
From: <odisy@pse.com.ph>
To: <odisy@pse.com.ph>
Sent: Friday, May 14, 2010 10:07 AM
Subject: ODiSy - Disclosure Status

Dear Sir/Madam:

We would like to inform you that as of MAY 14, 2010 10:07:17 AM today,

Reference Number: WLIST__2010000007105
Company Name: Basic Energy Corporation
Disclosure Subject: Quarterly Report for period ended March 31, 2010
Status: APPROVED

Should you need further assistance, please e-mail us at odisy@pse.com.ph.

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Philippine Stock Exchange, Inc.
PSE Center, One Exchange Road
Ortigas Center, Pasig City.
Philippines 1600



May 13, 2010

THE DISCLOSURE DEPARTMENT
4/F The Philippine Stock Exchange, Inc.
PSE Centre, Exchange Road, Ortigas Center
Pasig City

Attention : **MS. JANET A. ENCARNACION**
Head, Disclosure Department

Gentlemen:

Attached herewith is a copy of our Quarterly Report (SEC 17-Q) filed with the Securities & Exchange Commission and the Bureau of Internal Revenue.

Very truly yours,



ANGEL P. GAHOL
Compliance Officer

COVER SHEET

3 6 3 5 9

S. E. C. Registration Number

BASIC ENERGY CORPORATION
(FORMERLY
BASIC PETROLEUM CORP.)

(Company's Full Name)

7th flr. Basic Petroleum Bldg.
C. Palanca Jr. Street, Legaspi
Village, Makati City

(Business Address)

Marietta V. Villafuerte

Contact Person

(632) 817-85-96 & 98

Telephone Number

1 2 3 1

Month Day

Fiscal Year

1 7 Q

FORM TYPE

Month Day

Annual Meeting

Not Applicable

Secondary License Type

Dept.

Dept.

Not Applicable

Amended Articles Number / Section

Total Amount of Borrowings

Total No. of Stockholders

Total No. of Stockholders

Domestic

Domestic

Foreign

Foreign

To be accomplished by SEC Personnel concerned

File Number

File Number

LCU

LCU

Document I.D.

Document I.D.

Cashier

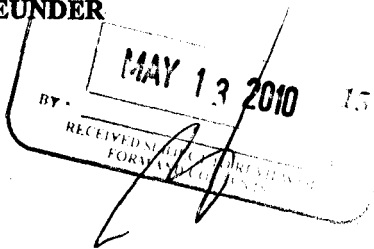
Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE
SRC AND SRC RULE 17(a)-17(b)(2) THEREUNDER**



1. For the quarterly period ended March 31, 2010

2. Commission identification number 168063

3. BIR Tax Identification No. 000-438-702-000

4. Exact name of registrant as specified in its charter
BASIC ENERGY CORPORATION

5. Province, country or other jurisdiction of incorporation or organization Philippines

6. Industry classification code

7. Address of registrant's principal office 7th Flr., Basic Petroleum Bldg., C. Palanca St.,
Legaspi Village, Makati City, Philippines Postal Code 1229

8. Registrant's telephone number, including area code (632) 817-8596 to 98

9. Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC

<u>Title of Each Class</u>	<u>Number of shares of common stock outstanding or amount of debt outstanding</u>
<u>Common Shares</u>	<u>2,410,675,330</u>
<u>Listed with PSE</u>	<u>2,410,675,330</u>

11. Are any or all of the securities listed on the Philippine Stock Exchange?

Yes No

12. Indicate by check mark whether the registrant:

(a) Has filed all reports required to be filed by Section 17 of the SRC and SRC 17(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports)

Yes No

(b) has been subject to such filing requirements for the past 90 days.

Yes No

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

“Attachment A”

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

“Attachment A”

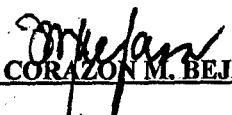
PART II—OTHER INFORMATION


“Attachment A”

The registrant may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 17-Q.

SIGNATURES

Pursuant to the requirements of the SRC, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Registrant 
CORAZON M. BEJASA
Signature and Title VP & Corporate Secretary
Date April 29, 2010

Principal Financial/
Accounting Officer/Controller 
MARIETTA V. VILLAFUERTE
Signature and Title VP & Treasurer
Date April 29, 2010

ATTACHMENT "A"
FINANCIAL INFORMATION
For the Quarter Ended March 31, 2010

1. The following unaudited financial statements are contained in this report:
 - 1.1 Statements of Income and Retained Earnings for the Period Ended March 31, 2010 and March 31, 2009;
 - 1.2 Balance Sheets as of March 31, 2010 and December 31, 2009;
 - 1.3 Statements of Cash Flows for the Period Ended March 31, 2010 and March 31, 2009;
 - 1.4 Statements of Changes in Stockholders' Equity for the Period Ended March 31, 2010 and March 31, 2009.

2. Discussion on Financial Condition for the Period December 31, 2009 to March 31, 2010.

A. Key Performance Indicators

Management considers the following as key performance indicators of the company: Return on Investment (ROI), Profit Margin, Performance of Committed Work Programs, Current Ratio and Asset Turnover.

The following table shows the Top 5 performance indicators for the past three interim periods:

KEY PERFORMANCE INDICATORS	1st Qtr 2010	1st Qtr 2009	1st Qtr 2008
Return on Investments (ROI) (Net Income/Ave. Stockholders' Equity)	3.450%	-3.355%	-3.226%
Profit Margin (Net Income/Net Revenue)	66.81%	-1039.5%	-505.3%
Investment in Projects (Non-Petroleum) as a % of Total Assets	38.73%	40.41%	23.34%
Investment in Wells & Other Facilities as a % of Total Assets	7.87%	6.90%	13.58%
Current Ratio (Current Asset/Current Liabilities)	28.41:1	10.38:1	42.54:1
Asset turnover (Net revenue/Ave. Total Assets)	4.947%	0.301%	0.673%

ROI (Net Income / Average Stockholders' Equity) measures the profitability of stockholders' investment. Profit Margin (Net Income / Net Revenue) measures the net income produced by each peso of revenue. Investment in Projects as a % of Assets, measures how much the company invested in its committed work programs. Current Ratio (Current Assets / Current Liabilities) measures the short-term debt-paying ability of the company. Asset Turnover (Net Revenue / Average Total Assets) measures how efficiently assets are used to produce profit.

ROI (3.450%) and Profit Margin (66.81%) show positive rates because of the income for the first quarter. Net income for the 1st quarter of 2010 was PhP 15.717 million, up by PhP 30.324 million compared to the net loss booked for the 1st quarter of 2009 of PhP 14.607 million. This was due to the realized gain from the sale of the company's AFS investment.

Investment in Projects (Non- Petroleum) as a % of Total Assets slightly decreased during the 1st quarter of 2010 compared to the same quarter in 2009 mainly due to the increased total assets base during the 1st quarter of 2010 compared to the same quarter last year.

Investment in Wells & Other Facilities as a % of Total Assets increased during the 1st quarter of 2010 compared to the same quarter in 2009 due to additional investments booked for the quarter.

Current Ratio (28.41:1) increased for the 1st quarter of 2010 compared to the same quarter last year due to the increase in current assets and the decrease in current liabilities during the 1st quarter of 2010 compared to last year.

Asset Turnover (4.947%) increased for the 1st quarter of 2010 compared to the same quarter last year due to the increase in revenue during the 1st quarter of 2010 compared to last year.

B. Discussion and Analysis of Financial Condition as of March 31, 2010

For the quarter ending March 31, 2009, Net Income on a consolidated basis was PhP 15.717 million from Total Revenues of PhP 23.524 million and Total Costs and Expenses of PhP 7.814 million with minority interest recorded at PhP 6.796 thousand.

There was no revenue from Petroleum Operations during the quarter.

Total revenue for the quarter amounted to PhP 23.524 million. Compared to the same quarter last year, total revenue registered an increase of PhP 22.119 million. This was mainly due to the realized gain on sale of the company's available for sale (AFS) investment.

Cash and Cash Equivalents of PhP 134.475 million increased by PhP 34.289 million during the first quarter of 2010 compared to the balance as of December 31, 2009 of PhP 100.186 million. The increase was mainly due to the proceeds from the sale of our AFS investment partly reduced by operating costs incurred and additional investments and property and equipment booked for the quarter.

The interim financial report is in compliance with generally accepted accounting principles. The same accounting policies and methods of computation were followed in the interim financial statements, as compared with the most recent audited financial statements, which are as of December 31, 2009.

The interim operations are not characterized by any seasonality or cyclicity. The nature and amount of items affecting assets, liabilities, equity, net income and cash flows are explained in Attachment "A" on Financial Information for the Quarter ending March 31, 2010.

There are no changes in estimates of amounts reported in prior interim periods of the current financial year or those reported in prior financial years.

There are no other issuances, repurchases and repayments of debt and equity securities other than the additional listing of 120,853,366 common shares of Basic Energy Corporation which was approved by the PSE on May 27, 2009.

There were no dividends paid (aggregate or per share) separately for ordinary shares and other shares.

Currently, the company has a single business and geographical segment and therefore, segment disclosures have not been included.

There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

There are no changes in the composition of the company during the interim period, including business conditions, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing of operations.

Since December 31, 2009, there are no other changes in contingent liabilities or assets and no new material contingencies, events or transactions that have occurred during the current interim period. There are no trends, demands, commitments, events or uncertainties, known to management that will have a material impact on the company's liquidity.

There are no material commitments for capital expenditures and no seasonal aspects that have a material effect on the financial conditions or results of operations.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

There are no events that will trigger direct or contingent financial obligations that are material to the company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations, (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

The causes for any material changes (5% of the relevant accounts or such lower amount, which the company deems material on the basis of other factors) from period to period which include vertical and horizontal analysis of any material item, have been presented in this report.

There were no sales of unregistered or exempt securities, nor were there any issuances of securities constituting an exempt transaction.

Finally, there are no other material information for disclosure during the current interim period, whether under this report or under SEC Form 17-C.

BASIC ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of March 31, 2010 and December 31, 2009

	UNAUDITED March 31, 2010	AUDITED December 31, 2009
ASSETS		
Current Assets		
Cash and cash equivalents	P 134,475,071	P 100,185,897
Financial assets at fair value through profit and loss		2,105,027
Receivables-net	10,982,829	10,940,222
Agricultural Produce	526,353	
Biological Assets	26,572,017	23,522,738
Other current assets	1,292,642	693,197
Total Current Assets	173,848,910	137,447,081
Non Current Assets		
Investments and Advances - net	124,502,054	164,636,055
Property and Equipment	44,808,921	44,050,881
Project Development costs	64,028,691	62,378,691
Deferred Exploration costs	37,391,576	36,299,832
Deferred income tax asset	15,188,913	15,188,913
Intangible asset	7,022,602	7,022,602
Net pension assets	544,500	544,500
Other noncurrent assets	7,983,463	8,227,153
Total Non Current Assets	301,470,720	338,348,627
Total Assets	P 475,319,630	P 475,795,708
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	P 5,631,428	P 4,933,372
Income tax payable	487,587	40,097
Total Current Liabilities	P 6,119,015	P 4,973,469
Non Current Liabilities		
Deferred income tax liabilities	11,271,987	16,419,491
Accrued retirement benefit	0	0
Total Noncurrent liabilities	11,271,987	16,419,491
Total liabilities	P 17,391,002	P 21,392,960
Minority Interest	633,680	640,476
Stockholders' Equity		
Attribute to equity holders of the Company:		
Capital stock [held by 7,164 & 7,231 equity holders as of 2009 & 2008 respectively]	602,668,833	602,668,833
Additional Paid-In Capital	27,067,569	27,067,569
Deposit for future subscriptions	24,386,336	24,386,336
Revaluation increment in office condominium	12,756,334	12,756,334
Fair value adjustments on financial assets	354,196	12,538,809
Deficit	(209,938,322)	(225,655,609)
Total Equity	457,294,947	453,762,272
Total Liabilities and Stockholders' Equity	P 475,319,630	P 475,795,708

BASIC ENERGY CORPORATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
For the period ended March 31, 2010 and March 31, 2009

-2-

	As of March 31, 2010	As of March 31, 2009
REVENUES		
Interest, Dividends and Others	984,452	1,402,969
Sales	203,405	
Realized Gain on sale of AFS	22,336,609	
Other Income		2,289
	<u>23,524,465</u>	<u>1,405,257</u>
COSTS AND EXPENSES		
General and administrative expenses	6,042,351	16,609,264
Costs of Sales	171,133	
Fair Value Adjustments	280,777	
Provision for Impairment Losses		234,370
Loss on sale of FVPL securities	-	(648,663)
Foreign Exchange Loss	872,222	(177,633)
	<u>7,366,483</u>	<u>16,017,338</u>
LOSS BEFORE INCOME TAX	16,157,982	(14,612,081)
PROVISION FOR INCOME TAX		
Current	447,490	0
Deferred		0
	<u>447,490</u>	<u>0</u>
NET INCOME (LOSS)	15,710,493	(14,612,081)
MINORITY INTEREST	6,796	5,018
	<u>15,717,288</u>	<u>(14,607,063)</u>
RETAINED EARNINGS AT BEGINNING OF YEAR / QUARTER	(225,655,609)	(213,543,203)
	-	0
RETAINED EARNINGS (DEFICIT) AT END OF YEAR/ QUARTER	(209,938,321)	(228,150,267)
Earnings (Loss) Per Share	0.0065	(0.0064)

Formula: Earnings (Loss) Per Share

- Net Loss / No. of shares for the quarter ended March 31, 2010
2,410,675,330

- Net Loss / No. of shares for the quarter ended March 31, 2009
2,289,821,964

BASIC ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Period Ended March 31, 2010 and March 31, 2009

-3-

	1st quarter 2010	1st quarter 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (loss)	P 16,157,982	P (14,612,081)
Adjustment to reconcile net income to net cash provided		
by operating activities		
Interest income	(984,452)	(1,388,529)
Depreciation, depletion and amortization	1,765,463	1,371,666
Fair Value Adjustment on financial assets at FVPL and Impairment losses on AFS	280,777	(414,292)
Foreign Exchange Gain/Loss	872,222	(177,633)
Dividend Income	-	(14,440)
Operating income (loss) before working capital changes	18,091,992	(15,235,309)
Changes in assets and liabilities		
Decrease (Increase) in asset/s		
Financial assets at fair value through profit or loss	2,105,027	-
Prepayments and other current assets	(3,931,384)	(441,719)
Increase (Decrease) in liabilities		
Accounts payable & accrued expenses	698,056	(542,150)
Accrued Retirement Fund	-	379,775
Other Liabilities	(4,700,014)	-
Cash generated from (used in) operations	<u>12,221,070</u>	<u>(15,579,528)</u>
Interest received	984,452	1,388,529
Taxes paid	(447,490)	-
Net cash flows from (used) in operating activities	<u>P 12,758,032</u>	<u>P (14,190,999)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of AFS & FVPL Investments	39,853,224	(234,370)
Additions (Deductions) to:		
AFS Investment	-	P (1,015,630)
Project Development Cost	(1,650,000)	(1,015,383)
Deferred Exploration Costs	(1,091,744)	-
Property & Equipment	(2,523,503)	(4,957,796)
Unrealized Gain of Fair Value Adjustments	(12,184,613)	-
Dividends received	-	14,440
Net cash provided in investing activities	<u>P 22,403,364</u>	<u>P (6,974,369)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of capital stock	-	-
Net cash provided by financing activities	<u>-</u>	<u>-</u>
Effect of Foreign Exchange Rate Changes in Cash & Cash Equivalent	(872,222)	177,633
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	34,289,174	P (20,987,735)
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR/QUARTER	100,185,897	155,032,996
CASH AND CASH EQUIVALENT AT END	<u>P 134,475,071</u>	<u>P 134,045,261</u>

BASIC ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the Period Ended March 31, 2010 and March 31, 2009

	Quarters Ended March 31	
	2010	2009
CAPITAL STOCK - P 0.25 par value Authorized - 2,000,000,000 shares		
Issued and Subscribed	2,410,675,330	2,289,821,964
Held by a Subsidiary		
Paid-up Capital Stock at beginning of year	602,668,833	572,455,491
Issuance of capital stock		
Paid-up Capital Stock at end of period/quarter	602,668,833	572,455,491
ADDITIONAL PAID-IN CAPITAL		
Balance at beginning of year	27,067,569	4,105,430
Equity restructuring		
Issuance of Capital Stock		
Balance at end of period	27,067,569	4,105,430
Deposits for Future Stock Subscription	24,386,336	66,761,817
Revaluation increment in office condominium	12,756,334	13,915,999
Fair value adjustments on financial assets	354,196	(988,594)
RETAINED EARNINGS (Deficit)		
Balance at beginning of the year	(225,655,609)	(213,543,203)
Net loss for the period	15,717,287	(14,607,063)
Equity Restructuring		
Balance at end of period	(209,938,322)	(228,150,266)
TOTAL STOCKHOLDERS' EQUITY	457,294,947	428,099,877

BASIC ENERGY CORPORATION AND SUBSIDIARIES
SCHEDULE OF ACCOUNTS RECEIVABLES
As of March 31, 2010

Receivable from Stockholders	1,718,887
Forum PLC	9,555,281
Vital Resources Corp.	113,165
Advances to Officers & Employees	195,331
Others	1,452,872
Less: Allowance for uncollectible accounts	<u>(2,052,707)</u>
	<u>10,982,829</u>

BASIC ENERGY CORPORATION AND SUBSIDIARIES
SCHEDULE OF ACCOUNTS PAYABLE AND ACCRUED EXPENSES
As of March 31, 2010

Carlos A. Rosales	14,500
SSS/Philhealth/HDMF/BIR Payables	301,493
Accrued Expense Payables	4,462,163
Others	853,272
Total	<u><u>5,631,428</u></u>