



23 OCTOBER 2019

**ADM REUBEN S. LISTA (RET)**

*President*

**PHILIPPINE NATIONAL OIL COMPANY (PNOC)**

PNOC Bldg. 6, Energy Center, Merritt Rd.,  
Bonifacio Global City, Taguig

**ACKNOWLEDGEMENT RECEIPT**

LETTER **18 OCTOBER 2019**  
DATE:

RE: **SUBMISSION OF PNOC'S MONITORING REPORT OF  
PERFORMANCE TARGETS FOR THE THIRD QUARTER OF 2019**

The said document was officially received by the Governance Commission on 23 October 2019 and has been forwarded to the responsible GCG Officer for appropriate action.

To follow-up for further action on the document, you may contact us through telephone numbers (02) 328-2030 or (02) 318-1000. Please cite the GCG Document Management System (DMS) Barcode Number: **0-0339-23-10-2019-017480**.

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Date and Time

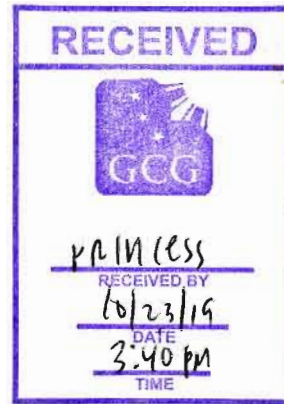


PHILIPPINE NATIONAL OIL COMPANY



18 October 2019

**HON. SAMUEL G. DAGPIN, JR.**  
Chairman  
Governance Commission for GOCCs  
Office of the President of the Philippines  
3/F Citibank Center, Citibank Plaza  
8741 Paseo De Roxas  
Makati City




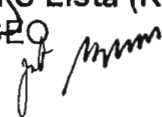
Dear Chairman Dagpin:

We are pleased to submit PNOOC's "Monitoring Report of Performance Targets" for the Third Quarter of 2019.

If you have any questions or clarifications relative to our submissions, please do not hesitate to coordinate with Eleanor Rochelle S. Cruz, Officer-in-Charge of our Corporate Planning Department. Her contact number is 8789-7613 and her e-mail address is [erscruz@pnoc.com.ph](mailto:erscruz@pnoc.com.ph).

Thank you.

Very truly yours,

  
**ADM Reuben S Lista (Ret)**  
President & CEO  


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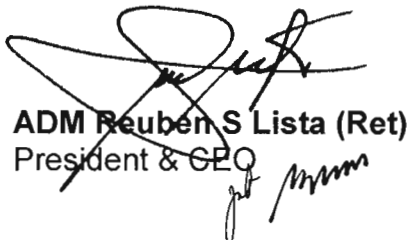
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**ADM Reuben S Lista (Ret)**  
President & CEO

PHILIPPINE NATIONAL OIL COMPANY  
MONITORING REPORT OF CY 2019 PERFORMANCE TARGETS  
THIRD QUARTER REPORT

	Strategic Objective	Formula	Weight	Rating System	Baseline 2018	GCG-Approved Targets		1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter		4 <sup>th</sup> Quarter
						2019	Actual	Actual	Target	Actual	Target	
SOCIAL IMPACT	SO 1	Contribute to Energy Security Targets										
	SM 1	Establishment of the PNOC Batangas Liquefied Natural Gas (LNG) Project	Actual Accomplishment	10%	All or Nothing	Board-Approved Evaluation Criteria for Evaluating the Eligibility Requirements of the Proponents	Submission of the Preliminary Feasibility Study to the PNOC Board	Conducted data gathering activities, specifically on site technical data, as inputs in the preparation of the Pre-FS.  Signed the MoU with Tanglawan Philippines LNG Inc for PNOC's potential participation in their LNG Hub Project following DOE's issuance of a Notice to Proceed to the company	Finalizing Preliminary Feasibility Study for the PNOC LNG Hub Project  Ongoing study on the potential investment opportunities/ participation of PNOC in the LNG Project.  Signed MoU with Lloyds Energy for the possibility of developing LNG facilities in the country  Prepared Part 1 of the Project Framework covering the following components background/ rationale, introduction to the downstream oil industry, market study and project concept	Continue with the study on the potential investment opportunities/ participation of PNOC in the LNG Project  Continue discussion with potential partners for the LNG Project  Continue with the preparation of Project Framework	Finalizing Pre-Feasibility Study for the PNOC LNG Hub Project  Ongoing study on the potential investment opportunities/ participation of PNOC in the LNG Project.  On-going preparation of the Project Framework for the Oil Depot Project	Submission of the Preliminary Study to the PNOC Board  Approval of the Board of PNOC's participation in the LNG Project  Continue discussion with potential partners for the LNG Project  Completion of Project Framework & Submission to the PNOC Board
STAKEHOLDERS	SO 2	Establish a Comprehensive Relationship Management for Mutually Beneficial Linkages with Key Stakeholders										
	SM 2	Percentage of Satisfied Customers	Number of satisfied customers / Total number of customers	10%	Actual over Target If less than 80% = 0%	90% Satisfied Customers  (Using the Standard Methodology and Questionnaire developed by GCG)	90% Satisfied Customers (Lessees, PAFC Locators & ESB Customers)		Prepared Terms of Reference (TOR) and Work Order Requisition (WOR) for the Conduct of PNOC Customer Satisfaction Survey for CY 2019	Procure/Bid Consultant for the Conduct of Customer Satisfaction Survey for CY 2019	Notice of Award was given to a UPLBFI as the third party consultant for the conduct of 2019 Customer Satisfaction Survey  (See Annex 1)	Engage Consultant for the Conduct of the Customer Satisfaction Survey for CY 2019
FINANCE	SO 3	Maintain a Sound Financial Condition										
	SM 3	Net Income	Income from Operations <del>Add/deduct:</del> Forex Gains/Loss, Other Income, Income Tax & Unrealized Gain/Loss	30%	Actual over Target	P 269.0 Million*	P 405.67 Million	P 222.59 Million	P 185.84 Million	P 101.42 M	P 122.73 M  (See Annex 2)	P 101.42 M
	SO 5	Maintain Efficient Management of PNOC Industrial Park										
	SM 4	Compliance to Integrated Management System (IMS) Standards	Actual Accomplishment	10%	All or Nothing	Passed PNOC Industrial Park 2nd Year Surveillance Audit	Pass Re-Certification Audit of PNOC Industrial Park	Conducted IMS Monitoring/ Parkwide Meetings at the PNOC Industrial Park last Jan 23 & Feb 20, 2019	Conducted IMS Review and Planning on June 25-26, 2019	Conduct of IMS Review & Planning, IMS Documentation Updating and IMS Audit Workshop	Finalized IMS Policy, Systems and Procedures Manual  Conducted the Management Review Meeting on Sept. 24, 2019  (See Annex 3)	Conduct of the Re-certification Audit

PHILIPPINE NATIONAL OIL COMPANY  
MONITORING REPORT OF CY 2019 PERFORMANCE TARGETS  
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					2018	2019	Actual	Actual	Target	Actual	Target
INTERNAL BUSINESS PROCESS	SO 6	Optimize Asset Productivity									
	SM 5	Operation of Energy Supply Base	Actual Accomplishment	10%	All or Nothing	Board Approved Minimum Performance Specifications Standards	Board-Approved Detailed Feasibility Study (DFS) on the ESB Masterplan	<p>Completed Technical Evaluation of the Short-listed Bidders for the Procurement of Consultant for the Conduct of Detailed Feasibility Study (DFS) and Detailed Engineering Design (DED) for the ESB Masterplan/Port Development.</p> <p>Accredited Allied Regency Arrastre &amp; Stevedoring Services Phils, Inc. &amp; Speedup Cargo as Additional Cargo Handling Operator (ACHO)</p> <p>Accommodated Artemis Salt Corporation as an Additional Locator in ESB</p> <p>Issued Notice to Proceed to a Contractor on February 7, 2019 for the Rehabilitation of Triangular Pier and Repair of Road</p>	<p>Endorsed to Bids and Awards Committee (BAC) the highest calculated and responsive bidder for the Conduct of Detailed Feasibility Study (DFS) and Detailed Engineering Design (DED) for the ESB Masterplan/Port Development.</p> <p>Accredited Maptan Construction &amp; Equipment Rental as Additional Cargo Handling Operator (ACHO).</p> <p>Completed 28.92% of the strengthening of Deck 3 &amp; repair works of Decks 1, 2, &amp; 4. Completed 50.73% of the concrete pavement project.</p>	<p>Awarded the consultancy services for the conduct of DFS and DED to a third party on August 13, 2019</p> <p>Accredited Mabini Integrated Marine &amp; Allied Services as Additional Cargo Handling Operator (ACHO)</p> <p>Accommodated OilServe Trading as an Additional Locator in ESB</p> <p>Completed 37.42% of the strengthening of Deck 3 &amp; repair works of Decks 1, 2, &amp; 4. Completed 95.80% of the concrete pavement</p>	
	SM 6	Contracting Out of PAFC Industrial Park Assets	Actual Accomplishment	5%	All or Nothing	Expansion of Leased Area: PR11 (6,000 sqm) Long Term Lease: SMC Consolidated (6.6 has)	Board-Approved Evaluation Report for the Issuance of the Certificate of Conformance (CoC) for PR11/MVC based on the criteria set in the PNOC-AFC Industrial Park Guidebook	Completed the Quantitative Risk Assessment (QRA) and Forwarded the Results to PR11	The PNOC Board approved, during its meetings on May 27 and June 28, 2019, the Evaluation Report for the Issuance of the CoC for Mabuhay Vinyl Corporation (MVC) and Philippine Resins Industries, Inc. (PRII) respectively, based on the Criteria set in the PNOC-AFC Industrial Park Guidebook.	Draft CoC for Presentation to the PNOC Board	N/A
SM 7	Number of PDMC Assets Utilized/Disposed at a Gain	Number of PDMC Assets Utilized/Disposed at a Gain over Target Number of PDMC Assets Utilized/Disposed at a Gain	5%	Actual over Target	a) 100% Collection Efficiency from Lease of CEPZA & Antonio Luna b) 50% Collection Efficiency from Socialized Housing Project in Cavite	Disposal through sale of 5 Costa Verde Properties	Executed Deed of Absolute Sale between PDMC and Buyers for the Disposal of Six (6) Costa Verde Properties	Executed Deed of Sale between PDMC and Buyers for the Disposal of additional two (2) Costa Verde Properties		Executed Deed of Sale between PDMC and Buyers for the Disposal of additional two (2) Costa Verde Properties  (See Annex 4)	

