

From: no-reply@pse.com.ph (no-reply@pse.com.ph)

To: disclosure@pse.com.ph;

Date: Wed, May 11, 2011 11:19:58 PM

Cc:

Subject: ODiSy - Disclosure Status

Dear Sir/Madam:

We would like to inform you that as of MAY 11, 2011 08:19:58 AM today,

Reference Number: WLIST__2011000007880

Company Name: Basic Energy Corporation

Disclosure Subject: Settlement Agreement with Forum Energy Plc. re: settlement of disputes on issues arising from Service Contracts

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 10, 2011

THE DISCLOSURE DEPARTMENT
2/F The Philippine Stock Exchange, Inc.
Tower 1, Makati Stock Exchange
Makati City

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

Gentlemen:

Attached herewith is a copy of our written disclosure to the Securities & Exchange Commission, which is self-explanatory.

Very truly yours,



ANGEL P. GAHOL
Compliance Officer

COVER SHEET

3 6 3 5 9

SEC Registration Number

B A S I C E N E R G Y C O R P O R A T I O N

Blank grid for company name continuation.

(Company's Full Name)

7 t h F l o o r , B a s i c P e t r o l e u m

B u i l d i n g , C . P a l a n c a , J r . S t r e e t ,

L e g a s p i V i l l a g e , M a k a t i C i t y

Blank grid for business address continuation.

(Business Address: No. Street City/Town/Province)

Atty. Angel P. Gahol

(Contact Person)

(632) 817-8596 & 98

(Company Telephone Number)

1 2 3 1

Month Day
(Calendar Year)

1 7 - C

(Form Type)

Month Day

(Annual Meeting)

Not Applicable

(Secondary License Type, If Applicable)

CFD

Dept. Requiring this Doc.

Not Applicable

Amended Articles Number/Section

Total No. of Stockholders

Domestic

Foreign

Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE**

1. May 10, 2011
Date of Report (Date of earliest event reported).
2. SEC Identification Number 36359 3. BIR Tax Identification No. 000-438-702-000
4. BASIC ENERGY CORPORATION
Exact name of registrant as specified in its charter
5. Philippines 6. _____
Province, country or other jurisdiction Industry Classification Code
7. 7th Floors, Basic Petroleum Bldg., 104 C. Palanca St.
Legaspi Village, Makati City, 1229
Address of principal office
8. 817-8596 & 98
Registrant's telephone number, including area code
9. Not Applicable
Former name or former address, if changed since last report.
10. Securities registered pursuant to Sections 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
Common Shares	2,442,493,512
Listed with PSE	2,442,045,455

11. Indicate the item numbers reported herein: Item 9

On May 10, 2011, Basic Energy Corporation (BEC) and Forum Energy Plc (Forum), signed a Settlement Agreement (the "Agreement") covering the settlement of certain disputes earlier submitted for arbitration relating to BEC's share in the historical cost recoveries arising from Service Contract 14 A and B (Nido-Matinloc Blocks), and other issues relating to Service Contract 14-C (Galoc Block), and other blocks of Service Contract 14 and Service Contract 6, pursuant to the Sale and Purchase Agreement executed by BEC and Forum on 3 April 2006 (the "SPA").

If the terms and conditions of the Agreement are met, Forum Energy will make a cash payment to BEC of US\$650,000, and cause the conveyance of (i) 50% of Forum Energy Philippines Corporation's (a wholly owned subsidiary of Forum) ("FEPC") participating interests in the aforementioned service contracts, and (ii) 50% of the related recoverable costs, subject to the approval of the Department of Energy.

Upon fulfillment of certain pre-conditions, the parties will submit the Agreement to an arbitration tribunal for the rendition of a final consent award, and accordingly, BEC will acquire 50% of FEPC's minority participating interests in the following producing fields: 1.13875% in Galoc (SC14C-1), 4.234% in Nido (SC14A), 6.203% and 9.7315%, respectively, in Matinloc (SC14B) and North Matinloc (SC14B-1), and in certain other blocks of Service Contract 14 and Service Contract 6, presently under exploration stages.

Pursuant to the requirements of the Securities Regulations Code, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BASIC ENERGY CORPORATION

Registrant

A handwritten signature in black ink, appearing to read 'ANGEL P. GAHOL', is written over the printed name and title.

ANGEL P. GAHOL
Compliance Officer

May 10, 2011