

**ORIENTAL PETROLEUM AND MINERALS CORPORATION  
MINUTES OF THE REGULAR ANNUAL STOCKHOLDERS MEETING  
HELD ON JULY 22, 2015 @ 3:00 P.M.  
RUBYBALLROOM, CROWNE PLAZA GALLERIA MANILA  
ORTIGAS AVENUE COR. ADB AVENUE  
QUEZON CITY**

ATTENDANCE:

(See attached Summary)

**1. Call to order**

The Chairman, Mr. James L. Go, called the meeting to order, welcomed the stockholders personally present at the meeting, then requested the stockholders to stand up for the playing of the Philippine National Anthem. The Secretary, Mr. Ethelwoldo E. Fernandez, recorded the minutes.

**2. Proof of Notice and Determination of quorum**

Accordingly the Secretary Certified that there was a quorum for the purpose of holding the regular annual meeting of the stockholders; but that there was, however, a lack of quorum to consider the proposed amendment to the Amended Articles of Incorporation of the Corporation included in the Agenda of the meeting inasmuch as the Corporation Code prescribes that a vote of at least 66 2/3% [percent] of the total issued and outstanding shares of a corporation is necessary to entertain and approve any such amendment.

The Corporate Secretary reported that notice of the regular annual meeting, with copy of the Information Statement (SEC Form 20-IS), had been sent out to stockholders of record as of June 27, 2015 by personal service to stockholders within Metro Manila and elsewhere by mail on July 14, 2015. Additionally, the Corporation caused a notice of the meeting to be published in the Manila Bulletin, a newspaper of general circulation, on July 8, 2015.

Further, he declared that, with the assistance of our Accounting Manager, Mrs. Riana Caratay-Infante and the Transfer Agent, he has validated the proxies on file and the record of physical attendance of stockholders at the meeting which disclosed that a total of **103,725,453,052 or 51.86%** shares were present in person and by proxy out of the total issued and outstanding shares of the Corporation of **200,000,000,000** equal to **51.86%** thereof. Accordingly, he certified that there was a quorum for business.

After a pause, no question or objection having been raised the Chairman declared the presence of a quorum and excluded the item on the amendment to the Amended Articles of Incorporation from the Agenda.



2.

**3. Approval of Minutes**

Upon motion duly made and seconded, the minutes of the annual meeting of the stockholders of the corporation held on June 25, 2014, copies of which were made available on the floor, were unanimously approved.

**4. Report of Officers/Annual Report/Ratification of all acts of the Board of Directors and Management**

The Chairman directed the attention of the stockholders to the printed Annual Report of the Corporation for the period ended December 31, 2014, which included the Audited Financial Statements and Definitive Information Statement prescribed under SEC Form 20-IS, copies of which had been mailed earlier to stockholders together with the notice of meeting and additional copies also made available on the floor.

The President is not able to attend. At the request of the Chairman, Director Benedicto T. Coyiuto read the President's report giving an overview of the operation of the Corporation as reflected in the Annual Report, to wit:

**ADDRESS OF THE PRESIDENT:**

MEMBERS OF THE BOARD, FELLOW STOCKHOLDERS, LADIES AND GENTLEMEN.

THE PAST YEAR HAS BEEN A MOST PRODUCTIVE PERIOD IN YOUR COMPANY'S LONG AND CONTINUED HISTORY OF INVOLVEMENT IN THE EXPLORATION, DEVELOPMENT, AND PRODUCTION OF THE COUNTRY'S DOMESTIC OIL AND GAS RESOURCES.

THE MOST SIGNIFICANT ACTIVITY WAS THE ALMOST UNINTERRUPTED PRODUCTION FROM THE GALOC OILFIELD IN OFFSHORE NORTHWEST PALAWAN. GALOC PHASE-2 FIELD DEVELOPMENT PROGRAM WAS IN OPERATION FOR THE WHOLE YEAR OF 2014. OIL PRODUCTION UNDER PHASE-2 CAME FROM 4 DEVELOPMENT WELLS WHICH OPTIMIZED THE RECOVERY OF OIL FROM THE GALOC RESERVOIR.

IN 2014, A TOTAL OF 2.921 MILLION BARRELS GROSS OIL WAS PRODUCED FROM THE GALOC OILFIELD. THIS IS THE HIGHEST VOLUME OF PRODUCTION SINCE THE LAST BIG VOLUME OF 2.748 MILLION BARRELS IN 2009. GALOC CRUDE OIL COMMANDED PRICES AT ABOVE US\$ 100/BARREL FOR THE MOST PART OF 2014 BUT DECLINED TOWARDS THE LATTER PART OF THE YEAR.

THE GALOC OILFIELD WILL CONTINUE TO BE THE MOST IMPORTANT SOURCE OF REVENUE FOR THE COMPANY IN THE NEAR TERM. DESPITE THE RECENT DRASTIC DECLINE IN WORLD CRUDE OIL PRICES, WE BELIEVE THAT THE GALOC OILFIELD WILL CONTINUE TO GENERATE MODEST FINANCIAL RETURNS FOR THE COMPANY.

ALREADY, INITIATIVES HAVE BEEN TAKEN TO LOWER THE COST OF PRODUCTION OPERATIONS WHICH WILL HELP PROLONG THE PRODUCTIVITY AND PROFITABILITY OF THE GALOC OILFIELD.

THE LATEST ESTIMATES OF THE REMAINING RECOVERABLE RESERVES IN THE GALOC OILFIELD MADE BY AND INDEPENDENT THIRD PARTY ASSESSOR AS OF END DECEMBER 2014 PLACES THE CATEGORY 2P RESERVES (PROVED+PROBABLE) AT 10.70 MILLION BARRELS AND THE CATEGORY 3P RESERVES (PROVED+PROBABLE+POSSIBLE) AT 14.56 MILLION BARRELS.



IN 2014, YOUR COMPANY REALIZED REVENUES FROM PETROLEUM PRODUCTION THE AMOUNT OF US\$ 22.56 MILLION, MOSTLY FROM THE GALOC OILFIELD AND SOME FROM THE NIDO-MATINLOC OILFIELD COMPLEX OPERATIONS. IN CONTRAST, PETROLEUM REVENUES IN THE YEAR 2013 WAS US\$15.825 MILLION. THE INCREASE CAN BE ATTRIBUTED TO THE HIGHER VOLUME OF GALOC CRUDE OIL SOLD AND THE RELATIVELY HIGH PRICES PREVAILING FOR THE MOST PART OF 2014.

THE COMPANY POSTED A NET INCOME OF US\$ 4.358 MILLION IN 2014 COMPARED TO US\$ 5.038 MILLION IN 2013. THE DECLINE IN 2014 CAN BE ATTRIBUTED MOSTLY TO THE HIGHER DEPLETION, DEPRECIATION AND AMORTIZATION EXPENSES. THERE WAS ALSO AN INCREASE IN UNREALIZED FOREIGN EXCHANGE LOSSES FOR THE SAME YEAR.

THE COMPANY REMAINS TO BE IN GOOD FINANCIAL CONDITION AS TOTAL ASSETS BY END 2014 STOOD AT US\$ 83.166 MILLION. THIS IS IN CONTRAST TO TOTAL ASSETS OF US\$ 79.546 MILLION IN 2013.

YOUR COMPANY CONTINUES TO BE FINANCIALLY HEALTHY AND DEBT-FREE. WE ARE ABLE TO FINANCE OUR SHARE OF EXPLORATION AND PRODUCTION EXPENSES FROM INTERNALLY GENERATED FUNDS.

THE GALOC OILFIELD LIVED UP TO EXPECTATIONS OF INCREASED OIL PRODUCTION WITH THE FULL YEAR OPERATIONS OF THE PHASE-2 DEVELOPMENT INVOLVING 4 DEVELOPMENT WELLS. TOTAL OIL PRODUCTION REACHED 2,920,679 BARRELS AND GROSS AVERAGE DAILY PRODUCTION WAS 8,007 BARRELS OIL PER DAY/BOPD. THE WEATHER FOR THE YEAR AT THE FIELD LOCATION IN OFFSHORE NORTHWEST PALAWAN WAS RELATIVELY BENIGN CONTRIBUTING TO OPERATIONAL UPTIME OF 98.57%.

THERE WERE 9 OIL LIFTINGS/CARGO DELIVERIES IN 2014 WITH A TOTAL OF 2.833 MILLION BARRELS AT AN AVERAGE PRICE OF US\$106.075/BARREL. THE GALOC CRUDE OIL CARGOES WERE DELIVERED TO SEVERAL REFINERIES IN THE ASIAN REGION, MOSTLY SOUTH KOREA AND THAILAND.

THE NIDO-MATINLOC-NORTH MATINLOC COMPLEX PRODUCED 157,140 BARRELS OIL IN 2014 AT AN AVERAGE DAILY RATE OF 430 BOPD. THE CRUDE OIL WAS SOLD LOCALLY TO THE PILIPNAS SHELL REFINERY AT AN AVERAGE PRICE OF US\$ 84.70/BARREL.

LOOKING FORWARD, THE COMPANY EXPECTS TO GENERATE MODEST REVENUES FROM THE GALOC OILFIELD FOR THE NEXT YEAR AND IN THE NEAR TERM IN VIEW OF THE LOWER CRUDE OIL PRICES THAT STARTED IN THE LATTER PART OF 2014. THE GALOC OILFIELD WILL CONTINUE TO PRODUCE OIL ALTHOUGH AT DECREASED ANNUAL OUTPUTS AS EXPECTED FROM THE NORMAL AND GRADUAL DEPLETION OF THE OIL RESERVES. THE CRUDE OIL PRICES ARE EXPECTED NOT TO GO DOWN ANY LOWER AS INDICATED BY INCREASING PRICE TRENDS IN THE FIRST HALF OF YEAR 2015.

THE GALOC JOINT VENTURE GROUP HAS TAKEN INITIATIVES TO REDUCE OPERATIONAL EXPENSES IN THE GALOC OILFIELD STARTING IN 2015. THIS IN AN ENVIRONMENT WHERE WORLD CRUDE OIL PRICES ARE PREDICTED TO BE LESS THAN US\$ 100/BARREL FOR THE NEXT FEW YEARS. NEVERTHELESS, TECHNICAL STUDIES WILL CONTINUE IN THE GALOC BLOCK TO EVALUATE POSSIBLE LOCATIONS FOR FUTURE EXPLORATION AND DEVELOPMENT DRILLING AND EVENTUAL PRODUCTION.

IN THE WEST LINAPACAN BLOCK, SERVICE CONTRACT -14C2, ENGINEERING AND DRILLING STUDIES WILL CONTINUE TOWARDS THE RE-DEVELOPMENT OF THE SHUT-IN WEST LINAPACAN-A FIELD. A WORK PROGRAM AND BUDGET WILL BE DESIGNED AND THEN SUBMITTED TO THE DOE FOR THEIR APPROVAL.

FINALLY, THE YEAR 2014 WAS AN EVENTFUL YEAR FOR YOUR COMPANY IN TERMS OF OIL REVENUES. WE THEREFORE, WISH TO THANK YOU OUR DEAR STOCKHOLDERS FOR YOUR CONTINUED SUPPORT THROUGHOUT THE PAST YEARS AND AS WE GO FORWARD TO MORE CHALLENGES IN THE FUTURE.

GOODAFTERNOON TO ALL.



#### 4.

The Chairman then called on the Senior Vice President for Operations, Mr. Apollo P. Madrid, to give a more detailed report of the specific petroleum exploration operations.

At the close of Mr. Madrid's report, the Chairman announced that the external auditor, SGV & Co., was represented at this meeting to answer any questions regarding the audited accounts. No questions were raised.

Thereafter, upon motion duly made and seconded, the Company's Annual Report for 2014, inclusive of the Financial Statements and the acts of the Board and Officers of the Corporation for the year under review, were duly approved.

#### 5. Election of Directors

The meeting next took up to the election of directors. The Chair directed the Corporate Secretary to read the list of nominees who were nominated to the Board, in accordance with the By-Laws of the Corporation and the SEC Circulars, for the ensuing year, as follows: the next order of business is the election of Directors for the ensuing corporate year.

1. **MR. JOHN GOKONGWEI, JR.**
2. **MR. JAMES L. GO**
3. **MR. LANCE GOKONGWEI**
4. **MR. PERRY L. PE**
5. **MR. ROBERT COYIUTO, JR.**
6. **MR. BENEDICTO T. COYIUTO**
7. **MR. JAMES G. COYIUTO**
8. **MS. JOSEPHINE V. BARCELON**
9. **MR. ANTONIO GO (Independent Director)**
10. **MR. RICARDO BALBIDO, JR. (Independent Director)**

The Corporation had received nomination for regular and independent Directors. The two (2) independent directors were nominated by the Nomination Committee which nominations were duly incorporated in the Definitive Information Sheet. In accordance with the Amended By-Laws of the Corporation, the chair declared the nomination closed. Upon motion made and duly seconded on the floor, all the nominees were declared elected.

The Chair then directed the Corporate Secretary to cast the votes of the stockholders present, in person and by proxy, in favor of the persons nominated, and declared them elected directors for the ensuing year and until their successors shall have been duly elected and qualified.

**5.**

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**6. Election of External Auditors**

Upon motion duly made and seconded SGV & Co. was reappointed External Auditors for the ensuing year.

**7. Adjournment**

There being no further business to transact, on motion duly made and seconded, the meeting was adjourned.

CERTIFIED CORRECT:

  
ETHELWOLDO E. FERNANDEZ  
Corporate Secretary

ATTEST:

  
**JAMES L. GO**  
Chairman of the Board