

# ORIENTAL PETROLEUM & MINERALS CORPORATION



**ANNUAL REPORT 2021**

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- 1. COVER:** The newly renamed Floating Production Storage Offloading Tanker/FPSO “INTREPID BALANGHAI” on location at the Galoc Oilfield in Offshore Northwest Palawan.

# FINANCIAL HIGHLIGHTS

OPERATING RESULTS			
DECEMBER 31			
	2021	2020	2019
	US\$	US\$	US\$
REVENUES - PETROLEUM OPERATIONS	3,506,189	1,277,272	4,248,325
GROSS INCOME (LOSS)	565,231	(1,120,404)	(1,858,771)
INTEREST INCOME	1,791,323	2,054,493	2,366,359
DIVIDEND INCOME	1,892,286	1,733,762	1,099,501
GENERAL AND ADMIN EXPENSES	665,114	658,468	626,226
FOREIGN EXCHANGE GAIN (LOSS)	(1,886,174)	1,870,509	1,027,294
NET INCOME	1,659,970	2,495,454	2,331,090
INCOME PER SHARE	0.000008	0.000012	0.000012

FINANCIAL CONDITION			
DECEMBER 31			
	2021	2020	2019
	US\$	US\$	US\$
TOTAL ASSETS	94,792,154	96,449,502	93,412,104
TOTAL LIABILITIES	3,383,542	2,549,334	2,523,234
NET WORTH	91,408,612	93,900,168	90,888,870
CAPITAL STOCK	82,268,978	82,268,978	82,268,978
RETAINED EARNINGS (DEFICIT)	4,661,509	5,058,983	4,560,651



# MESSAGE OF THE CHAIRMAN AND THE PRESIDENT



**JAMES L. GO**  
Chairman & CEO



**ROBERT COYIUTO, JR.**  
President & COO

**To our Fellow Stockholders:**

**We are pleased to present the Company's Annual Report – 2021.**

As we embarked into the Second Year after 50 years of corporate existence, your company Oriental Petroleum and Minerals Corporation continues to be confronted with challenges. However, these were met and managed with prudence and caution.

## **FINANCIAL HIGHLIGHTS:**

In 2021, the Company posted Revenues from Petroleum Operations in the amount of US \$ 3,506,189, and a Gross Income of US \$ 565,231. This was brought about by upswing in world oil prices in 2021.

In addition, there were interest income of US \$ 1,791,323 and dividend income of US \$ 1,892,286 both brought about by investments in equity and debt instruments. However, foreign exchange loss and general and administrative expenses both reduced these such that the Company managed to realize a positive Net Income of US \$ 1,659,970 in 2021.

## **CHALLENGING YEAR – 2021: COVID-19 VIRUS PANDEMIC**

The year 2021 continued to be a challenging and difficult time, not only for the Company but the rest of the world as well. The World Health Organization (WHO) officially announced in 11 March 2020 that the spread of the corona virus Covid-19 has reached world-wide or pandemic proportions. This condition prevailed for the year 2020 and year 2021. In November 2021 a new variant of the virus called Omicron started in South Africa that spread rapidly to the rest of the world.

## **IMPACT OF THE COVID-19 PANDEMIC: ON THE OIL & GAS INDUSTRY**

There have been several supply and demand shocks in the past in the oil and gas industry.

The first significant oil shock in the 20<sup>th</sup> Century that pushed oil prices up was the oil embargo

# MESSAGE OF THE CHAIRMAN AND THE PRESIDENT

declared by the OPEC countries during the Yom Kippur War in 1973-1974 against the countries that supported Israel. The second shock was in 1979 during the Iranian revolution when they cut oil production and cancelled contracts with US companies. This oil price rise was followed in 1979-1980 during the Iran-Iraq War when exports from the region sunk further. However, in the 1980's demand response to the oil shocks pushed oil prices down. Another oil price spike happened in the 2000's when there was a rising demand in Asia as production stagnated. Another big spike occurred in 2011 during the Arab Spring disturbance and the civil war in Libya which disrupted oil output.

The Covid-19 virus pandemic, however, not only resulted in the drastic decline in oil prices but had severe effects on the world economy as well. The benchmark Brent Oil briefly descended to as low as US \$ 22.58/barrel in March 2020. However, there was a marked improvement in oil prices as the year progressed and by yearend of 2020 Brent Oil averaged US\$ 50.00/barrel. In 2021 prices of the reference Brent Crude showed further marked improvement in prices at an average of US \$70.68/barrel.

## **PRODUCTION OPERATIONS: GALOC OILFIELD, SERVICE CONTRACT-14C1 OFFSHORE NW PALAWAN**

Production activities continued at the Galoc Oilfield in 2021 under a new service contract Operator and under new ownership of the storage tanker.

A total of 638,148 barrels oil was lifted and sold at an average price US \$ 69.811/Barrel.

As of end 2021 the total cumulative production of the Galoc Oilfield since October 2008 has reached 23.419 Million Barrels Oil. However, in February 2019, the Galoc-4 Well ceased production and was shut-in.

Production initially came from two (2) wells, Galoc-3 and Galoc-4 (Phase-1, 2008 -2013) then followed by additional two wells Galoc-5 and Galoc-6 (Phase-2, 2014- Present). In September 25, 2021 to October 5, 2021, an attempt was made to restore production in the Galoc – 4 well by Nitrogen Gas (N<sub>2</sub>) lifting. The attempt was unsuccessful and the well failed to flow oil to the surface. A decision was then made to permanently shut-in the Galoc-4 Well. No further attempts will be carried out in the future.

## **CONTINUED GALOC OIL PRODUCTION:**

With the purchase in 2020 of the FPSO “Rubicon Intrepid” storage tanker by Tamarind Resources Ltd, parent company of GPC-1 and NPG Pty Ltd, production activities in the Galoc Oilfield continued.

An alliance was also formed with Three60 Energy to provide the operational and management (O&M) services of the FPSO storage tanker for the period February 2021 -January 2023.

## **NEW NAME OF FPSO STORAGE TANKER:**

Under the new ownership and management, the storage tanker in 2021 was renamed “INTREPID BALANGHAI”.

## **OTHER ACTIVITIES: SERVICE CONTRACT-14A SERVICE CONTRACT-B/B1**

The Plug & Abandonment (P&A) of the Nido-A1 and Nido-A2 wells was successfully completed in the latter part of September 2020 - early October 2020. This brings a total of nine (9) oil wells that have been Plugged & Abandoned (P&A) in offshore NW Palawan since 2019.

# MESSAGE OF THE CHAIRMAN AND THE PRESIDENT

In Service Contract - 14A Nido: Five (5) Wells and in Service Contract - 14B/B1 Matinloc: Four (4) Wells

As of December 2021, The Nido-AP/AW, Nido-BW and the Matinloc Platforms have been turned over to the Department of Energy (DOE) after the processing equipment and wellheads have been removed.

## **SERVICE CONTRACT-14 A, B, & D. NIDO A, MATINLOC B, RETAINMENT BLOCK D Turnover to the Department of Energy (DOE)**

In February 2021, Service Contracts- 14 A Nido, - B/B1 Matinloc, and -D Retention Block were turned over or relinquished to the DOE.

Service Contracts14-A was the site of the Nido Oilfield Complex while Service Contract-B was the site of the Matinloc and North Matinloc Oilfields. These oilfields have reached their economic limits and have been decommissioned. The production wells were plugged and abandoned (P&A) – Matinloc/NorthMatinloc Oilfields in April-May 2019. The remaining Nido-A1 & -A2 oilwells were plugged and abandoned in September-October 2021.

## **SERVICE CONTRACT-14C2: WEST LINAPACAN BLOCK**

A Sale & Purchase Agreement (SPA) and a Farm Out Agreement (FOA) with a third-party proponent- Desert Rose Petroleum Ltd (DRPL) were completed in 2020. However, the Covid-19 virus pandemic that year caused DRPL to unable to show documentary proof of financial capability.

As of 2020, the SPA and FOA documents have not been submitted to the Department of Energy (DOE) due to the absence or lack of proof of financial capability of DRPL.

A Letter Agreement dated 7 December 2020 has been proposed by DRPL to mutually terminate the SPA and FOA should they not be able to submit to the DOE proof of financial capability by 31 March 2021. Failing that the Letter Agreement, SPA and FAO with DRPL were terminated in 1 July 2021.

Service Contract-14C2 West Linapacan Block reverted back to the original joint venture partners with the Philodrill Corporation as Operator.

## **SERVICE CONTRACT-6B BONITA-CADLAO BLOCK**

A Farm in Agreement (FIA) and a Deed of Assignment (DOA) in SC-6B was earlier agreed upon by the Joint Venture Partners with Manta Oil Co. (MOCL) during the period 2017-2021. It took this long because of procedural extensions and in 2020-2021 the pandemic caused by the spread of the Covid-19 virus.

As of December 2021, MOCL was unable to submit to the Department of Energy (DOE) a new Plan of Development (POD) for the shut-in Cadlao Oilfield as well as proof of financial capability.

In 2 December 2021 Manta Oil issued a “Mutual Release of Claims” followed in 6 December 2021 by a “Notice of Withdrawal” re-assigning and transferring back to the Farmors/Joint Venture Partners their original participating interests in Service Contract-6B Bonita Cadlao Block.

With restoration of the original participating interests to the SC-6B Consortium, the Philodrill Corporation resumed the role as the Operator of SC-6B Bonita-Cadlao Block.

# MESSAGE OF THE CHAIRMAN AND THE PRESIDENT

## **NEW STRATEGY: SERVICE CONTRACT-6B BONITA-CADLAO BLOCK**

In a Partners' Meeting held in 13 December 2021, one of the partners Nido Petroleum Pty Ltd indicated their proposal and plan to increase their participating interest in SC-6B, by way of a Farm In Agreement (FIA), propose a Work Program & Budget (WP&B) for the calendar year 2022, and plans for an appraisal drilling of well(s) including the conduct of an extended well test (EWT) in the Cadlao Field.

The Proposal will continue to be evaluated by the SC-6B Joint Venture in the first months of 2022. This will give time for Nido Petroleum to finalize the WP&B and the plans for appraisal drilling and EWT as well as show proof of financial capability.

A new Plan of Development (POD) will also be submitted by Nido Petroleum Pty Ltd. in 2022.

## **NON-OIL AND GAS ACTIVITIES: LATERITE NICKEL MINING**

Oriental Petroleum and Minerals Corporation has been mandated in 2018 to explore other opportunities outside the oil and gas industry and to diversify its portfolio of activities.

In pursuance of this mandate to diversify, the Company initiated moves to venture into the metallic mining industry. In September 2021 the Company filed with regional offices of the Mines and Geosciences Bureau (MGB) exploration permit applications in nickel-prone areas.

Five (5) Exploration Permit Applications (EXPAs) in Zambales Province, Central Luzon and two (2) EXPAs in Dinagat Islands, Northeastern Mindanao were filed with the regional offices of the MGB. The five (5) applications in Zambales Province have been accepted and now designated as EXPAs.

One of the applications in Dinagat Island has been accepted and designated as EXPA while the other one is under evaluation.

## **OUTLOOK:**

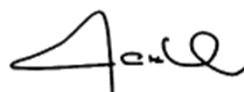
The Company will continue to confront the challenges in the oil and gas industry brought about by the ongoing Covid-19 virus pandemic, the slow recovery of the worldwide economy, and the unpredictable swings in crude oil prices.

Crude oil prices world-wide have markedly improved as of end 2021. However, it is difficult to predict prices in 2022 due to the still prevalent Covid-19 pandemic and the volatile situation brought about by the tension caused by the invasion by Russia of Ukraine starting in 24 February 2022.

Oriental Petroleum has initiated activities to venture into laterite nickel mining. The Company will actively and aggressively pursue these activities.

As in the past and for more than 50 years, the Company has prevailed over several challenges. We are optimistic of overcoming other challenges in the future.

In behalf of the Board of Directors, officers and staff members of Oriental Petroleum and Minerals Corporation, we acknowledge and extend our gratitude and appreciation for the continued loyalty and support of our Stockholders.



**JAMES L. GO**  
Chairman & CEO



**ROBERT COYIUTO, JR.**  
President & COO



# REVIEW OF OPERATIONS

## OIL PRODUCTION:

### SERVICE CONTRACT - 14C1 GALOC BLOCK OFFSHORE NORTHWEST PALAWAN

#### GALOC OILFIELD

The Galoc Oilfield continued to produce in 2021. Production came from three (3) wells- Galoc-3, Galoc-5, and Galoc-6. The Galoc-4 well has been shut-in since 2019 up to 2021.

There were three (3) Liftings/Cargo Deliveries in 2021:

CARGO NO.	MONTH	VOLUME BARRELS	PRICE US\$/BARREL
68	31 Mar. - 1 Apr.	228,038	64.476
69	30-31 July	207,711	68.236
70	28-29 Nov.	202,399	77.438
TOTAL		638,148	Ave. 69.811

As of end 2021 the Galoc Oilfield has produced a cumulative total of 23.419 Million Barrels Oil (MMBO). The Galoc Oilfield started production in October 2008 from Galoc-3 and Galoc-4 wells, (Phase-1, 2 wells, Year 2008-2013) and from the additional Galoc-5 and Galoc-6 wells, (Phase-2, 4 wells, Year 2014-2021).

#### GALOC-4 WELL NITROGEN GAS LIFTING

An attempt was made in late September-early October 2021 to restore production in the Galoc – 4 well by Nitrogen gas lifting. However, the attempt was unsuccessful. The decision was then made to permanently shut-in the Galoc-4 well and no further attempts will be carried out.



## OTHER DEVELOPMENTS:

### SERVICE CONTRACT - 14C1 GALOC BLOCK OFFSHORE NW PALAWAN

#### GALOC OILFIELD

#### A. NOTICE OF TERMINATION OF LEASE ON FLOATING PRODUCTION STORAGE OFFLOADING (FPSO) TANKER

The Rubicon Offshore International (ROI) owner of the Floating Production Storage Offloading tanker- FPSO “Rubicon Intrepid” gave a Notice of Termination on the lease to the Joint Venture Operator - Galoc Production Company - 1 (GPC1), last 25 March 2020. The termination notice covered the period 25 March 2020 - 24 September 2020, or for a period of 6 months.

The FPSO lease termination however, was not implemented or carried out because a new strategy was developed to continue production operations in the Galoc Oilfield.



# REVIEW OF OPERATIONS



**Offloading of Oil to a Shuttle Tanker from the  
“FPSO Intrepid Balanghai”**

## **B. SIX (6) MONTHS CONTINUED PRODUCTION OPERATIONS:**

### **TRANSITION PERIOD**

**1 August 2020 - 31 January 2021**

Upon the initiative of the Operator - GPC1, an alternative strategy was developed to continue production operations even before the end of the Termination Notice.

GPC1 brokered the purchase of ROI's FPSO Rubicon Intrepid by its mother company Tamarind Resources Pte. Ltd., through a separate entity, Upstream Infrastructure Holdings (UIH). Tamarind Resources will have full control of the FPSO. The purchase was effective 1 August 2020.

GPC1 also arranged a new bareboat charter between UIH and the Galoc Joint Venture at minimal rates.

During the 6-month Transition Period, the FPSO Rubicon Intrepid will remain at the Galoc Oilfield location and continue production from the Galoc oilwells.

A separate Operations & Management (O&M) contract has been negotiated with ROI for the 6-month Transition Period. ROI senior management staff, FPSO crew, and production technicians will continue to carry out operations of the FPSO Rubicon Intrepid.

## **C. TWENTY-FOUR (24) MONTHS**

### **EXTENDED PRODUCTION OPERATIONS:**

#### **EXTENSION PERIOD**

**1 February 2021 – 31 JANUARY 2023**

To further continue production operations in the Galoc Oilfield beyond the 6-month Transition Period, a new alliance was formed with Three60 Energy, an established international offshore operator. Three60 Energy is an independent specialist service provider with headquarters in Aberdeen, Scotland and with branch offices in Kuala Lumpur, Malaysia and Singapore. It has been engaged to provide the Operations and Management (O&M) of the FPSO for 24 months from February 2021 – January 2023. The contract provides extensions beyond January 2023.

UIH and Tamarind Resources will continue to supervise the operations of ROI and Three60 Energy. GPC1's FPSO Operations Advisor has been mobilized to assure and control the activities and work force of the FPSO and Three60 Energy.

# REVIEW OF OPERATIONS



## D. WITHDRAWAL OF GPC2/KUFPEC

GPC2/Kuwait Foreign Petroleum Exploration Company (KUFPEC), in a letter dated 14 September 2020 indicated their withdrawal from Service Contract - 14C1 Joint Venture (Galoc Block). KUFPEC before notice of withdrawal held a working interest of 26.84473% in SC - 14C1, Galoc Block.

As a result of KUFPEC's withdrawal their working interest will be allocated to the remaining partners.

Oriental Petroleum together with Linapacan Oil Gas Power Corporation (LOGPOCOR) chose not to accept the pro rata interest allocated to them and remained at a combined 7.78505% working interest.

Similarly, the Operator - GPC1 elected not to get their allocated interest from KUFPEC and maintained their working interest at 33.00000%. They passed on their allocation to Nido Production Galoc (NPG), a sister company under Tamarind Resources Pte. Ltd.

The Department of Energy has acknowledged KUFPEC's withdrawal from SC-14C1, Galoc Block.

## E. RESIGNATION OF GPC1 AS OPERATOR

In a Joint Venture Operating Committee Meeting (OCM) held last 23 December 2020, Galoc Production Company – 1 (GPC1) announced their resignation as Operator of SC-14C1, Galoc Block. GPC1 assigned their participating interest to NPG Pty Ltd, a sister company under Tamarind Resources Pte. Ltd., and has assumed the role as the new Operator.

## F. NEW NAME OF THE FPSO STORAGE TANKER

Under the new management and ownership, the FPSO Rubicon Intrepid was renamed "INTREPID BALANGHAI" in mid-2021.

## G. SC-14C1 JOINT VENTURE-AS OF END 2021

<b>GALOC BLOCK SC-14C1 Joint Venture Partners</b>	<b>%</b>
<b>NPG Pty Ltd /Tamarind Resources</b>	<b>77.82683</b>
Philodrill Corporation	10.17782
<b>Oriental Petroleum/Logpocor</b>	<b>7.78505</b>
Forum Energy	3.21030
<b>TOTAL</b>	<b>100.0000</b>



Photo of Lifeboat at "FPSO Intrepid Balanghai"

# REVIEW OF OPERATIONS

## **NIDO – MATINLOC COMPLEX SERVICE CONTRACT – 14A & - 14B /B1 OFFSHORE NORTHWEST PALAWAN**

After 40 years and 37 years, respectively, of petroleum production operations, the Nido Oilfield Complex in Service Contract SC-14A, and the Matinloc Oilfield Complex in Service-14B/B1 have reached the end of their economic field lives.

The Nido Oilfield commenced production in 1979 and produced a total of 18.92 Million Barrels Oil up to 2019. The Matinloc Oilfield also produced oil for about 37 years from 1982 up to 2019 and flowed a total of 13.23 Million Barrels Oil. The combined cumulative production of the Nido-Matinloc Complexes reached 32.15 Million Barrels Oil.

The Nido and Matinloc Oilfield Complex produce from separate platforms. The Nido Oilfield Complex has the Nido – AP/ - AW and the BW platforms. The Matinloc Oilfield Complex has one platform but connected to several smaller satellite platforms by subsea pipelines.



<b>NIDO BLOCK: SC-14A Joint Venture Partners</b>	<b>%</b>
<b>Oriental Petroleum</b>	<b>42.940</b>
Philodrill Corporation	26.106
Nido Petroleum	22.486
Forum Energy	8.468
<b>TOTAL</b>	<b>100.00</b>

## **SERVICE CONTRACT - 14A NIDO SERVICE CONTRACT-14B/B1**

## **MATINLOC COMPLEX/NORTH MATINLOC SERVICE CONTRACT-14 TARA/LIBRO SERVICE CONTRACT-14D RETENTION BLOCK**

## **Plug & Abandonment (P&A) of Wells Decommissioning of Platforms Relinquishment of SC-14 Contract Areas**

The production wells in Service Contract-14A Nido Complex, SC-14B/B1 Matinloc Complex/North Matinloc and Tara have been successfully plugged and abandoned (P&A) during the period 2019-2020.

The platforms continue to be situated in place and have been turned over to the Department of Energy (DOE) as of December 2020. The platforms have been stripped of processing facilities and other equipment.

In 16 February 2021, a notice was sent by the Joint Venture Partners to the DOE of the relinquishment of service contracts: SC-14A Nido, SC-14B Matinloc, SC-14B1 North Matinloc, SC-14 Tara/Libro and SC-14D Retention Block.



# REVIEW OF OPERATIONS

<b>MATINLOC BLOCK: SC-14B Joint Venture Partners</b>	<b>%</b>
Philodrill Corporation	41.608
Nido Petroleum	28.283
<b>Oriental Petroleum</b>	<b>17.703</b>
Forum Energy	12.406
<b>TOTAL</b>	<b>100.00</b>

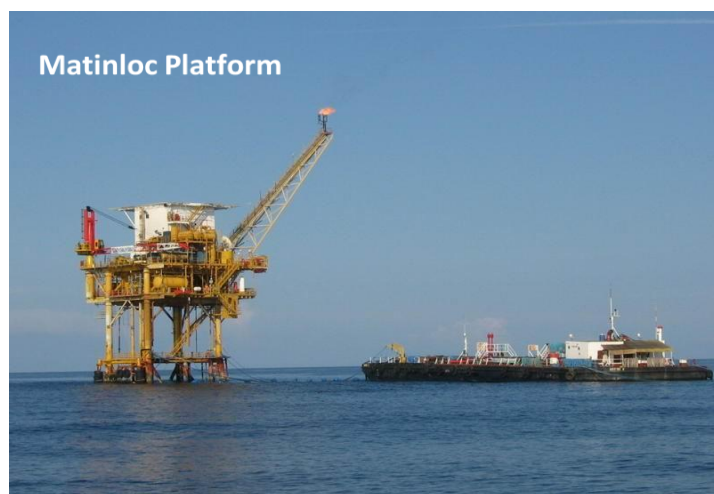
## SERVICE CONTRACT - 14C2 WEST LINAPACAN BLOCK

The documents relating to the Sale & Purchase Agreement (SPA) and the Farm Out Agreement (FOA) with the third-party proponent, Desert Rose Petroleum Ltd (DRPL), have been completed in 2020. The virus Covid-19 pandemic, however, caused delay and difficulty for DRPL to obtain financing for the project.

In a Letter Agreement issued to the Joint Venture Partners dated 7 December 2020, Desert Rose proposed to extend the effectivity of the SPA and FOA documents up to 31 March 2021. The proposed extension is for Desert Rose to have additional time to negotiate and obtain financing for the West Linapacan development project. The proposed extension was approved by the Joint Venture Partners.

However, despite the extension Desert Rose was unable show proof of financial capability due to difficulties caused by the ongoing Covid-19 pandemic. The Letter Agreement, SPA, and FOA were terminated as of 1 July 2021. SC-14C2 West Linapacan Block, reverted back to the original Joint Venture Partners and the Philodrill Corporation resumed the role as Operator.

For the rest of 2021, a third-party consultant, ERC Equipoise (ERCE) was commissioned to carry out an independent re-evaluation and modelling study of the adjacent West Linapacan-B Structure.



<b>NORTH MATINLOC: SC-14B1 Joint Venture Partners</b>	<b>%</b>
Philodrill Corporation	33.111
<b>Oriental Petroleum</b>	<b>27.772</b>
Forum Energy	19.463
Alcorn Petroleum	13.551
Trans-Asia Oil & Energy	6.103
<b>TOTAL</b>	<b>100.00</b>

## TURNOVER OF PLATFORMS:

The NIDO BW and MATINLOC platforms were already turned over to the Department of Energy (DOE) in December 2019. The NIDO AW was turned over in December 2020.



# REVIEW OF OPERATIONS

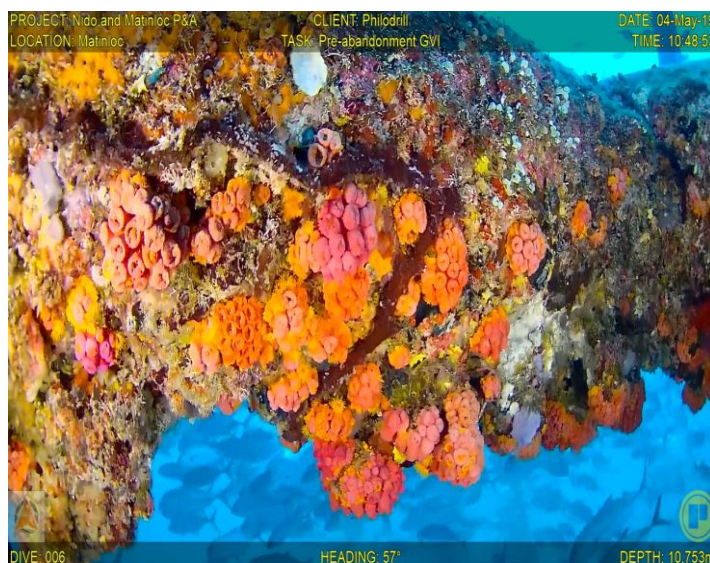
The aim was to come up with an updated assessment of the structure as a potential development opportunity together with the shut-in West Linapacan-A Oilfield by way of a possible farm-in of a third party.

<b>SC-14C2 WEST LINAPACAN Joint Venture Partners</b>	<b>%</b>
Philodrill Corporation	28.070
<b>Oriental Petroleum/Logpocor</b>	<b>30.288</b>
Nido Petroleum	22.279
Forum Energy	9.103
Alcorn Petroleum	6.123
PetroEnergy	4.137
<b>TOTAL</b>	<b>100.00</b>

## **SERVICE CONTRACT - 6B BONITA - CADLAO BLOCK OFFSHORE NORTHWEST PALAWAN**

The preparation and submission of the New Cadlao Plan of Development (POD) by Manta Oil to the Department of Energy (DOE) was delayed because of the COVID-19 pandemic that resulted in travel restrictions and lockdowns in 2020. The POD should have been submitted by the 1<sup>st</sup> Quarter 2021 for DOE's evaluation. A request was made to the DOE for an extension for the submission of a New Cadlao POD. The extension was granted up to end December 2021.

Manta Oil was unable to submit a new POD and proof of acceptable financial capability. In 2 December 2021 Manta Oil issued to the partners a "Mutual Release of Claims" letter where it irrevocably releases and waives all Claims against the farming out parties/Farmors in connection with Farm in Agreement (FIA) and the Deed of Assignment (DOA).



**Coral Reef Growth Beneath A Palawan Platform**

This was followed by a "Notice of Withdrawal" letter dated 6 December 2021 transferring and re-assigning back to the Farmors their original participating interests.

## **ALTERNATIVE STRATEGY:**

In a 13 December 2021 meeting, the Joint Venture Partners agreed to a Resolution to continue with the plan to re-develop the Cadlao Oilfield. Nido Petroleum Pty Ltd was appointed as Technical Operator to implement the approved Work Program and Budget (WP&B)-2022 for the initial phase in making initial plans for the re-development of the Cadlao Oilfield. The Philodrill Corporation will continue to take the role of Overall Operator of Service Contract-6B.

The duties of Nido Petroleum as Technical Operator will include the preparation of the new Plan of Development (POD), plans for drilling of an Appraisal Well in 2022, and the conduct of an Extended Well Test (EWT) on the appraisal well.

# REVIEW OF OPERATIONS

With the approval of the Resolution, the Joint Venture Partners will meet again in the first months of 2022 and enter into a more definitive agreement to define the scope of technical operations, terms, accounting of expenses, and limits of authority of Nido Petroleum as Technical Operator.

Nido Petroleum in the same 13 December 2021 Meeting indicated their subsequent plans to assume as the Operator of SC-6B. This is by way of increasing their participating interest through a Farm In Agreement (FIA) in SC-6B. This plan will be pursued and continued in early-2022.



**School of Fish Beneath A Palawan Platform**

Nido Petroleum intends to finalize in early-2022 Work Program & Budget (WP&B)-2022, design an Appraisal Well drilling program and the conduct of an Extended Well Test (EWT). These are to be presented to the SC-6B joint Venture partners in early-2022 for evaluation prior to submission to the Department of Energy (DOE).

<b>SERVICE CONTRACT SC-6B BONITA-CADLAO BLOCK Joint Venture Partners</b>	<b>%</b>
Philodrill Corporation	58.162
<b>Oriental Petroleum</b>	<b>16.364</b>
Nido Petroleum	9.090
Alcorn Petroleum	8.182
Forum Energy	8.182
<b>TOTAL</b>	<b>100.000</b>

The Cadlao Oilfield was discovered by Amoco in 1977. It is located at a water depth range of 18 - 95 meters or 59 – 312 feet. The Cadlao Oilfield has produced about 11.1 million barrels of oil from 1981 to 1991 (10 years). It was shut - in 1991 due to the prevailing low oil prices at that time. It remains shut-in up to the present.

## LATERITE NICKEL PROJECT:

### Diversifying into Laterite Nickel Mining

Oriental Petroleum and Minerals Corporation (OPMC) has been in the Philippines' oil and gas industry for more than 50 years. It has participated in various oil and gas exploration and development projects in the country through joint venture partnerships. For the next years, the demand for oil and gas as one of the primary sources of energy remains strong.

# REVIEW OF OPERATIONS

Recently, OPMC diversified its portfolio into the metallic mineral industry particularly into laterite nickel mining. The metal Nickel is used as a primary component in the manufacture of stainless steel. And an important ingredient as well in the manufacture of batteries for electric vehicles. The Philippines is known as one of the major producers of laterite nickel. In addition, the growing global demand for nickel and new developments in government policies have been very attractive for investors to venture into laterite nickel mining.

In September 2021, OPMC has submitted to the Mines and Geosciences Bureau (MGB)- Region III applications to acquire rights to explore potential laterite nickel prospects in five (5) areas in Zambales with a combined total area of approximately 13,780 hectares. These five (5) applications were already accepted and now designated by MGB- Region III as Exploration Permit Application (EXPA) (shown in Table 1).

Zambales Province		
EXPA No.	Municipality	Area (has.)
EXPA-000231-III	Cabangan-Botolan	3,437
EXPA-000232-III	Santa Cruz-Candelaria	4,119
EXPA-000233-III	Candelaria	462
EXPA-000240-III	San Antonio	1,688
EXPA-000241-III	Masinloc	4,074
<b>Total</b>		<b>13,780</b>

**Table 1. OPMC's EXPA in Zambales**

OPMC also submitted applications to MGB Region XIII for two (2) areas in Dinagat Islands NE Mindanao with a total area of approximately 863 hectares.

One (1) out of the two (2) areas was already accepted by MGB Region XIII and was designated as EXPA No. 0000248- XIII, while the other one is still awaiting MGB's initial evaluation of the documents (shown in Table 2).

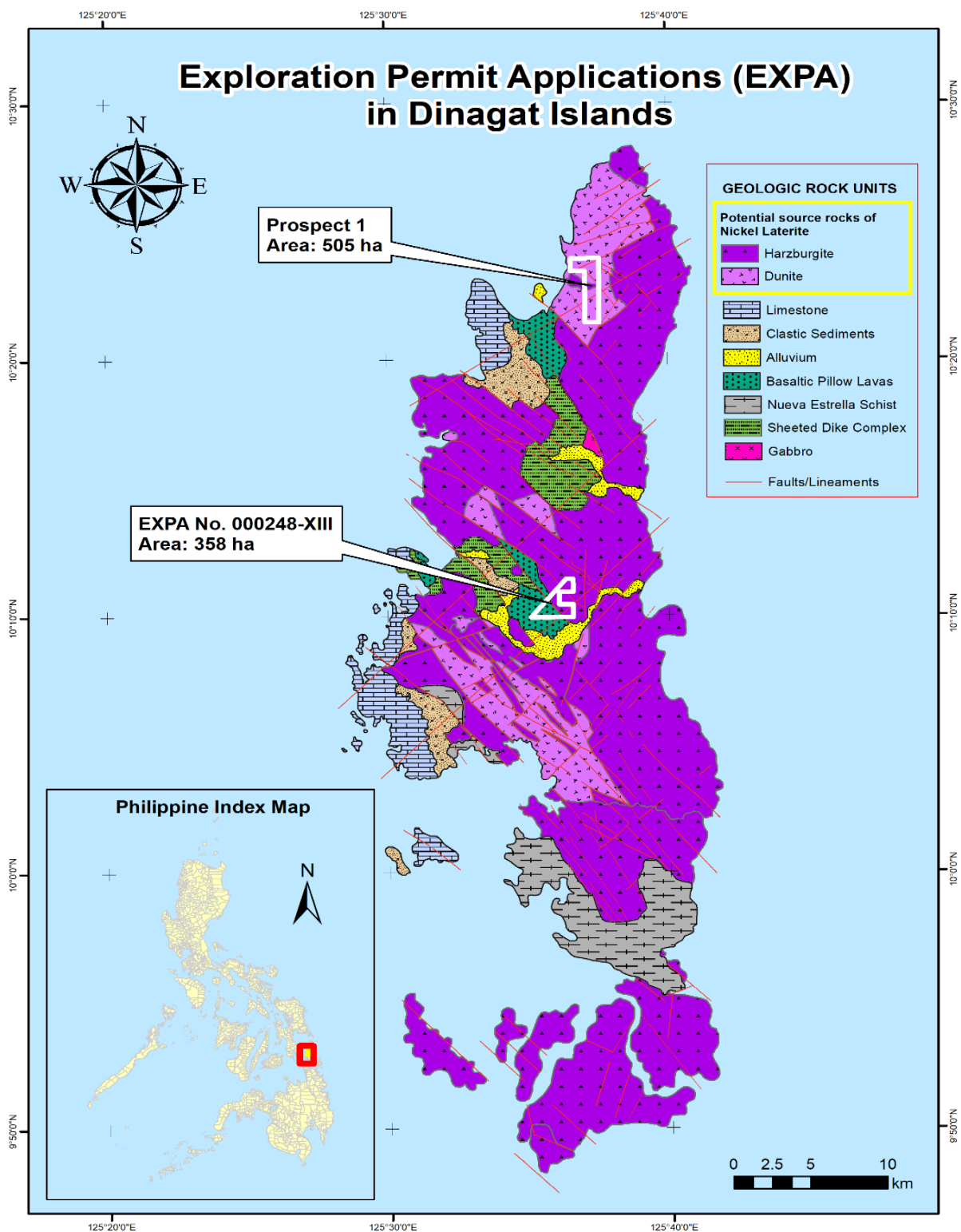
Dinagat Islands Province		
EXPA No.	Municipality	Area (has.)
EXPA-000248-XIII	Libjo	358
Prospect 1	Loreto	505
<b>Total</b>		<b>863</b>

**Table 2. OPMC's EXPA in Dinagat**

As shown on Figure 1 & 2, these areas in Zambales and Dinagat Islands are underlain by peridotite rocks, specifically harzburgite and dunite. These rocks are known source rocks of laterite nickel. During intense weathering, peridotite rocks generate the yellow to orange lateritic soil which is enriched with nickel.

Currently, OPMC is complying with additional documents required by MGB and secure clearances from different government agencies to acquire the full right to explore these areas.

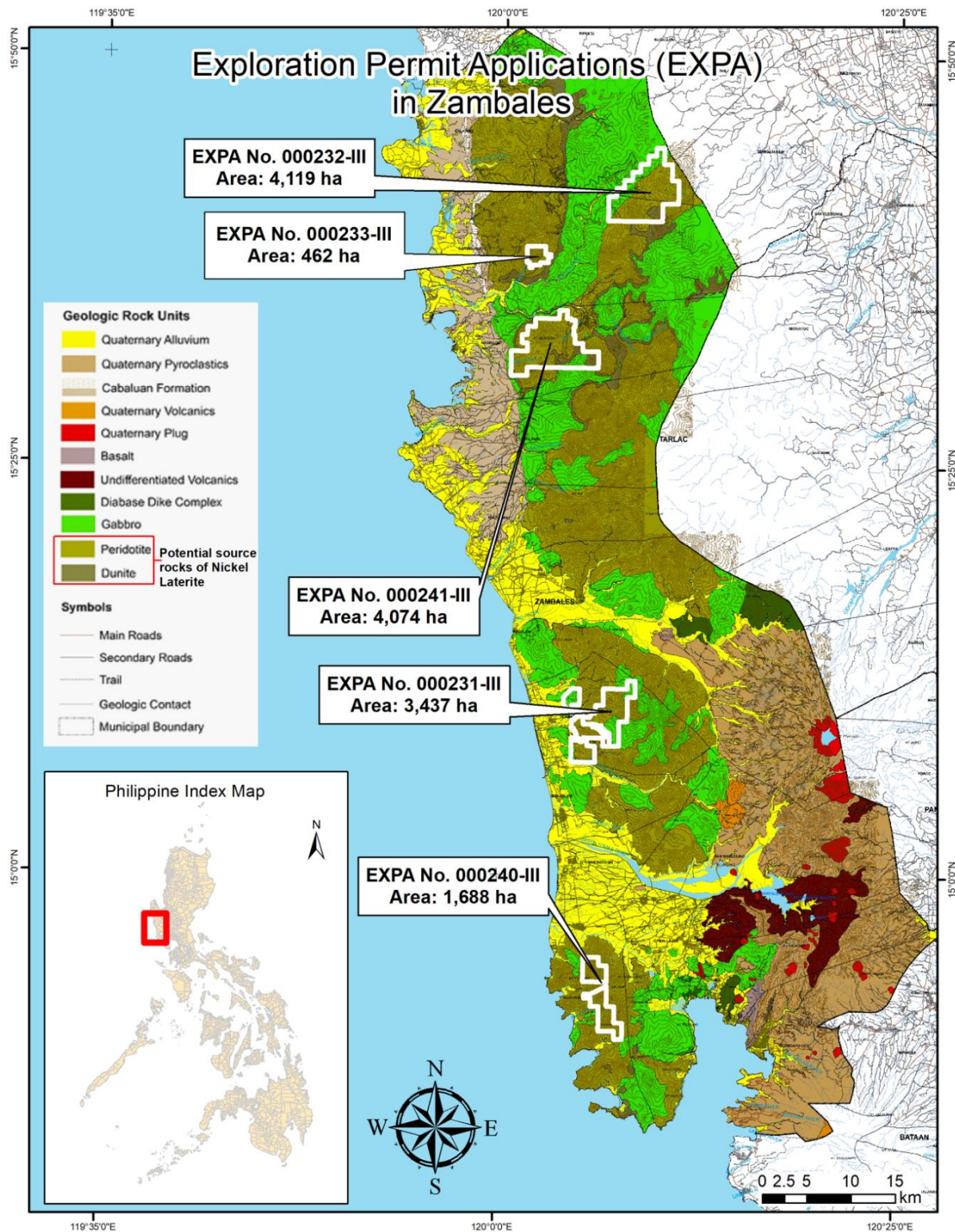




**Figure 1.** Geologic Map of Dinagat Islands reflecting locations of EXPA tenements (modified from Santos, R.A (2014), Mineral Resource Estimate Report of the Islands of Nonoc, Awasan and Hanigad and part of South Dinagat)



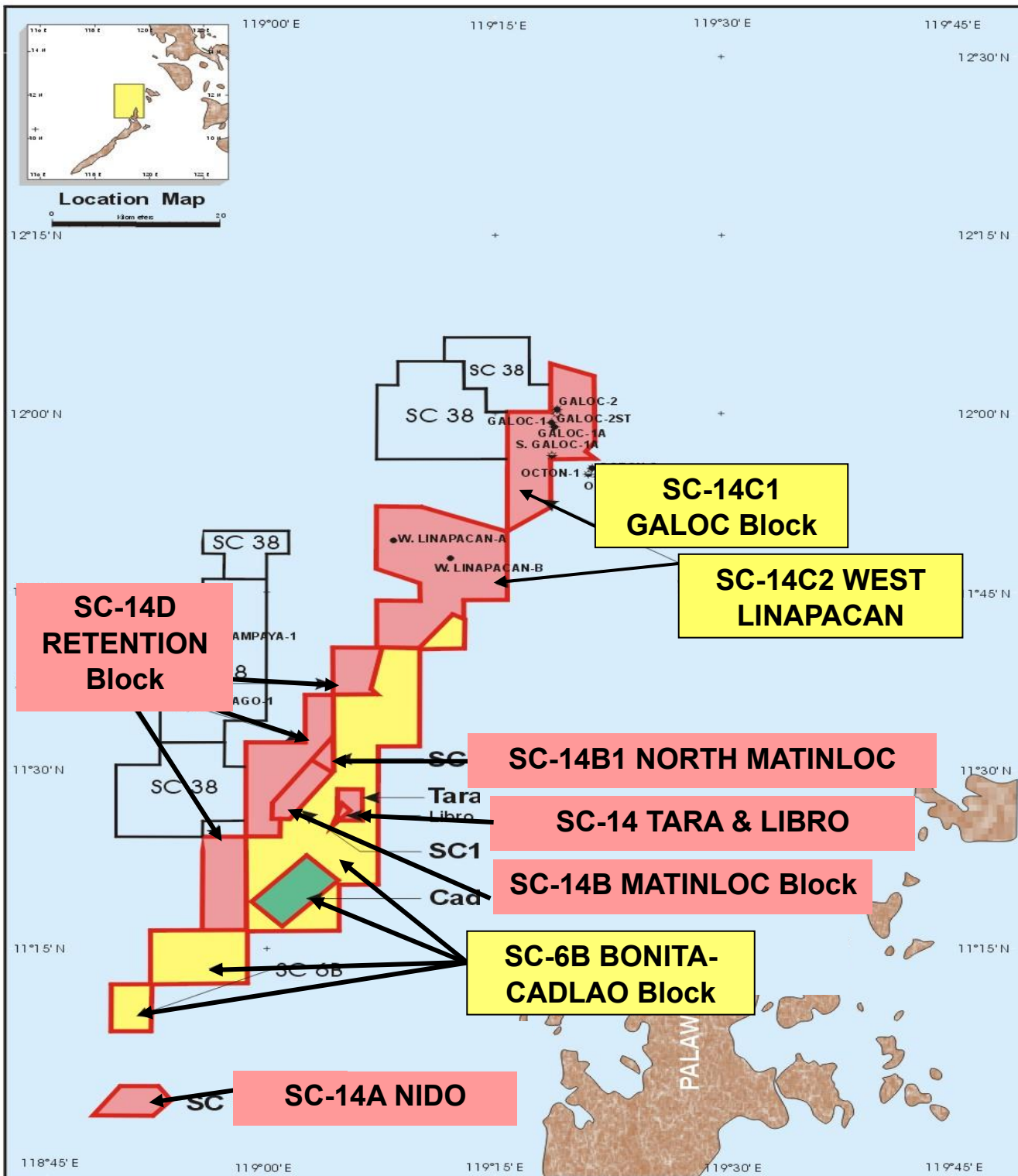
# REVIEW OF OPERATIONS



**Figure 2.** Geologic Map of Zambales Province reflecting locations of EXPA tenements (modified from Mines and Geosciences Bureau- Region 3 Geologic Map of Zambales, 2021)

# SERVICE CONTRACT MAP

## LOCATION MAP SC-14 / SC-6 OFFSHORE NORTHWEST PALAWAN





# CORPORATE SOCIAL RESPONSIBILITY

## COMMUNITY ASSISTANCE PROGRAM

Oriental Petroleum & Minerals Corporation (OPMC) and Linapacan Oil Gas & Power Corp. (LOGPOCOR) are both joint venture partners of Service Contract-C1 Galoc Block, offshore Northwest Palawan.

SC-14C1 Galoc Block has established the Philippine Galoc Field Area and Development (GFAD) to implement its Community Assistance Program (CAP) commitment to its corporate social responsibility. It is also in compliance with the mandate of the Department of Environment & Natural Resources (DENR) and the Palawan Council for Sustainable Development (PCSD) to secure and govern all environmental critical projects in the island of Palawan.

The GFAD was established in 2009 after declaration of the commerciality of the Galoc Oilfield in 2008.

## SCOPE OF ASSISTANCE

### **EDUCATION:**

- Solar Power E-TV Education Package Center
- Training for Teachers
- Library Rehabilitation
- Construction of Classrooms
- Construction of Laboratory House for Hospitality Management Students

### **LIVELIHOOD:**

- Water Access Project and Manpower Development Skills Training
- Donation of Generation Sets
- Construction of Eco-Tourism Center

### **HEALTH:**

- Solar Electrification of Health Center
- Donation of Medical Equipment

### **ACTIVE PROJECTS AS OF DECEMBER 2021**

#### Culion

- Two (2) School Vehicles Donated Delivered and Received by LGU

#### Busuanga

- Water System Project
- Currently updating the Memorandum of Agreement (MOA) between the proponent NPG Pty Ltd and Municipality of Busuanga.



Solar electrification of Barangay Health Centers



School vehicles for students in Culion, Palawan

# BOARD OF DIRECTORS



**James L. Go**  
Chairman & CEO



**Robert Coyiuto, Jr.**  
President & COO



**Lance Y. Gokongwei**  
Director



**Josephine V. Barcelon**  
Director



**Perry L. Pe**  
Director



**James Coyiuto**  
Director



**Benedicto Coyiuto**  
Director



**Brian Go**  
Director



**Jose Victor Emmanuel  
A. de Dios**  
Director



**Antonio L. Go**  
Independent Director



**Ricardo Balbido, Jr.**  
Independent Director





# ORIENTAL PETROLEUM AND MINERALS CORPORATION

34th Floor, Robinsons Equitable Tower, ADB Avenue, Ortigas Center, Pasig City, Philippines  
☎: 633-7631 to 40 Extensions 278, 281 • 傳: 395-2586

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

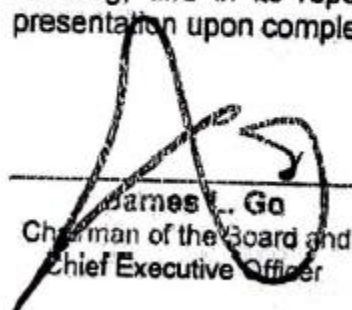
The management of Oriental Petroleum and Minerals Corporation and Subsidiaries is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2021, 2020 and 2019, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.


In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative to do so.


The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in its reports to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

  
James L. Go  
Chairman of the Board and  
Chief Executive Officer

  
Robert Coyiuto, Jr.  
President and  
Chief Operating Officer

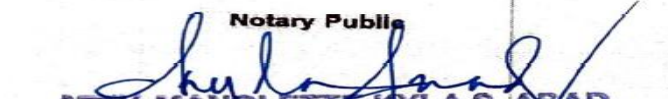
  
Ma. Riana C. Infante  
Chief Financial Officer  
and Compliance Officer

Signed this APR 21 day of 2022

SUBSCRIBED AND SWORN to before this APR 21 day of 2022 affiants executed to me their respective CTC / Government Issued Identification Cards as follows:

Name	CTC / Government ID No.	Date of Issue	Place of Issue
James L. Go	P2019464B	June 20, 2019	DFA NCR Central
Robert Coyiuto, Jr.	P7236639A	May 19, 2018	DFA Manila
Ma. Riana C. Infante	P4098424A	August 20, 2017	DFA NCR East

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Page No. 83  
Book No. 7  
Series of 2022

  
Notary Public  
ATTY. MANOLETTE KYLA S. ABAD  
NOTARY PUBLIC  
Commission No. 2021-008 (2021-2022)  
Roll of Attorney No. 73472  
IBP No. 171513; 01/03/2022; Manila III  
PTR No. 1562998; 01/03/2022; San Juan, M.M.  
MCLE Compliance No. VII - 007478; 12/9/21  
1085 A Maceda St., Sampaloc, Manila

## INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders  
Oriental Petroleum and Minerals Corporation  
34th Floor, Robinsons Equitable Tower  
ADB Avenue, Ortigas Center, Pasig City

### Opinion

We have audited the consolidated financial statements of Oriental Petroleum and Minerals Corporation and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2021 in accordance with Philippine Financial Reporting Standards (PFRSs).

### Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.





### ***Impairment Testing of Wells, Platforms and Other Facilities***

As of December 31, 2021, the carrying value of the Group's wells, platforms and other facilities of Service Contracts (SC) 14C1 and 14C2 totaled \$12.14 million. The Group is significantly affected by the continued volatility in oil prices in the market.

In the event that an impairment indicator is identified, the determination of the recoverable amount of the wells, platforms and other facilities requires significant judgment and involves estimation and assumptions about future production levels and costs, as well as external inputs such as oil prices and discount rate. Hence, impairment testing of wells, platforms and other facilities is a key audit matter in our audit.

The disclosures in relation to wells, platforms and other facilities are included in Notes 5, 8 and 10 to the consolidated financial statements.

### ***Audit response***

We obtained management's assessment on whether there is any indication that the wells, platforms and other facilities may be impaired. We involved our internal specialist in evaluating the methodologies and the assumptions used in management's impairment testing. These assumptions include future production levels and costs as well as external inputs such as oil prices and discount rate. We compared the key assumptions used such as future production levels and oil prices against the estimated reserves report by the respective operators of SC 14C1 and 14C2 and published oil prices. We compared the future production cost against the work program and budget duly approved by the joint operation and regulatory agency. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically those that have the most significant effect on the determination of the recoverable amount of wells, platforms and other facilities.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.



## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.





- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

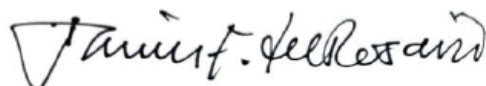
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jaime F. del Rosario.

SYCIP GORRES VELAYO & CO.



Jaime F. del Rosario

Partner

CPA Certificate No. 56915

Tax Identification No. 102-096-009

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

SEC Partner Accreditation No. 56915-SEC (Group A)

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

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

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

BIR Accreditation No. 08-001998-072-2020, November 27, 2020, valid until November 26, 2023

PTR No. 8853485, January 3, 2022, Makati City

April 12, 2022



**ORIENTAL PETROLEUM AND MINERALS CORPORATION  
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(In U.S. Dollars)

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 6)	\$16,001,110	\$15,298,829
Current portion of investment in debt securities (Notes 9 and 20)	3,939,024	2,081,772
Receivables (Notes 7 and 20)	1,646,909	1,564,241
Crude oil inventory (Note 8)	312,094	249,867
Short-term investments (Notes 9 and 20)	–	1,034,175
Other current assets	9,669	10,008
Total Current Assets	21,908,806	20,238,892
<b>Noncurrent Assets</b>		
Equity instruments at fair value through other comprehensive income (Notes 9 and 20)	31,941,689	36,986,361
Debt instruments at amortized cost, net of current portion (Notes 9 and 20)	27,209,595	25,915,772
Property and equipment (Notes 5, 8 and 10)	12,175,233	12,645,633
Other noncurrent assets (Note 11)	1,556,831	662,844
Total Noncurrent Assets	72,883,348	76,210,610
	<b>\$94,792,154</b>	<b>\$96,449,502</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts and other payables (Notes 12 and 20)	\$561,737	\$443,023
<b>Noncurrent Liabilities</b>		
Net pension liability (Notes 5 and 16)	639,192	649,792
Deferred tax liabilities - net (Note 17)	1,133,968	1,456,519
Provision for plug & abandonment (Note 12)	1,048,645	–
Total Noncurrent Liabilities	2,821,805	2,106,311
Total Liabilities	3,383,542	2,549,334
<b>Equity</b>		
Capital stock (Note 13)	82,268,978	82,268,978
Subscriptions receivable (Note 13)	(277,710)	(277,710)
Capital in excess of par value (Note 13)	3,650,477	3,650,477
Retained earnings	4,661,509	5,058,983
Reserve for changes in value of equity instruments at fair value through other comprehensive income (Note 9)	268,505	2,406,322
Remeasurement gains on pension liability - net (Note 16)	136,105	98,644
Cumulative translation adjustment	700,748	694,474
Total Equity	91,408,612	93,900,168
	<b>\$94,792,154</b>	<b>\$96,449,502</b>

See accompanying Notes to Consolidated Financial Statements.



**ORIENTAL PETROLEUM AND MINERALS CORPORATION  
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF INCOME**

(In U.S. Dollars)

	<b>Years Ended December 31</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>REVENUE FROM PETROLEUM OPERATIONS</b>			
(Note 8)	<b>\$3,506,189</b>	<b>\$1,277,272</b>	<b>\$4,248,325</b>
<b>COST OF PETROLEUM OPERATIONS</b>			
Petroleum production costs (Notes 8 and 12)	<b>2,260,895</b>	<b>1,677,971</b>	<b>4,603,816</b>
Depletion, depreciation and amortization (Notes 8 and 10)	<b>680,063</b>	<b>719,705</b>	<b>1,503,280</b>
	<b>2,940,958</b>	<b>2,397,676</b>	<b>6,107,096</b>
<b>GROSS INCOME (LOSS)</b>	<b>565,231</b>	<b>(1,120,404)</b>	<b>(1,858,771)</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>			
(Note 14)	<b>665,114</b>	<b>658,468</b>	<b>626,226</b>
<b>OTHER INCOME (CHARGES)</b>			
Interest income (Notes 6 and 9)	<b>1,791,323</b>	<b>2,054,493</b>	<b>2,366,359</b>
Dividend income (Note 9)	<b>1,892,286</b>	<b>1,733,762</b>	<b>1,099,501</b>
Foreign exchange gain (loss) - net	<b>(1,886,174)</b>	<b>1,870,509</b>	<b>1,027,294</b>
Other income (Note 15)	<b>67</b>	<b>129,012</b>	<b>250,585</b>
	<b>1,797,502</b>	<b>5,787,776</b>	<b>4,743,739</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>1,697,619</b>	<b>4,008,904</b>	<b>2,258,742</b>
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>			
(Note 17)			
Current	<b>363,293</b>	<b>405,580</b>	<b>497,316</b>
Deferred	<b>(325,644)</b>	<b>1,107,870</b>	<b>(569,664)</b>
	<b>37,649</b>	<b>1,513,450</b>	<b>(72,348)</b>
<b>NET INCOME</b>	<b>\$1,659,970</b>	<b>\$2,495,454</b>	<b>\$2,331,090</b>
<b>Basic/Diluted Earnings Per Share (Note 18)</b>	<b>\$0.000008</b>	<b>\$0.000012</b>	<b>\$0.000012</b>

*See accompanying Notes to Consolidated Financial Statements.*





**ORIENTAL PETROLEUM AND MINERALS CORPORATION  
AND SUBSIDIARIES**

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**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(In U.S. Dollars)

	Years Ended December 31		
	2021	2020	2019
<b>NET INCOME</b>	<b>\$1,659,970</b>	<b>\$2,495,454</b>	<b>\$2,331,090</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<i>Item to be reclassified to profit or loss in subsequent periods - Changes in cumulative translation adjustment</i>	<b>6,274</b>	<b>(7,480)</b>	<b>107,652</b>
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>			
Movements in reserve for fluctuation in value of Equity instruments at fair value through other comprehensive income (Note 9)	<b>(2,137,817)</b>	<b>2,542,503</b>	<b>2,248,296</b>
Remeasurement gains (losses) on pension liability - net of tax (Note 16)	<b>37,461</b>	<b>(22,091)</b>	<b>(58,101)</b>
	<b>(2,094,082)</b>	<b>2,512,932</b>	<b>2,297,847</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>(\$434,112)</b>	<b>\$5,008,386</b>	<b>\$4,628,937</b>

*See accompanying Notes to Consolidated Financial Statements.*



# ORIENTAL PETROLEUM AND MINERALS CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In U.S. Dollars)

	Capital Stock (Note 13)	Subscriptions Receivable (Note 13)	Capital in Excess of Par Value (Note 13)	Retained Earnings	Reserve for Changes in Value of Equity Instruments at FVOCI (Note 9)	Remeasurement Gains (Losses) on Pension Liability - Net (Note 16)	Cumulative Translation Adjustment	Total
For the Year Ended December 31, 2021								
Balances as at January 1, 2021	\$82,268,978	(\$277,710)	\$3,650,477	\$5,058,983	\$2,406,322	\$98,644	\$694,474	\$93,900,168
Net income	-	-	-	1,659,970	-	-	-	1,659,970
Other comprehensive income (loss)	-	-	-	-	(2,137,817)	37,461	6,274	(2,094,082)
Total comprehensive income (loss)	-	-	-	1,659,970	(2,137,817)	37,461	6,274	(434,112)
Cash dividends (Note 13)	-	-	-	(2,057,444)	-	-	-	(2,057,444)
Balances as at December 31, 2021	\$82,268,978	(\$277,710)	\$3,650,477	\$4,661,509	\$268,505	\$136,105	\$700,748	\$91,408,612
For the Year Ended December 31, 2020								
Balances as at January 1, 2020	\$82,268,978	(\$277,744)	\$3,650,477	\$4,560,651	(136,181)	\$120,735	\$701,954	\$90,888,870
Net income	-	-	-	2,495,454	-	-	-	2,495,454
Other comprehensive income (loss)	-	-	-	-	2,542,503	(22,091)	(7,480)	2,512,932
Total comprehensive income (loss)	-	-	-	2,495,454	2,542,503	(22,091)	(7,480)	5,008,386
Collection of subscription receivable (Note 13)	-	34	-	-	-	-	-	34
Cash dividends (Note 13)	-	-	-	(1,997,122)	-	-	-	(1,997,122)
Balances as at December 31, 2020	\$82,268,978	(\$277,710)	\$3,650,477	\$5,058,983	\$2,406,322	\$98,644	\$694,474	\$93,900,168
For the Year Ended December 31, 2019								
Balances as at January 1, 2019	\$82,268,978	(\$373,412)	\$3,650,477	\$4,454,238	(\$2,668,084)	\$178,836	\$594,302	\$88,105,335
Net income	-	-	-	2,331,090	-	-	-	2,331,090
Other comprehensive income (loss)	-	-	-	-	2,248,296	(58,101)	107,652	2,297,847
Total comprehensive income (loss)	-	-	-	2,331,090	2,248,296	(58,101)	107,652	4,628,937
Collection of subscription receivable (Note 13)	-	95,668	-	-	-	-	-	95,668
Cash dividends (Note 13)	-	-	-	(1,941,070)	-	-	-	(1,941,070)
Transfer to retained earnings	-	-	-	(283,607)	283,607	-	-	-
Balances as at December 31, 2019	\$82,268,978	(\$277,744)	\$3,650,477	\$4,560,651	(\$136,181)	\$120,735	\$701,954	\$90,888,870

See accompanying Notes to Consolidated Financial Statements.



**ORIENTAL PETROLEUM AND MINERALS CORPORATION  
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In U.S. Dollars)

	Years Ended December 31		
	2021	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax	\$1,697,619	\$4,008,904	\$2,258,742
Adjustments for:			
Unrealized foreign exchange losses (gains) - net	1,914,835	(1,885,146)	(988,203)
Dividend income (Note 9)	(1,892,286)	(1,733,762)	(1,099,501)
Interest income (Notes 6 and 9)	(1,791,323)	(2,054,493)	(2,366,359)
Depletion, depreciation and amortization expenses (Notes 8 and 10)	680,063	719,705	1,503,280
Plug and abandonment cost (Notes 8 and 12)	—	133,753	1,362,716
Pension expense (Note 16)	68,630	66,481	44,214
Gain on reversal of long-outstanding payables	—	—	(250,585)
Operating income (loss) before working capital changes	677,538	(744,558)	464,304
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Receivables	(98,031)	(702,711)	27,259
Crude oil inventory	(62,227)	418,280	1,104,922
Other current assets	340	432	(102)
Increase (decrease) in:			
Accounts and other payables	(1,916)	(717,582)	554,459
Provision for plug and abandonment	—	(950,764)	(2,607,553)
Cash flows generated from (used for) operations	515,704	(2,696,903)	(456,711)
Income tax paid	(357,257)	(405,580)	(669,992)
Net cash flows generated from (used in) operating activities	158,447	(3,102,483)	(1,126,703)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends received	1,902,116	1,815,923	923,917
Interest received	1,796,856	2,093,295	2,498,004
Proceeds from redemption/sale/maturity of:			
Equity instruments at fair value through other comprehensive income	3,487,055	—	1,940,740
Debt instruments at amortized cost (Note 9)	2,033,863	828,638	—
Short-term investments	1,034,175	1,501,897	—
Long-term investments	—	—	40,000,000
Acquisitions of/additions to:			
Debt instruments at amortized cost (Note 9)	(6,739,081)	—	(13,465,080)
Equity instruments at fair value through other comprehensive income (Note 9)	(580,200)	(3,362,999)	(19,131,454)
Deferred exploration costs	(50,736)	—	—
Property and equipment (Notes 8 and 10)	(4,269)	(39,462)	(1,111,357)
Short-term investments	—	(1,034,175)	(1,501,897)
Net cash flows provided by investing activities	2,879,779	1,803,117	10,152,873
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of cash dividends	(1,942,850)	(1,837,696)	(1,941,070)
Receipt of subscription receivable	—	34	95,668
Net cash flows used in financing activities	(1,942,850)	(1,837,662)	(1,845,402)
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	(393,095)	548,008	183,960
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	702,281	(2,589,020)	7,364,728
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	15,298,829	17,887,849	10,523,121
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)</b>	\$16,001,110	\$15,298,829	\$17,887,849

See accompanying Notes to Consolidated Financial Statements.





# DIRECTORY

## **OFFICERS:**

**JAMES L. GO**

Chairman and Chief Executive Officer

**ROBERT COYIUTO, JR.**

President and Chief Operating Officer

**APOLLO P. MADRID**

Senior Vice President - Operations & Administration

**MA. RIANA C. INFANTE**

Chief, Financial Officer/ Compliance Officer

**TEODORA N. SANTIAGO**

Treasurer

**ALDRICH T. JAVELLANA**

Finance Adviser

**VICENTE O. CAOILE, JR.**

Corporate Secretary

**PERRY L. PE**

Assistant Corporate Secretary

## **AUDITORS:**

SyCip, Gorres, Velayo & Co.

## **BANKERS:**

Banco de Oro Unibank

Robinsons Bank Corporation

## **LEGAL COUNSEL:**

Romulo, Mabanta, Buenaventura, Sayoc and Delos Angeles;  
Roxas De Los Reyes Laurel Rosario and Gonzales Law Offices

## **TRANSFER AGENT:**

Banco de Oro Unibank, Inc.

## **CORPORATE OFFICES:**

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