

PHILIPPINE NATIONAL OIL COMPANY

ANTONIO M. CAILAO President & CEO

October 30, 2013

Chairman
Office of the President of the Philippines

Governance Commission for GOCCs 3rd Floor Citibank Center, 8741 Paseo de Roxas Makati City, Philippines 1226 Cousting Course

Dear Chairman Villanueva:

We are transmitting herewith PNOC's "Monitoring Report of Performance Targets" for the 3rd Quarter of the year.

If you need anything, please let me know.

Very truly yours,

Performance Measures			Baseline Data (if available)			Agreed Targets	1st Q	1st Quarter		2nd Quarter		3rd Quarter	
MFO 1- Evalu	ation and Approval of Pro	Weight 2013 piects and	Formula d Programs	2010	2011	2012	2013	Target	Actual	Target	Actual	Target	Actual
	on and approval of the bu												
Quantity	No. of reviewed budget	10	Pass or fail	5	.5	5	5	5	5				
Timeliness	Percentage of submissions approved within 50 days from the receipt of completed documents.	5 -	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 % 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 approved within 36 days from receipt of complete documents				
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PI 2: Batangas to	Manila Gas Pipeline Project												
Quality (1)	Determination if there is a shorter route in the implementation of the Project, certified by the Department of Energy (DOE)	10	Pass or fail	N/A	N/A	N/A	100%		NA		NA	2	100%
Timeliness	Percentage of completion by 30 September 2013	10	0%- completion after 30 September 2013 90% -completion on 30 September 2013 95%- completion 1-15 days before 30 September 2013 100% - completion >15 days before 30 September 2013	N/A	N/A	N/A	100%		NA NA		NA		100%
IF alternative ro	ute:	20							T				
Quality (2a-alternative)	If shorter/alternative route: Certification by the DOE of the	14	Pass or fail	N/A	N/A	N/A	100%		NA		N/A	7	N/A
Timeliness (2a- alternative)	Started in October 2013 with target completion date by 31 December 2013	6	0%- completion after 31 December 2013 90% -completion on 31 December 2013 95%- completion 1-15 days before 31 December 2013 100% - completion >15 days before 31 December 2013	N/A	N/A	N/A	100%		NA		NA -		N/A

	Performance Measures			Baseline Data (if available)			1st Quarter			2nd Quarter		3rd Quarter	
		Weight 2013	Formula	2010	2011	2012	2013	Target	Actual	Target	Actual	Target	Actual
F PPP:	(1) 电影响 电影 (1)	20						Control of the contro					
	If PPP Center: Certification by the DOE of the acceptability of the Terms of Reference (TOR) for the engagement of a Transaction Advisor, in the event that there is no shorter route, i.e., use PPP Center.	7	Pass or fail	N/A	N/A	· N/A	100%		NA ,		NA		100%
Timeliness (2a- PPP)	Percentage of completion by the 30 September 2013	3	0%- completion after 30 September 2013 90%- completion on 30 September 2013 95%- completion 1-15 days before 30 September 2013 100%- completion -15 days before 30 September 2013	N/A	N/A	N/A	100%		NA		NA		100%
Quality (3a-PPP)	Certification by the PPP Center that Request for Proposals was issued for the engagement of Transaction Advisor. I.e. use PPP Center	7	Pass or fail	N/A	N/A	N/A	100%						N/A
Timeliness (3a- PPP)	Submit TOR and advice to proceed to PPP Center within 15 days after PNOC Board approval	3	0% -submission after15 days from PNOC Board approval 90% -submission 11-15 days after PNOC Board approval 95% - submission 6-10 days after PNOC Board approval 100% - submission 1-5 days after PNOC Board approval	N/A	N/A	N/A	100%		NA .		NA		100%
		20											
Pl 3: Implemen	tation of the Memorandum of Unc	derstanding	(MOU) between PNOC and Petrole	eumBRUNEI		1			Conducted meetings with		Site visits to PHIVIDEC		
Quality	Recommendation of options of potential sites of the LNG Terminal and Power Plant, certified by the DOE		Pass or fail	N/A	N/A	N/A	100%		PetroleumBrunei to, among others, determine possible sites for the LNG Terminal and Power Plant Project in Mindanao		and conducted various meetings with PetroleumBrunei, PHIVIDEC and DOE		100%
7		-				1							
Timeliness	Started in February 2013 with target completion date in 31 December 2013	2	Pass or fail	N/A	N/A	N/A	100%		N/A	\$	N/A		100%
1			9			-							
		5											

	Performance I	Measures		Baseline Data (if available)			Agreed Targets	1st Quarter		2nd Quarter		3rd Quarter	
		Weight 2013	Formula	2010	2011	2012	2013	Target	Actual	Target	Actual	Target	Actual
PI 4: Sale/ Quality	Determination of the mode of sale whether joint sale with SC38 consortium, to be certified	20		N/A	N/A	- N/A	100%		. N/A		Initial meetings with SC 38 consortium on possible joint bidding of banked gas		100%
Timeliness	by the DOE Started in June 2013 with target completion date in 31 December 2013	10	0%- completion after 31 December 2013 90%- completion on 31 December 2013 95%- completion 1-15 days before 31 December 2013 100% - completion >15 days before 31 December 2013	N/A	N/A	N/A	100%		N/A		N/A		100%
		30											
Moz Punding	r Suppositor Laurey Windows								No drawdown request		No drawdown request		No drawdown request from
PI I: Ability to F	und Projects	2	Pass or fail		P1.5 billion for	P1.485 billion	P106.687 million for PNOC-RC		from PNOC RC. Released P3M for winding up expenses of PSTC.		from PNOC RC. Released P20M for winding up expenses of PSTC.		PNOC-RC. Released P10 million for winding up expenses of PSTC.
Quantity	Amount of funding support appropriated for energy projects	2	Pass or fail	N/A	PNOC RC	PNOC RC	P146.821 million for BATMAN		Paid operating expenses for Batman telephone bills.		Paid P66,216.42 for operating expenses for BatMan project (local travel, telepone bills, representation and meeting expenses)		
Timeliness	Percentage of funding drawn within 7 banking days from the receipt of complete documents		Pass or fail	N/A	N/A	N/A	100%		100% of the amount requested was released within 7 banking days upon receipt of complete documents	. 1	100% of the amount requested was released within 7 banking days upon receipt of complete documents		100%
Quality	Certification of drawdown by Subsidiary or Treasurer	1	Pass or fail	N/A	N/A	N/A	100%		100%		100%		100%
-		10											
		100	County and a section with a service of			in March Spainters in the Contraction							

Noted by:

RAINIER B. BUTALID Commisioner, GCG ANTONIO M. CAILAO President, PNOC CARLOS JERICHO L. PETILLA Secretary, DOE