PHILIPPINE NATIONAL OIL COMPANY

ANTONIO M. CAILAO President & CEO

April 14, 2014

ATTY. CESAR L. VILLANUEVA Chairman Governance Commission for GOCCs Office of the President of the Philippines 3rd Floor Citibank Center, 8741 Paseo de Roxas Makati City, Philippines 1226

Dear Chairman Villanueva:

We are transmitting herewith PNOC's "Monitoring Report of Performance Targets" for the 1st Quarter of FY 2014.

For your information.

Very truly yours,

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個個語書	Performance	Measures		8 8 8 8 9 1	Baseline Data (if available)		Agreed Targets		1st Quarter
		Weight 2014	Formula	2010	2011	2012	2014	Target	Actua
CONTRACTOR OF TAXABLE PARTY OF TAXABLE PARTY OF TAXABLE PARTY.	Approval of Projects and Progr								
1: Evaluation and ap	proval of the budget			l la				1	
Quantity	No. of reviewed budget	10	Pass or fail	5	5	5	4	4	4
Timeliness	Percentage of submissions approved within 50 days from the receipt of completed documents.	5	100 % of submissions approved within 40 days from the receipt of complete documents.	80% of submissions approved within 50 days from the receipt of complete documents.	100 % of submissions approved within 50 days from the receipt of complete documents.	80% of submissions approved within 50 days from the receipt of complete documents.	100%	100% of submissions approved within 50 days from receipt of complete documents	100% of submissions approv receipt of complete
Subtotal of Weights:		15							
I 2: Batangas to Mani alternative route:	la Gas Pipeline Project								
Quality (2a-alternative)	If shorter/alternative route: Complete the Technical Study, certified by the DOE	28	Pass or fail	N/A	N/A	N/A	100%		
Timeliness (2a- alternative)	Start in January 2014 with target completion date by 31 December 2014	12	0%- completion after 31 December 2014 90% -completion on 31 December 2014 95%- completion 1-15 days before 31 December 2014 100% - completion >15 days before 31 December 2014	N/A	N/A	N/A	100%		
	· · · · · · · · · · · · · · · · · · ·	40		N/A	N/A	N/A	100%		On track. RebelGroup, the
Quality (2a-PPP)	If PPP Center: Complete the Technical Study, certified by the DOE	28	Pass or fail	N/A	NA		10076		Advisor, started the condu (which includes the Techn 10, 2014. Technical Stud finished by November.
Timeliness (2a- PPP)	Start in January 2014 with target completion date by end December 2014	12	0%- completion after 31 December 2014 90% -completion on 31 December 2014 95%- completion 1-15 days before 31 December 2014 100% - completion >15 days before 31 December 2014	N/A	N/A	N/A	100%		
		40	Photo and Patroloum PRUNEL	L					
PI 3: Implementation o Quality	Decision by the PetroleumBRUNEI to invest	3	between PNOC and PetroleumBRUNEI Pass or fail	N/A	N/A	N/A	100%		During the March 19, PetroleumBRUNEI (PB) with PB presented their target decision which is end 201 target on PB's decision to
									to end 2015. PNOC is preparand Board approval to not finished their initial Site is singled out the decommiss Plant as a possible project by PSALM and is outs challenge now is to come of framework on how to make PB given the constration mode, etc. Not target was based on PB's PHIVIDEC. With all the failed, we are now looking alternative described above.
Timeliness	Started in July 2013 with target completion date in 31 December 2014	2	Pass or fail	N/A	N/A	N/A	100%		
						The second s			

ual
roved within <u>32</u> days from lete documents
the winning Transaction duct of Feasibility Study hnical Study) last March tudy is targetted to be
9, 2014 meeting of with the DOE Secretary,
arget final investment 015. We are moving the to invest from end 2014
eparing the GCG request move this target. PB
e Selection Study and nissioned Aplaya Power
ect site, which is owned utside PHIVIDEC. The
e up with an acceptable ake the site available for
traints i.e, 54 titles dding as PSALM is in
Note that the original 3's plan to locate inside
e options in PHIVIDEC oking into the second
ove.



Control Priority		Performance	Measures			Baseline Data (if available)		Agreed Targets		1st Quarter
Gustiv Business 1: Figurations and SVC and SVC	1 1 1 1			Formula	2010		2012	2014	Target	Actu
$\begin{array}{ccccccc} \label{eq:constraints} & \begin{array}{cccccc} \label{constraints} & \begin{array}{ccccccc} \label{constraints} & \begin{array}{cccccccc} \label{constraints} & \begin{array}{cccccccc} \label{constraints} & \begin{array}{ccccccccccccccccccccccccccccccccccc$	Quality	Scenario 1 - If joint sale: completion of signed agreement between SC38 and PNOC Scenario 2 - If not joint sale: determination of need for Transaction Advisor, certified by the	8	Pass or fail	N/A	N/A	N/A	100%		We are also proposing to June to August 2014 for the It is taking PSALM a long we condition by which we are to the banked gas. This condition for SC 38 consols office approve the joint se start drafting and final agreement. We have discu- in numerous meetings as March 11 and the last of date, PSALM has yet to de given indication by the members that it will take their HO approval and dra joint sale agreement. The that are not only beyond unforeseen until now.
Luminy 2 The acceptability of the Test Selection of TA engagement	Timeliness	target completion date in	5	2014 90% -completion on 30 June 2014 95%- completion 1-15 days before 30 June 2014 100% - completion >15 days	N/A	N/A	N/A	100%		
Intentions 2 Organ completion rate in 31 December 2014 0 Over completion rate in December 2014 0 Over completion rate in December 2014 0 Over completion rate in December 2014 0 Image: completion rate in December 2014 N/A PI 4.85 billion for PNOC-RC PI 5.83 million for PNOC-RC PI 5.83 million for BATMAN		the acceptability of the Terms of Reference of the		Pass or fail	N/A	N/A	N/A	100%		
a constrained source and a former brown of the former brown of the former brown of the former brown of funding support i. Ability to Fand Projects Cuantify A mount of funding support appropriated for energy projects Percentage of funding drawn within 7 banking drawn within 7 banki		target completion date in	5	December 2014 90% -completion on 31 December 2014 95%- completion 1-15 days before 31 December 2014 100% - completion >15 days	N/A	N/A	N/A	100%		
E Ablity to Fund Projects Amount of funding support appropriated for energy projects 4 Pass or fail N/A P1.5 billion for PNC RC P1.485 billion for PNOC-RC P1.5. billion for PNOC-RC P1.5. billion for BATMAN Release of operating ope		4 fan Fananse Declarate	30							
QuantityAmount of funding support appropriated for energy projects4Pass or failNVAP1.5 billion for PNDC RCP1.485 billion PNDC RCP1.485 billion PNDC RCP1.73 million for BATMANRelease of operating operating release of appropriated for energy projects97.3 million for BATMANRelease of operating release of operating release of operating release of appropriated for energy projectsP1.485 billion PNDC RCP97.3 million for BATMANRelease of operating release of operating release of operating release of appropriated for energy projectsRelease of funds for the first quantityTimelinessPercentage of funding drawn within 7 barking complete documents5Pass or failN/AN/AN/A100%Funds released within 2 day documentsDualityFunds with to made available as and when needed. Carification of drawdown (not needed) by Subsidiary of Tressuret1Pass or failN/AN/AN/A100%Image: Release of appropriate operating released within 2 day documentsSubsidiary of Tressuret10Pass or failN/AN/AN/AN/A100%Image: Release of appropriate operating released within 2 day documents	the second se									1
Image: section of the section of th	and the second			Pass or fail	N/A					No drawdown request from Provide Release of operating expension of the first quarter of the f
Timeliness drawn within 7 banking days from the receipt of complete documents 5 Pass or fail N/A N/A N/A 100% Pass or fail A Quality Funds will be made available as and when needed. Certification of drawdown (not needed) by Subsidiary or Treasurer 1 Pass or fail N/A N/A N/A 100% Image: Certification of drawdown (not needed) by Subsidiary or Treasurer 1 Pass or fail N/A N/A N/A 100% Image: Certification of drawdown (not needed) by Subsidiary or Treasurer 10 Image: Certification of drawdown (not needed) by Subsidiary or Treasurer 10 Image: Certification of drawdown (not needed) by Subsidiary or Treasurer 10 Image: Certification of drawdown (not needed) by Subsidiary or Treasurer 10 Image: Certification of drawdown (not needed) by Subsidiary or Treasurer 10 Image: Certification of drawdown (not needed) by Subsidiary or Treasurer 10 Image: Certification of drawdown (not needed) by Subsidiary or Treasurer 10 Image: Certification of drawdown (not needed) by Subsidiary or Treasurer 10 Image: Certification of drawdown (not needed) by Subsidiary or Treasurer 10 Image: Certification of drawdown (not needed) by Subsidiary or Treasurer 10 Image: Certification of drawdown (not needed) by Subsidiary or Treasurer 10 Image: Certification of drawdown (not needed) by Subsidiary or Treasur		projects								No release of <mark>fun</mark> ds for the firs
Quality available as and when needed. Certification of drawdown or non-drawdown (not needed) by Subsidiary or Treasurer 1 Pass or fail N/A N/A N/A 100% Subtotal of Weights: 10 Image: Certification of drawdown or non-drawdown (not needed) by Subsidiary or Treasurer 10 Image: Certification of drawdown (not needed) by Subsidiary or Treasurer 10 Image: Certification of drawdown (not needed) by Subsidiary or Treasurer Image: Certification of drawdown (not needed) by Subsidiary or Treasurer Image: Certification of drawdown (not needed) by Subsidiary or Treasurer Image: Certification of drawdown (not needed) by Subsidiary or Treasurer Image: Certification of drawdown (not needed) by Subsidiary or Treasurer Image: Certification of drawdown (not needed) by Subsidiary or Treasurer Image: Certification of drawdown (not needed) by Subsidiary or Treasurer Image: Certification of drawdown (not needed) by Subsidiary or Treasurer Image: Certification of drawdown (not needed) by Subsidiary or Treasurer Image: Certification of drawdown (not needed) by Subsidiary or Treasurer Image: Certification of drawdown (not needed) by Subsidiary or Treasurer Image: Certification of drawdown (not needed) by Subsidiary or Treasurer Image: Certification of drawdown (not needed) by Subsidiary or Treasurer Image: Certification of drawdown (not needed) by Subsidiary or Treasurer Image: Certification of drawdown (not needed) by Subsidiary or Treasurer Image: Certification of drawdown (not needed) by Subsidiary or Treasurer Image: Cerification of drawdown (n	Timeliness	drawn within 7 banking days from the receipt of	5	Pass or fail	N/A	N/A	N/A	100%		Funds released within 2 days documents
	a monte anoma est	available as and when needed. Certification of drawdown or non- drawdown (not needed) by	1	Pass or fail	N/A	N/A	N/A	100%		
Weights: 100	Subtotal of Weights:		and the state of t							

ctual g to move this target from r the following reasons: 1) ng while to decide on the are granting them access This decision is a prensortiumto have their head t sale. Only then can we inalizing the joint sale iscussed this with PSALM as early as February, in one early April. But to decide. 2) We were also the SC38 consortium ke months to secure both drafting and finalizing the These are circumstances ond our control but also n PNOC RC for the first quarter expenses amounting to quarter e first quarter days upon receipt of complete

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Baseline Data (if available)		Agreed Targets		1st Quarter		
2011	2012	2014	Target	Actu		

Noted by:

CARLOS JERICHO L. PETILLA Secretary, DOE

