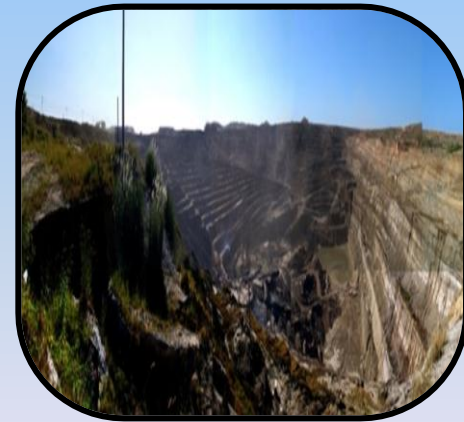


Indigenous Energy Development

2011 Accomplishments



Presentation Outline

1

Coal –

- 2011 Major Accomplishments
- Measurable Targets
- Plans and Programs

2

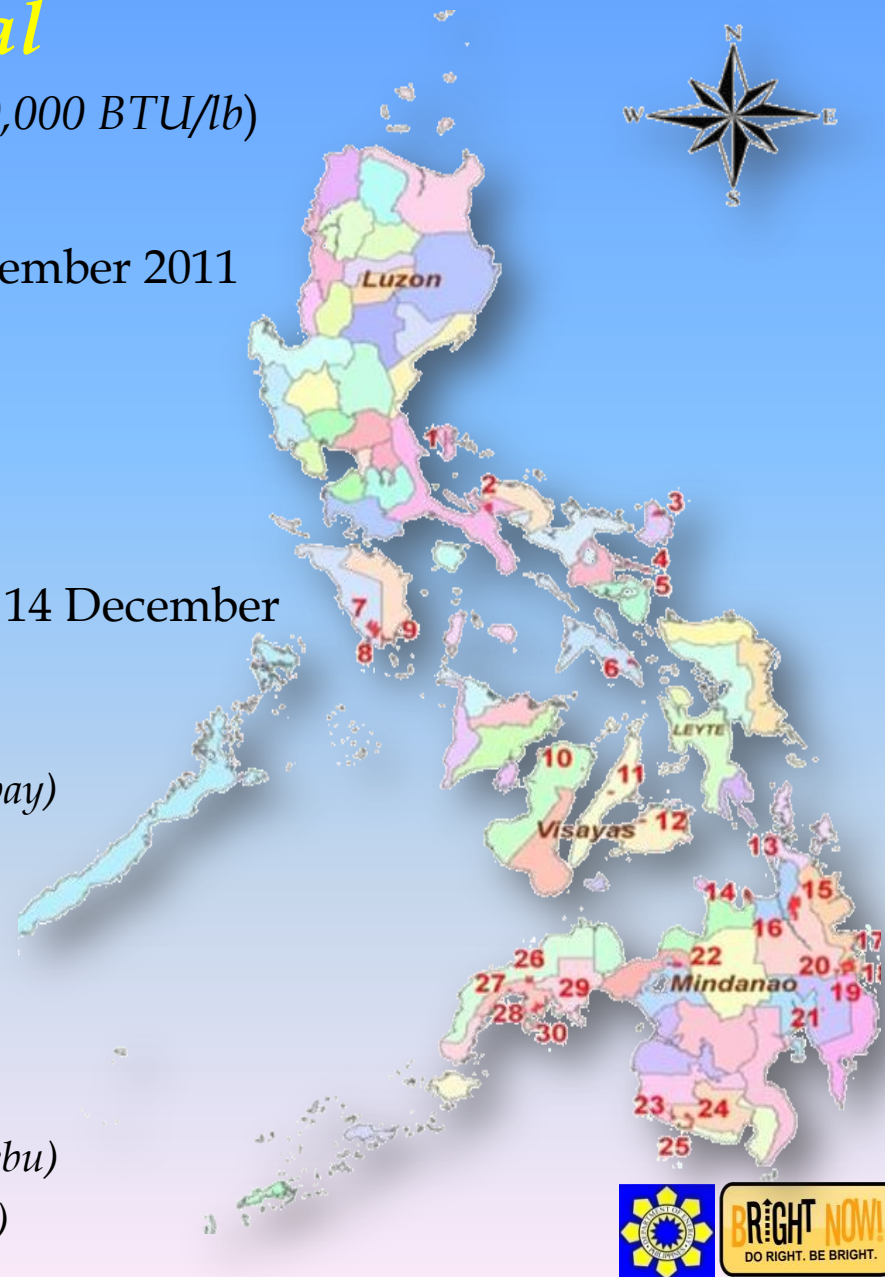
Oil and Gas –

- 2011 Major Accomplishments
- Measurable Targets
- Plans and Programs

Ensured Energy Security

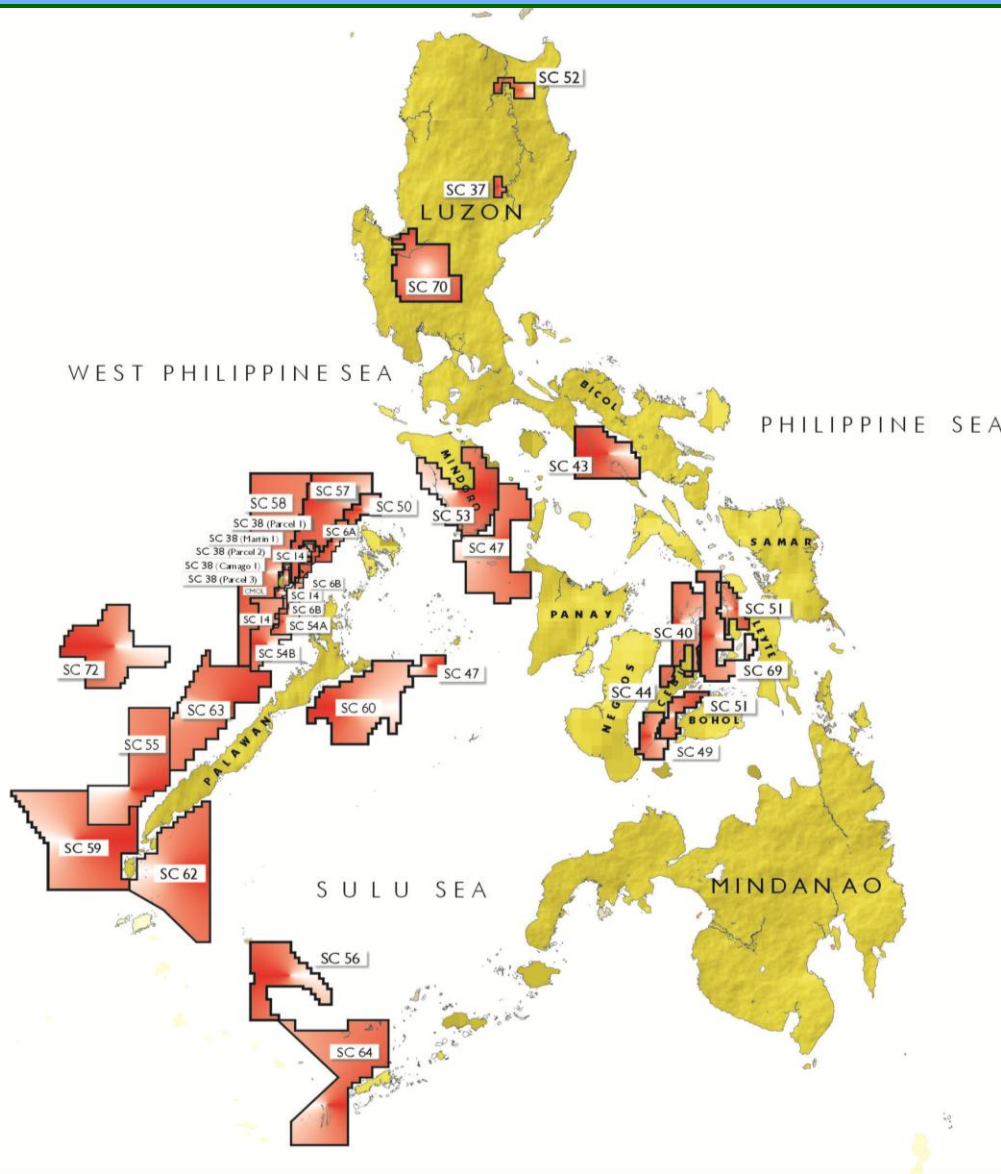
Coal

- Increased production of 6.9 MMMT (@10,000 BTU/lb) in 2011 from 6.7 MMMT in 2010
- Launched the PECR 4 for Coal on 01 December 2011 offering 38 prospective coal areas
 - 9 Coal areas in Luzon
 - 3 Coal areas in Visayas
 - 26 Coal areas in Mindanao
- Awarded 9 coal exploration contracts on 14 December 2011 through direct negotiation
 - COC No. 173 (Cebu)
 - COC No. 174 (Batan Island, Rapu-rapu, Albay)
 - COC No. 175 (Davao Oriental)
 - COC No. 176 (Surigao del Sur)
 - COC No. 177 (Zamboanga del Norte)
 - COC No. 178 (Zamboanga Sibugay)
 - COC No. 179 (Cebu)
 - COC No. 180 (Pinamungahan and Naga, Cebu)
 - COC No. 181 (Guigaquit, Surigao del Norte)



Sedimentary Basins

Oil and Gas



1. Northwest Palawan
2. Southwest Palawan
3. Mindoro-Cuyo
4. Recto (*Reed*) Bank
5. Visayan
6. Southeast Luzon
7. Cagayan
8. Cotabato
9. Sulu Sea
10. Ilocos Trough
11. West Luzon
12. Central Luzon
13. Bicol Shelf
14. West Masbate-Iloilo
15. East Palawan
16. Agusan-Davao



Ensured Energy Security

Oil and Gas

- Supervised and monitored 27 active service contracts
- Conducted investment roadshows in *Singapore, Australia, Italy* and *USA*
- Launched the *Philippine Energy Contracting Round (PECR) 4* for Petroleum
 - Received 20 bid proposals for 12 prospective areas offered

Active Service Contracts in Luzon

Oil and Gas

SC Number	Company	Location	Area (has.)
06	Blade Petroleum	Northwest Palawan	3,397.19
06 A	Pitkin Petroleum Plc.	Northwest Palawan	108,146.59
06 B	The Philodrill Corporation	Northwest Palawan	53,293.94
14	The Philodrill Corporation/Galoc Prod.	Northwest Palawan	70,887.52
38	Shell Exploration B.V.	Northwest Palawan	83,000.00
47	PNOC – Exploration Corporation	Offshore Mindoro	1,048,000.00
50	Frigstad Energy Limited	Calautit, Nothwest Palawan	128,000.00
53	Pitkin Petroleum Ltd.	Onshore Mindoro	660,000.00
54 (A & B)	Nido Petroleum Philippines, Pty. Ltd.	Northwest Palawan	87,615.15 314,000.00

Active Service Contracts in Luzon

Oil and Gas

SC Number	Company	Location	Area (has.)
55	BHP Billiton Petroleum (Phils.) Corp.	West Palawan Ultra Deepwater	900,000.00
57	PNOC-EC	North Calamian, Northwest Palawan	712,000.00
58	Nido Petroleum Phil. Pty Ltd.	West Calamian Block, Northwest Palawan	1,344,000.00
59	BHP Bilton Pet. (Phil.) Corp.	West Balabac, Southwest Palawan	1,476,000.00
62	Palawan Sulu Sea Gas, Inc.	East Palawan	1,302,000.00
63	PNOC-EC/Nido Petroleum	Southwest Palawan	1,056,000.00
70	Polyard Petroleum International Company Ltd.	Central Luzon Basin	684,000.00
72	Forum (GSEC 101) Ltd.	Recto Bank	1,063,000.00

Ensured Sufficient Supply

Oil and Gas Production

	Unit	Production		
		2010	2011	1H 2012
Oil	Million Barrels	3.1	2.3	0.61
Gas	Billion Cubic Feet	130.0	140.4	72.57
Condensate	Million Barrels	4.9	5.1	2.52

- Launched the [Philippine Energy Contracting Round \(PECR\) 4 for Petroleum](#) (Received 20 bid proposals for 12 prospective areas offered)
- [Launched the PECR 4 for Coal](#) (Received 69 bid proposals for 28 prospective areas offered)

Indigenous Energy Development *Plans and Programs*



Measurable Targets

Coal

	2011	2016	2020	2025	2030
Production (@10,000 BTU/lb MMMT)	7.34	11.55	12.59	13.03	13.31
LUZON	0.05	0.36	0.47	0.49	0.50
II	0.00	0.22	0.31	0.33	0.33
IV	0.00	0.03	0.05	0.05	0.05
V	0.05	0.11	0.11	0.12	0.13
VISAYAS	6.93	9.00	9.13	9.27	9.28
VI	6.76	8.14	0.98	8.16	8.16
VII	0.17	0.86	0.00	1.11	1.11
MINDANAO	0.35	2.20	3.00	3.27	3.53
IX	0.30	0.79	0.96	1.08	1.08
X	0.00	0.02	0.02	0.02	0.02
XII	0.00	0.85	1.28	1.41	1.62
CARAGA	0.05	0.54	0.75	0.76	0.82
Fuel Oil Displacement (MTOE)	3.32	4.99	5.62	6.29	6.38

Plans and Programs

Coal

- Continue the regular conduct of PECR to offer prospective coal areas
- Pursue research and development activities to improve existing technologies for pollution control in the use of coal, particularly in coal-fired power plants
- Institutionalize the application of clean coal technologies such as *fluidized bed combustion, flue gas desulfurization* and *electrostatic precipitation*
- Promote adoption of local coal quality upgrading technologies such *coal washing/preparation* and *blending*
- Undertake studies on environment-friendly alternative uses of coal such as coal liquefaction, coal gasification and CBM technology
- Develop a framework/methodology for pricing of local coal resource

Plans and Programs

Coal

- Formulate and implement policy reforms on:
 - ✓ *Revised Coal Mine Safety and Regulations*
 - ✓ *Revised Small-scale Coal Mining Guidelines*
 - ✓ *Guidelines on coal trader's accreditation and coal transport permit*
 - ✓ *Coalbed methane*
- Harmonize the national and local taxes imposed on energy development activities
- Continue international undertakings such as participation in the *ASEAN Forum on Coal*

Measurable Targets

Oil and Gas

FIELD	2012-2015	2016-2020	2021-2025	2026-2030
Awarding of Service Contracts	10	23	19	14
Acquisition of 2D Data (line-kms.)	7,000	9,500	7,000	9,000
Acquisition of 3D Data (line-kms.)	800	950	700	1,150
Exploration Well Drilling	20	25	25	25
Production				
<i>Oil</i> (MMB)	27.73	19.53	14.77	15.94
<i>Gas</i> (BCF)	585.29	747.87	1,190.85	751.73
<i>Condensate</i> (MMB)	20.99	25.61	21.44	2.75

Plans and Programs

Oil and Gas

- Upgrade the quality of information and data relative to petroleum exploration such as geological, geophysical (*seismic*) and engineering data
- Encourage international service companies to acquire geophysical/seismic data of the country's underexplored sedimentary basins through the conduct of multi-client surveys
- Amend *Presidential Decree* (P.D.) 87 to provide additional incentives for exploration works in underexplored basins
- Institutionalize a “*one-stop shop*” that will not only expedite the acquisition of permits, certificates, endorsement, etc., but likewise assure the smooth flow of work to meet the submitted timelines of the contractor

Thank You