncurrent Assets

	Unaudited 31-Mar-2025	Audited 31-Dec-2024
Input VAT	**₱654,558,352**	₱594,365,675
Advances to contractors	**553,284,943**	507,039,790
Deferred development costs	**420,343,246**	328,202,131
Restricted cash	**17,853,462**	18,051,626
Others	**32,877,826**	49,312,712
	1,678,917,829	1,496,971,934
Less allowance for probable losses	**(8,320,279)**	(7,095,450)
	₱1,670,597,550	₱1,489,876,484

Input VAT
Input VAT represents VAT passed on from purchases of goods and services that can be claimed against any future liability to the BIR for output VAT from sale of goods and services.

Input VAT also includes outstanding input VAT claims that were applied or in the process of application by MGI for refund with the BIR. As of March 31, 2025 and December 31, 2024, the outstanding input VAT claims which are still pending with the CTA and SC amounted to ₱98.79 million.

Advances to contractors
Advances to contractors pertain to the downpayments to various contractors for procurement of materials, equipment and services.

Restricted cash
This pertains to the Parent Company's share in the non-current portion of escrow fund for the abandonment of the Etame Marine Permit.

Deferred development costs
These pertain to costs incurred in the exploration, development, production and expansion of renewable energy projects.

Others
Other noncurrent assets pertain to noncurrent portion of prepaid insurance, security deposits, advances to contractors and lot owners and balance of MERALCO account billing deposits.

19. **Accounts Payable and Accrued Expenses**

	Unaudited 31-Mar-2025	Audited 31-Dec-2024
Accounts payable	**₱266,151,573**	₱422,526,518
Accrued expenses		
Utilities	**186,083,859**	181,608,624
Interest (Note 20)	**114,658,180**	160,369,989
Deferred development cost	**-**	11,778,871
Sick/vacation leaves	**30,632,268**	28,172,804
Operations and maintenance	**14,595,326**	6,020,741
Profit share	**14,570,970**	14,570,970
Professional fees	**5,483,289**	22,182,580
Due to related party (Note 23)	**72,800**	539,417
Others	**4,008,621**	5,131,433
Withholding taxes and other tax payables	**17,170,460**	28,191,112
Due to NRDC	**2,269,737**	2,269,737
Others	**12,242,595**	16,604,352
	₱667,939,678	₱899,967,148

Accounts payable mainly consists of payable to suppliers and contractors that are currently involved in the development, construction and operations of energy projects. Accounts payable also includes unclaimed checks pertaining to dividends payable amounting to ₱11.38 million and ₱11.39 million as of March 31, 2025 and December 31, 2024, respectively.

The Group's accounts payable and accrued expenses are due within one year.

20. **Loans Payable**

The Group's loans payable as of March 31, 2025 and December 31, 2024 is as follows:

	Unaudited 31-Mar-2025	Audited 31-Dec-2024
Principal, balance at beginning of year	**₱8,212,548,049**	₱7,936,435,793
Add availments during the year	**500,000,000**	4,271,681,074
Less principal payments during the year	**(129,634,254)**	(3,995,568,818)
Principal, balance at end of year	**8,582,913,795**	8,212,548,049
Less unamortized deferred financing cost	**(68,682,335)**	(67,254,131)
	8,514,231,460-	8,145,293,918
Less current portion – net of unamortized deferred financing cost	**(1,760,193,681)**	(1,263,628,373)
Noncurrent portion	**₱6,754,037,779**	₱6,881,665,545

PetroEnergy's short-term and long-term loans payable
PetroEnergy entered into unsecured loan agreements to finance its investments in Renewable Energy Projects.

Omnibus Credit Line Agreement (OCLA) with the Development Bank of the Philippines (DBP)
On April 27, 2015, the Parent Company entered into an OCLA with DBP which provides a credit facility in the principal amount not exceeding ₱420 million. Effective January 19, 2021, the credit facility was reduced to ₱300 million. Loans payable to DBP as of December 31, 2022 are as follows:

- ₱63 million with interest rate of 5.8% and maturity on January 10, 2023
- ₱108 million with interest rate of 5.5% and maturity on January 26, 2023
- ₱80 million with interest rate of 5.8% and maturity on June 23, 2023

In 2023, the Parent Company paid the outstanding short-term loans from DBP.

Short-Term and Long-term Loan Facility with the Bank of the Philippine Island (BPI)
On April 19, 2023, the Parent Company entered into a short-term loan facility with BPI which provides a principal amount not exceeding ₱2.6 billion plus ₱1.0 billion blanket line with 1 year validity. Loans payable to BPI as of December 31, 2023 are as follows:

- ₱200 million with interest rate of 7.00% and maturity on April 11, 2024
- ₱551.52 million with interest rate of 7.00% and maturity on May 2, 2024
- ₱61.26 million with interest rate of 7.00% and maturity on February 28, 2024
- ₱1.25 billion with interest rate of 7.50% and maturity on January 31, 2024
- ₱422.51 million with interest rate of 7.50% and maturity on January 31, 2024
- ₱272.86 million with interest rate of 7.50% and maturity on January 31, 2024

On January 28, 2024, the Parent Company secured a 10-year long-term loan facility from BPI amounting to ₱2.55 billion with the following drawdowns and all with January 31, 2034 as the maturity date:
- ₱1.95 billion with interest rate of 7.2984%; Promissory Note (PN) Date: January 31, 2024
- ₱62.5 million with interest rate of 7.4449%; PN Date: February 28, 2024
- ₱201.5 million with interest rate of 7.4224%; PN Date: April 11, 2024
- ₱286.0 million with interest rate of 7.8449%; PN Date: May 02, 2024

The proceeds were used to settle the short-term loans due in January to May 2024.

On August 15, 2024, PetroEnergy converted its short-term loan from RCBC to long term loan amounting to ₱278.50 million with interest of 7.3553% and maturity date of August 15, 2034.

The Term Loan Facility Agreement of BPI and RCBC are subject to certain covenants including maintaining a maximum total liability to equity structure ratio of 2.33:1 and its earnings before interest, taxes, depreciation and amortization over its debt service to 1:1. As of December 31, 2024, the Parent Company is in compliance with the required ratios.

Interest expense related to these loans amounted to ₱50.88 million and ₱208.81 million on March 31, 2025 and December 31, 2024, respectively. Accrued interest payable amounted to ₱27.61 million and ₱72.95 million as of December 31, 2024 (see Note 19).

PetroGreen's long-term loans payable
Long-term loan with RCBC
On November 16, 2020, PetroGreen obtained a new long-term unsecured loan from RCBC amounting to ₱400.00 million. The loan bears interest at a fixed rate of 4.74% payable semi-annually. The principal amount is payable in five equal annual installments starting November 11, 2021.

As of March 31, 2025 and December 31, 2024, the outstanding balance of these loans, net of unamortized deferred financing costs, amounted to ₱79.90 million and ₱79.87 million, respectively.

Interest expense of PetroGreen related to these loans amounted to ₱1.06 million and ₱7.89 million in March 31, 2025 and December 31, 2024, respectively. Accrued interest payable amounted to ₱1.28 million and ₱0.43 million as of March 31, 2025 and December 31, 2024, respectively (see Note 19).

The loan covenants covering the outstanding debt of the PGEC include, among others, the following conditions: maintenance at all times of Debt-to-Equity (DE) Ratio of not greater than 2.5:1, Default Debt Service Coverage Ratio (DSCR) of at least 1.10x, Distribution DSCR of at least 1.20x and Current Ratio of above 1.0x. As of

March 31, 2025 and December 31, 2024, the Company is compliant with all the above conditions.

MGI's long-term loans payable

Project Loan Facility Agreements with RCBC

On May 19, 2016, MGI, together with PetroGreen, PHINMA and PNOC RC executed the Project Loan Facility Agreement with RCBC for a ₱1,400.00 million project loan to finance the design, development and construction of MGPP-2 or M2.

On September 5, 2016, MGI, together with PetroGreen, PHINMA and PNOC RC executed another Project Loan Facility Agreement with RCBC for a ₱2,100.00 million project loan to finance the design, development and construction of MGPP-1 or M1. This was done to consolidate the outstanding principal of the term loan under the 2011 OLSA with RCBC and BPI, incidental costs, general corporate expenditures and working capital requirement.

MGPP-1 or M1 new Loan

The new MGPP-1 or M1 loan amounting to ₱2,100.00 million has a term of ten (10) years from the drawdown date of October 10, 2016. Interest and principal are payable semi-annually. Interest payment started on October 12, 2016, while the twenty (20) semi-annual principal payments started on April 12, 2017.

Interest rate is fixed for the first five (5) years from drawdown date, based on the sum of the prevailing 5-year fixed benchmark rate on the pricing date and the margin of 1.75% (the "Initial Interest Rate"). On the repricing date, the interest for the remaining five (5)-year term of the loan will be the higher of (i) the sum of then prevailing 5-year fixed benchmark rate plus the margin of 1.75%, or (ii) the initial interest rate.

Interest expense recognized from the loan amounted to ₱11.04 million, ₱41.51 million March 31, 2025 and December 31, 2024, respectively.

MGPP-2 or M2 Expansion Loan

The MGPP-2 or M2 Expansion Loan amounting to ₱1,400.00 million has a term of twelve (12) years including thirty-six (36) months grace period from initial drawdown date of June 2, 2016. Interest and principal are payable semi-annually. Interest payment started on October 12, 2016, while the eighteen (18) semi-annual principal payments started on October 12, 2019.

Interest rate is fixed for the first seven (7) years from the initial drawdown date based on the sum of the prevailing 7-year fixed benchmark rate on the pricing date and the applicable margin of (1) 2.25% per annum prior to commercial operations date, or (2) 1.75% per annum from and after the Commercial Operations Date (the "Initial Interest Rate"). For subsequent drawdowns, interest rate will be the three (3) –day simple average interpolated rate based on the remaining tenor and computed using the straight-line method. On the repricing date, the interest for the remaining five (5)-year term of the loan will be the higher of (i) the sum of the then prevailing 5-Year fixed benchmark rate plus the applicable margin, or (ii) the weighted average interest rate during the first seven (7) years of the loan. Interest expense amounted to ₱43.15 million, ₱75.00 million and ₱83.46 million in 2023, 2022 and 2021 respectively.

On February 17, 2025, MGI obtained a short-term loan from RCBC amounting to ₱500 million to finance the acquisition of Power Sector Asset and Liabilities Management (PSALM) lots.

Accrued interest payable of MGI's loans amounted to ₱34.12 million and ₱15.57 million as of March 31, 2025 and December 31, 2024, respectively (see Note 19).

As of March 31, 2025 and December 31, 2024 the total outstanding balance of these loans amounted to ₱1,676 million and ₱1,177.87 million respectively.

The loan covenants covering the outstanding debt of MGI include, among others, the following conditions: maintenance at all times of Debt-to-Equity (DE) Ratio of not greater than 70:30, Default Debt Service Coverage Ratio (DSCR) of at least 1.10x both until full payment of the Loans, and Dividend DSCR of at least 1.20x. MGI is also required to transfer in the DSPA equivalent to one-sixth (1/6) of the amount sufficient to pay for the forthcoming debt service scheduled in April and October of every year until the loan is fully paid off (see Note

7). As of March 31, 2025 and December 31, 2024, MGI has been compliant with the above conditions.

PetroSolar's long-term loans payable
On November 12, 2015, the PetroSolar, together with PetroGreen and EEIPC, as third party mortgagors and pledgors, entered into a ₱2,600.00 million OLSA with PNB and DBP specifically to partially finance the design, development, procurement, construction, operation and maintenance of its TSPP.

PetroSolar shall fully pay the loan for the pro-rata account of each lender within twelve (12) years from and after the date of the initial drawdown. Interest and principal are payable semi-annually. Interest payment started on May 27, 2016, while the twenty-two (22) semi-annual principal payments started on November 27, 2016.

The rate of the interest applicable to the facility or the relevant part thereof for each interest period shall be fixed for the first seven periods (7) from the initial drawdown date (the Initial Interest Rate). Prior to the FIT entitlement and collection of FIT revenues of the borrower, the rate shall be the higher of: (i) the aggregate of the seven (7) year PDST-R2 and the initial credit spread of 2.25%, or (ii) the minimum interest rate of 5.75%. Upon FIT entitlement of at least 40MW and collection of FIT revenues by the borrower equivalent to an aggregate of at least ₱473.00 million within a period not exceeding twelve (12) consecutive months, the rate shall be the higher of (i) the weighted average interest rate in previous drawdowns less the step down credit spread of 0.25%, or (ii) minimum interest rate, and which interest rate shall be applied beginning the following month immediately succeeding the month wherein the aforesaid FIT entitlement and FIT revenue collection thresholds were satisfied. PetroSolar met the criteria for FIT entitlement and aggregate collection of at least ₱473 million within 12 months which resulted to a lower interest rate effective July 2017.

On November 25, 2022, the OLSA reached the 7th year of its term. The repricing date, based on the OLSA, shall occur by the end of the 7th year from the initial drawdown date, on which date, the interest rate for the remaining five (5) year tenor will be repriced. The new applicable interest rate is 9.12% after the repricing. This was renegotiated to be reduced from 9.12% to 8.59% which was approved by the bank and made effective starting May 26, 2023.

The loan covenants covering the outstanding debt of PetroSolar include, among others, maintenance of debt-to-equity ratio of 75:25 and establishment of DSPA required balance (see Note 7). As of March 31, 2025 and December 31, 2024, PetroSolar is in compliance with the said loan covenants.

As of March 31, 2025 and December 31, 2024, the outstanding balance of this loan amounted to ₱561.13 million and ₱561.37 million, respectively. Interest expense recognized from the loan amounted to ₱19.54 million and ₱67.72 million as of March 31, 2025 and December 31, 2024, respectively.

Accrued interest payable amounted to ₱14.23 million and ₱3.90 million as of March 31, 2025 and December 31, 2024, respectively (see Note 19).

PetroSolar mortgaged all of its property and equipment related to TSPP-1 as collateral in connection with the loan (see Note 12).

PetroWind long-term loans
NWPP-1
On November 4, 2013, PetroWind entered into ₱2.80 billion OLSA with DBP to finance the NWPP-1. Subsequently, on June 4, 2015, an amended agreement was entered between PetroWind and DBP for an increase in credit line amounting to ₱200.00 million.

The loan shall be fully paid and liquidated in 15 years from and after the date of initial borrowing. Principal and interest shall be repaid in 25 equal semi-annual installments with its first principal and interest payment made last January 10, 2017.

The rate of interest to be paid on interest date is 6.32% per annum, equal to benchmark rate plus 225 basis points (bps) per annum or 5.50% per annum, whichever is higher, subject to repricing every 5 years. The new interest rate after the first repricing date last January 10, 2019 is 9.01% per annum. This was renegotiated to be reduced from 9.01% to the higher between the benchmark rate plus 125 bps per annum or 7.00% per annum. The reduced interest rate of 7.31% per annum was approved by the bank and made effective starting January 10, 2024. This amendment did not result to the extinguishment of the loan.

On January 10, 2024, another repricing took place in accordance with the provision of the OLSA. As such, the interest rate after repricing is 7.31% per annum.

The total interest expense incurred amounted to ₱32.94 million and ₱132.77 million in March 31, 2025 and December 31, 2024, respectively. Interest payable amounted to ₱19.22 million and 65.41 million as of March 31, 2025 and December 31, 2024, respectively. (see Note 19).

NWPP-2

On February 22, 2023, PetroWind entered into ₱1.81 billion OLSA with DBP to finance the NWPP-2. The principal shall be payable in twenty-five (25) equal semi-annual installments in arrears to commence at the earlier of thirty-sixth (36^{th}) month from initial drawdown or six (6) months from COD until fully paid. The interest shall be for fixed two (2) years based on the higher of 2-year BVAL plus 1.0% p.a. or 6.25% p.a. determined at the time of drawdown subject to repricing.

PetroWind has drawn a total of ₱1.54 billion as of March 31, 2025 and December 31, 2024. The remaining balance will be subsequently drawn in 2025.

On November 20, 2024, the Company secured a ₱265.00 million short-term loan with Bank of the Philippine Islands to partially finance the completion of the Nabas-2 Project. The principal amount shall be payable in ninety (90) days subject to renewal with interest initially fixed at the rate of 6.30% per annum.

The total interest expense incurred amounted to ₱31.69 million and ₱77.77 million as of March 31, 2025 and December 31, 2024, respectively.

For NWPP-1 and NWPP-2, the loan covenants require PetroWind to maintain a debt-to-equity ratio of not greater than 70:30 and maintain a DSRA required balance equivalent to one principal plus one interest amortization at all times until full settlement of the loan. As of March 31, 2025, PetroWind is in compliance with the said loan covenants.

PetroWind pledged all of its property and equipment items as collateral to secure its borrowings (see Note 12).

Dagohoy Green Energy Corporation

Omnibus Loan and Security Agreement (OLSA) with RCBC

On May 20, 2024, the Company, together with PGEC as the grantor, mortgagor, surety and guarantor and RGEC, as the share collateral security grantor, grantor, and guarantor, entered into OLSA of up to ₱834.76 million with RCBC specifically to partially finance the design, development, procurement, construction, operation and maintenance of its Dagohoy Solar Power Project.

The Company shall fully pay the loan within twelve (12) years from and after the date of the initial drawdown. Interest and principal are payable semi-annually.

The rate of interest applicable is determined by the Facility Agent in reference to the 2-year BVAL rate for two (2) years from the initial drawdown date plus the margin of 1.75% before Commercial Operations Date (COD), to be reduced by 0.25% after the COD. On the First Repricing Date (2^{nd} anniversary of the closing date) and Second Repricing Date (7^{th} anniversary of the closing date), the rate of interest is determined by the Facility Agent by reference to the 5-year BVAL rate.

The Company has drawn a total of ₱763.24 million as of March 31, 2025.

The loan covenant of DGEC requires the company to maintain a Debt Service Coverage Ratio of at least equivalent to the Maintenance DSCR commencing on the first anniversary of the Commercial Operations until the Loan Satisfaction Date, and Debt to Equity Ratio not exceeding the Maintenance Debt to Equity Ratio commencing on the Closing Date until the Loan Satisfaction Date. As of March 31, 2025 and December 31, 2024, DSCR maintenance requirement is not yet applicable since the DGEC is still in the testing and commissioning stage.

The total interest incurred amounted to ₱15.10 million on March 31, 2025 and ₱21.45 million on December 31, 2024.

Deferred financing costs
Deferred financing costs are incidental costs incurred in obtaining the loan which includes documentary stamp tax, transfer tax, chattel mortgage, real estate mortgage, professional fees, arranger's fee and other costs directly attributable to obtaining the loan. The balance of unamortized deferred financing costs is presented as a deduction from the loans payable account and is amortized over the term of the loan using the effective interest rate method.

21. Asset Retirement Obligation

The Group has recognized its share in the abandonment costs associated with the Etame, Avouma and Ebouri oilfields located in Gabon, West Africa, geothermal field located in Sto. Tomas Batangas, photovoltaic (PV) solar power facility in Tarlac, and wind farm in Nabas and Malay, Aklan.

Movements in this account follow:

	Unaudited 31-Mar-2025	Audited 31-Dec-2024
Balance at beginning of year	**₱162,534,249**	₱167,532,915
Change in estimates (Note 12)	–	(19,037,277)
Accretion expense	**3,261,157**	11,980,721
Foreign exchange adjustment	**(499,387)**	2,057,890
Balance at end of year	**₱165,296,019**	₱162,534,249

22. Equity

Under the existing laws of the Republic of the Philippines, at least 60% of the Parent Company's issued capital stock should be owned by citizens of the Philippines for the Parent Company to own and hold any mining, petroleum or renewable energy contract area. As of March 31, 2025, the total issued and subscribed capital stock of the Parent Company consists of 99.73% Filipino and 0.27% non-Filipino as compared to 99.79% Filipino and 0.21% non-Filipino as of December 31, 2024.

As of March 31, 2025 and December 31, 2024, paid-up capital consists of:

Capital stock – ₱1 par value	
Authorized – 700,000,000 shares	
Issued and outstanding	₱568,711,842
Additional paid-in capital	2,156,679,049
	₱2,725,390,891

The Group's track record of capital stock follows:

	Number of shares registered	**Issue/offer price**	**Date of SEC approval**	**Number of holders as of year-end**
Listing by way of introduction				
-August 11, 2004	84,253,606	₱3/share	August 4, 2004	
Add (deduct):				
25% stock dividend	21,063,402	₱1/share	September 6, 2005	
30% stock dividend	31,595,102	₱1/share	September 8, 2006	

1:1 stock rights offering	136,912,110	₱5/share	May 26, 2010	
December 31, 2010	273,824,220			2,149
Deduct: Movement	–			(26)
December 31, 2011	273,824,220			2,123
Deduct: Movement	–			(10)
December 31, 2012	273,824,220			2,113
Deduct: Movement	–			(41)
December 31, 2013	273,824,220			2,072
Deduct: Movement				(29)
December 31, 2014	273,824,220			2,043
Add (Deduct):				
2:1 stock rights offering	136,912,110	₱4.38/share	June 3, 2015	(15)
December 31, 2015	410,736,330			2,028
Deduct: Movement	–			(1)
December 31, 2016	410,736,330			2,027
Deduct: Movement	–			(15)
December 31, 2017	410,736,330			2,012
Add (Deduct):				
1.2:6 stock rights offering	157,975,512	₱4.8/share	January 8, 2018	(8)
December 31,2018	568,711,842			2004
Deduct: Movement	–			(5)
December 31,2019	568,711,842			1,999
Deduct: Movement	–			(1)
December 31,2020	568,711,842			1,998
Deduct: Movement	–			(5)
December 31,2021	568,711,842			1,993
Deduct: Movement	–			(2)
December 31,2022	568,711,842			1,991
Deduct: Movement	–			-
December 31,2023	568,711,842			1,991
Deduct: Movement	–			(14)
December 31,2024	568,711,842			1,977
Deduct: Movement	–			3
March 31,2025	568,711,842			1,980

On July 26, 2017, at the BOD meeting, the Parent Company was authorized to raise approximately one billion pesos (₱1,000,000,000) in capital, by offering and issuing to all eligible stockholders as of record date, the rights to subscribe up to all of the existing unissued common shares of the Parent Company ("Stock Rights Offer").

On September 29, 2017, the Parent Company filed its application for the listing and trading of rights shares with the PSE. On December 13, 2017, the PSE approved the application to list the Rights Shares.

The rights offer entitled eligible stockholders as of record date of January 12, 2018 to subscribe to one rights share for every 2.6 shares held at an offer price of ₱4.80 per share.

The rights offer was undertaken on January 22 to 26, 2018. Following the close of the offer period, the Parent Company successfully completed the stock rights offer for 157,975,512 common shares with gross proceeds of ₱ 758.28 million and was subsequently listed on the PSE on February 2, 2018.

The proceeds from the stock rights offer were used for the development and expansion plans of the Group's renewable energy projects and general corporate requirements.

Dividend Declaration
On July 18, 2024, PERC BOD approved the declaration of 5% cash dividend or ₱0.05 per share to all stockholders of record as of August 8, 2024 and payable on August 30, 2024. The dividends amounting to ₱28.48 million was paid in 2024.

On November 29, 2023, PERC BOD approved the declaration of 5% cash dividend or ₱0.05 per share to all stockholders of record as of December 14, 2023 and payable on December 28, 2023. The dividends amounting to ₱27.97 million was paid in 2023.

Cumulative Translation Adjustment
In 2018, because of the change in business circumstances of the Parent Company, management changed its functional currency from United States Dollar (USD) to PHP effective January 31, 2018. All resulting exchange differences in the remeasurement of USD balances to PHP balances were recognized as 'Cumulative Translation Adjustment'.

Equity Reserve and Deposit for Future Stock Subscription

a. On June 9, 2015, PetroEnergy sold its 10% interest in PetroGreen to EEIPC, bringing down its ownership in PetroGreen from 100% to 90%. The transaction was accounted as an equity transaction since there was no change in control.

   The effect of change in the ownership interest in PetroGreen on the equity attributable to owners of PetroEnergy as a result of the sale of 10% to EEI is summarized as follows:

Consideration received from NCI	₱206,000,000
Carrying amount of NCI sold	(125,950,762)
Excess of consideration received recognized in equity	₱80,049,238

b. On October 14, 2022, PetroGreen issued 363,244,840 shares to Kyuden (Note 31) resulting to the decrease in the ownership interest of PetroEnergy in PetroGreen from 90% to 76.92%. The transaction was accounted as an equity transaction since there was no loss of control.

   The effect of change in the ownership interest in PetroGreen on the 2022 equity attributable to owners of PetroEnergy is summarized as follows:

Consideration received from NCI	₱1,687,431,477
Carrying amount of NCI sold	(1,030,763,729)
Excess of consideration received recognized in equity	₱656,667,748

c. In January 2023, the Group classified the 2022 deposit for stock subscription received from Kyuden under escrow fund (Note 7) amounting to ₱1.63 billion into NCI and Equity Reserve (excess of consideration over carrying value of NCI sold) after Kyuden acquired the 10.47% additional ownership interest in PGEC through completion of all the requirements in the subscription agreement (see Note 31). The deposit for future stock subscription is considered a non-cash financing activity in 2022. Kyuden's ownership interest as of December 31, 2023 in PGEC is 25%.

   The effect of change in the ownership interest in PetroGreen on the 2023 equity attributable to owners of PetroEnergy is summarized as follows:

Consideration received from NCI*	₱1,634,762,579
Carrying amount of NCI sold	(925,716,414)
Excess of consideration received recognized in equity	₱709,046,165

**Net of equity transaction cost amounting to ₱16.29 million*

d. In 2023, the effect of change in the ownership interest in PetroSolar on the equity attributable to owners of PetroEnergy as a result of PERC's acquisition of EEIPC's 44% interest (Note 1c) is summarized as follows:

Consideration	₱1,443,942,735
Carrying amount of NCI acquired	(1,285,392,308)
Excess of consideration paid recognized in equity	₱158,550,427

e. In 2023, the effect of change in the ownership interest in PetroGreen on the equity attributable to owners of PetroEnergy as a result of PERC's acquisition of EEIPC's 7.5% interest (Note 1c) is summarized as follows:

Consideration	₱521,211,059
Carrying amount of NCI acquired	(568,948,930)
Excess of carrying amount recognized in equity	(₱47,737,871)

f. On May 31, 2024, Rizal Green issued 2,500,000 shares to Taisei Corporation (Note 27) resulting in the decrease in the ownership interest of PetroGreen in Rizal Green from 100% to 75%. The transaction was accounted as an equity transaction since there was no loss of control.

The effect of change in the ownership interest in Rizal Green on the 2024 equity attributable to owners of PetroEnergy is summarized as follows:

Consideration received from NCI*	₱577,500,000
Carrying amount of NCI sold	(327,329,997)
Excess of consideration received recognized in equity	₱250,170,003

**Net of equity transaction cost amounting to ₱2.5 million*

g. On August 16, 2023, PetroGreen acquired 100% equity of BKS for a total consideration of ₱80 million from its previous stockholders. The fair value of the net asset acquired is determined to be nil at the time of the acquisition. As of December 31, 2023, the acquisition was initially recorded as acquisition of deferred development cost. The development of the Limbauan Solar Power Project undertaken by BKS commenced during the year 2024 and the financials of BKS were subsequently consolidated. As of December 31, 2024, the excess acquisition cost of ₱80 million over the fair value of the net assets of BKS (nil amount) at the time of the acquisition was charged against equity reserve account.

h. In 2024, stock issuance costs of ₱9.55 million paid for the issuance of shares of DGEC, BGEC and SGJEC to RGEC was accounted as an equity transaction in the consolidated financial statements.

As of March 31, 2025 and December 31, 2024, the balance of equity reserve account amounts to ₱1,495.57 million.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may increase its debt from creditors, adjust the dividend payment to shareholders or issue new shares.

As of March 31, 2025 and December 31, 2024, the Group monitors capital using a debt-to-equity ratio, which is total liabilities divided by total equity.

The Group's sources of capital as of March 31, 2025 and December 31, 2024 are as follows:

	Unaudited 31-Mar-2025	Audited 31-Dec-2024
Loans payable	**₱8,514,231,460**	₱8,145,293,918
Capital stock	**568,711,842**	568,711,842
Additional paid-in capital	**2,156,679,049**	2,156,679,049
Retained earnings	**3,897,858,396**	3,754,431,369
Equity reserve	**1,495,570,578**	1,495,570,578
	₱16,633,051,325	₱16,120,686,756

The table below demonstrates the debt-to-equity ratio of the Group as of March 31, 2025 and December 31, 2024:

	Unaudited 31-Mar-2025	Audited 31-Dec-2024
Total liabilities	**₱ 9,919,816,099**	₱ 9,744,090,656
Total equity	**13,897,316,866**	13,616,550,079
Debt-to-equity ratio	**0.71:1**	0.72:1

Based on the Group's assessment, the capital management objectives were met on March 31, 2025 and December 31, 2024.

23. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control or common significant influence (referred to as 'Affiliates'). Related parties may be individuals or corporate entities.

Significant transactions with related parties are as follows:

Related Party/Nature	Transactions for the Period 31-Mar-25	31-Dec-24	Outstanding Balance Receivables (Payables) 31-Mar-25	31-Dec-24	Terms and Conditions
Investor					
House of Investments, Inc					
Internal audit services	**₱218,400**	₱905,760	**₱(72,800)**	₱(539,417)	Note a
Joint Venture					
PetroWind					
Rental income	–	-	–	–	Note b
Timewriting fee	–	-	–	–	Note c
Management income	–	-	–	–	Note c
Advances – receivable	–	-	–	–	Note d
			–	–	
Buhawind Energy Northern Luzon Corporation					
Time-writing Income	**23,544,024**	23,544,024	**23,544,024**	23,544,024	Note c
Rental Income	**453,986**	188,571	**453,986**	403,543	Note b
Reimbursement - receivables	**85,764,299**	27,079,351	**85,764,299**	62,899,252	Note d
Advances - receivables	**2,561**	9,348	**2,561**	9,348	
	109,764,870	50,821,294	**109,764,870**	86,856,167	
Buhawind Energy Northern Mindoro Corporation					
Time-writing Income	**2,943,003**	2,943,003	**2,943,003**	2,943,003	Note c
Rental Income	**453,986**	188,571	**453,986**	403,542	Note b
Reimbursement - receivables	**23,912,924**	19,624,812	**23,912,924**	23,749,200	Note d
	27,309,913	22,756,386	**27,309,913**	27,095,745	
Buhawind Energy East Panay Corporation					
Time-writing Income	**2,943,003**	2,943,003	**2,943,003**	2,943,003	Note c
Rental Income	**453,986**	188,571	**453,986**	403,543	Note b
Reimbursement - receivables	**17,219,871**	10,562,807	**17,219,871**	14,687,195	Note d
	20,616,860	13,694,381	**20,616,860**	18,033,741	

Affiliate

Related Party/Nature	Transactions for the Period 31-Mar-25	31-Dec-24	Outstanding Balance Receivables (Payables) 31-Mar-25	31-Dec-24	Terms and Conditions
AC Energy Corporation (ACEN)					
Electricity sales	**259,678,171**	1,032,907,225	**97,677,584**	103,154,602	Note e
Pass-on Wheeling, Ancillary & Transmission Charges	**172,027**	74,003,036	**678,919**	1,053,324	Note e
	259,850,198	1,106,910,262	**98,356,503**	104,207,926	
Affiliate					
LIPCO					
Land lease	**-**	₱32,270,323	–	–	Note f
Affiliate					
Enrique T. Yuchengco, Inc.					
Rental income	**524,757**	947,518	**524,757**	269,929	Note g

a. PetroEnergy has an Internal Audit Engagement arrangement with House of Investments, Inc. (HI). These are non-interest bearing and are due and demandable.

b. PetroGreen charges rental fees to PWEI and BEP amounting to ₱71,429 every month. These are non-interest bearing and payable when due and demandable.

c. Timewriting fees are charged by PetroGreen for accounting, legal management and other support services rendered to PWEI and BEP. Management income refers to charges by PetroEnergy to PWEI and BEP. These are non-interest bearing and are due and demandable.

d. Advances represent reimbursements of costs and expenses.

e. Electricity sales to ACEN (formerly PHINMA) is pursuant to the Electricity Supply Agreement. This is due and payable on the last business day of the month succeeding the billing period and non-interest bearing if paid within the due date.

f. The Group leased 77 hectares of land area from LIPCO (Note 15). These are non-interest bearing and payable when due and demandable.

g. On April 29, 2021, PGEC completed its first commercial and industrial (C&I) rooftop solar power project for the Enrique T. Yuchengco Bldg. in Binondo, Manila.

   The building owner E.T. Yuchengco Inc. (ETY) and project owner PGEC signed a 15-year Rent-to-Own Agreement for a 140.8-kWp solar rooftop facility last January 14, 2021. The rental period commenced upon the project's completion in April 2021. After said 15-year cooperation period, PGEC will turn-over the said rooftop solar facility to ETY free of charge.

24. Financial Instruments

The Group's principal financial instruments include cash and cash equivalents, short-term investments, financial assets at FVTPL, receivables, restricted cash, loans payable, accounts payable, accrued expenses and dividends payable. The main purpose of these financial instruments is to fund the Group's working capital requirements.

<u>Categories and Fair Values of Financial Instruments</u>
As of March 31, 2025 and December 31, 2024, the carrying amounts of the Group's financial assets and financial

liabilities approximate their fair values except for loans payable and lease liabilities. The fair value of the loans payable as of December 31, 2024 amounted to ₱8.22 billion compared to their carrying value of ₱8.15 billion, respectively.

The methods and assumptions used by the Group in estimating the fair value of financial instruments are:

Financial instruments	Considerations
Cash and cash equivalents, Short-term investments, Restricted cash, Receivables, Contract assets, Accounts payable and Accrued expenses, and Short-term loans payable	Due to the short-term nature of the instruments, carrying amounts approximate fair values as at the reporting date.
Equity securities	Fair values are based on published quoted prices (Level 1).
Golf club shares	Fair values are based on quoted market prices at reporting date (Level 1).
Long-term loans payable	Fair value is based on the discounted value of expected future cash flows using the applicable interest rate for similar type of instruments. The fair value is derived using the prevailing PH BVAL rate in 2024 and 2023 (Level 3).
Lease liabilities	Estimated fair value is based on the discounted value of future cash flows using the prevailing PH BVAL rate in 2024 and 2023 (Level 3).

The fair value is based on the source of valuation as outlined below:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

On March 31, 2025 and December 31, 2024, there were no transfers of financial instruments among all levels.

Financial Risk Management Objectives and Policies
The Group manages and maintains its own portfolio of financial instruments in order to fund its own operations and capital expenditures. Inherent in using these financial instruments are the following risks on liquidity, market and credit.

Financial Risks
The main financial risks arising from the Group's financial instruments are liquidity risk, market risk and credit risk.

a. Liquidity Risk
Liquidity risk is the risk that the Group is unable to meet its financial obligations when due. The Group monitors its cash flow position and overall liquidity position in assessing its exposure to liquidity risk. The Group maintains a level of cash and cash equivalents deemed sufficient to finance its operations and to mitigate the effects of fluctuation in cash flows. To cover its short-term and long-term funding requirements, the Group obtains funds from various sources including internally generated funds and loans from financial institutions. As of March 31, 2025 and December 31, 2024, the Group has existing credit line facilities from which they can draw funds from (see Note 20).

The tables below summarize the maturity profile of the Group's financial assets and financial liabilities as of March 31, 2025 and December 31, 2024 based on contractual payments:

	31-Mar-2025 (Unaudited)			
	On demand	**1 year or less**	**More than 1 year**	**Total**
Financial Assets				
Financial assets at FVTPL	**₱6,189,623**	**₱–**	**₱–**	**₱ 6,189,623**
Financial assets at amortized cost:		**–**	**–**	**–**
Cash and cash equivalents	**2,043,336,693**	**–**	**–**	**2,043,336,693**
Short-term investments	**–**	**–**	**–**	**–**
Accounts receivable	**214,140,512**	**721,255,543**	**–**	**935,396,055**
Other receivables	**19,195,658**	**–**	**36,343,365**	**55,539,022**
Interest receivable	**6,924,355**	**–**	**–**	**6,924,355**
Refundable deposits	**–**	**478,721**	**6,373,884**	**6,852,605**
Restricted cash	**–**	**377,432,462**	**17,853,462**	**395,285,924**
Contract assets	**–**	**112,881,903**	**756,777,066**	**869,658,969**
	2,289,786,841	**1,212,048,629**	**817,347,777**	**4,319,183,246**
Financial Liabilities				
Financial liabilities at amortized cost:				
Loans payable**	**–**	**1,760,193,681**	**6,754,037,779**	**8,514,231,460**
Lease liabilities	**–**	**45,073,615**	**284,278,085**	**329,351,700**
Accounts payable and accrued expenses*	**650,982,009**	**–**	**–**	**– 650,982,009**
	650,982,009	**1,805,267,296**	**7,038,315,864**	**9,494,565,169**
Net financial assets (liabilities)	**₱1,638,804,832**	**₱ (593,218,667)**	**₱(6,220,968,087)**	**₱ (5,175,381,923)**

**Excluding statutory payables*

	31-Dec-2024 (Audited)			
	On demand	1 year or less	More than 1 year	Total
Financial Assets				
Financial assets at FVTPL	₱6,144,437	₱–	₱–	₱6,144,437
Financial assets at amortized cost:		–	–	–
Cash and cash equivalents	2,770,469,655	–	–	2,770,469,655
Short-term investments	200,000,000	–	–	200,000,000
Accounts receivable	218,790,240	498,570,242	–	717,360,482
Other receivables	–	–	30,561,241	30,561,241
Interest receivable	11,084,320	–	–	11,084,320
Refundable deposits	–	478,721	6,295,160	6,773,881
Restricted cash	–	217,290,257	18,051,626	235,341,883
Contract assets	–	161,320,397	675,168,269	836,488,666
	3,206,488,652	877,659,617	730,076,296	4,814,224,565
Financial Liabilities				
Financial liabilities at amortized cost:				
Loans payable**	–	1,263,628,373	6,881,665,545	8,145,293,918
Lease liabilities	–	35,678,238	583,479,239	619,157,477
Accounts payable and accrued expenses*	871,776,036	–	–	– 871,776,036
	871,776,036	1,299,306,611	7,465,144,784	9,636,227,431
Net financial assets (liabilities)	₱2,334,712,616	(₱421,646,994)	(₱6,735,068,488)	(₱4,822,002,866)

**Excluding statutory payables*

b. *Market Risk*

Market risk is the risk of loss on future earnings, on fair values or on future cash flows that may result from changes in market prices. The value of a financial instrument may change as a result of changes in equity prices, foreign currency exchanges rates, interest rates and other market changes.

<u>Foreign Exchange Risk</u>

Foreign currency risk is the risk that the value of the Group's financial instruments denominated other than the Group's functional currency diminishes due to unfavorable changes in foreign exchange rates. The Group's transactional currency exposures arise from cash and cash equivalents, receivables and accounts payable and accrued expenses.

The Group's foreign currency-denominated financial instruments as of March 31, 2025 and December 31, 2024 are as follows:

	31-Mar-25 (Unaudited)		31-Dec-24 (Audited)	
	US Dollar	**Peso Equivalent**	US Dollar	Peso Equivalent
Financial assets				
Cash and cash equivalents	**$ 1,752,674**	**₱ 100,270,621**	$1,846,319	₱97,454,974
Receivables	**-**	**-**	1,376,900	80,700,096
Restricted Cash	**312,069**	**17,853,462**	312,069	18,290,358
	2,064,743	**118,124,083**	3,535,288	196,445,428
Financial liabilities				
Accounts payable and accrued expenses	**88,197**	**5,045,772**	43,407	2,544,060
Net exposure	**$1,976,546**	**₱113,078,311**	$3,491,881	₱193,901,368

As of March 31, 2025 and December 31, 2024, the exchange rates used for conversion are ₱57.210 and ₱57.845 per $1, respectively.

There is no other impact on the Group's equity other than those already affecting income before income tax.

Interest Rate Risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's loans payable. Interest rate of loans payable is fixed for the first five (5) years or first seven (7) years and will be repriced thereafter.

There is no other impact on the Group's equity other than those already affecting income before income tax.

c. *Credit Risk*

Credit risk is the possibility of loss for the Group if its receivable counterparties fail to discharge their contractual obligations. With respect to credit risk arising from the other financial assets of the Group, which comprise of cash and cash equivalents, short-term investments, receivables, financial assets at FVTPL, and restricted cash, the Group's exposure to credit risk could arise from default of the counterparty.

The Group trades only with recognized, creditworthy third parties. However, the Group's credit risk exposure is concentrated on a few counterparties as inherent in the oil exploration and production and renewable energy businesses. The Group has a well-defined credit policy and established credit procedures. In addition, receivable balances are being monitored on a regular basis to ensure timely execution of necessary intervention efforts.

The table below summarizes the Group's gross maximum credit risk exposure from its financial instruments and contract asset. These amounts are gross of collateral and credit enhancements, but net of any amounts offset and allowance for impairment losses:

	31-Mar-25	31-Dec-24
Financial assets:		
Cash in banks and cash equivalents	**₱2,042,276,179**	₱2,768,538,452
Short-term investments	**-**	200,000,000
Receivables	**997,859,432**	759,006,043
Restricted cash	**395,285,924**	6,144,437
Financial assets at FVTPL	**6,189,623**	6,773,881
Refundable deposits	**6,852,605**	235,341,883
Contract asset	**869,658,969**	836,488,666
	₱4,318,122,732	₱4,812,293,362

An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The mechanics of the ECL calculations and the key elements are, as follows:

a. *Probability of default (PD)* is an estimate of the likelihood of default over a given time horizon.
b. *Exposure at default (EAD)* is an estimate of the exposure at a future default date taking into account expected changes in the exposure after the reporting date.
c. *Loss given default (LGD)* is an estimate of the loss arising in the case where a default occurs at a given time.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). In its ECL models, the Group relies on a broad range of forward-looking information as economic inputs.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

The table below shows the aging by class of asset for the Group's financial assets and contract asset as of March 31, 2025 and December 31, 2024:

	31-Mar-2025 (Unaudited)			
	Current (High grade)	**More than 90 days (Standard grade)**	**Credit impaired**	**Total**
Financial assets:				
Cash and cash equivalents*	**₱2,042,276,179**	**₱–**	**₱–**	**₱2,042,276,179**
Short-term investments	**–**	**–**	**–**	**–**
Accounts receivable	**951,909,260**	**–**	**2,682,452**	**954,591,712**
Other receivables	**–**	**36,343,365**	**–**	**36,343,365**
Interest receivable	**6,924,355**	**–**	**–**	**6,924,355**
Financial assets at FVTPL	**6,189,623**	**–**	**–**	**6,189,623**
Refundable deposits	**6,852,605**	**–**	**–**	**6,852,605**
Restricted cash	**395,285,924**	**–**	**–**	**395,285,924**
Contract assets	**836,488,666**	**112,881,903**	**756,777,066**	**869,658,969**
	₱4,245,926,612	**₱149,225,268**	**₱759,459,518**	**₱4,318,122,732**

	31-Dec-2024 (Audited)			
	Current (High grade)	More than 90 days (Standard grade)	Credit impaired	Total
Financial assets:				
Cash and cash equivalents*	₱2,768,538,452	₱–	₱–	₱2,768,538,452
Short-term investments	200,000,000	–	–	200,000,000
Accounts receivable	717,360,482	–	2,682,453	720,042,935
Other receivables	–	30,561,241	–	30,561,241
Interest receivable	11,084,320	–	–	11,084,320
Financial assets at FVTPL	6,144,437	–	–	6,144,437
Refundable deposits	6,773,881	–	–	6,773,881
Restricted cash	235,341,883	–	–	235,341,883
Contract assets	836,488,666	–	–	836,488,666
	₱4,781,732,121	₱30,561,241	₱2,682,453	₱4,814,975,815

**excluding cash on hand*

Financial assets are classified as high grade if the counterparties are not expected to default in settling their obligations. Thus, credit risk exposure is minimal. Financial assets are classified as a standard grade if the counterparties settle their obligation with the Group with tolerable delays. Low grade accounts are accounts, which have probability of impairment based on historical trend. These accounts show propensity of default in payment despite regular follow-up actions and extended payment terms. The Group's cash in banks, cash equivalents, accounts receivable, interest receivable and restricted cash have high grade credit quality.

25. Segment Information

For management purposes, the Group is organized into business units based on their products and has four reportable segments as follows:

- The oil production segment is engaged in the oil and mineral exploration, development and production.
- The geothermal energy segment develops and operates geothermal steamfields and power plants.
- The solar energy segment carries out solar energy operations of the Group.
- Other activities pertain to research and investment activities.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

	31-Mar-2024 (Unaudited)						
	Oil Production	**Geothermal Energy**	**Solar Energy**	**Wind Energy**	**Other Activities**	**Elimination**	**Consolidated**
Segment revenue	**₱112,389,739**	**₱262,236,065**	**₱ 271,951,445**	**₱ 353,678,313**	**₱–**	**₱–**	**₱1,000,255,562**
Net income	**11,432,771**	**71,175,753**	**115,599,967**	**170,893,542**	**18,035,178**	**(106,334,930)**	**280,802,280**
Other comprehensive income (loss)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other information:							
Segment assets except deferred tax asset	**₱6,385,131,523**	**₱6,044,787,927**	**₱7,766,698,567**	**₱6,924,726,899**	**₱7,705,875,584**	**₱(11,010,087,535)**	**₱23,817,132,965**
Deferred tax assets – net	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Segment liabilities except deferred tax liabilities	**₱2,843,961,242**	**₱ 2,030,101,689**	**₱3,632,637,991**	**₱ 2,934,588,563**	**₱178,615,548**	**₱ (1,828,707,571)**	**₱9,791,197,462**
Deferred tax liabilities - net	**(3,225,990)**	**3,750,804**	**4,615,001**	**10,157,130**	**(280,812)**	**(143,634,770)**	**(128,618,638)**
Provision for income tax	**₱43,107**	**₱ 5,634,683**	**₱ 7,118,627**	**₱22,005,657**	**₱ 630,444**	**₱ -**	**₱35,432,517**

	31-Dec-2024 (Audited)						
	Oil Production	Geothermal Energy	Solar Energy	Wind Energy	Other Activities	Elimination	Consolidated
Segment revenue	₱520,426,862	₱1,125,344,293	₱847,728,656	₱930,030,672	24,106,126	₱–	₱3,447,636,609
Net income	154,823,024	305,890,718	448,467,665	359,124,866	350,476,417	(737,369,969)	881,412,721
Other comprehensive income (loss)	1,220,527	(6,658,929)	108,412	61,034	(4,750,829)	–	(10,019,785)
Other information:							
Segment assets except deferred tax asset	₱6,485,362,987	₱5,455,416,838	₱7,061,065,330	₱6,929,267,771	₱7,842,842,525	(₱10,421,497,503)	₱23,352,457,948
Deferred tax assets – net	(₱3,225,990)	₱3,750,804	₱4,236,996	₱10,157,130	(₱280,812)	(₱6,455,341)	₱8,182,787
Segment liabilities except deferred tax liabilities	₱2,955,625,477	₱1,511,906,354	₱3,057,555,803	₱3,110,022,977	₱341,288,579	(₱1,371,146,222)	₱9,605,252,968
Deferred tax liabilities - net	₱–	₱–	₱–	₱–		₱138,837,688	₱138,837,688
Provision for income tax	₱15,436,222	₱22,016,377	₱20,206,143	₱51,666,271	₱3,092,743	₱–	₱112,417,756

InterGroup investments, revenues and expenses are eliminated during consolidation.

26. Basic/Diluted Earnings Per Share

The computation of the Group’s earnings per share follows:

	Unaudited 31-Mar-2025	Unaudited 31-Mar-2024	Audited 31-Dec-2024
Net income attributable to equity holders of the Parent Company	**₱143,462,519**	₱185,523,586	₱ 471,809,019
Weighted average number of shares	**568,711,842**	568,711,842	568,711,842
Basic/diluted earnings per share	**₱0.2523**	₱0.3262	₱0.8296

Earnings per share are calculated using the net income attributable to equity holders of the Parent Company divided by the weighted average number of shares.

PERC does not have potentially dilutive common stock.

27. Non-controlling Interests

As of March 31, 2025 and December 31, 2024, the investment of Kyuden in PGEC resulted in an increase in NCI as discussed earlier (Note 22). Kyuden owns 25% of PGEC as of March 31, 2025 and December 31, 2024, respectively, while PERC owns 75% in both periods.

In 2023, the acquisition of EEIPC's ownership interests in PetroGreen, PetroWind and PetroSolar, as disclosed in Notes 1, 14 and 22, also resulted to changes in NCI as of December 31, 2023.

In 2023, PWEI issued shares in which NCI's subscription amounted to ₱204.41 million.

As of March 31, 2025 and December 31, 2024, the accumulated balances of and net income attributable to non-controlling interests are as follows:

	Unaudited 31-Mar-2025	Audited 31-Dec-2024
Accumulated balances of non-controlling interests:		
PetroGreen	**₱2,145,774,859**	₱2,220,570,583
PetroWind	**1,775,193,158**	1,587,245,283
MGI	**1,406,452,964**	1,381,541,451
RGEC	**356,737,640**	357,461,544
	₱5,684,158,621	₱5,546,818,861

	Unaudited 31-Mar-2025	Audited 31-Dec-2024
Net income attributable to non-controlling interests:		
PetroGreen	**₱44,794,734**	₱155,655,257
MGI	**24,911,514**	107,061,751
PetroWind	**68,357,417**	143,649,947
RGEC	**(723,904)**	3,236,747
	₱137,339,761	₱409,603,702

Dividends paid to non-controlling interests amounted to nil and ₱50.00 million as of March 31, 2025 and December 31, 2024, respectively.

Increase in non-controlling interests from stock issuances

PetroGreen

In September 2022, PetroGreen, PetroEnergy and Kyuden Internation Corporation (Kyuden), a wholly-owned subsidiary of Japan's Kyushu Electric Power Co., Inc., executed the Subscription Agreement and Shareholders' Agreement. Pursuant to the said documents, PetroGreen will issue 712,251,720 shares in two tranches in favor of Kyuden equivalent to 25% ownership interest in PetroGreen upon completion of the conditions precedent for the transaction.

In October 2022, PetroGreen received from Kyuden the payment for the subscription amounting to ₱3.37 billion, which is maintained in an escrow fund with a bank to be release based on the terms of the escrow agreement.

On October 14, 2022, transaction for the “Initial Closing” was completed. The subscription amount of ₱1.72 billion was released from the escrow account and the 363,244,840 shares coming from unissued shares of PetroGreen was issued in favor of Kyuden representing 14.53% ownership interest in PetroGreen.

On November 18, 2022, another ₱21.81 million was released from the escrow account representing the required 25% payment of the 25% subscribed shares for the increase in PetroGreen’s authorized capital stock as part of the “Pre-Approval Second Closing”. On December 14, 2022, SEC approved the application for increase in authorized capital stock from 2,500,000,000 shares at ₱1.0 par value to 2,849,006,880 shares with same par value.

As of December 31, 2022, the “Second Closing” under the Subscription Agreement is not yet completed since the fulfilment of the Conditions Precedent and the payment/release of the ₱1.63 billion remaining escrow fund was completed only on January 10, 2023. Effectively, Kyuden has 14.53% equity ownership in PetroGreen as of December 31, 2022. This resulted in an increase in non-controlling interest as of December 31, 2022 (see Note 22).

The amount of ₱1.65 billion representing the subscription amount for the “Pre-approval Second Closing” and “Second Closing” transactions are presented as separate line item as Deposit for Stock Subscription under the 2022 Equity section.

On January 10, 2023, the date of “Second Closing”, the remaining balance of the escrow account amounting to ₱1.63 billion was released and the stock certificate for the 349,006,880 subject shares was issued in favor of Kyuden. After the Second Closing on January 10, 2023, Kyuden already holds 25% ownership interest in PetroGreen.

PetroSolar
On March 28, 2022, the BOD and Stockholders approved the increase in PetroSolar’s authorized capital stock from ₱1,800,000,000 consisting of 18,000,000 shares at ₱100 par value per share, to ₱1,900,000,000 consisting of 19,000,000 shares at ₱100 par value per share. In compliance with Sec. 37 of the Revised Corporation Code, 25% or 250,000 shares of the authorized capital stock increase must be subscribed, and 25% or 62,500 shares of the subscribed capital stock must be paid up. Of the total subscribed capital stock amounting to ₱25,000,000, cash amounting to ₱6,250,000 equivalent to 62,500 shares was received by PetroSolar on April 6, 2022 as subscription payment for the proposed increase in authorized capital stock. PetroSolar filed its application for the approval of the proposed increase in authorized capital stock with the SEC on May 23, 2022. The said application was approved by the SEC on May 30, 2022. Upon approval, the 62,500 shares subscribed were treated as outstanding shares.

In 2023, the Group acquired the NCI in PetroSolar through PERC’s acquisition of EEIPC’s 44% ownership interest in PetroSolar. Details of the transaction are disclosed in Notes 1 and 22.

PetroWind
The business combination of PWEI in May 2023 resulted in NCI which represents the 40% ownership interest of BCPG in PetroWind. Details of the transaction are disclosed in Notes 1 and 14.

Rizal Green Energy Corporation
On April 23, 2024, Taisei Corporation of Japan signed an Investment Framework Agreement and Shareholders' Agreement with PGEC to acquire a 25% equity stake in RGEC. Following the fulfillment of the transaction's conditions precedent, the Subscription Agreement was signed on May 31, 2024. Taisei’s initial investment of ₱ 580.00 million for 2.50 million shares in RGEC and subsequent equity cash call contribution of ₱35.76 million resulted to an increase in non-controlling interest by ₱604.39 million (net of transaction cost of ₱11.36 million).

28. **Others**

a. The Interim Financial Report (March 31, 2025) is in compliance with generally accepted accounting principles.

b. The same policies and methods of computation were followed in the preparation of the interim financial report compared to the December 31, 2024 Consolidated Audited Financial Statements.

c. No unusual item or items affected the assets, liabilities, equity and cash flows of the March 31, 2025 Financial Statements.

d. Earnings per share is presented in the face of the unaudited statements of income for the period ended March 31, 2025 and December 31, 2024.

e. No significant events happened during the quarter that will affect the March 31, 2025 Unaudited Financial Statements.

f. There are no seasonal aspects that had a material effect on the financial condition or results of operation of the Company.

g. There is no foreseeable event that will trigger direct or contingent financial obligation that is material to the Company, including any default of accelerated obligation.

h. There are no material off-balance sheet transactions, arrangements, obligations and other relationships of the Company with other entities or persons that were created during the period.

i. There are no changes in estimates of amounts reported in prior periods of the current financial year or changes in estimates of amounts reported in prior financial years that could have material effect in the current period.

j. The Company has no contingent liabilities or assets during the period.

Item 2. Management's Discussion and Analysis or Plan of Operation

PART I – Management's Discussion and Analysis (Amounts are in Philippine Peso (P))

1. Consolidated Financial Position (March 31, 2025 and December 31, 2024)

	Unaudited 31-Mar-25	Audited 31-Dec-24	% Change	% of Total Assets
ASSETS				
Cash and cash equivalents	₱2,043,336,693	₱2,770,469,655	-26.25%	8.58%
Short term investments	-	200,000,000	-100.00%	0.00%
Restricted cash	377,432,462	217,290,257	73.70%	1.58%
Receivables	997,859,432	759,004,222	31.47%	4.19%
Financial assets at fair value through profit or loss (FVTPL)	6,189,623	6,144,437	0.74%	0.03%
Crude oil inventory	37,455,181	49,440,029	-24.24%	0.16%
Contract Assets - current portion	112,881,903	161,320,397	-30.03%	0.47%
Other current assets	383,508,466	434,581,875	-11.75%	1.61%
Property and equipment-net	15,851,365,339	14,974,940,788	5.85%	66.55%
Deferred oil exploration cost	457,986,953	431,416,713	6.16%	1.92%
Contract assets - net of current portion	756,777,066	675,168,269	12.09%	3.18%
Investment in joint venture and business combination	2,882,000	2,882,000	0.00%	0.01%
Right of use of assets	249,019,366	302,353,808	-17.64%	1.05%
Deferred tax assets-net	-	8,182,787	-100.00%	0.00%
Intagible assets and goodwill	868,229,398	875,957,481	-0.88%	3.65%
Investment properties-net	1,611,533	1,611,533	0.00%	0.01%
Other noncurrent assets	1,670,597,550	1,489,876,484	12.13%	7.01%
TOTAL ASSETS	**₱23,817,132,965**	**₱23,360,640,735**	1.95%	100.00%
LIABILITIES AND EQUITY				
Accounts payable and accrued expenses	667,939,678	899,967,148	-25.78%	2.80%
Loans payable - current	1,760,193,681	1,263,628,373	39.30%	7.39%
Lease liabilities - current	45,073,615	37,063,244	21.61%	0.19%
Income tax payable	67,735,220	32,721,792	107.00%	0.28%
Loans payable - net of current portion	6,754,037,779	6,881,665,545	-1.85%	28.36%
Lease liabilities - net of current portion	284,278,085	282,061,826	0.79%	1.19%
Asset retirement obligation	165,296,019	162,534,249	1.70%	0.69%
Deferred tax laibilities	128,618,638	138,837,688	-7.36%	0.54%
Other noncurrent liability	46,643,384	45,610,791	2.26%	0.20%
TOTAL LIABILITIES	**₱9,919,816,099**	**₱9,744,090,656**	1.80%	41.65%
EQUITY				
Attributable to equity holders of the Parent Company	8,213,158,245	8,069,731,218	1.78%	34.48%
Non-controlling interest	5,684,158,621	5,546,818,861	2.48%	23.87%
TOTAL EQUITY	**₱13,897,316,866**	**₱13,616,550,079**	2.06%	58.35%
TOTAL LIABILITIES AND EQUITY	**₱23,817,132,965**	**₱23,360,640,735**	1.95%	100.00%

Total assets amounted to ₱23.817 billion and ₱23.361 billion as of March 31, 2025 and December 31, 2024, respectively. Book value is at ₱14.44/share from ₱14.19/share.

Cash and cash equivalents consist of cash on hand, cash in banks and money market placements with original maturities of not more than three months. The 26.25% net decrease from ₱2.770 billion as of December 31, 2024 to ₱2.043 billion as of March 31, 2025 is mainly due to the following:

- Bugallon Green Energy Corporation's (BGEC), BKS Green Energy Corporation's (BKSGEC) and San Jose Green Energy Corporation's (SJGEC) payments for EPC contracts and various suppliers;
- Vaalco cash calls with no lifting proceeds as scheduled; and
- Other working capital requirements.

Short term investments with maturities of more than three months, decreased by 100% due to PGEC's conversion of short-term investments to cash and cash equivalents to be placed in money market placements and various special purpose vehicle's (SPV) expenditures.

Restricted cash increased as a result of additional funding of Debt Service Payment Account (DSPA) and Debt Service Reserve Account (DSRA) to be used for the next loan principal and interest payments.

The **Receivables** account mainly consists of receivables from electricity sales and lifting/sale of crude oil, with interest receivable as a minor component. The 31.47% increase is primarily due to PGEC's additional short-term advances to BGEC and BKSGEC for the construction of solar projects and electricity sales from PWEI, PSC, DGEC, and SJGEC from the testing and commissioning stages.

Financial assets at fair value through profit or loss (FVPL) amounted to ₱6.190 million and ₱6.144 million as of March 31, 2025 and December 31, 2024, respectively. The market prices of the portfolio are maintained resulting in minimal change in the account.

Crude oil inventory decreased as more barrels of crude were lifted than produced during the period.

Contract assets – current and non-current portions pertain to PWEI's and PSC's receivables from TransCo on FIT arrears, which are currently recorded at net present values since these will be collected over five (5) years. PWEI's and PSC's collections started in 2021 and 2022, respectively. The decrease for the current portion is due to the reclassification of the same to receivable account for the period January 1, 2020 to December 31, 2020. The increase in noncurrent portion is due to recording of additional FIT arrears and amortization of interest income using the adjusted FIT rates applied by TransCo, net of reclassification from non-current to current account.

Other current assets consist of supplies inventory, prepaid expenses, and other current assets. The bulk of the net decrease of 11.75% is due to the continuous amortization of prepaid expenses and MGI's refund of security deposit from PSALM relating only to long term lease.

Property and equipment-net amounted to ₱15.851 billion and ₱14.975 billion as of March 31, 2025 and December 31, 2024, respectively. The 5.85% net increase is mainly due to the following:

- MGI's acquisition of PSALM lots; and
- BGEC's and BKSGEC's solar project construction in proportion to payments for EPC progress billing and medium voltage power station, respectively.

Deferred oil exploration cost increased by 6.16% resulting from the continuous development of the Gabon oil field.

Investment in a joint venture and business combination refers to the investment in three newly incorporated SPVs namely: BuhaWind Energy Northern Luzon Corporation, BuhaWind Energy Northern Mindoro Corporation and BuhaWind Energy East Panay Corporation.

Right of use of assets and lease liabilities – these resulted from the adoption of the new PFRS 16 – leases in 2019. The 17.64% decline in Right of Use of Assets pertains to the derecognition of the account relating to long term lease as a result of MGI's acquisition of PSALM lots where access roads and steamfield are located.

Deferred tax assets/ liabilities – net resulted in timing differences in recognizing temporary deductible expenses and temporary taxable revenues such as accrued profit share, accretion expenses, accrued retirement liability, provision for probable losses, unrealized gains or losses and change in crude oil inventory.

Intangible assets and goodwill – *Goodwill from acquisition and consolidation of PWEI*
The Group's consolidated financial statements reflect the consolidation of PWEI after the completion of the

acquisition of 20% equity interest from EEI Power Corporation effective May 10, 2023. This is in addition to the PERC's existing 40% ownership through PGEC. The Group accounts for the acquired business using the acquisition method, which requires extensive use of accounting judgments and estimates to allocate the purchase price to the fair market values of the acquiree's identifiable assets, liabilities and contingent liabilities, if any, at the acquisition date. Any excess in the purchase price over the fair market values of the net assets acquired is recorded as goodwill in the consolidated statement of financial position. Judgment used in estimating the fair values to be assigned to the acquiree's assets and liabilities can materially affect the Group's financial position and performance.

Investment properties-net refers to land and parking lot space, where cost remains the same as of March 31, 2025.

Other non-current assets amounted to ₱1.671 billion and ₱1.490 billion as of March 30, 2025 and December 31, 2024, respectively. The 12.13% net increase is mainly due to the additions to Deferred Development Cost related to the exploration, development, production and expansion of various renewable energy projects.

Accounts payable and accrued expenses decreased by 25.78% mainly due to settlement of payables with contractors and suppliers.

Current portion of loans payable increased by 39.30% mainly due to MGI's short-term loan to finance the acquisition of Power Sector Asset and Liabilities Management (PSALM) lots.

Loans payable – net of current portion decreased by 1.85% due to the reclassification of a portion of loans from non-current to current after partial settlement.

Movement in Lease liabilities – current and non-current movement is mainly due to the interest recognized during the period.

The increase in **Income tax payable** account mainly pertains to additional set-up of provision during the period.

Asset retirement obligation amounted to ₱165.296 million and ₱162.534 million as of March 31, 2025 and December 31, 2024, respectively. The 1.70% increase mainly pertains to accretion made during the period.

Other non-current liability includes the Group's accrued retirement liability account. The net increase of 2.26% is mainly due to accrual of employees' retirement-related obligation.

Equity attributable to equity holders of the Parent Company amounted to ₱8.213 billion or ₱14.44 book value per share and ₱8.070 billion or ₱14.19 book value per share, as of March 31, 2025 and December 31, 2024, respectively. The increase in total Equity is mainly due to the continuous income generation from the renewable energy and oil operations.

Non-controlling interest (NCI) pertains to the following:
- 25% share of Kyuden in PetroGreen as of March 31, 2025 and December 31, 2024;
- 25% direct share of AC Energy, the 10% direct share of PNOC-RC, and 16.25% (25% of the 65% of PGEC) indirect share of Kyuden in MGI as of March 31, 2025 and December 31, 2024;
- 14% (25% of 56% share of PGEC) total indirect share of Kyuden in PSC as of March 31, 2025 and December 31, 2024;
- 40% direct share of BCPG in PWEI as March 31, 2025 and December 31, 2024; and
- 25% direct share of Taisei in RGEC as of March 31, 2025 and December 31, 2024

Non-controlling interest increased by 2.48% from ₱5.547 billion to ₱5.684 billion due to PERC's acquisition of EEIPC's ownership interests in PetroGreen, PetroWind and PetroSolar and Taisei's investment in RGEC in May 2024.

2. Consolidated Financial Performance (as of March 31, 2025 and as of March 31, 2024)

	Unaudited		% Change	% to Total Revenues
	31-Mar-25	31-Mar-24		
REVENUES				
Electricity sales	885,307,929	785,852,912	12.66%	88.51%
Oil revenues	112,389,739	139,797,833	-19.61%	11.24%
Other revenues	2,557,894	19,446,299	-86.85%	0.26%
	1,000,255,562	945,097,044	5.84%	100.00%
COST OF SALES				
Cost of sales - Electricity	376,686,252	308,345,798	22.16%	37.66%
Oil production operating expenses	101,357,867	107,081,132	-5.34%	10.13%
Change in crude oil inventory	11,984,848	(10,540,127)	-213.71%	1.20%
Cost of sales - Others	2,347,971	19,192,621	-87.77%	0.23%
	492,376,938	424,079,424	16.10%	49.23%
GROSS INCOME	507,878,624	521,017,620	-2.52%	50.77%
GENERAL AND ADMINISTRATIVE EXPENSES	80,043,822	84,088,535	-4.81%	8.00%
OTHER INCOME (CHARGES)				
Interest income	34,692,502	46,370,447	-25.18%	3.47%
Net unrealized foreign exchange gain (loss)	(1,094,861)	1,022,948	-207.03%	-0.11%
Net unrealized gain (loss) on fair value changes on financial assets at FVPL	45,186	100,527	-55.05%	0.00%
Interest expense	(147,089,974)	(133,118,268)	10.50%	-14.71%
Accretion expense	(3,261,157)	(3,199,041)	1.94%	-0.33%
Miscellaneous income (charges)	5,108,299	4,297,217	18.87%	0.51%
	(111,600,005)	(84,526,170)	32.03%	-11.16%
INCOME BEFORE INCOME TAX	316,234,797	352,402,915	-10.26%	31.62%
PROVISION FOR INCOME TAX	35,432,517	30,677,519	15.50%	3.54%
NET INCOME	280,802,280	321,725,396	-12.72%	28.07%
NET INCOME ATTRIBUTATBLE TO:				
Equity Holders of the Parent Company	143,462,519	185,523,586	-22.67%	14.34%
Noncontrolling interest	137,339,761	136,201,810	0.84%	13.73%
NET INCOME	280,802,280	321,725,396	-12.72%	28.07%

The Group's **consolidated net income** amounted to ₱280.802 million and ₱321.725 million for the 1st quarter ending March 31, 2025 and for the same period in 2024. For the first quarter of 2025, the **consolidated net income attributable to equity holders of the Parent Company** amounted to ₱143.463 million or ₱0.252 earnings per share as compared with ₱185.524 million or ₱0.326 earnings per share for the same period in 2024.

The increase in revenues is due to the following RE projects' testing and commissioning generation:

- Nabas-2's 6.6MW first three (3) WTGs starting April 4, 2024;
- DSPP's 27MW_{DC} solar plant starting November 12, 2024 and;
- SJSPP's 19.6MW_{DC} solar plant starting December 21, 2024.

The increase in cost of sales is primarily due to the operating costs including depreciation, operations and maintenance (O&M), security services and insurance of the above three (3) projects which are under testing and commissioning stage. The depreciation expense of recently capitalized expenditures of MGI added to the increased cost of sales.

Bulk of the other income (charges) account relates to interest expense which increased due to PWEI's and DGEC's project loans.

Despite the increase in revenues, the consolidated net income attributable to equity holders of the Parent Company decreased by 22.67% mainly due to the decline in crude oil revenues and decreased Independent Market Operator (IEMOP) related purchase transactions.

Revenues:

Electricity sales refer to the electricity power generation from MGPP, TSPP and NWPP. The 12.66% net increase in 2025 versus same period last year is due to testing and commissioning revenues of Nabas-2's first three (3) WTGs, DGEC and SJGEC.

Oil revenues decreased by 19.61% from ₱139.798 million as of March 31, 2024 to ₱112.390 million in March 31, 2025 mainly due to lower crude oil production barrels from average 464Kbbl to 435Kbbl and decline in crude oil price from average US$82.81/bbl to US$75.74/bbl from March 31, 2025 to same period in 2024.

Other revenues pertain to passed on Meralco wheeling, ancillary and transmission charges and Wholesale Electricity Spot Market (WESM) transactions. The decreased is mainly due to IEMOP related purchase transactions for the period.

Pass-on charges/costs are reflected in cost of sales-others to offset and close the amount recorded in other revenues account.

Costs and Expenses:

Cost of electricity sales pertain to the direct costs of generating electricity power including operating and maintenance costs (O&M) of all RE subsidiaries' power plants. The increase is mainly due to the consolidation of PWEI's financials, testing and commissioning activities of DGEC and SJGEC and MGI's increased non-cash expenses relating to the depreciation of additional capital assets.

Oil production operating expenses decreased by 5.34% due to adjustments upon finalization of the previous months' initial estimates.

Any oil produced but not delivered is recognized as crude oil inventory valued at its current crude oil price (net realizable value). The movement in crude oil inventory is presented as **Change in crude oil inventory**.

General and Administrative Expenses, Other Income (Charges) and Provision for Income Tax:

General and administrative expenses (G&A) decreased by 4.81% mainly due to lower expenses since YTD March 2025 includes non-recurring documentary stamp taxes relating to the conversion of PERC's short-term loan to long term.

Other income (charges) amounted to (₱111.600) million and (₱84.491) million as of March 31, 2025 and March 31, 2024, respectively. Below presents the itemized discussion of the changes in other income (charges) – net account.

- 25.18% decrease in **interest income is** due to PGEC's reduced money market investments because funds were already used to finance new RE projects, coupled with lower average interest rates compared to same period last year.
- downward movement from forex gain of ₱1.023 million to forex loss of ₱1.095 million for the quarter mainly due to conversion of USD accounts to Peso;
- decrease in the market prices of the investments in FVPL, from unrealized gain of ₱0.101 million to of ₱0.045 million;
- increase in **accretion expense** is mainly due to change in asset retirement obligation estimates as a result of year-end audit.

- bulk of the **interest expense** pertains to interest due on loans. The increase in interest expense of 10.50% from ₱133.118 million as of March 31, 2024 to ₱147.090 million as of March 31, 2025 is mainly due to new loan drawdowns for Nabas-2, MGI and DSPP projects. These are partially offset by reduction in RE subsidiaries' interest expense due to continuous loan principal repayments.

- increase in **miscellaneous income** is mainly due to management fees billed to renewable energy subsidiaries and PWEI's insurance proceeds from Business Interruption claims on WTG 1 generator breakdown and WTG10 damage blade pitch cylinder incident.

Provision for income tax:
Provision for income tax current pertains to the following:
- PSC's income tax – 5.00% special gross income tax under the PEZA incentives;
- MGI's 10% special corporate income tax rate, after the 7-year income tax holiday (for the MGPP-1), which ended last February 8, 2021, as part of its BOI incentives under RE Law;
- PWEI's 10% special corporate income tax rate since the 7-year income tax holiday of NWPP-1 has ended last June 9, 2022 and NWPP-2's 25% regular income tax; and
- PERC's and PGEC's 2% minimum corporate income tax.

Net Income Attributable to Non-controlling interest (NCI) is computed using the following equity holdings as of March 31, 2025 and March 31, 2024:
- 25% share of Kyuden in PetroGreen as of March 31, 2025 and March 31, 2024;
- 25% direct share of AC Energy, 10% direct share of PNOC-RC as of March 31, 2025 and nil as of March 2024;
- 14% (25% of 56% share of PGEC) total indirect share of Kyuden in PSC as of December 31, 2024, nil as of March 2024; and
- 40% share of BCPG in PWEI as of March 31, 2025 and March 31, 2024; and
- 25% direct share of Taisei in RGEC as March 31, 2025 and nil in March 31, 2024.

3. Consolidated Financial Position (March 31, 2025 and March 31, 2024)

	31-Mar-25	31-Mar-24	% Change	% in Total Assets
ASSETS				
Cash and cash equivalents	2,043,336,693	₱3,944,592,810	-48.20%	8.58%
Restricted cash	377,432,462	374,251,690	0.85%	1.58%
Receivables	997,859,432	722,951,569	38.03%	4.19%
Financial assets at fair value through profit and loss (FVTPL)	6,189,623	7,059,247	-12.32%	0.03%
Contract Assets - current portion	112,881,903	93,866,114	20.26%	0.47%
Crude oil inventory	37,455,181	24,216,179	54.67%	0.16%
Other current assets	383,508,466	280,707,857	36.62%	1.61%
Property and equipment-net	15,851,365,339	12,372,701,414	28.12%	66.55%
Deferred oil exploration cost	457,986,953	410,338,944	11.61%	1.92%
Contract assets - net of current portion	756,777,066	662,603,813	14.21%	3.18%
Investment in joint venture and business combination	2,882,000	2,882,000	0.00%	0.01%
Right of use of asset	249,019,366	316,999,128	-21.44%	1.05%
Deferred tax assets-net	-	18,691,787	-100.00%	0.00%
Intagible assets and goodwill	868,229,398	1,166,357,242	100.00%	3.65%
Investment properties-net	1,611,533	1,611,533	0.00%	0.01%
Other noncurrent assets	1,670,597,550	1,618,831,703	3.20%	7.01%
TOTAl ASSETS	**₱23,817,132,965**	**₱22,018,663,030**	8.17%	100.00%
LIABILITIES AND EQUITY				
Accounts payable and accrued expenses	667,939,678	687,662,241	-2.87%	2.80%
Loans payable - current	1,760,193,681	1,691,082,703	4.09%	7.39%
Lease liabilities - current	45,073,615	61,319,984	-26.49%	0.19%
Income tax payable	67,735,220	44,075,621	53.68%	0.28%
Loans payable - net of current portion	6,754,037,779	6,071,153,898	11.25%	28.36%
Lease liabilities - net of current portion	284,278,085	269,881,742	5.33%	1.19%
Asset retirement obligation	165,296,019	171,349,371	-3.53%	0.69%
Deferred tax liabilites-net	128,618,638	-	0.00%	0.54%
Other noncurrent liability	46,643,384	31,345,890	48.80%	0.20%
TOTAL LIABILITIES	**9,919,816,099**	**9,027,871,450**	9.88%	41.65%
EQUITY				
Attributable to equity holders of the Parent Company	8,213,158,245	8,017,819,653	2.44%	34.48%
Non-controlling interest	5,684,158,621	4,972,971,927	14.30%	23.87%
TOTAL EQUITY	**13,897,316,866**	**12,990,791,580**	6.98%	58.35%
TOTAL LIABILITIES AND EQUITY	**₱23,817,132,965**	**₱22,018,663,030**	8.17%	100.00%

Total assets amounted to ₱23.817 billion and ₱22.019 billion as of March 31, 2025 and March 31, 2024, respectively. Book value increased to ₱14.44/share from ₱14.10/share.

Cash and cash equivalents consist of cash on hand, cash in banks and money market placements with original maturities of not more than three months. The 48.20% net decrease from ₱3.945 billion as of March 31, 2025 to ₱2.043 billion as of March 31, 2024 is due to the following:

- PGEC's progress billing payments for the installation of rooftop solar PV system at Isuzu Autoparts Manufacturing Corporation and down payment for Northern Luzon's Light Detection and Ranging (LiDar);
- BGEC's, BKSGEC's and SJGEC's payments for EPC contracts and various suppliers;
- Vaalco cash calls; and

- Other working capital requirements.

Restricted cash increased as a result of additional funding of Debt Service Payment Account (DSPA) and Debt Service Reserve Account (DSRA) to be used for the next loan principal and interest payments.

The **Receivables** account mainly consists of receivables from electricity sales and lifting/sale of crude oil revenue. The 38.03% increase is mainly due to PWEI's, DGEC's, and SJGEC's testing and commissioning revenues and from timewriting for services provided by PERC and PGEC employees for Offshore Wind (OSW) Projects, covering the period, July 2023 to December 2024.

Financial assets at fair value through profit or loss (FVTPL) decreased by 12.32% from ₱ to ₱7.059 million to ₱6.190 million mainly due to decline in the market prices of the investment portfolio.

Crude oil inventory increased mainly due to higher production compared to the total liftings during the period.

Other current assets consist of supplies inventory, prepaid expenses, and other current assets. The bulk of the 36.62% net increase is mainly due to advance payment for EcoSolar Energy Corporation's (ESEC) rent and option fees for the land located at the project site in Panitan Capiz

Property and equipment- net amounted to ₱15.851 billion and ₱12.373 billion as of March 31, 2025 and March 31, 2024, respectively. The 28.12% net increase is mainly due to thefollowing:

- PWEI's acquisition of land for Nabas-2 and MGI's acquisition of PSALM lots;
- BGEC's and BKSGEC's solar project construction in proportion to payments for EPC progress billing and medium voltage power station; and
- additions to construction in progress on main balance of plant for Nabas-2 Wind Power Project, net of continuous depreciation of the Renewable Energy Power Plants, depletion of oil assets and other assets.

Deferred oil exploration cost amounted to ₱457.987 million and ₱410.339 million as of March 31, 2025 and March 31, 2024, respectively. The account increased by 11.61% resulting from the continuous development of the Gabon oil field.

Contract assets – current and non-current portions pertain to PWEI's and PSC's receivables from TransCo on FIT arrears, which are currently recorded at net present values since these will be collected over five (5) years. PWEI's and PSC's collections started in 2021 and 2022, respectively. The increase is due to higher incremental revenue used for the period January 1, 2020 to December 31, 2020. For noncurrent portion, increase is due to recording of additional FIT arrears and amortization of interest income using the adjusted FIT rates applied by TransCo, net of reclassification from non-current to current account.

Investment in a joint venture and business combination refers to the investment in three newly incorporated SPVs namely: BuhaWind Energy Northern Luzon Corporation, BuhaWind Energy Northern Mindoro Corporation and BuhaWind Energy East Panay Corporation.

Right of use of assets declined by 21.44% because of the derecognition of the account relating to long term lease as a result of MGI's acquisition of PSALM lots.

Deferred tax assets/ liabilites – net resulted in timing differences in recognizing temporary deductible expenses and temporary taxable revenues such as accrued profit share, accretion expenses, accrued retirement liability, provision for probable losses, unrealized gains or losses and change in crude oil inventory.

Bulk of **Intangible assets and goodwill** pertain to assets recognized as a result of business combination of PWEI.

Investment properties-net refers to land and parking lot space, with the cost remaining the same as of March 31, 2025.

Other non-current assets amounted to ₱1.671 billion and ₱1.619 billion as of March 31, 2025 and March 31, 2024, respectively. The 3.20% net increase is mainly due to deferred development costs related to the exploration, development, production and expansion of various renewable energy projects.

Accounts payable and accrued expenses decreased by 2.87% mainly due to settlement of payables to contractors and suppliers.

Current portion of loans payable increased by 4.09% due to MGI's short-term loan to finance the acquisition of Power Sector Asset and Liabilities Management (PSALM) lots and PWEI's additional short-term loan for Nabas-2 project.

Loans payable – net of current portion increased by 11.25% due to DGEC's loan drawdowns for EPC contract.

Lease liabilities – current net decrease of 26.49% is mainly due to annual payment of land lease for TSPP-1.

Lease liabilities – net of current portion increased mainly due to the amortization of interest expense recognized during the period.

The increase in **Income tax payable** account mainly pertains to additional set-up of provision during the period.

Asset retirement obligation amounted to ₱165.30 million and ₱171.35 million as of March 31, 2025 and March 31, 2024, respectively. The 3.53% decrease mainly pertains to foreign exchange rate adjustments during the period.

Other non-current liability pertains to the Group's accrued retirement liability account.

Equity attributable to equity holders of the Parent Company amounted to ₱8.213 billion or ₱14.44 book value per share and ₱8.018 billion or ₱14.10 book value per share, as of March 31, 2025 and March 31, 2024, respectively. The increase in total Equity is mainly due to the continuous income generation from the renewable energy and oil operations.

Non-controlling interest (NCI) pertains to the following:
- 25% share of Kyuden in PetroGreen as of March 31, 2025 and March 31, 2024;
- 25% direct share of AC Energy, the 10% direct share of PNOC-RC, and 16.25% (25% of the 65% of PGEC) indirect share of Kyuden in MGI as of March 31, 2025 and March 31, 2024;
- 14% (25% of 56% share of PGEC) total indirect share of Kyuden in PSC as of March 31, 2025 and March 31, 2024;
- 40% direct share of BCPG in PWEI as March 31, 2025 and March 31, 2024; and
- 25% direct share of Taisei in RGEC as of March 31, 2025 and nil in March 31 , 2024.

Non-controlling interest increased by 14.30% from ₱4.973 billion to ₱5.684 billion due to PERC's acquisition of EEIPC's ownership interests in PetroGreen, PetroWind and PetroSolar and Taisei's investment in RGEC.

<u>Key performance indicators</u>
– Refer to the Schedule of Financial Soundness Indicators

Material Commitments
Aside from the committed developments of the prospective projects, there are no other foreseen material commitments during the period.

Productivity Program
The development of the prospective renewable energy projects will increase the Group's capacity and power generation, while the prospective four-well drilling program in Gabon Etame, aimed to sustain field production to above 20,000 BOPD.

Receivable Management
The group's receivables are mainly due from sale of electricity to AC Energy and Transco and crude oil in Etame Gabon, through the consortium operator. These are being recorded once sale is made. Payment is received every 30-45 days following each sale.

For electricity sales of TSPP-1 and NWPP-1, the payment for the Actual FIT Revenue is sourced from the FIT-All Fund, specifically the Actual FIT Differential (FD) and the Actual Cost Recovery Revenue (ACRR). The FD is the difference between the Actual FIT Revenue and the ACRR and is collected from on-grid consumers as a uniform charge and applied to all billed kilowatt-hours. For FIT-Eligible RE Plants connected to the Wholesale Electricity Spot Market ("WESM"), the ACRR refers to the WESM proceeds remitted to the FIT-All Fund by the Independent Electricity Market Operator of the Philippines, Inc. ("IEMOP"), which took over the Philippine Electricity Market Corporation ("PEMC") as operator of the electricity spot market. PWEI and PSC regularly receive the both the ACRR and FD components within forty five (45) days after billing date.

PWEI and PSC manage this risk through proper and meticulous allocation of funds, proper timing of expenditures, employment of cost-cutting measures, and sourcing short-term funding requirements from local banks and investment houses or from affiliated companies.

For the twenty-one (21) years since oil production inception, there was no event that the buyer failed to remit the proceeds of the sale. However, the group is willing to look for another buyer should there be some problem that may happen in the future.

Liquidity Management
Management of liquidity requires a flow and stock perspective. Constraint such as political environment, taxation, foreign exchange, interest rates and other environmental factors can impose significant restrictions on firms in management of their financial liquidity.

The Group considers the above factors and pays special attention to its cash flow management. The Company identifies all its cash requirements for a certain period and invests unrestricted funds to money market placements to maximize interest earnings.

The Group does not anticipate any cash flow or liquidity problems within the next twelve (12) months. The Group is not in default of any, note, loan, lease, or other indebtedness or financing arrangement requiring it to make payments.

Inventory Management
The only inventory is the crude oil produced in Gabon. The buyer lifts certain volume and pays the same in 30 days. The operator sees to it that crude oil inventory does not reach 800,000 barrels at any one time to avoid overflow and to generate revenues to cover production costs.

Cost Reduction Efforts
In order to reduce costs, the Group employs a total of one hundred eighty-nine (189) employees with multi-task assignments. The group also implements request for quotations to compare prices, quality of the products and services and negotiate the payment terms.

The Company's general and administrative expense is equivalent to 8.90% of the total revenue.

Rate of Return of Each Stockholder

The Company has no existing dividend policy. However, the Company intends to declare dividends in the future in accordance with the Corporation Code of the Philippines. Dividend declared for three (3) most recent years follows:

Date of Declaration	Dividends per Share		Record Date	Payment Date
	Cash	Stock		
July 28, 2022	5%		August 15, 2022	September 8, 2022
November 29, 2023	5%		December 14, 2023	December 28, 2023
July 18, 2024	5%		August 8, 2024	August 30, 2024

Financial Disclosures in view of the current global financial condition:

The Group Assess the financial risks exposures of the Company and its subsidiaries particularly on currency, interest credit, and market and liquidity risks. If any change thereof would materially affect the financial condition and results of operation of the Company, provide a discussion in the report on quantitative impact or such risks and include a description of enhancement in the company's risk management policies to address the same:

The Group's principal financial instruments include cash and cash equivalents, trading and investment securities (financial assets at FVPL) and receivables. The main purpose of these financial instruments is to fund the Company's working capital requirements.

Financial Risk Management Objectives and Policies.
Please refer to Note 24.

Operations Review and Business Outlook

A. OIL EXPLORATION

Foreign Operations

Gabon, West Africa

The daily oil production of the four oil platforms (Ebouri, Etame, North Tchibala and Avouma) for the 1st quarter ranged from 12,319 to 16,435 barrels of oil per day (BOPD). The fluctuation in the daily production is mainly attributed to brief downtime of Avouma and Etame platform power generators and/or gas lift compressors (GLC).

The total cargo lifted by the Consortium for the 1st Quarter of 2025 amounted to 1.29 million barrels of oil (MMBO). To date, the Etame Marin Field has already produced ~143.73 MMBO since production started in 2002.

Philippine Operations

Service Contract 14C2 – West Linapacan, Northwest Palawan

In line with its 2025 approved work program, the SC 14C2 consortium progressed with the conduct of reservoir engineering study. Results of the study will be integral for well siting and design.

Service Contract 75 – Offshore Northwest Palawan

SC 75 consortium is waiting for official notice from DOE regarding resumption of operations. Upon lifting of force majeure, consortium will proceed with conduct of survey planning and acquisition of new seismic data.

Summary of Petroleum Properties:

Contract No.	Contract Expiry	Participating Interest %	Location
Foreign Contract			
Production Sharing Contract (PSC) 93 – Gabon	2028	2.525%	Gabon Offshore
Philippine Service Contracts (SC)			
SC 14C2 – West Linapacan, Northwest Palawan	2025	4.137%	Northwest Palawan
SC 75 – Offshore Northwest Palawan	2025	15.000%	Northwest Palawan

The Company derives its petroleum revenues from its Gabon Operations. All contractual obligations with the Gabonese Government are complied with. One of the Company's petroleum Service Contracts in the Philippines (SC 75) is in exploration stage, and one (SC 14C2) contract is being farmed out to reduce risk inherent to the business.

B. RENEWABLE ENERGY PROJECTS

Maibarara Geothermal Power Project

For the 1st Quarter, the 20-MW Maibarara-1 (MGPP-1) and 12-MW Maibarara-2 (MGPP-2) Geothermal Power Plants were in continuous operation. From January 1 to March 31, 2025, the combined net exported output was 64,430.00 MWh (40,410.50 MWh from MGPP-1 and 24,019.50 MWh from MGPP-2).

Nabas Wind Power Project

The 36-MW Nabas-1 Wind Power Plant (NWPP-1) of PetroWind Energy Inc. (PWEI) was in continuous operation during the period of January 1-March 31, 2025. The total net energy exported to the grid was 35,376.19 MWh.

Following National Grid Corporation of the Philippines's (NGCP) issuance of Provisional Certificate of Approval to Connect (PCATC) on April 4, 2024, PWEI commenced testing and commissioning of Nabas 2 Wind Power Plant (NWPP-2) first three (3) wind turbines. From January 1 to March 31, 2025, NWPP-2 exported a total of 10,344.19

MWh to the grid. Meanwhile, site preparation activities at remaining three turbine sites (i.e. clearing/ grubbing & grading/levelling of platform and access roads) began in January 2025.

Tarlac Solar Power Project

The 50-MW_{DC} Tarlac-1 (TSPP-1) and 20-MW_{DC} Tarlac-2 (TSPP-2) Solar Power Plants were on continuous operations during the first quarter with the combined net exported output of 24,790.61 MWh (17,433.19 MWh from TSPP-1 and 7,357.41 MWh from TSPP-2).

San Vicente Wind Power Project

PGEC is currently exploring offtake arrangements (i.e. bilateral agreements or a future electricity market in Palawan) other than the CSP from PALECO which remains restrictive. Moreover, PGEC is coordinating with the National Power Corporation (NPC) regarding the completion of the contemplated connection point of the project, San Vicente-Alimanguan 69 kV transmission line. In parallel, PGEC is in constant dialogue with wind turbine suppliers and other third-party service providers with the aim of firming up project costs.

Dagohoy Solar Power Project

While the project is under Testing and Commissioning (T&C), DSPP exported a total output of 8,934.96 MWh to the grid for the period of January 1 to March 31, 2025. Final Certificate of Approval to Connect (FCATC) is expected to be issued by NGCP before end of April 2025.

San Jose Solar Power Project

While the project is under Testing and Commissioning (T&C), SJSPP exported a total output of 8,008.42 MWh to the grid for the period of January 1 to March 31, 2025. FCATC is expected to be issued by NGCP before end of April 2025.

Bugallon Solar Power Project

Construction of the solar farm and grid connection facilities continue to progress. As of March 31, 2025, the EPC contractor has substantially completed the civil works related to the substation, main control building, medium voltage power stations (MVPS), and materials recovery facility (MRF).

Limbauan Solar Power Project

Construction of the solar farm and grid connection facilities continue to progress. Notable accomplishments for Q1 2025 include the substantial completion of civil works for the property fencing and main control building, as well as the successful installation of the first array of solar panels.

Northern Luzon Offshore Wind Power Project

BuhaWind Energy Northern Luzon Corporation (BENLC) application for Environment Compliance Certificate (ECC) covering the the Pre-Development Stage is currently evaluated by the Department of Environment and Natural Resources (DENR) with target issuance before end of Q2 2025. In the meantime, BENLC progressed with preparatory activities for the wind measurement campaign (i.e. securing of wind measurement sites, permitting, and engagement of third-party service providers) and preparation of Facility Study.

Northern Mindoro Offshore Wind Power Project and East Panay Offshore Wind Power Project

Following the issuance of NGCP Offer of Service (OOS) to BuhaWind Energy Northern Mindoro Corporation (BENMC) last December 19, 2024, the SIS for the Northern Mindoro Offshore Wind Power Project is expected to be issued before the end of Q2 2025.

Plan of Operations for the next 12 months

Etame EPSC - Gabon, West Africa
Crude production from existing wells will continue, while two new wells are scheduled to commence production by Q4 2025.

SC 14C2 - West Linapacan, Northwest Palawan
Reservoir engineering study and finalize location and design of a new well.

SC 75 - Offshore Northwest Palawan
Exploration activities have been suspended due to the force majeure imposed by the DOE. Remaining project commitments would be implemented upon the lifting of force majeure by the agency.

Maibarara Geothermal Power Project
Power generation from both Maibarara-1 and Maibarara-2 will continue.

Nabas Wind Power Project
Nabas Wind Power Project (Phase 1) will continue operations while the initial three WTGs from Nabas Wind Power Project (Phase 2) will continue to supply power to the grid. The three remaining WTGs are scheduled to be energized by Q4 2025.

Tarlac Solar Power Project
TSPP-1 and TSPP-2 will continue to supply electricity to the grid.

Enrique T. Yuchengco Bldg. Rooftop Solar Power Project (ETY)
The ETY rooftop solar facility will continue to supply electricity to the ETY building.

Mapua Malayan Colleges of Mindanao Rooftop Solar Project (MMCM)
The MMCM rooftop solar facility, commissioned on July 8, 2024, will continue to supply electricity to Mapua Malayan Colleges of Mindanao.

Dagohoy Solar Power Project
DSPP to continue T&C activities. Upon receipt of NGCP FCATC by April 2025, DGEC to secure approved Certificate of Compliance (COC) from the Energy Regulatory Commission (ERC).

San Jose Solar Power Project
SJSPP to continue T&C activities. Upon receipt of NGCP FCATC, SJGEC to secure ERC COC.

Isuzu Autoparts Manufacturing Corporation (IAMC) Solar Rooftop Project
The EPC contractor will continue construction of the solar rooftop facilities.

Bugallon Solar Power Project
The EPC contractor will continue construction of the solar farm and grid connection facilities.

Limbauan Solar Power Project
The EPC contractors will continue construction of the solar farm and grid connection facilities.

San Vicente Wind Power Project
PGEC will continue to engage with third-party service providers with the aim of finalizing project costs.

Northern Luzon Offshore Wind Power Project
BENLC to proceed with pre-development activities, namely, 1) commencement of on-site wind measurement campaign by Q2 2025, 2) completion and securing NGCP approval of Facility Study by Q3 2025, 3) commencement of environmental/ social studies and 4) commencement of geophysical and geotechnical campaigns.

Northern Mindoro Offshore Wind Power Project and East Panay Offshore Wind Power Project

Pre-development activities for the NMOWPP and EPOWPP will continue, specifically preparatory activities for the 1) on-site wind measurement campaigns, 2) geophysical and geotechnical campaigns, 3) environmental permitting works.

For NMOWPP, the SIS is expected to be issued before end of Q2 2025.

PART II – Other Information

The Company has no other information that need to be disclosed other than disclosures made under SEC Form 17-C (if any).

PETROENERGY RESOURCES CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON REVISED SRC RULE 68
MARCH 31, 2025

Philippine Securities and Exchange Commission (SEC) issued the revised Securities Regulation Code Rule SRC Rule 68 which consolidates the two separate rules and labeled in the amendment as “Part I” and “Part II”, respectively. It also prescribed the additional information and schedule requirements for issuers of securities to the public.

Below are the additional information and schedules required by Revised SRC Rule 68 that are relevant to the Group. This information is presented for purposes of filing with the SEC and is not required part of the basic financial statements.

Schedule A. Financial Assets
The Group is not required to disclose the financial assets in equity securities as the total financial assets at fair value through profit and loss securities amounting to ₱6.19 million do not constitute 5% or more of the total current assets of the Group as of December 31, 2023.

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
As of March 31, 2024, there are no amounts receivable from directors, officers, employees, related parties and principal stockholders that aggregates each to more than ₱100,000 or 1% of total assets which-ever is less.

Schedule C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements

The following is the schedule of receivables from related parties, which are eliminated in the consolidated financial statements as of March 31, 2025:

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts Collected	Amounts written off	Not Current	Balance at end of period
PetroGreen Energy Corporation	₱35,599,523	₱1,003,578	₱2,394,248	₱–	₱–	₱ 34,208,853
PetroWind Energy Inc.	1,659,094	1,151,020	1,406,418	–	–	1,403,696
Maibarara Geothermal, Inc.	293,884	661,516	-	–	–	955,400
PetroSolar Corporation	1,616,724	892,371	1,398,622	–	–	1,110,473
Dagohoy Green Energy Corporation	1,204,180	594,013	-	-	-	1,798,193
Rizal Green Energy Corporation	46,796	20,000	-	-	-	66,796
San Jose Green Energy Corporation	37,391	578,006	37,391	-	-	578,006
BKS Green Energy Corporation	22,460	520,000	-	-	-	542,460
Bugallon Green Energy Corporation	9,348	524,009	9,348	-	-	524,009
Ecosolar Energy Corporation	-	30,050	-	-	-	30,050
	₱40,489,400	₱5,974,563	₱5,246,027	₱–	₱–	₱41,217,936

Schedule D. Long-term Debt
Please refer to the Consolidated Audited Financial Statement, Note 20 for details of the loans.

Schedule E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)
The Group has no outstanding long-term indebtedness to related parties as of March 31, 2024.

Schedule F. Guarantees of Securities of Other Issuers
The Group does not have guarantees of securities of other issuers as of March 31, 2024.

Schedule G. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of Shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
Common Shares	700,000,000	568,711,842	–	173,865,595	6,064,534	388,781,713

PETROENERGY RESOURCES CORPORATION AND SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
AS OF MARCH 31, 2025, MARCH 31, 2024, and DECEMBER 31, 2024

Financial Soundness Indicators
Below are the financial ratios that are relevant to the Group for the period ended March 31, 2025, March 31, 2024, and December 31, 2024:

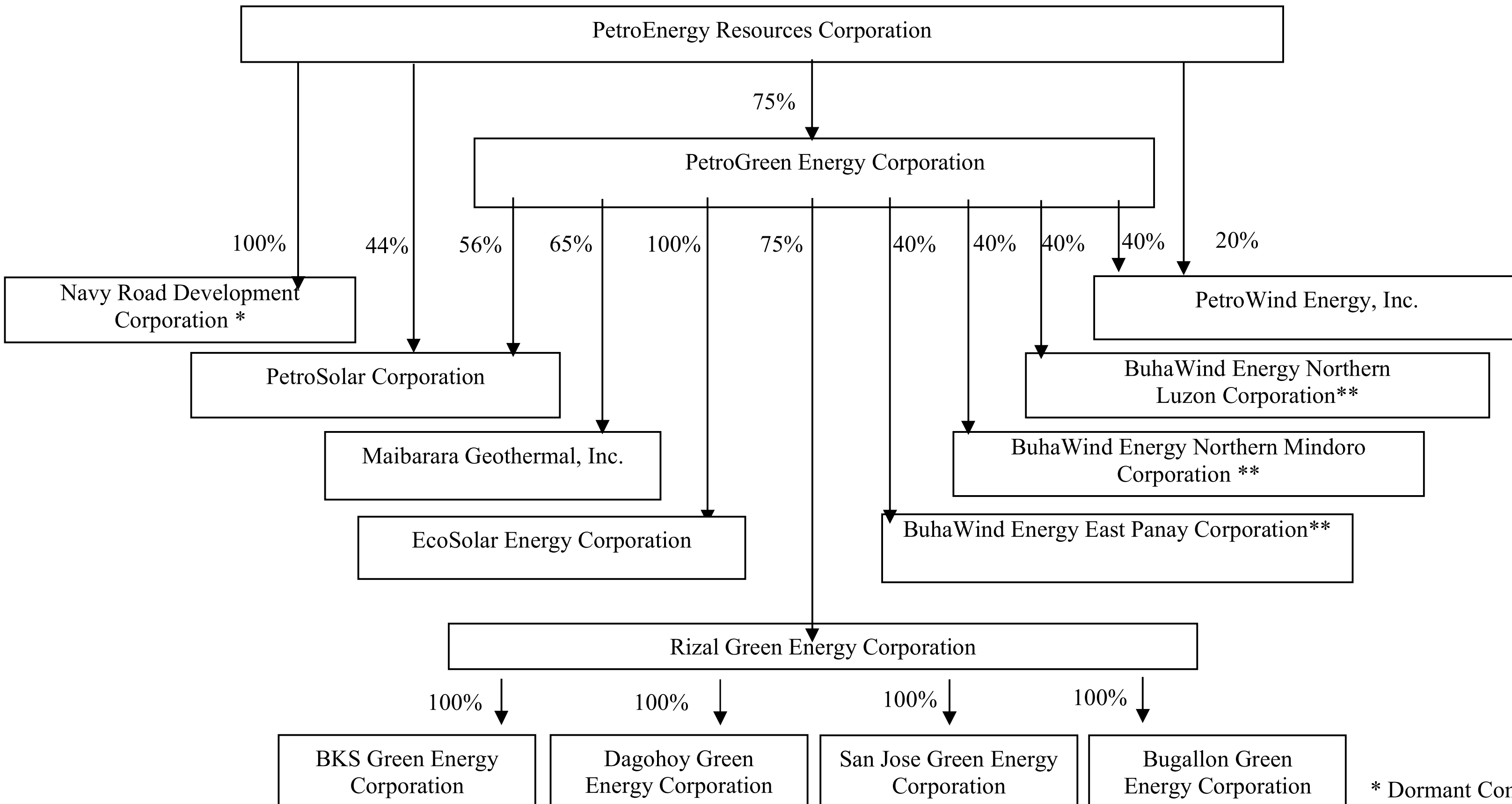
Financial ratios	**Formula**	**Unaudited 31-Mar-2025**	Unaudited 31-Mar-2024	Audited 31-Dec-2024
Current ratio	Total current assets / Total current liabilities	**1.56:1**	2.19:1	2.06:1
Solvency ratio	After tax net profit + depreciation / Long-term + short-term liabilities	**0.05:1**	0.05:1	0.15:1
Debt-to-Equity Ratio	Total liabilities / Total stockholder's equity	**0.71:1**	0.69:1	0.72:1
Asset-to-Equity Ratio	Total assets / Total stockholder's equity	**1.71:1**	1.69:1	1.72:1
Interest rate coverage ratios	Earnings before interest and taxes (EBIT) / Interest expense*	**3.15:1**	3.65:1	2.38:1
Return on revenue	Net income / Total revenue	**28.07%**	34.04%	25.57%
Earnings per share	Net income / Weighted average no. of shares	**₱0.2522**	₱0.3262	₱0.8296
Price Earnings Ratio	Closing price / Earnings per share	**₱14.23**	₱14.10	₱5.97
Long term debt-to-equity ratio	Long term debt / Equity	**0.53:1**	0.50:1	0.55:1
EBITDA to total interest paid	EBITDA** / Total interest paid	**3.28**	5.60	5.77

**Interest expense is capitalized as part of the construction-in-progress account under PPE.*
***Earnings before interest, taxes, depreciation and amortization (EBITDA)*

PETROENERGY RESOURCES CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP

Group Structure
Below is a map showing the relationship between and among the Group and its subsidiaries as of March 31, 2025:

PETROENERGY RESOURCES CORPORATION
GROUP STRUCTURE



* Dormant Company
**Investment in joint venture.

PETROENERGY RESOURCES CORPORATION (PARENT COMPANY)

SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
MARCH 31, 2025

Unappropriated Retained Earnings (Deficit), beginning of the reporting period (see Footnote 2)		₱229,962,501
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings appropriation	–	
Effect of reinstatements or prior-period adjustments	–	
Others	–	–
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	–	
Retained Earnings appropriated during the reporting period	–	
Effect of reinstatements or prior-period adjustments	–	
Others	–	–
Unappropriated Retained Earnings (Deficit), as adjusted		229,962,501
Add/Less: Net income (loss) for the current year		11,432,771
Less: Category C.1 Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate / joint venture, net of dividends declared	91,133,221	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	56,471	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVPTL)	–	
Unrealized fair value gain of Investment Property	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–	
Subtotal		91,189,692
Add: Category C.2 Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	1,001,092	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVPTL)	–	
Realized fair value gain of Investment Property	–	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	–	
Subtotal		1,001,092

Forward

Add: Category C.3 Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	–	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVPTL)	–	
Reversal of previously recorded fair value gain of Investment Property	–	
Reversal of other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	–	
Subtotal		–
Adjusted Net Income / Loss		151,206,671
Add: Category D: Non actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	–	
Subtotal		–
Add/Less: Category E: Adjustments related to the relief granted by SEC and BSP (see Footnote 3)		
Amortization of the effect of reporting relief	–	
Total amount of reporting relief granted during the year	–	
Others	–	
Subtotal		–
Add/Less: Category F: Other items that should be excluded from the determination of theamount available for dividends distribution		
Net movement of the treasury shares (except for reacquisition of redeemable shares)	–	
Net movement of the deferred tax asset not considered in reconciling items under previous categories	–	
Net movement of the deferred tax asset and deferred tax liabilities related to same transaction, e.g, set-up of right of use asset and lease liability, set-up of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	–	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	–	
Others	–	
Subtotal		–
Total Retained Earnings, end of the reporting period available for dividend		151,206,671

FOOTNOTES:

(1) The amount of retained earnings of the company should be based on its separate ("stand alone") audited financial statements.

(2) Unappropriated Retained Earnings, beginning of the reporting period refers to the ending balance as reported in the "Reconciliation of Retained Earnings Available for Dividend Declaration" of the immediately preceding period.

(3) Adjustments related to the relief provided by SEC and BSP pertain to accounting relief (e.g losses that are reported on a staggered basis) granted by regulators. However, these are actual losses sustained by the company and must be adjusted in the reconciliation to reflect the actual distributable amount.

(4) This Reconciliation of Retained Earnings Available for Dividend Declaration is pursuant to Sec.42 of the Revised Corporate Code, which prohibits stock corporations to retain surplus profits in excess of one hundred (100%) percent of their paid-in capital and their power to declare dividends. However, this Reconciliation of Retained Earnings should not be used by the REIT Act and its Implementing Rules and Regulations.

SIGNATURES

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

Registrant	:	**PETROENERGY RESOURCES CORPORATION**
Signature and Title	:	Milagros V. Reyes - President
Signature and Title	:	Maria Cecilia L. Diaz De Rivera – Chief Finance Officer
Date	:	May 14, 2025