

ORIENTAL PETROLEUM & MINERALS CORPORATION




ANNUAL REPORT - 2022

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COVER: The shuttle tanker “Maersk Jamnagar” on location at the Galoc Oilfield, offshore Northwest Palawan to receive oil cargo from the then FPSO “Rubicon Intrepid” (now renamed “Intrepid Balanghai”). The oil cargo will be delivered to a refinery.



FINANCIAL HIGHLIGHTS

OPERATING RESULTS			
DECEMBER 31			
	2022	2021	2020
	US\$	US\$	US\$
REVENUES - PETROLEUM OPERATIONS	3,614,375	3,506,189	1,277,272
GROSS INCOME (LOSS)	1,493,058	565,231	(1,120,404)
INTEREST INCOME	2,013,773	1,791,323	2,054,493
DIVIDEND INCOME	1,735,227	1,892,286	1,733,762
GENERAL AND ADMIN EXPENSES	692,074	665,114	658,468
FOREIGN EXCHANGE GAIN (LOSS)	(3,399,246)	(1,886,174)	1,870,509
NET INCOME	747,251	1,659,970	2,495,454
INCOME PER SHARE	0.000004	0.000008	0.000012

FINANCIAL CONDITION			
DECEMBER 31			
	2022	2021	2020
	US\$	US\$	US\$
TOTAL ASSETS	88,310,317	94,792,154	96,449,502
TOTAL LIABILITIES	2,783,520	3,383,542	2,549,334
NET WORTH	85,526,797	91,408,612	93,900,168
CAPITAL STOCK	82,268,978	82,268,978	82,268,978
RETAINED EARNINGS (DEFICIT)	3,573,359	4,661,509	5,058,983

MESSAGE OF THE CHAIRMAN AND THE PRESIDENT



JAMES L. GO
Chairman & CEO



ROBERT G. COYIUTO, JR.
President & COO

To our Fellow Stockholders:

We are pleased to present the Company's Annual Report – 2022.

Your company Oriental Petroleum and Minerals Corporation continues to operate normally despite the challenges brought about by the worldwide Covid-19 virus pandemic that started in 2020, the swings in crude oil prices, the global tension brought about by the invasion of Ukraine by Russia in February 2022, and the threat of worldwide recession. These challenges were met with experience and maturity.

FINANCIAL HIGHLIGHTS:

In 2022, the Company posted Revenues from Petroleum Operations in the amount of US \$3,614,375 and a Gross Income of US \$1,493,058.

In addition, there were interest income of US \$ 2,013,773 and dividend income of US \$ 1,735,227 mainly brought about by investments in debt and equity 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 \$747,251.

CHALLENGING YEARS: COVID-19 VIRUS PANDEMIC

The year 2022 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 2021. In 2022 however, there was some noticeable relief seen as cases slowed down due to previous massive vaccination efforts and possibly development of herd immunity.

MESSAGE OF THE CHAIRMAN AND THE PRESIDENT

IMPROVEMENT IN CRUDE OIL PRICES:

There was marked increase in world crude prices starting in 2021 and further improvement in 2022.

In 2020, the average price of the reference crude Brent oil was at US \$41.96/Barrel. In 2021, prices of the reference Brent Crude showed marked improvement at an average of US \$70.86/Barrel. And in 2022, the average Brent Crude price showed further improvement at US \$100.93/Barrel.

PRODUCTION OPERATIONS:

GALOC OILFIELD, SERVICE CONTRACT-14C1 OFFSHORE NW PALAWAN

Normal production activities continued at the Galoc Oilfield in 2022.

A total of 479,955 barrels oil was lifted and sold at an average price of US \$95.34 /Barrel.

As of end 2022 the total cumulative production of the Galoc Oilfield since October 2008 has reached 23.982 Million Barrels Oil (MMBO).

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 (N₂) 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.

Also in September 2022, the Galoc-3 Well stopped production and was shut-in. Since then, several attempts were made to open the well and observe any pressure build-up. Monitoring of any pressure build-up continues up to the First Quarter of 2023.

SERVICE CONTRACT-14 A, B, & D.

NIDO A, MATINLOC B, RETENTION BLOCK D

RELINQUISHMENT OF SERVICE CONTRACT TO THE DEPARTMENT OF ENERGY (DOE)

In February 2021, Service Contract - 14A Nido, - B/B1 Matinloc, and SC-14D Retention Block were relinquished to the Department of Energy (DOE). In a letter dated 18 May 2022 the DOE acknowledged and approved the relinquishment of SC-14A, SC-14B, SC-14D, and the Tara and Libro Blocks.

TURNOVER OF PLATFORMS:

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 production wells have been plugged and abandoned, and the processing equipment and wellheads removed.

Service Contract - 14A was the site of the Nido Oilfield Complex Platforms while Service Contract - 14B /B1 was the site of the Matinloc and North Matinloc Oilfield Platforms. These oilfields have reached their economic limits and have been decommissioned. The production wells of Nido, Matinloc, and North Matinloc have been plugged and abandoned (P&A).

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.

MESSAGE OF THE CHAIRMAN AND THE PRESIDENT

However, the Covid-19 virus pandemic that started that year caused DRPL to be unable to show documentary proof of financial capability.

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. The Letter Agreement was implemented in 1 July 2021 terminating the SPA and FOA with DRPL.

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

NEW OPPORTUNITY:

A proposal from one of the joint venture partners – Nido Petroleum Pty Ltd, was presented last 25 October 2022 to re-develop the shut-in West Linapacan-A Oilfield by way of increasing their participating interest and through a farm-in agreement (FIA). The proposals are being evaluated as of yearend 2022 and will continue up to first half-2023.

SERVICE CONTRACT-6B BONITA-CADLAO BLOCK OFFSHORE NW PALAWAN

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.

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. The difficulty was caused by the Covid-19 pandemic. 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 SC-6B.

SERVICE CONTRACT-6B BONITA-CADLAO BLOCK

NEW OPPORTUNITY:

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 drilling an Appraisal Well in the 3rd Quarter of 2023 including the conduct of an extended well test (EWT). Successful outcomes of the appraisal drilling and EWT will lead to the re-development of the shut-in Cadlao Oilfield.

A Farm In Agreement (FIA) with Nido Petroleum Pty Ltd was signed in 10 February 2022.

The proposal by Nido Petroleum will continue to be evaluated by the SC-6B Joint Venture in 2022 and first half of 2023. This will give time for Nido Petroleum to finalize the Work Program & Budget (WP&B) and the engineering plans for the drilling of an Appraisal Well and conduct of an EWT.

Nido Petroleum as of May 2023 is negotiating for the services of a Drillship to carry out the drilling operations sometime in October 2023.

RE-DEVELOPMENT OF THE CADLAO OILFIELD:

A new Plan of Development (POD) will also be submitted by Nido Petroleum Pty Ltd. in 2023.

This plan to re-develop the Cadlao Oilfield will greatly improve the chance of continued oil production in offshore Palawan amidst the depleting reserves of the present production from the Galoc Oilfield.

MESSAGE OF THE CHAIRMAN AND THE PRESIDENT

NON-OIL AND GAS ACTIVITIES: LATERITE NICKEL MINING

Starting 2021, 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 as 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.

OUTLOOK:

The Company will continue to confront the challenges in the oil and gas industry brought about by the lingering Covid-19 virus pandemic, the effects of the ongoing Ukraine -Russia war, and the fear of a worldwide recession.

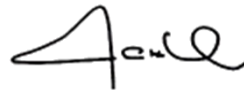
Crude oil prices world-wide have markedly improved in 2022. Hopefully, oil prices will remain high and stable in 2023 and in the years to come.

There is the opportunity to re-develop the shut-in Cadlao Oilfield in SC-6B Offshore Palawan with the drilling of the Cadlao-4 appraisal well and the conduct of an extended well test in October 2023 . Should these be successful, a full redevelopment program for the Cadlao Oilfield will follow with possible start of commercial production in 2024 or 2025.

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

As in the past and for more than 50 years, the Company has prevailed over several challenges and difficulties. We are optimistic of overcoming any 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 G. COYIUTO, JR.
President & COO

REVIEW OF OPERATIONS

OIL PRODUCTION:

SERVICE CONTRACT - 14C1

GALOC BLOCK, OFFSHORE NORTHWEST PALAWAN

GALOC OILFIELD PRODUCTION:

The Galoc Oilfield continued to produce in 2022. Production came from three (3) wells- Galoc-3, Galoc-5, and Galoc-6. The Galoc-4 well has been shut-in since 2019.

There were three (3) Liftings/Cargo Deliveries in 2022.

CARGO NO.	MONTH	VOLUME BARRELS	PRICE US\$/BARREL
71	March	144,897	84.079
72	June	146,319	110.060
73	October	188,739	92.567
TOTAL		479,955	Average US \$95.339

As of end 2022 the Galoc Oilfield has produced a cumulative total of 23.982 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, or total of 4 wells, Year 2014-2022).



FPSO “Intrepid Balanghais”



FPSO “Intrepid Balanghais”

OTHER DEVELOPMENTS:

SERVICE CONTRACT - 14C1

GALOC OILFIELD, OFFSHORE NW PALAWAN

A. CONTINUED GALOC OIL PRODUCTION: ALLIANCE OF NPG AND THREE60 ENERGY

With the purchase in 2020 of the FPSO “Rubicon Intrepid” storage tanker by Philippine Upstream Infrastructure Pte Ltd (PUI) / NPG Pty Ltd, production activities in the Galoc Oilfield continued.

An alliance was also formed with Three60 Energy to provide the operations and management (O&M) services of the FPSO storage tanker for the period February 2021 - January 2023. This alliance has since been updated up to end of field life of the Galoc Oilfield.

B. NEW NAME OF FPSO STORAGE TANKER:

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

REVIEW OF OPERATIONS

C. ALLIANCE OF NPG PTY LTD AND THREE60 ENERGY

NPG Pty Ltd. formed an alliance 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. The alliance has since been extended up to end of field life of the Galoc Oilfield.

D. NEW PARTICIPATING INTEREST SC-14C1 JOINT VENTURE - AS OF END 2022

GALOC BLOCK SC-14C1 Joint Venture Partners	%
NPG Pty Ltd /Matahio Energy Ltd	78.82683
Philodrill Corporation	10.17782
Oriental Petroleum/Logpocor	7.78505
Forum Energy	3.21030
TOTAL	100.0000

E. NEW SC-14C1 GALOC BLOCK OPERATOR: NPG PTY LTD

In a SC-14C1 Joint Venture meeting 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 of GPC-1 under Tamarind Resources Pte. Ltd., and has assumed the role as the new Operator.

In a Joint Venture Partner's (JVP) meeting in October 2022, it was announced that Matahio Energy Ltd has acquired as of March 2022 the holding company of NPG Pty Ltd, and the holding company of the FPSO "Intrepid Balanghai".

Matahio Energy Ltd is an independent energy company which has established its presence in Southeast Asia and Australia. It was founded by experienced professionals in the oil industry. It is co-located in Manila, Kuala Lumpur, Singapore, and New Zealand.



Photo of Lifeboat at the 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 from 1982 up to 2019 and flowed a total of 13.23 Million Barrels Oil. The combined cumulative total production of the Nido-Matinloc Oilfields reached 32.15 Million Barrels Oil (MMBO).

The Nido and Matinloc Oilfield Complex produced from separate platforms. Both platforms have been turned over to the Department of Energy (DOE) in 16 February 2021.

RELINQUISHMENTS OF SC-14A, SC-14B/B1, SC-14D, SC-14 TARA/LIBRO:

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/B1 Matinloc, SC-14 Tara/Libro, SC-14D Retention Block.

The DOE formally acknowledged the relinquishments of the above service contracts in May 18, 2022.

NIDO BLOCK: SC-14A Joint Venture Partners - 2020	%
Oriental Petroleum	42.940
Philodrill Corporation	26.106
Nido Petroleum	22.486
Forum Energy	8.468
TOTAL	100.00



REVIEW OF OPERATIONS

MATINLOC BLOCK: SC-14B Joint Venture Partners - 2022	%
Philodrill Corporation	41.608
Nido Petroleum	28.283
Oriental Petroleum	17.703
Forum Energy	12.406
TOTAL	100.00

SERVICE CONTRACT - 14A NIDO SERVICE CONTRACT-14B/B1 MATINLOC/NORTH MATINLOC

PLUG & ABANDONMENT (P&A) OF WELLS:

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

DECOMMISSIONING OF PLATFORMS: TURNOVER TO THE DOE

The Nido AW and Nido BW and Matinloc Platforms continue to remain in place. The platforms have been stripped of processing facilities and other equipment.

The Nido BW Platform and Matinloc Platform were turned over to the Department of Energy (DOE) in December 2019. The Nido AW Platform was turned over in December 2020.

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), were completed in 2020. The virus Covid-19 pandemic, however, caused delay and difficulty for DRPL to obtain financing.

Despite an extension Desert Rose was unable to show proof of financial capability as of 21 July 2021. SC-14C2 West Linapacan Block, reverted back to the original Joint Venture aPartners and the Philodrill Corporation resumed the role as Operator.

In 25 October 2022, one of the Joint Venture Partners (JVP), Nido Petroleum Pty Ltd, indicated their intention to increase their participating interest and enter into a Farm-In Agreement (FIA) as well.

Under the proposed FIA, Nido Petroleum will drill an Appraisal Well in the West-Linapacan-A Structure and if deemed positive and encouraging conduct an extended well test (EWT). The other JV Partners (JVP) will be carried free in the cost of drilling and EWT.

As of end December 2022, Nido Petroleum has still to furnish the JVP of a formal proposal to advance their intention to increase their participating interest and enter into a Farm-In Agreement (FIA).

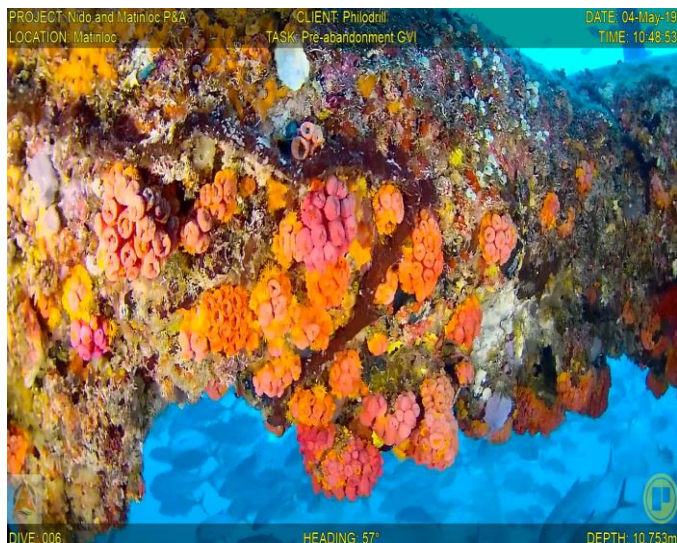
SC-14C2 WEST LINAPACAN Joint Venture Partners - 2022	%
Philodrill Corporation	28.070
Oriental Petroleum/Logpocor	30.288
Nido Petroleum Pty Ltd	22.279
Forum Energy	9.103
Alcorn Petroleum	6.123
PetroEnergy	4.137
TOTAL	100.00

REVIEW OF OPERATIONS

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

The previous farming-in third party, Manta Oil Company Ltd (MOCL) was unable to show proof of financial capability as of 21 December 2021 and withdrew from the Farm-In Agreement (FIA) with the SC-6B Joint Venture Partners (SC-6B JVP). The original participating interest in SC-6B reverted back to the SC-6B Joint Venture Partners (JVP).

Nido Petroleum Pty Ltd, one of the partners in SC-6B negotiated and entered into a Farm-In Agreement (FIA) with the other JVP and increased their participating interest. The FIA and Deed of Assignment (DOA) were signed on 10 February 2022. On 19 December 2022 the Department of Energy (DOE) approved the Deed of Assignment (DOA) and transfer of interest and designation as well of Nido Petroleum as Operator of SC-6B.



**Robust Coral Reef Growth Beneath the Nido
AW Palawan Platform, Offshore NW Palawan**



**School of Fish Beneath a Nido Platform
Offshore Northwest Palawan**

ALTERNATIVE STRATEGY: SC-6B BONITA CADLAO BLOCK

Earlier in a 13 December 2021 meeting, the SC-6B JVP 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 plans for the re-development of the Cadlao Oilfield.

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

The farming out parties or Farmers in SC-6B will be carried free by Nido Petroleum in the cost of drilling the Appraisal Well Cadlao-4 and the cost of conduct of the extended well test (EWT).

REVIEW OF OPERATIONS

The proposed overall plan of Nido Petroleum is to finalize a 2022 and 2023 Work Program & Budget (WP&B), design an Appraisal Well drilling program and the conduct of an Extended Well Test (EWT) under Phase-1. The Phase-2 plan envisions the drilling of additional 1 to 3 wells in the Cadlao Field. And also consider the drilling of the adjacent East Cadlao Structure.

In 28 November- December 2022 a geophysical site survey was carried out at the Cadlao Field area by the vessel “Cassandra VI”. The purpose was to gather seafloor data and near sub-surface data in preparation of identifying future drilling locations or drill sites.

ABOUT THE CADLAO OILFIELD:

The Cadlao Oilfield was discovered by Amoco in 1977. It is located at a water depth range of 18 - 95 meters (59 – 312 feet). The Cadlao Oilfield produced 11.1 million barrels of oil from 1981 to 1991 (10 years) from two (2) subsea production wells. It was shut-in in 1991 due to the prevailing low oil prices at that time. It was producing at the rate of 940 barrels oil per day (BOPD) and a water cut of 84% at time of shut-in. The Cadlao Oilfield remains shut-in up to the present.

SERVICE CONTRACT SC-6B BONITA-CADLAO BLOCK 2022	%
Nido Petroleum Pty Ltd	72.7270
Philodrill Corporation	17.4546
Oriental Petroleum	4.9092
Alcorn Petroleum	2.4546
Forum Energy	2.4546
TOTAL	100.000

LATERITE NICKEL MINING PROJECTS: Diversifying into Laterite Nickel Mining

In 2021, the Company applied for an Exploration Permit (EP) to explore potential laterite nickel areas in the provinces of Zambales and Dinagat Islands (see Figures 1 and 2). Laterite Nickel is an important ore of nickel and a known ore commodity of the Philippines. Nickel’s global demand has grown over the years as it is one of the primary components in the manufacture of stainless steel and batteries for electric vehicles.

For the year 2022, the Company continued to comply with the additional requirements and government clearances/permits specified by the Mines and Geosciences Bureau (MGB) Regional Offices III and XIII. These are necessary for the endorsement of the Company’s Exploration Permit Applications (EXPAs) to the MGB Central Office for the final issuance of Exploration Permits (EP).

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
Total		13,780

Table 1. OPMC’s EXPA in Zambales

Currently, OPMC has five (5) Exploration Permit Applications (EXPA) in Zambales with a total combined area of approximately 13,780 hectares.

REVIEW OF OPERATIONS

In Dinagat Islands, one of two areas applied for has been designated as an EXPA while the other is still awaiting MGB's initial evaluation (shown in Table 2). These two applications have a combined total area of approximately 863 hectares.

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

Table 2. OPMC's EXPA in Dinagat Islands

UPDATES AND FORWARD PLANS FOR OPMC'S EXPAs IN ZAMBALES AND DINAGAT ISLANDS

A. Strategic Agriculture and Fisheries Development Zone (SAFDZ) Validation for EXPAs in Zambales

In September 2022, OPMC together with representatives from the Department of Agriculture (DA), Department of Environment and Natural Resources (DENR)- Region III, and Mines and Geosciences Bureau (MGB)-Region III, conducted a field-based SAFDZ validation of the five (5) EXPAs in Zambales. The validation covered the municipalities of Sta. Cruz, Candelaria, Masinloc, Cabangan and San Antonio. The preliminary result of the validation confirmed that the EXPAs fall within the Zambales mountain range and are outside the SAFDZ area.

B. Publication and Posting of EXPA 240 (Zambales) & EXPA 248 (Dinagat Islands)

In July and October 2022, the Notice of Application for EXPA No. 248 (Libjo, Dinagat Islands) and EXPA No. 240 (San Antonio, Zambales) were published in local and national newspapers, broadcasted in

local radio, and posted on the bulletin boards of concerned local government units (LGU). OPMC is awaiting the issuance of the Certification by the Panel of Arbitrators from DENR R-III and R-XIII attesting that no adverse claim, protest, or opposition was filed by the public community.

C. Field-Based Investigation with National Commission on Indigenous Peoples (NCIP) in Zambales

In the 4th quarter of 2022, Field-based Investigations (FBI) were conducted in the five (5) application areas of OPMC in Zambales. This is to verify the presence or absence of Ancestral Domains (AD) or Indigenous Peoples (IP) communities in these areas.

Preliminary results of the FBI conducted by the National Commission on Indigenous Peoples (NCIP) confirmed that there were no existing IPs and/or AD within EXPA No. 232, 233, and 241. The company is currently waiting for the issuance of a Certificate of Non-Overlap (CNO) by the NCIP Central Office.

On the other hand, EXPA No. 231 and 240 were found to be within the AD of Ayta Sambal and Ayta Abelleng tribes. OPMC will conduct a Free and Prior Informed Consent (FPIC) with the IPs to secure a Certificate of Pre-Condition (CP) for these two areas.

D. Forward Plans for EXPAs – 2023:

For the year 2023, OPMC will continue to comply with the additional permits and clearances to be specified by the MGB and anticipates to secure favorable endorsement for the conversion of at least one to two EXPAs to an EP.

REVIEW OF OPERATIONS

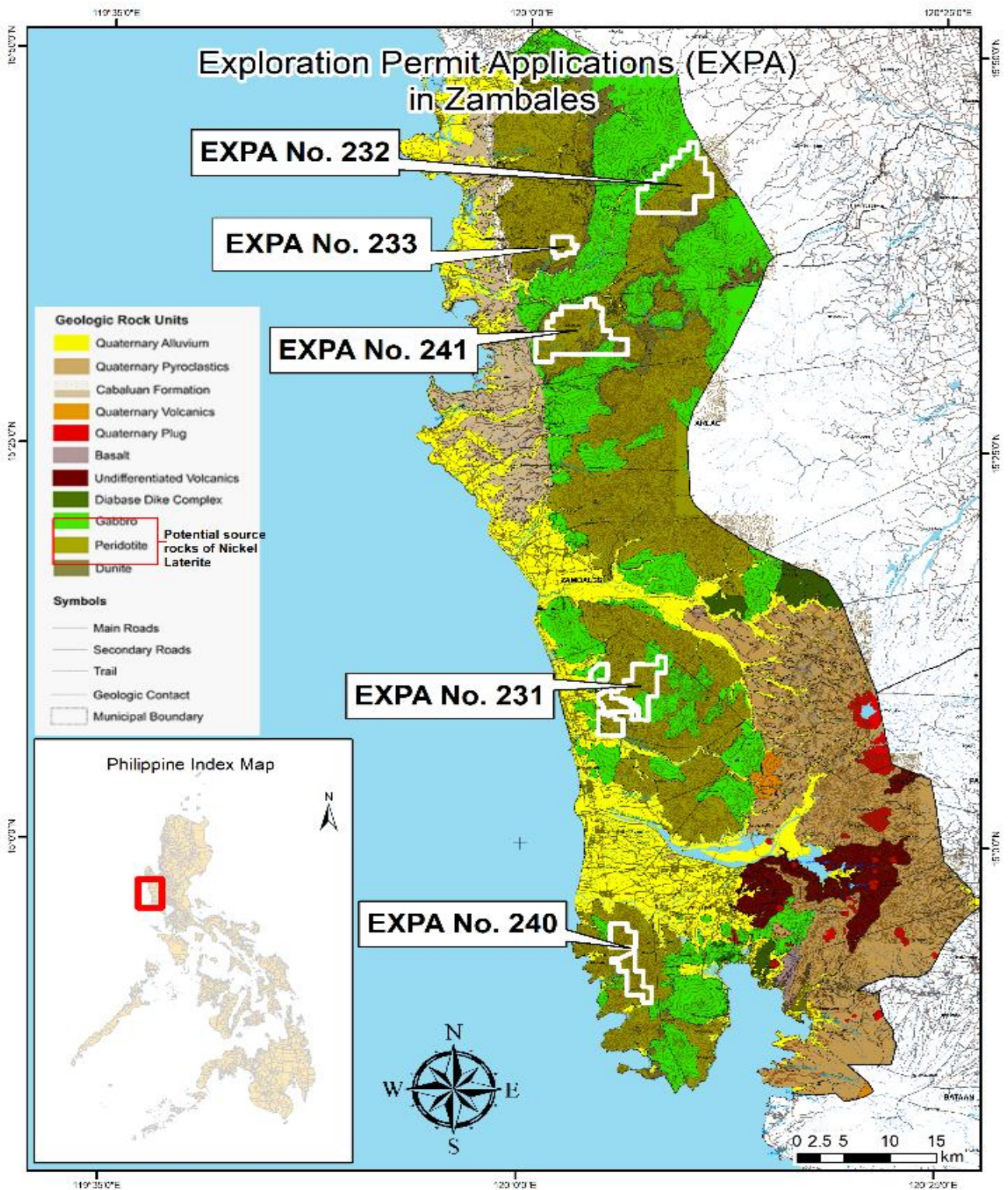


Figure 1. Geologic Map showing the five EXPAs in Zamboales

REVIEW OF OPERATIONS

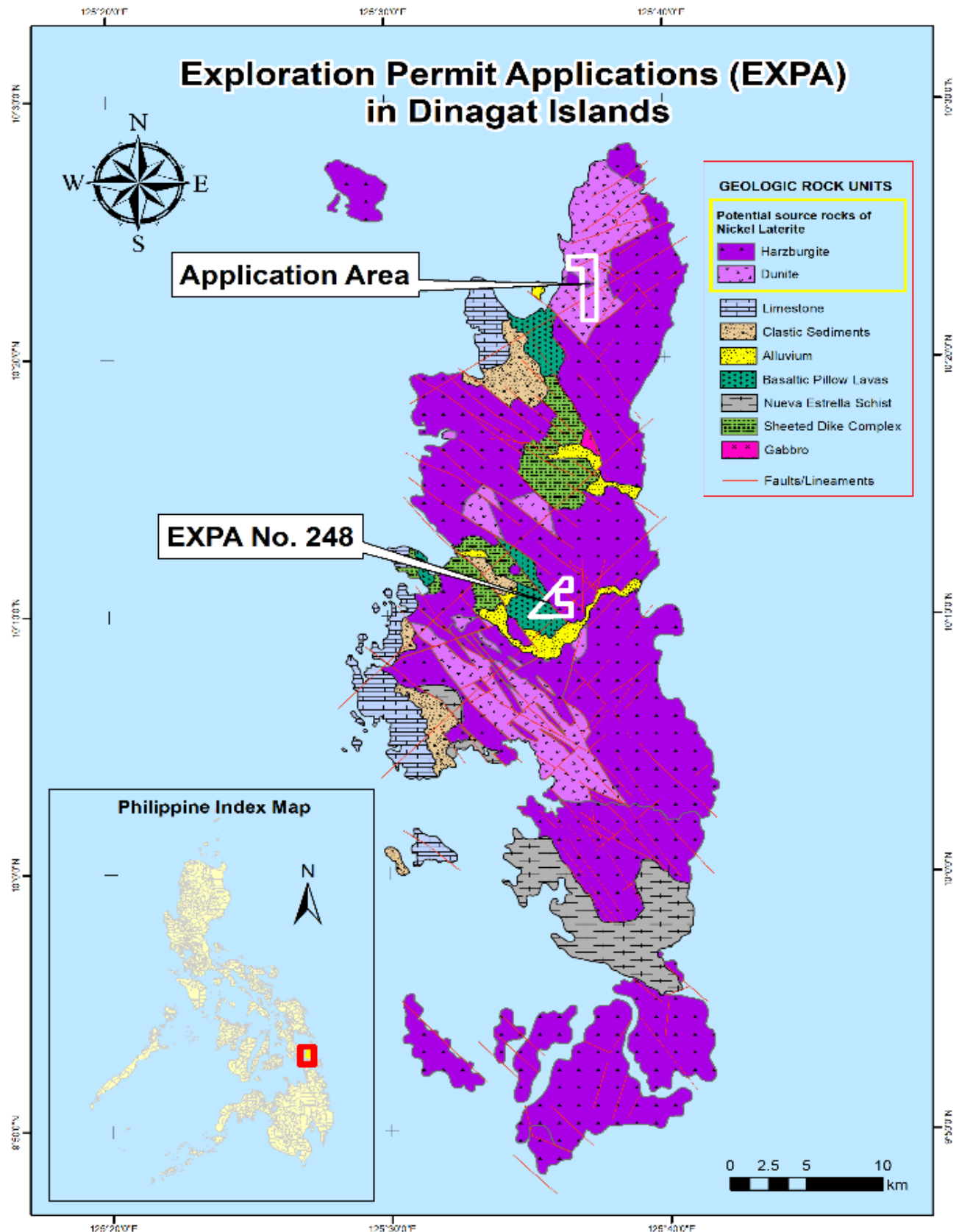


Figure 2. Geologic Map showing Application Area and EXPA in Dinagat Islands

REVIEW OF OPERATIONS

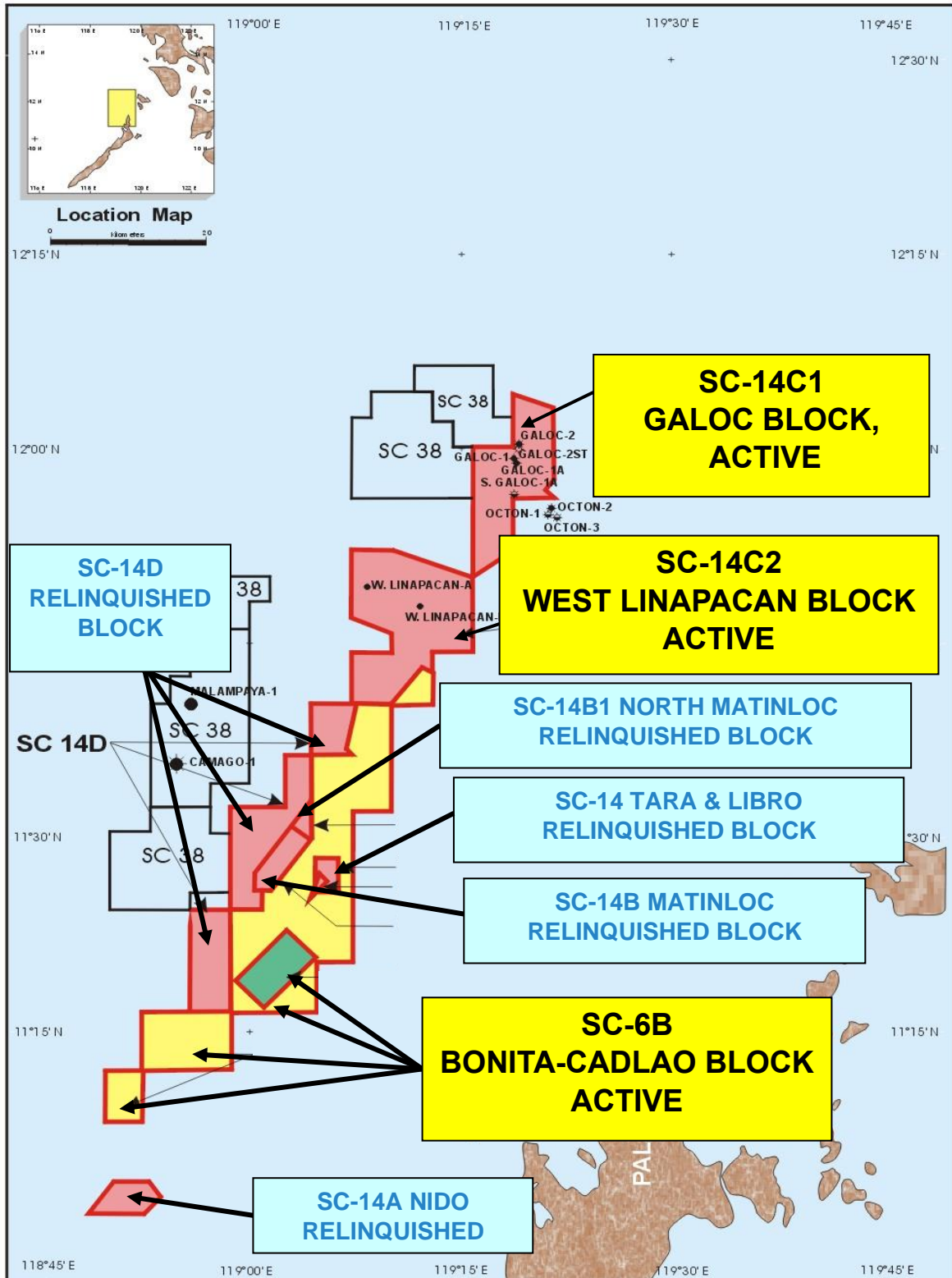


Figure 3. Drone photo of a portion of EXPA No. 231 taken during SAFDZ Validation (facing South)

SERVICE CONTRACT MAP

LOCATION MAP

ACTIVE SERVICE CONTRACTS SC 14C1, SC-14C2, SC-6B
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 commerciality of the Galoc Oilfield in 2008.

LIST OF PROJECTS COMPLETED

EDUCATION:

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

LIVELIHOOD:

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

HEALTH:

- Solar Electrification of Health Center
- Donation of Medical Equipment

ACTIVE PROJECTS AS OF DECEMBER 2022

Culion

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

Busuanga

- Water System Project- Ongoing



Solar Electrification of Barangay Health Centers



School Vehicles for Students in Culion, Palawan

BOARD OF DIRECTORS



James L. Go
Chairman & CEO



Robert G. Coyiuto, Jr.
President & COO



Lance Y. Gokongwei
Director



Josephine V. Barcelon
Director



Perry L. Pe
Director



James G. Coyiuto
Director



Benedicto T. Coyiuto
Director



Brian M. Go
Director



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



Jose M. Layug, Jr.
Independent Director



Emmanuel C. Alcantara
Independent Director



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

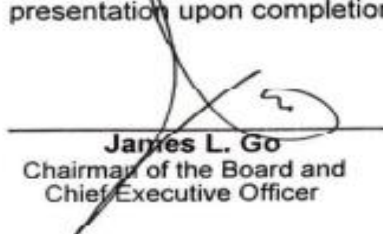
The management of **Oriental Petroleum and Minerals Corporation and Subsidiaries** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2022, 2021 and 2020, in accordance with the prescribed 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 14 day of 2023 2023

SUBSCRIBED AND SWORN to before this APR 14 day of 2023 affiants executed to me their respective Passport 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	P0139536C	May 18, 2022	DFA Manila

Doc. No. 89
Page No. 19
Book No. II
Series of 2023.

Notary Public


ATTY. MARIA MARGARITA D. ALVAREZ
NOTARY PUBLIC FOR PASIG CITY, SAN JUAN CITY
and PATEROS

Appointments No. 4 (2022-2023)
Roll of Attorney No. 62118
IBP No. 263937; 01/04/2023; RSM
PTR No. 1673579; 01/04/2023; San Juan, M.M.
MCLE Compliance No. VI - 0026298; May 08, 2019
Suite 2501 Atlanta Centre, 31 Annapolis St. Greenhills, San Juan City

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, 2022 and 2021, 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, 2022, 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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2022 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, 2022, the carrying value of the Group's wells, platforms and other facilities of Service Contracts (SC) 14C2 totaled \$10.28 million. The Group is significantly affected since SC 14C2 continues to be a non-producing block and its license to operate is nearing expiration.

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. In addition, because of the coronavirus pandemic, there is heightened level of uncertainty on the future economic outlook and market forecast. 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 14C2 and published oil prices, taking into consideration the impact associated with coronavirus pandemic. 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 SEC Form 17-A for the year ended December 31, 2022 but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the SEC Form 20-IS (Definitive Information Statement), Annual Report for the year ended December 31, 2022, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and 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 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.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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 Peter John R. Ventura.

SYCIP GORRES VELAYO & CO.

Peter John R. Ventura

Peter John R. Ventura

Partner

CPA Certificate No. 0113172

Tax Identification No. 301-106-741

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

SEC Partner Accreditation No. 113172-SEC (Group A)

Valid to cover audit of 2022 to 2026 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. 08-001998-140-2021, November 10, 2021, valid until November 9, 2024

PTR No. 9566012, January 3, 2023, Makati City

April 14, 2023



ORIENTAL PETROLEUM AND MINERALS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In U.S. Dollars)

	December 31	
	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents (Note 6)	\$16,371,022	\$16,001,110
Current portion of investment in debt securities (Notes 9 and 20)	–	3,939,024
Receivables (Notes 7 and 20)	391,900	1,646,909
Crude oil inventory (Note 8)	911,818	312,094
Other current assets	28,730	9,669
Total Current Assets	17,703,470	21,908,806
Noncurrent Assets		
Equity instruments at fair value through other comprehensive income (FVOCI) (Notes 9 and 20)	26,616,788	31,941,689
Debt instruments at amortized cost, net of current portion (Notes 9 and 20)	30,613,863	27,209,595
Property and equipment (Notes 8 and 10)	11,746,022	12,175,233
Other noncurrent assets (Note 11)	1,630,174	1,556,831
Total Noncurrent Assets	70,606,847	72,883,348
	\$88,310,317	\$94,792,154
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Notes 12 and 20)	\$623,786	\$561,737
Noncurrent Liabilities		
Net pension liability (Note 16)	32,878	639,192
Deferred tax liabilities - net (Note 17)	1,110,392	1,133,968
Provision for plug & abandonment (Note 12)	1,016,464	1,048,645
Total Noncurrent Liabilities	2,159,734	2,821,805
Total Liabilities	2,783,520	3,383,542
Equity		
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	3,573,359	4,661,509
Reserve for changes in value of equity instruments at fair value through other comprehensive income (Note 9)	(4,567,769)	268,505
Remeasurement gains on pension liability - net (Note 16)	168,232	136,105
Cumulative translation adjustment	711,230	700,748
Total Equity	85,526,797	91,408,612
	\$88,310,317	\$94,792,154

See accompanying Notes to Consolidated Financial Statements.



**ORIENTAL PETROLEUM AND MINERALS CORPORATION
AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF INCOME

(In U.S. Dollars)

	Years Ended December 31		
	2022	2021	2020
REVENUE FROM PETROLEUM OPERATIONS			
(Note 8)	\$3,614,375	\$3,506,189	\$1,277,272
COST OF PETROLEUM OPERATIONS			
Petroleum production costs (Notes 8 and 12)	1,634,386	2,260,895	1,677,971
Depletion, depreciation and amortization (Notes 8 and 10)	486,931	680,063	719,705
	2,121,317	2,940,958	2,397,676
GROSS INCOME (LOSS)	1,493,058	565,231	(1,120,404)
GENERAL AND ADMINISTRATIVE EXPENSES			
(Note 14)	692,074	665,114	658,468
OTHER INCOME (CHARGES)			
Interest income (Notes 6 and 9)	2,013,773	1,791,323	2,054,493
Dividend income (Note 9)	1,735,227	1,892,286	1,733,762
Other income (charges) (Note 15)	(36,123)	67	129,012
	3,712,877	3,683,676	3,917,267
INCOME BEFORE INCOME TAX AND FOREIGN EXCHANGE GAIN OR LOSS	4,513,861	3,583,793	2,138,395
Foreign exchange gain (loss) - net	(3,399,246)	(1,886,174)	1,870,509
INCOME BEFORE INCOME TAX	1,114,615	1,697,619	4,008,904
PROVISION FOR (BENEFIT FROM) INCOME TAX			
(Note 17)			
Current	401,647	363,293	405,580
Deferred	(34,283)	(325,644)	1,107,870
	367,364	37,649	1,513,450
NET INCOME	\$747,251	\$1,659,970	\$2,495,454
Basic/Diluted Earnings Per Share (Note 18)	\$0.000004	\$0.000008	\$0.000012

See accompanying Notes to Consolidated Financial Statements.



**ORIENTAL PETROLEUM AND MINERALS CORPORATION
AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In U.S. Dollars)

	Years Ended December 31		
	2022	2021	2020
NET INCOME	\$747,251	\$1,659,970	\$2,495,454
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Item to be reclassified to profit or loss in subsequent periods</i>			
Changes in cumulative translation adjustment	10,482	6,274	(7,480)
<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)	(4,836,274)	(2,137,817)	2,542,503
Remeasurement gains (losses) on pension liability - net of tax (Note 16)	32,127	37,461	(22,091)
	(4,793,665)	(2,094,082)	2,512,932
TOTAL COMPREHENSIVE INCOME (LOSS)	(\$4,046,414)	(\$434,112)	\$5,008,386

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 (Note 9)	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, 2022								
Balances as at January 1, 2022	\$82,268,978	(\$277,710)	\$3,650,477	\$4,661,509	\$268,505	\$136,105	\$700,748	\$91,408,612
Net income	-	-	-	747,251	-	-	-	747,251
Other comprehensive income (loss)	-	-	-	-	(4,836,274)	32,127	10,482	(4,793,665)
Total comprehensive income (loss)	-	-	-	747,251	(4,836,274)	32,127	10,482	(4,046,414)
Cash dividends (Note 13)	-	-	-	(1,835,401)	-	-	-	(1,835,401)
Balances as at December 31, 2022	\$82,268,978	(\$277,710)	\$3,650,477	\$3,573,359	(\$4,567,769)	\$168,232	\$711,230	\$85,526,797
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

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		
	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	\$1,114,615	\$1,697,619	\$4,008,904
Adjustments for:			
Unrealized foreign exchange losses (gains) - net	3,326,627	1,914,835	(1,885,146)
Interest income (Notes 6 and 9)	(2,013,773)	(1,791,323)	(2,054,493)
Dividend income (Note 9)	(1,735,227)	(1,892,286)	(1,733,762)
Depletion, depreciation and amortization expenses (Notes 8 and 10)	486,931	680,063	719,705
Movement in net pension liability	(508,933)	68,630	66,481
Accretion of interest expense (Note 15)	36,123	—	—
Plug and abandonment cost (Notes 8 and 12)	—	—	133,753
Operating income (loss) before working capital changes	706,363	677,538	(744,558)
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Receivables	1,221,754	(98,031)	(702,711)
Crude oil inventory	(599,724)	(62,227)	418,280
Other current assets	(19,061)	340	432
Increase (decrease) in:			
Accounts and other payables	23,506	(1,916)	(717,582)
Provision for plug and abandonment	—	—	(950,764)
Cash flows generated from (used for) operations	1,332,838	515,704	(2,696,903)
Income tax paid	(401,349)	(357,257)	(405,580)
Net cash flows generated from (used in) operating activities	931,489	158,447	(3,102,483)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received	1,835,077	1,902,116	1,815,923
Interest received	1,978,515	1,796,856	2,093,295
Proceeds from redemption/sale/maturity of:			
Equity instruments at fair value through other comprehensive income (Note 9)	1,779,867	3,487,055	—
Debt instruments at amortized cost (Note 9)	3,817,814	2,033,863	828,638
Short-term investments	—	1,034,175	1,501,897
Acquisitions of/additions to:			
Debt instruments at amortized cost (Note 9)	(6,455,193)	(6,739,081)	—
Equity instruments at fair value through other comprehensive income (Note 9)	(1,291,240)	(580,200)	(3,362,999)
Deferred exploration costs (Note 11)	(73,343)	(50,736)	—
Property and equipment (Notes 8 and 10)	(126,024)	(4,269)	(39,462)
Short-term investments	—	—	(1,034,175)
Net cash flows provided by investing activities	1,465,473	2,879,779	1,803,117
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of cash dividends	(1,741,674)	(1,942,850)	(1,837,696)
Receipt of subscription receivable	—	—	34
Net cash flows used in financing activities	(1,741,674)	(1,942,850)	(1,837,662)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	655,288	1,095,376	(3,137,028)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(285,376)	(393,095)	548,008
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	16,001,110	15,298,829	17,887,849
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	\$16,371,022	\$16,001,110	\$15,298,829

See accompanying Notes to Consolidated Financial Statements.



DIRECTORY

OFFICERS:

JAMES L. GO

Chairman and Chief Executive Officer

ROBERT G. COYIUTO, JR.

President and Chief Operating Officer

APOLLO P. MADRID

Senior Vice President - Operations & Administration

ALDRICH T. JAVELLANA

Finance Adviser

MA. RIANA C. INFANTE

Chief, Financial Officer/ Compliance Officer

TEODORA N. SANTIAGO

Treasurer

VICENTE O. CAOILE, JR.

Corporate Secretary

PERRY L. PE

Assistant Corporate Secretary

AUDITOR:

SyCip, Gorres, Velayo & Co.

BANKERS:

Banco de Oro Unibank
Robinsons Bank Corporation

LEGAL COUNSEL:

Romulo, Mabanta, Buenaventura, Sayoc and Delos Angeles

TRANSFER AGENT:

Banco de Oro Unibank, Inc.

CORPORATE OFFICE:

34th Floor, Robinsons Equitable Tower
ADB Avenue corner Poveda Street
Ortigas Center, Pasig City, Philippines

Telephone: (632) 8240-8801 / 8633-7631 to 40

Fax : (632) 8395-2586

Email : orientalpetroleum@opmc.com.ph



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