



**PHILIPPINE NATIONAL OIL COMPANY**

PNOC Building VI, Energy Center, Merritt Road, Taguig, Philippines Tel No. (632) 789-7662

Interim PES Form 3

Performance Measures			Baseline Data (if available)				Agreed Targets	Actual	RATING
		Weight 2013	Formula	2010	2011	2012	2013		
<b>MFO 1-</b>									
<b>PI 1: Evaluation and approval of the budget</b>									
Quantity	No. of reviewed budget	10	Pass or fail	5	5	5	5	5	10.00
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 <u>36 days</u> from receipt of complete documents	5.00
		15							
<b>PI 2: Batangas to Manila Gas Pipeline Project</b>									
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%	Completed; certified by the DOE that there is no better option that offers the shorter timeline in the implementation of this project; please see attached certification (SOE-JLP-13006919)	10.00
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%	Completed; submitted to DOE on July 29, 2013 (63 days before September 30, 2013)	10.00
<b>IF alternative route:</b>		20							
Quality (2a-alternative)	<b>If shorter/alternative route:</b> Certification by the DOE of the acceptability of the alternative route	14	Pass or fail	N/A	N/A	N/A	100%	NA	

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Performance Measures			Baseline Data (if available)			Agreed Targets	Actual	RATING
		Weight 2013	Formula	2010	2011	2012	2013	
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
<b>IF PPP:</b>		<b>20</b>						
Quality (2a-PPP)	<b>If PPP Center:</b> 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%	Completed; certified by the DOE that the TOR is acceptable considering that it was thoroughly reviewed by both PNOC, including the DOE through its representation in the Technical Working Group and Special Bids and Awards Committee, and the Public-Private Partnership Center of the Philippines. Please see attached certification (SOE-JLP-13006919)
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%	Completed; approved by the PNOC Board in their meeting of September 19, 2013. (11 days before September 30, 2013)
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%	Completed; certified by the PPP Center that it issued RFP's to 15 consortium firms for the engagement of a Transaction Advisor to conduct, among others, the pre-investment activities of the Batangas-to-Manila Gas Pipeline Project. Please see attached certification dated December 9, 2013.



Performance Measures			Baseline Data (if available)			Agreed Targets	Actual	RATING	
		Weight 2013	Formula	2010	2011	2012	2013		
Timeliness (3a- PPP)	Submit TOR and advice to proceed to PPP Center within 15 days after PNOC Board approval	3	0% -submission after 15 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%	Completed; submitted the TOR and advice to proceed with the issuance of the RFP to the PPP Center on October 24, 2013, the date PNOC verbally secured approval. (0 days after PNOC approval)	3.00
		20							
<b>PI 3: Implementation of the Memorandum of Understanding (MOU) between PNOC and PetroleumBRUNEI</b>									
Quality	Recommendation of options of potential sites of the LNG Terminal and Power Plant, certified by the DOE	3	Pass or fail	N/A	N/A	N/A	100%	Completed; certified by the DOE that a report entitled "Update on the MOU between PNOC and PetroleumBrunei. This report includes discussion on the various options and recommendations on the possible site for the LNG Terminal and Power Plant Project of PetroleumBrunei in the PHIVIDEC Industrial Estate in Misamis Oriental. Please see attached certification (SOE-JLP-13006921)	3.00
Timeliness	Started in February 2013 with target completion date in 31 December 2013	2	Pass or fail	N/A	N/A	N/A	100%	Completed; report was submitted to DOE on April 11, 2013.	2.00
		5							

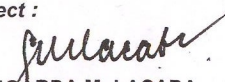


Performance Measures			Baseline Data (if available)			Agreed Targets	Actual	RATING	
		Weight 2013	Formula	2010	2011	2012	2013		
<b>PI 4: Sale/ Monetization of Banked Gas</b>									
Quality	Determination of the mode of sale whether joint sale with SC38 consortium, to be certified by the DOE	20		N/A	N/A	N/A	100%	Completed; certified by the DOE that PNOC has determined that that mode of sale for the banked gas is to sell it jointly with the Service Contract 38 Consortium. Please see attached certification (SOE-JLP-13006920).	20.00
Timeliness	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%	Completed; approved by the PNOC Board in their meeting of May 22, 2013.  From July - December 2013, weekly meetings were held to complete the terms of reference for the bidding.	10.00
		30							
<b>PI 1: Ability to Fund Projects</b>									
Quantity	Amount of funding support appropriated for energy projects	2	Pass or fail		P1.5 billion for PNOC RC	P1.485 billion PNOC RC	P106.687 million for PNOC-RC	No request for funding from PNOC-RC for 2013.	2.00
		2	Pass or fail	N/A			P146.821 million for BATMAN	Pre-development expenses amounting to <del>P 99,825.3</del> has been released for the project.  <del>P33million</del> has been released to its subsidiary PNOC Shipping and Transport Corporation.	2.00
Timeliness	Percentage of funding drawn within 7 banking days from the receipt of complete documents	5	Pass or fail	N/A	N/A	N/A	100%	PNOC - RC - no request for funding was received by PNOC  PNOC Bat-Man Project - funds were released within 7 banking days upon receipt of complete documents	5.00

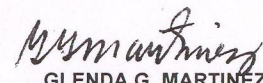


Performance Measures			Baseline Data (if available)			Agreed Targets	Actual	RATING	
		Weight 2013	Formula	2010	2011	2012	2013		
Quality	Certification of drawdown by Subsidiary or Treasurer	1	Pass or fail	N/A	N/A	N/A	100%	<p>PSTC - funds were released between 1-2 days upon submission of complete documents as per certification from the PSTC Treasurer and PNOC President and CEO</p> <p>Certification dated December 4, 2013 from PNOC-RC's President &amp; CEO and Treasurer that there is no request for funding from PNOC for 2013.</p> <p>Certification dated January 7, 2014 from PNOC President &amp; CEO and SVP, Management Services that pre-development expenses amounting to <b>P99,825.37</b> has been released for the project.</p> <p>Certification from the PSTC Treasurer and PNOC President &amp; CEO that the amount of <b>P33 million</b> has been released to its subsidiary PNOC Shipping and Transport Corporation.</p>	1.00
		10							
		100						99.85	

Certified Correct :

  
**LUTHGARDA M. LACABA**  
 Manager, Corporate Planning Department

1/10/2014  
 Date

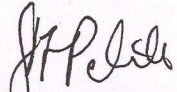
  
**GLEND A. MARTINEZ**  
 Sr. Vice President, Management Services

01-10-14  
 Date

Approved by :

  
**ANTONIO M. CAILAO**  
 President and Chief Executive Officer

1/16/2014  
 Date

  
**CARLOS JERICHO L. PETILLA**  
 Chairman, Board of Directors

\_\_\_\_\_  
 Date

 Republic of the Philippines  
 DEPARTMENT OF ENERGY

IN REPLYING PLS CITE:  
**SOE-JLP-14001270**

