

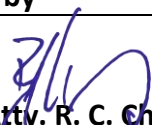
	Title of Manual		Document No.	
	<b>SYSTEM PROCEDURES MANUAL</b>		<b>QMS-03F3</b>	
	Department/ Process Owner		Effective Date	
	<b>PROJECT MANAGEMENT DEPARTMENT</b>		<b>September 15, 2021</b>	
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	<b>PMD CONTEXT DIAGRAM</b>	2	September 15, 2021
<b>PMD-01</b>	<b>SALE OF BANKED GAS - GSPA IMPLEMENTATION AND ADMINISTRATION</b>	2	September 15, 2021
PMD-01A1	Banked Gas Monthly Reconciliation and Summary Matrix	0	September 30, 2020
PMD-01A2	Banked Gas Monthly Validation Matrix	0	September 30, 2020
<b>PMD-02</b>	<b>SALE OF BANKED GAS - OFA ADMINISTRATION</b>	2	September 15, 2021
<b>PMD-03</b>	<b>SALE OF BANKED GAS - COMPLIANCE TO PDNGR</b>	2	September 15, 2021
<b>PMD-04</b>	<b>SALE OF REMAINING VOLUME OF BANKED GAS</b>	2	September 15, 2021
<b>PMD-05</b>	<b>PROJECT IMPLEMENTATION</b>	2	September 15, 2021
<b>PMD-06</b>	<b>PROJECT MONITORING AND IMPLEMENTATION</b>	0	September 15, 2021

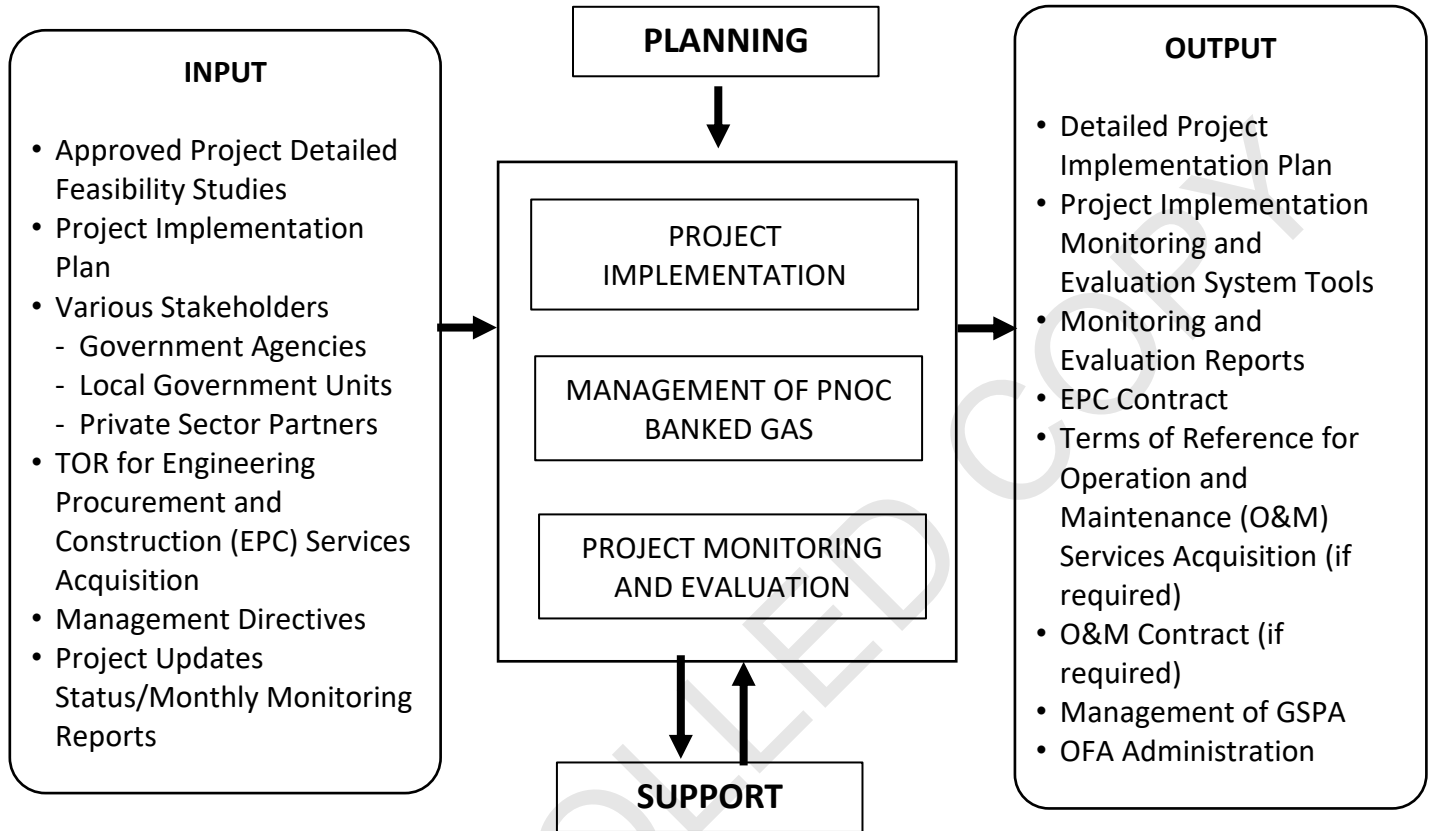
Rev. No.	Affected pages/ section	Revision History
0	-	New version of PNOC QMS; to include PNOC Energy Supply Base and PNOC Industrial Park.
1		Change of Signatories and Effectivity Date
2		Change of effectivity date and added PMD-06

Prepared by	Reviewed by	Approved by
 <b>R. R. Baybay</b> Process Owner	 <b>M. R. C. Raymundo</b> Designated – Project Development Officer V	 <b>Atty. R. C. Chua</b> SVP Energy Investments

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**Context Diagram  
Project Management Department**



**Narrative:**

The processes of the Project Management Department (PMD) include: project implementation that shall be based on the approved Detailed Feasibility Studies (DFS) received from the Business Research and Development Department; and the management of the business/project until a separate business unit is created for its operation.

A detailed project implementation plan to include financial and personnel requirements has to be prepared based on the work plan and work schedule in the approved DFS. All the necessary activities has to be carried out based on said plan covering pre-implementation, implementation and operation phases of the project. All the necessary monitoring and evaluation systems and tools have to be designed. These tools are vital to come up with recommendations on the necessary adjustments that need to be made on the detailed implementation plan.

Pre-implementation phase covers the following activities: site acquisition and surveys/investigation, planning/detailed engineering, bidding of contractors/concessionaires and permitting. If necessary, PMD has to facilitate the procurement of the Engineering, Procurement and Construction (EPC) services based on the specifications and terms of

reference in the approved DFS. In case of a joint venture/partnership/concession, PMD is also tasked to coordinate with essential stakeholders including government agencies, local government units and the private sector.

On the implementation phase, PMD shall be involved in the monitoring and supervision of all related activities including materials procurement and construction based on the detailed implementation plan. PMD shall assess the progress of the project vis-à-vis the project implementation plan and shall prepare the necessary monitoring and evaluation reports.



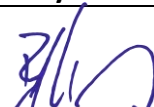
PMD shall also assume the operation and management of the completed projects until a separate business unit is created for their operation.

PMD currently manages all activities related to the sale and disposal of the PNOC Banked gas. It includes implementation and administration of the Gas Sales and Purchase Agreement (GSPA) between PNOC and Pilipinas Shell Petroleum Corporation (PSPC); administration of Offtake Framework Agreement (OFA) between PNOC and SC38 Consortium; overseeing compliance to the Philippine Downstream Natural Gas Regulations promulgated by the DOE; and all other activities related to the sale of the remaining banked gas asset of PNOC.

The Company (PNOC) through the Project Management Department shall undertake project monitoring and evaluation of all PNOC energy and other energy-related projects to ascertain if their operations and physical accomplishments are in accordance with policies and directions set by the Company.

The PMD's project monitoring activity covers all subsidiaries' projects that are still on-going or in the pre-development phase and are not yet in commercial operations while those undergoing evaluation activities are those already completed projects and generating revenues.

Rev. No.	Affected pages/section	Revision History
0		New version of PNOC QMS; to include PNOC Energy Supply Base and PNOC Industrial Park.
1	2	Change of signatories
2	All	Revision to include the project monitoring and evaluation process in the context diagram

Prepared by	Reviewed by	Approved by
 R. R. Baybay	 M. R. C. Raymundo	 Atty. R. C. Chua
Process Owner	Designated Project Development Officer V	SVP Energy Investments

**Banked Gas Monthly Reconciliation**  
 For the month of \_\_\_\_\_

PMD-01A1 Rev.0

	Nominated/Forecasted Quantity (TJ)	Daily Nomination	Acknowledgement from SPEX	Properly Nominated Quantity (TJ)	Delivered Quantity (TJ)	Discrepancy	Q3 Price (USD/GJ)	Conversion Factor (10 <sup>3</sup> GJ/TJ)	Amount (\$)
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
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27									
28									
29									
30									
31									
Total									

Remaining Contracted  
Quantity (PJ)

Remaining in Annual TOP  
Quantity (PJ)

ShortFall Gas due to Maintenance  
Shutdown (PJ)

Annual Deficiency  
(GJ)

Prepared by:  
\_\_\_\_\_

Checked by :  
\_\_\_\_\_

Noted by:  
\_\_\_\_\_

**SUMMARY MATRIX**  
 \_\_\_\_\_ Delivery of Banked Gas to PSPC  
 PMD-01A1 Rev.0

Particulars	Delivery Period	Year												Sub-TOTAL	GRAND TOTAL	
		Additional ACQ (Annual Deficiency)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov			Dec
Quantity Nominated (Terajoules, TJ)																
Monthly Contract Quantity (Terajoules, TJ)																
TOP Adjustment																
Monthly TOP Quantity (Adjusted, TJ)																
Quantity Delivered (Terajoules, TJ)																
(Gigajoules, GJ)																
(Petajoules, PJ)																
Price (\$/GJ)																
Amount (\$)																
12% Vat																
Gross Sales (VAT inclusive)																
Contract Price computed by PMD																
% Price Difference																

Contract Quantities (as provided in the GSPA)	
Daily Contracted Quantity (TJ/day)	
Total Contracted Quantity (PJ)	
Total Quantity Delivered (TJ) as of Latest Reported Delivery Month	
Remaining Contracted Quantity (TJ) as of _____	
Remaining Contracted Quantity as of Latest Reported Delivery Month (PJ)	

Year \_\_\_\_\_

Annual Contract Quantity (ACQ) + Annual Defeciency in GJ	
Take-or-Pay Quantity (for CY _____)	
<b>Less DCQ during Shutdown (GJ)</b>	
Total Gas Delivered (GJ)	
Remaining ACQ in GJ as of Latest Reported Delivery Month (PJ)	
Average Price	
Annual Deficiency Payables (USD)	

Prepared by:

Noted by:

\_\_\_\_\_

\_\_\_\_\_

**Banked Gas Monthly Validation Matrix**  
PMD-01A2 Rev.0

Date	Month					checker	PNOC % Share
	Volume, $V_T$	Mass, $M_T$	Mass, $M_{BG}$	Volume, $V_{BG}$			
	(Total: SC38+PNOC Gas)	(Total: SC38+PNOC Gas)	(PNOC Banked Gas)	(PNOC Banked Gas)			
	Sm3	kg	kg	Sm3	m/V		
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
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Banked Gas Volume ( $Sm^3$ ), standard cubic meter  
in MMSCF, million standard cubic feet  
in MMSCFD, million standard cubic feet per day

Prepared by:

Approved by:

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	<b>SYSTEM PROCEDURES MANUAL</b>	<b>PMD-01</b>	
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<b>SALE OF BANKED GAS – GSPA IMPLEMENTATION AND ADMINISTRATION</b>	<b>2</b>	<b>1 of 8</b>	

## 1. Objective

To ensure proper implementation of the Gas Sale and Purchase Agreement (GSPA) in relation to the sale of banked gas.

## 2. Scope

This covers the guidelines and procedures related to the Sale of Banked Gas pursuant to the provisions of the GSPA executed between PNOC and the buyer. The PMD is tasked to monitor and administer the implementation of the GSPA including processes such as the satisfaction of conditions precedent, facilitation of accounts receivables from the buyer, and reconciliation of delivered banked gas in an annual basis.

## 3. References


GSPA  
Banked Gas OFA between PNOC and SC38 Consortium  
DOE's Circular No. DC2017-11-2018 or PDNGR  
Monthly Delivery Report from SPEX  
Annual Reconciliation Statement from SPEX

## 4. Definitions and Abbreviations

BG Banked Gas  
GSPA Gas Sale and Purchase Agreement  
OFA Offtake Framework Agreement  
PDNGR Philippine Downstream Natural Gas Regulation  
SPEX Shell Philippines Exploration BV  
SI Sales Invoice

## 5. Policies and Guidelines

PMD is tasked to monitor and administer the delivery of Banked Gas pursuant to the GSPA executed between PNOC and a buyer. This involves the satisfaction of the terms set forth under the GSPA including the fulfillment of the condition precedents, and the timely facilitation of accounts receivables from the banked gas buyer. Upon PMD's receipt and validation of the monthly delivery report from SPEX (as BG administrator), the department prepares a memo to the Accounting Department to request for the preparation of the sales invoice corresponding to the quantity of banked gas withdrawn by the buyer for the month. Further, at the end of every contract year, an annual

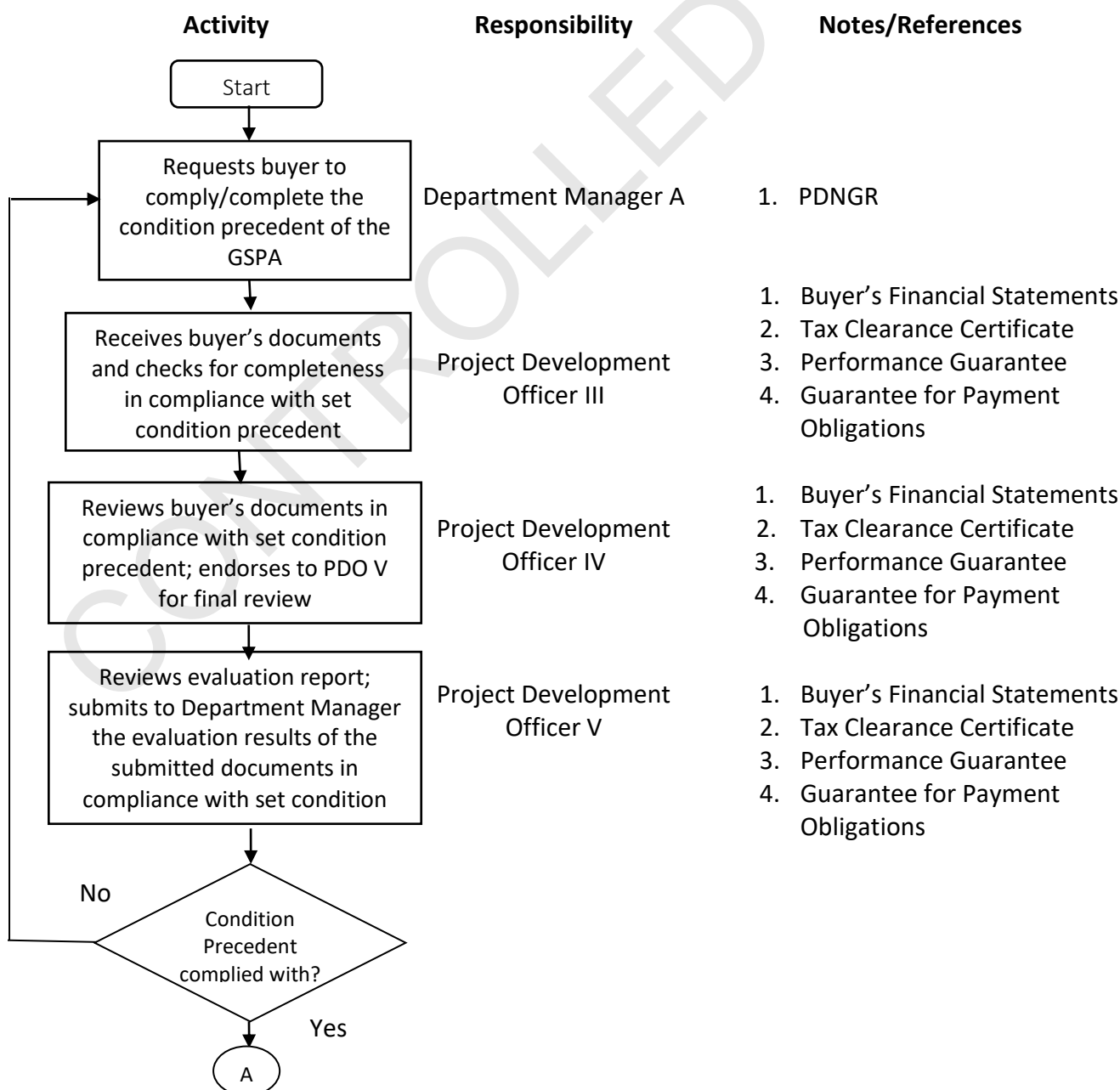
	Title of Manual	Document No.	
	<b>SYSTEM PROCEDURES MANUAL</b>	<b>PMD-01</b>	
	Department/ Process Owner	Effective Date	
	<b>PROJECT MANAGEMENT DEPARTMENT</b>	<b>September 15, 2021</b>	
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reconciliation report is prepared by PMD based on the report submitted by SPEX. The reconciliation statement is rendered by PMD to the buyer. Terms of the sale are provided in the GSPA.


## 6. Details

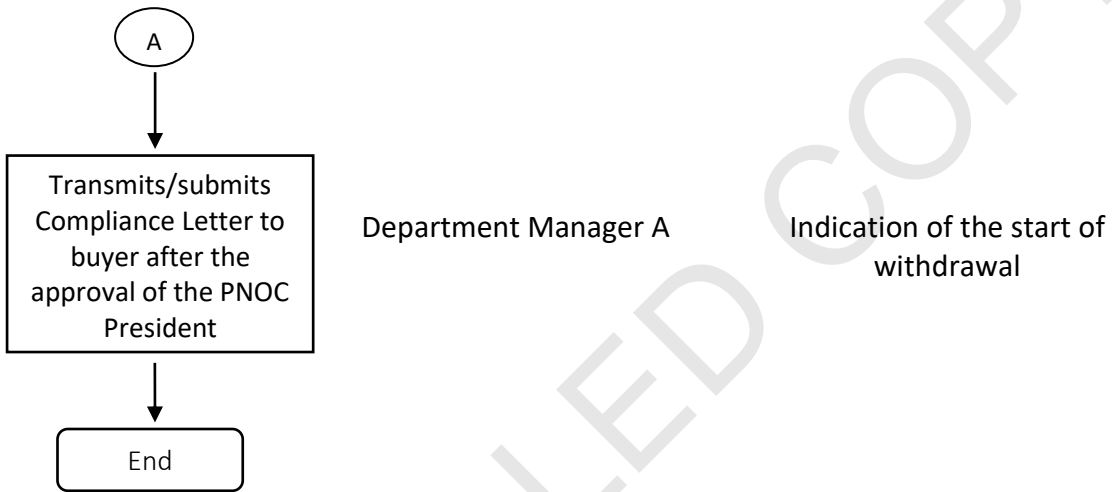
### 6.1 GSPA Implementation and Administration


#### 6.1.1 Satisfaction of Condition Precedent



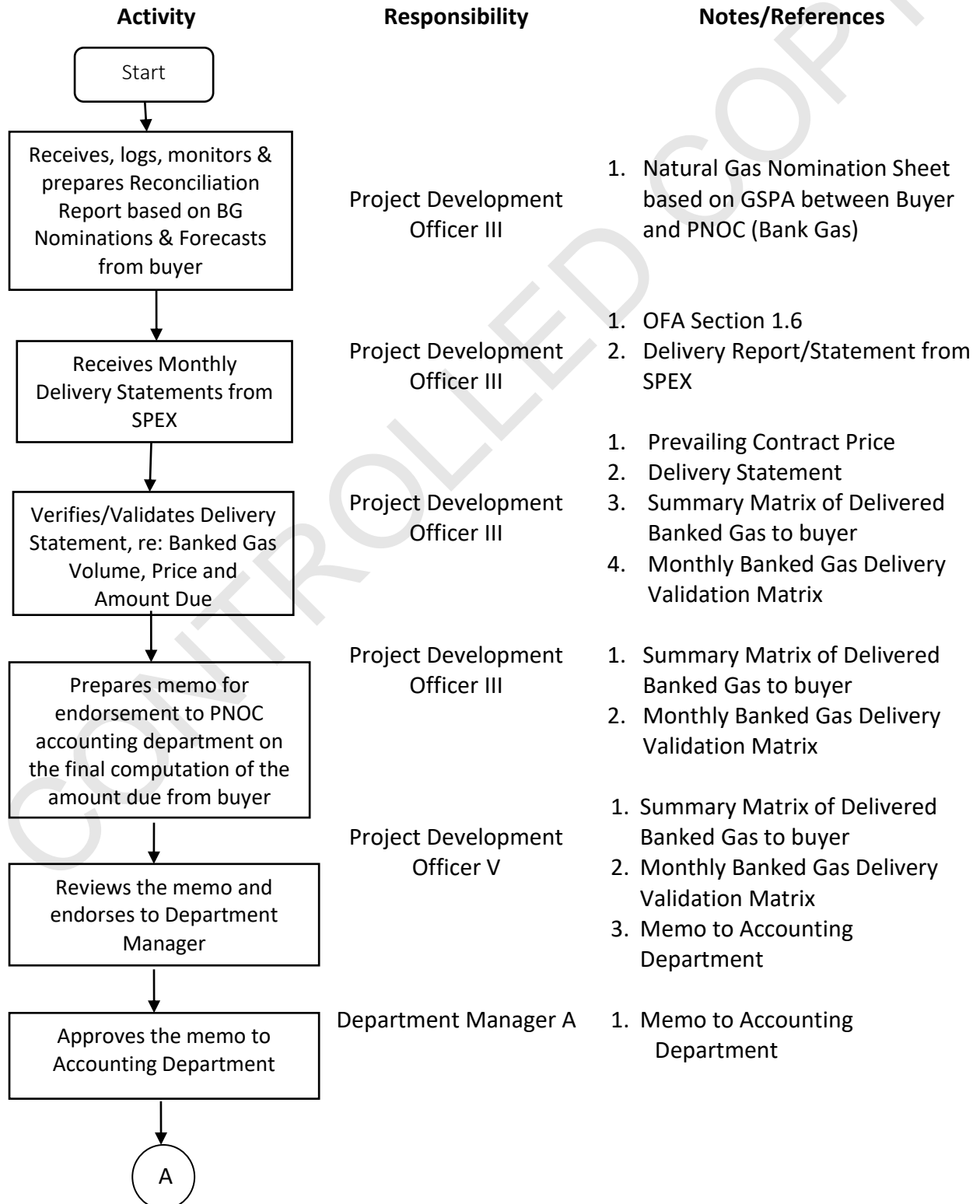



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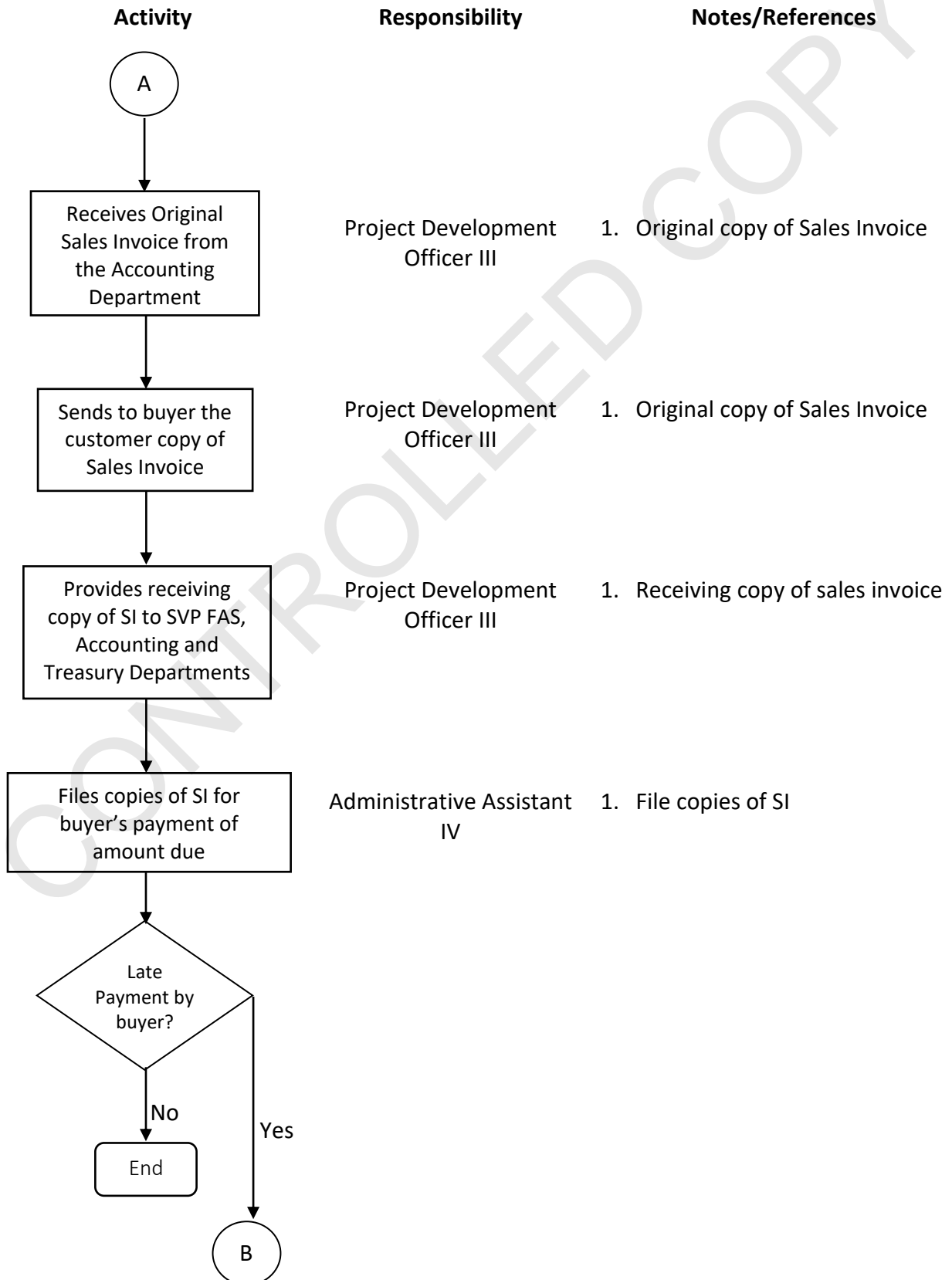



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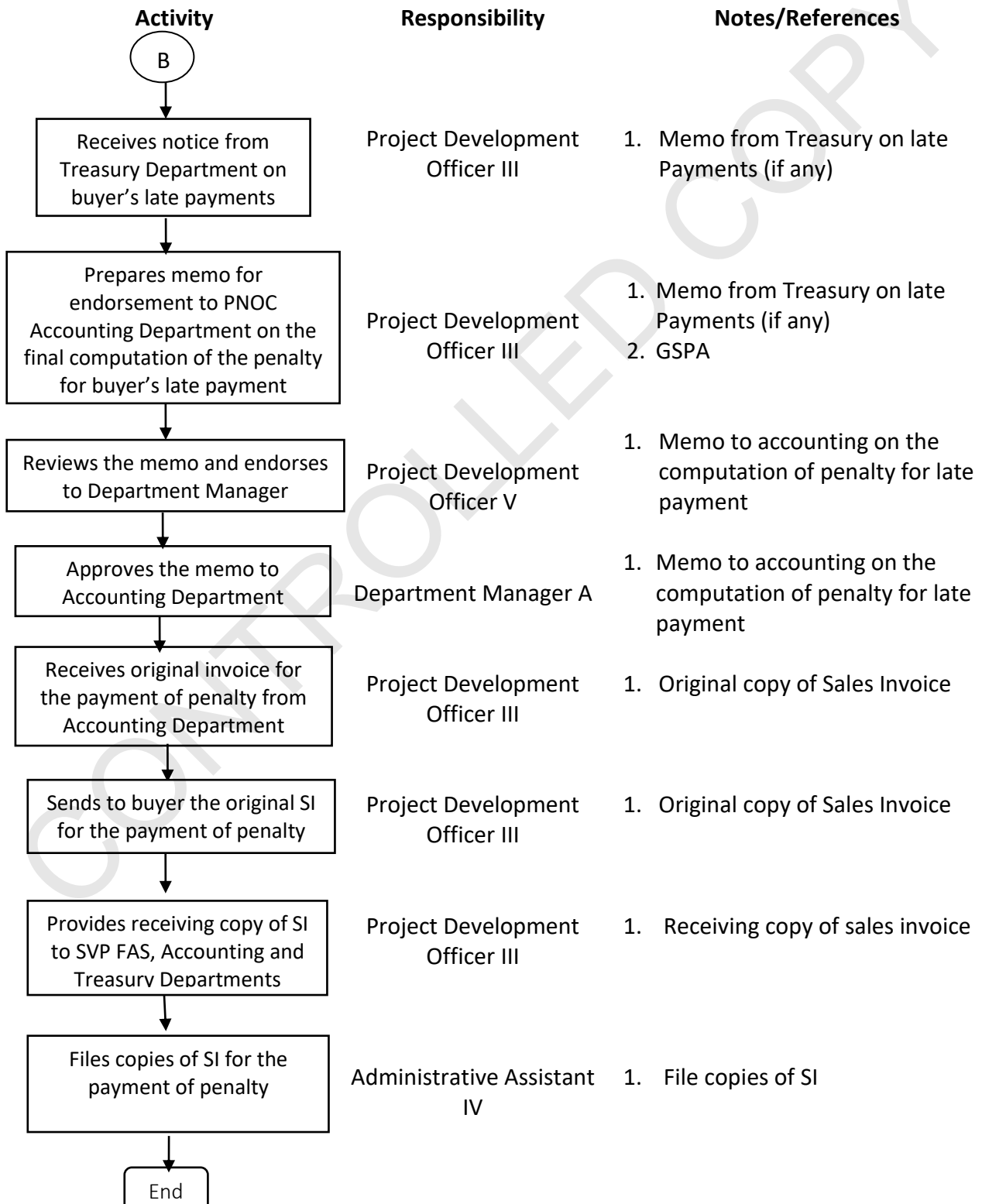
### 6.1.2 Monitoring of Delivered Quantity and Invoicing




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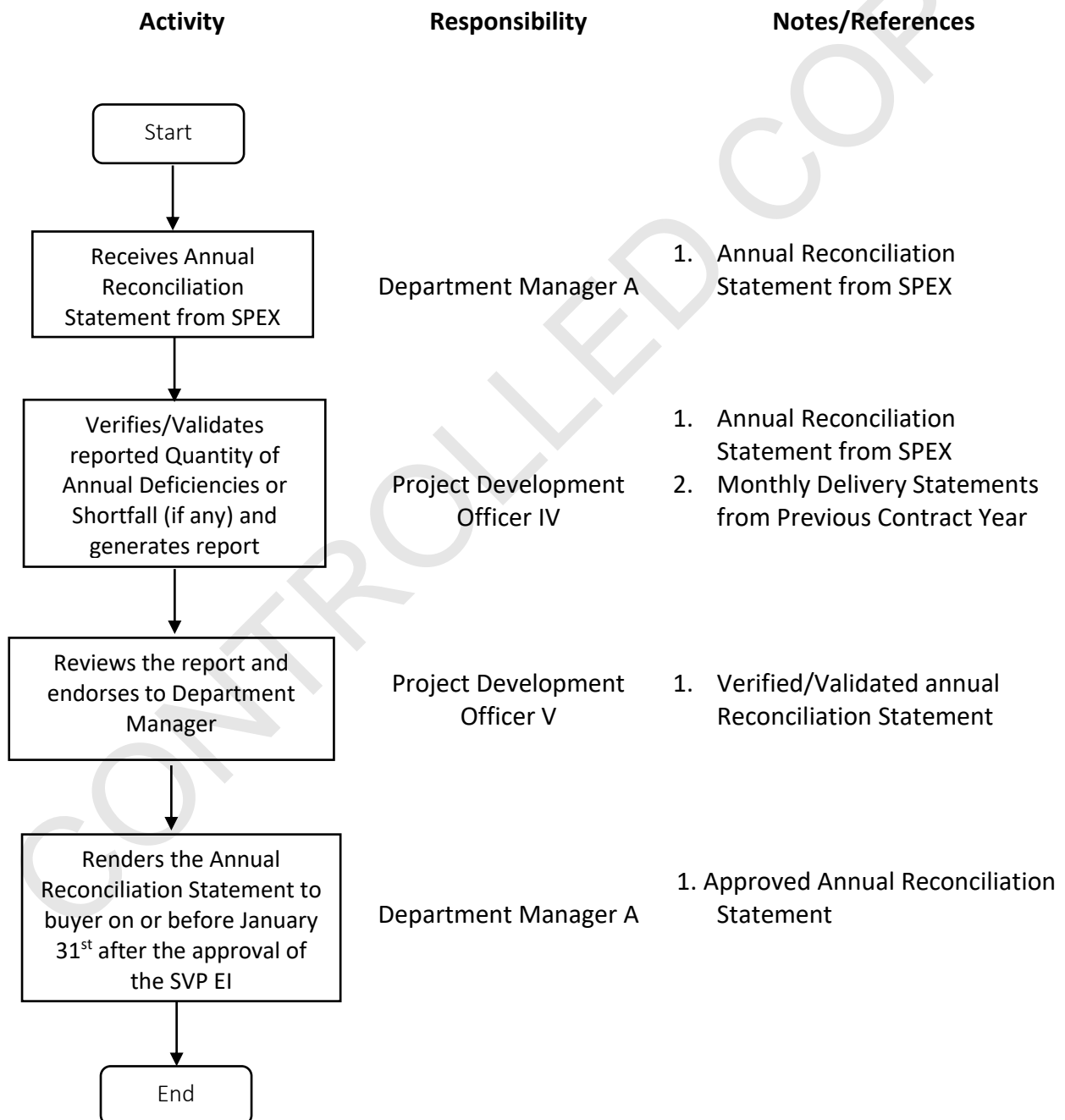



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### 6.1.3 Annual Reconciliation of Delivered Quantity



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SALE OF BANKED GAS – GSPA IMPLEMENTATION AND ADMINISTRATION		2	8 of 8	




## 7. Records and Files Generated

- a. Monthly Delivery Statements from SPEX
- b. Monthly Memo to Accounting on Sales Invoice Preparation
- c. Monthly Sales Invoice
- d. Monthly Memo to Accounting on Sales Invoice Preparation for Penalty (if any)
- e. Month SI for penalty (if applicable)
- f. Monthly Banked Gas Delivery Validation Matrix
- g. Summary Matrix of Delivered Banked Gas to buyer
- h. Annual Reconciliation Statement

## 8. Attachments

Sample Forms

Rev. No.	Affected pages/ section	Revision History
0	-	New version of PNOC QMS; to include PNOC Energy Supply Base and PNOC Industrial Park.
1	Section 6 Page 7 Page 1-7	6.1.2 – Change of connector to capital letters instead of symbols Change of signatories Change of effectivity dates
2	Pages 2-7 Pages 1-8	Change Position Titles under “Responsibility” column and additional activities under 6.1.1, 6.1.2 and 6.1.3 Change of effectivity dates

Prepared by	Reviewed by	Approved by
 <b>R. R. Baybay</b>	 <b>M. R. C. Raymundo</b>	 <b>Atty. R. C. Ghua</b>
Process Owner	Designated Project Development Officer V	SVP Energy Investments

**Banked Gas Monthly Reconciliation**  
 For the month of \_\_\_\_\_

PMD-01A1 Rev.0

	Nominated/Forecasted Quantity (TJ)	Daily Nomination	Acknowledgement from SPEX	Properly Nominated Quantity (TJ)	Delivered Quantity (TJ)	Discrepancy	Q3 Price (USD/GJ)	Conversion Factor (10 <sup>3</sup> GJ/TJ)	Amount (\$)
1									
2									
3									
4									
5									
6									
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29									
30									
31									
Total									

Remaining Contracted  
Quantity (PJ)   
 Remaining in Annual TOP  
Quantity (PJ)

ShortFall Gas due to Maintenance  
Shutdown (PJ)

Annual Deficiency  
(GJ)

Prepared by:  
\_\_\_\_\_

Checked by :  
\_\_\_\_\_

Noted by:  
\_\_\_\_\_

**SUMMARY MATRIX**  
 \_\_\_\_ Delivery of Banked Gas to PSPC  
 PMD-01A1 Rev.0

Particulars	Delivery Period	Additional ACQ (Annual Deficiency)	Year												Sub-TOTAL	GRAND TOTAL	
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
Quantity Nominated (Terajoules, TJ)																	
Monthly Contract Quantity (Terajoules, TJ)																	
TOP Adjustment																	
Monthly TOP Quantity (Adjusted, TJ)																	
Quantity Delivered (Terajoules, TJ)																	
(Gigajoules, GJ)																	
(Petajoules, PJ)																	
Price (\$/GJ)																	
Amount (\$)																	
12% Vat																	
Gross Sales (VAT inclusive)																	
Contract Price computed by PMD																	
% Price Difference																	

Contract Quantities (as provided in the GSPA)	
Daily Contracted Quantity (TJ/day)	
Total Contracted Quantity (PJ)	
Total Quantity Delivered (TJ) as of Latest Reported Delivery Month	
Remaining Contracted Quantity (TJ) as of _____	
Remaining Contracted Quantity as of Latest Reported Delivery Month (PJ)	

Year \_\_\_\_\_

Annual Contract Quantity (ACQ) + Annual Deficiency in GJ	
Take-or-Pay Quantity (for CY _____)	
Less DCQ during Shutdown (GJ)	
Total Gas Delivered (GJ)	
Remaining ACQ in GJ as of Latest Reported Delivery Month (PJ)	
Average Price	
Annual Deficiency Payables (USD)	

Prepared by:

Noted by:

\_\_\_\_\_

\_\_\_\_\_



**Banked Gas Monthly Validation Matrix**  
PMD-01A2 Rev.0

Date	Month					checker	PNOC % Share
	Volume, $V_T$	Mass, $M_T$	Mass, $M_{BG}$	Volume, $V_{BG}$			
	(Total: SC38+PNOC Gas) Sm <sup>3</sup>	(Total: SC38+PNOC Gas) kg	(PNOC Banked Gas) kg	(PNOC Banked Gas) Sm <sup>3</sup>	m/V		
1							
2							
3							
4							
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6							
7							
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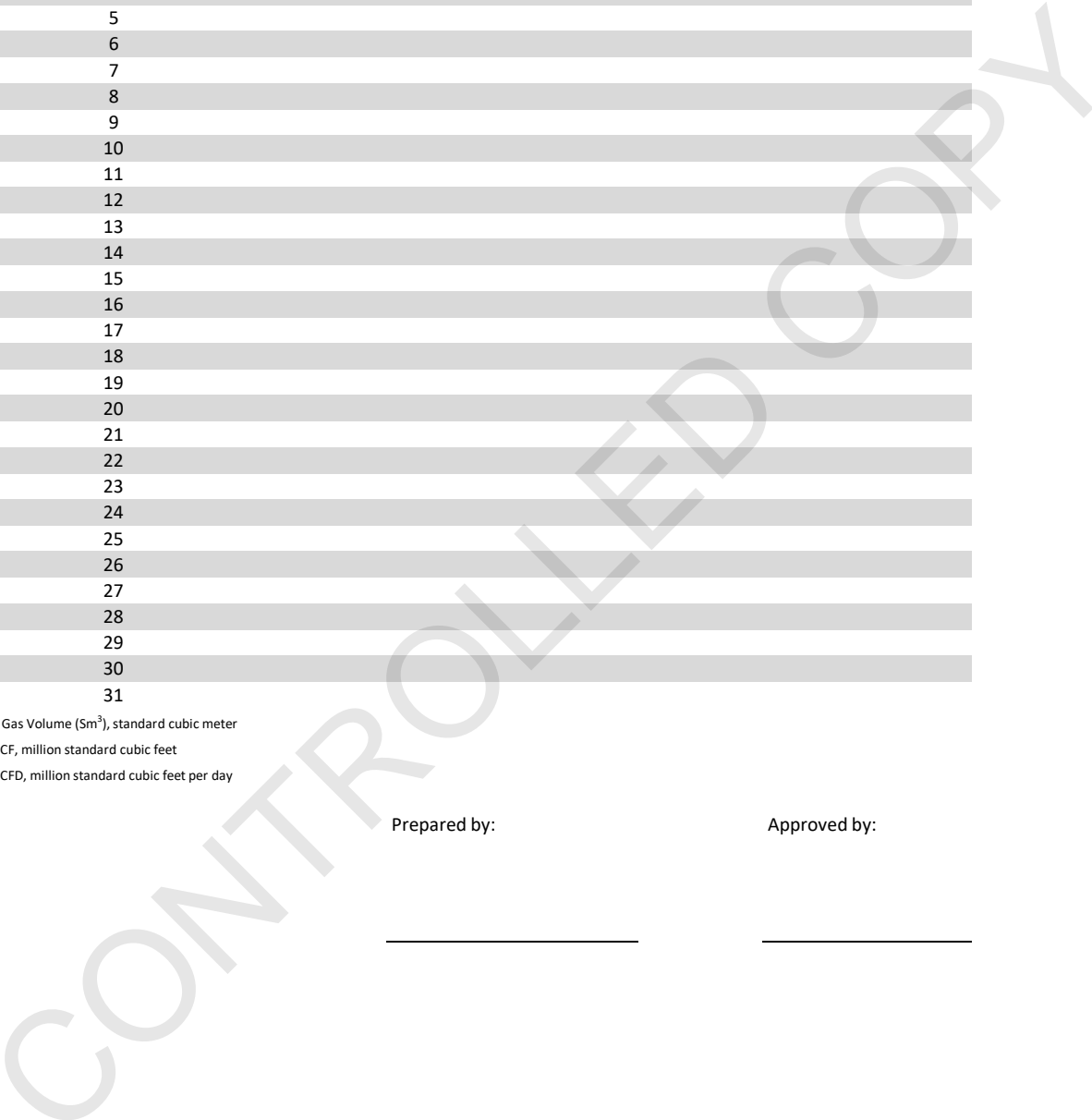
Banked Gas Volume (Sm<sup>3</sup>), standard cubic meter  
in MMSCF, million standard cubic feet  
in MMSCFD, million standard cubic feet per day


Prepared by:

Approved by:

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\_\_\_\_\_



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<b>SALE OF BANKED GAS – OFA ADMINISTRATION</b>	<b>2</b>	<b>1 of 3</b>	

## 1. Objective

Ensure timely facilitation of accounts payables (Management and Administration Fee) to SPEX as PNOC's banked gas administrator.

## 2. Scope

This covers the guidelines and procedures on the facilitation of accounts payables in relation to the sale of banked gas, specifically the processing of SPEX's Management and Administration Fee as PNOC's banked gas administrator.

## 3. References


GSPA  
Banked Gas OFA between PNOC and SC38 Consortium  
DOE's Circular No. DC2017-11-2018 or PDNGR  
Monthly Billing Statement from SPEX

## 4. Definitions and Abbreviations

BG Banked Gas  
DV Disbursement Voucher  
OFA Offtake Framework Agreement  
PDNGR Philippine Downstream Natural Gas Regulation  
RFCR Request for Currency Remittance  
SPEX Shell Philippines Exploration BV

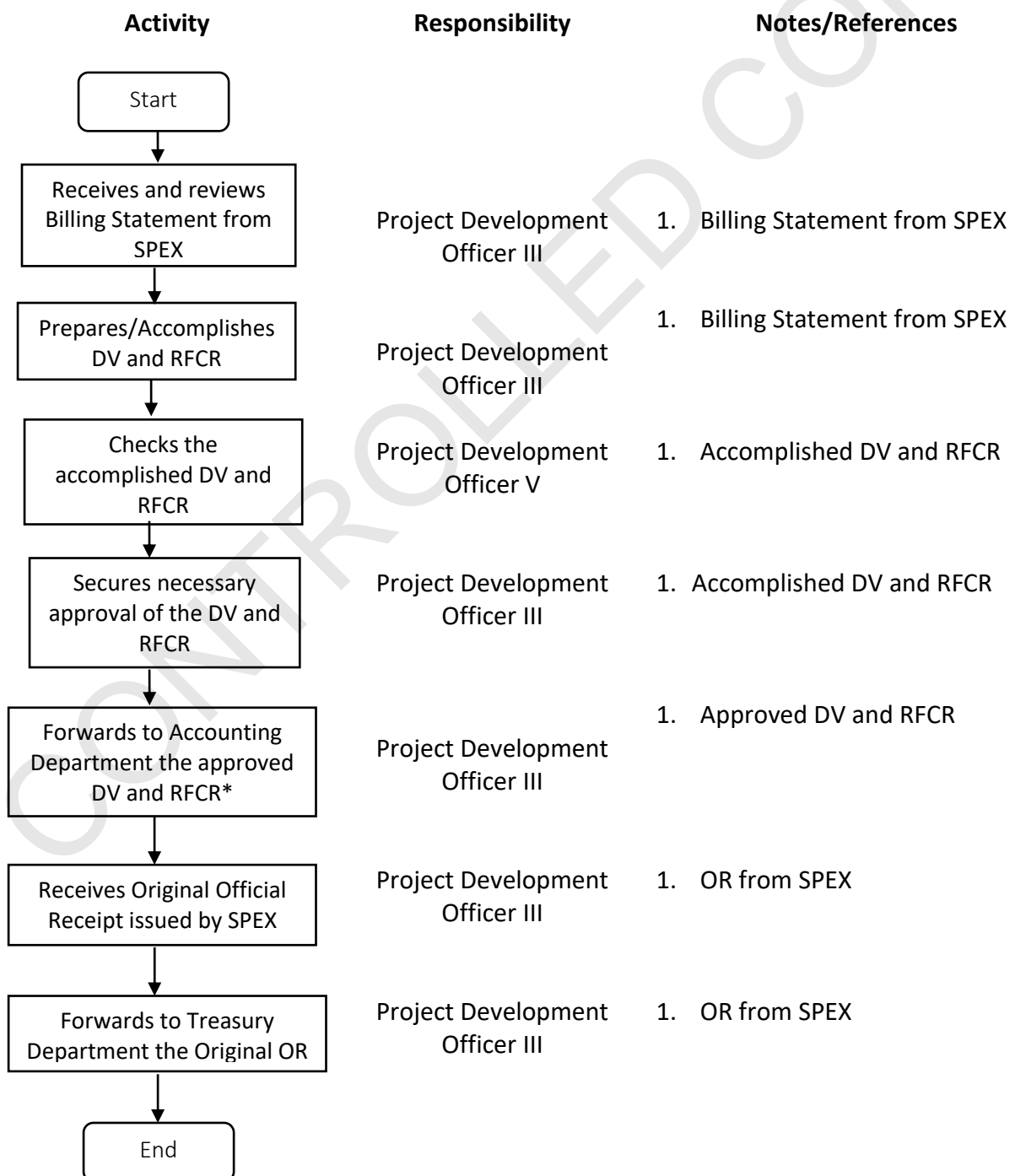
## 5. Policies and Guidelines

Pursuant to the Offtake Framework Agreement (OFA) executed between PNOC and the SC38 Consortium, SPEX was assigned as banked gas administrator, being the operator of the SC38 Consortium Facility. In consideration of the administration, management and delivery of the Banked Gas, PNOC shall pay the Consortium a fee (the "Management and Administration Fee") in accordance with the payment schedule (Schedule 3) provided under the OFA.


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## 6. Details

### 6.1 OFA Administration (Facilitation of Payment of Management and Administration Fee to SPEX)



\*Treasury Department Processes Payment to SPEX; SPEX issues OR to PNOC sent thru PMD

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## 7. Records and Files Generated


- a. Monthly Billing Statements from SPEX for the Management and Administration Fee
- b. Monthly DV and RFCR
- c. OR for PNOC's Management and Administration Fee Payment to SPEX

## 8. Attachments

Sample Forms

Rev. No.	Affected pages/ section	Revision History
0	-	New version of PNOC QMS; to include PNOC Energy Supply Base and PNOC Industrial Park.
1	Pages 1-3 Page 3	Change of effectivity date Change of signatories
2	Page 2  Pages 1-3	Change Position Titles under "Responsibility" column and additional activity under 6.1 Change of effectivity date

Prepared by	Reviewed by	Approved by
 <b>R. R. Baybay</b>	 <b>M. R. C. Raymundo</b>	 <b>Atty. R. C. Chua</b>
Process Owner	Designated Project Development Officer V	SVP Energy Investments

	Title of Manual		Document No.	
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	Department/ Process Owner		Effective Date	
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SALE OF BANKED GAS – COMPLIANCE TO PDNGR REPORTORIAL REQUIREMENTS		2	1 of 5	

## 1. Objective

To ensure timely submission of monthly delivery report to DOE on the sale of banked gas in compliance to the reportorial requirements under the DOE-Circular No. DC2017-11-0012 or PDNGR.

## 2. Scope

This covers the procedures for PNOC's compliance with the reportorial requirements of the DOE's Circular No. DC2017-11-0012 or PDNGR.

## 3. References

GSPA  
Banked Gas OFA between PNOC and SC38 Consortium  
DOE's Circular No. DC2017-11-0012 or PDNGR


## 4. Definitions and Abbreviations

AST-NG Acknowledgement to Supply and Transport Natural Gas  
BG Banked Gas  
DOE Department of Energy  
MMSCF Million Standard Cubic Feet  
NG-SAC Natural Gas Supplier Accreditation Certificate  
PDNGR Philippine Downstream Natural Gas Regulation  
SPEX Shell Philippines Exploration BV

## 5. Policies and Guidelines


Pursuant to Section 3 of the DOE Circular No. DC2017-11-0012 or PDNGR on Accreditation, Registry and Reportorial Requirements:

5.1. Importer and supplier complying with the Importer and Supplier Accreditation Guideline shall be issued an Accreditation Certificate and shall be qualified thereafter to apply with the OIMB for the issuance of an Acknowledgement to Import LNG (ATI-LNG) and Acknowledgement to Supply and Transport Natural Gas (AST-NG) consistent to the application; and

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5.2. The Operators, their facilities and activities shall be registered and the required reportorial requirements shall be submitted to the OIMB for proper supervision and monitoring in accordance with the Operator and Facility Registry and Reportorial Requirements Guideline.

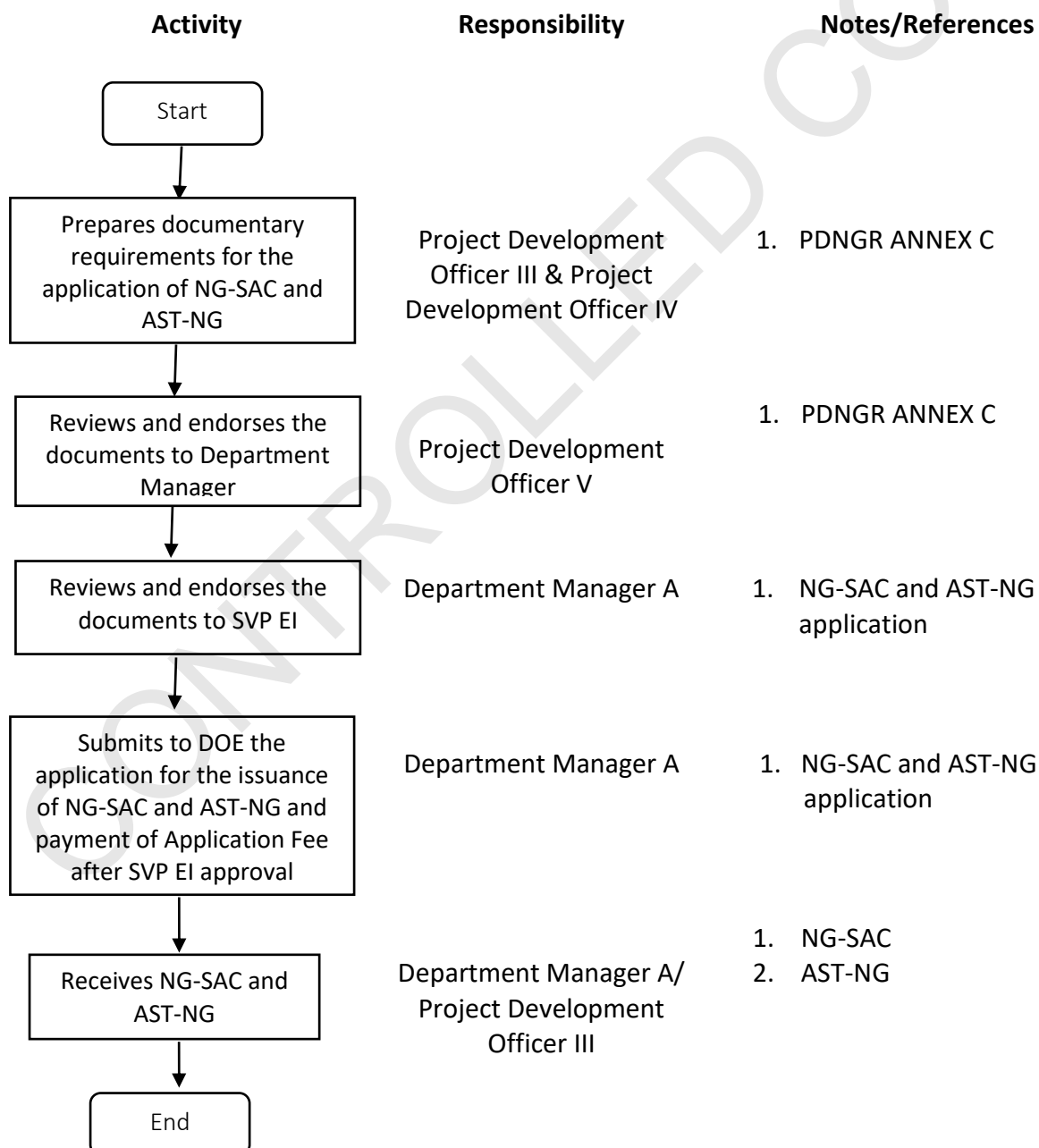
All applications for accreditation to import and/or supply and transport of Natural Gas shall comply with all of the documentary requirements based on ANNEX C of the PDNGR or otherwise the application shall not be accepted. Moreover, all registered importers and suppliers shall submit to the DOE-OIMB the required monthly reports (based on ANNEX C of PDNGR) on or before the fifteenth (15th) day of the succeeding month. Failure to comply with the requirements of the PDNGR shall be ground for the suspension or cancellation of the accreditation and the non-issuance of ATI and AST for succeeding applications.


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## 6. Details

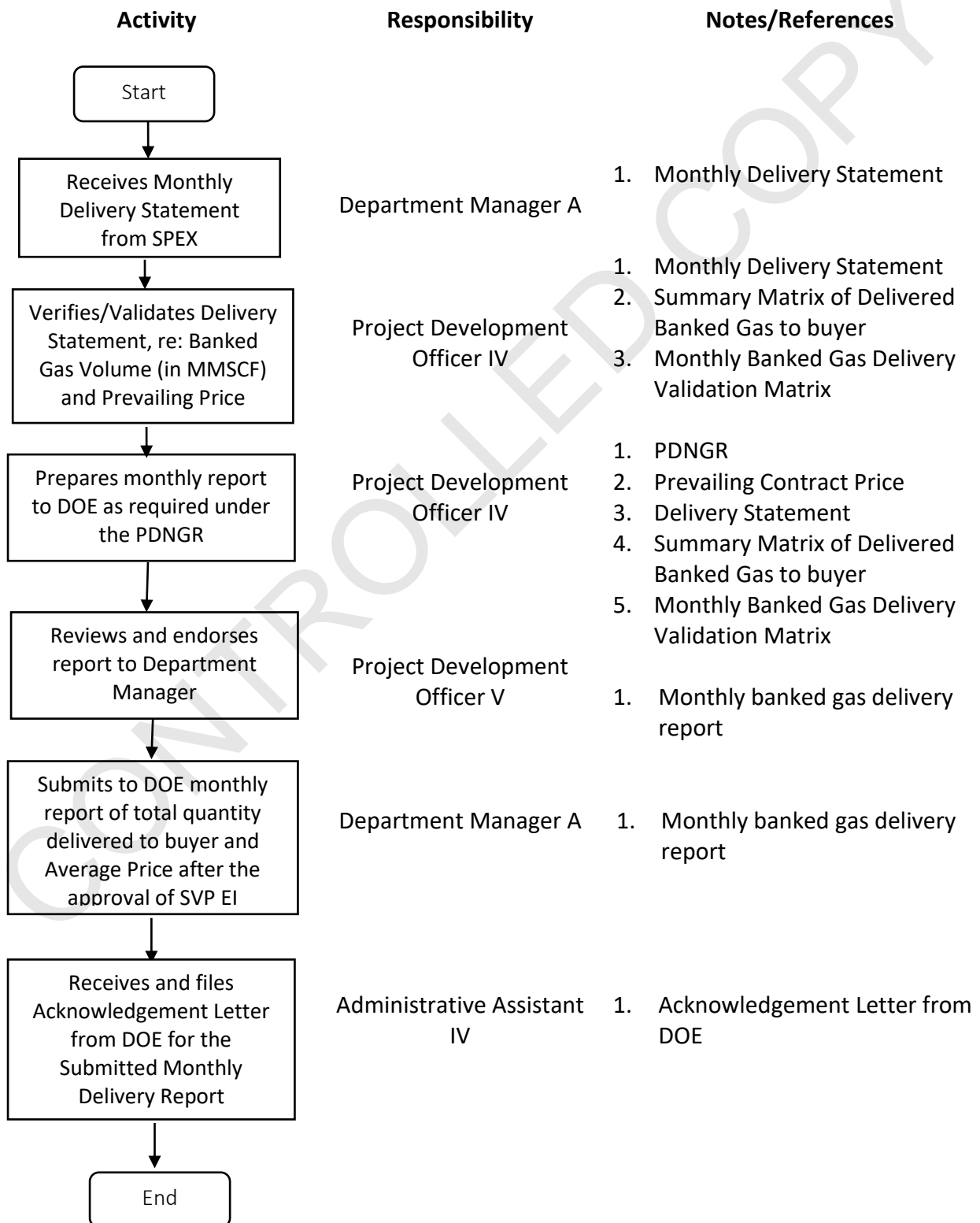
### 6.1 Compliance DOE Circular No. DC2017-11-0012 or PDNGR.

#### 6.1.1 Accreditation to Supply Natural Gas




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### 6.1.2 Compliance to the Reportorial Requirements of the PDNGR





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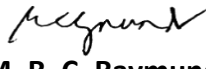

## 7. Records and Files Generated


- a. Natural Gas Supplier Accreditation Certificate
- b. Acknowledgement to Supply and Transport Natural Gas
- c. Monthly Delivery Statements from SPEX
- d. Monthly Banked Gas Delivery Validation Matrix
- e. Monthly Delivery Report to DOE
- f. Acknowledgement Letter from DOE

## 8. Attachments

Sample Forms

Rev. No.	Affected pages/ section	Revision History
0	-	New version of PNOC QMS; to include PNOC Energy Supply Base and PNOC Industrial Park.
1	Pages 1-5 Page 5	Change of Effectivity Date Change of Signatories
2	Pages 3-4 Pages 1-5	Change Position Titles under "Responsibility" Column and additional activities under 6.1.1 and 6.1.2 Change of Effectivity Date

Prepared by	Reviewed by	Approved by
 <b>L. L. Katalbas</b>	 <b>M. R. C. Raymundo</b>	 <b>Atty. R. C. Chua</b>
Process Owner	Designated Project Development Officer V	SVP Energy Investments

	Title of Manual	Document No.	
	<b>SYSTEM PROCEDURES MANUAL</b>	<b>PMD-04</b>	
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Title of Document	Revision No.	Page	
<b>SALE OF REMAINING VOLUME OF BANKED GAS</b>	<b>2</b>	<b>1 of 7</b>	

## 1. Objective

To optimize monetization/sale of the remaining volume of the PNOC banked gas.

## 2. Scope

This manual covers the guidelines, and procedures related to the monetization and or disposal of the remaining volume of PNOC's Banked Gas thru negotiated sale.

## 3. References

Banked Gas OFA

DOE-issued Guidelines for the Sale and/or Disposal of the Subrogated Banked Gas  
DOE's Circular No. DC2017-11-2018 of PDNGR

Board Resolution No. 2528 (*PNOC Board Authority for the Management to exhaust and explore all feasible options and negotiate, without making any commitment as to the price at which the banked gas can be disposed of*)

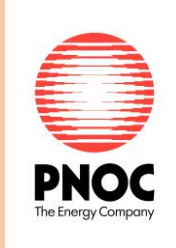
COA Circular No. 89-296 (*Audit Guidelines on the Divestment or Disposal of Property and Other Assets of National Government Agencies and Instrumentalities, Local Government Units and Government-Owned or Controlled Corporations and their Subsidiaries*)

## 4. Definitions and Abbreviations


BG	Banked Gas
COA	Commission on Audit
DOE	Department of Energy
GSPA	Gas Sale and Purchase Agreement
MOU	Memorandum of Understanding
NDA	Non-Disclosure Agreement
OFA	Offtake Framework Agreement
PDNGR	Philippine Downstream Natural Gas Regulation
PNOC	Philippine National Oil Company
PSPC	Pilipinas Shell Petroleum Corporation
SC38	Service Contract 38
SPEX	Shell Philippines Exploration BV

## 5. Policies and Guidelines

**5.1** Disposal and/or sale shall be in accordance with the provisions of the OFA concluded between PNOC and SC38 Consortium.

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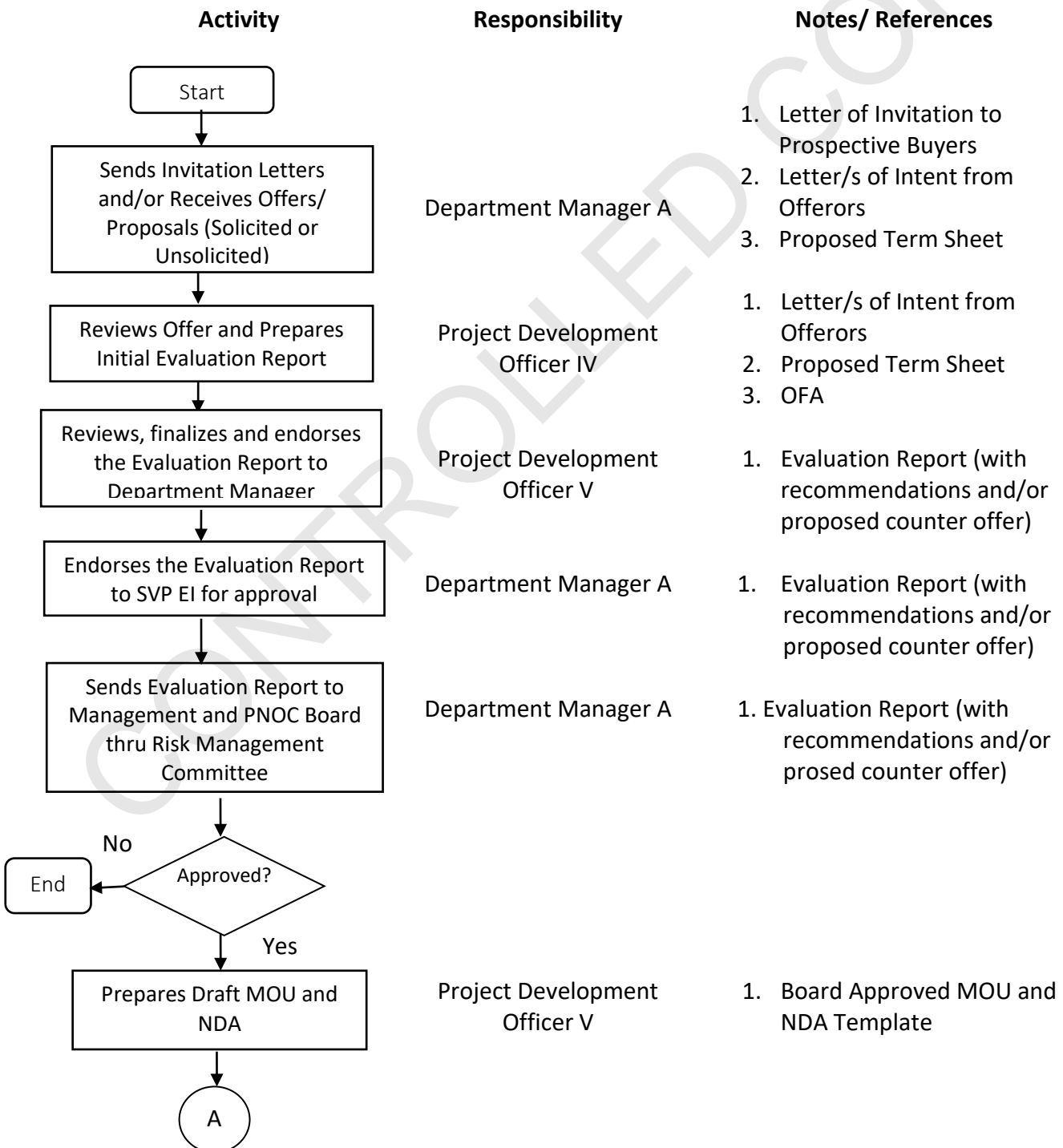
- 5.2** Disposal and/or sale is open to all as long as it is in accordance with the existing laws, rules and regulation, and it is beneficial and advantageous to PNOC and to the Philippine Government.
- 5.3** Timely disposal of the Banked Gas optimizing its value and marketability should be observe to avoid or at least limit the possible losses due to the expiration of SC38 contract and Malampaya depletion.
- 5.4** The disposal of Banked Gas shall be flexible but will however remain consistent with the pertinent government rules and regulations. As government asset, the Banked Gas may either be sold by PNOC through public bidding, or other modes (e.g. negotiated sale) of disposal provided it is consistent and complies with the general principles of transparency and governance, as follows:
- 5.4.1 The disposal shall endeavor to achieve optimal pricing by considering all relevant valuation factors such as market supply and demand, economic life of the asset and other technical considerations;
- 5.4.2 The terms of the sale/disposal will consider, among others, the daily and annual contracted quantity, take-or-pay provision, delivery point, including the floor price; and
- 5.4.3 All buyers are to be qualified based on criteria which shall ensure, among others, of the buyers' demonstrated financial capability and technical capability to implement their submitted work plan to utilize the Banked Gas.
- 5.5** In the light of the results of the initial publication of the Invitation to Submit Offer to Buy the PNOC Banked Gas in 2018, the Governing Board of Directors of PNOC thru Resolution No. 2528, upon the request of the Banked Gas Disposal Committee, authorized the Management to exhaust and explore all feasible options and negotiate, without making any commitment as to the price at which the banked gas can be disposed of.
- 5.6** The price at which the banked gas shall be disposed of remains subject to the approval of the Board of Directors.


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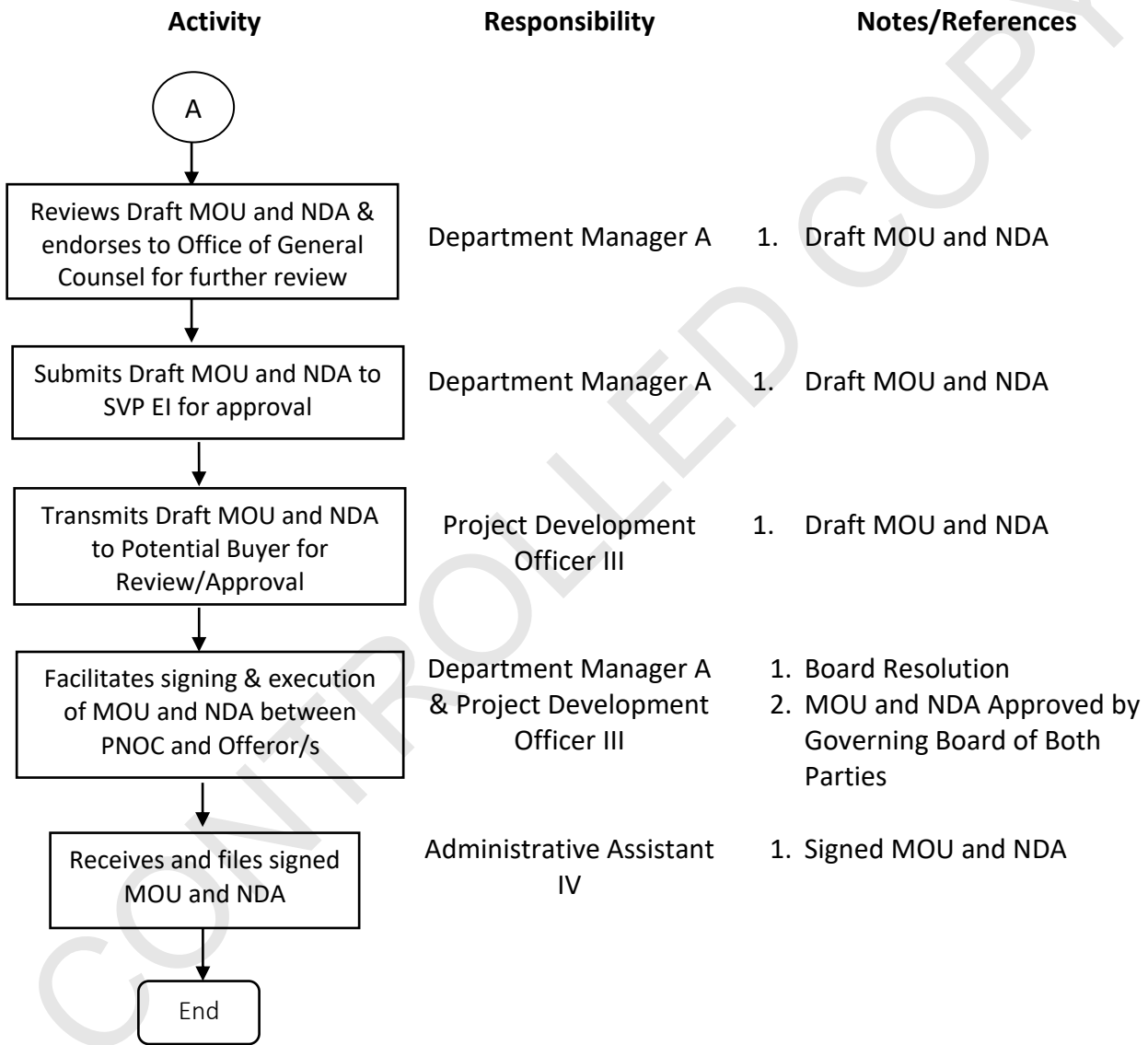
## 6. Details

### 6.1 Sale of the Remaining Volume of Banked Gas thru Negotiation


#### 6.1.1 Receipt of Proposal, Evaluation and Facilitation of the Execution of MOU and NDA with potential Buyer to Formalize Negotiation



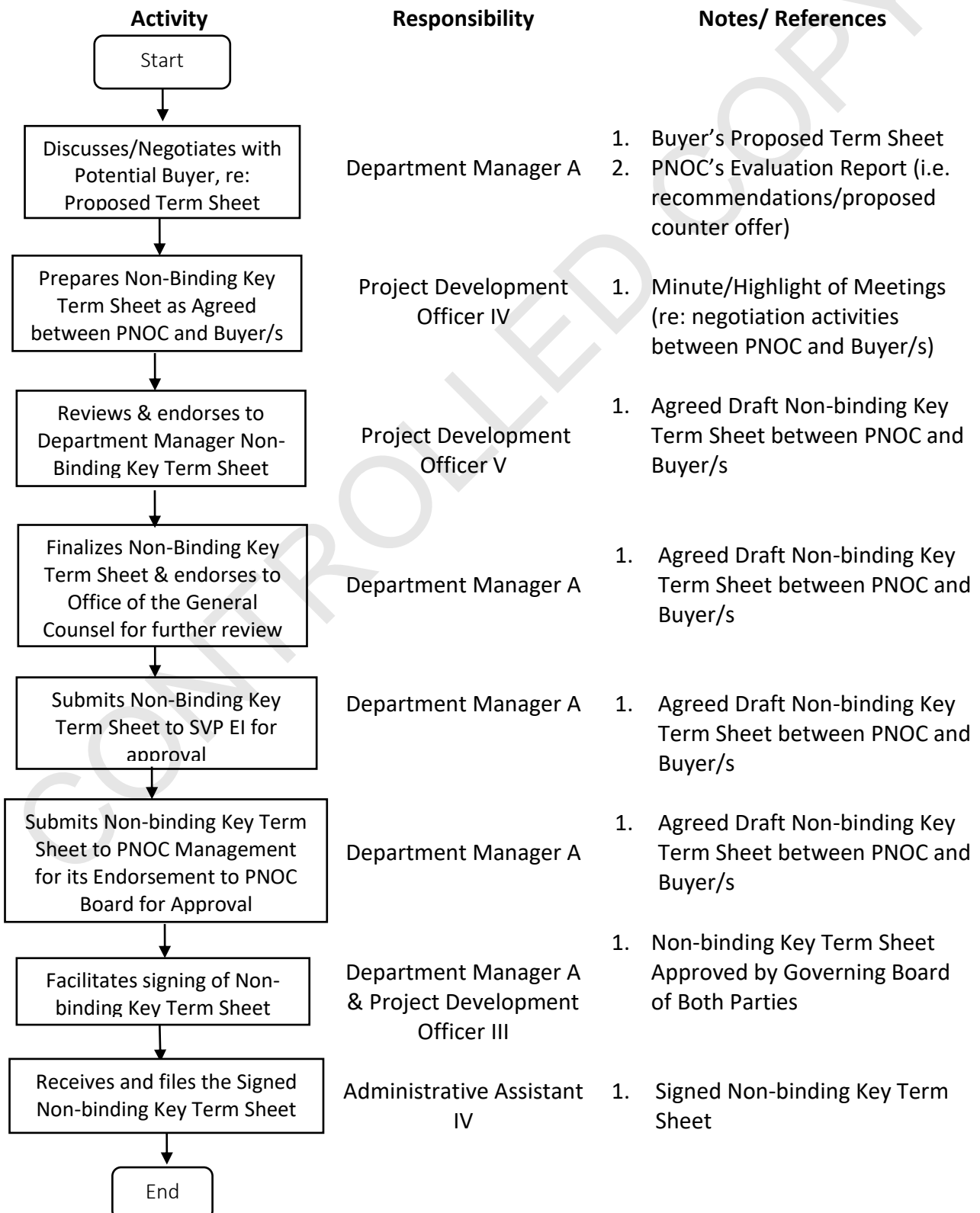
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<b>SALE OF REMAINING VOLUME OF BANKED GAS</b>	<b>2</b>	<b>4 of 7</b>	




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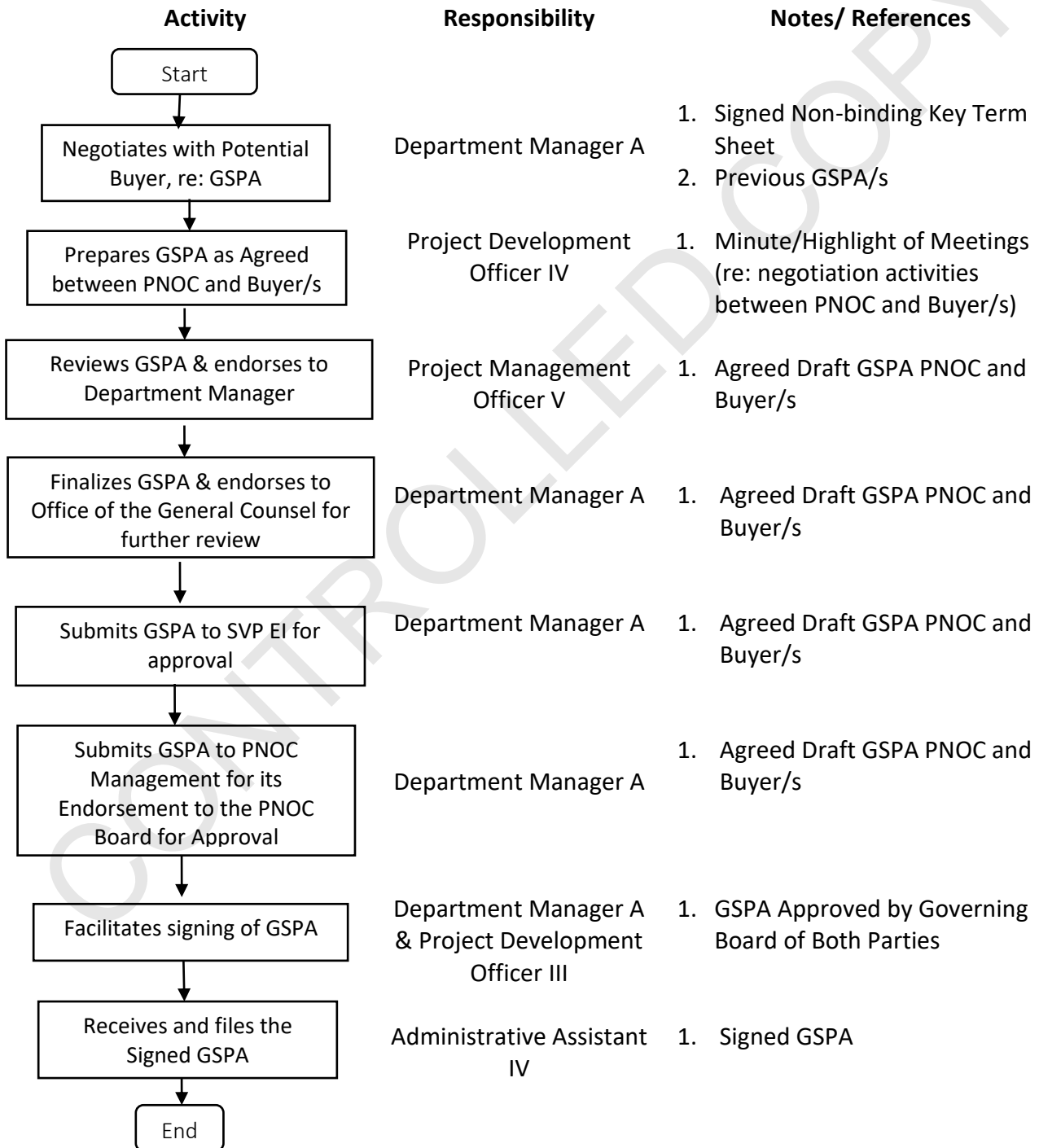
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### 6.1.2 Preparation of Non-Binding Key Term Sheet



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### 6.1.3 Gas Sale and Purchase Agreement (GSPA) Negotiation and Execution






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## 7. Records and Files Generated

- a. PNOC's Letter of Invitation and/or Offeror's Letter of Intent
- b. Proposed Term Sheet
- c. MOU and NDA
- d. Evaluation Report of Offer/s
- e. Minutes and/or Highlights of Meetings (re: Negotiation on Key Term Sheet and GSPA)
- f. Non-Binding Key Term Sheet
- g. GSPA

Rev. No.	Affected pages/ section	Revision History
0	-	New version of PNOC QMS; to include PNOC Energy Supply Base and PNOC Industrial Park.
1	Section 6 Pages 1-7 Page 7	Section 6.1.1 Change of effectivity dates Change of signatories
2	Pages 1-7 Pages 3-6	Change in revision no. and Effective Date Change Position Titles under "Responsibility" column and additional activities under 6.1.1, 6.1.2, 6.1.3

Prepared by	Reviewed by	Approved by
 <b>R. R. Baybay</b> Process Owner	 <b>M. R. C. Raymundo</b> Designated Project Development Officer V	 <b>Atty. R. C. Chua</b> SVP Energy Investments



	Title of Manual	Document No.	
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Title of Document	Revision No.	Page	
<b>PROJECT IMPLEMENTATION</b>	<b>2</b>	<b>1 of 6</b>	

## 1.0 Objective

To implement projects based on the approved Detailed Feasibility Studies and assumes operation and management of the business/projects until a separate business unit shall have been created.

## 2.0 Scope


- Carries out all necessary activities based on the approved project implementation plan to include among others, mobilization, logistics and administrative, financial, technical and engineering requirements of the business.
- Creates a detailed project implementation plan including financial and personnel requirements.
- Coordinates with all essential stakeholders such as government agencies, LGUs, communities and private sector partners.
- Prepares project technical requirements and specifications for procuring external services.
- Carries out all project activities according to project implementation plan.
- Designs project monitoring and evaluation systems and tools.
- Assesses progress of project vis-à-vis project implementation plan.
- Recommends adjustments in project implementation as necessary.
- Submits project monitoring and evaluation reports.

## 3.0 References

Detailed Feasibility Study (DFS)

## 4.0 Definitions and Abbreviations

- a. Project – refers to a temporary endeavor undertaken to create a unique product, service, or result.
- b. Project Management – refers to the application of knowledge, skills, tools, and techniques to project activities to meet the project requirements.
- c. Project Planning process – refers to the processes required to establish the scope of the project, refine the objectives, and define the course of action required to attain the objectives that the project was undertaken to achieve.


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<b>PROJECT IMPLEMENTATION</b>	<b>2</b>	<b>2 of 6</b>	

- d. Project Monitoring – refers to processes required to track, review and regulate the progress and performance of the project; identify any areas in which changes to the plan are required; and initiate the corresponding changes.

### 5.0 Policies and Guidelines

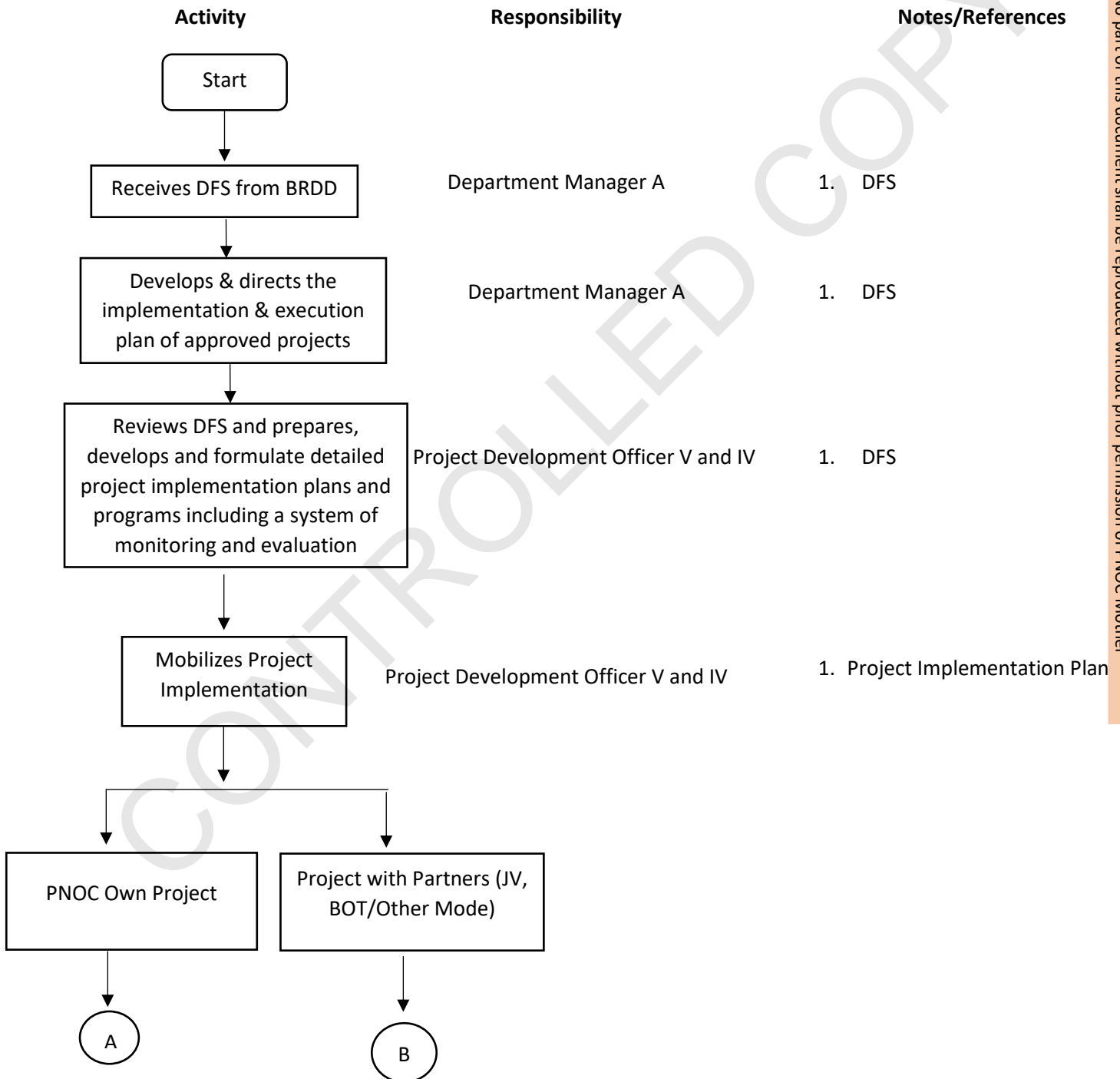
When the projects become ready for full business implementation, the Project Management Department implements the projects based on the approved Detailed Feasibility Studies and assumes operation and management of the business/projects until a separate business unit shall have been created.


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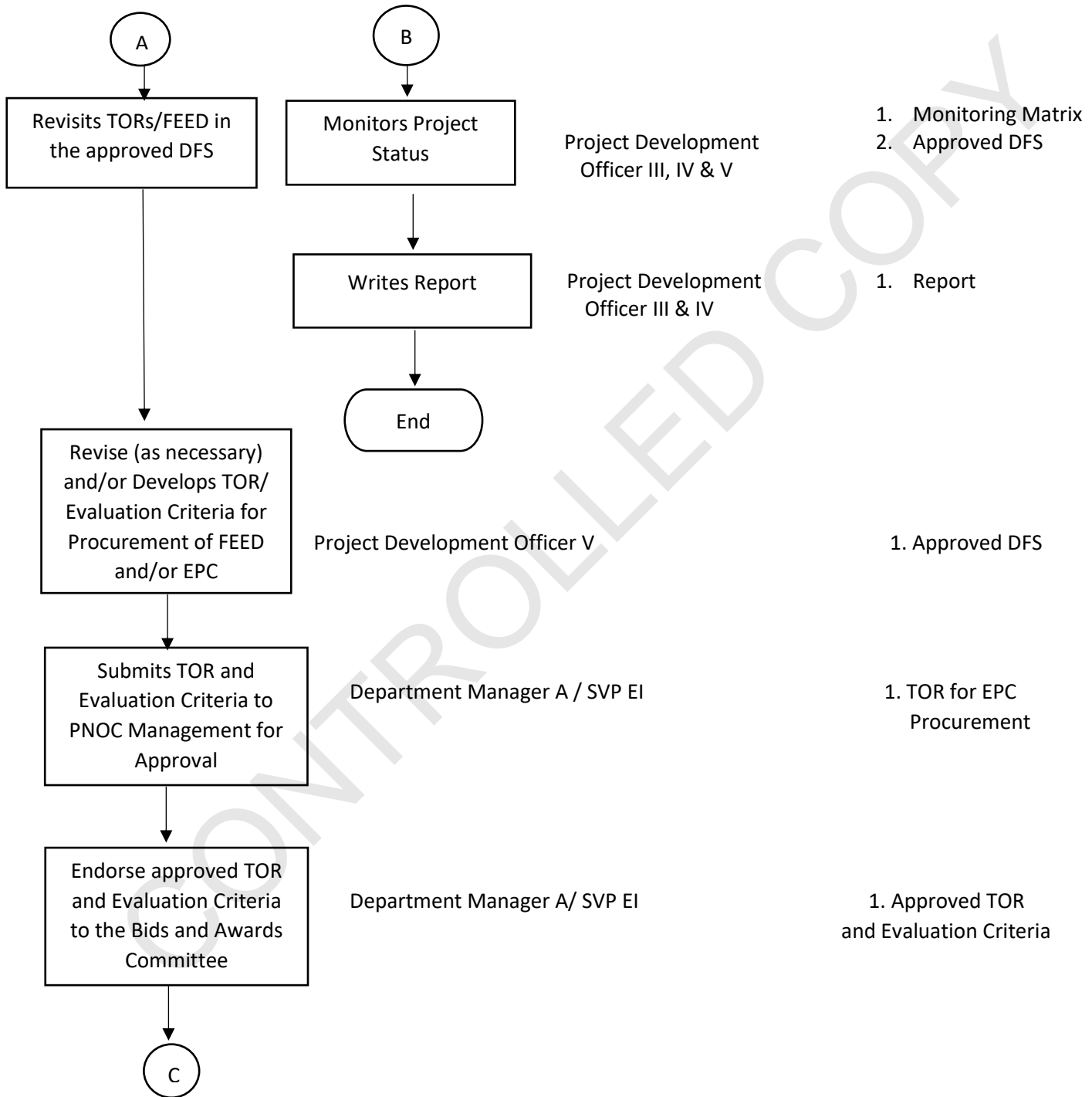
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## 6.0 Details

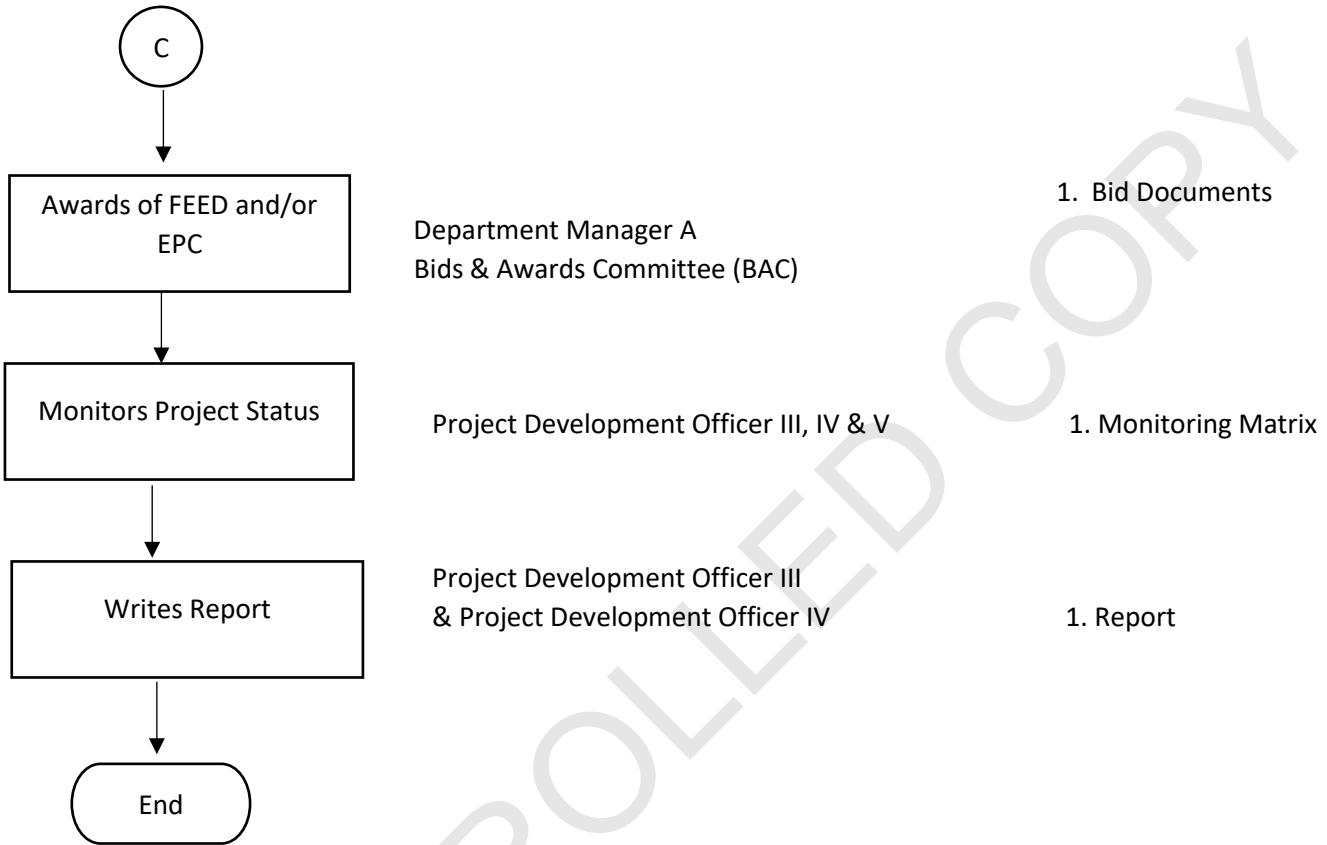
### 6.1 Project Planning Process




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## 7.0 Records and Files Generated

1. Project Work and Financial Plan
2. Monitoring Matrix
3. Project Status Report

Rev. No.	Affected pages/ section	Revision History
0		New version of PNOC QMS; to include PNOC Energy Supply Base and PNOC Industrial Park.
1	2.0 Section 6.1 Pages 1-5 Page 5	Change of Scope Change of connector to capital letter instead of symbols Change of Effectivity Date Change of Signatories
2	Pages 2-4  Pages 1-6	Change Position Titles under "Responsibility" column and additional activities under 6.1 Change of Effectivity Date

Prepared by	Reviewed by	Approved by
 <b>R. R. Baybay</b> Process Owner	 <b>M. R. C. Raymundo</b> Designated Project Development Officer V	 <b>Atty. R. C. Chua</b> SVP Energy Investments

	Title of Manual		Document No.	
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PROJECT MONITORING & EVALUATION		0	1 of 7	

## 1.0 Objective

To review the performance of subsidiaries' projects in the pre-development and operational stages for its physical accomplishments.

## 2.0 Scope


Project monitoring and evaluation services is considered as a core process of the Philippine National Oil Company (PNOC). There are two (2) sub-processes under the project monitoring and evaluation services; i.e. monitoring and evaluation. Project monitoring activity covers all subsidiaries' projects that are still in the pre-development phase and are not yet in commercial operation while those undergoing evaluation activities are those already operational and generating revenues.

## 3.0 References

Project Profile  
 Work Program  
 Document Requirements  
 PNOC EC monthly monitoring report  
 PNOC RC monthly status report  
 PNOC Board approved Subsidiaries' project work program and budget  
 Previous detailed monitoring and evaluation reports

## 4.0 Definitions and Abbreviations

- a. Project monitoring – reviews, ascertains the physical accomplishments of projects under the pre-development stage vis-à-vis approved targets.
- b. Detailed monitoring report – refers to the final report on projects monitored
- c. Project evaluation - reviews, ascertains the physical accomplishments of projects under the operational stage vis-à-vis approved targets.
- d. Detailed evaluation report – refers to the final report on projects evaluated
- e. Project profile – refers to the basic information about a projects; e.g. name of project, location, partner, capacity
- f. Work Program – refers to the overall plan or approach for the conduct of project monitoring and/ or evaluation
- g. Document requirements – refers to the list of documents and data required or needed for the conduct of project monitoring and/ or evaluation
- h. PNOC EC monthly monitoring report – refers to the monthly physical accomplishments and expenses of the projects being monitored/evaluated


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- i. PNOC Board approved Subsidiaries' project work program and budget – SMO document which provides the PNOC Board approved project work program or targets for the year and corresponding approved budget.

## 5.0 Policies and Guidelines

As a matter of policy, PNOC, being a mother company, exercises oversight function over its subsidiaries. This process is being undertaken through the Project Management Department of PNOC. The Department is mandated to monitor all subsidiaries' projects in the pre-development stage and evaluate all subsidiaries' project in the operational stage.

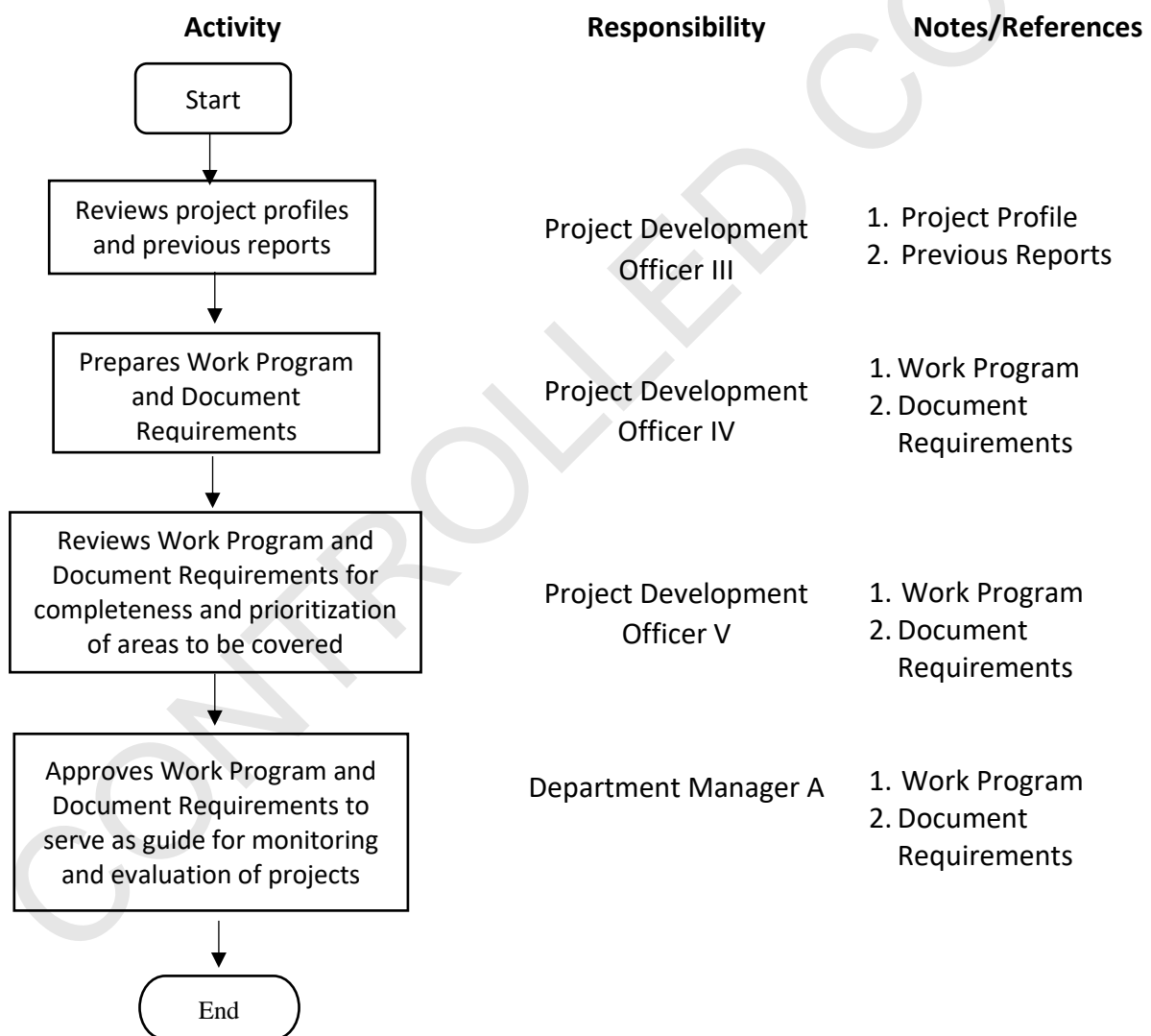



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## 6.0 Details

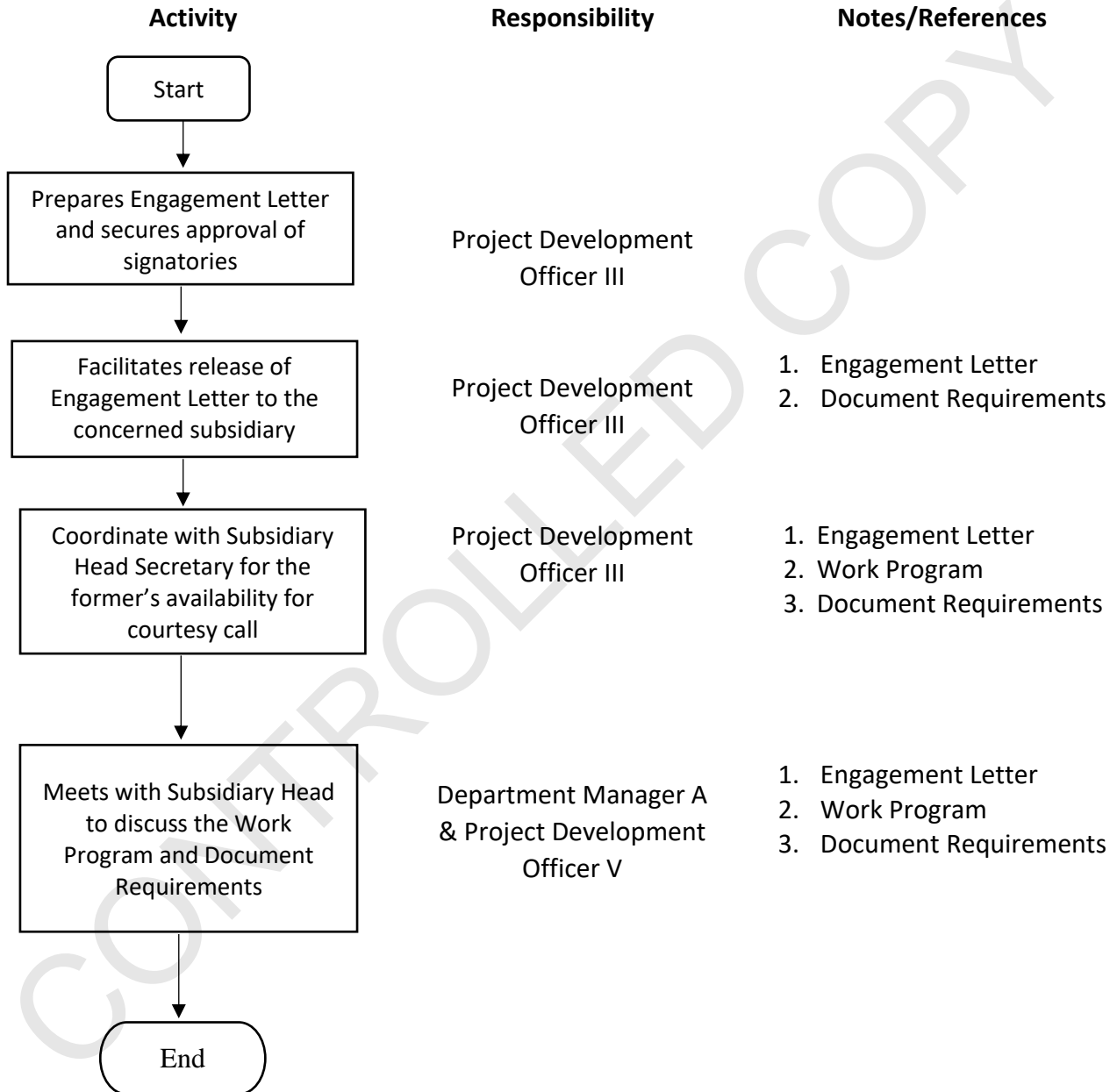
### 6.1 Monitoring and Evaluation of Projects in the Pre-development and Operational Stage


#### 6.1.1 Defining Objectives, Criteria and Extent of Monitoring and Evaluation of Subsidiaries Projects



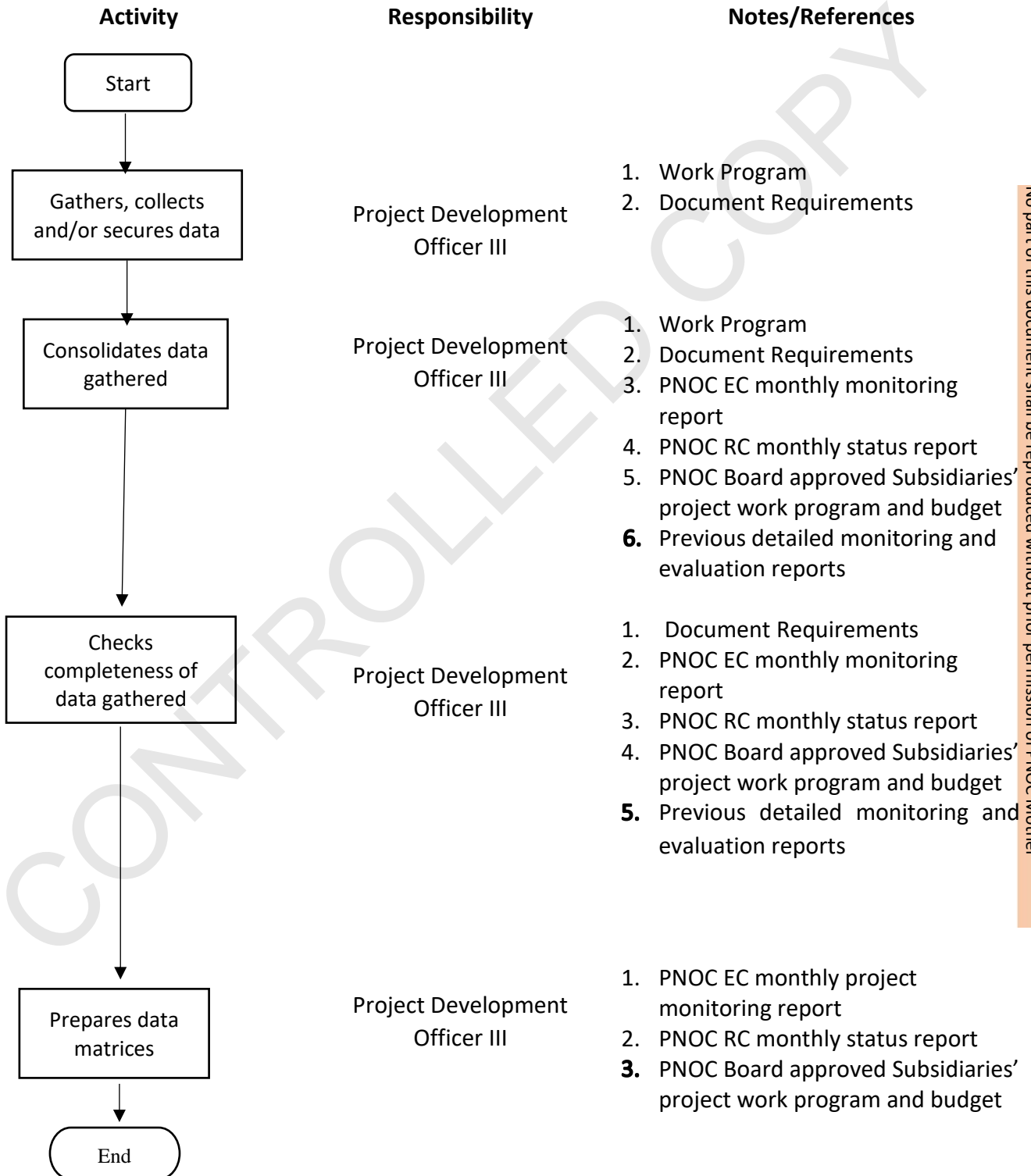
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### 6.1.2 Coordination with Subsidiary Head



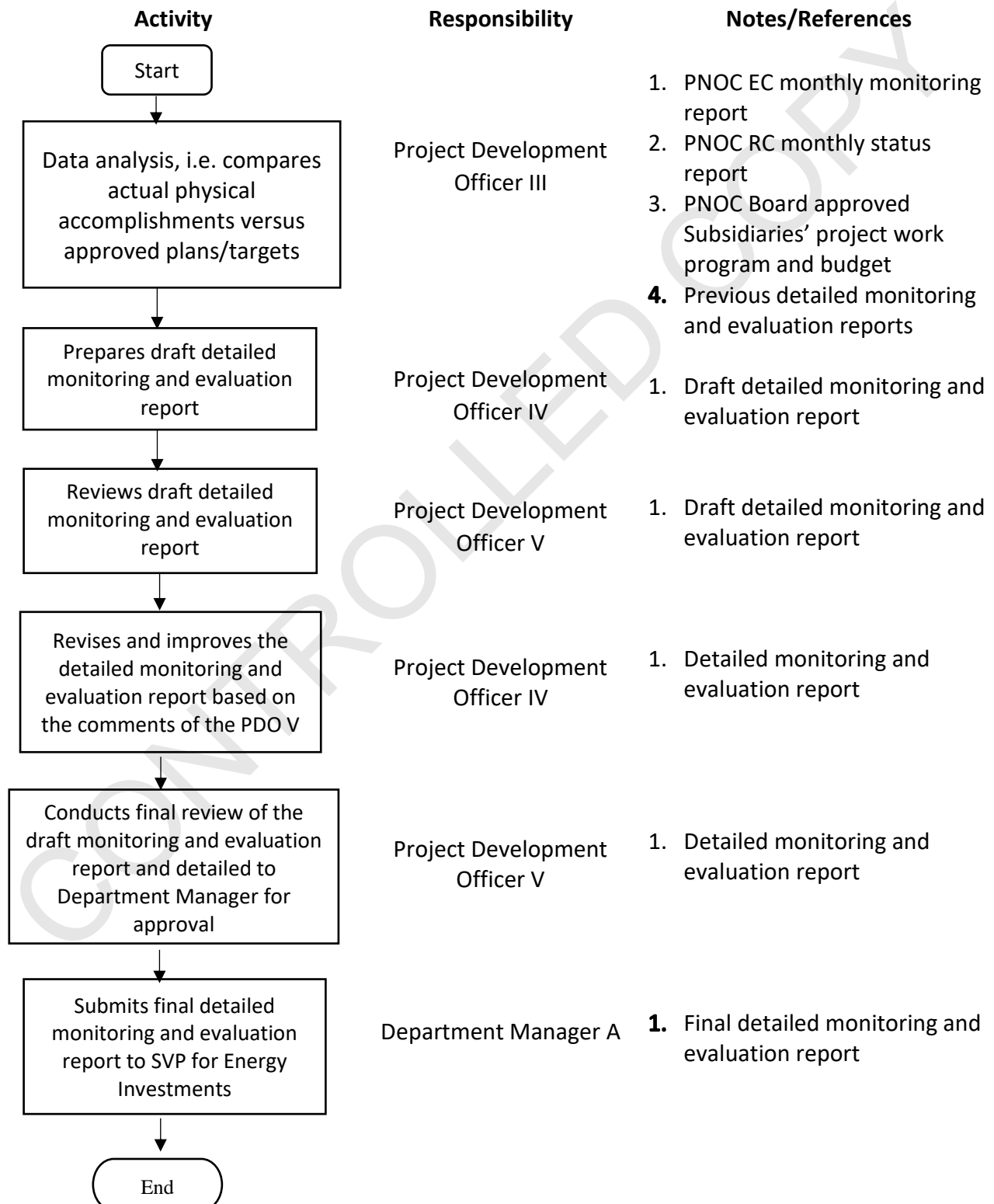
	Title of Manual <b>SYSTEM PROCEDURES MANUAL</b>	Document No. <b>PMD-06</b>	
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### 6.1.3 Data Gathering and Consolidation



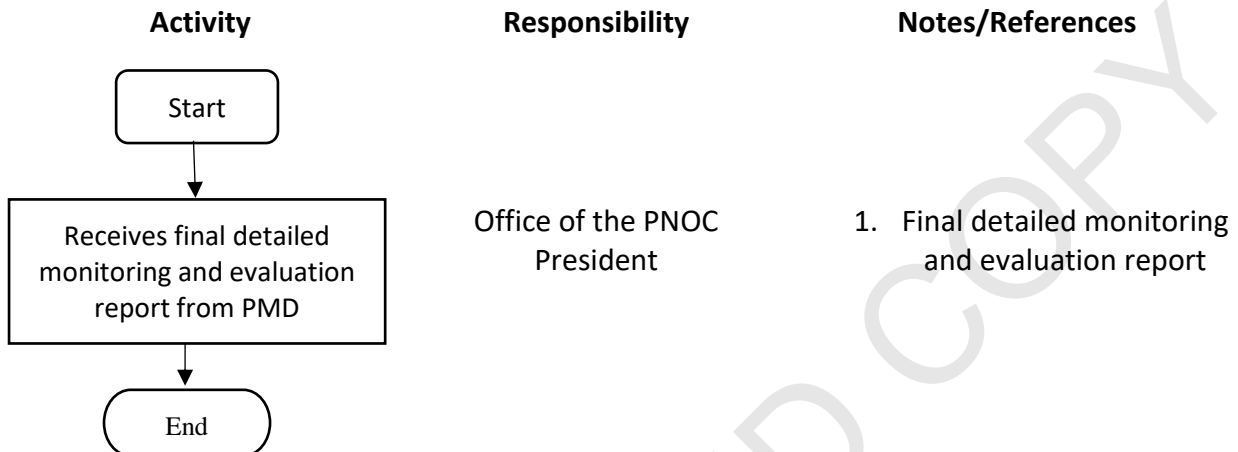
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#### 6.1.4 Data Analysis, Report Writing & Submission



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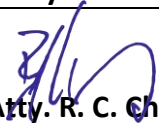
### 6.1.5 Management Action/Decision



### 7.0 Records and Files Generated

- a. Project Profile
- b. Work Program
- c. Documents Requirements
- d. PNOC Board approved work program and budget per project
- e. Monthly monitoring report of PNOC EC projects
- f. Monthly project status update of PNOC RC projects
- g. Previous detailed monitoring reports
- h. Previous detailed evaluation reports
- i. Data Matrix of physical accomplishment
- j. Draft Detailed Monitoring Report
- k. Draft Detailed Evaluation Report
- l. Final Detailed Monitoring Report
- m. Final Detailed Evaluation Report

Rev. No.	Affected pages/ section	Revision History
0	-	New version of PNOC QMS; to include PNOC Energy Supply Base and PNOC Industrial Park.

Prepared by	Reviewed by	Approved by
 <b>R. R. Baybay</b> Process Owner	 <b>M. R. C. Raymundo</b> Designated Project Development Officer V	 <b>Atty. R. C. Chua</b> SVP energy Investments