

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Wednesday, April 17, 2013 7:28 AM

Dear Sir/Madam:

We would like to inform you that as of APR 16, 2013 04:28:32 PM today,

Reference Number: WLIST__2013000026651
Company Name: Basic Energy Corporation
Disclosure Subject: 2012 Annual Report
Status: APPROVED

Should you need further assistance, please e-mail us at

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

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Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Wednesday, April 17, 2013 7:29 AM

Dear Sir/Madam:

We would like to inform you that as of APR 16, 2013 04:29:33 PM today,

Reference Number: WLIST__2013000026670
Company Name: Basic Energy Corporation
Disclosure Subject: 2012 Annual Report
Status: APPROVED

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To: disclosure@pse.com.ph;
Date: Wednesday, April 17, 2013 7:29 AM

Dear Sir/Madam:

We would like to inform you that as of APR 16, 2013 04:29:49 PM today,

Reference Number: WLIST__2013000026673
Company Name: Basic Energy Corporation
Disclosure Subject: 2012 Annual Report
Status: APPROVED

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Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Wednesday, April 17, 2013 7:30 AM

Dear Sir/Madam:

We would like to inform you that as of APR 16, 2013 04:30:08 PM today,

Reference Number: WLIST__2013000026674
Company Name: Basic Energy Corporation
Disclosure Subject: 2012 Annual Report
Status: APPROVED

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To: disclosure@pse.com.ph;
Date: Wednesday, April 17, 2013 7:30 AM

Dear Sir/Madam:

We would like to inform you that as of APR 16, 2013 04:30:24 PM today,

Reference Number: WLIST__2013000026677
Company Name: Basic Energy Corporation
Disclosure Subject: 2012 Annual Report
Status: APPROVED

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To: disclosure@pse.com.ph;
Date: Wednesday, April 17, 2013 7:30 AM

Dear Sir/Madam:

We would like to inform you that as of APR 16, 2013 04:30:37 PM today,

Reference Number: WLIST__2013000026679
Company Name: Basic Energy Corporation
Disclosure Subject: 2012 Annual Report
Status: APPROVED

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Philippine Stock Exchange, PSE Plaza, Ayala Avenue, Makati City.

COVER SHEET

3 6 3 5 9

SEC Registration Number

BASIC ENERGY CORPORATION AND
SUBSIDIARIES

(Company's Full Name)

7th Floor, Basic Petroleum
Building, C. Palanca, Jr. Street,
Legaspi Village, Makati City

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

Marietta V. Villafuerte

(Contact Person)

(632) 817-8596 to 98

(Company Telephone Number)

1 2 3 1

Month Day
(Calendar Year)

SEC 17A

(Form Type)

Month Day
(Annual Meeting)

Not Applicable

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Not Applicable

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

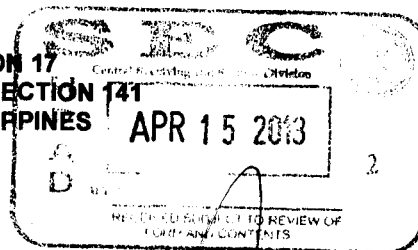
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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES**



1. For the fiscal year ended: December 31, 2012
 2. SEC Identification Number: 36359 3. BIR Tax Identification No.: 000-438-702
 4. Exact name of issuer as specified in its charter: BASIC ENERGY CORPORATION
 5. Metro Manila, Philippines 6. (SEC Use Only)
- Province, Country or other jurisdiction of incorporation or organization Industry Classification Code
7. 7th Floor Basic Petroleum Bldg., 104 C. Palanca, Jr. St., Legaspi Village, Makati City 1229
Address of principal office Postal Code
 8. (632) 817-8596 & 98
Issuer's telephone number, including area code
 9. Not applicable
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, or Sec. 4 and 8 of the RSA
- | Title of each class
Outstanding | Number of Shares of Common Stock
And Amount of Debt Outstanding |
|------------------------------------|--|
| Common Shares | 2,442,493,512 |
11. Are any or all of these securities listed on a Stock Exchange
 Yes ☒ No ☐
 If yes, state the name of such stock exchange and the classes of securities listed therein:
 Philippine Stock Exchange Common Shares
 12. Check whether the issuer:
 - (a) Has filed all reports to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);
 Yes ☒ No ☐
 - (b) Has been subject to such filing requirements for the past ninety (90) days.
 Yes ☐ No ☒

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the fiscal year ended: December 31, 2012
 2. SEC Identification Number: 36359 3. BIR Tax Identification No.: 000-438-702
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- Province, Country or other jurisdiction of incorporation or organization Industry Classification Code
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Address of principal office Postal Code
 8. (632) 817-8596 & 98
Issuer's telephone number, including area code
 9. Not applicable
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, or Sec. 4 and 8 of the RSA
- | Title of each class
Outstanding | Number of Shares of Common Stock
And Amount of Debt Outstanding |
|------------------------------------|--|
| Common Shares | 2,442,493,512 |
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 If yes, state the name of such stock exchange and the classes of securities listed therein:
 Philippine Stock Exchange Common Shares
 12. Check whether the issuer:
 - (a) Has filed all reports to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);
 Yes ☒ No ☐
 - (b) Has been subject to such filing requirements for the past ninety (90) days.
 Yes ☐ No ☒

State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form.

Php 608,790,191 (March 26, 2013)

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS**

13. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes ☐]

No ☐]

Not Applicable ☒ x]

DOCUMENTS INCORPORATED BY REFERENCE

2012 Audited Financial Statements (Consolidated)

PART I – BUSINESS AND GENERAL INFORMATION

ITEM I. BUSINESS

(A.) Description of Business

(1) Business Development

The Company was organized initially as Basic Enterprises, Inc., a stock corporation on September 19, 1968 and became an oil and gas exploration and development company on April 26, 1971. A year after, it assumed a new name, Basic Petroleum and Minerals, Inc. Over the years, the Company evolved from an operating company into a holding company under the corporate name, Basic Consolidated, Inc. As a holding company, it held equity investments in the following wholly owned subsidiaries: Basic Petroleum & Minerals Inc. (BPML), an oil and gas exploration and mining company, Basic Diversified Industrial Holdings, Inc., an investment holding company, iBasic, Inc., an information technology management company and service integrator, and in Southwest Resources, Inc., an oil exploration company, which is owned 72.58% by the Company. To date, the Company has two additional wholly-owned subsidiaries: Basic Biofuels Corporation,

which is into the development of biofuels and Basic Ecomarket Farms, Inc., which is into agriculture, focusing initially on cassava development and production.

On the Company's oil and gas business, the Company is presently a party, together with other oil exploration companies, in the exploration, development and production of contract areas in Service Contract 47 in offshore Mindoro and Service Contract 53 in onshore Mindoro.

In 2006, the Company adopted a rationalization program for its equity investments by disposing investments in subsidiaries in exchange for cash and asset values to generate funds for the investments of the Company in its oil and gas projects and other viable businesses, and by winding down the operations of subsidiaries and affiliates affecting the Company's bottom line. In line this rationalization program, on April 3, 2006, the Company entered into a Sale and Purchase Agreement (SPA) covering the sale of the entire interest in its wholly owned subsidiary, Basic Petroleum & Minerals, Inc. (BPMI) to Forum Energy PLC (FEP), for a total consideration of US\$ 17,000,000.00. Of this amount, US\$ 5,000,000 was in cash and FEP shares and US\$12,000,000 was payable upon FEP's utilization of the historical cost recoveries of BPMI and upon oil production by FEP in excess of 5,420,000 barrels. By April, 2007, the Company received full payment and delivery of the first tranche of US\$ 5,000,000.00. The amount of US\$ 10,000,000.00 shall be due upon FEP's utilization of the historical cost recovery accounts of BPMI and the amount of US\$2,000,000 shall be due, in staggered basis, upon production of 5,240,000 barrels of oil in the service contracts that are part of the sale of BPMI. The receivables of the Company from FEP based on the Nido and Matinloc liftings from April, 2006 to the present are the subject of arbitration proceedings between the Company and FEP, now on its closing stage.

On November 27, 2006, the Securities and Exchange Commission approved the Company's change in corporate name from Basic Consolidated, Inc. to Basic Petroleum Corporation and its equity restructuring involving the following: (a) the reduction of the par value of the Company's shares from Php1.00 to Php0.25; (b) the reduction of the amount of its capital stock from Php2 Billion to Php 500 Million, retaining the same number of shares at 2,000,000,000 shares. One major effect of this quasi-reorganization was the creation of a reduction surplus, which was used to wipe out the deficits of the Company, as of December 31, 2005, as of April 30, 2006 and as of December 31, 2006. This equity restructuring paved the way for a stronger balance sheet designed to attract new investors into the Company, and for the transformation of the Company into a more dynamic institution that will include among its endeavors, the development and production of alternative fuels and renewable energy resources.

On July 12, 2007, the shareholders of the Company approved the inclusion among its primary purposes the production of ethanol and other biofuels, and the development of renewable energy resources. In line therewith, the Company changed its corporate name from Basic Petroleum Corporation to Basic Energy Corporation. The Company's Amended Articles of Incorporation embodying the expansion of its primary and secondary purposes, the change of its corporate name to Basic Energy Corporation, and the various amendments to its by-laws were approved by the Securities and Exchange Commission on August 10, 2007.

The Company subsequently planned for a follow-on offering of its shares to raise funds for the integrated ethanol plant of the Company and for its oil and gas and other energy projects. With the support of both new and existing investors who contributed to the minimum required 25% paid-up capital for a Php2 Billion capital increase, the Company increased its authorized capital stock from Php500 Million consisting of 2 Billion shares to Php2.5 Billion consisting of 10 Billion shares. This capital increase was approved by the

Securities and Exchange Commission on November 13, 2007. In view, however, of the weak market conditions which began at the end of 2007 and which continued to prevail in 2008, the Company decided to defer its follow-on offering for a year or until economic conditions improve or upon issuance of the Company's Environmental Clearance Certification for the ethanol project. The deferment was approved by the Securities and Exchange Commission on September 10, 2008.

With the corporate framework in place for its various projects, the Company considered expanding its business horizons by embarking in the development and production of the biofuel – ethanol, and other alternative fuels and renewable energy resources. On July 10, 2007, the Company acquired Zambo Norte Bioenergy Corporation (ZNBC), a company undertaking a planned integrated ethanol production plant in Gotalac, Zamboanga del Norte, and the development of a dedicated sugarcane farm covering approximately 10,000 hectares of leased lands in Gotalac, Labason and Kalawit, Zamboanga del Norte. Under the covering Share Purchase Agreement dated July 10, 2007 and the Amendment to the said Agreement dated September 11, 2007, the consideration for the Company's acquisition of ZNBC consisted of a cash component of Php10.82 Million, which has already been paid, and shares of the Company worth Php53.18 Million priced at Php0.44 per share. On November 23, 2007, the Securities and Exchange Commission approved the change in name of ZNBC to Basic Biofuels Corporation (BBC).

Through BBC, the Company commenced the preparation and development of the sugarcane farm component of the integrated ethanol plant, starting with a nursery for the propagation of sugarcane at the plant site located in Gotalac, Zamboanga del Norte, with an area of approximately 22 hectares. In August, 2008, however, the Company decided to develop initially cassava, over sugarcane, as the feedstock for its planned ethanol plant. The Company then decided to undertake a cassava project in the Zamboanga peninsula with the acquisition of the cassava project of Ecomarket Farms, Inc. in Zamboanga Sibugay and Zamboanga City. For this purpose, Basic Ecomarket Farms, Inc. (BEF) was established as a wholly owned subsidiary of the Company, with an authorized capital stock of Php50 Million and an initial paid up capital of Php20 Million, and Ecomarket Farms, Inc. was engaged to manage the cassava project. In line therewith, the ethanol project was deferred while the capability of BEF to produce the cassava feedstock as required by the planned ethanol project is being developed. In the meantime, the Company continues to look for strategic and financial investors or partners for the planned ethanol project.

On July 10, 2008, the Department of Energy awarded to the Company the service contract for the exploration and development of geothermal energy at Mabini, Batangas. A Controlled Source Magneto-Telluric Survey covering 3,481 hectares in the area had been conducted and completed on March 8, 2010. The data obtained from the survey is presently being processed with the objective of establishing the geothermal resource and the exploration drilling site. The Company is in discussions with prospective investors for a possible participation in the project.

On August 28, 2008, the Company led a consortium to undertake a feasibility study on the San Mateo Landfill project for the purpose of transforming the dumpsite into an alternative energy source. Certain studies had been conducted, however, in 2009, the Company decided not to pursue the project, in line with its plan to focus on the cassava development project.

On February 13, 2012, the Company filed its applications for geothermal energy service contracts in four areas in the country classified as frontier areas, and its letters of intent for run-of-river mini hydro areas in Negros Occidental. Three (3) of the Company's

applications for geothermal energy service contracts, in the East Mankayan, Mt. Mariveles and Mt. Iriga areas, have passed the legal, technical and financial evaluation standards set by the DOE and the Company is awaiting signing of the covering service contracts, while the 4th application for geothermal energy service contract and mini-hydro applications are still pending evaluation by the DOE.

On February 11, 2013, the Company entered into a joint venture arrangement with Petrosolve Sdn Bhd, a company registered in Malaysia, which is into the business of developing oil fields and holds a technology for enhanced chemical oil recovery. The joint venture entailed the establishment of a joint venture company in Hong Kong which is 70% owned by the Company and 30% owned by Petrosolve Sdn Bhd, which shall serve as the corporate vehicle of the joint venture in entering into business relationships in connection with the management and operation of oil wells.

The Company continues to look into business opportunities for the development of alternative fuels and renewable energy, such as hydropower generation, bio-diesel production, biomass to power projects as it continues to pursue its core business in the oil and gas exploration and development.

(2) *Business of the Company and its Subsidiaries*

Oil and Gas Operations

The Company is involved in various oil exploration and development activities. The Company is presently a party together with other oil exploration companies (the consortium), through the Department of Energy (DOE), in the exploration, development and exploitation of the contract areas in Service Contract 47 in offshore Mindoro and Service Contract 53 in onshore Mindoro.

Through its subsidiary, Southwest Resources, the Company used to be involved in Service Contract 41 (Sandakan Basin). Its Operator, Tap Oil (Philippines) Pty. Ltd., had requested the DOE on May 12, 2010, that the Wildebeest-1 be classified as a discovery well based from the oil samples recovered by MDT sampling and the interpretation of the 3D seismic data acquired in 2008. This request was not approved by the DOE, in view of which, in July 2010, the consortium decided to withdraw from this Service Contract.

Service Contract 47 (Offshore Mindoro)

Service Contract 47 (SC 47) was awarded on January 10, 2005 to PNOC EC and Petronas Carigali (Petronas). Upon Petronas' withdrawal in January 2008, PNOC-EC interest became 97% with Petroenergy at 2% and the Company at 1%.

SC 47 covers originally 14,667 sq. km and is located within the Northwest Palawan Micro-Continental Block (NPMCB). The NPMCB is the only area in the Philippines where there is oil and gas and includes the Nido Oilfield, Matinloc Oilfield and the Malampaya Gasfield, all in the northwest Palawan area. SC 47 has been the site of the first significant oil discovery outside the proven petroleum province of offshore northwest Palawan. PNOC-EC drilled the Maniguin-2 well on the island of Maniguin in 1994. This well flowed sub-commercial quantities of oil and proved the existence of a valid petroleum system in the area.

The results of the Maniguin drilling have prompted PNOC-EC to pursue additional evaluation studies, including the acquisition of 2D and 3D seismic data. The results of the evaluation studies have shown prospects with reserves ranging from 10 Million barrels to 600 Million barrels recoverable oil.

In 2009, the Company along with its partners, continued exploration efforts in the service contract. The DOE approved the seismic program commitment under sub-phase 2 (January 2008 to January 2010) The 2D seismic survey was carried out by CGG Veritas from August 19-29, 2009 covering a total of 1,091.6 kms at a cost of US \$ 637,416.67. On August 14, 2009, the DOE approved the relinquishment of 25% of the original area of the service contract, reducing the area to 1,098,000 hectares, where the islands of Caluya, Sibay and Semirara were retained.

On May 28, 2010, a revised work program and extension of the term of Sub Phase 2 was requested for approval by the DOE. The processing and interpretation of the new seismic data have resulted in the identification of some leads and prospects. PNOC-EC continues to conduct technical evaluation and a new seismic program, as the DOE will not act on the extension of the term of Sub Phase 2 of the service contract unless there is a commitment to drill a well in the service contract area.

In 2012, PNOC-EC pursued a new seismic program, as the DOE has advised that the extension of the term of Sub Phase 2 of the service contract shall be acted upon when there is already a commitment to drill a well in the service contract area. PNOC-EC is currently in discussions with a farminee for the service contract.

In March 2013, PNOC-EC requested the DOE for a 2-year term for Sub Phase 3 in order to allow the potential farminee to undertake all the work commitment including the drilling of one well.

Service Contract 53 (Onshore Mindoro)

Service Contract 53 (SC53) was awarded on July 8, 2005. It covers 6,600 sq. km. of the onshore areas of Mindoro Island which is within the North Palawan Micro-Continental Block. Past exploration efforts in SC 53 included the acquisition of 2,000 kilometers of 2D seismic data and the drilling of 4 exploration wells. Three of the 4 wells encountered oil and gas but were considered non-commercial at the time of their drilling.

The consortium entered into a Farm-In Agreement with Pitkin Petroleum Ltd. (Pitkin) which was approved by the Department of Energy on June 11, 2008. The DOE also approved the 1 year extension of Sub-phase 1. Under the Farm-In Agreement, Pitkin completed a magneto-telluric survey in onshore Mindoro and acquired in May, 2010, over 200 kilometers of 2D seismic designed to delineate and assess the hydrocarbon potential of the Progreso-1X in San Jose, Mindoro Occidental and the Sablayan, Mindoro Occidental.

On July 11, 2011, Resource Management Associates Pty Limited of Australia signed a Farm In Agreement with Pitkin Petroleum to acquire 35% from its 70% participating interest. In a consortium meeting last November 11, 2011, Pitkin reported that the Sub-Phase 1, which ended March 6, 2012, was fulfilled with the completion of the 200 kilometers of seismic data. Sub-Phase 2 shall end on July 8, 2014 and carries a minimum work obligation of 2 wells at a minimum cost of US\$ 2 million.

The consortium agreed to drill Progreso-2 to fulfil one of the 2 well obligations and the planned geology and geophysical works will be negotiated as fulfilment of the second well and approved the proposed 2012 firm budget of US\$ 8.42MM and contingent budget US\$ 6.14MM firm. The Company has a 3% participation in this service contract.

Renewable Energy (Geothermal Energy)

Mabini, Batangas Geothermal Service Contract

The Mabini, Batangas Geothermal Service Contract was signed and awarded to the Company on July 10, 2008. The contract area is approximately 32.5 square kilometers and covers the Calumpán Peninsula. The contract period is 5 years and subdivided in 3 Phases. Sub Phase 1 (Years 1 and 2) and sub phase 2 (Year 3) minimum work commitments include geological, geophysical and geochemical works that are designed to identify a drilling location and assess the geothermal potential of the contract area. The Company has the option to drill a well or return the Service Contract to the Department of Energy in case there is no technical justification to drill a well.

Exploration and Development History

The Commission on Volcanology (COMVOL) initiated the detailed geoscientific investigation of the Mabini, Batangas geothermal prospect in the late 1970's. A shallow well was drilled in Santo Tomas, Batangas in 1981 with a depth of 304m and maximum temperature of 118°C. Succeeding surveys commenced in the 1980's, this time led by PNOC-EDC. Geological and geochemical surveys were conducted in 1981 and a more detailed geoscientific study was completed in 1988. Based on Geothermal Model and Resource Potential from PNOC- EDC's latest assessment, Mabini, Batangas is an intermediate-temperature geothermal resource with reservoir temperature of at least 180°C. It was postulated that the upflowing neutral-pH alkali chloride fluids are associated with the Pleistocene Mt. Binanderahan volcanics. Hot fluids outflow toward Mainit to the south, while it flows to Santo Tomas, Batangas at the west and to the east section of the area. It is envisaged that this prospect is suitable for direct utilization for binary system power generation.

The Company has secured the commitments of the Local Government Units which indicated support to the project. The Certificate of Non Coverage was issued by the Environmental Management Bureau on March 25, 2009 and the Certificate of Non Overlap from the National Commission on Indigenous People was issued on April 15, 2009.

The Company has conducted the first stage of the exploration program consisting of geophysical and geological surveys covering 3,481 hectares in the Calumpán Peninsula, Mabini, Batangas. A Controlled Source Magneto-Telluric Survey covering the area had been conducted and completed on March 8, 2010. The data obtained from the survey had been processed by a Japanese consultant, with the objective of establishing the geothermal resource and the exploration drilling site in the area.

The Company has completed due diligence studies and preliminary technical data collection, collation and re-evaluation as part of its commitment under Sub Phase 1 (Years 1 and 2) of the work program committed with the DOE. Initial assessments disclosed that the area has a good potential for a 20-megawatts capacity and could be

developed within a 2-year period considering the existence of adequate infrastructure, adjacency to transmission lines and a strong power demand in the area.

Current Status

On February 28, 2011, the Company entered into an Agreement for Services with Filtech Energy Drilling Corporation for the conduct of a pre-feasibility study. The study identified the geothermal resource based on the anticipated resource temperatures of 180-220°C and that two (2) production pads with a reinjection pad at much lower elevation were located where the wells could be drilled. Binary and hybrid type (combined cycle) power plants, depending on the temperatures to be encountered, will most likely be suitable to generate 20 MW. The power generated could be connected via a 60 KV transmission line located 9 kilometers from the power plant.

Potential customers are industrial plants such as Petron Corporation, Engineering Equipment, Inc., AG&P, Keppel Batangas Shipyard, Keppel Batangas Shipyard, and Babcock-Hitachi Phils, companies able to absorb the full 20MW output of the plant. Other potential customers in the future will be Taisan Mining which may require 85 MW when they become operational in 2014.

The results of the financial modeling showed good indications of commercial viability. The confirmation of 180C geothermal resource can best be developed and would yield: Equity IRR of 16% and NPV of P1,508 million at electricity selling price of P5.228/kwh, Or, 14% Equity IRR and NPV of P1,065 million at electricity price of P4.808/kwh. If at 220C geothermal resource is confirmed, the Project can be developed at 16% EIRR and NPV of P1,445 million at P5.102/kwh, or, 14% EIRR and NPV of P1,032 million at P4.682/kwh electricity selling price.

On September 20, 2011, the Company signed a Heads of Agreement with New World Energy (NWE), an Australian company which is likewise into geothermal energy development, which, however, expired on January 31, 2012. The Company is currently in discussions with prospective farm-in partners to explore and develop the Mabini, Batangas geothermal energy project.

New GSCs

The Company recently received the Geothermal Service Contracts from the Department of Energy, covering three geothermal projects, namely: Iriga Geothermal Power Project, Mariveles Geothermal Power Project and the East Mankayan Geothermal Power Project.

The East Mankayan Geothermal Power Project lies immediately east of the Cervantes, Ilocos Sur geothermal block of Pan Pacific Power Phils, Inc. and south of the Bontoc-Sadanga block which is operated by Magma Energy Resources. Immediately south is the Daklan block operated by Clean Rock Energy. The area actually covers the 3 provinces of Benguet, Mountain Province and Ifugao. The proposed area is surrounded by lots of known thermal manifestations, e.g. hot springs and thermally altered grounds.

The Mariveles Geothermal Power Project, in Bataan is situated along the West Luzon Volcanic Arc which starts from Mt. Pinatubo in the north and extends farther south across the Manila Bay towards Batangas and northeastern Mindoro.

The Iriga Geothermal Power Project in Camarines Sur is bounded to the north by Isarog geothermal block of PNOC-RC and to the east by the highly productive Tiwi geothermal service contract area of formerly Chevron, now AP Renewables Inc. The areal landscape

is dominated by Iriga or Asog Volcano, a relatively in stratovolcano immediately southwest of Lake Buhi in southern Luzon.

Ethanol Project and Cassava Projects

In August, 2011, the Company decided to suspend the operations of its farm development subsidiary, Basic Ecomarket Farms, Inc. (BEF). BEF was established in 2009 to implement the feedstock development program of the Company preparatory to embarking on its Ethanol Project.

BEF was tasked to plant and propagate cassava as the preferred feedstock of the Company's planned ethanol project. The growth of the local and global biofuels market, however, significantly slowed down prompting the Company to re-assess the timing of the implementation of its plans to enter fully the biofuels industry. Thus, it was decided that the Company should wait for a more appropriate time to implement both its feedstock development program and its Ethanol Project.

The Company will continue to monitor the technological advances in both the feedstock and technical components of the biofuels industry, as well as developments in the overall biofuels market condition that would greatly improve the economics of the Ethanol Project.

E m p l o y e e s

The Company has twenty (20) officers and employees, of which eight (8) are executive officers, eight (8) are assigned as accounting, administrative and support staff and four (4) are assigned for utility and service staff. The Company expects to hire additional personnel in 2012 as may be needed as technical staff for its various projects. When the Company will pursue additional alternative fuels and renewable energy projects, with the entry of strategic and financial funders or investors, project managers, and engineering, technical and other support personnel may be required for the project.

ITEM 2. PROPERTIES

The Company owns one floor (7th Floor) of the Basic Petroleum Building located at 104 C. Palanca, Jr. St., Legaspi Village, Makati City, consisting of 461 square meters, which the Company uses as its office premises.

The Company and its subsidiaries own several parcels of land located in Bolinao, Pangasinan, containing an aggregate area of 415,895.80 square meters. The property is located approximately 4.3 kilometers southwest from the Bolinao-Bani Provincial Road and is best suited for agro-industrial land development. The Company, through a subsidiary, also owns a major interest (58%) in a real estate property located at Barangay Bolasi, San Fabian, Pangasinan with an aggregate area of 178,634 square meters, beside the San Fabian PTA Beach Resort managed by the Philippine Tourism Authority. The beachfront is suitable for beach resort development while a portion of it is suitable for a residential development. The Company also owns a property located at Tanay, Rizal

with an area of 35,000 square meters, near the town proper with good roads and is suitable for residential housing development or for an agricultural farm project.

To date, the Company or its subsidiaries do not have any plan to own additional lands for its various projects.

ITEM 3. LEGAL PROCEEDINGS

The San Fabian property which is registered in the name of Pan-Phil Aqua Culture Company and which the Company has a majority interest, is the subject of a pending administrative case filed by Pan-Phil Aqua Culture Company against a certain Warlito Pedral with the Land Management Bureau of the Department of Environment and Natural Resources (DENR), Regional Office No. 1, San Fernando, La Union. The case is docketed as Claim Case No. 01-Pang-101 for the denial of the application for titling of a parcel land being claimed by said Warlito Pedral, as it falls within 20 meters legal easement or salvage zone of the foreshore area fronting the subject property. The Regional Office-DENR, La Union rendered a decision in favor of Pan-Phil, declaring the contested area as a salvage zone and giving Pan-Phil the preference to file for a lease application over the contested area. The decision was appealed with the Office of the Secretary of Department of Environment and Natural Resources (DENR), which appeal was dismissed in an Order dated November 10, 2010, affirming the Resolution of the Regional Executive Director dated August 3, 2010. On February 18, 2011, Mr. Pedral filed a Motion for Reconsideration of the Order dismissing the appeal, which was likewise denied and in July 2011, the DENR Secretary issued an Order dismissing the Motion for Reconsideration and affirming the Decision of the Regional Executive Director. Proceedings have already been initiated for the execution of the DENR decision in favor of Pan Phil.

On June 5, 2008, the Company declared Forum Energy Plc (Forum) in default for non-payment of the Company's share in the utilization of the historical cost recovery accounts sold to forum under the Sale and Purchase Agreement (SPA) dated April 3, 2006 covering the sale by the Company of its 100% interest in Basic Petroleum Minerals, Inc. including its participating interests and costs recovery accounts in certain geophysical Survey and Exploration and Service Contracts. As a consequence of said default, the Company submitted the dispute for arbitration. On June 14, 2012, the Ad-Hoc Arbitration Tribunal headed by former Justice Jose Vitug, with former Justice Hector Hofilena, Sr. and Atty. Teodoro Penarroyo as members, rendered its decision in favor of the Company and awarded payment by Forum of the balance of the share of the Company in the historical cost recoveries received by Forum on the oil assets sold to Forum under the SPA. Subsequently, the parties entered into a Compromise Agreement covering settlement of the aforementioned award by the Ad-Hoc Arbitration Tribunal in favor of the Company and other claims under the SPA. Under the agreement, Forum will pay the Company an aggregate amount of USD 4.4 Million, of which USD 3.4 Million has been paid as of December, 2012, with the balance of USD 1 Million payable in December, 2013.

Except for the above proceedings, the Company or its subsidiaries and affiliates are not involved in any pending legal proceeding relative to the other properties or property interests of the Company.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of security holders during the fiscal year covered by this report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDERS MATTERS

(1) MARKET INFORMATION

The shares of stock of the Company are traded in the Philippine Stock Exchange. The Company's high and low closing prices for each quarter of years 2011 and 2012:

	<u>HIGH</u>		<u>LOW</u>	
	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>
1 st Quarter	Php0.17	Php0.34	Php0.15	Php0.18
2 nd Quarter	0.16	0.31	0.15	0.24
3 rd Quarter	0.33	0.28	0.14	0.24
4 th Quarter	0.21	0.31	0.16	0.25

Further, the last trading price of shares of the Corporation, as of February 28, 2013 was Php0.285 per share.

No cash/stock dividends have been declared in 2012.

(2) HOLDERS

Top 20 Stockholders as of December 31, 2012:

<u>NAME</u>	<u>OUTSTANDING SHARES</u>	<u>PERCENTAGE</u>
PCD Nominee Corporation (Fil.)	2,016,251,327	82.55%
PCD Nominee Corporation (For.)	33,356,598	1.36%
Christodel Phils, Inc	25,736,744	1.05%
Isidoro O. Tan	24,822,276	1.02%
Phases Realtors, Inc	20,989,439	0.86%
Northwest Traders Corporation	20,745,757	0.85%
Jose C. De Venecia, Jr.	10,013,225	0.41%
Samuel Uy	10,000,000	0.41%
Jose Ma. L. De Venecia	9,075,833	0.37%

Northwest Investors, Inc.	8,708,890	0.36%
Mark Anthony L. De Venecia	8,363,333	0.34%
Oscar C. De Venecia	8,110,000	0.33%
Ernesto Chiaco Chua	8,000,000	0.33%
JLV Holdings, Inc.	7,200,000	0.29%
MDV Holdings, Inc	5,070,000	0.21%
Kho Giok En	4,550,000	0.19%
Horacio Rodriguez	4,408,523	0.18%
Northwest Securities	3,998,109	0.16%
Christine Chua	3,149,221	0.13%
East West Commodities, Inc.	3,019,498	0.12%

The Company is in compliance with the minimum public ownership requirement prescribed under existing regulations of the Securities and Exchange Commission and the Philippine Stock Exchange.

The Company's level of public float as of December 31, 2012 is 90.6% of total outstanding shares.

ITEM 7. FINANCIAL STATEMENTS

The Company's Consolidated Financial Statements and Schedules to Financial Statements are filed as part of this SEC Form 17-A.

ITEM 8. CHANGES AND DISAGREEMENTS WITH ACCOUNTANTS AND FINANCIAL DISCLOSURE

There were no disagreements with the Company's external auditors on any accounting and financial disclosures in the 2012 audited financial statements of the Company.

The accounting policies adopted are consistent with those of the previous financial reporting year, except for the following revised and amended PFRS, PAS and Philippine Interpretations, based on the International Financial Reporting Committee Interpretations, which the Company will adopt when these become effective in 2013. The adoption of these changes are either not relevant to or have no significant impact on the consolidated financial statements, namely:

- i. PAS 1, Financial Statement Presentation – Presentation of Items of Other Comprehensive Income
- ii. PFRS 10, Consolidated Financial Statements, replaces the portion of PAS 27, Consolidated and Separate Financial Statements
- iii. PFRS 11, Joint Arrangements, replaces PAS 31, Interests in Joint Ventures and SIC-13, Jointly-Controlled Entities (JCEs) – Non-monetary Contributions by Venturers
- iv. Amendments to PFRS 7, Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
- v. PFRS 12, Disclosure of Interests with Other Entities
- vi. PFRS 13, Fair Value Measurement
- vii. Amendments to PAS 19, Employee Benefits
- viii. PAS 27, Separate Financial Statements (as revised in 2011)
- ix. PAS 28, Investments in Associates and Joint Ventures (as revised in 2011)
- x. Annual Improvements to PFRSs (2009-2011 cycle – contain non-urgent but necessary amendments to PFRSs. The amendments are effective for annual periods

beginning on or after January 1, 2013 and are applied retrospectively. Earlier application is permitted.

- a. PAS 1, Presentation of Financial Statements –Clarification of the Requirements for Comparative Information
- b. PAS 16, Property, Plant and Equipment-Classification of Servicing Equipment
- c. PAS 32, Financial Instruments: Presentation-Tax Effect of Distribution to Holders of Equity Instruments
- d. PAS 34, Interim Financial Reporting-Interim Financial Reporting and Segment Information for Total Assets and Liabilities
 - a. PAS 34, Interim Financial Statements
 - b. Philippine Interpretation IFRIC 13, Customer Loyalty Programmes
 - c. Philippine Interpretation IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments

The above changes were disclosed in the Consolidated Audited Financial Statements of the Corporation as of December 31, 2012.

PART III – CONTROL AND COMPENSATION INFORMATION

(A.) Management's Discussion and Analysis (MD&A and Plan of Action)

Plan of Operations for 2013

Oil and Gas Operations

For 2013, the Company will continue with its business in oil and gas exploration, being a party, together with other oil exploration companies, to service contracts for the exploration, development and exploitation of certain contract areas situated in offshore Mindoro (Service Contract 53) and onshore Mindoro (Service Contract 47).

In Service Contract 47, the processing and interpretation works on the newly acquired seismic data have resulted in the identification of some leads and prospects, and more detailed review of the studies have been undertaken by the consortium in 2012. The consortium has been advised that the DOE will grant its request for the extension of the term of Sub Phase 2 of the service contract provided there is a commitment to drill one (1) well. The Company has a 1% participation in this service contract.

In Service Contract 53, the consortium agreed to drill Progreso-2 to fulfil one of the 2 well obligations and the planned geology and geophysical works will be negotiated as fulfilment of the second well under the 2013 firm budget of US\$ 8.42MM and contingent budget US\$ 6.14MM firm have been approved. The Company has a 3% participation in this service contract.

The Company continues to look for opportunities in the oil and gas industry. The Company has entered into a joint venture arrangement with Petrosolve Sdn Bhd, a company registered in Malaysia, which is into the business of developing oil fields and holds a technology for enhanced chemical oil recovery. The joint venture entailed the

establishment of a joint venture company in Hong Kong which is 70% owned by the Company and 30% owned by Petrosolve Sdn Bhd, which shall serve as the corporate vehicle of the joint venture in entering into business relationships in connection with the management and operation of oil wells.

The Company's cash requirements for the operations of its oil and gas business for the whole year of 2013 is budgeted at about Php55.0 Million, which will be adequately funded by its cash and short-term investments. There is no need for the Company to raise additional funds for its existing oil and gas projects, and there is no plan to increase its present manpower staff nor acquire any significant equipment for these projects.

Geothermal Energy Operations

The Company will continue discussions with other companies interested in the exploration and development of geothermal resources for the formation of a consortium to jointly undertake exploration and development activities at the Mabini, Batangas geothermal area and the other areas applied for by the Company. In the meantime, the necessary exploratory works are being undertaken as a commitment under the Mabini geothermal service contract approved by the DOE. Once successful exploration and the steam resource is determined, the Company, together with possible investors, will consider setting up a geothermal power plant in the Mabini, Batangas area. Initial assessment of the steam resource in the area is about 20 megawatts. Power from the plant would be sold to the local cooperatives and the Wholesale Electricity Stock Market (WESM).

For 2013, the Company shall continue to look for farm-in partners in the project, as it has committed to drill one (1) well by July, 2014. There is no plan to hire additional personnel or acquire any significant equipment this year for this project.

Cassava Operations

For 2013, the operations of its farm development subsidiary, Basic Ecomarket Farms, Inc. (BEF), shall remain suspended. The Company shall continue to re-assess the timing of the implementation of its plans to enter fully the biofuels industry, and shall wait for a more appropriate time to implement both its feedstock development program and its Ethanol Project.

Key Performance Indicators

The following table shows the top 5 key Performance indicators for the past two years

Key Performance Indicators	Year 2012	Year 2011
Return on Investment (ROI) (Net Income/Ave. Stockholders' Equity)	35.18%	23.15%
Profit Margin (Net Income/Net Revenue)	77.02%	52.74%
Investment in Projects (Non-Petroleum)		

(As a % of Total Assets)	22.51%	20.77%
Investment in Wells and Other Facilities (As a % of Total Assets)	5.26%	7.04%
Current Ratio (Current Assets/Current Liabilities)	102.47:1	48.05:1
Asset Turnover (Net Revenue/Ave. Total Assets)	44.33%	42.42%
Solvency Ratios		
Debt to Equity Ratio	2.64%	3.41%
Asset to Equity Ratio	102.71%	103.53%
Interest Rate Coverage Ratio	n/a	n/a

INDEPENDENT AUDITORS

The financial statements of the Company as of and for the year ended December 31, 2012 and years ended December 31, 2011, 2010, 2009 and 2008 have been audited by Sycip Gorres Velayo & Co. (SGV). SGV has been the Corporation's independent auditors since 1972.

There was no event in the past five (5) years where SGV and the Company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedures.

SGV has no shareholdings in the Company or any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company, in accordance with the professional standards on independence set by the Board of Accountancy and approved by the Professional Regulation Commission.

External Audit Fees

The following table sets out the fees billed for professional services rendered by the external auditors:

Period Covered	Nature of Audit	(InPHP000)
December 31, 2007	Annual Audit for regular reportorial requirements	340.0
December 31, 2008	Annual Audit for regular reportorial requirements	468.5
December 31, 2009	Annual Audit for regular reportorial requirements	580.0

December 31, 2010	Annual Audit for regular reportorial requirements	630.0
December 31, 2011	Annual Audit for regular reportorial requirements	765.0
December 31, 2012	Annual Audit for regular reportorial requirements	740.0

In addition to the audit related services, SGV has also rendered tax and financial accounting services in relation to the Company's sale of its entire interests in Basic Petroleum and Minerals, Inc. (BPMI) and the acquisition of Zambo Norte Bioenergy Corporation (ZNBC).

Hereunder is the table of the fees paid from the foregoing tax and financial accounting services:

Date of Engagement	Nature of Services	Fee (InPHP000)
June 2006	Tax and Financial Accounting Services for the sale of BPMI	850.0
September, 2006	Tax Services for securing tax clearance in the transfer of BPMI shares to Forum Energy	250.0
June, 2007	Financial Accounting Services related to ZNBC's acquisition	350.0

The Audit Committee reviews the external auditor's engagement letter covering their scope of work and the reasonableness of the related professional fee taking into account the auditing firm's quality and reliability of service. Based on its review, the Audit Committee recommends for approval of the Board the appointment of the external audit service provider for the subject audit year. The Board approves the appointment subject to the ratification by the stockholders during the annual stockholders meeting. Upon recommendation of the Audit Committee and the Board of Directors, SGV was appointed by the stockholders of the Company last May 30, 2012 as the external auditor who will conduct the audit for fiscal year 2012, subject to SEC Memorandum Circular 8, Series of 2003 (Rotation of External Auditors).

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

DIRECTORS AND EXECUTIVE OFFICERS

Board of Directors

The following were the members of the Board of Directors of the Company, as of December 31, 2012:

Oscar C. De Venecia –Chairman

Ramon L. Mapa- Vice Chairman

Francis C. Chua- Vice Chairman
 Oscar L. De Venecia, Jr.
 Ma. Florina M. Chan
 Eduardo V. Manalac
 Jaime J. Martinez
 Gabriel R. Singson, Jr.
 Isidoro O. Tan
 Oscar S. Reyes- Independent Director
 Dennis D. Decena- Independent Director

Background Information

The following are the names, ages, positions and period of service in the Company of the incumbent directors and key officers of the Company:

OSCAR C. DE VENECIA, 80 years old, Filipino, is the Chairman of the Board. Prior thereto, he held several positions in the Corporation: as the Executive Vice President of the Corporation and director in 1972; became President and CEO in 1980; and was elected as Chairman of the Board & CEO from 1988 to July 12, 2007. He served as Chairman of the Advisory Board from July 12, 2007 to February 11, 2009 before assuming the position of Chairman of the Board and CEO again on February 12, 2009. He is also the Chairman of the subsidiaries of the Corporation, namely: Basic Geothermal Energy Corporation, iBasic, Inc., Basic Diversified Holdings, Inc., Southwest Resources, Inc., Basic Ecomarket Farms, Inc., Basic Biofuels Corporation, and Pan-Phil Aqua Culture Corporation.

He is the Co-Chairman for International and Trade Affairs of the Philippine Chamber of Commerce and Industry; a member of the Advisory Board of the Philippines Trade Foundation, Inc. He was a director of the Manila Economic & Cultural Office (MECO), an Independent Director of the Export & Industry Bank and he was a director of the Pangasinan Economic Development Foundation, Inc. He is Past Chairman and President, now Senior Adviser, of the Petroleum Association of the Philippines.

He is the Honorary Consul General of Ukraine in the Philippines and Past Dean of the Consular Corps of the Philippines. He is an Honorary Rear Admiral of the Philippine Coast Guard Auxiliary and a Trustee of the Free Rural Eye Clinic Foundation, Inc. in San Fabian, Pangasinan. He is a Past President of the National Association of Mapua Alumni and a life member of the Management Association of the Philippines.

He is a Past President of the Rotary Club of Makati West and Past District Governor of Rotary International, District 3830; Past Chairman of the Rotary Golfing Fellowship Foundation of the Philippines, Inc.; and Past Chairman, Philippine College of Rotary Governors, Inc. (1997-1998). He has received numerous awards and recognitions: Awarded Plaque of Appreciation by the Rotary Foundation as Chairman of the NATIONAL POLIOPLUS IMMUNIZATION COMMITTEE (1992-2003) when THE PHILIPPINES WAS CERTIFIED POLIO FREE BY THE WHO ON OCTOBER 19, 2002; Multiple Paul Harris Fellow (Multiple Pin); Major Gift Donor; Volunteer and Benefactor of R.I.; Awardee, "SPECIAL ROTARY INTERNATIONAL PRESIDENTIAL WORLD

UNDERSTANDING AND PEACE AWARD" given by R.I. President Stan McCaffrey as President of the Rotary Club of Makati West during the 1982 R.I. Convention in Dallas, Texas, U.S.A.; Awardee, "CITATION FOR MERITORIOUS SERVICE" from The Rotary International Foundation; Awardee, "DISTINGUISHED SERVICE AWARD" from The Rotary International Foundation ; Awardee, "PRESIDENT'S GOLDEN CENTURY CITATION" from R.I. President Herbert G. Brown; Awardee, "REGIONAL SERVICE AWARD FOR A POLIO-FREE WORLD" from The Rotary International Foundation; Awardee, "SERVICE ABOVE SELF AWARD", Rotary International; Representative of District 3830 to the 2004 Rotary International Council on Legislation, Chicago, Illinois. He represented the President of Rotary International in various Rotary district conferences in the Philippines, Australia, India, Korea and Japan.

FRANCIS C. CHUA, 63 years old, Filipino, is a director of the Corporation since 1998, and the second Vice Chairman of the Board of the Directors and Director of the various subsidiaries of the Corporation since November, 2007. He is the Special Envoy on Trade and Investments of the Department of Foreign Affairs since June, 2007 and Special Envoy on Trade and Investments. He is the Honorary Trade and Investment Representative of the Department of Trade and Industry since 2002. He is also the Consul General, Honorary Consulate General of the Republic of Peru in Manila, since 2006. He was a Special Adviser on Economic Affairs, Office of the Speaker of the House of Representatives, Congress of the Philippines, 1997 and member of the Board of Trustees of the Technical Education and Skills Development Authority from 2006 to 2009. He was the Chairman and President of BA Securities up to 2007; President of the Philippine Satellite Corporation, and Vice-Chairman/Treasurer of Mabuhay Satellite Corporation. He was a member of the Board of Governors and Treasurer of the Philippine Stock Exchange from 2000 to 2002. He is a director of Bank of Commerce since 2008 and a director of NGCP since 2009. For his civic affiliations, among others, he is the Honorary President of the Federation of Filipino Chinese Chambers of Commerce & Industry, President Emeritus of the Chamber of Commerce of the Philippines Foundation; and President of the Philippine Chamber of Commerce & Industry since 2010. He obtained his degree in Bachelor of Science in Industrial Engineering from the University of the Philippines, in 1967, and was conferred Doctor of Humanities, Honoris Causa from the Central Luzon State University.

RAMON L. MAPA, 69 years old, Filipino, is a director of the Corporation since 1976 and a Vice Chairman of the Board of Directors effective October, 2007 and a director of the various subsidiaries of the Corporation. He is presently the Treasurer of Optimum Asia Realty & Development Corporation, Director of Sta. Elena Properties, Inc., since 2002 and Director and Treasurer of Maple Agricultural Corporation, and Maple Realty Corporation since 2002. He obtained his degree in Bachelor of Arts, major in Economics from the Ateneo University in 1965 and earned MBA credits also at the Ateneo University in 1966.

OSCAR L. DE VENECIA, JR., 45 years old, Filipino, is a director and the President and CEO of the Corporation. He was the Executive Vice President & COO of the Corporation since April 04, 2007 and was appointed President & CEO of the Corporation in August, 2011. He has served the Corporation in various executive positions, namely, as SVP and COO from June, 1997 up to June, 2001 and was the President and CEO from December, 2002 up to November, 2005. He is the President of Basic Geothermal Energy Corporation, Basic Ecomarket Farms, Inc. and Basic Biofuels Corporation, the President & COO of Basic Diversified Industrial Holdings, Inc., the Chairman and President of iBasic, Inc., director of Basic Consolidated International, Inc. and President of Southwest Resources, Inc. He was the President of Forum Energy Philippines, Inc. from November 2005 to April 2007, Chairman and CEO of Blue Bamboo Solutions, Inc. from September, 2002 to December, 2005, a Consultant for Strategic Alliance Development Corporation from March, 2002 and moved as Business Development Manager of Stradcom Corporation from May to November, 2002. He is the President of the Rotary Club of Makati - East for the Rotary year 2010-2011 and a member of the Management

Association of the Philippines. He was appointed Honorary Vice Consul of the Consulate of Ukraine in the Philippines covering the Clark-Subic Economic Zone on February 18, 2011. He obtained his degree in Bachelor of Arts in Economics from Fordham University, New York City, in 1996.

MA. FLORINA M. CHAN, 57 years old, Filipino, is a Director of the Corporation since April 3, 2008 and a director of the various subsidiaries of the Corporation since 2008. She was the President & COO of Philippine Commercial Capital, Inc., with which she has been employed from July 16, 1982 to March 31, 2011. She was also a director of PCCI Securities Brokers Corporation International Capital Corporation and PCCI Equities, Inc., since 2005. She obtained her degree in Bachelor of Science in Business Economics at the University of the Philippines in 1977 and Master in Business Administration at the Fordham University in 1980.

DENNIS D. DECENA, 61 years old, Filipino, is an independent director of the Corporation since August 8, 2008. He is an independent director of the Rural Bank of Cavite, Inc. He is currently the Chief Finance and Administration Officer of New San Jose Builders Inc., a leading property developer specializing in condominium projects and an independent director of the Rural Bank of Cavite, Inc. He was the EVP and COO of Roxaco Land Corporation from 1997 to 2008 and Treasurer of Roxas & Company from 2003 to 2008. Prior thereto, from 1976 to 1997, he held various responsible positions in the Jaka Group of Companies, Urban Bank, Union Bank, Business International (HK) Ltd., RCBC, UCPB and Far East Bank and Trust Company. He is presently an independent director of Rural Bank of Cavite, Inc. and President of the Punta Fuego Village Homeowners Association Inc. He was and still is active in various professional and civic organizations such as FINEX, the FINEX Foundation, the Rotary Club of Makati West, the Debbie Decena Memorial Educational Foundation and the Society of Industrial, Residential Commercial Realty Organization (SIRCRO). He obtained his degree in Bachelor of Arts in Economics Honors (Cum Laude) from the Ateneo de Manila University in 1974 and his Master's Degree in Business Administration from the University of the Philippines in 1976. He was a Postgraduate Fellow of the Fletcher School of Law and Diplomacy, TUFTS University, in Massachusetts, U.S.A. as a Hubert H. Humphrey Fellow where he obtained his postgraduate certificate in International Business in 1989.

JAIME J. MARTIREZ, 58 years old, Filipino, is a director of the Corporation and its subsidiaries since October, 2007. He is the President & CEO of Unicapital Finance and Investments, Inc., Managing Director and Treasurer of Unicapital, Inc., Treasurer and Director of Unicapital Securities, Inc., Chairman, and President & CEO of Unoventure, Inc., a PFZA registered enterprise facilities provider. He is the Chairman of the Executive Committee of the Unicapital Group of Companies. He holds other director positions- in Majalco, Inc., a diversified holding corporation, Malayan Savings Bank, CCC Insurance Corporation, and Insular Rural Bank, a Las Pinas based rural bank. He is also a director of the Philippine Finance Association, and is a member of the Makati Business Club. He has acquired and developed professional expertise in the field of Investment Banking for the last 26 years, since 1976. He obtained his degree in Bachelor of Science in Management from De La Salle University in 1975 and is a candidate for a Masters degree in Business Administration from the Ateneo de Manila University Graduate School in 1979.

EDUARDO V. MAÑALAC, 67 years old, Filipino, has been a director of the Corporation and its subsidiaries since October, 2009. He is currently President of TransEnergy International Limited, and non-executive Director for the Australian company, NIDO Petroleum Limited. From 2003 to late 2004, Mr. Mañalac was Undersecretary of the Department of Energy (DOE) of the Philippines, where, among other achievements, he promoted the standardization and use of coconut biodiesel, which highlighted the DOE's participation in developing the "Biofuels Law." He instituted a transparent new system for the awarding of oil service contracts, that led to the First Philippine Contracting Round in 2003. He was appointed President and CEO of the Philippine National Oil Company (PNOC) on August, 30, 2004, President and CEO of the PNOC Exploration Corporation (PNOC-EC) in September, 2004, and subsequently Chairman of the PNOC Energy

Development Corporation (PNOC-EDC) within the same time period. Mr. Mañalac also initiated international cooperative meetings that led to the historic signing of the Tripartite Agreement for a Joint Marine Seismic Undertaking in the South China Sea between the Philippines (PNOC), China (China National Offshore Oil Corporation), and Vietnam (Petrovietnam).

Prior to 2003, he was an executive for the Oklahoma-based Phillips Petroleum Company, now Conoco Phillips based in Houston Texas. He served as Exploration Manager for North America from 1981-85 and was then assigned to head Phillips Petroleum Company Indonesia as its Managing Director from 1985-87. He was also President and General Manager of Phillips Pakistan from 1987-89 and Exploration Manager for Latin America from 1989-95. His last posting with Phillips was China, where, as Vice-president and Exploration manager for Phillips China, he discovered the giant Peng Lai oil field in northern China's Bohai Bay in 1999. For this reason, and for other outstanding achievements, the government of the People's Republic of China honored him with its Friendship Award in 2000, and its first-ever Foreign Model Worker Award in 2003.

Mr. Mañalac attended the University of the Philippines in Diliman, Q.C. Philippines, which granted him an Outstanding Alumni Award in 2001. He graduated from UP with a Bachelor of Science degree in Geology in 1967, and completed post-Graduate studies in petroleum geology through 1969.

OSCAR S. REYES, 67 years old, Filipino, and a director of the Corporation and its subsidiaries since June, 2007. He is presently the President and Chief Executive Officer of the Manila Electric Corporation. Among his other positions are: Chairman of Redondo Peninsula Energy Inc., Meralco Industrial Engineering Services, Inc., Meralco Energy, Inc., CIS Bayad Center, Inc., Pepsi Cola Products, Inc. and Link Edge Inc.; Member of the Board of Directors of Philippine Long Distance Telephone Company (Advisory Board), Smart Communications Inc., Bank of the Philippine Islands; Independent Director of Ayala Land, Inc., Manila Water Co., Alcorn Gold Resources Corporation, Sun Life Financial Plans, Inc., Sun Life Prosperity Funds, Grepalife Asset Management Corporation, Petrolift Inc., and Eramen Minerals Inc., among other firms. Prior to these posts, he served the Shell Companies in the Philippines in various capacities, including Country Chairman and concurrently President of Pilipinas Shell Petroleum Corporation, and Managing Director of Shell Philippines Exploration B.V. He is a Member of the Board of Trustees of One Meralco Foundation, Pilipinas Shell Foundation, Inc., SGV Foundation, and El Nido Foundation, Inc. He finished his BA, Major in Economics (Cum Laude) at the Ateneo de Manila University in 1965. He took post-graduate studies at the Ateneo Graduate School of Business, Waterloo Lutheran University and the Harvard Business School.

GABRIEL R. SINGSON, JR., 47 years old, Filipino, is a Director of the Corporation since April 3, 2008 and director of the various subsidiaries of the Corporation. He is presently a director of SR Capital Holdings, Inc. He was formerly the Undersecretary of the Department of Finance for Privatization in 2005-2006 and prior thereto, he was the Chairman of SR Capital Holdings, Inc. from 2000 to 2005, the Vice Chairman of Pilipino Cable Corporation from 1998 to 2004 and the President of Telemondial Holdings, Inc. from 1997 to 2004. He was the Chief Financial Officer of Macondray & Co., Inc. from 1990 to 1996, then Chief Operating Officer thereof from 1996 to 1999, and a director of Del Monte Philippines from 1996 to 1999. He obtained his degree in Business Management from the Ateneo de Manila University in 1986, graduating Magna Cum Laude and Master in Business Administration- Finance from the Wharton School, University of Pennsylvania in 1989.

ISIDORO O. TAN, 64 years old, Filipino, is a director of the Corporation and its subsidiaries since 1993. He is also the President & Director of Filspin, Inc. for the last six (6) years. He obtained his degree in Bachelor of Science in Industrial Engineering at the Adamson University in 1969.

OFFICERS

CORAZON M. BEJASA, 65 years old, Filipino, is the Corporate Secretary of the Corporation with the rank of Vice President since July 12, 2007. She was Head, Legal and Human Resources of ValueGen Insurance Corporation and Banclife Insurance Corporation from 2002 to 2006. Earlier, she was Corporate Secretary and Senior Vice President for Support Services and occupied various department head positions for legal, human resources, credit, administration, mortgage banking and consumer banking at Urban Bank from 1983 to 2000. She was also employed as legal research officer then legal executive assistant at the Central Bank of the Philippines from 1974 to 1983 and Assistant to the Secretary of the Monetary Board in 1991, and as legal researcher at the Supreme Court of the Philippines from 1972 to 1974. She obtained her Bachelor of Laws from the University of Santo Tomas, Magna Cum Laude, in 1972 and was 8th Place in 1972 Bar Examinations..

ALBERTO P. MORILLO, 57 years old, Filipino, is the Vice-President for Petroleum Operations since 2007. He first joined the Corporation in July 1987 as Geologist and became Vice President in 1989 until 1997. He continued serving the Corporation as a Consultant from 1997 until he was rehired as Vice President for Petroleum Operations in 2007. Prior to re-joining the Corporation, he was Vice President for Exploration of Forum Exploration, Inc. from 1997 to 1999. His earlier work included stints as Geologist in various exploration and mining companies including PNOC – Exploration Corporation, Semirara Coal Corporation and Jasra Kutei Basin Ltd. in Indonesia among others. He is also concurrently a Director of First Exploration and Development Services, a technical consultancy firm. He obtained his Bachelor of Science degree in Geology from the University of the Philippines in 1978, and has earned MBA units from the Ateneo de Manila University. He has taken the Management Development Program from the Asian Institute of Management in 1994, and an MS in Computer Science (pending thesis) from the AMA Computer College in 2001.

MARIETTA V. VILLAFUERTE, 66 years old, Filipino, is the Treasurer of the Corporation with rank of Vice President since March 16, 2009. She was Vice-President for Finance of the Corporation from January, 2008 to March 15, 2009. She was the Senior Vice President & Comptroller of PentaCapital Finance Corporation, with whom she was employed as Comptroller since September, 1993. Previous to that, she assumed various positions in General Credit Corporation (which subsequently became PentaCapital) as Personnel Manager, Credit Manager and then Comptroller. She is a Certified Public Accountant, and obtained her degree in Bachelor of Science in Business Administration, Major in Accounting, from the University of the Philippines, in 1968.

ANGEL P. GAHOL, 59 years old, Filipino, is the Assistant Vice President- Legal Department of the Corporation since August 15, 2006. He is the Assistant Corporate Secretary and Compliance Officer of the Corporation. He has been the Legal and Human Resources Manager of the PHINMA's industrial estate, Bacnotan Industrial Park Corporation, and Bacnotan Steel Industries, Inc. from 1997 to 2002 and of the mini-steel mill plant project located in Calaca, Batangas as HRD Manager on a concurrent basis. He has been with Bacnotan Consolidated Industries, Inc. for eight years as Legal Assistant and with PHINMA's Legal Department for more than seven years as Assistant Legal Counsel. He obtained his degree in Bachelor of Arts, major in Economics, from the University of Santo Tomas in 1973 and his degree in Bachelor of Laws from the same university in 1979.

Family Relationships

Except for Mr. Oscar C. de Venecia, who is the father of Mr. Oscar L. de Venecia, Jr., there are no other family relationships, whether by consanguinity or affinity, among the other directors and executive officers.

ITEM 10. Executive Compensation

Directors' Compensation

The Directors of the Corporation do not receive compensation from the Corporation, except per diems for attendance at Board and Committee Meetings at Php11,000.00 and Php5,500.00 per attendance, respectively. Except for the stock option plan which was approved by the stockholders on July 11, 2007, which exercise period was extended to July 2013, and which implementing guidelines have been approved by the Board of Directors on July 29, 2011, there is no existing compensatory plan or arrangement for directors of the Company.

Executive Officers' Compensation

NAME/POSITION	FISCAL YEAR	SALARIES	BONUSES	OTHER COMPENSATION
Oscar C. de Venecia Chairman & CEO				
Oscar L. de Venecia, Jr. President & COO				
Marietta V. Villafuerte VP & Treasurer				
Corazon M. Bejasa VP & Corporate Secretary				
Alberto P. Morillo VP-Farm Operations				
Total	2013	8,537,760 (estimated)	1,422,960 (estimated)	0
	2012	8,271,656	2,587,200	0
	2011	4,929,650	777,400	0
All Other Officers as a Group Unnamed	2013	1,727,880 (estimated)	287,980 (estimated)	0
	2012	1,528,500	523,600	0
	2011	1,423,375	191,425	0

Except for the stock option plan as abovementioned and the existing retirement plan for officers and employees of the Corporation, there is no existing compensatory plan or arrangement covering bonuses, profit-sharing, warrants and other rights for directors and officers of the Corporation, or which will arise from the resignation, retirement, expiration of term of employment, change in control or change in the officer's responsibilities

Item 11. Security Ownership of Certain Beneficial Owners and Management

1) Security Ownership of more than Five Percent (5%) of the Company Shares

As of December 31, 2012, the entity known to the Company to be directly or indirectly the record and beneficial owner of more than five (5) per cent of the Company's common shares, is as follows:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No of Shares Held	Per cent
Common Shares	PCD Nominee Corp* 37/F Tower I Enterprise Center, Ayala Avenue cor. Paseo de Roxas, Makati City (PCD) (No relationship with Company)	Various Participants of PCD	Filipino	2,016,251,327	82.55%

2) Security Ownership of Management

The following are the number of common shares known to the Corporation to be owned beneficially and/or of record by the incumbent directors and key officers of the Corporation, and the percentage of shareholdings of each, as of February 28, 2013:

a) Directors

Title of Class	Name of Beneficial Owner	Amount of Beneficial Ownership & Relationship w/ Beneficial Owner	Citizenship	Percentage
Common	Oscar C. De Venecia	8,110,000(direct)	Filipino	0.332%
Common	Francis C Chua	10,000(direct)	Filipino	0.0004%
Common	Ramon L. Mapa	268,635 (direct)	Filipino	0.011%
Common	Oscar L. De Venecia, Jr.	516,334 (direct)	Filipino	0.021%
Common	Eduardo V. Manalac	10,000(direct)	Filipino	0.0004%
Common	Ma. Florina M. Chan	10,000(direct)	Filipino	0.0004%
Common	Jaime J. Martinez	10,000(direct)	Filipino	0.0004%

Common	Gabriel R. Singson, Jr.	10,000(direct)	Filipino	0.0004%
Common	Isidoro O. Tan	24,822,276(direct)	Filipino	1.016%
Common	Oscar S. Reyes	10,000(direct)	Filipino	0.0004%
Common	Dennis D. Decena	10,000(direct)	Filipino	0.0004%
	TOTAL	33,787,245		1.383%

b) Executive Officers

Title of Class	Name of Beneficial Owner	Amount & Nature of Beneficial Ownership	Citizenship	Percentage
Common	Alberto P. Morillo	1,554,121 Direct	Filipino	0.063%
	Total	1,554,121		0.063%

(1) Voting Trust Holders of 5% or More

None of the directors and officers owns 5% or more of the outstanding capital stock of the Corporation. The Corporation is not also aware of any person holding 5% or more of the Corporation's outstanding shares under a voting trust agreement or similar agreement.

(2) Changes in Control

Management is not aware of any existing arrangement which may result in a change in control of the Corporation by stockholders.

ITEM 12. Certain Relationships and Related Transactions

In June, 2012, Dra. Teresita De Venecia, a second degree cousin-in-law of the Chairman, assigned her rights in certain properties registered in the name of Pan Phil Aqua Culture Corporation located in San Fabian, Pangasinan with an aggregate lot area of 185,081 square meters, to the extent of 2.3% interest, for a total consideration of Php 1.5 Million, subject to a right to repurchase the assigned rights within one (1) year.

Other than this transaction, there has been no material transaction during the past two years, nor is there any material transaction, contractual or other commitments, currently on-going or being proposed, to which the Corporation was or is to be a party with any incumbent director and/or executive officer of the Corporation, disclosed or required to be disclosed in the financial statements of the Corporation pursuant to SFAS/IAS No. 24. In the normal course of business, the Corporation has transactions with its subsidiaries consisting of non-interest bearing advances to finance the working capital requirements of these subsidiaries, and provides assistance to its subsidiaries in carrying out certain administrative functions in connection with its business operations.

PART V – EXHIBITS AND SCHEDULE**ITEM 13. EXHIBITS AND REPORTS ON SEC FORM 17-C**

Exhibit 1 – Consolidated Financial Statements and Schedules thereto.

Exhibit 2 – Current Reports under Sec. 17 of the Securities Regulation Code in SEC Form 17-C submitted during the period from January 6, 2012 to January 4, 2013.

<u>DATE OF REPORT</u>	<u>TITLE</u>
January 6, 2012	SEC Form 17-C
January 31, 2012	SEC Form 17-C
February 7, 2012	SEC Form 17-C
March 1, 2012	SEC Form 17-C
March 2, 2012	SEC Form 17-C
March 29, 2012	SEC Form 17-C
April 3, 2012 (2)	SEC Form 17-C
April 10, 2012	SEC Form 17-C
April 13, 2012	SEC Form 17-C
May 24, 2012	SEC Form 17-C
May 31, 2012	SEC Form 17-C
June 5, 2012	SEC Form 17-C
June 6, 2012	SEC Form 17-C
June 22, 2012	SEC Form 17-C
June 27, 2012	SEC Form 17-C
July 3, 2012	SEC Form 17-C
July 12, 2012	SEC Form 17-C
July 27, 2012	SEC Form 17-C
July 31, 2012	SEC Form 17-C
September 5, 2012	SEC Form 17-C
September 13, 2012	SEC Form 17-C
September 14, 2012	SEC Form 17-C
September 27, 2012	SEC Form 17-C
September 28, 2012	SEC Form 17-C
October 3, 2012	SEC Form 17-C
October 4, 2012	SEC Form 17-C
October 10, 2012	SEC Form 17-C
November 7, 2012	SEC Form 17-C
November 9, 2012	SEC Form 17-C
December 5, 2012	SEC Form 17-C
January 3, 2013	SEC Form 17-C
January 4, 2013 (2)	SEC Form 17-C
January 5, 2013	SEC Form 17-C

Exhibit 3 - Schedules required by paragraph 4(e) of SRC Rule 68 "Annex M"

SIGNATURE PAGE

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in Makati City on April , 2013.

By:


OSCAR L. DE VENECIA, JR.
 President and CEO


MARIETTA V. VILLAFUERTE
 Treasurer



CORAZON M. BEJASA
 Corporate Secretary

SUBSCRIBED AND SWORN to before me this 14 APR 15 2013 day of April, 2013, affiants exhibiting to me their BIR TINs, as follows:

Name	BIR TIN
Oscar L. de Venecia, Jr.	146-709-049-000
Corazon M. Bejasa	135-911-384-000
Marietta V. Villafuerte	100-168-986-000

NOTARY PUBLIC

Doc. No. 73
 Page No. 16
 Book No. 1
 Series of 2013


ATTY. MICHAEL C. DAGUINOD
 Notary Public City of Makati
 Until December 31, 2014
 Appt. No. M-98 (2013-2014)
 Roll of Attorney's No. 52457
 IBP No. 840320; 01-08-13; Leyte Chapter
 PTR No. 2643882; 01-03-13; Makati City
 104 C. Palanca St., Legaspi Village, Makati City, Philippines



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED
FINANCIAL STATEMENTS**

The management of **BASIC ENERGY CORPORATION, INC.** is responsible for the preparation and fair presentation of the consolidated financial statements for the years ended December 31, 2012 and December 31, 2011, including the additional components attached therein, in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the consolidated financial statements and submits the same to the stockholders.

Sycip Gorres Velayo & Co., the independent auditors, appointed by the stockholders has examined the consolidated financial statements of the company in accordance the Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.


OSCAR C. DE VENECIA
Chairman of the Board


OSCAR L. DE VENECIA, JR.
President & CEO


MARIETTA V. VILLAFUERTE
Vice President & Treasurer

Signed this 20th day of March, 2013.

SUBSCRIBED AND SWORN to before me this 15th day of 15 2013 affiants having exhibited to me their TIN # as follows:

Name	TIN Number
Oscar C. De Venecia	130-704-840-000
Oscar L De Venecia	149-709-049-000
Marietta V. Villafuerte	100-168-986-000

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Book No. 30
Series of 2013

Notary Public **ATTY. ROBERT M. LUZ**
NOTARY PUBLIC
Until December 31, 2013
Appt. No. 14121, Makati City
IBP #889030, Makati City
PTR #3001, Makati City
MULE Doc. No. 14121, Makati City
Until December 31, 2013
#28 N. Ave. 1st Fl. Village St.
Succo Village, Makati City

COVER SHEET

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SEC Registration Number

[illegible]

(Company's Full Name)

[illegible]

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

Marietta V. Villafuerte

(Contact Person)

(632) 817-8596 to 98

(Company Telephone Number)

1	2
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3	1
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Month *Day*
(Calendar Year)

A	A	C	F	S
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(Form Type)

0 7 1 8

Month *Day*
(Annual Meeting)

Not Applicable

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Not Applicable

Amended Articles Number/Section

Total Amount of Borrowings

6,853

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

[illegible]

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.





SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Phone: (632) 891 0307
Fax: (632) 819 0872
www.sgv.com.ph

BOA/PRC Reg. No. 0001,
December 28, 2012, valid until December 31, 2015
SEC Accreditation No. 0012-FR-3 (Group A),
November 15, 2012, valid until November 16, 2015

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Basic Energy Corporation
7th Floor, Basic Petroleum Building,
C. Palanca, Jr. Street, Legaspi Village,
Makati City

We have audited the accompanying consolidated financial statements of Basic Energy Corporation and subsidiaries, which comprise the consolidated balance sheets as at December 31, 2012 and 2011, and the consolidated statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Basic Energy Corporation and subsidiaries as at December 31, 2012 and 2011, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2012 in accordance with Philippine Financial Reporting Standards.

SYCIP GORRES VELAYO & CO.

Aileen L. Saringan

Aileen L. Saringan

Partner

CPA Certificate No. 72557

SEC Accreditation No. 0096-AR-3 (Group A),

January 18, 2013, valid until January 17, 2016

Tax Identification No. 102-089-397

BIR Accreditation No. 08-001998-58-2012,

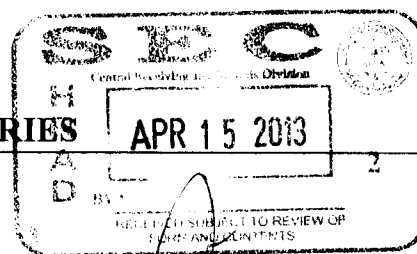
April 11, 2012, valid until April 10, 2015

PTR No. 3670024, January 2, 2013, Makati City

March 20, 2013



BASIC ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS



December 31

	2012	2011
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	₱202,436,999	₱311,754,005
Short-term cash investments	8,210,000	8,768,000
Receivables (Note 6)	45,450,565	1,705,712
Prepayments and other current assets	1,430,455	840,540
Total Current Assets	257,528,019	323,068,257
Noncurrent Assets		
Long-term cash investment	6,157,500	—
Available-for-sale (AFS) financial assets (Note 7)	305,867,784	55,984,380
Investment properties (Note 8)	193,479,343	120,086,298
Property and equipment (Note 12)		
At cost	9,796,834	10,342,527
At revalued amount	24,370,645	14,909,998
Deferred charges (Note 11)	45,185,414	40,680,455
Deferred income tax assets (Note 20)	13,311,942	9,256,558
Other noncurrent assets (Note 4)	3,757,602	3,761,102
Total Noncurrent Assets	601,927,064	255,021,318
TOTAL ASSETS	₱859,455,083	₱578,089,575

LIABILITIES AND EQUITY

Current Liability		
Accounts payable and accrued expenses (Note 13)	₱2,513,258	₱6,723,074
Noncurrent Liabilities		
Deferred income tax liabilities (Note 20)	16,852,314	10,487,136
Accrued retirement benefits (Note 19)	3,284,513	2,475,300
Total Noncurrent Liabilities	20,136,827	12,962,436
Total Liabilities	22,650,085	19,685,510

(Forward)



	December 31	
	2012	2011
Equity		
Capital stock [held by 6,853 and 6,950 equity holders in 2012 and 2011, respectively] (Note 14)	₱610,623,378	₱610,623,378
Additional paid-in capital	32,699,360	32,699,360
Deposit for future stock subscription (Note 14)	6,675,000	—
Revaluation increment in office condominium (Note 12)	17,059,457	10,437,004
Net unrealized gains (loss) on changes in fair value of AFS financial assets (Note 7)	18,069,385	(509,593)
Retained earnings (Deficit)	154,918,277	(91,624,127)
Total equity attributable to equity holders of the Parent Company	840,044,857	561,626,022
Noncontrolling interest	141	18,043
	840,044,998	561,644,065
Treasury stock - at cost (Note 15)	(3,240,000)	(3,240,000)
Total Equity	836,804,998	558,404,065
TOTAL LIABILITIES AND EQUITY	₱859,455,083	₱578,089,575

See accompanying Notes to Consolidated Financial Statements.



BASIC ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2012	2011	2010
INCOME			
Income from previous sale of Basic Petroleum and Minerals, Inc. (BPMI) (Note 4)	₱224,955,850	₱198,467,991	₱78,236,225
Fair value adjustment on investment properties (Note 8)	73,393,045	—	—
Gain on settlement (Note 4)	—	8,224,842	—
Sales (Note 9)	—	1,731,720	5,760,875
Foreign exchange gain - net	—	861,796	—
Realized fair value adjustment on AFS financial assets (Note 7)	—	—	24,057,696
Other income - net (Note 16)	20,285,026	11,317,463	4,907,914
	318,633,921	220,603,812	112,962,710
COSTS AND EXPENSES			
General and administrative expenses (Note 18)	(49,544,854)	(41,881,571)	(31,531,370)
Foreign exchange loss - net	(5,218,944)	—	(2,901,106)
Provision for impairment on AFS financial assets (Note 7)	(3,188,403)	—	—
Fair value adjustment on agricultural produce (Note 9)	—	—	(16,445,998)
Provision for impairment losses on project development cost and deferred charges (Notes 10 and 11)	—	(46,731,677)	(20,542,635)
Cost of sales (Note 9)	—	(7,201,046)	(9,592,656)
Provision for impairment loss of property and equipment (Note 12)	—	(2,588,970)	—
Others (Notes 4 and 9)	—	(3,474,404)	(10,699,512)
	(57,952,201)	(101,877,668)	(91,713,277)
INCOME BEFORE INCOME TAX	260,681,720	118,726,144	21,249,433
PROVISION FOR INCOME TAX (Note 20)	15,255,960	2,388,512	6,497,346
NET INCOME	245,425,760	116,337,632	14,752,087
OTHER COMPREHENSIVE INCOME (LOSS)			
Revaluation increment in office condominium	11,030,278	—	—
Income tax effect	(3,309,083)	—	—
	7,721,195	—	—
Unrealized gain (loss) on AFS financial assets (Note 7)	18,496,932	(1,790,891)	214,717
Income tax effect	82,046	537,267	(64,415)
	18,578,978	(1,253,624)	150,302

(Forward)



	Years Ended December 31		
	2012	2011	2010
Fair value changes of AFS financial assets removed from equity and recognized in profit or loss through sale of investment in AFS financial assets (Note 7)	P-	P-	(P17,064,400)
Income tax effect	-	-	5,119,320
	-	-	(11,945,080)
	26,300,173	(1,253,624)	(11,794,778)
TOTAL COMPREHENSIVE INCOME	P271,725,933	P115,084,008	P2,957,309
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	P245,443,662	P116,358,275	P15,353,877
Noncontrolling interest	(17,902)	(20,643)	(601,790)
	P245,425,760	P116,337,632	P14,752,087
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	P271,743,835	P115,104,651	P3,559,099
Noncontrolling interest	(17,902)	(20,643)	(601,790)
	P271,725,933	P115,084,008	P2,957,309
EARNINGS PER SHARE (Note 21)			
Basic	P0.100	P0.048	P0.006
Diluted	0.083	0.039	0.005

See accompanying Notes to Consolidated Financial Statements.



**BASIC ENERGY CORPORATION
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 and 2010**

	Attributable to Equity Holders of the Parent Company												
	Capital Stock (Notes 14)	Additional Paid-in Capital (Note 14)	Deposit for Future Stock Subscription (Note 14)	Revaluation Increment in Office Condominium (Note 12)	Net unrealized gain (loss) on changes in fair value of AFS Financial Assets (Note 7)		Retained Earnings (Deficit)		Noncontrolling Interest	Treasury stock	Total Equity		
					Equity	Debt		Total					
BALANCES AT DECEMBER 31, 2009	₱602,668,833	₱27,067,569	₱24,386,336	₱12,756,334	₱12,521,962	₱16,847	(₱225,655,609)	₱453,762,272	₱640,476	₱-	₱454,402,748		
Total comprehensive income	-	-	-	-	(11,777,931)	(16,847)	15,353,877	3,559,099	(601,790)	-	2,957,309		
Transfer of portion of revaluation increment realized through depreciation	-	-	-	(1,159,665)	-	-	1,159,665	-	-	-	-		
Issuance of capital stock	7,954,545	5,631,791	(13,586,336)	-	-	-	-	-	-	-	-		
Termination of deposit of future stock subscription	-	-	(10,800,000)	-	-	-	-	(10,800,000)	-	-	(10,800,000)		
BALANCES AT DECEMBER 31, 2010	610,623,378	32,699,360	-	11,596,669	744,031	-	(209,142,067)	446,521,371	38,686	-	446,560,057		
Total comprehensive income	-	-	-	-	(1,253,624)	-	116,358,275	115,104,651	(20,643)	-	115,084,008		
Transfer of portion of revaluation increment realized through depreciation	-	-	-	(1,159,665)	-	-	1,159,665	-	-	-	-		
Acquisition of treasury stock	-	-	-	-	-	-	-	-	-	(3,240,000)	(3,240,000)		
BALANCES AT DECEMBER 31, 2011	610,623,378	32,699,360	-	10,437,004	(509,593)	-	(91,624,127)	561,626,022	18,043	(3,240,000)	558,404,065		
Total comprehensive income	-	-	-	7,721,195	(361,316)	18,940,294	245,443,662	271,743,835	(17,902)	-	271,725,933		
Transfer of portion of revaluation increment realized through depreciation	-	-	-	(1,098,742)	-	-	1,098,742	-	-	-	-		
Increase in deposits for future stock subscription	-	-	6,675,000	-	-	-	-	6,675,000	-	-	6,675,000		
BALANCES AT DECEMBER 31, 2012	₱610,623,378	₱32,699,360	₱6,675,000	₱17,059,457	(₱870,909)	₱18,940,294	₱154,918,277	₱840,044,857	₱141	(₱3,240,000)	₱836,804,998		

See accompanying Notes to Consolidated Financial Statements



**BASIC ENERGY CORPORATION
AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2012	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱260,681,720	₱118,726,144	₱21,249,433
Adjustments for:			
Fair value adjustment on investment properties (Note 8)	(73,393,045)	—	—
Interest income (Note 16)	(17,707,366)	(11,264,786)	(4,918,095)
Unrealized foreign exchange loss (gain) - net	4,091,773	(2,921,992)	2,901,106
Depreciation and amortization (Note 12)	3,642,532	3,320,565	3,054,324
Retirement benefits expense (Note 19)	3,309,213	1,569,700	1,450,100
Provision for impairment on AFS financial assets (Note 7)	3,188,403	—	—
Dividend income (Note 16)	(754,990)	(5,508)	(5,666)
Provision for impairment of property and equipment (Note 12)	—	2,588,970	—
Provision for impairment losses on project development cost and deferred charges (Notes 10 and 11)	—	46,731,677	20,542,635
Gain on settlement (Note 4)	—	(8,224,842)	—
Cost of harvested crops (Note 9)	—	6,338,428	7,315,528
Loss on biological assets (Note 9)	—	3,474,404	—
Realized fair value adjustment on AFS financial assets (Note 7)	—	—	(24,057,696)
Fair value adjustment on agricultural produce (Note 9)	—	—	16,445,998
Project settlement (Note 4)	—	—	10,699,512
Others	402,597	—	93,729
Operating income before working capital changes	183,460,837	160,332,760	54,770,908
Decrease (increase) in:			
Short-term cash investments	140,702	(8,768,000)	—
Receivables	(44,040,071)	9,326,222	(418,270)
Biological assets	—	(1,302,380)	(10,808,524)
Agricultural produce (Note 9)	—	125,839	(125,839)
Prepayments and other current assets	(589,914)	159,422	704,402
Increase (decrease) in accounts payable and accrued expenses	(4,296,601)	2,865,167	(225,464)
Net cash generated from operations	134,674,953	162,739,030	43,897,213
Interest received	13,277,419	10,448,662	5,306,814
Income taxes paid (including final taxes on interest income)	(12,720,266)	(2,688,845)	(1,356,276)
Contributions to the retirement fund (Note 19)	(2,500,000)	—	—
Net cash flows from operating activities	132,732,106	170,498,847	47,847,751
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
AFS financial assets	(234,571,375)	(50,592,368)	—
Long term cash investment	(6,431,500)	—	—
Deferred charges (Note 11)	(4,504,959)	(9,412,768)	(2,510,491)
Property and equipment (Note 12)	(3,365,792)	(2,736,939)	(2,658,612)

(Forward)



	Years Ended December 31		
	2012	2011	2010
Proceeds from sale of property and equipment	₱1,420,000	₱604,334	₱-
Dividends received (Note 16)	754,990	5,508	5,666
Proceeds from settlement (Note 4)	-	15,261,300	1,187,195
Proceeds from sale of financial assets at FVPL and AFS financial assets	-	-	49,095,360
Net cash flows from (used in) investing activities	(246,698,636)	(46,870,933)	45,119,118
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in deposits for future stock subscription	6,675,000	-	-
Acquisition of treasury stock (Note 15)	-	(3,240,000)	-
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(2,025,476)	155,525	(1,942,200)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(109,317,006)	120,543,439	91,024,669
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	311,754,005	191,210,566	100,185,897
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	₱202,436,999	₱311,754,005	₱191,210,566

See accompanying Notes to Consolidated Financial Statements.



BASIC ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information, Organizational Changes and Authorization for Issuance of the Consolidated Financial Statements

Corporate Information

Basic Energy Corporation (the Parent Company), a publicly listed corporation, and its subsidiaries (collectively referred to as the Group) were incorporated in the Philippines. The Parent Company's registered business address is at 7th Floor, Basic Petroleum Building, C. Palanca, Jr. Street, Legaspi Village, Makati City.

On August 10, 2007, the Philippine Securities and Exchange Commission (SEC) approved the amendment of the Parent Company's primary and secondary purposes, transforming the Parent Company into a holding company with diversified business interests in the different fields of renewable energy and alternative fuels, while pursuing its core business in oil and gas exploration and development.

The Parent Company is the ultimate holding company of the following domestic subsidiaries:

Subsidiaries	Date of Incorporation	Percentages of Ownership	Nature of Business
Basic Diversified Industrial Holdings, Inc. (BDIHI)	February 16, 1994	100.00	Investment holding
iBasic, Inc. (iBasic)	April 13, 1998	100.00	Real estate (no development activities) and information technology
Basic Ecomarket Farms Inc. (BEFI)	September 18, 2008	100.00	Agriculture
Basic Biofuels Corporation (BBC)	November 21, 2006	100.00	Development of biofuels (no development activities)
Basic Geothermal Energy Corporation (BGECC)	October 11, 2011	100.00	Exploration and development of geothermal energy resources
Southwest Resources, Inc. (SWR)	May 28, 1976	72.58	Oil exploration and investment holding

Organizational Changes

The Parent Company amended its By-laws on June 29, 2011 to delineate the position and responsibilities of the Chairman from the Chief Executive Officer (CEO) of the Parent Company and to define the duties and responsibilities of the President and the Chief Operating Officer (COO). These amendments were in line with corporate governance principles enjoining the separation of the positions and responsibilities of the Chairman and the CEO, and were approved by the SEC on July 29, 2011. On August 31, 2011, the Board of Directors (BOD) appointed Mr. Oscar C. De Venecia as Chairman and Mr. Oscar L. De Venecia, Jr. as President and CEO. The duties and responsibilities of the COO were incorporated with those of the Executive Vice President.

On February 28, 2011, former Speaker of the House of Representatives, Mr. Jose C. De Venecia, Jr., was appointed by the BOD as the Chairman of the Advisory Board.



Authorization for Issuance of the Consolidated Financial Statements

The consolidated financial statements were authorized for issuance by the BOD during its meeting on March 20, 2013.

2. Significant Accounting and Financial Reporting Policies

Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for available-for-sale (AFS) financial assets and investment properties that have been measured at fair value and office condominium that have been measured at revalued amounts. The consolidated financial statements are presented in Philippine Peso (Peso), which is the Group's functional currency. Amounts are rounded off to the nearest Peso unless otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of December 31 of each year. The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company using consistent accounting policies.

Subsidiaries

Subsidiaries are entities over which the Parent Company has the power to govern the financial and operating policies of the entities, or generally has an interest of more than one half of the voting rights of the entities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group directly or through the holding companies. Control is achieved when the Parent Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. They are deconsolidated from the date on which control ceases.

All intragroup balances, transactions and income that are recognized in assets are eliminated in full. However, intragroup losses that indicate impairment are recognized in the consolidated financial statements.

Noncontrolling Interest

Noncontrolling interest represents the 27.42% equity interest in the net assets of SWR that are not held by the Group as of December 31, 2012 and 2011 and are presented separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and within the equity section in the consolidated balance sheet, separately from the equity attributable to equity holders of the Parent Company. Non-controlling interest shares in the losses even if the losses exceed the non-controlling equity interest in the subsidiary. A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it: (a) derecognizes the assets (including goodwill) and liabilities of the subsidiary; (b) derecognizes the carrying amounts of any non-controlling interest; (c) recognizes the fair value of consideration received; (d) recognizes the fair value of any investment retained; (e) recognizes any surplus or deficit in the consolidated statement of income; and (f) reclassifies the parent's share of components previously recognized in consolidated



statement of comprehensive income to the consolidated statement of income or retained earnings, as appropriate.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year except that the Group adopted the amendments to PFRS and Philippine Accounting Standards (PAS) effective in 2012. The adoption of the following amended PFRS and PAS are relevant but do not have a significant impact on the consolidated financial statements:

- PFRS 7, *Financial Instruments: Disclosures - Transfers of Financial Assets* (Amendments) - require additional disclosures about financial assets that have been transferred but not derecognized to enhance the understanding of the relationship between those assets that have not been derecognized and their associated liabilities. In addition, the amendments require disclosures about continuing involvement in derecognized assets to enable users of financial statements to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognized assets.
- PAS 12, *Income Taxes - Deferred Tax: Recovery of Underlying Assets* (Amendments) - clarifies the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that the carrying amount of investment property measured using the fair value model in PAS 40, *Investment Property*, will be recovered through sale and, accordingly, requires that any related deferred tax should be measured on a 'sale' basis. The presumption is rebutted if the investment property is depreciable and it is held within a business model whose objective is to consume substantially all of the economic benefits in the investment property over time ('use' basis), rather than through sale. Furthermore, the amendment introduces the requirement that deferred tax on non-depreciable assets measured using the revaluation model in PAS 16, *Property, Plant and Equipment*, always be measured on a sale basis of the asset.

Future Changes in Accounting Policies

The Group will adopt the standards and interpretations enumerated below when these become effective. Except as otherwise indicated, the Group does not expect the adoption of these new changes in PFRS, PAS and Philippine Interpretations to have a significant impact on the consolidated financial statements. The relevant disclosures will be included in the notes to the consolidated financial statements when these become effective.

Effective in 2013

- Amendments to PFRS 7, *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*, require an entity to disclose information about rights of set-off and related arrangements (such as collateral agreements).

The new disclosures are required for all recognized financial instruments that are set off in accordance with PAS 32. These disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or 'similar agreement', irrespective of whether they are set-off in accordance with PAS 32. The amendments require entities to disclose, in a tabular format unless another format is more appropriate, the following minimum quantitative information.

This is presented separately for financial assets and financial liabilities recognized at the end of the reporting period:



- a. the gross amounts of those recognized financial assets and recognized financial liabilities;
- b. the amounts that are set-off in accordance with the criteria in PAS 32 when determining the net amounts presented in the statement of financial position;
- c. the net amounts presented in the statement of financial position;
- d. the amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in (b) above, including:
 - i. amounts related to recognized financial instruments that do not meet some or all of the offsetting criteria in PAS 32; and
 - ii. amounts related to financial collateral (including cash collateral); and
- e. the net amount after deducting the amounts in (d) from the amounts in (c) above.

The amendments to PFRS 7 are to be retrospectively applied for annual periods beginning on or after January 1, 2013. The amendment affects disclosures only and will have no impact on the Group's financial position and performance.

- PFRS 10, *Consolidated Financial Statements*, replaces the portion of PAS 27, *Consolidated and Separate Financial Statements*, that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC 12, *Consolidation - Special Purpose Entities*. PFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by PFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in PAS 27.

A reassessment of control was performed by the Parent Company on its subsidiaries in accordance with the provisions of PFRS 10. Following the reassessment, the Parent Company determined that it still controls the subsidiaries.

- PFRS 11, *Joint Arrangements*, replaces PAS 31, *Interests in Joint Ventures* and SIC-13, *Jointly-controlled Entities (JCEs) - Non-monetary Contributions by Venturers*. PFRS 11 removes the option to account for JCEs using proportionate consolidation.

Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. This standard becomes effective for annual periods beginning on or after January 1, 2013. This standard will not impact the Group's financial position and performance.

- PFRS 12, *Disclosure of Interests with Other Entities*, includes all of the disclosures related to consolidated financial statements that were previously included in PAS 27, as well as all the disclosures that were previously included in PAS 31 and PAS 28, *Investments in Associates*. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. The adoption of PFRS 12 will affect disclosures only and have no impact on the Group's financial position or performance.
- PFRS 13, *Fair Value Measurement*, establishes a single source of guidance under PFRSs for all fair value measurements. PFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under PFRS when fair value is required or permitted. This standard should be applied prospectively as of the beginning of the annual period in which it is initially applied. Its disclosure requirements need not be applied in comparative information provided for periods before initial application of PFRS 13. The Group does not anticipate that the adoption of this standard will have a significant impact on its financial position and performance.



- Philippine Interpretation IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine*, applies to waste removal costs ("stripping costs") that are incurred in surface mining activity during the production phase of the mine ("production stripping costs"). The interpretation addresses the accounting for the benefit from the stripping activity. This interpretation becomes effective for annual periods beginning on or after January 1, 2013. This new interpretation is not relevant to the Group.
- PAS 1, *Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income or OCI* (Amendments), change the grouping of items presented in OCI. Items that can be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) will be presented separately from items that will never be recycled. The amendments affect presentation only and have no impact on the Group's financial position or performance. The amendment becomes effective for annual periods beginning on or after July 1, 2012. The amendments will be applied retrospectively and will result in the modification of the presentation of items of OCI.
- PAS 19, *Employee Benefits (Amendment)*, ranges from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and rewording. The revised standard also requires new disclosures such as, among others, a sensitivity analysis for each significant actuarial assumption, information on asset-liability matching strategies, duration of the defined benefit obligation, and disaggregation of plan assets by nature and risk. Once effective, the Group has to apply the amendments retrospectively to the earliest period presented.

The Group obtained the services of an external actuary to compute the impact to the consolidated financial statements upon adoption of the standard. The effects are detailed below:

	As of December 31, 2012	As of January 1, 2012
<u>Balance Sheet</u>		
Increase (decrease) in:		
Accrued retirement benefits	₱4,629,259	₱3,640,200
Deferred income tax asset	1,388,778	1,092,060
Accumulated other comprehensive income	(3,370,337)	(2,565,106)
Retained earnings	129,856	16,966

Statement of Comprehensive Income

	2012	2011
Decrease in retirement benefits cost	₱161,271	₱24,237
Increase in provision for income tax	(48,381)	(7,271)
Increase in net income	112,890	16,966
Increase in other comprehensive loss	(1,150,330)	(3,664,437)
Increase in provision for income tax	345,099	1,099,331
Increase in other comprehensive loss	(805,231)	(2,565,106)
Decrease in total comprehensive income	(₱692,341)	(₱2,548,140)

- PAS 27, *Separate Financial Statements* (Revised). As a consequence of the new PFRS 10 and PFRS 12 what remains of PAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The Group presents separate financial



statements. The amendment becomes effective for annual periods beginning on or after January 1, 2013.

- PAS 28, *Investments in Associates and Joint Ventures* (Revised). As a consequence of the new PFRS 11 and PFRS 12, PAS 28 has been renamed PAS 28, *Investments in Associates and Joint Ventures*, and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment becomes effective for annual periods beginning on or after January 1, 2013. The Group expects that this amendment will not have any impact on the Company's financial position and performance.

Annual Improvements to PFRSs (2009-2011 cycle)

The Annual Improvements to PFRSs (2009-2011 cycle) contain non-urgent but necessary amendments to PFRSs. The amendments are effective for annual periods beginning on or after January 1, 2013 and are applied retrospectively. Earlier application is permitted.

The following improvements effective for annual periods beginning January 1, 2013 will have no impact on the Group:

- PFRS 1, *First-time Adoption of PFRS - Borrowing Costs* - clarifies that, upon adoption of PFRS, an entity that capitalized borrowing costs in accordance with its previous generally accepted accounting principles, may carry forward, without any adjustment, the amount previously capitalized in its opening statement of financial position at the date of transition. Subsequent to the adoption of PFRS, borrowing costs are recognized in accordance with PAS 23, *Borrowing Costs*. The amendment does not apply to the Group as it is not a first-time adopter of PFRS.
- PAS 1, *Presentation of Financial Statements - Clarification of the Requirements for Comparative Information* - clarifies the requirements for comparative information that are disclosed voluntarily and those that are mandatory due to retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the financial statements. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional comparative period does not need to contain a complete set of financial statements. On the other hand, supporting notes for the third balance sheet (mandatory when there is a retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the financial statements) are not required. The amendments affect disclosures only and have no impact on the Group's financial position or performance.
- PAS 16, *Property, Plant and Equipment - Classification of servicing equipment* - clarifies that spare parts, stand-by equipment and servicing equipment should be recognized as property, plant and equipment when they meet the definition of property, plant and equipment and should be recognized as inventory if otherwise. The amendment will not have any significant impact on the Group's financial position or performance.
- PAS 32, *Financial Instruments: Presentation - Tax Effect of Distribution to Holders of Equity Instruments* - clarifies that income taxes relating to distributions to equity holders and to transaction costs of an equity transaction are accounted for in accordance with PAS 12, *Income Taxes*. The Group expects that this amendment will not have any impact on its financial position and performance.



- PAS 34, *Interim Financial Reporting - Interim Financial Reporting and Segment Information for Total Assets and Liabilities* - clarifies that the total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the entity's previous annual financial statements for that reportable segment. The amendment affects disclosures only and has no impact on the Group's financial position or performance.

The Group continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to December 31, 2012 on the Group's consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the consolidated financial statements when these amendments are adopted.

Effective in 2014

- Amendments to PAS 32, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities*, clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments affect presentation only and have no impact on the Group's financial position or performance. The amendments to PAS 32 are to be retrospectively applied for annual periods beginning on or after January 1, 2014.

Effective in 2015

- PFRS 9, *Financial Instruments - Classification and Measurement*, as issued, reflects the first phase on the replacement of PAS 39 and applies to the classification and measurement of financial assets and liabilities as defined in PAS 39, *Financial Instruments: Recognition and Measurement*. Work on impairment of financial instruments and hedge accounting is still ongoing, with a view to replacing PAS 39 in its entirety. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through other comprehensive income (OCI) or profit or loss. Equity financial assets held for trading must be measured at fair value through profit or loss. For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward into PFRS 9, including the embedded derivative separation rules and the criteria for using the FVO.

The Group has made an evaluation of the impact of the adoption of this standard. The Group decided not to early adopt PFRS 9 for its 2012 reporting ahead of its effectivity date on January 1, 2015 and therefore the financial statements and as of December 31, 2012 and 2011 do not reflect the impact of the said standard. Based on this evaluation, loans and receivables and other financial liabilities, both carried at amortized cost, will not be



significantly affected. Upon adoption, these financial instruments shall continue to be carried at amortized cost, thus, has no impact to the Group's financial position and performance.

The Group shall conduct another impact assessment at the end of the 2013 reporting period using the financial statements as of and for the year ended December 31, 2012. Given the amendments on PFRS 9, the Group at present, does not plan to early adopt in 2013 financial reporting. It plans to reassess its current position once the phases of PFRS 9 on impairment and hedge accounting become effective.

The Group's decision whether to early adopt PFRS 9 for its 2013 financial reporting will be disclosed in the financial statements as of and for the year ending December 31, 2013.

The Group's receivables and accounts payable and accrued expenses may be affected by the adoption of this standard.

Effectivity date to be determined

- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*, covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. This Interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under PAS 11, *Construction Contracts*, or involves rendering of services in which case revenue is recognized based on stage of completion. Contracts involving provision of services with the construction materials and where the risks and reward of ownership are transferred to the buyer on a continuous basis will also be accounted for based on stage of completion. The adoption of this Philippine Interpretation may significantly affect the determination of the revenue from real estate sales and the corresponding costs, and the related contracts receivables, deferred income tax assets and retained earnings accounts. The amendment will not have any significant impact on the Group's financial position or performance.

Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any noncontrolling interest in the acquiree. For each business combination, the acquirer measures the noncontrolling interest in the acquiree at fair value of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and charged to profit or loss.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with PAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be re-measured until it is finally settled within equity.



Goodwill, included under “Other noncurrent assets” account in the consolidated balance sheet, is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for noncontrolling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Goodwill is tested annually for impairment and reviewed annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and are subject to an insignificant risk of change in value.

Cash Investments

Short-term cash investments consist of short-term money-market placements and time deposits with original maturities of more than three months but less than a year. Placement and time deposits with maturities of more than one year are classified as noncurrent assets under “Long-term cash investment” account.

Financial Assets and Financial Liabilities

Financial assets are classified as financial assets at fair value through profit or loss (FVPL), loans and receivables, held-to-maturity (HTM) financial assets and AFS financial assets, as appropriate. The classification depends on the purpose for which the financial assets are acquired and whether they are quoted in an active market. Financial liabilities are classified as financial liabilities at FVPL and other financial liabilities, as appropriate.

Management determines the classification of its financial assets and financial liabilities at initial recognition and, where allowed and appropriate, reevaluates such designation at every reporting date.

As of December 31, 2012 and 2011, the Group has no HTM financial assets.

Date of recognition

The Group recognizes a financial asset or a financial liability in the consolidated balance sheet when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using trade date accounting.



Initial recognition of financial instruments

Financial instruments are recognized initially at fair value. The initial measurement of financial instruments, except for those classified at FVPL, includes transaction costs.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument or a component that is a financial liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

Determination of fair value

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments and all other financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques include using arm's length market transactions, reference to the current market value of another instrument, which is substantially the same, discounted cash flow analysis and other valuation models.

"Day 1" difference

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference amount.

Designated financial assets or financial liabilities at FVPL

Financial assets and financial liabilities at FVPL includes financial assets or financial liabilities held for trading, derivative financial instruments and those designated upon initial recognition as at FVPL.

Financial assets and financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives, are classified at FVPL unless they are designated as effective hedging instruments or a financial guarantee contract. Dividends, interests, and gains or losses on financial instruments held for trading are recognized in profit or loss.

Financial instruments may be designated at initial recognition at FVPL when any of the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognizing the gains or losses on them on a different basis; or (ii) the assets are part of a group of financial assets which are managed and their performance are evaluated on fair value basis, in accordance with a documented risk management strategy; or (iii) the financial instrument contains an embedded derivative that would need to be separately recorded.

Financial assets or financial liabilities at FVPL, are recorded in the consolidated balance sheet at fair value. Changes in fair value are recognized in profit or loss. Interest and dividend income or expense is recognized in profit or loss according to the terms of the contract, or when the right to the payment has been established.



As of December 31, 2012 and 2011, the Group has no investments in financial assets and financial liabilities at FVPL.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are subsequently carried at amortized cost using the effective interest rate method less any allowance for impairment. Amortized cost is calculated taking into account any discount or premium on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. These financial assets are included in current assets if maturity is within 12 months from the reporting date or within the normal operating cycle, whichever is longer. Otherwise, these are classified as noncurrent assets.

As of December 31, 2012 and 2011, included under loans and receivables are cash and cash equivalents, short-term and long-term cash investments, and receivables (consisting of receivable from Forum Energy Plc (FEP), interest receivable and other receivables) (see Notes 5 and 6).

AFS financial assets

AFS financial assets are those non-derivative financial assets that are designated as AFS or are not classified in any of the three other categories. The Group designates financial instruments as AFS financial assets if they are purchased and held indefinitely and may be sold in response to liquidity requirements or changes in market conditions. After initial recognition, AFS financial assets are measured at fair value with unrealized gains or losses being recognized directly in other comprehensive income, net of the related deferred income tax. The effective yield component of AFS debt securities are reported in profit or loss.

When the investment is disposed of, the cumulative gains or losses previously recognized in other comprehensive income is recognized in profit or loss. Interest earned on the investments is reported as interest income using the effective interest rate method. Dividends earned on investments are recognized in the profit or loss as "Dividend income" when the right of payment has been established. The Group considers several factors in making a decision on the eventual disposal of the investment. The major factor of this decision is whether or not the Group will experience inevitable further losses on the investment. These financial assets are classified as noncurrent assets unless the intention is to dispose such assets within 12 months from the reporting date.

As of December 31, 2012 and 2011, included under AFS financial assets are the Group's investments in shares of stock and government bonds (see Note 7).

Other financial liabilities

Issued financial instruments or their components which are not designated as at FVPL are classified as other financial liabilities, where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole, the amount separately determined as the fair value of the liability component on the date of issue.



After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Other financial liabilities are classified as current liabilities when it is expected to be settled within 12 months from the end of the reporting period or the Group does not have an unconditional right to defer settlement of the liabilities for at least 12 months from the end of the reporting period.

As of December 31, 2012 and 2011, included in other financial liabilities are the Group's accounts payable and accrued expenses (see Note 13).

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously. This is not generally the case with master netting agreements and the related financial assets and financial liabilities are presented gross in the consolidated balance sheet.

Derecognition of Financial Assets and Liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired; or,
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to third party under a "pass-through" arrangement; or,
- the Group has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a "pass-through" arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

A financial liability is derecognized when the obligation under the liability was discharged, cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognized in profit or loss.

Impairment of Financial Assets

The Group assesses at each reporting date whether a financial asset or group of financial assets is impaired.



Loans and receivables

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for individually assessed financial assets, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses for impairment. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment for impairment.

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of impairment loss shall be recognized in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through the use of an allowance account. Impaired receivables are derecognized when they are assessed as uncollectible.

Assets carried at cost

If there is objective evidence of impairment loss on an unquoted equity instrument that is not carried at fair value, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

AFS financial assets

For AFS financial assets, the Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

In case of equity investments classified as AFS financial assets, this would include a significant or prolonged decline in the fair value of the investments below its cost. The determination of what is "significant" or "prolonged" requires judgment. The Group treats "significant" generally as 20% or more and "prolonged" as greater than 12 months for quoted equity securities. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss is removed from other comprehensive income (loss) and recognized in profit or loss.



Impairment losses on equity investments are not reversed through profit or loss. Increases in fair value after impairment are recognized directly in equity.

In the case of debt instruments classified as AFS financial assets, impairment is assessed based on the same criteria as financial assets carried at amortized cost. Interest continues to be accrued at the original effective interest rate on the reduced carrying amount of the asset and is recorded as a component of "Other income - net" account in the consolidated statement of comprehensive income. If, subsequently, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through profit or loss.

Prepayments

Prepayments are expenses paid in advance and recorded as asset before they are utilized. This account comprises prepaid rentals and insurance premiums and other prepaid items. The prepaid rentals and insurance premiums and other prepaid items are apportioned over the period covered by the payment and charged to the appropriate accounts in profit or loss when incurred. Prepayments that are expected to be realized for no more than 12 months after the reporting period are classified as current assets under "Prepayments and other current assets" account. Otherwise, these are classified under "Other noncurrent assets" account.

Valued-added Tax (VAT)

Revenue, expenses, assets and liabilities are recognized net of the amount of VAT, except where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of VAT recoverable from or payable to, the taxation authority is included as part of "Prepayments and other current assets" or "Accounts payable and accrued expenses" account, respectively, in the consolidated balance sheet.

Investment Properties

Investment properties, consisting of parcels of land owned by the Group, are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses from derecognition of an investment property are recognized in profit or loss in the year of retirement or disposal.

Property and Equipment

Property and equipment, other than office condominium, are carried at cost less accumulated depreciation and amortization and any impairment in value.

Office condominium is carried at revalued amount less depreciation and any impairment in value charged subsequent to the date of the revaluation. Valuations are performed frequently enough to ensure that the fair value of the revalued asset does not differ materially from its carrying amount.

Any revaluation increment is credited to the "Revaluation increment in office condominium" account in the equity section of the consolidated balance sheet, net of the related deferred income



tax liability. An annual transfer from the "Revaluation increment in office condominium" account to retained earnings (deficit) is made for the difference between the depreciation based on the revalued carrying amount of the asset and the depreciation based on the asset's original cost. Additionally, accumulated depreciation at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation increment relating to the particular asset sold is transferred to retained earnings (deficit).

The initial costs of property and equipment consist of their purchase price and any directly attributable costs of bringing the assets to their working condition and location for their intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance costs, are recognized in profit or loss in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of the property and equipment.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. The cost of leasehold improvement is amortized over the term of the lease or the estimated useful life of the assets, whichever is shorter.

Each asset is depreciated evenly over its expected useful lives as follows:

	Number of Years
Office condominium	15
Office equipment, furniture and fixtures	4 to 5
Farm equipment	3 to 5
Building and leasehold improvements	10
Transportation equipment	5

Depreciation of an item of property and equipment begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation or amortization ceases at the earlier of the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5 and the date the asset is derecognized.

Amortization of leasehold improvements is computed using the straight-line method of amortization based on the estimated useful life of the leased asset or the term of the lease, whichever is shorter.

The useful lives and depreciation and amortization method are reviewed periodically to ensure that the periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

When assets are retired or disposed of, their costs, related accumulated depreciation and amortization and any impairment in value are eliminated from the accounts. Any gain or loss resulting from their disposal is included in profit or loss.

Project Development Costs

Research costs are expensed as incurred. Project development costs on an individual project is recognized as an intangible asset when the Group can demonstrate:



- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model applied requires the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested when there are indicators of impairment.

Deferred Charges

All exploration costs incurred in connection with the participation of the Parent Company and SWR in the exploration and development of oil contract areas are capitalized and accounted for under the “full cost method” [determined on the basis of each Service Contract (SC)/Geophysical Survey and Exploration Contract (GSEC)]. These costs include materials and fuel used, surveying costs, drilling costs and payments made to contractors. When oil in commercial quantity is discovered, the amounts capitalized are amortized at the start of commercial operations. On the other hand, when an SC/GSEC is permanently abandoned, the related capitalized exploration costs are written-off. SCs/GSECs are considered permanently abandoned if the SCs/GSECs have expired and/or if there are no definite plans for further exploration and/or development.

Once the technical feasibility and commercial viability of extracting mineral resources are demonstrable, all exploration and evaluation are tested for impairment.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is an indication that nonfinancial assets, which include property and equipment carried at cost and revalued amount, investment properties, biological assets - standing crops, deferred charges and project development costs, may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognized in profit or loss in those expense categories with the function of the impaired asset, except for property and equipment previously revalued where the revaluation



was taken to equity. In this case, the impairment is also recognized in equity up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that the previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

Capital Stock and Additional Paid-in Capital

Capital stock is measured at par value for all shares issued and outstanding. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and number of shares issued and outstanding.

When the shares are sold at a premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Group, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Deposit for Future Stock Subscription

Deposit for future stock subscription is recognized when the Company receives payment from stockholders with a view of applying the same as payment for a fixed number of shares of stock at a fixed amount to be issued in the future.

Treasury Stock

Treasury stock are own equity instruments which are carried at cost and deducted from equity. No gain or loss is recognized in the consolidated statement of comprehensive income on the purchase, sale, issue, or cancellation of the Group's own equity instruments.

Retained Earnings (Deficit)

Retained earnings (deficit) includes the cumulative balance of periodic net income or losses, dividend distributions, effects of changes in accounting policy and other capital adjustments.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. Revenue is recognized at the fair value of the consideration received. The Group has assessed its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

Revenue from petroleum operations

Revenue from petroleum operations is recognized at the time of production.



Sales

Revenue from sales is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

Interest income

Interest income is recognized as the interest accrues, taking into account the effective yield on the asset.

Dividend income

Dividend income is recognized when the Group's right to receive payment is established.

Other comprehensive income

Other comprehensive income comprise of items of income and expense that are not recognized in profit or loss in accordance with PFRS. Other comprehensive income of the Group includes changes in unrealized gains and losses on changes in fair value of AFS financial assets, net of any tax effects.

Cost and Expenses

Cost and expenses are recognized in profit or loss when a decrease in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that results in decreases in equity, other than those relating to distributions to equity participants, has arisen that can be measured reliably.

Cost of sales

Cost of sales is recognized as expense when the related goods are sold.

General and administrative expenses

General and administrative expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. These constitute costs of administering the business and selling/distributing the cassava granules. General and administrative expenses are generally recognized when the service is incurred or the expense arises while interest expenses, if applicable are accrued in the appropriate period.

Foreign Currency-denominated Transactions and Translations

Transactions in foreign currencies are recorded using the applicable exchange rate at the date of the transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are retranslated using the applicable closing functional currency exchange rate at the reporting date. Foreign exchange gains or losses arising from foreign currency-denominated transactions and translations are recognized in profit or loss.

Retirement Benefits Cost

Retirement benefits cost is determined using the projected unit credit method. Actuarial gains and losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses at the end of the previous reporting year exceeded 10% of the higher of the present value of defined benefit obligation and the fair value of the plan assets as of that date. These gains or losses are recognized over the expected average remaining working lives of the employees participating in the plan.

Past service cost is recognized as an expense in profit or loss on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested following the introduction of, or changes to, the plan, past service cost is recognized immediately. The accrued



retirement benefits is the aggregate of the present value of the defined benefit obligation and actuarial gains and losses not recognized, reduced by past service cost not yet recognized, and the fair value of the plan assets out of which the obligations are to be settled directly.

Income Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

Current tax for current and prior periods shall, to the extent unpaid, be recognized as a liability under "Income tax payable" account in the consolidated balance sheet. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognized as an asset under "Prepayments and other current assets" account in the consolidated balance sheet.

Deferred income tax

Deferred income tax is recognized on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized on all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carried forward benefits of tax credits (excess of minimum corporate income tax [MCIT] over the regular corporate income tax [RCIT]) or tax losses (net operating loss carryover [NOLCO]) to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences can be utilized before its reversal or carried forward tax credits or tax losses can be utilized before their expiration.

Deferred income tax liabilities are provided on taxable temporary differences associated with investments in domestic subsidiaries and associates except to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized before their reversal or expiration. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that sufficient future taxable profits will allow the deferred income tax asset to be recovered.

Deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.



Earnings Per Share

Earnings per share is computed by dividing net income for the year attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net income by the weighted average number of shares outstanding during the year, excluding treasury stock, and adjusted for the effects of all potentially dilutive common shares, if any.

Segment Information

The Group considers investment holding and the energy, oil and gas exploration as its primary activities. The Group also has agriculture activities related to its energy and oil and gas exploration. The Group has no geographical segmentation as the Group's operating business segments are neither organized nor managed by geographical segment.

Provisions and Contingencies

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefit is probable.

Events after the Reporting Date

Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

3. Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements in compliance with PFRS requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements. The judgments and estimates used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Future events may occur which can cause the assumptions used in arriving at those judgments and estimates to change. The effects of the changes will be reflected in the consolidated financial statements as they become reasonably determinable.

Accounting judgments and estimates are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on amounts recognized in the consolidated financial statements:



Determination of the Group's functional currency

Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency has been determined to be the Peso. It is the currency that mainly influences the operations of the Group.

Classification of financial instruments

The Group classifies a financial instrument, or its component, on initial recognition as a financial asset, liability or equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, liability or equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated balance sheet.

Financial assets are classified as financial assets at FVPL, loans and receivables, HTM financial assets and AFS financial assets. Financial liabilities, on the other hand, are classified as financial liabilities at FVPL and other financial liabilities.

The Group determines the classification at initial recognition and reevaluates the classification at every reporting date.

Impairment of property and equipment

The Group assesses impairment on property and equipment recorded at cost whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

As of December 31, 2012, the Company assessed that there were no impairment indicators on its property and equipment. The carrying value of property and equipment recorded at cost, net of accumulated depreciation and amortization of ₱14,844,224 and ₱19,226,644 as of December 31, 2012 and 2011, respectively, and allowance for impairment losses of ₱2,558,970 as of December 31, 2011, amounted to ₱9,796,834 and ₱10,342,527 as of December 31, 2012 and 2011, respectively (see Note 12).

Impairment and write-off of deferred charges

The Group assesses impairment on deferred charges when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. Until the Group has sufficient data to determine technical feasibility and commercial viability, deferred charges need not be assessed for impairment.

Facts and circumstances that would require an impairment assessment as set forth in PFRS 6, *Exploration for and Evaluation of Mineral Resources*, are as follows:

- the period for which the Group has the right to explore in the specific area has expired or will expire in the near future and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;



- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

For deferred charges, impairment is recognized when a SC/GSEC where the Group has participating interest is permanently abandoned. Future events could cause the Group to conclude that these assets are impaired.

In 2010, management provided additional allowance for impairment loss on exploration projects amounting to ₱7,542,635 since the Group's right to explore the projects has already expired. There was no provision for impairment loss on deferred charges in 2012 and 2011 (see Note 11).

The carrying amount of deferred charges, net of allowance for impairment loss amounting to ₱45,742,635 as of December 31, 2012 and 2011, amounted to ₱45,185,414 and ₱40,680,455 as of December 31, 2012 and 2011, respectively (see Note 11).

Realizability of deferred income tax assets

Deferred income tax assets are recognized for all temporary deductible differences to the extent that it is probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized. Management has determined based on business forecast of succeeding years that there is no sufficient future taxable profits against which the deferred income tax assets will be utilized except for the deferred income tax assets related to the provision for impairment loss, unrealized foreign exchange losses and fair value adjustments on AFS financial assets and some portion of NOLCO.

The Group recognized deferred income tax assets amounting to ₱13,311,942 and ₱9,256,558 as of December 31, 2012 and 2011, respectively (see Note 20).

Estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year are discussed below:

Impairment of AFS financial assets

The Group treats AFS financial assets as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment. The Group treats "significant" as 20% or more of the cost and "prolonged" as greater than 12 months for quoted equity securities.

Allowance for impairment on unquoted investment in shares of stock amounted to ₱4,090,435 and ₱902,032 as of December 31, 2012 and 2011, respectively (see Note 7).

The carrying value of the Group's AFS financial assets amounted to ₱305,867,784 and ₱55,984,380 as of December 31, 2012 and 2011, respectively (see Note 7).



Estimation of allowance for impairment of receivables

The Group reviews its receivables at each reporting date to assess the adequacy of the allowance for doubtful accounts. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on factors such as, but not limited to, the length of the Group's relationship with the customer, customer's payment behavior and other known market factors.

The carrying value of receivables, net of allowance for impairment of accounts receivable amounting to ₱2,641,082 and ₱2,052,707 as of December 31, 2012 and 2011, respectively, amounted to ₱45,450,565 and ₱1,705,712 as of December 31, 2012 and 2011, respectively (see Note 6).

Estimation of useful lives of property and equipment

The Group estimates the useful lives of their property and equipment based on the period over which the assets are expected to be available for use. The Group annually reviews the estimated useful lives of property and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of the assets. It is possible that future results of operation could be materially affected by changes in these estimates brought about by changes in factors mentioned. A reduction in the estimated useful lives of property and equipment would increase depreciation expense and decrease noncurrent assets. The depreciation and amortization expense recognized during 2012, 2011 and 2010 amounted to ₱3,642,532, ₱3,320,565 and ₱3,054,324, respectively (see Note 12).

Estimation of fair value of unquoted equity securities classified as AFS financial assets

Management believes that while the range of reasonable fair value estimates is significant, the probabilities of the various estimates cannot be reasonably assessed given the unquoted nature of these equity investments. As a result, the Group carries these financial assets at cost less any impairment in value. As of December 31, 2012 and 2011, unquoted equity securities amounted to ₱135,248 and ₱3,323,651, respectively (see Note 7). Allowance for impairment losses on AFS financial assets amounted to ₱4,090,435 and ₱902,032 as of December 31, 2012 and 2011, respectively (see Note 7).

Estimation of retirement benefits

The determination of the obligation and retirement benefits is dependent on management's assumptions used by the actuary in calculating such amount, expected rate of return on plan assets and salary projection rate. Actual results that differ from the Group's assumptions are accumulated and amortized over future periods.

While it is believed that the Group's assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Group's retirement obligations. The assumptions made by the Group resulted in accrued retirement benefits amounting to ₱3,284,513 and ₱2,475,300 as of December 31, 2012 and 2011, respectively (see Note 19).

Determination of revalued amount of condominium units

The Group engaged an independent valuation specialist to determine the fair value of office condominium. Management agrees with the valuer's estimate of the fair value of the office condominium using the sales comparison approach. The revalued amount of the office condominium as of June 8, 2012 amounted to ₱25,250,000. Revaluation increase on office condominium recognized as other comprehensive income in 2012 amounted to ₱7,721,195, net of the applicable tax. Net book value of revalued office condominium amounted to ₱24,370,645 and ₱14,909,998 as of December 31, 2012 and 2011, respectively (see Note 12).



Determination of fair value of investment properties

The best evidence of fair value is current prices in an active market for similar lease and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgment, the Group considers information from variety of sources including:

- current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
- recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts and (where possible) from external evidence such as current market rents for similar properties in the same location and condition and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

In 2012, the Group recognized a fair value adjustment on its investments properties totaling ₱73,393,045 based on the latest appraisal reports in 2012 for the land in Bolinao, Pangasinan and in San Fabian, Pangasinan. The fair value of the Group's investment properties amounted to ₱193,479,343 and ₱120,086,298 as of December 31, 2012 and 2011, respectively (see Note 8).

4. Status of Investments and Management's Outlook

Purchase of BBC (formerly Zambo Norte Bioenergy Corporation)

Share purchase agreement (SPA)

On April 4, 2007, the Parent Company's BOD approved the Memorandum of Understanding (MOU) between the Parent Company and ZN Biofuels Partners, Inc. (ZNB Partners), wherein the Parent Company agreed to acquire BBC to effectively place 100% ownership and full control of BBC in the Parent Company, subject to due diligence and the execution of the transaction documents.

On July 11, 2007, ZNB Partners and the Parent Company executed an SPA for a total consideration of ₱64,000,000 broken down as follows:

- Cash consideration amounting to ₱10,000,000; and
- Issuance of 122,727,272 shares of stock of the Parent Company to be issued from its existing authorized and unissued capital stock which is to be valued for the purposes of the SPA at ₱0.44 per share.

On August 17, 2007, ZNB Partners and the Parent Company (collectively referred to as the Parties) subsequently amended the SPA. They agreed to change the shares of stock consideration from 122,727,272 shares to 120,853,366 shares. The difference between the shares agreed on the original SPA and the amended SPA was settled as additional cash payment to ZNB Partners.

The components of the total consideration of ₱64,000,000 for the acquisition of 999,999 shares of BBC were thus amended as follows:

- cash consideration amounting to ₱10,824,519; and
- issuance of 120,853,366 common shares of the Parent Company.



On June 23, 2008, ZNB Partners executed the Deed of Assignment of Shares of Stock transferring 999,989 shares of BBC to the Parent Company, thus, effectively transferring the full ownership and control of BBC to the Parent Company.

The fair values of the identifiable net assets of BBC as of date of acquisition are as follows:

	Fair value	Carrying value
Total current assets	₱102,210	₱102,210
Total noncurrent assets	63,523,121	63,523,121
Total assets	₱63,625,331	₱63,625,331
Total current liabilities	₱3,382,933	₱3,382,933
Total equity	60,242,398	60,242,398
Total liabilities and equity	₱63,625,331	₱63,625,331

The cost of the business combination amounted to ₱64,000,000, which consists of cash purchase price and transaction costs. The goodwill amounted to ₱3,757,602 and is recognized under "Other noncurrent assets" account in the consolidated balance sheets.

On May 28, 2009, the Philippine Stock Exchange (PSE) approved the listing of the additional 120,853,366 common shares of the Parent Company for issuance to ZNB Partners.

Agreement for the acquisition of parcels of land

On June 19, 2007, the Parent Company and ZNB Partners entered into an "Agreement for the Acquisition of Lands". Under the agreement, which is related to the MOU previously executed by the Parties, ZNB Partners committed to arrange for the Parent Company the acquisition of a total of 4,000 hectares of parcels of land located in Kalawit, Labason and adjacent areas in Zamboanga del Norte, an additional 1,000 hectares on top of the 3,000 hectares committed under the aforementioned MOU. The Parent Company agreed to fund the acquisition of the said 4,000 hectares of parcels of land for the total agreed price of ₱8,000,000.

In September 2007, ZNB Partners contracted a geodetic engineer to conduct the topographic survey of the whole area. The process, after the topographic survey, will involve the execution of the agreements with the tenants and the Department of Environment and Natural Resources to finalize the lease agreement over the said area. At that time, the planned feedstock for the ethanol project was sugarcane and the parcels of land were found to be suitable for sugarcane.

In August 2008, however, the Parent Company decided to pursue cassava, over sugarcane, as the feedstock for the planned ethanol plant. Considering that the parcels of land in Kalawit, Labason and adjacent areas have been found to be more suitable to sugarcane, the Parent Company requested ZNB Partners to defer undertaking further action on these farmlands, until further notice.

In August 2009, ZNB Partners and the Parent Company executed an Agreement for the settlement of the remaining commitments of ZNB Partners under the SPA and the Agreement for the Acquisition of Lands dated June 19, 2007. The Parties agreed to a settlement amount of ₱8,223,653 consisting of a reduction in the consideration of ZNB Partners under the SPA and the payment by ZNB Partners of the values of its undelivered commitments under the aforementioned agreements which consists of 63,258,870 shares of the Parent Company. The aforesaid amount was settled by ZNB Partners on September 30, 2009. As agreed, the Agreement shall constitute the final settlement of the obligations and commitments of ZNB Partners under the SPA and the Agreement for the Acquisition of Lands dated June 19, 2007.



In 2010, the Parent Company sold 7,245,000 shares with total proceeds of ₱1,187,195 which was used as partial settlement of ZNB Partners' obligation. The remaining shares were sold in 2011 with total proceeds of ₱15,261,300 as full settlement of the obligation of ZNB Partners under the agreement, and the Parent Company recognized a gain on settlement amounting to ₱8,224,842 arising from the difference between the total cash proceeds and the remaining liability of ZNB Partners to the Parent Company.

Acquisition of the Cassava Project of Ecomarketfarms Inc. (EMF)

On August 8, 2008, the Parent Company entered into a Memorandum of Agreement (MOA) with EMF for cassava development and production (the Project). The Parent Company agreed to acquire the Project and all the properties and assets including rights and interests thereto.

On September 18, 2008, BEFI was incorporated as the joint venture company for the Project.

On November 11, 2008, EMF assigned its project rights over the land and land improvement and property and equipment of the Project to the Parent Company for a fair value amounting to ₱9,235,000.

The cost of the business combination amounted to ₱12,500,000, which consists of cash purchase price and transaction costs. The goodwill which is recognized under "Other noncurrent assets" in the 2009 consolidated balance sheet, amounting to ₱3,265,000 is attributed to the synergies and expected benefits from combining the assets and activities of the Project with those of the Group.

In 2009, the BOD approved the proposed amendments to the MOA with EMF and the Deed of Assignment of Project and Property Rights both dated November 11, 2008, for the acquisition of the cassava project of EMF in Tungawan, Zamboanga City:

- project rights sold to the Parent Company will exclude the land and the three buildings erected thereon, due to uncertainties on whether the title can be issued in the name of BEFI, the land being covered by the Comprehensive Agrarian Reform Program and is part of a 300 hectares block of land awarded to other land reform beneficiaries, and assuming title can be issued, the length of time for the transfer and issuance of title in the name of BEFI; and
- Total consideration for the acquisition of the project was reduced by ₱500,000 for the value of the abovementioned properties, or from ₱12,500,000 to ₱12,000,000 broken down as follows:
 - i. ₱10,800,000 which shall be used by EMF to subscribe to the Parent Company's shares; and
 - ii. ₱1,200,000 in cash (equivalent to 10% of total consideration).

In September 2010, the Parent Company, BEFI and EMF entered into a settlement agreement whereby the parties agreed to revert each other to their respective situations prior to the execution of the agreement which includes the return to EMF of all the property and assets acquired from EMF. EMF, on the other hand, returned a part of the cash consideration for the acquisition of the cassava project amounting to ₱10,800,000. The cost of the settlement amounted to ₱10,699,512, including the reversal of goodwill amounting to ₱3,265,000, which is recorded under "Other costs and expenses" account in the 2010 consolidated statement of comprehensive income.

As such, the Parent Company terminated the deposit on subscription of EMF amounting to ₱10,800,000 (see Note 14). The first payment made by the Parent Company for the cash consideration for the acquisition of the cassava project amounting to ₱1,200,000 shall be retained by EMF.



On August 15, 2011, the Parent Company suspended the operations of BEFI in Zamboanga del Norte.

Sale of Basic Petroleum and Minerals, Inc. (BPMI)

On February 15, 2006, the Parent Company's BOD approved the Sale and Purchase Agreement (BPMI-SPA) with FEP. The BPMI-SPA was approved by the Parent Company's stockholders in their Annual Stockholders' Meeting on March 29, 2006.

The BPMI-SPA provides for the acquisition by FEP of the Parent Company's full interest in its wholly owned subsidiary, BPMI. The sale is intended to consolidate and generate investment funds for the Parent Company's oil and gas projects and other viable businesses.

The significant terms of the BPMI-SPA, which were mostly denominated in United States Dollar (US\$) follow:

- Shares of stock of BPMI shall be transferred to FEP; and
- FEP shall settle the consideration for the above items as follows:
 - i. US\$5,000,000 in cash and fully paid shares of FEP using its closing share price on August 26, 2005 as follows:
 - US\$880,000 (First Payment) payable upon compliance to all the conditions precedent as provided in the BPMI-SPA less US\$100,000 previously advanced;
 - US\$660,000 (Second Payment) payable within six months from the First Payment less US\$100,000 previously advanced;
 - US\$660,000 (Final Payment) payable within one year from the First Payment less US\$100,000 previously advanced;
 - US\$2,200,000 to be paid with 1,047,953 fully paid shares of FEP subject to a holding period of 12 months from date of final execution of BPMI-SPA; and
 - US\$600,000 to be paid with 285,806 fully paid shares of FEP subject to a holding period of 18 months from date of official execution of BPMI-SPA, or upon completion of the farm-in of SC 14 and SC 6A and 6B, whichever comes first.
 - ii. US\$10,000,000 in cash upon FEP's utilization of the historical cost recovery (HCR) accounts of BPMI on the basis of US\$0.75 for every US\$1.00 used.

The HCR accounts include SC 14 NW Palawan, SC 6A & 6B NW Palawan, SC 41 Sandakan Basin, SC 42 NW Palawan and GSEC 94 Offshore W Palawan.
 - iii. US\$2,000,000 in cash payable in lots of US\$200,000 for every 200,000 barrels of oil produced in excess of 5,420,000 barrels.
- the initial cash advances paid by FEP to the Parent Company in the amount of US\$300,000 shall be deducted from the three cash payments mentioned above at US\$100,000 each.

On April 3, 2006, the SPA was signed by the Parent Company and FEP. In the same month, the First Payment of US\$880,000 less US\$100,000 previously advanced, as well as fully paid shares of FEP, consisting of 1,333,759 shares, valued at US\$2,800,000, were received by the Parent Company.

On October 4, 2006 and April 4, 2007, the Parent Company received the Second Payment and Final Payment, respectively, from FEP.



As of December 31, 2011, receivables from FEP, representing the Parent Company's share in the utilization of the HCRs of BPMI relating to SC 14 NW Palawan and SC 6B NW Palawan (Nido-Matinloc Field), were booked at ₱78,799 (see Note 6). No further accrual of the receivables of the Parent Company from FEP under the SPA relating to SC 14 NW Palawan and SC 6B NW Palawan (Nido-Matinloc Field) was made when the Parent Company found that FEP's method of computation of the Parent Company's share in the HCRs was not in accordance with the SPA.

The SPA also provided for FEP's commitment to have a nominee of the Parent Company appointed to the FEP's Board and the Parent Company's first nominee was elected to the FEP Board in 2006. After the resignation of the first nominee in 2007, the Parent Company nominated a new nominee, but FEP refused to elect the said new nominee in the FEP's Board. In 2008, the Parent Company designated another nominee, whom FEP likewise refused to elect in the FEP's Board.

Thus, on February 28, 2008, the Parent Company, through its external counsel, made a final demand on FEP for the Parent Company's share in the HCRs of BPMI relating to SC 14 NW Palawan and SC 6B NW Palawan (Nido-Matinloc Field) in the aggregate amount of US\$621,927 as of December 31, 2007, and requested that the Parent Company's new nominee be elected to the FEP's Board. In view of the failure of FEP to comply with these demands, on April 30, 2008, the Parent Company served FEP a notice of default of its obligation under the SPA. On June 5, 2008, FEP was formally declared in default and was advised of the automatic termination of the SPA.

As of November 30, 2009, the Parent Company's share in the HCRs of BPMI relating to SC 14 NW Palawan and SC 6B NW Palawan (Nido-Matinloc Field) due from FEP amounted to US\$1,348,347. Considering that negotiations to settle this case proved futile, on November 13, 2009, the Parent Company submitted the dispute with FEP for arbitration. While the case is pending arbitration, the parties were enjoined by the arbitration tribunal to amicably settle their disputes.

On May 10, 2011, parties executed the Settlement Agreement, which stipulated that: (a) FEP shall pay the amount of US\$650,000, which is 50% of the claims of the Parent Company for its share in the HCRs in the Nido-Matinloc liftings, as of November 30, 2010. Ten percent (10%) of this amount or US\$65,000 had already been paid by FEP to the Parent Company after the execution of the Settlement Agreement; and (b) FEP shall cause to convey 50% of BPMI's participating interests in SC 6-A and 6-B, and SC 14 A, B, C-1, C-2, D –Retention Block and Tara Block, and the historical recovery and other related accounts. To implement the said transfer, the parties agreed to obtain letters of no objection from the other consortium members within a 60-day period, which was subsequently extended for another 60 days.

During the transition period (prior to obtaining the letters of no objection from the consortium members), the parties agreed that FEP shall pay the Parent Company 50% of its cash receipts from liftings, without any deduction, and the Parent Company shall share 50% of cash calls, effective January 19, 2011. The Parent Company and FEP honored their respective obligations under the Settlement Agreement. Unfortunately, both FEP and the Parent Company were not able to get the letters of no objection within the stipulated period, and in view thereof, the arbitration proceeding resumed on December 16, 2011.

On June 14, 2012, the Ad-Hoc Arbitration Tribunal rendered its decision in favor of the Parent Company and awarded payment by FEP of the balance of the shares of the Parent Company on the historical cost recoveries received by the FEP on the oil assets sold to FEP under the SPA and directed the parties to cause the election of the Parent Company's nominee to FEP's Board until full payment of the said obligations. Even prior to the arbitration award, the parties has been in



continuing discussions on a global settlement on all issues pertaining to the SPA, as the arbitration proceedings covered only the Parent Company's claim for its share in historical cost recoveries and a global settlement would be beneficial to both parties. On June 21, 2012, the parties executed a Compromise Agreement covering settlement of the aforementioned award by the Ad-Hoc Arbitration Tribunal in favor of the Parent Company in the aggregate amount of US\$2.4 million and the other claim of the Parent Company under Article 2.3 of the SPA in the amount of US\$2.0 million in consideration of which the Parent Company agreed not to nominate a representative to FEP's board.

Total settlement proceeds received by the Parent Company in 2012 amounting to ₱186,567,854 (US\$4.4 million) was recorded as "Income from previous sale of BPMI" in the consolidated statement of comprehensive income. As of December 31, 2012, the remaining balance of the settlement proceeds amounted to ₱41,050,000 (US\$1.0 million) which is payable in December 2013 (see Note 6).

The Parent Company received ₱38,387,996 (US\$897,965), ₱198,467,991 (US\$4,588,200) and ₱78,236,225 (US\$1,796,721) in 2012, 2011 and 2010, respectively, for FEP's utilization of the HCRs of BPMI relating to SC 14C NW Palawan (Galoc Field). This was recorded as "Income from previous sale of BPMI" in the consolidated statements of comprehensive income. These receipts representing additional consideration on the sale of BPMI shares to FEP, decreased the loss on sale of investment in BPMI recognized in 2006. Upon execution of the Compromise Agreement, the Parent Company paid capital gains tax amounting to ₱12,589,629 (see Note 18).

Service Contracts (SCs)

SC 47 (Offshore Mindoro) and SC 53 (Onshore Mindoro). The Parent Company is a party, together with other companies, to SC 47 and 53 with the Philippine Government, through the Department of Energy (DOE), for the exploration, development and exploitation of the contract areas situated in offshore and onshore Mindoro, respectively.

SC 47. SC 47 was awarded on January 10, 2005 to the Philippine National Oil Company - Exploration Corporation (PNOC-EC) and Petronas Carigali (Petronas) of Malaysia after the consortium decided to convert GSEC 100 to a service contract. Petronas holds an 80% stake as operator while PNOC-EC owns the remaining 20% stake. Upon Petronas' withdrawal in 2007 prior to entry to Sub-Phase 2, PNOC-EC interest became 97% with Petroenergy at 2% and the Parent Company at 1%. SC 47 covers 14,667 square kilometers (sq. km.) and is located within the Northwest Palawan Micro-Continental Block (NPMCB).

The highly encouraging results of the Maniguin drilling have prompted PNOC-EC to pursue additional evaluation studies, including the acquisition of 2D and 3D seismic data. The result of the evaluation studies have shown prospects with reserves ranging from 10.0 million barrels to 500.0 million barrels recoverable oil.

Petronas spudded a well on August 31, 2007 to test the potential of the Kamia prospect. The drilling of the Kamia-1 well is part of the work program committed to the DOE that involves the drilling of an exploratory well. The consortium will have the option to conduct more drilling by committing to the succeeding contract year. A US\$4.0 million development costs in shallow water was anticipated, however, Petronas withdrew from the service contract prior to entry of Sub-Phase 2.



On January 9, 2008, PNOC-EC informed the DOE of the continued interest on the SC 47. However, PNOC-EC requested for a six-month extension of the decision date (from January 10, 2008 to June 10, 2008) to commit to Sub-Phase 2 of the SC. The extension period would provide time for the remaining parties to conduct post-well analysis on the Kamia-1 well.

On April 16, 2008, the DOE has approved the request for a six-month extension to decide on entering Sub-Phase 2 (Contract Years 3 and 4). The extension period was from January 10, 2008 to June 10, 2008 and reduced the term of the Sub-Phase 2 by six months.

Under the extension period, the consortium committed to complete the Kamia-1 post-well evaluation and map the area to be relinquished prior to making the decision to enter Sub-Phase 2.

On June 10, 2008, the consortium entered into Sub-Phase 2 and presented an alternative work program of acquiring 1,000 sq. km. of two-dimension (2D) seismic program. The proposal was not accepted. PNOC-EC is renegotiating and would be informing the consortium of the acceptable work program.

In 2009, the Parent Company, along with its partners, continued the exploration efforts in the SC 47. The DOE approved the seismic program commitment under Sub-Phase 2 (January 2008 to January 2010). The 2D seismic survey was carried out by CGG Veritas from August 19-29, 2009 covering a total of 1,091.6 sq. km. at a cost of \$637,417. The seismic data are to be processed by Fairchild Industries and interpretation works are expected to be completed by the middle of 2010.

On August 14, 2009, the DOE approved the relinquishment of 25% of the original area of the service contract, reducing the area to 1,098,000 hectares, where the islands of Caluya, Sibay and Semirara were retained.

On May 28, 2010, a revised work program and extension of the term of the Sub-Phase 2 was requested for approval by the DOE. The processing and interpretation of the new seismic data have resulted in the identification of some lead and prospects.

In 2012, PNOC-EC pursued a new seismic program as the DOE has advised that the extension of the term of the Sub-Phase 2 of the service contract shall be acted upon when there is already a commitment to drill a well in the service contract area.

In March 2013, PNOC-EC requested the DOE for a 2-year term for Sub-Phase 3 in order to allow the potential farminee to undertake all the work commitment including the drilling of one well. PNOC-EC is currently in discussions with a farminee for the service contract.

SC 53. SC 53 was awarded on July 8, 2005. It covers 6,600 sq. km. of the onshore areas of Mindoro Island which is within the NPMCB. The operator of the block is Laxmi Organic Industries Ltd. with 70% participating interest.

The Parent Company's participating interest on SC 53 is at 3%, The Philodrill Corporation's at 22% and Anglo-Philippine Holdings' at 5%.

The Farm-In Agreement (FIA) between Laxmi Organic Industries and Pitkin Petroleum Ltd. (Pitkin) was finalized and submitted for approval to the DOE on September 6, 2007. Under the FIA, Pitkin will carry the consortium to a 2D seismic program which will be completed by January 2009. Pitkin's proposal would be for the DOE to extend the term of Sub-Phase 1 up to January 2009 and would give time to complete the 2D seismic program and identify a drillable structure. If the 2D seismic program is positive, a well will be committed under Sub-Phase 2.



The Parent Company has a carried-free interest of 3.0% on the 2D seismic program which is estimated to cost a minimum of US\$1.5 million.

Pitkin has completed a magneto-telluric in Onshore Mindoro. In April 2009, the DOE approved the one year extension of Sub-Phase 1. Pitkin awarded the 2D seismic acquisition contract to BCG, a Chinese geophysical contractor, which started on November 3, 2009. The 2D seismic is designed to delineate and assess the hydrocarbon potential of the Progreso-1X in San Jose, Mindoro Occidental and in Sablayan, Mindoro Occidental.

The DOE has recently approved the further extension of Sub-Phase 1 to March 2011 for the conduct of geological and geophysical studies and interpretation of the 2D seismic data, which is estimated to cost US\$4.5 million and the drilling of two wells between 2011 to 2012, the cost of which is estimated at US\$2.0 million.

On July 11, 2011, Resource Management Associates Pty Limited of Australia signed a FIA with Pitkin Petroleum to acquire 35% from its 70% participating interest. In a consortium meeting last November 11, 2011, Pitkin reported that the Sub-Phase , which ended March 6, 2012, was fulfilled with the completion of the 200 kilometers of seismic data. Sub-Phase 2 shall end on July 8, 2014 and carries a minimum work obligation of 2 wells at a minimum cost of US\$2.0 million.

The consortium agreed to drill Progreso-2 to fulfill one of the 2 well commitments with the DOE. The environmental impact assessment has been recently commenced, while collation of seismic and other data and the tendering of the long lead items are on-going.

SC 41. SC 41 (Sandakan Basin) was issued to the consortium on May 10, 1996. It is adjacent to the Malaysia-Philippine border within the Sandakan Basin. The contract area is 8,324 sq. km. and covers almost the deepwater areas of the Sandakan shelf.

On July 19, 2008, the consortium drilled the Lumba Lumba-1 well using the semi-submersible rig Transocean Legend. The well was re-spudded on July 27, 2008, 15 meters to the west of the previous location due to some technical difficulties. The well was to test a large inversion structure with multiple objectives in interpreted channel and fan complexes. Estimated recoverable volume ranges from 50.0 to 150.0 million barrels.

The Lumba-Lumba 1A drilled through the primary objectives of the prospect with elevated gas readings recorded. However, there were no reservoir quality rocks encountered. Tap Oil Ltd., the contractor, justified that the deeper secondary objectives did not warrant continuing the well due to the more difficult drilling conditions. The block has an inventory of nearly 20 leads and prospects covered by 3D data. Drilling operations are being considered after a thorough evaluation.

On October 3, 2008, the DOE approved the contractor's request for a two year extension on the SC 41 term. Under the extension, the consortium will have until May 2010 before it commits to drill a well. The term will be automatically extended up to May 2011 upon the consortium's notification of the progress of the 3D processing. Estimated cost of reprocessing amounted to Australian dollar (A\$)100,000. This will cost SWR, at 0.608%, A\$6,688.

On June 18, 2009, Tap Oil Ltd. sought for farm-in partners due to the increasing costs of drilling exploratory wells.



On May 12, 2010, Tap Oil requested the DOE that the Wildebeest-I be classified as a discovery well based from the oil samples recovered by the MDT sampling and the interpretation of the 3D seismic data acquired in 2008. This request was not approved by the DOE, in view of which, on July 10, 2010, the consortium decided to withdraw from this SC.

The Parent Company was involved in the block through its subsidiary, SWR, with a 0.608% interest. SWR's participating interest was carried-free from the financial commitments of the work programs to be performed over the concession areas.

The full recovery of the deferred charges, amounting to ₱31,238,982 and ₱27,804,051 as of December 31, 2012 and 2011, respectively, incurred in connection with the Parent Company's participation in the acquisition, exploration and development of petroleum concessions is dependent upon the discovery of oil and gas in commercial quantities from the respective contract areas and the success of future developments thereof (see Note 11).

Geothermal Service Contracts (GSCs)

On July 10, 2008, the Parent Company entered into a GSC with the DOE for the exploration, development and exploitation of geothermal resource located in Mabini, Batangas covering an area of approximately 3,841 hectares of land.

The Parent Company is in the process of conducting the first stage of the exploration program consisting of geophysical and geological surveys covering 3,481 hectares in the Calumpán Peninsula. A Controlled Source Magento-Telluric Survey covering the area had been conducted and completed on March 8, 2010. The data obtained from the survey is presently being processed by a Japanese consultant, with the objective of establishing the geothermal resource and the exploration drilling site in the area.

The Parent Company has completed due diligence studies and preliminary technical data collection, collation and re-evaluation as part of its commitment under Sub-Phase 1 (Years 1 and 2) of the work program committed with the DOE. Initial assessments disclosed that the area has a good potential for 20-megawatts capacity and could be developed within a two-year period considering the existence of adequate infrastructure, adjacency to transmission lines and a strong power demand in the area.

On February 28, 2011, the Parent Company entered into an Agreement for Services with Filtech Energy Drilling Corporation for the conduct of a pre-feasibility study that will cover technical studies for the project's pre-development and development phases, environment and social studies, financial and economic aspects, project schedule and implementation and risks assessment.

The Parent Company is currently looking for farm-in partners to explore and develop the Mabini, Batangas geothermal area.

The Parent Company recently received the GSCs from the DOE, covering three geothermal projects, namely: Iriga Geothermal Power Project, Mariveles Geothermal Power Project and the East Mankayan Geothermal Power Project.

The East Mankayan Geothermal Power Project lies immediately east of the Cervantes, Ilocos Sur geothermal block of Pan Pacific Power Phils, Inc. and south of the Bontoc-Sadanga block which is operated by Magma Energy Resources. Immediately south is the Daklan block operated by Clean Rock Energy. The area actually covers the 3 provinces of Benguet, Mountain Province and Ifugao. The proposed area is surrounded by lots of known thermal manifestations, e.g., hot springs and thermally altered grounds.



The Mariveles Geothermal Power Project, in Bataan is situated along the West Luzon Volcanic Arc which starts from Mt. Pinatubo in the north and extends farther south across the Manila Bay towards Batangas and northeastern Mindoro.

The Iriga Geothermal Power Project in Camarines Sur is bounded to the north by Isarog geothermal block of PNOC-RC and to the east by the highly productive Tiwi GSC area of formerly Chevron, now AP Renewables Inc. The areal landscape is dominated by Iriga or Asog Volcano, a relatively in stratovolcano, immediately southwest of Lake Buhi in southern Luzon.

5. Cash and Cash Equivalents

	2012	2011
Cash on hand and in banks	₱59,971,719	₱4,806,555
Cash equivalents	142,465,280	306,947,450
	₱202,436,999	₱311,754,005

Cash in banks and cash equivalents earn interest at the respective bank deposit rates. Cash equivalents are made for varying periods of up to three months depending on the immediate cash requirements of the Group. Interest income amounted to ₱11,026,845, ₱11,039,782 and ₱4,800,702 in 2012, 2011 and 2010, respectively (see Note 16).

6. Receivables

	2012	2011
Receivable from FEP (Note 4)	₱41,050,000	₱78,799
Interest receivable	2,033,495	976,438
Other receivables	5,008,152	2,703,182
	48,091,647	3,758,419
Less allowance for impairment	2,641,082	2,052,707
	₱45,450,565	₱1,705,712

Other receivable arises from short-term, noninterest-bearing transactions of the Group.

Movements in allowance for impairment are as follows:

	2012	2011
Beginning balances	₱2,052,707	₱2,052,707
Provision for the year (Note 18)	588,375	—
Ending balances	₱2,641,082	₱2,052,707

7. AFS Financial Assets

	2012	2011
Debt securities - quoted, at fair value	₱262,669,089	₱51,248,795
Investments in shares of stock:		
Quoted	43,063,447	1,411,934
Unquoted	135,248	3,323,651
	43,198,695	4,735,585
	₱305,867,784	₱55,984,380



The cost of debt securities which are stated at fair value amounted to ₱243,728,795 and ₱51,248,795 as of December 31, 2012 and 2011, respectively. Interest rates on these AFS debt securities range from 5.80% to 8.13%. Interest income earned on these securities amounted to ₱6,340,763, ₱192,855 and ₱117,393 in 2012, 2011 and 2010, respectively (see Note 16).

The movements in unrealized gain (loss) in respect of quoted AFS financial assets in 2012 and 2011 follow:

	2012	2011
Beginning balances	(₱509,593)	₱744,031
Unrealized gain (loss)	18,578,978	(1,253,624)
Ending balances	₱18,069,385	(₱509,593)

In 2010, the Group sold quoted investment in shares of stock resulting in gain on realized fair value adjustment amounting to ₱24,057,696.

Unquoted equity securities include unlisted shares of stock with total cost of ₱4,225,683 and which the Company will continue to carry as part of its investments. These are carried at cost less allowance for impairment losses. The movement in allowance for impairment loss are as follows:

	2012	2011
Beginning balances	₱902,032	₱902,032
Provision for the year	3,188,403	—
Ending balances	₱4,090,435	₱902,032

8. Investment Properties

	2012	2011
Beginning balances	₱120,086,298	₱120,086,298
Increase in fair value	73,393,045	—
Ending balances	₱193,479,343	₱120,086,298

Investment properties consisting of land are stated at fair value, which has been determined based on valuations performed by Asian Appraisal, Inc., an independent firm of appraisers, as of November 29, 2012. The fair value represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and knowledgeable, willing seller in an arm's length transaction at the date of the valuation. The fair valuation was estimated through the direct market comparison approach; which is a comparative approach that considers the sales of similar or substitute assets and related market data.

Direct operating expenses related to the investment properties include real property taxes paid in 2012, 2011 and 2010 amounting to ₱268,146, ₱267,047 and ₱93,523, respectively.

The Group has no restriction on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.



9. Biological Assets - Standing Crops and Agricultural Produce

BEFI started planting cassava in March 2009. Movement in the biological assets in 2011 follows:

January 1, 2011	₱7,108,252
Additions (Note 12)	2,704,580
Harvested cassava tubers	(6,338,428)
Loss on biological assets	(3,474,404)
December 31, 2011	₱-

On August 15, 2011, BEFI decided to suspend its operations and wrote-off the remaining balance of biological assets resulting in a loss amounting to ₱3,474,404 which is recorded under "Other costs and expenses" account in the 2011 profit or loss.

In 2010, the fair value adjustment on agricultural produce amounted to a loss of ₱16,445,998. Sales of cassava tubers amounted to ₱1,731,720 and ₱5,760,875 in 2011 and 2010, respectively.

10. Project Development Costs

Project development costs include costs incurred related to BBC's ethanol plant project located at Gutalac, Zamboanga del Norte. The project consists of approximately 9,000 hectares of land for the sugarcane farm and a fully integrated ethanol plant with a capacity of 200,000 liters of ethanol/day, with a carbon dioxide production plant having a capacity of 50 tons/day, a 6 megawatt power plant and a 3,000 metric tons/day sugar mill.

In 2009, BBC reduced the project development costs for the planned ethanol project at the time of settlement by the ZNB Partners of its commitment under the SPA (see Note 4).

BBC determined that the cost of its project development cost exceed its recoverable amount hence, the Company recognized impairment loss amounting ₱46,731,677 to fully impair the asset in 2011 with cost of ₱59,731,677 as of December 31, 2012 and 2011.

Project development costs also include the acquired cassava project of EMF by BEFI amounting to ₱2,647,014 in 2009 but was subsequently returned to EMF in 2010 (see Note 4).

11. Deferred Charges

The movements in deferred charges follow:

	2012	2011
Beginning balances	₱86,423,090	₱77,010,322
Additions	4,504,959	9,412,768
	90,928,049	86,423,090
Less allowance for impairment loss	45,742,635	45,742,635
Ending balances	₱45,185,414	₱40,680,455

Under the SCs entered into with the DOE covering certain petroleum contract areas in various locations in the Philippines, the participating oil companies (collectively known as Contractors)



are obliged to provide, at their sole risk, the services, technology and financing necessary in the performance of their obligations under these contracts. The Contractors are also obliged to spend specified amounts indicated in the contract in direct proportion to their work obligations. However, if the Contractors fail to comply with their work obligations, they shall pay to the government the amount they should have spent but did not, in direct proportion to their work obligations. The participating companies have Operating Agreements among themselves, which govern their rights and obligations under these contracts.

On July 10, 2008, the Group and the Government of the Republic of the Philippines through the DOE, engaged a GSC wherein the Group will undertake and execute the Geothermal Operations contemplated under the GSC. The geothermal operations shall include geothermal exploration, development and production. It shall also consists of surface exploration and subsurface exploration. Surface exploration deals primarily with reconnaissance to detailed activities, studies and geo-scientific investigations. Subsurface exploration refers mainly to drilling activities for the purpose of making discovery and delineating the reservoir. Geothermal development, on the other hand, refers to the drilling of appraisal, development and reinjection wells and geo-scientific activities related thereto for the purpose of exploiting the delineated Geothermal Reservoir, which includes the installation of wellhead equipment, collecting pipes and pressure vessels for steam extraction. Geothermal production is the set of activities which involves the actual extraction of geothermal fluid for commercial utilization, but does not include the utilization of such geothermal fluid.

The term of the GSC is for five years from the effective date consisting of three subphases, renewable for another two years.

The accumulated costs incurred in connection with the exploration contracts are shown under "Deferred charges" account in the consolidated balance sheets. The full recovery of these deferred exploration costs is dependent upon the discovery of oil in commercial quantities from any of the petroleum concessions and the success of future development thereof.

In 2010, management provided additional allowance for impairment loss on exploration projects amounting to ₱7,542,635 since the Group's right to explore the projects has already expired. There was no additional provision for impairment loss on deferred charges in 2012 and 2011.

12. Property and Equipment

At cost:

As of December 31, 2012:

	Land	Office Equipment, Furniture and Fixtures	Farm Equipment	Building and Leasehold Improvement	Transportation Equipment	Total
At Costs						
Beginning balances	₱3,500,000	₱10,214,383	₱8,744,380	₱5,156,648	₱4,542,730	₱32,158,141
Additions	-	192,552	-	-	3,173,240	3,365,792
Disposals	-	847,720	8,744,380	-	1,290,775	10,882,875
Ending balances	3,500,000	9,559,215	-	5,156,648	6,425,195	24,641,058
Accumulated Depreciation and Amortization						
Beginning balances	-	9,330,007	4,346,695	3,291,768	2,258,174	19,226,644
Depreciation and amortization (Note 18)	-	343,107	492,992	172,025	1,064,777	2,072,901
Disposals	-	775,290	4,839,687	-	840,344	6,455,321
Ending balances	-	8,897,824	-	3,463,793	2,482,607	14,844,224
Net Book Values	₱3,500,000	₱661,391	₱-	₱1,692,855	₱3,942,588	₱9,796,834



	Land	Office Equipment, Furniture and Fixtures	Farm Equipment	Building and Leasehold Improvement	Transportation Equipment	Total
At Costs						
Beginning balances	P3,500,000	P9,538,171	P8,744,380	P5,156,648	P3,806,010	P30,745,209
Additions	-	839,719	-	-	1,897,220	2,736,939
Disposals	-	(163,507)	-	-	(1,160,500)	(1,324,007)
Ending balances	3,500,000	10,214,383	8,744,380	5,156,648	4,542,730	32,158,141
Accumulated Depreciation and Amortization						
Beginning balances	-	9,137,000	2,595,014	3,119,743	2,028,463	16,880,220
Depreciation and amortization (Note 18)	-	332,431	1,751,681	172,025	809,961	3,066,098
Disposals	-	(139,424)	-	-	(580,250)	(719,674)
Ending balances	-	9,330,007	4,346,695	3,291,768	2,258,174	19,226,644
Allowance for impairment losses	-	57,317	2,198,842	-	332,811	2,588,970
Net Book Values	P3,500,000	P827,059	P2,198,843	P1,864,880	P1,951,745	P10,342,527

Depreciation expense capitalized as cost of biological assets amounted to P1,402,200 in 2011 (see Note 9).

At revalued amount:

	Office Condominium	
	2012	2011
Cost	P25,250,000	P26,580,010
Accumulated Depreciation		
Beginning balances	11,670,012	10,013,345
Reversal due to revaluation	(12,360,288)	-
Depreciation (Note 18)	1,569,631	1,656,667
Ending balances	879,355	11,670,012
Net Book Values	P24,370,645	P14,909,998

Revaluation of Office Condominium

The Group engaged Royal Asia Appraisal Corporation, an independent firm of appraisers, to determine the fair value of its office condominium as of June 8, 2012. The fair value is determined using the generally accepted sales comparison approach. The date of the appraisal was June 14, 2012. The estimated remaining life of the office condominium is 16.75 years as of appraisal date.

Increase in revaluation of office condominium, net of deferred income tax liability, amounted to P7,721,195 in 2012 which is presented under "Revaluation increment in office condominium" account in the 2012 parent company statement of comprehensive income. Revaluation increment in office condominium as of December 31, 2012 and 2011 amounted to P17,059,457 and P10,437,004, respectively, which is presented under the "Revaluation increment in office condominium" account in the consolidated balance sheets and consolidated statements of changes in equity.

If the office condominium was measured using the cost model, the carrying amount as of December 31, 2012 and 2011 would be as follows:

Cost	P1,730,010
Accumulated depreciation	(1,730,010)
	P-

The cost of the Group's fully depreciated assets still in use amounted to P10,099,014 and P11,492,762 as of December 31, 2012 and 2011, respectively.



13. Accounts Payable and Accrued Expenses

	2012	2011
Accounts payable	₱1,163,608	₱2,182,176
Dividends payable	888,714	888,714
Other payables	460,936	3,652,184
	₱2,513,258	₱6,723,074

Accounts payable consists of short-term and noninterest-bearing trade payables to the Group's local suppliers with an average credit terms of 30 days. Other payables are liabilities to various government agencies.

14. Capital Stock

The details of the capital stock as of December 31, 2012 and 2011 are as follows:

	No. of Shares	Amount
Authorized - ₱0.25 par value	10,000,000,000	₱2,500,000,000
Unissued	(8,241,854,545)	(2,060,463,636)
Issued	1,758,145,455	439,536,364
Subscribed	2,146,848,057	536,712,014
Subscriptions receivable	(1,462,500,000)	(365,625,000)
	684,348,057	171,087,014
	2,442,493,512	₱610,623,378

The movements on shares outstanding in 2012 and 2011 are as follows:

	2012	2011
Beginning balances	2,424,493,512	2,442,493,512
Treasury stock (Note 15)	—	(18,000,000)
Ending balances	2,424,493,512	2,424,493,512

Below is the Parent Company's track record of registration:

- On January 26, 1973, the SEC authorized the Parent Company to sell to the public 617.5 million shares out of its unissued capital stock as of December 31, 1972 within one year from order date, unless extended by the SEC. As of December 31, 1973, the Parent Company's authorized capital stock is 1.5 billion shares with par value of ₱0.01.
- On September 8, 1973, the Parent Company applied with the Manila Stock Exchange and Makati Stock Exchange for the listing of its capital stock as of September 8, 1973 (495,251,000 fully paid-up shares and with respect to 1,004,749,000 shares, upon full payment and issuance of the corresponding stock certificates). The applications for listing were approved by the Board of Governors of both the Manila Stock Exchange and Makati Stock Exchange on September 30, 1973 and September 13, 1973 respectively. Said listing was duly approved by the SEC on October 16, 1973.
- On October 17, 1974, the SEC approved the increase in the Parent Company's authorized capital stock from ₱15.0 million (consisting of 1.5 billion shares) to ₱40.0 million (consisting of 4.0 billion shares) at the same par value of ₱0.01. The SEC also approved the 60% stock dividend (₱9.0 million) declaration to stockholders of record as of August 15, 1974.



The Parent Company granted to stockholders of record as of November 15, 1974 the right to subscribe at par of ₱0.01 per share to the unissued and unsubscribed portion of the increased capital stock amounting to ₱16.0 million (1.6 billion shares), at the ratio of 2 shares of stock for every 3 shares of stock registered in the stockholders' name.

On October 23, 1974, the SEC authorized the listing of the additional 2.5 billion shares of the Parent Company's increased capital stock (900.0 million fully paid-up shares representing the 60% stock dividend, and with respect to 1.60 billion shares, upon full payment and issuance of corresponding stock certificates) in the Manila Stock Exchange, Makati Stock Exchange, Inc. and Metropolitan Stock Exchange, Inc. The listing took effect on November 6, 1974. On October 16, 1973, the SEC had authorized the listing of the Parent Company's original shares of stock of 1.5 billion shares in the first two stock exchanges.

- d. On February 4, 1976, the SEC approved the increase in authorized capital stock from ₱40.0 million (₱24.0 million or 60% Class A and ₱16.0 million or 40% Class B) to ₱100.0 million (₱60.0 million or 60% Class A and ₱40.0 million or 40% Class B) both with a par value of ₱0.01 per share. The Parent Company also granted pre-emptive rights to stockholders of record as of October 31, 1975 to subscribe at par value of ₱0.01 per share to ₱20.0 million (₱12.0 million Class A and ₱8.0 million Class B) at the ratio of one share for every two shares held. The right was exercisable on or before January 15, 1976 with a 25% down payment and the balance payable upon call by the BOD.

On December 22, 1975, the SEC issued to the Parent Company a "Certificate of Permit to Offer Securities for Sale" covering the said capital increase of ₱60.0 million (₱36.0 million Class A and ₱24.0 million Class B). On February 26, 1976, the listing of the shares representing the said ₱60.0 million increase in authorized capital stock of the Parent Company in the stock exchanges was approved.

- e. On November 13, 2007, the SEC approved the increase in the capital stock of the Parent Company for ₱500.0 million consisting of the 2 billion shares to ₱2.5 billion consisting of 10.0 billion shares. Pursuant to this increase, 537.5 million shares were issued to the subscribers to the capital increase on January 10, 2008.
- f. On May 28, 2009, the Parent Company issued 120,853,182 shares to a new investor, ZN Biofuels, Inc., the registration of which was exempt and confirmed as such by the SEC.
- g. On September 22, 2009, the Parent Company issued 31,818,182 shares to Shouk Financial Services Ltd., the registration of which was exempt and likewise confirmed as such by the SEC.
- h. On September 8, 2011, the SEC approved the Stock Option Plan of the Parent Company granting directors, members of the advisory board, officers and employees of the Parent Company options to purchase at a par total of 500.0 million shares. Out of these shares, 26.7 million have been paid and listed in the Philippine Stock Exchange on January 21, 2013.

15. Treasury Stock

The treasury stock represents 18.0 million shares of the Parent Company which are held by BGEC.



16. Other Income - Net

	2012	2011	2010
Interest income on:			
Cash and cash equivalents (Note 5)	₱11,026,845	₱11,039,782	₱4,800,702
AFS financial assets - debt securities (Note 7)	6,340,763	192,855	117,393
Short-term cash investments	282,379	32,149	-
Long-term cash investment	57,379	-	-
	17,707,366	11,264,786	4,918,095
Dividend income	754,990	5,508	5,666
Others	1,822,670	47,169	(15,847)
	₱20,285,026	₱11,317,463	₱4,907,914

17. Related Party Transactions and Relationships

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by or under common control with the Group, including holding companies, subsidiaries and fellow subsidiaries, are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form.

Compensation of Key Management Personnel

- Shares of stock of the Parent Company held by members of the BOD aggregated to 33,787,366 and 35,777,245 as of December 31, 2012 and 2011, respectively.
- Compensation of key management personnel consists of short-term employee benefits and post-employment benefits. Short-term employee benefits amounted to ₱11.9 million, ₱10.9 million and ₱5.7 million in 2012, 2011 and 2010, respectively, while, post-employment benefits amounted to ₱3.05 million, ₱1.8 million and ₱0.8 million in 2012, 2011 and 2010, respectively.

Directors' remuneration consists only of per diems for attendance at the BOD and Committee meetings. In 2012, 2011 and 2010, total per diems received by the members of the BOD amounted to ₱2,724,500, ₱2,057,750 and ₱940,500, respectively. There is no existing compensatory plan or arrangement for directors of the Parent Company.

Remuneration of existing officers of the Group are covered in their employment contracts, and except for retirement benefits under the Group's Retirement Plan, there are no existing compensatory plans or arrangements for officers of the Group.

A stock option plan for directors and officers was approved by the stockholders on July 11, 2007, and the exercise period was extended to July 2013. The SEC issued on September 8, 2011 a resolution exempting the SOP from the registration requirements under the Securities Regulation Code.



The Parent Company's outstanding amounts of investments in and advances to subsidiaries which were eliminated in the consolidated level are as follows:

As of December 31, 2012:

	Investments	Allowance for Impairment	Total	Advances	Allowance for Impairment	Total
BDIHI	P227,085,800	P227,085,800	P-	P21,453,057	P21,439,342	P13,715
SWR	75,341,250	75,341,250	-	-	-	-
BBC	64,000,000	64,000,000	-	5,584,083	5,584,083	-
iBasic	53,547,840	53,547,840	-	3,386,610	3,346,880	39,730
BGI	20,000,000	-	20,000,000	-	-	-
BEFI	20,000,000	20,000,000	-	36,975,000	36,975,000	-
	P459,974,890	P439,974,890	P20,000,000	P67,398,750	P67,345,304	P53,445

As of December 31, 2011:

	Investments	Allowance for Impairment	Total	Advances	Allowance for Impairment	Total
BDIHI	P227,085,800	P227,085,800	P-	P21,358,166	P21,358,166	P-
SWR	75,341,250	75,341,250	-	19,208	-	19,208
BBC	64,000,000	64,000,000	-	5,479,492	5,479,492	-
iBasic	53,547,840	53,547,840	-	3,261,143	3,261,143	-
BGI	20,000,000	-	20,000,000	3,251,845	-	3,251,845
BEFI	20,000,000	20,000,000	-	37,975,000	37,975,000	-
	P459,974,890	P439,974,890	P20,000,000	P71,344,854	P68,073,801	P3,271,053

The amounts of transactions with subsidiaries that were eliminated in the consolidated level are as follows:

Nature of Transaction	Amount of Transactions		Terms and Conditions
	2012	2011	
BGI			
Advances	P6,124	P3,251,845	(a)
Collection of advances	3,257,969	-	
BDIHI			
Advances	94,891	112,348	(a)
iBasic			
Advances	125,467	111,649	(a)
SWR			
Advances	67,177	18,208	(a)
Collection of advances	86,385	-	
BBC			
Advances	104,591	109,088	(a)
BEFI			
Advances	-	1,053,215	(a)
Collection of advances	1,000,000	-	

(a) Noninterest bearing, unsecured advances, due and demandable.

Movement in the allowance for impairment on investments in subsidiaries as follows:

	2012	2011
Beginning balances	P439,974,890	P342,782,685
Provision during the year	-	97,192,205
Ending balances	P439,974,890	P439,974,890



Movement in the allowance for impairment on advances to subsidiaries as follows:

	2012	2011
Beginning balances	₱68,073,801	₱35,312,132
Recovery of advances to BEFI	(1,000,000)	-
Provision during the year	271,503	32,761,669
Ending balances	₱67,345,304	₱68,073,801

Transactions with Retirement Benefit Fund

- The Parent Company's retirement benefit fund is in the form a trust being maintained by a trustee bank.
- The carrying amount and fair value of the retirement benefit fund as of December 31, 2012 amounted to ₱3,659,328 (see Note 19).
- The assets and investments of the retirement benefit fund as of December 31, 2012 follows:

Special savings deposits	₱2,557,000
Investment in unit investment trust fund	578,361
Investments in bonds	520,777
Others	3,190
	₱3,659,328

- In 2012, the Parent Company contributed ₱2,500,000 to the retirement benefit fund (see Note 19).

18. General and Administrative Expenses

	2012	2011	2010
Personnel:			
Salaries and wages	₱14,281,245	₱15,177,229	₱9,386,450
Retirement benefits cost (Note 19)	3,309,213	1,569,700	1,450,100
Other employee benefits	7,912,734	3,977,579	2,584,043
Representation and entertainment	4,643,108	2,675,620	1,757,961
Transportation and travel	4,348,504	3,918,400	3,145,887
Depreciation and amortization (Note 12)	3,642,532	3,320,565	3,054,324
Arbitration and legal fees	2,789,877	5,514,720	3,628,905
Taxes and licenses	1,130,770	1,429,069	652,146
Outside services	957,196	1,155,124	529,509
Utilities	897,430	707,605	1,126,176
Communication	602,201	706,542	649,927
Provision for impairment of receivables (Note 6)	588,375	-	-
Office supplies	278,290	301,551	575,729
Repairs and maintenance	180,144	122,525	73,907
Others	3,983,235	1,305,342	2,916,306
	₱49,544,854	₱41,881,571	₱31,531,370

19. Retirement Benefits

The Parent Company maintains a funded, noncontributory defined retirement benefit plan covering all qualified employees. A trustee bank is administering the retirement benefits fund.



The following tables summarize the components of the retirement benefits cost recognized in profit and loss and the funded status and amounts recognized in the consolidated balance sheets.

- a. The components of retirement benefits cost in profit and loss are as follows:

	2012	2011	2010
Current service cost	₱2,730,254	₱1,405,000	₱1,366,300
Interest cost	486,159	221,000	99,900
Expected return on plan assets	(90,225)	(77,300)	(61,100)
Actuarial loss	183,025	21,000	45,000
	₱3,309,213	₱1,569,700	₱1,450,100

- b. The following table summarizes the accrued retirement benefits recognized in the consolidated balance sheets:

	2012	2011
Present value of defined benefit obligation	₱11,573,100	₱7,118,000
Fair value of plan assets	(3,659,328)	(1,002,500)
	7,913,772	6,115,500
Unrecognized actuarial losses	(4,629,259)	(3,640,200)
	₱3,284,513	₱2,475,300

- c. Changes in the present value of defined benefit obligation are as follows:

	2012	2011
Beginning balances	₱7,118,000	₱2,356,300
Current service cost	2,730,254	1,405,000
Interest cost	486,159	221,000
Actuarial loss	1,238,687	3,135,700
Ending balances	₱11,573,100	₱7,118,000

- d. Changes in the fair value of plan assets are as follows:

	2012	2011
Beginning balances	₱1,002,500	₱858,600
Contribution (Note 17)	2,500,000	—
Expected return on plan assets	90,225	77,300
Actuarial gain	66,603	66,600
Ending balances	₱3,659,328	₱1,002,500

The actual return on plan assets amounted to ₱156,828, ₱143,900 and ₱94,600 for the years ended December 31, 2012, 2011 and 2010, respectively.

Movements of accrued retirement benefits recognized in the consolidated balance sheets are as follows:

	2012	2011
Beginning balances	₱2,475,300	₱905,600
Retirement benefits cost	3,309,213	1,569,700
Contributions	(2,500,000)	—
Ending balances	₱3,284,513	₱2,475,300



- f. The latest actuarial valuation of the plan is as of December 31, 2012. As of January 1, the principal assumptions used in determining retirement benefits cost for the Parent Company's retirement benefits are as follows:

	2012	2011	2010
Number of employees covered	20	20	18
Discount rate	6.83%	9.38%	10.58%
Salary projection rate	8.00%	8.0%	8.00%
Expected return on plan assets	9.00%	9.0%	8.00%

Discount rate used to compute the present value of defined benefit obligation as of December 31, 2012 is 6.09%.

- g. Amounts as of December 31 are as follows:

	2012	2011	2010	2009	2008
Present value of defined benefit obligation	₱11,573,100	₱7,118,000	₱2,356,300	₱944,200	₱2,387,900
Fair value of plan assets	3,659,328	(1,002,500)	(858,600)	(764,000)	(1,557,800)
Deficit	7,913,772	6,115,500	1,497,700	180,200	830,100
Experience adjustment on plan liabilities - loss (gain)	280,987	1,254,000	(312,300)	508,200	(497,600)
Experience adjustment on plan assets - gain (loss)	66,603	66,600	33,500	249,400	(232,300)

- h. The major categories of plan assets as of December 31, 2012 and 2011 as a percentage of fair value of total plan assets follow:

Money market investments	98%
Cash in bank and other receivables	2%
	100%

- i. The overall expected rate of return on plan assets is determined based on the market rates expected to prevail during the period over which the obligation is to be settled, taking into consideration that the major categories of plan assets are among the prime investment instruments in the market.
- j. The Parent Company does not expect to contribute to the plan in 2013.

20. Income Taxes

- a. Being engaged in petroleum operations in the Philippines, the Parent Company and SWR are entitled to certain tax incentives under Presidential Decree (PD) No. 87, as amended. Under PD No. 87, contractors are exempt from all taxes, except income taxes.
- b. Provision for income tax consists of:

	2012	2011	2010
Current	₱102,770	₱164,977	₱-
Deferred	(917,243)	15,846	5,628,657
	(814,473)	180,823	5,628,657
Capital gains tax (Note 4)	12,589,629	-	-
Final tax	3,480,804	2,207,689	868,689
	₱15,255,960	₱2,388,512	₱6,497,346



- c. The components of net deferred income tax liabilities recognized by the Group as of December 31, 2012 and 2011 are as follows:

	2012	2011
Deferred income tax assets on:		
NOLCO	₱10,798,613	₱8,295,571
Unrealized foreign exchange loss	1,227,532	—
Accrued retirement benefits	985,354	742,590
Fair value adjustment on AFS financial assets	300,443	218,397
	13,311,942	9,256,558
Deferred income tax liabilities on:		
Revaluation increment on investment properties	9,541,120	5,137,537
Revaluation increment on office condominium	7,311,194	4,473,000
Unrealized foreign exchange gain	—	876,599
	16,852,314	10,487,136
Net deferred income tax liabilities	₱3,540,372	₱1,230,578

- d. Deferred income tax assets have not been recognized on the following:

	2012	2011
NOLCO	₱141,127,405	₱169,889,499
Allowance for impairment of deferred charges	105,474,312	105,474,312
Pre-operating expenses	3,415,997	7,763,483
Allowance for impairment loss on		
AFS financial assets	3,602,361	3,602,361
Provision for probable loss	2,732,947	1,960,842
Allowance for impairment of property and equipment	—	2,588,970
MCIT	267,747	205,074

- e. As of December 31, 2012, the Group's NOLCO and MCIT, which are available for deduction against future taxable income and RCIT, respectively, follow:

Year Incurred	NOLCO	Excess MCIT over RCIT	Expiry Year
2012	₱40,024,277	₱102,770	2015
2011	42,308,093	164,977	2014
2010	94,790,412	—	2013
	₱177,122,782	₱267,747	

NOLCO that expired in 2012, 2011 and 2010 amounted to ₱32,790,994, ₱73,581,570 and ₱61,413,672, respectively. Excess MCIT over RCIT that expired in 2012 and 2011 amounted to ₱40,097 and ₱196,133, respectively.

The Group's NOLCO includes NOLCO from the Parent Company amounting to ₱159,807,141 and ₱151,248,694 as of December 31, 2012 and 2011, respectively.

For income tax purposes, the BGEC's and BBC's pre-operating expenses totaling ₱3,415,997 and ₱7,763,483 as of December 31, 2012 and 2011, respectively, will be amortized over five years from the start of commercial operations.



- f. The reconciliation of the provision for income tax computed at the statutory tax rate to the provision for income tax as shown in the consolidated profit or loss follows:

	2012	2011	2010
Provision for income taxes computed at 30%	₱78,204,516	₱35,617,843	₱6,374,830
Adjustments for:			
Income from previous sale of BPMI subject to capital gains tax	(67,486,755)	(59,540,397)	(23,470,868)
Effect of lower tax rate on fair value adjustments on investment properties	(17,614,334)	—	—
Movements of unrecognized deferred income tax assets	9,723,633	27,319,489	24,171,340
Interest and dividend income subject to final tax	(2,056,983)	(1,173,400)	(606,075)
Nondeductible expenses	1,793,484	—	—
Fair value changes of financial assets at FVPL	—	—	31,508
Gain on sale of financial assets at FVPL	—	—	(3,389)
Capital gains tax	12,589,629	—	—
MCIT	102,770	164,977	—
Provision for income tax	₱15,255,960	₱2,388,512	₱6,497,346

21. Basic/Diluted Earnings Per Share

The following reflects the income and share data used in the basic and diluted earnings per share computation:

	2012	2011	2010
Net income attributable to equity holders of the Parent Company (a)	₱245,443,662	₱116,358,275	₱15,353,877
Transaction cost on potential issuance of common shares	(625,000)	(625,000)	(625,000)
Net income attributable to holders of the Parent Company adjusted for the effect of dilution (b)	₱244,818,662	₱115,733,275	₱14,728,877
Weighted average number of shares for basic earnings per share (c)	2,442,493,512	2,442,493,512	2,415,978,360
Stock rights (Note 17)	500,000,000	500,000,000	500,000,000
Weighted average number of shares adjusted for the effect of dilution (d)	2,942,493,512	2,942,493,512	2,915,978,360
Basic earnings per share (a/c)	₱0.100	₱0.048	₱0.006
Diluted earnings per share (b/d)	0.083	0.039	0.005

There have been no other transactions involving common shares or potential common shares between the balance sheet date and the date of issuance of these consolidated financial statements.



22. Segment Information

The primary segment reporting format is determined to be divided into business segments for which the Group's risk and rate of return are affected predominantly by differences in the products produced. The operating businesses are organized and managed separately through the Parent Company and its subsidiaries according to the nature of the products provided, with each segment representing a strategic business unit that offers different products to different markets.

As of December 31, 2012 and 2011, the Group has three main business segments - investment holding, agriculture and oil and gas exploration.

The Group's operating business segments remain to be neither organized nor managed by geographical segment.

The following table presents certain segment results, assets and liability information regarding the Group's business segments:

December 31, 2012:

	Investment Holding	Energy, Oil and Gas Exploration	Agriculture	Eliminations	Total
Results					
Income (loss) before income tax	P262,506,598	P397,530	(P1,493,911)	(P728,497)	P260,681,720
Provision for income tax	15,125,860	127,066	3,034	—	15,255,960
Net income (loss)	P247,380,738	P270,464	(P1,496,945)	(P728,497)	P245,425,760
Assets and Liabilities					
Segment assets	P602,203,531	P70,664,627	P951,483	(P21,155,843)	P652,663,798
Investment properties	193,479,343	—	—	—	193,479,343
Deferred income tax assets	13,311,942	—	—	—	13,311,942
Consolidated total assets	P808,994,816	P70,664,627	P951,483	(P21,155,843)	P859,455,083
Consolidated total liabilities	P47,211,568	P5,795,167	P37,042,100	(P67,398,750)	P22,650,085
Other Segment Information					
Provision for impairment loss	P3,776,778	P—	P—	P—	P3,776,778
Additions to property and equipment	3,365,792	—	—	—	3,365,792
Depreciation and amortization	2,892,146	—	750,386	—	3,642,532

December 31, 2011:

	Investment Holding	Energy, Oil and Gas Exploration	Agriculture	Eliminations	Total
Results					
Income (loss) before income tax	P49,669,531	(P47,136,204)	(P13,752,470)	P129,945,287	P118,726,144
Provision for income tax	2,377,671	9,561	1,280	—	2,388,512
Net income (loss)	P47,291,860	(P47,145,765)	(P13,753,750)	P129,945,287	P116,337,632
(Forward)					
Assets and Liabilities					
Segment assets	P400,445,646	P67,444,875	P3,618,236	(P22,762,038)	P448,746,718
Investment properties	120,086,298	—	—	—	120,086,298
Deferred income tax assets	9,256,558	—	—	—	9,256,558
Consolidated total assets	P529,788,502	P67,444,875	P3,618,236	(P22,762,038)	P578,089,575
Consolidated total liabilities	P43,856,205	P8,962,252	P38,211,908	(P71,344,855)	P19,685,510
Other Segment Information					
Provision for impairment losses	P129,945,287	P46,731,677	P2,588,970	(P129,945,287)	P49,320,647
Additions to property and equipment	2,707,719	—	29,220	—	2,736,939
Depreciation and amortization	2,304,278	—	2,418,487	—	4,722,765



December 31, 2010:

	Investment Holding	Energy, Oil and Gas Exploration	Agriculture	Eliminations	Total
Results					
Income (loss) before income tax	P21,770,149	P-	(P33,990,811)	P33,470,095	P21,249,433
Provision for income tax	6,496,414	-	932	-	6,497,346
Net income (loss)	P15,273,735	P-	(P33,991,743)	P33,470,095	P14,752,087
Assets and Liabilities					
Segment assets	P417,557,209	P23,731,677	P16,471,084	(P124,810,972)	P332,948,998
Investment properties	120,086,298	-	-	-	120,086,298
Deferred income tax assets	8,924,766	-	-	-	8,924,766
Consolidated total assets	P564,568,273	P23,731,677	P16,471,084	(P124,810,972)	P461,960,062
Consolidated total liabilities	P44,777,501	P-	P37,311,005	(P66,688,501)	P15,400,005
Other Segment Information					
Provision for impairment losses	P38,879,345	P15,133,385	P-	(P33,470,095)	P20,542,635
Additions to property and equipment	-	-	2,658,612	-	2,658,612
Depreciation and amortization	2,681,441	-	4,331,839	-	7,013,280

23. Financial Instruments

The following tables set forth the carrying values and estimated fair values of the Group's AFS financial assets as of December 31:

	2012		2011	
	Carrying Value	Fair Value	Carrying Value	Fair Value
AFS financial assets:				
Quoted debt securities	P262,669,089	P262,669,089	P51,248,795	P51,248,795
Unquoted equity investments	43,063,447	43,063,447	3,323,651	3,323,651
Quoted equity investments	135,248	135,248	1,411,934	1,411,934
	P305,867,784	P305,867,784	P55,984,380	P55,984,380

Cash and cash equivalents, short-term cash investments, receivables and accounts payable and accrued expenses

Due to the short-term nature of cash and cash equivalents, short-term cash investments, receivables and accounts payable and accrued expenses, the carrying values of these accounts were assessed to approximate their fair values.

Long-term cash investment

Long-term cash investment bears market interest during the time of purchase and thus carrying value of this placement approximate its fair value.

AFS financial assets

AFS financial assets in quoted equity instruments and quoted debt instruments are carried in the parent company balance sheets at fair value, which is determined by reference to quoted market prices at the close of business on the reporting date. AFS financial assets in unquoted equity instruments are composed of non-listed shares of common stock and proprietary clubs membership which are carried at cost because fair value cannot be reliably measured. Fair value cannot be reasonably determined because the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed.



Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments valuation technique:

- Level 1: quoted prices in active markets for identical financial assets or liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As of December 31, 2012 and 2011, the Group considers its AFS financial assets - quoted debt securities and quoted equity securities under Level 1 classification (see Note 7).

During the reporting years ended December 31, 2012, 2011 and 2010, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

There were no financial liabilities measured at fair value as of December 31, 2012 and 2011.

24. Financial Risk Management Objectives and Policies

The Group's financial instruments consist of cash and cash equivalents, cash investments receivables, AFS financial assets, accounts payables and dividends payable. Cash and cash equivalents, cash investments and AFS financial assets are being used for investment purposes, while receivables, accounts payable and dividends payable arise from operations.

The Group's activities expose it to a variety of financial risks: foreign exchange risk, equity price risk and credit risk. The Group has no significant exposure to interest rate risk as of December 31, 2012 and 2011. The Group's overall risk management program focuses on minimizing the potential adverse effects on the Group's financial performance due to unpredictability of financial markets.

The Group's exposures to these risks are managed through close monitoring by the Group's key management and BOD through the Finance and Investments Committee.

Foreign exchange risk

Foreign exchange risk is the risk to earnings or capital arising from changes in foreign exchange rates. The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial statements. Fluctuations in exchange rates can have significant effects on the Group's reported results. The Group is exposed to foreign exchange risk arising from its foreign currency-denominated cash, receivable and AFS financial assets accounts. The Group's policy is to minimize economic and material transactional exposures arising from currency movements against the Peso.

The Group's significant foreign currency-denominated financial assets as of December 31, 2012 and 2011 are as follows:



	2012		2011	
	Original Currency	Peso Equivalent	Original Currency	Peso Equivalent
Assets:				
Cash and cash equivalents - US\$	\$1,408,626	₱57,824,097	\$17,738	₱777,627
Receivable from FEP - US\$	1,000,000	41,050,000	1,797	78,799
Short-term investments	200,000	8,210,000	200,000	8,768,000
Long-term investment	150,000	6,157,500	—	—
AFS financial assets:				
Quoted equity investments:				
USD	15,500	636,275	15,500	679,520
GBP	5,850	240,143	5,850	397,109
		₱114,118,015		₱10,701,055

The Group's foreign currency-denominated exposures comprise significantly of its exposure in its US\$, Euro and Great Britain Pound (GBP) financial assets.

For purposes of translating the foreign currency-denominated monetary assets and liabilities as of December 31, the exchange rates applied were as follows:

	2012	2011
US\$	41.05	43.84
GBP	66.32	67.88

The following table summarizes the impact on the consolidated financial statements of reasonably possible changes in the exchange rates of foreign currencies against the Peso as of December 31, 2012 and 2011 until the Group's next financial reporting date:

	Change in peso - foreign exchange rate	Increase (decrease) in income before income tax
2012	Increase by 5%	₱5,705,901
	Decrease by 5%	(5,705,901)
2011	Increase by 5%	96,652
	Decrease by 5%	(96,652)

The effect on the Group's equity in relation to foreign exchange risk already excludes the effect on the transactions affecting profit or loss.

Equity price risk

Equity price risk is the risk that the value of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to equity securities price risk because of investments held by the Group, which are classified on the consolidated balance sheets as AFS financial assets. The Group employs the service of a third party stock broker to manage its investment in shares of stock.

The following table presents the effect on the consolidated financial statements of reasonably possible changes in market prices of AFS financial assets - quoted equity securities as of December 31, 2012 and 2011 until the Group's next financial reporting date:



	Change in Quoted Prices of Investments Carried at Fair Value	Increase (decrease) in equity
2012		
AFS financial assets	Increase by 9%	₱3,875,710
AFS financial assets	Decrease by 9%	3,875,710
2011		
AFS financial assets	Increase by 9%	₱127,074
AFS financial assets	Decrease by 9%	(127,074)

The effect on the Group's equity in relation to equity price risk already excludes the effect on the transactions affecting profit or loss.

Credit risk

Credit risk is the risk that the Group will incur a loss because its counterparties failed to discharge their contractual obligations. The Group manages and controls credit risk by doing business only with recognized, creditworthy third parties. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The Group does not have any collateral held as security and other credit enhancements on its financial assets as of December 31, 2012 and 2011. Therefore, the Group's maximum exposure to credit risk is equal to the carrying amount of its financial assets as of December 31, 2012 and 2011.

It is the Group's policy to maintain the receivables at a low level except for one-time non-trade transaction which the Group classifies under the collectible/not impaired because the parties have no history of default especially on transactions as agreed on the contract.

The following table provides information regarding the credit quality by class of financial assets (amounts gross of allowance for credit losses) based on the Group's credit rating system:

	2012		
	Neither Past Due nor Impaired (Satisfactory)	Past Due and Impaired	Total
Cash and cash equivalents*	₱202,425,948	₱—	₱202,425,948
Short-term cash investments	8,210,000	—	8,210,000
Receivables:			
Receivable from FEP	41,050,000	—	41,050,000
Interest receivable	2,033,495	—	2,033,495
Other receivables	2,367,070	2,641,082	5,008,152
Long-term cash investment	6,157,500	—	6,157,500
	51,608,065	2,641,082	54,249,147
AFS financial assets:			
Debt securities - quoted, at fair value	262,669,089	—	262,669,089
Unquoted equity investments	135,248	4,090,435	4,225,683
	262,804,337	4,090,435	266,894,772
	₱525,048,350	₱6,731,517	₱531,779,867

* Excluding cash on hand amounting to ₱11,051 as of December 31, 2012.



	2011		
	Neither Past Due nor Impaired (Satisfactory)	Past Due and Impaired	Total
Cash and cash equivalents*	P311,734,597	P—	P311,734,597
Short-term cash investments	8,768,000	—	8,768,000
Receivables:			
Receivable from FEP	78,799	—	78,799
Interest receivable	976,438	—	976,438
Other receivables	650,475	2,052,707	2,703,182
	1,705,712	2,052,707	3,758,419
AFS financial assets:			
Quoted debt securities	51,248,795	—	51,248,795
Unquoted equity investments	3,323,651	902,032	4,225,683
	54,572,446	902,032	55,474,478
	P376,780,755	P2,954,739	P379,735,494

*Excluding cash on hand amounting to P19,408 as of December 31, 2011.

The credit quality of the financial assets was determined as follows:

Financial instruments classified as “satisfactory” are those cash and cash equivalents and cash investments transacted with reputable local and multi-national banks and receivables with some history of default on the agreed terms of the contract. AFS financial assets are considered “satisfactory” since these are invested in blue chip shares of stock. “Past due and impaired” are those that are long outstanding and has been fully provided with an allowance for doubtful accounts. There are no past due but not impaired receivables as of December 31, 2012 and 2011, respectively.

Concentrations of credit risk arise from financial instruments that have similar characteristics and are affected similarly by changes in economic or other conditions. There are no significant concentrations of credit risk within the Group arising from financial assets since these are not directly affected by changes in economic or other external conditions.

Liquidity risk

Liquidity risk is defined as the risk that the Group could not be able to settle or meet its obligations on time or at a reasonable price. Management is responsible for liquidity, funding as well as settlement management. Management also ensures that the Group will maximize its gain on trading of marketable securities to finance future capital intensive projects. The Group manages its liquidity risk on a consolidated basis based on business needs, tax, capital or regulatory considerations, if applicable, through numerous sources of finance in order to maintain flexibility.

The Group manages its liquidity profile to be able to finance its working capital requirements and capital expenditures and service due and maturing debts. To cover its financing requirements, the Parent Company intends to use internally generated funds. The BOD closely monitors the Parent Company’s financial position during its regular meetings.

The table below summarizes the maturity profile of the financial instruments of the Group based on remaining contractual undiscounted cash flows:



2012				
	Less than 3 months	More than 3 months but less than one year	More than one year	Total
Financial assets				
Loans and receivable:				
Cash and cash equivalents	P202,436,999	P-	P-	P202,436,999
Short-term cash investments	-	8,210,000	-	8,210,000
Receivables:				
Receivable from FEP	41,050,000	-	-	41,050,000
Accrued interest receivable	2,033,495	-	-	2,033,495
Other receivables	2,367,070	-	-	2,367,070
Long-term cash investment	-	-	6,157,500	6,157,500
	247,887,564	8,210,000	6,157,500	262,255,064
AFS financial assets:				
Quoted debt securities	-	-	262,669,089	262,669,089
Unquoted equity investments	-	-	135,248	135,248
Quoted equity investments	-	-	43,063,447	43,063,447
	-	-	305,856,784	305,856,784
	247,887,564	8,210,000	312,025,284	568,122,848
Financial liabilities				
Other financial liabilities:				
Accounts payable	1,163,608	-	-	1,163,608
Dividends payable	-	888,714	-	888,714
	1,163,608	888,714	-	2,052,322
Net liquidity position	P246,723,956	P7,321,286	P312,025,284	P566,070,526

2011				
	Less than 3 months	More than 3 months but less than one year	More than one year	Total
Financial Assets				
Loans and receivable:				
Cash and cash equivalents	P311,754,005	P-	P-	P311,754,005
Short-term cash investments	-	8,768,000	-	8,768,000
Receivables:				
Receivable from FEP	78,799	-	-	78,799
Interest receivable	976,438	-	-	976,438
Other receivables	650,475	-	-	650,475
	313,459,717	8,768,000	-	322,227,717
AFS financial assets:				
Quoted debt securities	-	-	51,248,795	51,248,795
Unquoted equity investments	-	-	3,323,651	3,323,651
Quoted equity investments	-	-	1,411,934	1,411,934
	-	-	55,984,380	55,984,380
	313,459,717	8,768,000	55,984,380	378,212,097
Financial Liabilities				
Other financial liabilities:				
Accounts payable	2,182,176	-	-	2,182,176
Dividends payable	-	888,714	-	888,714
	2,182,176	888,714	-	3,070,890
Net liquidity position	P311,277,541	P7,789,286	P55,984,380	P375,141,207

Capital Management

The objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximize shareholder value.



The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may issue new shares. No changes were made on the objectives, policies or processes during the years ended December 31, 2012 and 2011.

Management of working capital focuses on short-term decisions relating to cash and cash equivalents and other current assets and liabilities. The goal of working capital management is to ensure that the Group is able to continue its business operations and that it has sufficient funds to satisfy maturing current liabilities and operating expenses.

As of December 31, 2012 and 2011, the Group is not subject to any externally imposed capital requirements.

The table below summarizes the total capital considered by the Group:

	2012	2011
Capital stock	₱610,623,378	₱610,623,378
Additional paid-in capital	32,699,360	32,699,360
Retained earnings (deficit)	154,918,277	(91,624,127)
	₱798,241,015	₱551,698,611





**STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED
FINANCIAL STATEMENTS**

The management of **BASIC ENERGY CORPORATION, INC.** is responsible for the preparation and fair presentation of the consolidated financial statements for the years ended December 31, 2012 and December 31, 2011, including the additional components attached therein, in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the consolidated financial statements and submits the same to the stockholders.

Sycip Gorres Velayo & Co., the independent auditors, appointed by the stockholders has examined the consolidated financial statements of the company in accordance the Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

OSCAR C. DE VENECIA
Chairman of the Board

OSCAR L. DE VENECIA, JR.
President & CEO

MARIETTA V. VILLAFUERTE
Vice President & Treasurer

Signed this 20th day of March, 2013.

SUBSCRIBED AND SWORN to before me this APR 11 day of 2013 2013 affiants having exhibited to me their TIN # as follows:

Name	TIN Number
Oscar C. De Venecia	130-704-840-000
Oscar L De Venecia	149-709-049-000
Marietta V. Villafuerte	100-168-986-000

Doc. No. 282
Page No. 58
Book No. 30
Series of 2013

Notary Public

ATTY. ROBERT M. LLUZ
NOTARY PUBLIC
Until December 31, 2013
Appt. No. M-521 Makati City
IBP #899793, May 22, 2012 RSM
PTR #3685485, Jan. 15, 2013-Makati
S.C. Roll No. 59597
MCLE Compliance No. IV-0011330
Unit 6E Cityland Herrera Tower
#98 Rufino St. cor. Valero St.
Salcedo Village, Makati City

COVER SHEET

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SEC Registration Number

[illegible]

(Company's Full Name)

[illegible]

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

Marietta V. Villafuerte

(Contact Person)

(632) 817-8596 to 98

(Company Telephone Number)

1 2 3 1

Month Day
(Calendar Year)

A	A	C	F	S
---	---	---	---	---

(Form Type)

0	7
---	---

1	8
---	---

Month Day
(Annual Meeting)

Not Applicable

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Not Applicable

Amended Articles Number/Section

Total Amount of Borrowings

6,853

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

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Document ID

Cashier

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SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines
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Fax: (632) 819 0872
www.sgv.com.ph

BOA/PRC Reg. No. 0001,
December 28, 2012, valid until December 31, 2015
SEC Accreditation No. 0012-FR-3 (Group A),
November 15, 2012, valid until November 16, 2015

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Basic Energy Corporation
7th Floor, Basic Petroleum Building,
C. Palanca, Jr. Street, Legaspi Village,
Makati City

We have audited the accompanying consolidated financial statements of Basic Energy Corporation and subsidiaries, which comprise the consolidated balance sheets as at December 31, 2012 and 2011, and the consolidated statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

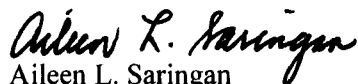
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Basic Energy Corporation and subsidiaries as at December 31, 2012 and 2011, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2012 in accordance with Philippine Financial Reporting Standards.

SYCIP GORRES VELAYO & CO.



Aileen L. Saringan

Partner

CPA Certificate No. 72557

SEC Accreditation No. 0096-AR-3 (Group A),
January 18, 2013, valid until January 17, 2016

Tax Identification No. 102-089-397

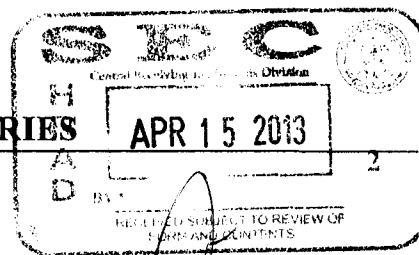
BIR Accreditation No. 08-001998-58-2012,
April 11, 2012, valid until April 10, 2015

PTR No. 3670024, January 2, 2013, Makati City

March 20, 2013



BASIC ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS



December 31

2012

2011

ASSETS

Current Assets

Cash and cash equivalents (Note 5)	₱202,436,999	₱311,754,005
Short-term cash investments	8,210,000	8,768,000
Receivables (Note 6)	45,450,565	1,705,712
Prepayments and other current assets	1,430,455	840,540
Total Current Assets	257,528,019	323,068,257

Noncurrent Assets

Long-term cash investment	6,157,500	—
Available-for-sale (AFS) financial assets (Note 7)	305,867,784	55,984,380
Investment properties (Note 8)	193,479,343	120,086,298
Property and equipment (Note 12)		
At cost	9,796,834	10,342,527
At revalued amount	24,370,645	14,909,998
Deferred charges (Note 11)	45,185,414	40,680,455
Deferred income tax assets (Note 20)	13,311,942	9,256,558
Other noncurrent assets (Note 4)	3,757,602	3,761,102
Total Noncurrent Assets	601,927,064	255,021,318

TOTAL ASSETS	₱859,455,083	₱578,089,575
---------------------	---------------------	---------------------

LIABILITIES AND EQUITY

Current Liability

Accounts payable and accrued expenses (Note 13)	₱2,513,258	₱6,723,074
---	------------	------------

Noncurrent Liabilities

Deferred income tax liabilities (Note 20)	16,852,314	10,487,136
Accrued retirement benefits (Note 19)	3,284,513	2,475,300
Total Noncurrent Liabilities	20,136,827	12,962,436
Total Liabilities	22,650,085	19,685,510

(Forward)



	December 31	
	2012	2011
Equity		
Capital stock [held by 6,853 and 6,950 equity holders in 2012 and 2011, respectively] (Note 14)	₱610,623,378	₱610,623,378
Additional paid-in capital	32,699,360	32,699,360
Deposit for future stock subscription (Note 14)	6,675,000	—
Revaluation increment in office condominium (Note 12)	17,059,457	10,437,004
Net unrealized gains (loss) on changes in fair value of AFS financial assets (Note 7)	18,069,385	(509,593)
Retained earnings (Deficit)	154,918,277	(91,624,127)
Total equity attributable to equity holders of the Parent Company	840,044,857	561,626,022
Noncontrolling interest	141	18,043
	840,044,998	561,644,065
Treasury stock - at cost (Note 15)	(3,240,000)	(3,240,000)
Total Equity	836,804,998	558,404,065
TOTAL LIABILITIES AND EQUITY	₱859,455,083	₱578,089,575

See accompanying Notes to Consolidated Financial Statements.



BASIC ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2012	2011	2010
INCOME			
Income from previous sale of Basic Petroleum and Minerals, Inc. (BPMI) (Note 4)	₱224,955,850	₱198,467,991	₱78,236,225
Fair value adjustment on investment properties (Note 8)	73,393,045	—	—
Gain on settlement (Note 4)	—	8,224,842	—
Sales (Note 9)	—	1,731,720	5,760,875
Foreign exchange gain - net	—	861,796	—
Realized fair value adjustment on AFS financial assets (Note 7)	—	—	24,057,696
Other income - net (Note 16)	20,285,026	11,317,463	4,907,914
	318,633,921	220,603,812	112,962,710
COSTS AND EXPENSES			
General and administrative expenses (Note 18)	(49,544,854)	(41,881,571)	(31,531,370)
Foreign exchange loss - net	(5,218,944)	—	(2,901,106)
Provision for impairment on AFS financial assets (Note 7)	(3,188,403)	—	—
Fair value adjustment on agricultural produce (Note 9)	—	—	(16,445,998)
Provision for impairment losses on project development cost and deferred charges (Notes 10 and 11)	—	(46,731,677)	(20,542,635)
Cost of sales (Note 9)	—	(7,201,046)	(9,592,656)
Provision for impairment loss of property and equipment (Note 12)	—	(2,588,970)	—
Others (Notes 4 and 9)	—	(3,474,404)	(10,699,512)
	(57,952,201)	(101,877,668)	(91,713,277)
INCOME BEFORE INCOME TAX	260,681,720	118,726,144	21,249,433
PROVISION FOR INCOME TAX (Note 20)	15,255,960	2,388,512	6,497,346
NET INCOME	245,425,760	116,337,632	14,752,087
OTHER COMPREHENSIVE INCOME (LOSS)			
Revaluation increment in office condominium	11,030,278	—	—
Income tax effect	(3,309,083)	—	—
	7,721,195	—	—
Unrealized gain (loss) on AFS financial assets (Note 7)	18,496,932	(1,790,891)	214,717
Income tax effect	82,046	537,267	(64,415)
	18,578,978	(1,253,624)	150,302

(Forward)



	Years Ended December 31		
	2012	2011	2010
Fair value changes of AFS financial assets removed from equity and recognized in profit or loss through sale of investment in AFS financial assets (Note 7)	P-	P-	(P17,064,400)
Income tax effect	-	-	5,119,320
	-	-	(11,945,080)
	26,300,173	(1,253,624)	(11,794,778)
TOTAL COMPREHENSIVE INCOME	P271,725,933	P115,084,008	P2,957,309
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	P245,443,662	P116,358,275	P15,353,877
Noncontrolling interest	(17,902)	(20,643)	(601,790)
	P245,425,760	P116,337,632	P14,752,087
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	P271,743,835	P115,104,651	P3,559,099
Noncontrolling interest	(17,902)	(20,643)	(601,790)
	P271,725,933	P115,084,008	P2,957,309
EARNINGS PER SHARE (Note 21)			
Basic	P0.100	P0.048	P0.006
Diluted	0.083	0.039	0.005

See accompanying Notes to Consolidated Financial Statements.



**BASIC ENERGY CORPORATION
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 and 2010**

	Attributable to Equity Holders of the Parent Company										Total Equity
	Capital Stock (Notes 14)	Additional Paid-in Capital (Note 14)	Deposit for Future Stock Subscription (Note 14)	Revaluation Increment in Office Condominium (Note 12)	Net unrealized gain (loss) on changes in fair value of AFS Financial Assets (Note 7)		Retained Earnings (Deficit)	Total	Noncontrolling Interest	Treasury stock	
					Equity	Debt					
BALANCES AT DECEMBER 31, 2009	₱602,668,833	₱27,067,569	₱24,386,336	₱12,756,334	₱12,521,962	₱16,847	(₱225,655,609)	₱453,762,272	₱640,476	₱—	₱454,402,748
Total comprehensive income	—	—	—	—	(11,777,931)	(16,847)	15,353,877	3,559,099	(601,790)	—	2,957,309
Transfer of portion of revaluation increment realized through depreciation	—	—	—	(1,159,665)	—	—	1,159,665	—	—	—	—
Issuance of capital stock	7,954,545	5,631,791	(13,586,336)	—	—	—	—	—	—	—	—
Termination of deposit of future stock subscription	—	—	(10,800,000)	—	—	—	—	(10,800,000)	—	—	(10,800,000)
BALANCES AT DECEMBER 31, 2010	610,623,378	32,699,360	—	11,596,669	744,031	—	(209,142,067)	446,521,371	38,686	—	446,560,057
Total comprehensive income	—	—	—	—	(1,253,624)	—	116,358,275	115,104,651	(20,643)	—	115,084,008
Transfer of portion of revaluation increment realized through depreciation	—	—	—	(1,159,665)	—	—	1,159,665	—	—	—	—
Acquisition of treasury stock	—	—	—	—	—	—	—	—	—	(3,240,000)	(3,240,000)
BALANCES AT DECEMBER 31, 2011	610,623,378	32,699,360	—	10,437,004	(509,593)	—	(91,624,127)	561,626,022	18,043	(3,240,000)	558,404,065
Total comprehensive income	—	—	—	7,721,195	(361,316)	18,940,294	245,443,662	271,743,835	(17,902)	—	271,725,933
Transfer of portion of revaluation increment realized through depreciation	—	—	—	(1,098,742)	—	—	1,098,742	—	—	—	—
Increase in deposits for future stock subscription	—	—	6,675,000	—	—	—	—	6,675,000	—	—	6,675,000
BALANCES AT DECEMBER 31, 2012	₱610,623,378	₱32,699,360	₱6,675,000	₱17,059,457	(₱870,909)	₱18,940,294	₱154,918,277	₱840,044,857	₱141	(₱3,240,000)	₱836,804,998

See accompanying Notes to Consolidated Financial Statements



**BASIC ENERGY CORPORATION
AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2012	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	P260,681,720	P118,726,144	P21,249,433
Adjustments for:			
Fair value adjustment on investment properties (Note 8)	(73,393,045)	—	—
Interest income (Note 16)	(17,707,366)	(11,264,786)	(4,918,095)
Unrealized foreign exchange loss (gain) - net	4,091,773	(2,921,992)	2,901,106
Depreciation and amortization (Note 12)	3,642,532	3,320,565	3,054,324
Retirement benefits expense (Note 19)	3,309,213	1,569,700	1,450,100
Provision for impairment on AFS financial assets (Note 7)	3,188,403	—	—
Dividend income (Note 16)	(754,990)	(5,508)	(5,666)
Provision for impairment of property and equipment (Note 12)	—	2,588,970	—
Provision for impairment losses on project development cost and deferred charges (Notes 10 and 11)	—	46,731,677	20,542,635
Gain on settlement (Note 4)	—	(8,224,842)	—
Cost of harvested crops (Note 9)	—	6,338,428	7,315,528
Loss on biological assets (Note 9)	—	3,474,404	—
Realized fair value adjustment on AFS financial assets (Note 7)	—	—	(24,057,696)
Fair value adjustment on agricultural produce (Note 9)	—	—	16,445,998
Project settlement (Note 4)	—	—	10,699,512
Others	402,597	—	93,729
Operating income before working capital changes	183,460,837	160,332,760	54,770,908
Decrease (increase) in:			
Short-term cash investments	140,702	(8,768,000)	—
Receivables	(44,040,071)	9,326,222	(418,270)
Biological assets	—	(1,302,380)	(10,808,524)
Agricultural produce (Note 9)	—	125,839	(125,839)
Prepayments and other current assets	(589,914)	159,422	704,402
Increase (decrease) in accounts payable and accrued expenses	(4,296,601)	2,865,167	(225,464)
Net cash generated from operations	134,674,953	162,739,030	43,897,213
Interest received	13,277,419	10,448,662	5,306,814
Income taxes paid (including final taxes on interest income)	(12,720,266)	(2,688,845)	(1,356,276)
Contributions to the retirement fund (Note 19)	(2,500,000)	—	—
Net cash flows from operating activities	132,732,106	170,498,847	47,847,751
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
AFS financial assets	(234,571,375)	(50,592,368)	—
Long term cash investment	(6,431,500)	—	—
Deferred charges (Note 11)	(4,504,959)	(9,412,768)	(2,510,491)
Property and equipment (Note 12)	(3,365,792)	(2,736,939)	(2,658,612)

(Forward)



	Years Ended December 31		
	2012	2011	2010
Proceeds from sale of property and equipment	₱1,420,000	₱604,334	₱-
Dividends received (Note 16)	754,990	5,508	5,666
Proceeds from settlement (Note 4)	-	15,261,300	1,187,195
Proceeds from sale of financial assets at FVPL and AFS financial assets	-	-	49,095,360
Net cash flows from (used in) investing activities	(246,698,636)	(46,870,933)	45,119,118
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in deposits for future stock subscription	6,675,000	-	-
Acquisition of treasury stock (Note 15)	-	(3,240,000)	-
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(2,025,476)	155,525	(1,942,200)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(109,317,006)	120,543,439	91,024,669
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	311,754,005	191,210,566	100,185,897
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	₱202,436,999	₱311,754,005	₱191,210,566

See accompanying Notes to Consolidated Financial Statements.



BASIC ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information, Organizational Changes and Authorization for Issuance of the Consolidated Financial Statements

Corporate Information

Basic Energy Corporation (the Parent Company), a publicly listed corporation, and its subsidiaries (collectively referred to as the Group) were incorporated in the Philippines. The Parent Company's registered business address is at 7th Floor, Basic Petroleum Building, C. Palanca, Jr. Street, Legaspi Village, Makati City.

On August 10, 2007, the Philippine Securities and Exchange Commission (SEC) approved the amendment of the Parent Company's primary and secondary purposes, transforming the Parent Company into a holding company with diversified business interests in the different fields of renewable energy and alternative fuels, while pursuing its core business in oil and gas exploration and development.

The Parent Company is the ultimate holding company of the following domestic subsidiaries:

Subsidiaries	Date of Incorporation	Percentages of Ownership	Nature of Business
Basic Diversified Industrial Holdings, Inc. (BDIHI)	February 16, 1994	100.00	Investment holding
iBasic, Inc. (iBasic)	April 13, 1998	100.00	Real estate (no development activities) and information technology
Basic Ecomarket Farms Inc. (BEFI)	September 18, 2008	100.00	Agriculture
Basic Biofuels Corporation (BBC)	November 21, 2006	100.00	Development of biofuels (no development activities)
Basic Geothermal Energy Corporation (BGECC)	October 11, 2011	100.00	Exploration and development of geothermal energy resources
Southwest Resources, Inc. (SWR)	May 28, 1976	72.58	Oil exploration and investment holding

Organizational Changes

The Parent Company amended its By-laws on June 29, 2011 to delineate the position and responsibilities of the Chairman from the Chief Executive Officer (CEO) of the Parent Company and to define the duties and responsibilities of the President and the Chief Operating Officer (COO). These amendments were in line with corporate governance principles enjoining the separation of the positions and responsibilities of the Chairman and the CEO, and were approved by the SEC on July 29, 2011. On August 31, 2011, the Board of Directors (BOD) appointed Mr. Oscar C. De Venecia as Chairman and Mr. Oscar L. De Venecia, Jr. as President and CEO. The duties and responsibilities of the COO were incorporated with those of the Executive Vice President.

On February 28, 2011, former Speaker of the House of Representatives, Mr. Jose C. De Venecia, Jr., was appointed by the BOD as the Chairman of the Advisory Board.



Authorization for Issuance of the Consolidated Financial Statements

The consolidated financial statements were authorized for issuance by the BOD during its meeting on March 20, 2013.

2. Significant Accounting and Financial Reporting Policies

Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for available-for-sale (AFS) financial assets and investment properties that have been measured at fair value and office condominium that have been measured at revalued amounts. The consolidated financial statements are presented in Philippine Peso (Peso), which is the Group's functional currency. Amounts are rounded off to the nearest Peso unless otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of December 31 of each year. The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company using consistent accounting policies.

Subsidiaries

Subsidiaries are entities over which the Parent Company has the power to govern the financial and operating policies of the entities, or generally has an interest of more than one half of the voting rights of the entities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group directly or through the holding companies. Control is achieved when the Parent Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. They are deconsolidated from the date on which control ceases.

All intragroup balances, transactions and income that are recognized in assets are eliminated in full. However, intragroup losses that indicate impairment are recognized in the consolidated financial statements.

Noncontrolling Interest

Noncontrolling interest represents the 27.42% equity interest in the net assets of SWR that are not held by the Group as of December 31, 2012 and 2011 and are presented separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and within the equity section in the consolidated balance sheet, separately from the equity attributable to equity holders of the Parent Company. Non-controlling interest shares in the losses even if the losses exceed the non-controlling equity interest in the subsidiary. A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it: (a) derecognizes the assets (including goodwill) and liabilities of the subsidiary; (b) derecognizes the carrying amounts of any non-controlling interest; (c) recognizes the fair value of consideration received; (d) recognizes the fair value of any investment retained; (e) recognizes any surplus or deficit in the consolidated statement of income; and (f) reclassifies the parent's share of components previously recognized in consolidated



statement of comprehensive income to the consolidated statement of income or retained earnings, as appropriate.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year except that the Group adopted the amendments to PFRS and Philippine Accounting Standards (PAS) effective in 2012. The adoption of the following amended PFRS and PAS are relevant but do not have a significant impact on the consolidated financial statements:

- PFRS 7, *Financial Instruments: Disclosures - Transfers of Financial Assets* (Amendments) - require additional disclosures about financial assets that have been transferred but not derecognized to enhance the understanding of the relationship between those assets that have not been derecognized and their associated liabilities. In addition, the amendments require disclosures about continuing involvement in derecognized assets to enable users of financial statements to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognized assets.
- PAS 12, *Income Taxes - Deferred Tax: Recovery of Underlying Assets* (Amendments) - clarifies the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that the carrying amount of investment property measured using the fair value model in PAS 40, *Investment Property*, will be recovered through sale and, accordingly, requires that any related deferred tax should be measured on a 'sale' basis. The presumption is rebutted if the investment property is depreciable and it is held within a business model whose objective is to consume substantially all of the economic benefits in the investment property over time ('use' basis), rather than through sale. Furthermore, the amendment introduces the requirement that deferred tax on non-depreciable assets measured using the revaluation model in PAS 16, *Property, Plant and Equipment*, always be measured on a sale basis of the asset.

Future Changes in Accounting Policies

The Group will adopt the standards and interpretations enumerated below when these become effective. Except as otherwise indicated, the Group does not expect the adoption of these new changes in PFRS, PAS and Philippine Interpretations to have a significant impact on the consolidated financial statements. The relevant disclosures will be included in the notes to the consolidated financial statements when these become effective.

Effective in 2013

- Amendments to PFRS 7, *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*, require an entity to disclose information about rights of set-off and related arrangements (such as collateral agreements).

The new disclosures are required for all recognized financial instruments that are set off in accordance with PAS 32. These disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or 'similar agreement', irrespective of whether they are set-off in accordance with PAS 32. The amendments require entities to disclose, in a tabular format unless another format is more appropriate, the following minimum quantitative information.

This is presented separately for financial assets and financial liabilities recognized at the end of the reporting period:



- a. the gross amounts of those recognized financial assets and recognized financial liabilities;
- b. the amounts that are set-off in accordance with the criteria in PAS 32 when determining the net amounts presented in the statement of financial position;
- c. the net amounts presented in the statement of financial position;
- d. the amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in (b) above, including:
 - i. amounts related to recognized financial instruments that do not meet some or all of the offsetting criteria in PAS 32; and
 - ii. amounts related to financial collateral (including cash collateral); and
- e. the net amount after deducting the amounts in (d) from the amounts in (c) above.

The amendments to PFRS 7 are to be retrospectively applied for annual periods beginning on or after January 1, 2013. The amendment affects disclosures only and will have no impact on the Group's financial position and performance.

- PFRS 10, *Consolidated Financial Statements*, replaces the portion of PAS 27, *Consolidated and Separate Financial Statements*, that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC 12, *Consolidation - Special Purpose Entities*. PFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by PFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in PAS 27.

A reassessment of control was performed by the Parent Company on its subsidiaries in accordance with the provisions of PFRS 10. Following the reassessment, the Parent Company determined that it still controls the subsidiaries.

- PFRS 11, *Joint Arrangements*, replaces PAS 31, *Interests in Joint Ventures* and SIC-13, *Jointly-controlled Entities (JCEs) - Non-monetary Contributions by Venturers*. PFRS 11 removes the option to account for JCEs using proportionate consolidation.

Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. This standard becomes effective for annual periods beginning on or after January 1, 2013. This standard will not impact the Group's financial position and performance.

- PFRS 12, *Disclosure of Interests with Other Entities*, includes all of the disclosures related to consolidated financial statements that were previously included in PAS 27, as well as all the disclosures that were previously included in PAS 31 and PAS 28, *Investments in Associates*. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. The adoption of PFRS 12 will affect disclosures only and have no impact on the Group's financial position or performance.
- PFRS 13, *Fair Value Measurement*, establishes a single source of guidance under PFRSs for all fair value measurements. PFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under PFRS when fair value is required or permitted. This standard should be applied prospectively as of the beginning of the annual period in which it is initially applied. Its disclosure requirements need not be applied in comparative information provided for periods before initial application of PFRS 13. The Group does not anticipate that the adoption of this standard will have a significant impact on its financial position and performance.



- Philippine Interpretation IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine*, applies to waste removal costs (“stripping costs”) that are incurred in surface mining activity during the production phase of the mine (“production stripping costs”). The interpretation addresses the accounting for the benefit from the stripping activity. This interpretation becomes effective for annual periods beginning on or after January 1, 2013. This new interpretation is not relevant to the Group.
- PAS 1, *Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income or OCI* (Amendments), change the grouping of items presented in OCI. Items that can be reclassified (or “recycled”) to profit or loss at a future point in time (for example, upon derecognition or settlement) will be presented separately from items that will never be recycled. The amendments affect presentation only and have no impact on the Group’s financial position or performance. The amendment becomes effective for annual periods beginning on or after July 1, 2012. The amendments will be applied retrospectively and will result in the modification of the presentation of items of OCI.
- PAS 19, *Employee Benefits (Amendment)*, ranges from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and rewording. The revised standard also requires new disclosures such as, among others, a sensitivity analysis for each significant actuarial assumption, information on asset-liability matching strategies, duration of the defined benefit obligation, and disaggregation of plan assets by nature and risk. Once effective, the Group has to apply the amendments retrospectively to the earliest period presented.

The Group obtained the services of an external actuary to compute the impact to the consolidated financial statements upon adoption of the standard. The effects are detailed below:

	As of December 31, 2012	As of January 1, 2012
<u>Balance Sheet</u>		
Increase (decrease) in:		
Accrued retirement benefits	₱4,629,259	₱3,640,200
Deferred income tax asset	1,388,778	1,092,060
Accumulated other comprehensive income	(3,370,337)	(2,565,106)
Retained earnings	129,856	16,966
<u>Statement of Comprehensive Income</u>		
	2012	2011
Decrease in retirement benefits cost	₱161,271	₱24,237
Increase in provision for income tax	(48,381)	(7,271)
Increase in net income	112,890	16,966
Increase in other comprehensive loss	(1,150,330)	(3,664,437)
Increase in provision for income tax	345,099	1,099,331
Increase in other comprehensive loss	(805,231)	(2,565,106)
Decrease in total comprehensive income	(₱692,341)	(₱2,548,140)

- PAS 27, *Separate Financial Statements* (Revised). As a consequence of the new PFRS 10 and PFRS 12 what remains of PAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The Group presents separate financial



statements. The amendment becomes effective for annual periods beginning on or after January 1, 2013.

- PAS 28, *Investments in Associates and Joint Ventures* (Revised). As a consequence of the new PFRS 11 and PFRS 12, PAS 28 has been renamed PAS 28, *Investments in Associates and Joint Ventures*, and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment becomes effective for annual periods beginning on or after January 1, 2013. The Group expects that this amendment will not have any impact on the Company's financial position and performance.

Annual Improvements to PFRSs (2009-2011 cycle)

The Annual Improvements to PFRSs (2009-2011 cycle) contain non-urgent but necessary amendments to PFRSs. The amendments are effective for annual periods beginning on or after January 1, 2013 and are applied retrospectively. Earlier application is permitted.

The following improvements effective for annual periods beginning January 1, 2013 will have no impact on the Group:

- PFRS 1, *First-time Adoption of PFRS - Borrowing Costs* - clarifies that, upon adoption of PFRS, an entity that capitalized borrowing costs in accordance with its previous generally accepted accounting principles, may carry forward, without any adjustment, the amount previously capitalized in its opening statement of financial position at the date of transition. Subsequent to the adoption of PFRS, borrowing costs are recognized in accordance with PAS 23, *Borrowing Costs*. The amendment does not apply to the Group as it is not a first-time adopter of PFRS.
- PAS 1, *Presentation of Financial Statements - Clarification of the Requirements for Comparative Information* - clarifies the requirements for comparative information that are disclosed voluntarily and those that are mandatory due to retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the financial statements. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional comparative period does not need to contain a complete set of financial statements. On the other hand, supporting notes for the third balance sheet (mandatory when there is a retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the financial statements) are not required. The amendments affect disclosures only and have no impact on the Group's financial position or performance.
- PAS 16, *Property, Plant and Equipment - Classification of servicing equipment* - clarifies that spare parts, stand-by equipment and servicing equipment should be recognized as property, plant and equipment when they meet the definition of property, plant and equipment and should be recognized as inventory if otherwise. The amendment will not have any significant impact on the Group's financial position or performance.
- PAS 32, *Financial Instruments: Presentation - Tax Effect of Distribution to Holders of Equity Instruments* - clarifies that income taxes relating to distributions to equity holders and to transaction costs of an equity transaction are accounted for in accordance with PAS 12, *Income Taxes*. The Group expects that this amendment will not have any impact on its financial position and performance.



- PAS 34, *Interim Financial Reporting - Interim Financial Reporting and Segment Information for Total Assets and Liabilities* - clarifies that the total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the entity's previous annual financial statements for that reportable segment. The amendment affects disclosures only and has no impact on the Group's financial position or performance.

The Group continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to December 31, 2012 on the Group's consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the consolidated financial statements when these amendments are adopted.

Effective in 2014

- Amendments to PAS 32, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities*, clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments affect presentation only and have no impact on the Group's financial position or performance. The amendments to PAS 32 are to be retrospectively applied for annual periods beginning on or after January 1, 2014.

Effective in 2015

- PFRS 9, *Financial Instruments – Classification and Measurement*, as issued, reflects the first phase on the replacement of PAS 39 and applies to the classification and measurement of financial assets and liabilities as defined in PAS 39, *Financial Instruments: Recognition and Measurement*. Work on impairment of financial instruments and hedge accounting is still ongoing, with a view to replacing PAS 39 in its entirety. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through other comprehensive income (OCI) or profit or loss. Equity financial assets held for trading must be measured at fair value through profit or loss. For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward into PFRS 9, including the embedded derivative separation rules and the criteria for using the FVO.

The Group has made an evaluation of the impact of the adoption of this standard. The Group decided not to early adopt PFRS 9 for its 2012 reporting ahead of its effectivity date on January 1, 2015 and therefore the financial statements and as of December 31, 2012 and 2011 do not reflect the impact of the said standard. Based on this evaluation, loans and receivables and other financial liabilities, both carried at amortized cost, will not be



significantly affected. Upon adoption, these financial instruments shall continue to be carried at amortized cost, thus, has no impact to the Group's financial position and performance.

The Group shall conduct another impact assessment at the end of the 2013 reporting period using the financial statements as of and for the year ended December 31, 2012. Given the amendments on PFRS 9, the Group at present, does not plan to early adopt in 2013 financial reporting. It plans to reassess its current position once the phases of PFRS 9 on impairment and hedge accounting become effective.

The Group's decision whether to early adopt PFRS 9 for its 2013 financial reporting will be disclosed in the financial statements as of and for the year ending December 31, 2013.

The Group's receivables and accounts payable and accrued expenses may be affected by the adoption of this standard.

Effectivity date to be determined

- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*, covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. This Interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under PAS 11, *Construction Contracts*, or involves rendering of services in which case revenue is recognized based on stage of completion. Contracts involving provision of services with the construction materials and where the risks and reward of ownership are transferred to the buyer on a continuous basis will also be accounted for based on stage of completion. The adoption of this Philippine Interpretation may significantly affect the determination of the revenue from real estate sales and the corresponding costs, and the related contracts receivables, deferred income tax assets and retained earnings accounts. The amendment will not have any significant impact on the Group's financial position or performance.

Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any noncontrolling interest in the acquiree. For each business combination, the acquirer measures the noncontrolling interest in the acquiree at fair value of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and charged to profit or loss.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with PAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be re-measured until it is finally settled within equity.



Goodwill, included under "Other noncurrent assets" account in the consolidated balance sheet, is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for noncontrolling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Goodwill is tested annually for impairment and reviewed annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and are subject to an insignificant risk of change in value.

Cash Investments

Short-term cash investments consist of short-term money-market placements and time deposits with original maturities of more than three months but less than a year. Placement and time deposits with maturities of more than one year are classified as noncurrent assets under "Long-term cash investment" account.

Financial Assets and Financial Liabilities

Financial assets are classified as financial assets at fair value through profit or loss (FVPL), loans and receivables, held-to-maturity (HTM) financial assets and AFS financial assets, as appropriate. The classification depends on the purpose for which the financial assets are acquired and whether they are quoted in an active market. Financial liabilities are classified as financial liabilities at FVPL and other financial liabilities, as appropriate.

Management determines the classification of its financial assets and financial liabilities at initial recognition and, where allowed and appropriate, reevaluates such designation at every reporting date.

As of December 31, 2012 and 2011, the Group has no HTM financial assets.

Date of recognition

The Group recognizes a financial asset or a financial liability in the consolidated balance sheet when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using trade date accounting.



Initial recognition of financial instruments

Financial instruments are recognized initially at fair value. The initial measurement of financial instruments, except for those classified at FVPL, includes transaction costs.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument or a component that is a financial liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

Determination of fair value

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments and all other financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques include using arm's length market transactions, reference to the current market value of another instrument, which is substantially the same, discounted cash flow analysis and other valuation models.

"Day 1" difference

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference amount.

Designated financial assets or financial liabilities at FVPL

Financial assets and financial liabilities at FVPL includes financial assets or financial liabilities held for trading, derivative financial instruments and those designated upon initial recognition as at FVPL.

Financial assets and financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives, are classified at FVPL unless they are designated as effective hedging instruments or a financial guarantee contract. Dividends, interests, and gains or losses on financial instruments held for trading are recognized in profit or loss.

Financial instruments may be designated at initial recognition at FVPL when any of the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognizing the gains or losses on them on a different basis; or (ii) the assets are part of a group of financial assets which are managed and their performance are evaluated on fair value basis, in accordance with a documented risk management strategy; or (iii) the financial instrument contains an embedded derivative that would need to be separately recorded.

Financial assets or financial liabilities at FVPL, are recorded in the consolidated balance sheet at fair value. Changes in fair value are recognized in profit or loss. Interest and dividend income or expense is recognized in profit or loss according to the terms of the contract, or when the right to the payment has been established.



As of December 31, 2012 and 2011, the Group has no investments in financial assets and financial liabilities at FVPL.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are subsequently carried at amortized cost using the effective interest rate method less any allowance for impairment. Amortized cost is calculated taking into account any discount or premium on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. These financial assets are included in current assets if maturity is within 12 months from the reporting date or within the normal operating cycle, whichever is longer. Otherwise, these are classified as noncurrent assets.

As of December 31, 2012 and 2011, included under loans and receivables are cash and cash equivalents, short-term and long-term cash investments, and receivables (consisting of receivable from Forum Energy Plc (FEP), interest receivable and other receivables) (see Notes 5 and 6).

AFS financial assets

AFS financial assets are those non-derivative financial assets that are designated as AFS or are not classified in any of the three other categories. The Group designates financial instruments as AFS financial assets if they are purchased and held indefinitely and may be sold in response to liquidity requirements or changes in market conditions. After initial recognition, AFS financial assets are measured at fair value with unrealized gains or losses being recognized directly in other comprehensive income, net of the related deferred income tax. The effective yield component of AFS debt securities are reported in profit or loss.

When the investment is disposed of, the cumulative gains or losses previously recognized in other comprehensive income is recognized in profit or loss. Interest earned on the investments is reported as interest income using the effective interest rate method. Dividends earned on investments are recognized in the profit or loss as "Dividend income" when the right of payment has been established. The Group considers several factors in making a decision on the eventual disposal of the investment. The major factor of this decision is whether or not the Group will experience inevitable further losses on the investment. These financial assets are classified as noncurrent assets unless the intention is to dispose such assets within 12 months from the reporting date.

As of December 31, 2012 and 2011, included under AFS financial assets are the Group's investments in shares of stock and government bonds (see Note 7).

Other financial liabilities

Issued financial instruments or their components which are not designated as at FVPL are classified as other financial liabilities, where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole, the amount separately determined as the fair value of the liability component on the date of issue.



After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Other financial liabilities are classified as current liabilities when it is expected to be settled within 12 months from the end of the reporting period or the Group does not have an unconditional right to defer settlement of the liabilities for at least 12 months from the end of the reporting period.

As of December 31, 2012 and 2011, included in other financial liabilities are the Group's accounts payable and accrued expenses (see Note 13).

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously. This is not generally the case with master netting agreements and the related financial assets and financial liabilities are presented gross in the consolidated balance sheet.

Derecognition of Financial Assets and Liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired; or,
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to third party under a "pass-through" arrangement; or,
- the Group has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a "pass-through" arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

A financial liability is derecognized when the obligation under the liability was discharged, cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognized in profit or loss.

Impairment of Financial Assets

The Group assesses at each reporting date whether a financial asset or group of financial assets is impaired.



Loans and receivables

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for individually assessed financial assets, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses for impairment. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment for impairment.

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of impairment loss shall be recognized in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through the use of an allowance account. Impaired receivables are derecognized when they are assessed as uncollectible.

Assets carried at cost

If there is objective evidence of impairment loss on an unquoted equity instrument that is not carried at fair value, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

AFS financial assets

For AFS financial assets, the Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

In case of equity investments classified as AFS financial assets, this would include a significant or prolonged decline in the fair value of the investments below its cost. The determination of what is "significant" or "prolonged" requires judgment. The Group treats "significant" generally as 20% or more and "prolonged" as greater than 12 months for quoted equity securities. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss is removed from other comprehensive income (loss) and recognized in profit or loss.



Impairment losses on equity investments are not reversed through profit or loss. Increases in fair value after impairment are recognized directly in equity.

In the case of debt instruments classified as AFS financial assets, impairment is assessed based on the same criteria as financial assets carried at amortized cost. Interest continues to be accrued at the original effective interest rate on the reduced carrying amount of the asset and is recorded as a component of "Other income - net" account in the consolidated statement of comprehensive income. If, subsequently, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through profit or loss.

Prepayments

Prepayments are expenses paid in advance and recorded as asset before they are utilized. This account comprises prepaid rentals and insurance premiums and other prepaid items. The prepaid rentals and insurance premiums and other prepaid items are apportioned over the period covered by the payment and charged to the appropriate accounts in profit or loss when incurred. Prepayments that are expected to be realized for no more than 12 months after the reporting period are classified as current assets under "Prepayments and other current assets" account. Otherwise, these are classified under "Other noncurrent assets" account.

Valued-added Tax (VAT)

Revenue, expenses, assets and liabilities are recognized net of the amount of VAT, except where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of VAT recoverable from or payable to, the taxation authority is included as part of "Prepayments and other current assets" or "Accounts payable and accrued expenses" account, respectively, in the consolidated balance sheet.

Investment Properties

Investment properties, consisting of parcels of land owned by the Group, are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses from derecognition of an investment property are recognized in profit or loss in the year of retirement or disposal.

Property and Equipment

Property and equipment, other than office condominium, are carried at cost less accumulated depreciation and amortization and any impairment in value.

Office condominium is carried at revalued amount less depreciation and any impairment in value charged subsequent to the date of the revaluation. Valuations are performed frequently enough to ensure that the fair value of the revalued asset does not differ materially from its carrying amount.

Any revaluation increment is credited to the "Revaluation increment in office condominium" account in the equity section of the consolidated balance sheet, net of the related deferred income



tax liability. An annual transfer from the "Revaluation increment in office condominium" account to retained earnings (deficit) is made for the difference between the depreciation based on the revalued carrying amount of the asset and the depreciation based on the asset's original cost. Additionally, accumulated depreciation at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation increment relating to the particular asset sold is transferred to retained earnings (deficit).

The initial costs of property and equipment consist of their purchase price and any directly attributable costs of bringing the assets to their working condition and location for their intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance costs, are recognized in profit or loss in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of the property and equipment.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. The cost of leasehold improvement is amortized over the term of the lease or the estimated useful life of the assets, whichever is shorter.

Each asset is depreciated evenly over its expected useful lives as follows:

	Number of Years
Office condominium	15
Office equipment, furniture and fixtures	4 to 5
Farm equipment	3 to 5
Building and leasehold improvements	10
Transportation equipment	5

Depreciation of an item of property and equipment begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation or amortization ceases at the earlier of the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5 and the date the asset is derecognized.

Amortization of leasehold improvements is computed using the straight-line method of amortization based on the estimated useful life of the leased asset or the term of the lease, whichever is shorter.

The useful lives and depreciation and amortization method are reviewed periodically to ensure that the periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

When assets are retired or disposed of, their costs, related accumulated depreciation and amortization and any impairment in value are eliminated from the accounts. Any gain or loss resulting from their disposal is included in profit or loss.

Project Development Costs

Research costs are expensed as incurred. Project development costs on an individual project is recognized as an intangible asset when the Group can demonstrate:



- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model applied requires the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested when there are indicators of impairment.

Deferred Charges

All exploration costs incurred in connection with the participation of the Parent Company and SWR in the exploration and development of oil contract areas are capitalized and accounted for under the "full cost method" [determined on the basis of each Service Contract (SC)/Geophysical Survey and Exploration Contract (GSEC)]. These costs include materials and fuel used, surveying costs, drilling costs and payments made to contractors. When oil in commercial quantity is discovered, the amounts capitalized are amortized at the start of commercial operations. On the other hand, when an SC/GSEC is permanently abandoned, the related capitalized exploration costs are written-off. SCs/GSECs are considered permanently abandoned if the SCs/GSECs have expired and/or if there are no definite plans for further exploration and/or development.

Once the technical feasibility and commercial viability of extracting mineral resources are demonstrable, all exploration and evaluation are tested for impairment.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is an indication that nonfinancial assets, which include property and equipment carried at cost and revalued amount, investment properties, biological assets - standing crops, deferred charges and project development costs, may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognized in profit or loss in those expense categories with the function of the impaired asset, except for property and equipment previously revalued where the revaluation



was taken to equity. In this case, the impairment is also recognized in equity up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that the previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

Capital Stock and Additional Paid-in Capital

Capital stock is measured at par value for all shares issued and outstanding. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and number of shares issued and outstanding.

When the shares are sold at a premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Group, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Deposit for Future Stock Subscription

Deposit for future stock subscription is recognized when the Company receives payment from stockholders with a view of applying the same as payment for a fixed number of shares of stock at a fixed amount to be issued in the future.

Treasury Stock

Treasury stock are own equity instruments which are carried at cost and deducted from equity. No gain or loss is recognized in the consolidated statement of comprehensive income on the purchase, sale, issue, or cancellation of the Group's own equity instruments.

Retained Earnings (Deficit)

Retained earnings (deficit) includes the cumulative balance of periodic net income or losses, dividend distributions, effects of changes in accounting policy and other capital adjustments.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. Revenue is recognized at the fair value of the consideration received. The Group has assessed its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

Revenue from petroleum operations

Revenue from petroleum operations is recognized at the time of production.



Sales

Revenue from sales is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

Interest income

Interest income is recognized as the interest accrues, taking into account the effective yield on the asset.

Dividend income

Dividend income is recognized when the Group's right to receive payment is established.

Other comprehensive income

Other comprehensive income comprise of items of income and expense that are not recognized in profit or loss in accordance with PFRS. Other comprehensive income of the Group includes changes in unrealized gains and losses on changes in fair value of AFS financial assets, net of any tax effects.

Cost and Expenses

Cost and expenses are recognized in profit or loss when a decrease in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that results in decreases in equity, other than those relating to distributions to equity participants, has arisen that can be measured reliably.

Cost of sales

Cost of sales is recognized as expense when the related goods are sold.

General and administrative expenses

General and administrative expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. These constitute costs of administering the business and selling/distributing the cassava granules. General and administrative expenses are generally recognized when the service is incurred or the expense arises while interest expenses, if applicable are accrued in the appropriate period.

Foreign Currency-denominated Transactions and Translations

Transactions in foreign currencies are recorded using the applicable exchange rate at the date of the transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are retranslated using the applicable closing functional currency exchange rate at the reporting date. Foreign exchange gains or losses arising from foreign currency-denominated transactions and translations are recognized in profit or loss.

Retirement Benefits Cost

Retirement benefits cost is determined using the projected unit credit method. Actuarial gains and losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses at the end of the previous reporting year exceeded 10% of the higher of the present value of defined benefit obligation and the fair value of the plan assets as of that date. These gains or losses are recognized over the expected average remaining working lives of the employees participating in the plan.

Past service cost is recognized as an expense in profit or loss on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested following the introduction of, or changes to, the plan, past service cost is recognized immediately. The accrued



retirement benefits is the aggregate of the present value of the defined benefit obligation and actuarial gains and losses not recognized, reduced by past service cost not yet recognized, and the fair value of the plan assets out of which the obligations are to be settled directly.

Income Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

Current tax for current and prior periods shall, to the extent unpaid, be recognized as a liability under "Income tax payable" account in the consolidated balance sheet. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognized as an asset under "Prepayments and other current assets" account in the consolidated balance sheet.

Deferred income tax

Deferred income tax is recognized on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized on all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carried forward benefits of tax credits (excess of minimum corporate income tax [MCIT] over the regular corporate income tax [RCIT]) or tax losses (net operating loss carryover [NOLCO]) to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences can be utilized before its reversal or carried forward tax credits or tax losses can be utilized before their expiration.

Deferred income tax liabilities are provided on taxable temporary differences associated with investments in domestic subsidiaries and associates except to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized before their reversal or expiration. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that sufficient future taxable profits will allow the deferred income tax asset to be recovered.

Deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.



Earnings Per Share

Earnings per share is computed by dividing net income for the year attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net income by the weighted average number of shares outstanding during the year, excluding treasury stock, and adjusted for the effects of all potentially dilutive common shares, if any.

Segment Information

The Group considers investment holding and the energy, oil and gas exploration as its primary activities. The Group also has agriculture activities related to its energy and oil and gas exploration. The Group has no geographical segmentation as the Group's operating business segments are neither organized nor managed by geographical segment.

Provisions and Contingencies

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefit is probable.

Events after the Reporting Date

Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

3. Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements in compliance with PFRS requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements. The judgments and estimates used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Future events may occur which can cause the assumptions used in arriving at those judgments and estimates to change. The effects of the changes will be reflected in the consolidated financial statements as they become reasonably determinable.

Accounting judgments and estimates are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on amounts recognized in the consolidated financial statements:



Determination of the Group's functional currency

Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency has been determined to be the Peso. It is the currency that mainly influences the operations of the Group.

Classification of financial instruments

The Group classifies a financial instrument, or its component, on initial recognition as a financial asset, liability or equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, liability or equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated balance sheet.

Financial assets are classified as financial assets at FVPL, loans and receivables, HTM financial assets and AFS financial assets. Financial liabilities, on the other hand, are classified as financial liabilities at FVPL and other financial liabilities.

The Group determines the classification at initial recognition and reevaluates the classification at every reporting date.

Impairment of property and equipment

The Group assesses impairment on property and equipment recorded at cost whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

As of December 31, 2012, the Company assessed that there were no impairment indicators on its property and equipment. The carrying value of property and equipment recorded at cost, net of accumulated depreciation and amortization of ₱14,844,224 and ₱19,226,644 as of December 31, 2012 and 2011, respectively, and allowance for impairment losses of ₱2,558,970 as of December 31, 2011, amounted to ₱9,796,834 and ₱10,342,527 as of December 31, 2012 and 2011, respectively (see Note 12).

Impairment and write-off of deferred charges

The Group assesses impairment on deferred charges when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. Until the Group has sufficient data to determine technical feasibility and commercial viability, deferred charges need not be assessed for impairment.

Facts and circumstances that would require an impairment assessment as set forth in PFRS 6, *Exploration for and Evaluation of Mineral Resources*, are as follows:

- the period for which the Group has the right to explore in the specific area has expired or will expire in the near future and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;



- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

For deferred charges, impairment is recognized when a SC/GSEC where the Group has participating interest is permanently abandoned. Future events could cause the Group to conclude that these assets are impaired.

In 2010, management provided additional allowance for impairment loss on exploration projects amounting to ₱7,542,635 since the Group's right to explore the projects has already expired. There was no provision for impairment loss on deferred charges in 2012 and 2011 (see Note 11).

The carrying amount of deferred charges, net of allowance for impairment loss amounting to ₱45,742,635 as of December 31, 2012 and 2011, amounted to ₱45,185,414 and ₱40,680,455 as of December 31, 2012 and 2011, respectively (see Note 11).

Realizability of deferred income tax assets

Deferred income tax assets are recognized for all temporary deductible differences to the extent that it is probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized. Management has determined based on business forecast of succeeding years that there is no sufficient future taxable profits against which the deferred income tax assets will be utilized except for the deferred income tax assets related to the provision for impairment loss, unrealized foreign exchange losses and fair value adjustments on AFS financial assets and some portion of NOLCO.

The Group recognized deferred income tax assets amounting to ₱13,311,942 and ₱9,256,558 as of December 31, 2012 and 2011, respectively (see Note 20).

Estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year are discussed below:

Impairment of AFS financial assets

The Group treats AFS financial assets as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment. The Group treats "significant" as 20% or more of the cost and "prolonged" as greater than 12 months for quoted equity securities.

Allowance for impairment on unquoted investment in shares of stock amounted to ₱4,090,435 and ₱902,032 as of December 31, 2012 and 2011, respectively (see Note 7).

The carrying value of the Group's AFS financial assets amounted to ₱305,867,784 and ₱55,984,380 as of December 31, 2012 and 2011, respectively (see Note 7).



Estimation of allowance for impairment of receivables

The Group reviews its receivables at each reporting date to assess the adequacy of the allowance for doubtful accounts. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on factors such as, but not limited to, the length of the Group's relationship with the customer, customer's payment behavior and other known market factors.

The carrying value of receivables, net of allowance for impairment of accounts receivable amounting to ₱2,641,082 and ₱2,052,707 as of December 31, 2012 and 2011, respectively, amounted to ₱45,450,565 and ₱1,705,712 as of December 31, 2012 and 2011, respectively (see Note 6).

Estimation of useful lives of property and equipment

The Group estimates the useful lives of their property and equipment based on the period over which the assets are expected to be available for use. The Group annually reviews the estimated useful lives of property and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of the assets. It is possible that future results of operation could be materially affected by changes in these estimates brought about by changes in factors mentioned. A reduction in the estimated useful lives of property and equipment would increase depreciation expense and decrease noncurrent assets. The depreciation and amortization expense recognized during 2012, 2011 and 2010 amounted to ₱3,642,532, ₱3,320,565 and ₱3,054,324, respectively (see Note 12).

Estimation of fair value of unquoted equity securities classified as AFS financial assets

Management believes that while the range of reasonable fair value estimates is significant, the probabilities of the various estimates cannot be reasonably assessed given the unquoted nature of these equity investments. As a result, the Group carries these financial assets at cost less any impairment in value. As of December 31, 2012 and 2011, unquoted equity securities amounted to ₱135,248 and ₱3,323,651, respectively (see Note 7). Allowance for impairment losses on AFS financial assets amounted to ₱4,090,435 and ₱902,032 as of December 31, 2012 and 2011, respectively (see Note 7).

Estimation of retirement benefits

The determination of the obligation and retirement benefits is dependent on management's assumptions used by the actuary in calculating such amount, expected rate of return on plan assets and salary projection rate. Actual results that differ from the Group's assumptions are accumulated and amortized over future periods.

While it is believed that the Group's assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Group's retirement obligations. The assumptions made by the Group resulted in accrued retirement benefits amounting to ₱3,284,513 and ₱2,475,300 as of December 31, 2012 and 2011, respectively (see Note 19).

Determination of revalued amount of condominium units

The Group engaged an independent valuation specialist to determine the fair value of office condominium. Management agrees with the valuer's estimate of the fair value of the office condominium using the sales comparison approach. The revalued amount of the office condominium as of June 8, 2012 amounted to ₱25,250,000. Revaluation increase on office condominium recognized as other comprehensive income in 2012 amounted to ₱7,721,195, net of the applicable tax. Net book value of revalued office condominium amounted to ₱24,370,645 and ₱14,909,998 as of December 31, 2012 and 2011, respectively (see Note 12).



Determination of fair value of investment properties

The best evidence of fair value is current prices in an active market for similar lease and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgment, the Group considers information from variety of sources including:

- current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
- recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts and (where possible) from external evidence such as current market rents for similar properties in the same location and condition and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

In 2012, the Group recognized a fair value adjustment on its investments properties totaling ₱73,393,045 based on the latest appraisal reports in 2012 for the land in Bolinao, Pangasinan and in San Fabian, Pangasinan. The fair value of the Group's investment properties amounted to ₱193,479,343 and ₱120,086,298 as of December 31, 2012 and 2011, respectively (see Note 8).

4. Status of Investments and Management's Outlook

Purchase of BBC (formerly Zambo Norte Bioenergy Corporation)

Share purchase agreement (SPA)

On April 4, 2007, the Parent Company's BOD approved the Memorandum of Understanding (MOU) between the Parent Company and ZN Biofuels Partners, Inc. (ZNB Partners), wherein the Parent Company agreed to acquire BBC to effectively place 100% ownership and full control of BBC in the Parent Company, subject to due diligence and the execution of the transaction documents.

On July 11, 2007, ZNB Partners and the Parent Company executed an SPA for a total consideration of ₱64,000,000 broken down as follows:

- Cash consideration amounting to ₱10,000,000; and
- Issuance of 122,727,272 shares of stock of the Parent Company to be issued from its existing authorized and unissued capital stock which is to be valued for the purposes of the SPA at ₱0.44 per share.

On August 17, 2007, ZNB Partners and the Parent Company (collectively referred to as the Parties) subsequently amended the SPA. They agreed to change the shares of stock consideration from 122,727,272 shares to 120,853,366 shares. The difference between the shares agreed on the original SPA and the amended SPA was settled as additional cash payment to ZNB Partners.

The components of the total consideration of ₱64,000,000 for the acquisition of 999,999 shares of BBC were thus amended as follows:

- cash consideration amounting to ₱10,824,519; and
- issuance of 120,853,366 common shares of the Parent Company.



On June 23, 2008, ZNB Partners executed the Deed of Assignment of Shares of Stock transferring 999,989 shares of BBC to the Parent Company, thus, effectively transferring the full ownership and control of BBC to the Parent Company.

The fair values of the identifiable net assets of BBC as of date of acquisition are as follows:

	Fair value	Carrying value
Total current assets	₱102,210	₱102,210
Total noncurrent assets	63,523,121	63,523,121
Total assets	₱63,625,331	₱63,625,331
Total current liabilities	₱3,382,933	₱3,382,933
Total equity	60,242,398	60,242,398
Total liabilities and equity	₱63,625,331	₱63,625,331

The cost of the business combination amounted to ₱64,000,000, which consists of cash purchase price and transaction costs. The goodwill amounted to ₱3,757,602 and is recognized under "Other noncurrent assets" account in the consolidated balance sheets.

On May 28, 2009, the Philippine Stock Exchange (PSE) approved the listing of the additional 120,853,366 common shares of the Parent Company for issuance to ZNB Partners.

Agreement for the acquisition of parcels of land

On June 19, 2007, the Parent Company and ZNB Partners entered into an "Agreement for the Acquisition of Lands". Under the agreement, which is related to the MOU previously executed by the Parties, ZNB Partners committed to arrange for the Parent Company the acquisition of a total of 4,000 hectares of parcels of land located in Kalawit, Labason and adjacent areas in Zamboanga del Norte, an additional 1,000 hectares on top of the 3,000 hectares committed under the aforementioned MOU. The Parent Company agreed to fund the acquisition of the said 4,000 hectares of parcels of land for the total agreed price of ₱8,000,000.

In September 2007, ZNB Partners contracted a geodetic engineer to conduct the topographic survey of the whole area. The process, after the topographic survey, will involve the execution of the agreements with the tenants and the Department of Environment and Natural Resources to finalize the lease agreement over the said area. At that time, the planned feedstock for the ethanol project was sugarcane and the parcels of land were found to be suitable for sugarcane.

In August 2008, however, the Parent Company decided to pursue cassava, over sugarcane, as the feedstock for the planned ethanol plant. Considering that the parcels of land in Kalawit, Labason and adjacent areas have been found to be more suitable to sugarcane, the Parent Company requested ZNB Partners to defer undertaking further action on these farmlands, until further notice.

In August 2009, ZNB Partners and the Parent Company executed an Agreement for the settlement of the remaining commitments of ZNB Partners under the SPA and the Agreement for the Acquisition of Lands dated June 19, 2007. The Parties agreed to a settlement amount of ₱8,223,653 consisting of a reduction in the consideration of ZNB Partners under the SPA and the payment by ZNB Partners of the values of its undelivered commitments under the aforementioned agreements which consists of 63,258,870 shares of the Parent Company. The aforesaid amount was settled by ZNB Partners on September 30, 2009. As agreed, the Agreement shall constitute the final settlement of the obligations and commitments of ZNB Partners under the SPA and the Agreement for the Acquisition of Lands dated June 19, 2007.



In 2010, the Parent Company sold 7,245,000 shares with total proceeds of ₱1,187,195 which was used as partial settlement of ZNB Partners' obligation. The remaining shares were sold in 2011 with total proceeds of ₱15,261,300 as full settlement of the obligation of ZNB Partners under the agreement, and the Parent Company recognized a gain on settlement amounting to ₱8,224,842 arising from the difference between the total cash proceeds and the remaining liability of ZNB Partners to the Parent Company.

Acquisition of the Cassava Project of Ecomarketfarms Inc. (EMF)

On August 8, 2008, the Parent Company entered into a Memorandum of Agreement (MOA) with EMF for cassava development and production (the Project). The Parent Company agreed to acquire the Project and all the properties and assets including rights and interests thereto.

On September 18, 2008, BEFI was incorporated as the joint venture company for the Project.

On November 11, 2008, EMF assigned its project rights over the land and land improvement and property and equipment of the Project to the Parent Company for a fair value amounting to ₱9,235,000.

The cost of the business combination amounted to ₱12,500,000, which consists of cash purchase price and transaction costs. The goodwill which is recognized under "Other noncurrent assets" in the 2009 consolidated balance sheet, amounting to ₱3,265,000 is attributed to the synergies and expected benefits from combining the assets and activities of the Project with those of the Group.

In 2009, the BOD approved the proposed amendments to the MOA with EMF and the Deed of Assignment of Project and Property Rights both dated November 11, 2008, for the acquisition of the cassava project of EMF in Tungawan, Zamboanga City:

- project rights sold to the Parent Company will exclude the land and the three buildings erected thereon, due to uncertainties on whether the title can be issued in the name of BEFI, the land being covered by the Comprehensive Agrarian Reform Program and is part of a 300 hectares block of land awarded to other land reform beneficiaries, and assuming title can be issued, the length of time for the transfer and issuance of title in the name of BEFI; and
- Total consideration for the acquisition of the project was reduced by ₱500,000 for the value of the abovementioned properties, or from ₱12,500,000 to ₱12,000,000 broken down as follows:
 - i. ₱10,800,000 which shall be used by EMF to subscribe to the Parent Company's shares; and
 - ii. ₱1,200,000 in cash (equivalent to 10% of total consideration).

In September 2010, the Parent Company, BEFI and EMF entered into a settlement agreement whereby the parties agreed to revert each other to their respective situations prior to the execution of the agreement which includes the return to EMF of all the property and assets acquired from EMF. EMF, on the other hand, returned a part of the cash consideration for the acquisition of the cassava project amounting to ₱10,800,000. The cost of the settlement amounted to ₱10,699,512, including the reversal of goodwill amounting to ₱3,265,000, which is recorded under "Other costs and expenses" account in the 2010 consolidated statement of comprehensive income.

As such, the Parent Company terminated the deposit on subscription of EMF amounting to ₱10,800,000 (see Note 14). The first payment made by the Parent Company for the cash consideration for the acquisition of the cassava project amounting to ₱1,200,000 shall be retained by EMF.



On August 15, 2011, the Parent Company suspended the operations of BEFI in Zamboanga del Norte.

Sale of Basic Petroleum and Minerals, Inc. (BPMI)

On February 15, 2006, the Parent Company's BOD approved the Sale and Purchase Agreement (BPMI-SPA) with FEP. The BPMI-SPA was approved by the Parent Company's stockholders in their Annual Stockholders' Meeting on March 29, 2006.

The BPMI-SPA provides for the acquisition by FEP of the Parent Company's full interest in its wholly owned subsidiary, BPMI. The sale is intended to consolidate and generate investment funds for the Parent Company's oil and gas projects and other viable businesses.

The significant terms of the BPMI-SPA, which were mostly denominated in United States Dollar (US\$) follow:

- Shares of stock of BPMI shall be transferred to FEP; and
- FEP shall settle the consideration for the above items as follows:
 - i. US\$5,000,000 in cash and fully paid shares of FEP using its closing share price on August 26, 2005 as follows:
 - US\$880,000 (First Payment) payable upon compliance to all the conditions precedent as provided in the BPMI-SPA less US\$100,000 previously advanced;
 - US\$660,000 (Second Payment) payable within six months from the First Payment less US\$100,000 previously advanced;
 - US\$660,000 (Final Payment) payable within one year from the First Payment less US\$100,000 previously advanced;
 - US\$2,200,000 to be paid with 1,047,953 fully paid shares of FEP subject to a holding period of 12 months from date of final execution of BPMI-SPA; and
 - US\$600,000 to be paid with 285,806 fully paid shares of FEP subject to a holding period of 18 months from date of official execution of BPMI-SPA, or upon completion of the farm-in of SC 14 and SC 6A and 6B, whichever comes first.
 - ii. US\$10,000,000 in cash upon FEP's utilization of the historical cost recovery (HCR) accounts of BPMI on the basis of US\$0.75 for every US\$1.00 used.

The HCR accounts include SC 14 NW Palawan, SC 6A & 6B NW Palawan, SC 41 Sandakan Basin, SC 42 NW Palawan and GSEC 94 Offshore W Palawan.
 - iii. US\$2,000,000 in cash payable in lots of US\$200,000 for every 200,000 barrels of oil produced in excess of 5,420,000 barrels.
- the initial cash advances paid by FEP to the Parent Company in the amount of US\$300,000 shall be deducted from the three cash payments mentioned above at US\$100,000 each.

On April 3, 2006, the SPA was signed by the Parent Company and FEP. In the same month, the First Payment of US\$880,000 less US\$100,000 previously advanced, as well as fully paid shares of FEP, consisting of 1,333,759 shares, valued at US\$2,800,000, were received by the Parent Company.

On October 4, 2006 and April 4, 2007, the Parent Company received the Second Payment and Final Payment, respectively, from FEP.



As of December 31, 2011, receivables from FEP, representing the Parent Company's share in the utilization of the HCRs of BPMI relating to SC 14 NW Palawan and SC 6B NW Palawan (Nido-Matinloc Field), were booked at ₱78,799 (see Note 6). No further accrual of the receivables of the Parent Company from FEP under the SPA relating to SC 14 NW Palawan and SC 6B NW Palawan (Nido-Matinloc Field) was made when the Parent Company found that FEP's method of computation of the Parent Company's share in the HCRs was not in accordance with the SPA.

The SPA also provided for FEP's commitment to have a nominee of the Parent Company appointed to the FEP's Board and the Parent Company's first nominee was elected to the FEP Board in 2006. After the resignation of the first nominee in 2007, the Parent Company nominated a new nominee, but FEP refused to elect the said new nominee in the FEP's Board. In 2008, the Parent Company designated another nominee, whom FEP likewise refused to elect in the FEP's Board.

Thus, on February 28, 2008, the Parent Company, through its external counsel, made a final demand on FEP for the Parent Company's share in the HCRs of BPMI relating to SC 14 NW Palawan and SC 6B NW Palawan (Nido-Matinloc Field) in the aggregate amount of US\$621,927 as of December 31, 2007, and requested that the Parent Company's new nominee be elected to the FEP's Board. In view of the failure of FEP to comply with these demands, on April 30, 2008, the Parent Company served FEP a notice of default of its obligation under the SPA. On June 5, 2008, FEP was formally declared in default and was advised of the automatic termination of the SPA.

As of November 30, 2009, the Parent Company's share in the HCRs of BPMI relating to SC 14 NW Palawan and SC 6B NW Palawan (Nido-Matinloc Field) due from FEP amounted to US\$1,348,347. Considering that negotiations to settle this case proved futile, on November 13, 2009, the Parent Company submitted the dispute with FEP for arbitration. While the case is pending arbitration, the parties were enjoined by the arbitration tribunal to amicably settle their disputes.

On May 10, 2011, parties executed the Settlement Agreement, which stipulated that: (a) FEP shall pay the amount of US\$650,000, which is 50% of the claims of the Parent Company for its share in the HCRs in the Nido-Matinloc liftings, as of November 30, 2010. Ten percent (10%) of this amount or US\$65,000 had already been paid by FEP to the Parent Company after the execution of the Settlement Agreement; and (b) FEP shall cause to convey 50% of BPMI's participating interests in SC 6-A and 6-B, and SC 14 A, B, C-1, C-2, D –Retention Block and Tara Block, and the historical recovery and other related accounts. To implement the said transfer, the parties agreed to obtain letters of no objection from the other consortium members within a 60-day period, which was subsequently extended for another 60 days.

During the transition period (prior to obtaining the letters of no objection from the consortium members), the parties agreed that FEP shall pay the Parent Company 50% of its cash receipts from liftings, without any deduction, and the Parent Company shall share 50% of cash calls, effective January 19, 2011. The Parent Company and FEP honored their respective obligations under the Settlement Agreement. Unfortunately, both FEP and the Parent Company were not able to get the letters of no objection within the stipulated period, and in view thereof, the arbitration proceeding resumed on December 16, 2011.

On June 14, 2012, the Ad-Hoc Arbitration Tribunal rendered its decision in favor of the Parent Company and awarded payment by FEP of the balance of the shares of the Parent Company on the historical cost recoveries received by the FEP on the oil assets sold to FEP under the SPA and directed the parties to cause the election of the Parent Company's nominee to FEP's Board until full payment of the said obligations. Even prior to the arbitration award, the parties has been in



continuing discussions on a global settlement on all issues pertaining to the SPA, as the arbitration proceedings covered only the Parent Company's claim for its share in historical cost recoveries and a global settlement would be beneficial to both parties. On June 21, 2012, the parties executed a Compromise Agreement covering settlement of the aforementioned award by the Ad-Hoc Arbitration Tribunal in favor of the Parent Company in the aggregate amount of US\$2.4 million and the other claim of the Parent Company under Article 2.3 of the SPA in the amount of US\$2.0 million in consideration of which the Parent Company agreed not to nominate a representative to FEP's board.

Total settlement proceeds received by the Parent Company in 2012 amounting to ₱186,567,854 (US\$4.4 million) was recorded as "Income from previous sale of BPMP" in the consolidated statement of comprehensive income. As of December 31, 2012, the remaining balance of the settlement proceeds amounted to ₱41,050,000 (US\$1.0 million) which is payable in December 2013 (see Note 6).

The Parent Company received ₱38,387,996 (US\$897,965), ₱198,467,991 (US\$4,588,200) and ₱78,236,225 (US\$1,796,721) in 2012, 2011 and 2010, respectively, for FEP's utilization of the HCRs of BPMP relating to SC 14C NW Palawan (Galoc Field). This was recorded as "Income from previous sale of BPMP" in the consolidated statements of comprehensive income. These receipts representing additional consideration on the sale of BPMP shares to FEP, decreased the loss on sale of investment in BPMP recognized in 2006. Upon execution of the Compromise Agreement, the Parent Company paid capital gains tax amounting to ₱12,589,629 (see Note 18).

Service Contracts (SCs)

SC 47 (Offshore Mindoro) and SC 53 (Onshore Mindoro). The Parent Company is a party, together with other companies, to SC 47 and 53 with the Philippine Government, through the Department of Energy (DOE), for the exploration, development and exploitation of the contract areas situated in offshore and onshore Mindoro, respectively.

SC 47. SC 47 was awarded on January 10, 2005 to the Philippine National Oil Company - Exploration Corporation (PNOC-EC) and Petronas Carigali (Petronas) of Malaysia after the consortium decided to convert GSEC 100 to a service contract. Petronas holds an 80% stake as operator while PNOC-EC owns the remaining 20% stake. Upon Petronas' withdrawal in 2007 prior to entry to Sub-Phase 2, PNOC-EC interest became 97% with Petroenergy at 2% and the Parent Company at 1%. SC 47 covers 14,667 square kilometers (sq. km.) and is located within the Northwest Palawan Micro-Continental Block (NPMCB).

The highly encouraging results of the Maniguin drilling have prompted PNOC-EC to pursue additional evaluation studies, including the acquisition of 2D and 3D seismic data. The result of the evaluation studies have shown prospects with reserves ranging from 10.0 million barrels to 500.0 million barrels recoverable oil.

Petronas spudded a well on August 31, 2007 to test the potential of the Kamia prospect. The drilling of the Kamia-1 well is part of the work program committed to the DOE that involves the drilling of an exploratory well. The consortium will have the option to conduct more drilling by committing to the succeeding contract year. A US\$4.0 million development costs in shallow water was anticipated, however, Petronas withdrew from the service contract prior to entry of Sub-Phase 2.



On January 9, 2008, PNOC-EC informed the DOE of the continued interest on the SC 47. However, PNOC-EC requested for a six-month extension of the decision date (from January 10, 2008 to June 10, 2008) to commit to Sub-Phase 2 of the SC. The extension period would provide time for the remaining parties to conduct post-well analysis on the Kamia-1 well.

On April 16, 2008, the DOE has approved the request for a six-month extension to decide on entering Sub-Phase 2 (Contract Years 3 and 4). The extension period was from January 10, 2008 to June 10, 2008 and reduced the term of the Sub-Phase 2 by six months.

Under the extension period, the consortium committed to complete the Kamia-1 post-well evaluation and map the area to be relinquished prior to making the decision to enter Sub-Phase 2.

On June 10, 2008, the consortium entered into Sub-Phase 2 and presented an alternative work program of acquiring 1,000 sq. km. of two-dimension (2D) seismic program. The proposal was not accepted. PNOC-EC is renegotiating and would be informing the consortium of the acceptable work program.

In 2009, the Parent Company, along with its partners, continued the exploration efforts in the SC 47. The DOE approved the seismic program commitment under Sub-Phase 2 (January 2008 to January 2010). The 2D seismic survey was carried out by CGG Veritas from August 19-29, 2009 covering a total of 1,091.6 sq. km. at a cost of \$637,417. The seismic data are to be processed by Fairchild Industries and interpretation works are expected to be completed by the middle of 2010.

On August 14, 2009, the DOE approved the relinquishment of 25% of the original area of the service contract, reducing the area to 1,098,000 hectares, where the islands of Caluya, Sibay and Semirara were retained.

On May 28, 2010, a revised work program and extension of the term of the Sub-Phase 2 was requested for approval by the DOE. The processing and interpretation of the new seismic data have resulted in the identification of some lead and prospects.

In 2012, PNOC-EC pursued a new seismic program as the DOE has advised that the extension of the term of the Sub-Phase 2 of the service contract shall be acted upon when there is already a commitment to drill a well in the service contract area.

In March 2013, PNOC-EC requested the DOE for a 2-year term for Sub-Phase 3 in order to allow the potential farminee to undertake all the work commitment including the drilling of one well. PNOC-EC is currently in discussions with a farminee for the service contract.

SC 53. SC 53 was awarded on July 8, 2005. It covers 6,600 sq. km. of the onshore areas of Mindoro Island which is within the NPMCB. The operator of the block is Laxmi Organic Industries Ltd. with 70% participating interest.

The Parent Company's participating interest on SC 53 is at 3%, The Philodrill Corporation's at 22% and Anglo-Philippine Holdings' at 5%.

The Farm-In Agreement (FIA) between Laxmi Organic Industries and Pitkin Petroleum Ltd. (Pitkin) was finalized and submitted for approval to the DOE on September 6, 2007. Under the FIA, Pitkin will carry the consortium to a 2D seismic program which will be completed by January 2009. Pitkin's proposal would be for the DOE to extend the term of Sub-Phase 1 up to January 2009 and would give time to complete the 2D seismic program and identify a drillable structure. If the 2D seismic program is positive, a well will be committed under Sub-Phase 2.



The Parent Company has a carried-free interest of 3.0% on the 2D seismic program which is estimated to cost a minimum of US\$1.5 million.

Pitkin has completed a magneto-telluric in Onshore Mindoro. In April 2009, the DOE approved the one year extension of Sub-Phase 1. Pitkin awarded the 2D seismic acquisition contract to BCG, a Chinese geophysical contractor, which started on November 3, 2009. The 2D seismic is designed to delineate and assess the hydrocarbon potential of the Progreso-1X in San Jose, Mindoro Occidental and in Sablayan, Mindoro Occidental.

The DOE has recently approved the further extension of Sub-Phase 1 to March 2011 for the conduct of geological and geophysical studies and interpretation of the 2D seismic data, which is estimated to cost US\$4.5 million and the drilling of two wells between 2011 to 2012, the cost of which is estimated at US\$2.0 million.

On July 11, 2011, Resource Management Associates Pty Limited of Australia signed a FIA with Pitkin Petroleum to acquire 35% from its 70% participating interest. In a consortium meeting last November 11, 2011, Pitkin reported that the Sub-Phase , which ended March 6, 2012, was fulfilled with the completion of the 200 kilometers of seismic data. Sub-Phase 2 shall end on July 8, 2014 and carries a minimum work obligation of 2 wells at a minimum cost of US\$2.0 million.

The consortium agreed to drill Progreso-2 to fulfill one of the 2 well commitments with the DOE. The environmental impact assessment has been recently commenced, while collation of seismic and other data and the tendering of the long lead items are on-going.

SC 41. SC 41 (Sandakan Basin) was issued to the consortium on May 10, 1996. It is adjacent to the Malaysia-Philippine border within the Sandakan Basin. The contract area is 8,324 sq. km. and covers almost the deepwater areas of the Sandakan shelf.

On July 19, 2008, the consortium drilled the Lumba Lumba-1 well using the semi-submersible rig Transocean Legend. The well was re-spudded on July 27, 2008, 15 meters to the west of the previous location due to some technical difficulties. The well was to test a large inversion structure with multiple objectives in interpreted channel and fan complexes. Estimated recoverable volume ranges from 50.0 to 150.0 million barrels.

The Lumba-Lumba 1A drilled through the primary objectives of the prospect with elevated gas readings recorded. However, there were no reservoir quality rocks encountered. Tap Oil Ltd., the contractor, justified that the deeper secondary objectives did not warrant continuing the well due to the more difficult drilling conditions. The block has an inventory of nearly 20 leads and prospects covered by 3D data. Drilling operations are being considered after a thorough evaluation.

On October 3, 2008, the DOE approved the contractor's request for a two year extension on the SC 41 term. Under the extension, the consortium will have until May 2010 before it commits to drill a well. The term will be automatically extended up to May 2011 upon the consortium's notification of the progress of the 3D processing. Estimated cost of reprocessing amounted to Australian dollar (A\$)100,000. This will cost SWR, at 0.608%, A\$6,688.

On June 18, 2009, Tap Oil Ltd. sought for farm-in partners due to the increasing costs of drilling exploratory wells.



On May 12, 2010, Tap Oil requested the DOE that the Wildebeest-I be classified as a discovery well based from the oil samples recovered by the MDT sampling and the interpretation of the 3D seismic data acquired in 2008. This request was not approved by the DOE, in view of which, on July 10, 2010, the consortium decided to withdraw from this SC.

The Parent Company was involved in the block through its subsidiary, SWR, with a 0.608% interest. SWR's participating interest was carried-free from the financial commitments of the work programs to be performed over the concession areas.

The full recovery of the deferred charges, amounting to ₱31,238,982 and ₱27,804,051 as of December 31, 2012 and 2011, respectively, incurred in connection with the Parent Company's participation in the acquisition, exploration and development of petroleum concessions is dependent upon the discovery of oil and gas in commercial quantities from the respective contract areas and the success of future developments thereof (see Note 11).

Geothermal Service Contracts (GSCs)

On July 10, 2008, the Parent Company entered into a GSC with the DOE for the exploration, development and exploitation of geothermal resource located in Mabini, Batangas covering an area of approximately 3,841 hectares of land.

The Parent Company is in the process of conducting the first stage of the exploration program consisting of geophysical and geological surveys covering 3,481 hectares in the Calumpán Peninsula. A Controlled Source Magento-Telluric Survey covering the area had been conducted and completed on March 8, 2010. The data obtained from the survey is presently being processed by a Japanese consultant, with the objective of establishing the geothermal resource and the exploration drilling site in the area.

The Parent Company has completed due diligence studies and preliminary technical data collection, collation and re-evaluation as part of its commitment under Sub-Phase 1 (Years 1 and 2) of the work program committed with the DOE. Initial assessments disclosed that the area has a good potential for 20-megawatts capacity and could be developed within a two-year period considering the existence of adequate infrastructure, adjacency to transmission lines and a strong power demand in the area.

On February 28, 2011, the Parent Company entered into an Agreement for Services with Filtech Energy Drilling Corporation for the conduct of a pre-feasibility study that will cover technical studies for the project's pre-development and development phases, environment and social studies, financial and economic aspects, project schedule and implementation and risks assessment.

The Parent Company is currently looking for farm-in partners to explore and develop the Mabini, Batangas geothermal area.

The Parent Company recently received the GSCs from the DOE, covering three geothermal projects, namely: Iriga Geothermal Power Project, Mariveles Geothermal Power Project and the East Mankayan Geothermal Power Project.

The East Mankayan Geothermal Power Project lies immediately east of the Cervantes, Ilocos Sur geothermal block of Pan Pacific Power Phils, Inc. and south of the Bontoc-Sadanga block which is operated by Magma Energy Resources. Immediately south is the Daklan block operated by Clean Rock Energy. The area actually covers the 3 provinces of Benguet, Mountain Province and Ifugao. The proposed area is surrounded by lots of known thermal manifestations, e.g., hot springs and thermally altered grounds.



The Mariveles Geothermal Power Project, in Bataan is situated along the West Luzon Volcanic Arc which starts from Mt. Pinatubo in the north and extends farther south across the Manila Bay towards Batangas and northeastern Mindoro.

The Iriga Geothermal Power Project in Camarines Sur is bounded to the north by Isarog geothermal block of PNOC-RC and to the east by the highly productive Tiwi GSC area of formerly Chevron, now AP Renewables Inc. The areal landscape is dominated by Iriga or Asog Volcano, a relatively in stratovolcano, immediately southwest of Lake Buhi in southern Luzon.

5. Cash and Cash Equivalents

	2012	2011
Cash on hand and in banks	₱59,971,719	₱4,806,555
Cash equivalents	142,465,280	306,947,450
	₱202,436,999	₱311,754,005

Cash in banks and cash equivalents earn interest at the respective bank deposit rates. Cash equivalents are made for varying periods of up to three months depending on the immediate cash requirements of the Group. Interest income amounted to ₱11,026,845, ₱11,039,782 and ₱4,800,702 in 2012, 2011 and 2010, respectively (see Note 16).

6. Receivables

	2012	2011
Receivable from FEP (Note 4)	₱41,050,000	₱78,799
Interest receivable	2,033,495	976,438
Other receivables	5,008,152	2,703,182
	48,091,647	3,758,419
Less allowance for impairment	2,641,082	2,052,707
	₱45,450,565	₱1,705,712

Other receivable arises from short-term, noninterest-bearing transactions of the Group.

Movements in allowance for impairment are as follows:

	2012	2011
Beginning balances	₱2,052,707	₱2,052,707
Provision for the year (Note 18)	588,375	—
Ending balances	₱2,641,082	₱2,052,707

7. AFS Financial Assets

	2012	2011
Debt securities - quoted, at fair value	₱262,669,089	₱51,248,795
Investments in shares of stock:		
Quoted	43,063,447	1,411,934
Unquoted	135,248	3,323,651
	43,198,695	4,735,585
	₱305,867,784	₱55,984,380



The cost of debt securities which are stated at fair value amounted to ₱243,728,795 and ₱51,248,795 as of December 31, 2012 and 2011, respectively. Interest rates on these AFS debt securities range from 5.80% to 8.13%. Interest income earned on these securities amounted to ₱6,340,763, ₱192,855 and ₱117,393 in 2012, 2011 and 2010, respectively (see Note 16).

The movements in unrealized gain (loss) in respect of quoted AFS financial assets in 2012 and 2011 follow:

	2012	2011
Beginning balances	(₱509,593)	₱744,031
Unrealized gain (loss)	18,578,978	(1,253,624)
Ending balances	₱18,069,385	(₱509,593)

In 2010, the Group sold quoted investment in shares of stock resulting in gain on realized fair value adjustment amounting to ₱24,057,696.

Unquoted equity securities include unlisted shares of stock with total cost of ₱4,225,683 and which the Company will continue to carry as part of its investments. These are carried at cost less allowance for impairment losses. The movement in allowance for impairment loss are as follows:

	2012	2011
Beginning balances	₱902,032	₱902,032
Provision for the year	3,188,403	—
Ending balances	₱4,090,435	₱902,032

8. Investment Properties

	2012	2011
Beginning balances	₱120,086,298	₱120,086,298
Increase in fair value	73,393,045	—
Ending balances	₱193,479,343	₱120,086,298

Investment properties consisting of land are stated at fair value, which has been determined based on valuations performed by Asian Appraisal, Inc., an independent firm of appraisers, as of November 29, 2012. The fair value represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and knowledgeable, willing seller in an arm's length transaction at the date of the valuation. The fair valuation was estimated through the direct market comparison approach; which is a comparative approach that considers the sales of similar or substitute assets and related market data.

Direct operating expenses related to the investment properties include real property taxes paid in 2012, 2011 and 2010 amounting to ₱268,146, ₱267,047 and ₱93,523, respectively.

The Group has no restriction on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.



9. Biological Assets - Standing Crops and Agricultural Produce

BEFI started planting cassava in March 2009. Movement in the biological assets in 2011 follows:

January 1, 2011	₱7,108,252
Additions (Note 12)	2,704,580
Harvested cassava tubers	(6,338,428)
Loss on biological assets	(3,474,404)
December 31, 2011	₱-

On August 15, 2011, BEFI decided to suspend its operations and wrote-off the remaining balance of biological assets resulting in a loss amounting to ₱3,474,404 which is recorded under "Other costs and expenses" account in the 2011 profit or loss.

In 2010, the fair value adjustment on agricultural produce amounted to a loss of ₱16,445,998. Sales of cassava tubers amounted to ₱1,731,720 and ₱5,760,875 in 2011 and 2010, respectively.

10. Project Development Costs

Project development costs include costs incurred related to BBC's ethanol plant project located at Gotalac, Zamboanga del Norte. The project consists of approximately 9,000 hectares of land for the sugarcane farm and a fully integrated ethanol plant with a capacity of 200,000 liters of ethanol/day, with a carbon dioxide production plant having a capacity of 50 tons/day, a 6 megawatt power plant and a 3,000 metric tons/day sugar mill.

In 2009, BBC reduced the project development costs for the planned ethanol project at the time of settlement by the ZNB Partners of its commitment under the SPA (see Note 4).

BBC determined that the cost of its project development cost exceed its recoverable amount hence, the Company recognized impairment loss amounting ₱46,731,677 to fully impair the asset in 2011 with cost of ₱59,731,677 as of December 31, 2012 and 2011.

Project development costs also include the acquired cassava project of EMF by BEFI amounting to ₱2,647,014 in 2009 but was subsequently returned to EMF in 2010 (see Note 4).

11. Deferred Charges

The movements in deferred charges follow:

	2012	2011
Beginning balances	₱86,423,090	₱77,010,322
Additions	4,504,959	9,412,768
	90,928,049	86,423,090
Less allowance for impairment loss	45,742,635	45,742,635
Ending balances	₱45,185,414	₱40,680,455

Under the SCs entered into with the DOE covering certain petroleum contract areas in various locations in the Philippines, the participating oil companies (collectively known as Contractors)



are obliged to provide, at their sole risk, the services, technology and financing necessary in the performance of their obligations under these contracts. The Contractors are also obliged to spend specified amounts indicated in the contract in direct proportion to their work obligations. However, if the Contractors fail to comply with their work obligations, they shall pay to the government the amount they should have spent but did not, in direct proportion to their work obligations. The participating companies have Operating Agreements among themselves, which govern their rights and obligations under these contracts.

On July 10, 2008, the Group and the Government of the Republic of the Philippines through the DOE, engaged a GSC wherein the Group will undertake and execute the Geothermal Operations contemplated under the GSC. The geothermal operations shall include geothermal exploration, development and production. It shall also consists of surface exploration and subsurface exploration. Surface exploration deals primarily with reconnaissance to detailed activities, studies and geo-scientific investigations. Subsurface exploration refers mainly to drilling activities for the purpose of making discovery and delineating the reservoir. Geothermal development, on the other hand, refers to the drilling of appraisal, development and reinjection wells and geo-scientific activities related thereto for the purpose of exploiting the delineated Geothermal Reservoir, which includes the installation of wellhead equipment, collecting pipes and pressure vessels for steam extraction. Geothermal production is the set of activities which involves the actual extraction of geothermal fluid for commercial utilization, but does not include the utilization of such geothermal fluid.

The term of the GSC is for five years from the effective date consisting of three subphases, renewable for another two years.

The accumulated costs incurred in connection with the exploration contracts are shown under "Deferred charges" account in the consolidated balance sheets. The full recovery of these deferred exploration costs is dependent upon the discovery of oil in commercial quantities from any of the petroleum concessions and the success of future development thereof.

In 2010, management provided additional allowance for impairment loss on exploration projects amounting to ₱7,542,635 since the Group's right to explore the projects has already expired. There was no additional provision for impairment loss on deferred charges in 2012 and 2011.

12. Property and Equipment

At cost:

As of December 31, 2012:

	Land	Office Equipment, Furniture and Fixtures	Farm Equipment	Building and Leasehold Improvement	Transportation Equipment	Total
At Costs						
Beginning balances	₱3,500,000	₱10,214,383	₱8,744,380	₱5,156,648	₱4,542,730	₱32,158,141
Additions	-	192,552	-	-	3,173,240	3,365,792
Disposals	-	847,720	8,744,380	-	1,290,775	10,882,875
Ending balances	3,500,000	9,559,215	-	5,156,648	6,425,195	24,641,058
Accumulated Depreciation and Amortization						
Beginning balances	-	9,330,007	4,346,695	3,291,768	2,258,174	19,226,644
Depreciation and amortization (Note 18)	-	343,107	492,992	172,025	1,064,777	2,072,901
Disposals	-	775,290	4,839,687	-	840,344	6,455,321
Ending balances	-	8,897,824	-	3,463,793	2,482,607	14,844,224
Net Book Values	₱3,500,000	₱661,391	₱-	₱1,692,855	₱3,942,588	₱9,796,834



	Land	Office Equipment, Furniture and Fixtures	Farm Equipment	Building and Leasehold Improvement	Transportation Equipment	Total
At Costs						
Beginning balances	P3,500,000	P9,538,171	P8,744,380	P5,156,648	P3,806,010	P30,745,209
Additions	-	839,719	-	-	1,897,220	2,736,939
Disposals	-	(163,507)	-	-	(1,160,500)	(1,324,007)
Ending balances	3,500,000	10,214,383	8,744,380	5,156,648	4,542,730	32,158,141
Accumulated Depreciation and Amortization						
Beginning balances	-	9,137,000	2,595,014	3,119,743	2,028,463	16,880,220
Depreciation and amortization (Note 18)	-	332,431	1,751,681	172,025	809,961	3,066,098
Disposals	-	(139,424)	-	-	(580,250)	(719,674)
Ending balances	-	9,330,007	4,346,695	3,291,768	2,258,174	19,226,644
Allowance for impairment losses	-	57,317	2,198,842	-	332,811	2,588,970
Net Book Values	P3,500,000	P827,059	P2,198,843	P1,864,880	P1,951,745	P10,342,527

Depreciation expense capitalized as cost of biological assets amounted to P1,402,200 in 2011 (see Note 9).

At revalued amount:

	Office Condominium	
	2012	2011
Cost	P25,250,000	P26,580,010
Accumulated Depreciation		
Beginning balances	11,670,012	10,013,345
Reversal due to revaluation	(12,360,288)	-
Depreciation (Note 18)	1,569,631	1,656,667
Ending balances	879,355	11,670,012
Net Book Values	P24,370,645	P14,909,998

Revaluation of Office Condominium

The Group engaged Royal Asia Appraisal Corporation, an independent firm of appraisers, to determine the fair value of its office condominium as of June 8, 2012. The fair value is determined using the generally accepted sales comparison approach. The date of the appraisal was June 14, 2012. The estimated remaining life of the office condominium is 16.75 years as of appraisal date.

Increase in revaluation of office condominium, net of deferred income tax liability, amounted to P7,721,195 in 2012 which is presented under "Revaluation increment in office condominium" account in the 2012 parent company statement of comprehensive income. Revaluation increment in office condominium as of December 31, 2012 and 2011 amounted to P17,059,457 and P10,437,004, respectively, which is presented under the "Revaluation increment in office condominium" account in the consolidated balance sheets and consolidated statements of changes in equity.

If the office condominium was measured using the cost model, the carrying amount as of December 31, 2012 and 2011 would be as follows:

Cost	P1,730,010
Accumulated depreciation	(1,730,010)
	P--

The cost of the Group's fully depreciated assets still in use amounted to P10,099,014 and P11,492,762 as of December 31, 2012 and 2011, respectively.



13. Accounts Payable and Accrued Expenses

	2012	2011
Accounts payable	₱1,163,608	₱2,182,176
Dividends payable	888,714	888,714
Other payables	460,936	3,652,184
	₱2,513,258	₱6,723,074

Accounts payable consists of short-term and noninterest-bearing trade payables to the Group's local suppliers with an average credit terms of 30 days. Other payables are liabilities to various government agencies.

14. Capital Stock

The details of the capital stock as of December 31, 2012 and 2011 are as follows:

	No. of Shares	Amount
Authorized - ₱0.25 par value	10,000,000,000	₱2,500,000,000
Unissued	(8,241,854,545)	(2,060,463,636)
Issued	1,758,145,455	439,536,364
Subscribed	2,146,848,057	536,712,014
Subscriptions receivable	(1,462,500,000)	(365,625,000)
	684,348,057	171,087,014
	2,442,493,512	₱610,623,378

The movements on shares outstanding in 2012 and 2011 are as follows:

	2012	2011
Beginning balances	2,424,493,512	2,442,493,512
Treasury stock (Note 15)	—	(18,000,000)
Ending balances	2,424,493,512	2,424,493,512

Below is the Parent Company's track record of registration:

- On January 26, 1973, the SEC authorized the Parent Company to sell to the public 617.5 million shares out of its unissued capital stock as of December 31, 1972 within one year from order date, unless extended by the SEC. As of December 31, 1973, the Parent Company's authorized capital stock is 1.5 billion shares with par value of ₱0.01.
- On September 8, 1973, the Parent Company applied with the Manila Stock Exchange and Makati Stock Exchange for the listing of its capital stock as of September 8, 1973 (495,251,000 fully paid-up shares and with respect to 1,004,749,000 shares, upon full payment and issuance of the corresponding stock certificates). The applications for listing were approved by the Board of Governors of both the Manila Stock Exchange and Makati Stock Exchange on September 30, 1973 and September 13, 1973 respectively. Said listing was duly approved by the SEC on October 16, 1973.
- On October 17, 1974, the SEC approved the increase in the Parent Company's authorized capital stock from ₱15.0 million (consisting of 1.5 billion shares) to ₱40.0 million (consisting of 4.0 billion shares) at the same par value of ₱0.01. The SEC also approved the 60% stock dividend (₱9.0 million) declaration to stockholders of record as of August 15, 1974.



The Parent Company granted to stockholders of record as of November 15, 1974 the right to subscribe at par of ₱0.01 per share to the unissued and unsubscribed portion of the increased capital stock amounting to ₱16.0 million (1.6 billion shares), at the ratio of 2 shares of stock for every 3 shares of stock registered in the stockholders' name.

On October 23, 1974, the SEC authorized the listing of the additional 2.5 billion shares of the Parent Company's increased capital stock (900.0 million fully paid-up shares representing the 60% stock dividend, and with respect to 1.60 billion shares, upon full payment and issuance of corresponding stock certificates) in the Manila Stock Exchange, Makati Stock Exchange, Inc. and Metropolitan Stock Exchange, Inc. The listing took effect on November 6, 1974. On October 16, 1973, the SEC had authorized the listing of the Parent Company's original shares of stock of 1.5 billion shares in the first two stock exchanges.

- d. On February 4, 1976, the SEC approved the increase in authorized capital stock from ₱40.0 million (₱24.0 million or 60% Class A and ₱16.0 million or 40% Class B) to ₱100.0 million (₱60.0 million or 60% Class A and ₱40.0 million or 40% Class B) both with a par value of ₱0.01 per share. The Parent Company also granted pre-emptive rights to stockholders of record as of October 31, 1975 to subscribe at par value of ₱0.01 per share to ₱20.0 million (₱12.0 million Class A and ₱8.0 million Class B) at the ratio of one share for every two shares held. The right was exercisable on or before January 15, 1976 with a 25% down payment and the balance payable upon call by the BOD.

On December 22, 1975, the SEC issued to the Parent Company a "Certificate of Permit to Offer Securities for Sale" covering the said capital increase of ₱60.0 million (₱36.0 million Class A and ₱24.0 million Class B). On February 26, 1976, the listing of the shares representing the said ₱60.0 million increase in authorized capital stock of the Parent Company in the stock exchanges was approved.

- e. On November 13, 2007, the SEC approved the increase in the capital stock of the Parent Company for ₱500.0 million consisting of the 2 billion shares to ₱2.5 billion consisting of 10.0 billion shares. Pursuant to this increase, 537.5 million shares were issued to the subscribers to the capital increase on January 10, 2008.
- f. On May 28, 2009, the Parent Company issued 120,853,182 shares to a new investor, ZN Biofuels, Inc., the registration of which was exempt and confirmed as such by the SEC.
- g. On September 22, 2009, the Parent Company issued 31,818,182 shares to Shouk Financial Services Ltd., the registration of which was exempt and likewise confirmed as such by the SEC.
- h. On September 8, 2011, the SEC approved the Stock Option Plan of the Parent Company granting directors, members of the advisory board, officers and employees of the Parent Company options to purchase at a par total of 500.0 million shares. Out of these shares, 26.7 million have been paid and listed in the Philippine Stock Exchange on January 21, 2013.

15. Treasury Stock

The treasury stock represents 18.0 million shares of the Parent Company which are held by BGEC.



16. Other Income - Net

	2012	2011	2010
Interest income on:			
Cash and cash equivalents (Note 5)	₱11,026,845	₱11,039,782	₱4,800,702
AFS financial assets - debt securities (Note 7)	6,340,763	192,855	117,393
Short-term cash investments	282,379	32,149	—
Long-term cash investment	57,379	—	—
	17,707,366	11,264,786	4,918,095
Dividend income	754,990	5,508	5,666
Others	1,822,670	47,169	(15,847)
	₱20,285,026	₱11,317,463	₱4,907,914

17. Related Party Transactions and Relationships

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by or under common control with the Group, including holding companies, subsidiaries and fellow subsidiaries, are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form.

Compensation of Key Management Personnel

- Shares of stock of the Parent Company held by members of the BOD aggregated to 33,787,366 and 35,777,245 as of December 31, 2012 and 2011, respectively.
- Compensation of key management personnel consists of short-term employee benefits and post-employment benefits. Short-term employee benefits amounted to ₱11.9 million, ₱10.9 million and ₱5.7 million in 2012, 2011 and 2010, respectively, while, post-employment benefits amounted to ₱3.05 million, ₱1.8 million and ₱0.8 million in 2012, 2011 and 2010, respectively.

Directors' remuneration consists only of per diems for attendance at the BOD and Committee meetings. In 2012, 2011 and 2010, total per diems received by the members of the BOD amounted to ₱2,724,500, ₱2,057,750 and ₱940,500, respectively. There is no existing compensatory plan or arrangement for directors of the Parent Company.

Remuneration of existing officers of the Group are covered in their employment contracts, and except for retirement benefits under the Group's Retirement Plan, there are no existing compensatory plans or arrangements for officers of the Group.

A stock option plan for directors and officers was approved by the stockholders on July 11, 2007, and the exercise period was extended to July 2013. The SEC issued on September 8, 2011 a resolution exempting the SOP from the registration requirements under the Securities Regulation Code.



The Parent Company's outstanding amounts of investments in and advances to subsidiaries which were eliminated in the consolidated level are as follows:

As of December 31, 2012:

	Investments	Allowance for Impairment	Total	Advances	Allowance for Impairment	Total
BDIHI	₱227,085,800	₱227,085,800	₱-	₱21,453,057	₱21,439,342	₱13,715
SWR	75,341,250	75,341,250	-	-	-	-
BBC	64,000,000	64,000,000	-	5,584,083	5,584,083	-
iBasic	53,547,840	53,547,840	-	3,386,610	3,346,880	39,730
BGI	20,000,000	-	20,000,000	-	-	-
BEFI	20,000,000	20,000,000	-	36,975,000	36,975,000	-
	₱459,974,890	₱439,974,890	₱20,000,000	₱67,398,750	₱67,345,304	₱53,445

As of December 31, 2011:

	Investments	Allowance for Impairment	Total	Advances	Allowance for Impairment	Total
BDIHI	₱227,085,800	₱227,085,800	₱-	₱21,358,166	₱21,358,166	₱-
SWR	75,341,250	75,341,250	-	19,208	-	19,208
BBC	64,000,000	64,000,000	-	5,479,492	5,479,492	-
iBasic	53,547,840	53,547,840	-	3,261,143	3,261,143	-
BGI	20,000,000	-	20,000,000	3,251,845	-	3,251,845
BEFI	20,000,000	20,000,000	-	37,975,000	37,975,000	-
	₱459,974,890	₱439,974,890	₱20,000,000	₱71,344,854	₱68,073,801	₱3,271,053

The amounts of transactions with subsidiaries that were eliminated in the consolidated level are as follows:

Nature of Transaction	Amount of Transactions 2012	2011	Terms and Conditions
BGI			
Advances	₱6,124	₱3,251,845	(a)
Collection of advances	3,257,969	-	
BDIHI			
Advances	94,891	112,348	(a)
iBasic			
Advances	125,467	111,649	(a)
SWR			
Advances	67,177	18,208	(a)
Collection of advances	86,385	-	
BBC			
Advances	104,591	109,088	(a)
BEFI			
Advances	-	1,053,215	(a)
Collection of advances	1,000,000	-	

(a) Noninterest bearing, unsecured advances, due and demandable.

Movement in the allowance for impairment on investments in subsidiaries as follows:

	2012	2011
Beginning balances	₱439,974,890	₱342,782,685
Provision during the year	-	97,192,205
Ending balances	₱439,974,890	₱439,974,890



Movement in the allowance for impairment on advances to subsidiaries as follows:

	2012	2011
Beginning balances	₱68,073,801	₱35,312,132
Recovery of advances to BEFI	(1,000,000)	–
Provision during the year	271,503	32,761,669
Ending balances	₱67,345,304	₱68,073,801

Transactions with Retirement Benefit Fund

- The Parent Company's retirement benefit fund is in the form a trust being maintained by a trustee bank.
- The carrying amount and fair value of the retirement benefit fund as of December 31, 2012 amounted to ₱3,659,328 (see Note 19).
- The assets and investments of the retirement benefit fund as of December 31, 2012 follows:

Special savings deposits	₱2,557,000
Investment in unit investment trust fund	578,361
Investments in bonds	520,777
Others	3,190
	₱3,659,328

- In 2012, the Parent Company contributed ₱2,500,000 to the retirement benefit fund (see Note 19).

18. General and Administrative Expenses

	2012	2011	2010
Personnel:			
Salaries and wages	₱14,281,245	₱15,177,229	₱9,386,450
Retirement benefits cost (Note 19)	3,309,213	1,569,700	1,450,100
Other employee benefits	7,912,734	3,977,579	2,584,043
Representation and entertainment	4,643,108	2,675,620	1,757,961
Transportation and travel	4,348,504	3,918,400	3,145,887
Depreciation and amortization (Note 12)	3,642,532	3,320,565	3,054,324
Arbitration and legal fees	2,789,877	5,514,720	3,628,905
Taxes and licenses	1,130,770	1,429,069	652,146
Outside services	957,196	1,155,124	529,509
Utilities	897,430	707,605	1,126,176
Communication	602,201	706,542	649,927
Provision for impairment of receivables (Note 6)	588,375	–	–
Office supplies	278,290	301,551	575,729
Repairs and maintenance	180,144	122,525	73,907
Others	3,983,235	1,305,342	2,916,306
	₱49,544,854	₱41,881,571	₱31,531,370

19. Retirement Benefits

The Parent Company maintains a funded, noncontributory defined retirement benefit plan covering all qualified employees. A trustee bank is administering the retirement benefits fund.



The following tables summarize the components of the retirement benefits cost recognized in profit and loss and the funded status and amounts recognized in the consolidated balance sheets.

- a. The components of retirement benefits cost in profit and loss are as follows:

	2012	2011	2010
Current service cost	₱2,730,254	₱1,405,000	₱1,366,300
Interest cost	486,159	221,000	99,900
Expected return on plan assets	(90,225)	(77,300)	(61,100)
Actuarial loss	183,025	21,000	45,000
	₱3,309,213	₱1,569,700	₱1,450,100

- b. The following table summarizes the accrued retirement benefits recognized in the consolidated balance sheets:

	2012	2011
Present value of defined benefit obligation	₱11,573,100	₱7,118,000
Fair value of plan assets	(3,659,328)	(1,002,500)
	7,913,772	6,115,500
Unrecognized actuarial losses	(4,629,259)	(3,640,200)
	₱3,284,513	₱2,475,300

- c. Changes in the present value of defined benefit obligation are as follows:

	2012	2011
Beginning balances	₱7,118,000	₱2,356,300
Current service cost	2,730,254	1,405,000
Interest cost	486,159	221,000
Actuarial loss	1,238,687	3,135,700
Ending balances	₱11,573,100	₱7,118,000

- d. Changes in the fair value of plan assets are as follows:

	2012	2011
Beginning balances	₱1,002,500	₱858,600
Contribution (Note 17)	2,500,000	—
Expected return on plan assets	90,225	77,300
Actuarial gain	66,603	66,600
Ending balances	₱3,659,328	₱1,002,500

The actual return on plan assets amounted to ₱156,828, ₱143,900 and ₱94,600 for the years ended December 31, 2012, 2011 and 2010, respectively.

Movements of accrued retirement benefits recognized in the consolidated balance sheets are as follows:

	2012	2011
Beginning balances	₱2,475,300	₱905,600
Retirement benefits cost	3,309,213	1,569,700
Contributions	(2,500,000)	—
Ending balances	₱3,284,513	₱2,475,300



- f. The latest actuarial valuation of the plan is as of December 31, 2012. As of January 1, the principal assumptions used in determining retirement benefits cost for the Parent Company's retirement benefits are as follows:

	2012	2011	2010
Number of employees covered	20	20	18
Discount rate	6.83%	9.38%	10.58%
Salary projection rate	8.00%	8.0%	8.00%
Expected return on plan assets	9.00%	9.0%	8.00%

Discount rate used to compute the present value of defined benefit obligation as of December 31, 2012 is 6.09%.

- g. Amounts as of December 31 are as follows:

	2012	2011	2010	2009	2008
Present value of defined benefit obligation	₱11,573,100	₱7,118,000	₱2,356,300	₱944,200	₱2,387,900
Fair value of plan assets	3,659,328	(1,002,500)	(858,600)	(764,000)	(1,557,800)
Deficit	7,913,772	6,115,500	1,497,700	180,200	830,100
Experience adjustment on plan liabilities - loss (gain)	280,987	1,254,000	(312,300)	508,200	(497,600)
Experience adjustment on plan assets - gain (loss)	66,603	66,600	33,500	249,400	(232,300)

- h. The major categories of plan assets as of December 31, 2012 and 2011 as a percentage of fair value of total plan assets follow:

Money market investments	98%
Cash in bank and other receivables	2%
	100%

- i. The overall expected rate of return on plan assets is determined based on the market rates expected to prevail during the period over which the obligation is to be settled, taking into consideration that the major categories of plan assets are among the prime investment instruments in the market.
- j. The Parent Company does not expect to contribute to the plan in 2013.

20. Income Taxes

- a. Being engaged in petroleum operations in the Philippines, the Parent Company and SWR are entitled to certain tax incentives under Presidential Decree (PD) No. 87, as amended. Under PD No. 87, contractors are exempt from all taxes, except income taxes.
- b. Provision for income tax consists of:

	2012	2011	2010
Current	₱102,770	₱164,977	₱—
Deferred	(917,243)	15,846	5,628,657
	(814,473)	180,823	5,628,657
Capital gains tax (Note 4)	12,589,629	—	—
Final tax	3,480,804	2,207,689	868,689
	₱15,255,960	₱2,388,512	₱6,497,346



- c. The components of net deferred income tax liabilities recognized by the Group as of December 31, 2012 and 2011 are as follows:

	2012	2011
Deferred income tax assets on:		
NOLCO	₱10,798,613	₱8,295,571
Unrealized foreign exchange loss	1,227,532	–
Accrued retirement benefits	985,354	742,590
Fair value adjustment on AFS financial assets	300,443	218,397
	13,311,942	9,256,558
Deferred income tax liabilities on:		
Revaluation increment on investment properties	9,541,120	5,137,537
Revaluation increment on office condominium	7,311,194	4,473,000
Unrealized foreign exchange gain	–	876,599
	16,852,314	10,487,136
Net deferred income tax liabilities	₱3,540,372	₱1,230,578

- d. Deferred income tax assets have not been recognized on the following:

	2012	2011
NOLCO	₱141,127,405	₱169,889,499
Allowance for impairment of deferred charges	105,474,312	105,474,312
Pre-operating expenses	3,415,997	7,763,483
Allowance for impairment loss on		
AFS financial assets	3,602,361	3,602,361
Provision for probable loss	2,732,947	1,960,842
Allowance for impairment of property		
and equipment	–	2,588,970
MCIT	267,747	205,074

- e. As of December 31, 2012, the Group's NOLCO and MCIT, which are available for deduction against future taxable income and RCIT, respectively, follow:

Year Incurred	NOLCO	Excess MCIT over RCIT	Expiry Year
2012	₱40,024,277	₱102,770	2015
2011	42,308,093	164,977	2014
2010	94,790,412	–	2013
	₱177,122,782	₱267,747	

NOLCO that expired in 2012, 2011 and 2010 amounted to ₱32,790,994, ₱73,581,570 and ₱61,413,672, respectively. Excess MCIT over RCIT that expired in 2012 and 2011 amounted to ₱40,097 and ₱196,133, respectively.

The Group's NOLCO includes NOLCO from the Parent Company amounting to ₱159,807,141 and ₱151,248,694 as of December 31, 2012 and 2011, respectively.

For income tax purposes, the BGEC's and BBC's pre-operating expenses totaling ₱3,415,997 and ₱7,763,483 as of December 31, 2012 and 2011, respectively, will be amortized over five years from the start of commercial operations.



- f. The reconciliation of the provision for income tax computed at the statutory tax rate to the provision for income tax as shown in the consolidated profit or loss follows:

	2012	2011	2010
Provision for income taxes computed at 30%	₱78,204,516	₱35,617,843	₱6,374,830
Adjustments for:			
Income from previous sale of BPMI subject to capital gains tax	(67,486,755)	(59,540,397)	(23,470,868)
Effect of lower tax rate on fair value adjustments on investment properties	(17,614,334)	—	—
Movements of unrecognized deferred income tax assets	9,723,633	27,319,489	24,171,340
Interest and dividend income subject to final tax	(2,056,983)	(1,173,400)	(606,075)
Nondeductible expenses	1,793,484	—	—
Fair value changes of financial assets at FVPL	—	—	31,508
Gain on sale of financial assets at FVPL	—	—	(3,389)
Capital gains tax	12,589,629	—	—
MCIT	102,770	164,977	—
Provision for income tax	₱15,255,960	₱2,388,512	₱6,497,346

21. Basic/Diluted Earnings Per Share

The following reflects the income and share data used in the basic and diluted earnings per share computation:

	2012	2011	2010
Net income attributable to equity holders of the Parent Company (a)	₱245,443,662	₱116,358,275	₱15,353,877
Transaction cost on potential issuance of common shares	(625,000)	(625,000)	(625,000)
Net income attributable to holders of the Parent Company adjusted for the effect of dilution (b)	₱244,818,662	₱115,733,275	₱14,728,877
Weighted average number of shares for basic earnings per share (c)	2,442,493,512	2,442,493,512	2,415,978,360
Stock rights (Note 17)	500,000,000	500,000,000	500,000,000
Weighted average number of shares adjusted for the effect of dilution (d)	2,942,493,512	2,942,493,512	2,915,978,360
Basic earnings per share (a/c)	₱0.100	₱0.048	₱0.006
Diluted earnings per share (b/d)	0.083	0.039	0.005

There have been no other transactions involving common shares or potential common shares between the balance sheet date and the date of issuance of these consolidated financial statements.



22. Segment Information

The primary segment reporting format is determined to be divided into business segments for which the Group's risk and rate of return are affected predominantly by differences in the products produced. The operating businesses are organized and managed separately through the Parent Company and its subsidiaries according to the nature of the products provided, with each segment representing a strategic business unit that offers different products to different markets.

As of December 31, 2012 and 2011, the Group has three main business segments - investment holding, agriculture and oil and gas exploration.

The Group's operating business segments remain to be neither organized nor managed by geographical segment.

The following table presents certain segment results, assets and liability information regarding the Group's business segments:

December 31, 2012:

	Investment Holding	Energy, Oil and Gas Exploration	Agriculture	Eliminations	Total
Results					
Income (loss) before income tax	P262,506,598	P397,530	(P1,493,911)	(P728,497)	P260,681,720
Provision for income tax	15,125,860	127,066	3,034	-	15,255,960
Net income (loss)	P247,380,738	P270,464	(P1,496,945)	(P728,497)	P245,425,760
Assets and Liabilities					
Segment assets	P602,203,531	P70,664,627	P951,483	(P21,155,843)	P652,663,798
Investment properties	193,479,343	-	-	-	193,479,343
Deferred income tax assets	13,311,942	-	-	-	13,311,942
Consolidated total assets	P808,994,816	P70,664,627	P951,483	(P21,155,843)	P859,455,083
Consolidated total liabilities	P47,211,568	P5,795,167	P37,042,100	(P67,398,750)	P22,650,085
Other Segment Information					
Provision for impairment loss	P3,776,778	P-	P-	P-	P3,776,778
Additions to property and equipment	3,365,792	-	-	-	3,365,792
Depreciation and amortization	2,892,146	-	750,386	-	3,642,532

December 31, 2011:

	Investment Holding	Energy, Oil and Gas Exploration	Agriculture	Eliminations	Total
Results					
Income (loss) before income tax	P49,669,531	(P47,136,204)	(P13,752,470)	P129,945,287	P118,726,144
Provision for income tax	2,377,671	9,561	1,280	-	2,388,512
Net income (loss)	P47,291,860	(P47,145,765)	(P13,753,750)	P129,945,287	P116,337,632
(Forward)					
Assets and Liabilities					
Segment assets	P400,445,646	P67,444,875	P3,618,236	(P22,762,038)	P448,746,718
Investment properties	120,086,298	-	-	-	120,086,299
Deferred income tax assets	9,256,558	-	-	-	9,256,558
Consolidated total assets	P529,788,502	P67,444,875	P3,618,236	(P22,762,038)	P578,089,575
Consolidated total liabilities	P43,856,205	P8,962,252	P38,211,908	(P71,344,855)	P19,685,510
Other Segment Information					
Provision for impairment losses	P129,945,287	P46,731,677	P2,588,970	(P129,945,287)	P49,320,647
Additions to property and equipment	2,707,719	-	29,220	-	2,736,939
Depreciation and amortization	2,304,278	-	2,418,487	-	4,722,765



December 31, 2010:

	Investment Holding	Energy, Oil and Gas Exploration	Agriculture	Eliminations	Total
Results					
Income (loss) before income tax	P21,770,149	P-	(P33,990,811)	P33,470,095	P21,249,433
Provision for income tax	6,496,414	-	932	-	6,497,346
Net income (loss)	P15,273,735	P-	(P33,991,743)	P33,470,095	P14,752,087
Assets and Liabilities					
Segment assets	P417,557,209	P23,731,677	P16,471,084	(P124,810,972)	P332,948,998
Investment properties	120,086,298	-	-	-	120,086,298
Deferred income tax assets	8,924,766	-	-	-	8,924,766
Consolidated total assets	P564,568,273	P23,731,677	P16,471,084	(P124,810,972)	P461,960,062
Consolidated total liabilities	P44,777,501	P-	P37,311,005	(P66,688,501)	P15,400,005
Other Segment Information					
Provision for impairment losses	P38,879,345	P15,133,385	P-	(P33,470,095)	P20,542,635
Additions to property and equipment	-	-	2,658,612	-	2,658,612
Depreciation and amortization	2,681,441	-	4,331,839	-	7,013,280

23. Financial Instruments

The following tables set forth the carrying values and estimated fair values of the Group's AFS financial assets as of December 31:

	2012		2011	
	Carrying Value	Fair Value	Carrying Value	Fair Value
AFS financial assets:				
Quoted debt securities	P262,669,089	P262,669,089	P51,248,795	P51,248,795
Unquoted equity investments	43,063,447	43,063,447	3,323,651	3,323,651
Quoted equity investments	135,248	135,248	1,411,934	1,411,934
	P305,867,784	P305,867,784	P55,984,380	P55,984,380

Cash and cash equivalents, short-term cash investments, receivables and accounts payable and accrued expenses

Due to the short-term nature of cash and cash equivalents, short-term cash investments, receivables and accounts payable and accrued expenses, the carrying values of these accounts were assessed to approximate their fair values.

Long-term cash investment

Long-term cash investment bears market interest during the time of purchase and thus carrying value of this placement approximate its fair value.

AFS financial assets

AFS financial assets in quoted equity instruments and quoted debt instruments are carried in the parent company balance sheets at fair value, which is determined by reference to quoted market prices at the close of business on the reporting date. AFS financial assets in unquoted equity instruments are composed of non-listed shares of common stock and proprietary clubs membership which are carried at cost because fair value cannot be reliably measured. Fair value cannot be reasonably determined because the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed.



Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments valuation technique:

- Level 1: quoted prices in active markets for identical financial assets or liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As of December 31, 2012 and 2011, the Group considers its AFS financial assets - quoted debt securities and quoted equity securities under Level 1 classification (see Note 7).

During the reporting years ended December 31, 2012, 2011 and 2010, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

There were no financial liabilities measured at fair value as of December 31, 2012 and 2011.

24. Financial Risk Management Objectives and Policies

The Group's financial instruments consist of cash and cash equivalents, cash investments receivables, AFS financial assets, accounts payables and dividends payable. Cash and cash equivalents, cash investments and AFS financial assets are being used for investment purposes, while receivables, accounts payable and dividends payable arise from operations.

The Group's activities expose it to a variety of financial risks: foreign exchange risk, equity price risk and credit risk. The Group has no significant exposure to interest rate risk as of December 31, 2012 and 2011. The Group's overall risk management program focuses on minimizing the potential adverse effects on the Group's financial performance due to unpredictability of financial markets.

The Group's exposures to these risks are managed through close monitoring by the Group's key management and BOD through the Finance and Investments Committee.

Foreign exchange risk

Foreign exchange risk is the risk to earnings or capital arising from changes in foreign exchange rates. The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial statements. Fluctuations in exchange rates can have significant effects on the Group's reported results. The Group is exposed to foreign exchange risk arising from its foreign currency-denominated cash, receivable and AFS financial assets accounts. The Group's policy is to minimize economic and material transactional exposures arising from currency movements against the Peso.

The Group's significant foreign currency-denominated financial assets as of December 31, 2012 and 2011 are as follows:



	2012		2011	
	Original Currency	Peso Equivalent	Original Currency	Peso Equivalent
Assets:				
Cash and cash equivalents - US\$	\$1,408,626	₱57,824,097	\$17,738	₱777,627
Receivable from FEP - US\$	1,000,000	41,050,000	1,797	78,799
Short-term investments	200,000	8,210,000	200,000	8,768,000
Long-term investment	150,000	6,157,500	-	-
AFS financial assets:				
Quoted equity investments:				
USD	15,500	636,275	15,500	679,520
GBP	5,850	240,143	5,850	397,109
		₱114,118,015		₱10,701,055

The Group's foreign currency-denominated exposures comprise significantly of its exposure in its US\$, Euro and Great Britain Pound (GBP) financial assets.

For purposes of translating the foreign currency-denominated monetary assets and liabilities as of December 31, the exchange rates applied were as follows:

	2012	2011
US\$	41.05	43.84
GBP	66.32	67.88

The following table summarizes the impact on the consolidated financial statements of reasonably possible changes in the exchange rates of foreign currencies against the Peso as of December 31, 2012 and 2011 until the Group's next financial reporting date:

	Change in peso - foreign exchange rate	Increase (decrease) in income before income tax
2012	Increase by 5%	₱5,705,901
	Decrease by 5%	(5,705,901)
2011	Increase by 5%	96,652
	Decrease by 5%	(96,652)

The effect on the Group's equity in relation to foreign exchange risk already excludes the effect on the transactions affecting profit or loss.

Equity price risk

Equity price risk is the risk that the value of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to equity securities price risk because of investments held by the Group, which are classified on the consolidated balance sheets as AFS financial assets. The Group employs the service of a third party stock broker to manage its investment in shares of stock.

The following table presents the effect on the consolidated financial statements of reasonably possible changes in market prices of AFS financial assets - quoted equity securities as of December 31, 2012 and 2011 until the Group's next financial reporting date:



	Change in Quoted Prices of Investments Carried at Fair Value	Increase (decrease) in equity
2012		
AFS financial assets	Increase by 9%	₱3,875,710
AFS financial assets	Decrease by 9%	3,875,710
2011		
AFS financial assets	Increase by 9%	₱127,074
AFS financial assets	Decrease by 9%	(127,074)

The effect on the Group's equity in relation to equity price risk already excludes the effect on the transactions affecting profit or loss.

Credit risk

Credit risk is the risk that the Group will incur a loss because its counterparties failed to discharge their contractual obligations. The Group manages and controls credit risk by doing business only with recognized, creditworthy third parties. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The Group does not have any collateral held as security and other credit enhancements on its financial assets as of December 31, 2012 and 2011. Therefore, the Group's maximum exposure to credit risk is equal to the carrying amount of its financial assets as of December 31, 2012 and 2011.

It is the Group's policy to maintain the receivables at a low level except for one-time non-trade transaction which the Group classifies under the collectible/not impaired because the parties have no history of default especially on transactions as agreed on the contract.

The following table provides information regarding the credit quality by class of financial assets (amounts gross of allowance for credit losses) based on the Group's credit rating system:

	2012		
	Neither Past Due nor Impaired (Satisfactory)	Past Due and Impaired	Total
Cash and cash equivalents*	₱202,425,948	₱—	₱202,425,948
Short-term cash investments	8,210,000	—	8,210,000
Receivables:			
Receivable from FEP	41,050,000	—	41,050,000
Interest receivable	2,033,495	—	2,033,495
Other receivables	2,367,070	2,641,082	5,008,152
Long-term cash investment	6,157,500	—	6,157,500
	51,608,065	2,641,082	54,249,147
AFS financial assets:			
Debt securities - quoted, at fair value	262,669,089	—	262,669,089
Unquoted equity investments	135,248	4,090,435	4,225,683
	262,804,337	4,090,435	266,894,772
	₱525,048,350	₱6,731,517	₱531,779,867

*Excluding cash on hand amounting to ₱11,051 as of December 31, 2012.



	2011		
	Neither Past Due nor Impaired (Satisfactory)	Past Due and Impaired	Total
Cash and cash equivalents*	₱311,734,597	₱—	₱311,734,597
Short-term cash investments	8,768,000	—	8,768,000
Receivables:			
Receivable from FEP	78,799	—	78,799
Interest receivable	976,438	—	976,438
Other receivables	650,475	2,052,707	2,703,182
	1,705,712	2,052,707	3,758,419
AFS financial assets:			
Quoted debt securities	51,248,795	—	51,248,795
Unquoted equity investments	3,323,651	902,032	4,225,683
	54,572,446	902,032	55,474,478
	₱376,780,755	₱2,954,739	₱379,735,494

*Excluding cash on hand amounting to ₱19,408 as of December 31, 2011.

The credit quality of the financial assets was determined as follows:

Financial instruments classified as “satisfactory” are those cash and cash equivalents and cash investments transacted with reputable local and multi-national banks and receivables with some history of default on the agreed terms of the contract. AFS financial assets are considered “satisfactory” since these are invested in blue chip shares of stock. “Past due and impaired” are those that are long outstanding and has been fully provided with an allowance for doubtful accounts. There are no past due but not impaired receivables as of December 31, 2012 and 2011, respectively.

Concentrations of credit risk arise from financial instruments that have similar characteristics and are affected similarly by changes in economic or other conditions. There are no significant concentrations of credit risk within the Group arising from financial assets since these are not directly affected by changes in economic or other external conditions.

Liquidity risk

Liquidity risk is defined as the risk that the Group could not be able to settle or meet its obligations on time or at a reasonable price. Management is responsible for liquidity, funding as well as settlement management. Management also ensures that the Group will maximize its gain on trading of marketable securities to finance future capital intensive projects. The Group manages its liquidity risk on a consolidated basis based on business needs, tax, capital or regulatory considerations, if applicable, through numerous sources of finance in order to maintain flexibility.

The Group manages its liquidity profile to be able to finance its working capital requirements and capital expenditures and service due and maturing debts. To cover its financing requirements, the Parent Company intends to use internally generated funds. The BOD closely monitors the Parent Company’s financial position during its regular meetings.

The table below summarizes the maturity profile of the financial instruments of the Group based on remaining contractual undiscounted cash flows:



2012				
	Less than 3 months	More than 3 months but less than one year	More than one year	Total
Financial assets				
Loans and receivable:				
Cash and cash equivalents	P202,436,999	P-	P-	P202,436,999
Short-term cash investments	-	8,210,000	-	8,210,000
Receivables:				
Receivable from FEP	41,050,000	-	-	41,050,000
Accrued interest receivable	2,033,495	-	-	2,033,495
Other receivables	2,367,070	-	-	2,367,070
Long-term cash investment	-	-	6,157,500	6,157,500
	247,887,564	8,210,000	6,157,500	262,255,064
AFS financial assets:				
Quoted debt securities	-	-	262,669,089	262,669,089
Unquoted equity investments	-	-	135,248	135,248
Quoted equity investments	-	-	43,063,447	43,063,447
	-	-	305,856,784	305,856,784
	247,887,564	8,210,000	312,025,284	568,122,848
Financial liabilities				
Other financial liabilities:				
Accounts payable	1,163,608	-	-	1,163,608
Dividends payable	-	888,714	-	888,714
	1,163,608	888,714	-	2,052,322
Net liquidity position	P246,723,956	P7,321,286	P312,025,284	P566,070,526

2011				
	Less than 3 months	More than 3 months but less than one year	More than one year	Total
Financial Assets				
Loans and receivable:				
Cash and cash equivalents	P311,754,005	P-	P-	P311,754,005
Short-term cash investments	-	8,768,000	-	8,768,000
Receivables:				
Receivable from FEP	78,799	-	-	78,799
Interest receivable	976,438	-	-	976,438
Other receivables	650,475	-	-	650,475
	313,459,717	8,768,000	-	322,227,717
AFS financial assets:				
Quoted debt securities	-	-	51,248,795	51,248,795
Unquoted equity investments	-	-	3,323,651	3,323,651
Quoted equity investments	-	-	1,411,934	1,411,934
	-	-	55,984,380	55,984,380
	313,459,717	8,768,000	55,984,380	378,212,097
Financial Liabilities				
Other financial liabilities:				
Accounts payable	2,182,176	-	-	2,182,176
Dividends payable	-	888,714	-	888,714
	2,182,176	888,714	-	3,070,890
Net liquidity position	P311,277,541	P7,789,286	P55,984,380	P375,141,207

Capital Management

The objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximize shareholder value.



The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may issue new shares. No changes were made on the objectives, policies or processes during the years ended December 31, 2012 and 2011.

Management of working capital focuses on short-term decisions relating to cash and cash equivalents and other current assets and liabilities. The goal of working capital management is to ensure that the Group is able to continue its business operations and that it has sufficient funds to satisfy maturing current liabilities and operating expenses.

As of December 31, 2012 and 2011, the Group is not subject to any externally imposed capital requirements.

The table below summarizes the total capital considered by the Group:

	2012	2011
Capital stock	₱610,623,378	₱610,623,378
Additional paid-in capital	32,699,360	32,699,360
Retained earnings (deficit)	154,918,277	(91,624,127)
	₱798,241,015	₱551,698,611



BASIC ENERGY CORPORATION
SEC DISCLOSURE
YEAR 2012

DATE OF REPORT	PARTICULARS
January 6, 2012	Certification on Compliance with Manual on Corporate Governance
January 31, 2012	Top 100 Stockholders as of December 31, 2011
February 7, 2012	Report on Number of Shareholders as of January 31, 2012
March 1, 2012	Annual Stockholders' Meeting on May 30, 2012, Record Date on April 30, 2012
March 2, 2012	Report on Number of Shareholders as of February 29, 2012
March 29, 2012	Results of Board of Directors' Meeting: nomination of directors; approval of 2011 Audited Financial Statements; engagement of external auditor
April 3, 2012	Compliance Report on Corporate Governance for year 2011
April 3, 2012	Report on Number of Shareholders as of March 31, 2012
April 10, 2012	Computation of Public Ownership as of March 31, 2012
April 13, 2012	Top 100 Stockholders as of March 31, 2012
May 24, 2012	Subscription of director/officer to Stock Option Plan
May 31, 2012	Results of organizational Meeting of Board of Directors
June 5, 2012	Report on Number of shareholders as of May 31, 2012
June 6, 2012	Results of Annual stockholders' Meeting held last May 30, 2012
June 22, 2012	Execution of compromise agreement with Forum Energy Plc. regarding purchase agreement
June 27, 2012	Statement of Changes in the Beneficial Ownership
July 3, 2012	Report on Number of shareholders as of June 30, 2012
July 12, 2012	Top 100 Stockholders as of June 30, 2012
July 27, 2012	Election of Advisory Board Member
July 31, 2012	Report on Number of Shareholders as of July 31, 2012
September 5, 2012	Report on Number of Shareholders as of August 31, 2012
September 13, 2012	Amended Quarterly Report for period ended June 30, 2012
September 14, 2012	Receipt of letter from DOE re: applications for Geothermal Renewable Energy Service
September 27, 2012	Subscription of officers to the Stock Option Plan
September 28, 2012	Subscription of directors to the Stock Option Plan
October 3, 2012	Report on Number of shareholders as of September 30, 2012
October 4, 2012	Report on compliance with SEC Memorandum re: guidelines for the assessment of the performance of Audit Committees
October 10, 2012	Top 100 Stockholders as of September 30, 2012
November 7, 2012	Report on Number of Shareholders as of October 31, 2012
November 9, 2012	Letter re: non-compliance with Revised Disclosure Rules
December 5, 2012	Report on Number of Shareholders as of November 30, 2012
January 4, 2013	Certification on attendance of members of board of directors for year 2012
January 3, 2013	Report on Number of Shareholders as of December 31, 2012
January 5, 2013	Public Ownership Report for quarter ended December 31, 2012
January 4, 2013	Certification on compliance with Manual on Corporate Governance

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Saturday, January 7, 2012 2:53 AM

Dear Sir/Madam:

We would like to inform you that as of JAN 06, 2012 10:53:10 AM today,

Reference Number: WLIST__2012000000446
Company Name: Basic Energy Corporation
Disclosure Subject: Certification on Compliance with Manual on Corporate Governance
Status: APPROVED

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Philippines 1600

January 5, 2012

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.

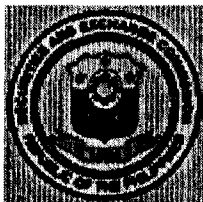
Very truly yours,



ANGEL P. GAHOL
Compliance Officer



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**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
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BASIC ENERGY CORPORATION

(Company's Full Name)

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(Company Telephone Number)

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(Annual Meeting)

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Dept. Requiring this Doc.

Not Applicable

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

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CERTIFICATION


I, ANGEL P. GAHOL, of legal age, Filipino, and with office address c/o Basic Energy Corporation, 7th Flr. Basic Petroleum Corporation, 104 Carlos Palanca St., Legaspi Village, Makati City, Metro Manila, after being duly sworn to in accordance with laws, do hereby certify that:

1. I am the AVP-Asst Corporate Secretary/Compliance Officer of Basic Energy Corporation (the Corporation), a domestic corporation duly organized and existing under the Philippine laws with principal office at 7th Flr. Basic Petroleum Corporation, 104 Carlos Palanca St., Legaspi Village, Makati City, Metro Manila;
2. Compliance with SEC Memorandum Circular No. 2 dated April 2002 on Corporate Governance have been monitored;
3. The Corporation, its directors, officers and employees complied with all the leading practices and principles on good corporate governance as embodied in the Company's Manual on Corporate Governance;
4. The Corporation has substantially complied with the provisions of its Manual on Corporate Governance;
5. This certification is being executed in compliance with the provisions of our Corporate Governance Manual required under Securities and Exchange Commission Memorandum Circular No. 2 dated April 5, 2007.

Signed this 04 JAN 2012 day of January 2012 at Makati City.


Countersigned by:


OSCAR L. DE VENECIA, JR.
President & CEO


ANGEL P. GAHOL
AVP-Asst Corp Secretary/
Compliance Officer

SUBSCRIBED AND SWORN to before me this 04 JAN 2012 day of January 2012 at Makati City, Metro Manila, affiant exhibited to me his Community Tax Certificate No. 18367106 issued on January 26, 2010 at Quezon City.

Doc. No. 109
Page No. 23
Book No. 12
Series of 2012


Atty. ARMANDITO RICARTE, JR.
NOTARY PUBLIC
Until December 31, 2012
Appt. No. M-47 Makati City
IBP No. 835554/10-22-10/Pasig City
PTR No. 2087703/01-04-10/Makati City
TIN No. 194-051-007
Roll No. 40719

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Wednesday, January 11, 2012 5:20 AM

Dear Sir/Madam:

We would like to inform you that as of JAN 10, 2012 01:20:38 PM today,

Reference Number: WLIST_2012000000666
Company Name: Basic Energy Corporation
Disclosure Subject: Top 100 Stockholders as of December 31, 2011
Status: APPROVED

Should you need further assistance, please e-mail us at

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If verification is required please request a hard-copy version.

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

about:blank

1/1

January 10, 2012

THE DISCLOSURE DEPARTMENT
2/F The Philippine Stock Exchange, Inc.
PSE Centre, Ayala Avenue
Makati City

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

Gentlemen:

We are furnishing you a copy of the Top 100 Stockholders as of December 31, 2011 as submitted to the Securities & Exchange Commission.

Very truly yours,


ANGEL P. GAHOL
Compliance Officer

3 6 3 5 9

SEC Registration Number

BASIC ENERGY CORPORATION

(Company's Full Name)

7th Floor, Basic Petroleum
Building, C. Palanca, Jr. Street,
Legaspi Village, Makati City

(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)

-
(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 Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

January 10, 2012

SECURITIES AND EXCHANGE COMMISSION
SEC BLDG., EDSA Greenhills
Mandaluyong City, Metro Manila

Attention : **ATTY. JUSTINA F. CALLANGAN**
Director, Corporate and Finance Department

Gentlemen:

We are pleased to submit to you the list of Top 100 Stockholders as December 31, 2011.




We hope you find the attached in order.

Thank you and regards.

Very truly yours,



ANGEL P. GAHOL
AVP/Asst Corporate Secretary/
Compliance Officer

7F Basic Petroleum Building, 104 Carlos Palanca Jr. Street, Legaspi Village, Makati City 1229, Philippines
 (632) 817-8596 and 98  (632) 817-0191  www.basicenergy.ph

issue_code	topnum	cutoffdate	stkhidnum	natcode	totshares	nameaddr
BCI	100	12/31/2011	00001756C	PH	2013371379	PCD NOMINEE CORPORATION (FILIPINO)
BCI	100	12/31/2011	00001659E	PH	25738744	CHRISTODEL PHILS., INC.
BCI	100	12/31/2011	000017851	PH	24822276	TAN, ISIDORO OCAMPO
BCI	100	12/31/2011	00001750E	PH	20989439	PHASES REALTORS INC.
BCI	100	12/31/2011	00001741E	PH	20745757	NORTHWEST TRADERS CORPORATION
BCI	100	12/31/2011	00001756C	OA	17483541	PCD NOMINEE CORPORATION
BCI	100	12/31/2011	000017987	PH	12885833	VENECIA, JOSE MA. L. DE
BCI	100	12/31/2011	00001795E	PH	10013225	VENECIA JR., JOSE C. DE
BCI	100	12/31/2011	00002036E	PH	10000000	UY, SAMUEL
BCI	100	12/31/2011	000017417	PH	8708890	NORTHWEST INVESTORS, INC.
BCI	100	12/31/2011	00001798E	PH	8363333	VENECIA, MARK ANTHONY L. DE
BCI	100	12/31/2011	00001798C	PH	8110000	VENECIA, OSCAR C. DE
BCI	100	12/31/2011	00001659E	PH	8000000	CHUA CHIACO, ERNESTO
BCI	100	12/31/2011	000017151	PH	7200000	JLV HOLDINGS, INC.
BCI	100	12/31/2011	00001740Z	PH	5070000	MDV HOLDINGS, INC.
BCI	100	12/31/2011	000017154	PH	4550000	KHO GIOK EN
BCI	100	12/31/2011	000017584	PH	4408523	RODRIGUEZ, HORACIO
BCI	100	12/31/2011	000017417	PH	4177025	NORTHWEST SECURITIES, INC.
BCI	100	12/31/2011	00002036E	PH	3750000	TAN, JAN SHARON GAISANO
BCI	100	12/31/2011	000016834	PH	3149221	CHUA, CHRISTINE
BCI	100	12/31/2011	000016811	PH	3019498	EAST WEST COMMODITIES, INC.
BCI	100	12/31/2011	00001772C	PH	2658257	SY SR., HENRY
BCI	100	12/31/2011	000021687	PH	2500000	LISTA, JENNETTE J.
BCI	100	12/31/2011	00002036E	PH	2500000	CHUA, VICKY
BCI	100	12/31/2011	000021687	PH	2500000	CASTANEDA, RENATO
BCI	100	12/31/2011	000021687	PH	2500000	PO, ARCHIVALD
BCI	100	12/31/2011	000016337	PH	2184328	AGRI-TECH MANAGEMENT HOLDINGS
BCI	100	12/31/2011	00001748C	PH	2025824	PAIC SECURITIES CORPORATION
BCI	100	12/31/2011	00001798E	PH	2000000	VY, ALFONSO C.
BCI	100	12/31/2011	00001785E	PH	1940398	TANCHAN, SANTIAGO
BCI	100	12/31/2011	00002256C	PH	1910000	CRUZ, TERESITA B. CRUZ &/OR REGINO B.
BCI	100	12/31/2011	000017421	PH	1787458	NATIONAL LIFE INSURANCE
BCI	100	12/31/2011	000017727	PH	1650000	SANGALANG, JOSE D.
BCI	100	12/31/2011	00001675E	PH	1605476	DAVID GO SECURITIES CORP.

BCI	100	12/31/201100001744E PH
BCI	100	12/31/201100002172C CH
BCI	100	12/31/2011000016771 PH
BCI	100	12/31/201100001638E PH
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BCI	100	12/31/201100001685C PH
BCI	100	12/31/201100001781E PH

1602391 ONG, JOSEPH D.
1500000 LIM, ROSENDO
1363249 DUCA, VICTORIA
1353080 AQUATIC RANCH DEVELOPMENT CORP
1317968 F. YAP SECURITIES, INC.
1279962 DUCA, VICTORIA
1262676 DAVID GO SEC. CORP.
1262500 DY, KOC GUAN TIU
1185000 NG, RICARDO
1170000 CHUNG GUAT TIOC
1105830 G & L SECURITIES COMPANY, INC.
1104554 TANCHAN JR., SANTIAGO J.
1100000 RIVERO, RAMON R.
1093307 CHIU, RAMON L.
1086571 MENDOZA, ALBERTO
1071595 ROSARIO, ALBERT DEL
1050000 DY, SOPHIA
1047453 MOUNT PEAK SECURITIES, INC.
1032819 SAN JOSE, AURORA V.
1025246 EBC SECURITIES CORPORATION
1010403 YEE, JUANITO L.
1000000 TAN, DOUGLAS
1000000 PRECILLA, GEORGE G. PRECILLA &/OR REBECCA T.
982907 SF PASS INTERNATIONAL
980000 LIM, JORGE G.
962893 GO, DAVID C.
962497 CHING, CYNTHIA D.
944248 BA SECURITIES, INC.
915016 YAN, LUCIO
908073 CHAM, ALLEN
895000 CRUZ, BENITO DE LA
880005 OLIVA, DULCE MARIA S.
880000 MAGNO, JOSE
872617 FLOIRENDO, ANTONIO O.
867702 TAN, FRANCISCO

BCI	100	12/31/201100001704E PH
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BCI	100	12/31/201100001758E PH
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BCI	100	12/31/201100001694E PH
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BCI	100	12/31/201100001667E PH
BCI	100	12/31/201100001635E PH

850000	GOCHANGCO, ALBERTO
829234	TANSENGCO & COMPANY, INC.
783374	GOTHONG, BREZILDA
750000	SY, VICTOR GAN
737489	TANCHAN, CONSTANTINE
734076	SIAO, VICENTE
722308	LOCSIN, JOSE E.
710000	RIVERO, RAMON
700000	ONG, RAMON
698709	ONG, ROSARIO T.
683000	CANLAS, EFREN M.
674160	CAMPOS, JOSE Y.
663695	MANOTOC SECURITIES, INC.
654274	QUE, JUANITO
650000	CHEN ZHIMENG
649092	R. NUBLA SECURITIES, INC.
626902	NG, IDA S.
623518	SAN JOSE JR., RAMON A.
620430	GO JR., DELFIN
618914	TY, A.N.
614373	MANILAC AGRO COMMERCIAL CORPORATION
600000	BANTOTO, LOVE
600000	SY TIONG SHIOU
594990	MONZON, RAMON
591913	PUA YOK BING
585771	CU, OSCAR
578863	CHING TIONG KANG
550604	GUANZON, ARTURO A.
530000	HO, VICTOR
520000	CHUA, VICTOR T.
500000	ANG NGO CHIONG

Philippine Depository & Trust Corp.

TOP 100 PDTC PARTICIPANTS

Business Dt: 12/29/2011

Security ID: BSC000000000 BASIC ENERGY CORPORATION

Transfer Agent: RCBCTA0000C Transfer Agent Name: RCBC TRANSFER AGENT

S. No.	BPID BPNAME	HOLDING	%HOLDING
1	27800000000 YU & COMPANY, INC.	124,500,411.00	6.1305038
2	25300000000 TOWER SECURITIES, INC.	119,686,165.00	5.8934463
3	15400000000 EVERGREEN STOCK BROKERAGE & SEC., INC.	117,567,597.00	5.7891262
4	12600000000 BPI SECURITIES CORPORATION	109,065,890.00	5.3704951
5	34500000000 UNICAPITAL SECURITIES INC.	108,304,079.00	5.3329829
6	20300000000 CITISECONLINE.COM, INC.	88,834,306.00	4.3742751
7	10200000000 ABACUS SECURITIES CORPORATION	78,728,974.00	3.8766801
8	16700000000 AURORA SECURITIES, INC.	75,167,457.00	3.7013081
9	38900000000 KING'S POWER SECURITIES, INC.	71,088,996.00	3.5004813
10	10300000000 ACCORD CAPITAL EQUITIES CORPORATION	70,272,959.00	3.4602989
11	26900000000 WEALTH SECURITIES, INC.	60,847,265.00	2.5037816
12	10900000000 BA SECURITIES, INC.	50,493,040.00	2.4863193
13	21900000000 PAPA SECURITIES CORPORATION	46,125,416.00	2.2712538
14	23300000000 R. COYUTO SECURITIES, INC.	43,469,039.00	2.1404516
15	20800000000 MDR SECURITIES, INC.	40,405,051.00	1.9895783
16	28200000000 PCCI SECURITIES BROKERS CORP.	34,396,702.00	1.6937222
17	22000000000 ATR-KIM ENG SECURITIES, INC.	32,622,629.00	1.6063654
18	23000000000 QUALITY INVESTMENTS & SECURITIES CORPORATION	31,804,015.00	1.5660561
19	28700000000 FIRST METRO SECURITIES BROKERAGE CORP.	30,795,728.00	1.5164073
20	11100000000 ANSALDO, GODINEZ & CO., INC.	27,905,117.00	1.3740712
21	24600000000 SUMMIT SECURITIES, INC.	27,267,585.00	1.3426788
22	23500000000 REGINA CAPITAL DEVELOPMENT CORPORATION	25,255,401.00	1.2435969
23	27000000000 WESTLINK GLOBAL EQUITIES, INC.	24,466,462.00	1.2047489
24	14300000000 DAVID GO SECURITIES CORP.	23,296,310.00	1.1471297
25	11500000000 SB EQUITIES, INC.	22,495,464.00	1.1076954
26	20600000000 MERIDIAN SECURITIES, INC.	21,808,672.00	1.0778164
27	28600000000 SOLAR SECURITIES, INC.	21,199,431.00	1.0438776
28	27500000000 YAO & ZIALCITA, INC.	18,777,506.00	0.9246200
29	19700000000 LOPEZ, LOCSIN, LEDESMA & CO., INC.	18,639,090.00	0.9178043
30	16800000000 GLOBALINKS SECURITIES & STOCKS, INC.	17,851,936.00	0.8790442
31	11200000000 AB CAPITAL SECURITIES, INC.	17,701,640.00	0.8716435
32	14700000000 E. CHUA CHIACO SECURITIES, INC.	17,558,113.00	0.8645761
33	13100000000 PCIB SECURITIES, INC.	17,050,732.00	0.8395922
34	20000000000 MANDARIN SECURITIES CORPORATION	16,832,282.00	0.8288356
35	27200000000 BERNAD SECURITIES, INC.	13,939,121.00	0.6863739
36	17000000000 GOLDSTAR SECURITIES, INC.	13,909,664.00	0.6849234
37	10400000000 A. T. DE CASTRO SECURITIES CORP.	13,169,873.00	0.6484955
38	28500000000 GOLDEN TOWER SECURITIES & HOLDINGS, INC.	11,777,160.00	0.5799172
39	12400000000 B. H. CHUA SECURITIES CORPORATION	11,701,174.00	0.5761755
40	18200000000 IMPERIAL, DE GUZMAN, ABALOS & CO., INC.	11,006,453.00	0.5419669
41	25700000000 TRI-STATE SECURITIES, INC.	10,966,254.00	0.5399876
42	19900000000 LUYS SECURITIES COMPANY, INC.	10,840,700.00	0.5239569

43	20400000000 DA MARKET SECURITIES, INC.	10,327,452.00	0.5085323
44	27900000000 BDO SECURITIES CORPORATION	9,491,669.00	0.4673777
45	25100000000 TANSENGCO & CO., INC.	9,248,252.00	0.4553916
46	21800000000 PAN ASIA SECURITIES CORP.	9,149,841.00	0.4505359
47	12200000000 BELSON SECURITIES, INC.	9,138,933.00	0.4500087
48	28600000000 VICSAL SECURITIES & STOCK BROKERAGE, INC.	8,832,158.00	0.4349028
49	11000000000 ANGPING & ASSOCIATES SECURITIES, INC.	7,793,297.00	0.3837484
50	15000000000 EASTERN SECURITIES DEVELOPMENT CORPORATION	7,726,888.00	0.3804833
51	14000000000 IGC SECURITIES INC.	7,428,355.00	0.3657784
52	15300000000 EQUITIWORLD SECURITIES, INC.	7,264,827.00	0.3577281
53	17900000000 I. ACKERMAN & CO., INC.	7,241,620.00	0.3565834
54	19800000000 LUCKY SECURITIES, INC.	7,183,300.00	0.3537117
55	23100000000 R & L INVESTMENTS, INC.	6,757,994.00	0.3327892
56	22500000000 PREMIUM SECURITIES, INC.	6,606,221.00	0.3252958
57	13300000000 CITISECURITIES, INC.	6,356,761.00	0.3130122
58	18100000000 INVESTORS SECURITIES, INC.	6,180,266.00	0.3043214
59	17400000000 HDI SECURITIES, INC.	6,151,281.00	0.3028942
60	28300000000 EAGLE EQUITIES, INC.	6,131,435.00	0.3019170
61	11900000000 ASTRA SECURITIES CORPORATION	5,843,784.00	0.2928769
62	21100000000 NEW WORLD SECURITIES CO., INC.	5,844,041.00	0.2877654
63	13600000000 TRITON SECURITIES CORP.	5,738,759.00	0.2825813
64	18300000000 INTRA-INVEST SECURITIES, INC.	5,572,145.00	0.2743771
65	11800000000 ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	5,537,735.00	0.2726827
66	21700000000 RCBC SECURITIES, INC.	5,403,744.00	0.2660848
67	21300000000 NIEVES SANCHEZ, INC.	5,364,557.00	0.2641552
68	24000000000 S.J. ROXAS & CO., INC.	5,316,473.00	0.2617876
69	23600000000 R. NUBLA SECURITIES, INC.	5,276,526.00	0.2598205
70	20600000000 MERCANTILE SECURITIES CORP.	5,116,303.00	0.2519310
71	12800000000 CAMPOS, LANUZA & COMPANY, INC.	4,464,722.00	0.2198466
72	25800000000 UCPB SECURITIES, INC.	4,424,398.00	0.2178610
73	24700000000 STANDARD SECURITIES CORPORATION	4,364,928.00	0.2149327
74	23800000000 R. S. LIM & CO., INC.	4,217,345.00	0.2076856
75	11800000000 ASIASEC EQUITIES, INC.	4,209,353.00	0.2072720
76	22400000000 PNB SECURITIES, INC.	4,135,683.00	0.2036445
77	17200000000 GUILD SECURITIES, INC.	3,808,159.00	0.1875169
78	28800000000 G.D. TAN & COMPANY, INC.	3,802,938.00	0.1872598
79	10100000000 A & A SECURITIES, INC.	3,771,033.00	0.1856888
80	27300000000 WONG SECURITIES CORPORATION	3,707,507.00	0.1826807
81	19200000000 STRATEGIC EQUITIES CORP.	3,548,162.00	0.1747144
82	21000000000 MOUNT PEAK SECURITIES, INC.	3,547,553.00	0.1746845
83	12300000000 BENJAMIN CO CA & CO., INC.	3,483,842.00	0.1715473
84	12800000000 SINCERE SECURITIES CORPORATION	3,223,233.00	0.1587147
85	PABC1000000 AB CAPITAL & INVESTMENT CORP. - TRUST & INVESTME	3,000,000.00	0.1477225
86	14100000000 CUALOPING SECURITIES CORPORATION	2,404,157.00	0.1183827
87	16900000000 JSG SECURITIES, INC.	2,275,244.00	0.1120349
88	22900000000 SALISBURY BKT SECURITIES CORPORATION	2,070,600.00	0.1019581
89	25200000000 THE FIRST RESOURCES MANAGEMENT & SECURITIES C	1,949,036.00	0.0959722
90	23900000000 RTG & COMPANY, INC.	1,802,030.00	0.0887335
91	23200000000 ALAKOR SECURITIES CORPORATION	1,781,368.00	0.0877159
92	16200000000 F. YAP SECURITIES, INC.	1,770,296.00	0.0871708
93	36800000000 SunSecurities, Inc.	1,750,000.00	0.0861715
94	12500000000 JAKA SECURITIES CORP.	1,734,516.00	0.0854090

95	21500000000	OPTIMUM SECURITIES CORPORATION	1,719,206.00	0.0846551
96	23700000000	AAA SOUTHEAST EQUITIES, INCORPORATED	1,451,227.00	0.0714596
97	18100000000	FRANCISCO ORTIGAS SECURITIES, INC.	1,378,992.00	0.0679027
98	18800000000	J.M. BARCELON & CO., INC.	1,329,518.00	0.0654666
99	14500000000	DIVERSIFIED SECURITIES, INC.	1,292,034.00	0.0636208
100	10600000000	ALPHA SECURITIES CORP.	1,271,010.00	0.0625858
101	32800000000	DW CAPITAL INC.	1,266,483.00	0.0623627
102	17500000000	H. E. BENNETT SECURITIES, INC.	1,176,131.00	0.0579137
103	18000000000	I. B. GIMENEZ SECURITIES, INC.	1,133,761.00	0.0558273
104	15700000000	FIRST ORIENT SECURITIES, INC.	988,565.00	0.0486778
105	19300000000	LARRGO SECURITIES CO., INC.	976,263.00	0.0480720
106	14900000000	EAST WEST CAPITAL CORPORATION	966,192.00	0.0475761
107	22300000000	PLATINUM SECURITIES, INC.	936,965.00	0.0461369
108	13000000000	CENTURY SECURITIES CORPORATION	794,474.00	0.0391206
109	26300000000	VENTURE SECURITIES, INC.	857,265.00	0.0323643
110	38800000000	ARMSTRONG SECURITIES, INC.	534,340.00	0.0263113
111	32300000003	CLSA PHILIPPINES, INC.	447,805.00	0.0220503
112	24200000000	SECURITIES SPECIALISTS, INC.	365,540.00	0.0179895
113	18700000000	ASIAN CAPITAL EQUITIES, INC.	348,154.00	0.0171434
114	10000000000	UPCC SECURITIES CORP.	314,927.00	0.0155073
115	25800000000	TRENDLINE SECURITIES CORPORATION	313,637.00	0.0154437
116	SCBK1000000	STANDARD CHARTERED BANK	250,116.00	0.0123159
117	SEIC1000000	SEABOARD-EASTERN INSURANCE COMPANY, INC.	241,499.00	0.0118916
118	RCBC1000031	RCBC TRUST & INVESTMENT DIVISION	216,122.00	0.0108420
119	20100000000	MARIAN SECURITIES, INC.	200,082.00	0.0098522
120	26100000004	E.SECURITIES, INC. ITF VARIOUS CLIENTS	199,870.00	0.0098418
121	24300000000	FIDELITY SECURITIES, INC.	174,599.00	0.0085974
122	20900000001	DEUTSCHE REGIS PARTNERS, INC.	157,656.00	0.0077631
123	24900000000	SUPREME STOCKBROKERS, INC	146,721.00	0.0072247
124	12000000000	ATC SECURITIES, INC.	126,754.00	0.0062415
125	26100000003	E.SECURITIES, INC. ITF VARIOUS CLIENTS	110,563.00	0.0054442
126	22800000000	PRYCE SECURITIES, INC.	81,745.00	0.0040252
127	23000000001	Asia Insurance (Philippines) Corporation	80,000.00	0.0039393
128	20200000000	MARINO OLONDRIZ Y CIA	84,491.00	0.0031756
129	CITI1000000	CITIBANK N.A.	58,236.00	0.0028676
130	24000000002	S.J. ROXAS & CO., INC.	51,321.00	0.0025271
131	25400000000	TRANS-ASIA SECURITIES, INC.	36,334.00	0.0017891
132	RCBC1000032	RCBC TRUST & INVESTMENT DIVISION	34,723.00	0.0017098
133	HSBC1000000	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -	24,543.00	0.0012085
134	33800000000	PHILIPPINE EQUITY PARTNERS, INC.	14,177.00	0.0006981
135	17800000000	HK SECURITIES, INC.	11,445.00	0.0005636
136	19500000000	LITONJUA SECURITIES, INC.	11,302.00	0.0005565
137	10500000000	ALL ASIA SECURITIES MANAGEMENT CORP.	9,624.00	0.0004739
138	PCPL1000000	UNITED COCONUT PLANTERS LIFE ASSURANCE CORPC	9,583.00	0.0004719
139	14800000000	EQUITABLE SECURITIES (PHILS.) INC.	8,062.00	0.0003970
140	RCBC1000033	RCBC TRUST & INVESTMENT DIVISION	2,324.00	0.0001144
141	RCBC1000051	RCBC TRUST & INVESTMENTS DIVISION	1,666.00	0.0000820
142	20900000003	DEUTSCHE REGIS PARTNERS, INC.	1,133.00	0.0000558
143	13800000000	PHILEO ALLIED SECURITIES (PHILIPPINES), INC.	1,028.00	0.0000506
144	19400000000	LIPPO SECURITIES, INC.	1,000.00	0.0000482
145	15900000000	FIRST INTEGRATED CAPITAL SECURITIES, INC.	792.00	0.0000390
146	20900000000	DEUTSCHE REGIS PARTNERS, INC.	749.00	0.0000369

147	34500000006 UNICAPITAL SECURITIES INC.	572.00	0.0000282
148	11300000000 SARANGANI SECURITIES, INC.	458.00	0.0000226
149	12100000004 MACQUARIE CAPITAL SECURITIES (PHILIPPINES) INC.	245.00	0.0000121
150	BCDO2000000 BANCO DE ORO - TRUST BANKING GROUP	214.00	0.0000105
151	14200000000 DBP-DAIWA CAPITAL MARKETS PHILIPPINES, INC.	183.00	0.0000090
152	BPMI0000000 BASIC PETROLEUM & MINERALS, INC.	22.00	0.0000011

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Wednesday, February 8, 2012 2:45 AM

Dear Sir/Madam:

We would like to inform you that as of FEB 07, 2012 10:45:27 AM today,

Reference Number: WLST_201200002529
Company Name: Basic Energy Corporation
Disclosure Subject: Report on Number of Shareholders as of January 31, 2012
Status: APPROVED

Should you need further assistance, please e-mail us at

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If verification is required please request a hard-copy version.

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

about:blank

1/1

February 7, 2012

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

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

Gentlemen:

In compliance with your requirements, we attached herewith the report from our Transfer Agent, RCBC, on the number of its shareholders owning at least one board lot each, as of January 31, 2012 and ownership of securities by citizenship.

Very truly yours,


ANGEL P. GAHOL
Compliance Officer

7F Basic Petroleum Building, 104 Carlos Palanca Jr. Street, Legaspi Village, Makati City 1229, Philippines
☎ (632) 817-8596 and 98 ☎ (632) 817-0191 🌐 www.besicenergy.ph

3/22/2013 12:04 PM

February 1, 2012

Basic Energy Corporation
 6 Basic Petroleum Bldg.
 Legaspi Village, Makati City

Attention: Ms. Corazon M. Bejasa
 Corporate Secretary

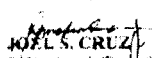
Gentlemen:

We are submitting to you the report on the number of its shareholders owning at least one board lot each of **BASIC ENERGY CORPORATION** as of January 31, 2012.

Market Price	.24
Number of Listed Shares	2,442,493,512
Number of Stockholders	6,948
Number of Shares Per Board Lot	10,000
No. of Stockholders owning at least 1 board lot	2,141

Truly yours,

RIZAL COMMERCIAL BANKING CORPORATION
 Transfer Agent


JOEL S. CRUZ
 OIC - Stock Transfer Processing Section

RCBC Head Office, Youngman Tower, RCBC Plaza, 6818 Ayala Avenue, Makati City, P.O. Box 3222, MCFE 10177 • Tel. 094-5000 • Website: <http://www.rcbc.com>

ATLANTIC COMMERCIAL BANKING CORPORATION
 975 VICTORIA TOWER I. ROME PLAZA
 6015 AVILA AVENUE, NEWARK, NEW JERSEY
 07102-9088

REDATE: 1 MAR 31, 2012

ATLANTIC ENERGY CORPORATION
 OWNERSHIP OF SECURITIES BY CITIZENSHIP
 AS OF: 01/31/2012

FOR CLASS: COMMON

CITIZENSHIP	SUBSCRIBED/ OUTSTANDING	AMOUNT	FOLD-UP	PERCENTAGE HOLDINGS	NUMBER OF SHAREHOLDERS
CHINESE	2,360,822	840,295.50	840,295.50	0.12	42
CANADIAN	1,130	292.50	292.50	0.00	2
CANADIAN	10,617	2,654.25	2,654.25	0.00	2
FRENCH	22,000	8,500.00	8,500.00	0.00	1
INDIAN	12,137	40,332.25	40,332.25	0.00	7
INDIAN	12,194,246	4,538,562.00	4,538,562.00	0.74	11
INDIAN	2,412,312,275	808,007,052.00	808,007,052.00	99.00	1
INDIAN	53,481	19,870.25	19,870.25	0.00	0
SWISS	119,204	29,801.00	29,801.00	0.00	4
BRITISH	366,051	91,312.75	91,312.75	0.00	21
AMERICAN	1,994,362	498,590.50	498,590.50	0.08	117
AUSTRALIAN	43,189	16,797.25	16,797.25	0.00	8
TOTALS	2,442,493,512	810,627,376.00	810,627,376.00	100.00	1,948

SCHEDULE OF CAPITAL STOCK

NO. OF SHARES	CAPITAL STOCK		TOTAL SHARES	
	AMOUNT	PAID AND OUTSTANDING	SUBSCRIBED	
10,000,000,000	2,500,000,000.00	2,442,493,512	0	

P60 - 1-30-12

01 - 1-6-12

3/1/12

Print

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Friday, March 2, 2012 2:59 AM

Dear Sir/Madam:

We would like to inform you that as of MAR 01, 2012 10:59:13 AM today,

Reference Number: WLIST__2012000003396
Company Name: Basic Energy Corporation
Disclosure Subject: Annual Stockholders' Meeting on May 30, 2012, Record Date on April 30, 2012
Status: APPROVED

Should you need further assistance, please e-mail us at

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If verification is required please request a hard-copy version.

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

about:blank

1/1



February 29, 2012

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,

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

7F Basic Petroleum Building, 104 Carlos Palanca, Jr. Street, Legaspi Village, Makati City 1229, Philippines

+ (632) 8178596 or 98 + (632) 8170191 www.basicenergy.ph



103022012000319

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Marites S. Guevarra
Receiving Branch : SEC Head Office
Receipt Date and Time : March 02, 2012 10:18:24 AM
Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No. 0000036359
Company Name BASIC ENERGY CORPORATION
Industry Classification
Company Type Stock Corporation

Document Information

Document ID 103022012000319
Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code 17-C
Period Covered February 29, 2012
No. of Days Late 0
Department CFD
Remarks

COVER SHEET

3 6 3 5 9

SEC Registration Number

BASIC ENERGY CORPORATION

(Company's Full Name)

7th Floor, Basic Petroleum Building, C. Palanca, Jr. Street, Legaspi Village, Makati City

(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 Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

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. February 29, 2012
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
7. 7th Floors, Basic Petroleum Bldg., C. Palanca St. 1229
Legaspi Village, Makati City
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

The Board of Directors of Basic Energy Corporation in its regular meeting held on February 29, 2012 set the Annual Stockholders Meeting of the corporation to May 30, 2012 at 2:00 o'clock in the afternoon to be held at Manila Golf and Country Club, Makati City

The record date of the meeting is on April 30, 2012 and the stock transfer books will be closed from May 1, 2012 to May 30, 2012.

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


ANGEL P. CAHOL
 Compliance Officer

February 29, 2012

3/2/12

Print

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Saturday, March 3, 2012 7:51 AM

Dear Sir/Madam:

We would like to inform you that as of MAR 02, 2012 03:51:27 PM today,

Reference Number: WLIST_2012000003511
Company Name: Basic Energy Corporation
Disclosure Subject: Report on Number of Shareholders as of February 29, 2012
Status: APPROVED

Should you need further assistance, please e-mail us at

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

about:blank

1/1



March 2, 2012

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

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

Gentlemen:

In compliance with your requirements, we attached herewith the report from our Transfer Agent, RCBC, on the number of its shareholders owning at least one board lot each, as of February 29, 2012 and ownership of securities by citizenship.

Very truly yours,

A stylized handwritten signature in black ink, consisting of a large 'A' and a checkmark-like flourish.

ANGEL P. GAHOL
Compliance Officer

7F Basic Petroleum Building, 104 Carlos Palanca, Jr. Street, Legaspi Village, Makati City 1229, Philippines

+ (632) 8178596 or 98 + (632) 8170191 www.basicenergy.ph



March 1, 2012

Basic Energy Corporation
6 Basic Petroleum Bldg.
Legaspi Village, Makati City

Attention: Ms. Corazon M. Rejasa
Corporate Secretary

Gentlemen:

We are submitting to you to the report on the number of its shareholders owning at least one board lot each of **BASIC ENERGY CORPORATION** as of February 29, 2012.

Market Price	.25
Number of Listed Shares	2,442,493,517
Number of Stockholders	6,940
Number of Shares Per Board Lot	10,000
No. of Stockholders owning at least 1 board lot	2,131

Truly yours,

RIZAL COMMERCIAL BANKING CORPORATION
Transfer Agent


JOEL A. CRUZ
OIC - Stock Transfer Processing Section

RCBC Head Office, Tricor Tower, RCBC Plaza, 6819 Ayala Avenue, Makati City, P.O. Box 2202, MCDP 0127 • Tel. 894-3000 • Website: <http://www.rizal.com>

RIZAL COMMERCIAL BANKING CORPORATION
9/F YUCHENGO TOWER 1, RCBC PLAZA
6819 AYALA AVENUE, MAKATI CITY TEL.
894-9055

RUNDATE : Feb 29, 2012

BASIC ENERGY CORPORATION
OWNERSHIP OF SECURITIES BY CITIZENSHIP
AS OF : 02/29/2012

FOR CLASSES : COMMON

CITIZENSHIP	SUBSCRIBED/ OUTSTANDING	AMOUNT	PAID-UP	PERCENTAGE HOLDINGS	NUMBER OF STOCKHOLDERS
CHINESE	3,360,822	640,205.50	640,205.50	0.14	46
CANADIAN	1,130	282.50	282.50	0.00	2
SPANISH	10,617	2,654.23	2,654.23	0.00	2
FRENCH	22,000	5,500.00	5,500.00	0.00	1
INDIAN	42,133	10,533.25	10,533.25	0.00	9
OTHER ALIE	18,164,248	4,538,562.00	4,538,562.00	0.74	11
FILIPINO	2,418,316,275	604,579,068.75	604,579,068.75	99.01	6,716
SINGAPOREA	63,481	15,870.25	15,870.25	0.00	6
SWISS	119,204	29,801.00	29,801.00	0.00	4
BRITISH	366,051	91,512.75	91,512.75	0.01	21
AMERICAN	1,994,362	498,590.50	498,590.50	0.08	117
AUSTRALIAN	43,189	10,797.25	10,797.25	0.00	5
TOTALS	2,442,493,512	610,623,378.00	610,623,378.00	100.00	6,940

SCHEDULE OF CAPITAL STOCK

CAPITAL STOCK		TOTAL SHARES	
NO. OF SHARES	AMOUNT	ISSUED AND OUTSTANDING	SUBSCRIBED
10,000,000,000	2,500,000,000.00	2,442,493,512	

POD - 2 - 29 - 12

DT - 2 - 06 - 12

3/22/2013 12:00 PM

3/29/12

Print

Subject: ODiSy - Disclosure Status
 From: no-reply@pse.com.ph (no-reply@pse.com.ph)
 To: disclosure@pse.com.ph;
 Date: Thursday, March 29, 2012 11:11 PM

Dear Sir/Madam:

We would like to inform you that as of MAR 29, 2012 08:11:07 AM today,

Reference Number: WLIST__2012000004691
 Company Name: Basic Energy Corporation
 Disclosure Subject: Results of Board of Directors' Meeting: nomination of directors; approval of 2011 Audited Financial Statements; engagement of external auditor
 Status: APPROVED

Should you need further assistance, please e-mail us at

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

about:blank

1/1



March 28, 2012

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 R. GAHOL
Compliance Officer

7F Basic Petroleum Building, 104 Carlos Palanca, Jr. Street, Legaspi Village, Makati City 1229, Philippines

☎ + (632) 8178596 or 98 📠 + (632) 8170191 🌐 www.basicenergy.ph

COVER SHEET

3 6 3 5 9

SEC Registration Number

BASIC ENERGY CORPORATION

(Company's Full Name)

7th Floor, Basic Petroleum Building, C. Palanca, Jr. Street, Legaspi Village, Makati City

(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 Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

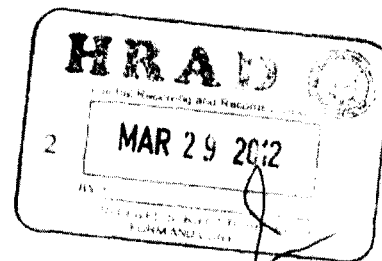
Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE


1. March 28, 2012
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
Province, country or other jurisdiction
6. 1229
Industry Classification Code
7. 7th Floors, Basic Petroleum Bldg., C. Palanca St. Legaspi Village, Makati City
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

The Board of Directors in a meeting held on March 28, 2012, upon recommendation of the Nominating Committee, approved the nomination of the members of the Board of Directors for the ensuing year 2012-2013, as follows:

1. Oscar C. de Venecia
2. Ramon L. Mapa
3. Francis C. Chua
4. Oscar L. de Venecia, Jr.
5. Eduardo V. Manalac
6. Ma. Florina M. Chan
7. Jaime J. Martinez
8. Gabriel R. Singson, Jr.
9. Isidoro O. Tan
10. Dennis D. Decena- Independent Director
11. Oscar S. Reyes- Independent Director

The Board likewise upon recommendation of the Audit Committee, approved the 2011 Audited Financial Statements of the corporation as audited by SGV & Company and the engagement of SGV & Company as external auditors for the fiscal year 2012, subject to the approval of the stockholders at the Annual Stockholders' Meeting.

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

BASIC ENERGY CORPORATION

Registrant

ANGEL P. BAHOL
Compliance Officer

March 28, 2012

4/3/12

Print

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Wednesday, April 4, 2012 1:30 AM

Dear Sir/Madam:

We would like to inform you that as of APR 03, 2012 10:30:37 AM today,

Reference Number: WLIST__2012000005081
Company Name: Basic Energy Corporation
Disclosure Subject: Compliance Report on Corporate Governance for year 2011
Status: APPROVED

Should you need further assistance, please e-mail us at

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If verification is required please request a hard-copy version.

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

about:blank

1/1



April 3, 2012

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

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

Gentlemen:

In compliance with your requirements, we attached herewith the Corporate
Governance Guideline: Disclosure Survey as of March 31, 2012

Very truly yours,

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

7F Basic Petroleum Building, 104 Carlos Palanca, Jr. Street, Legaspi Village, Makati City 1229, Philippines

+ (632) 8178596 or 98 + (632) 8170191 www.basicenergy.ph



**THE PHILIPPINE STOCK
EXCHANGE, INC.**

**Corporate Governance Guidelines
for
Listed Companies
Disclosure Template**

CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

Company Name: BASIC ENERGY CORPORATION

Date: April 2, 2012

	COMPLY	EXPLAIN
Guideline No. 1: DEVELOPS AND EXECUTES A SOUND BUSINESS STRATEGY		
1.1 Have a clearly defined vision, mission and core values.	Yes	
1.2 Have a well developed business strategy.	Yes	
1.3 Have a strategy execution process that facilitates effective performance management, and is attuned to the company's business environment, management style and culture.	Yes	
1.4 Have its board continually engaged in discussions of strategic business issues.	Yes	
Guideline No. 2: ESTABLISHES A WELL-STRUCTURED AND FUNCTIONING BOARD		
2.1 Have a board composed of directors of proven competence and integrity.	Yes	
2.2 Be lead by a chairman who shall ensure that the board functions in an effective and collegial manner.	Yes	
2.3 Have at least three (3) of thirty percent (30%) of its directors as independent directors.	No	BEC has two(2) independent directors out of the 11 members of the Board
2.4 Have in place written manuals, guidelines and issuances that outline procedures and processes.	Yes	
2.5 Have Audit, Risk, Governance and Nomination & Election Committees of the board.	Yes	The Board has an Audit Committee, a Corporate Governance Committee, and a Nomination Committee. While there is no Risk Committee, the Board has established a Finance and Investments Committee, one of the responsibilities of which is to address the various risks involved in the operations and projects of the Company
2.6 Have its Chairman and CEO positions held separately by individuals who are not related to each other.	Yes	
2.7 Have a director nomination and election process that ensures that all shareholders are given the opportunity to nominate and elect directors individually based on the number of shares voted.	Yes	
2.8 Have in place a formal board and director development program.	No	All members of the Board possess the necessary qualifications and none of the disqualifications, have been seasoned with long and varied

CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

Company Name: BASIC ENERGY CORPORATION

Date: April 2, 2012

		experiences and have occupied or are currently holding highly responsible and top executive positions in their respective fields or organizations. A director development program will be established when necessary in the future
2.9	Have a corporate secretary.	Yes
2.10	Have no shareholder agreements, by-laws provisions, or other arrangements that constrains the directors' ability to vote independently.	Yes
Guideline No. 3: MAINTAINS A ROBUST INTERNAL AUDIT AND CONTROL SYSTEM		
3.1	Establish the internal audit function as a separate unit in the company which would be overseen at the Board level.	No The Company has a very lean staff as a result of a right sizing program adopted in 2009 at the time of the economic crunch. In lieu of an internal audit unit, the Company has instituted internal control policies and measures and has in place a compliance program, being monitored by an Assistant Vice President
3.2	Have a comprehensive enterprise-wide compliance program that is annually reviewed.	Yes
3.3	Institutionalize quality service programs for the internal audit function.	No Please refer to 3.1 above
3.4	Have in place a mechanism that allows employees, suppliers and other stakeholders to raise valid issues.	Yes
3.5	Have the Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	No Please refer to 3.1 above
Guideline No. 4: RECOGNIZES AND MANAGES ITS ENTERPRISE RISKS		
4.1	Have its board oversee the company's risk management function.	Yes
4.2	Have a formal risk management policy that guides the company's risk management and compliance processes and procedures.	Yes
4.3	Design and undertake its Enterprise Risk Management (ERM) activities on the basis of, or in accordance with, internationally recognized frameworks such as but not limited to, COSO, (The Committee of Sponsoring Organizations of the Treadway Commission) I and II.	No There is no need to undertake ERM activities at this time as most of the projects are still in the development stage
4.4	Have a unit at the management level, headed by a Risk Management Officer (RMO).	No There is no RMO designated at this time for the reasons cited above, but the position will be



CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

Company Name: BASIC ENERGY CORPORATION

Date: April 2, 2012

		created when necessary
4.5	Disclose sufficient information about its risk management procedures and processes as well as the key risks the company is currently facing including how these are being managed.	Yes
4.6	Seek external technical support in risk management when such competence is not available internally.	Yes
Guideline No. 5: ENSURES THE INTEGRITY OF FINANCIAL REPORTS AS WELL AS ITS EXTERNAL AUDITING FUNCTION		
5.1	Have the board Audit Committee approve all non-audit services conducted by the external auditor. The Committee should ensure that the non-audit fees do not outweigh the fees earned from the external audit.	Yes
5.2	Ensure that the external auditor is credible, competent, and should have the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Yes
5.3	Ensure that the external auditor has adequate quality control procedures.	Yes
5.4	Disclose relevant information on the external auditors.	Yes
5.5	Ensures that the external audit firm is selected on the basis of a fair and transparent tender process.	Yes
5.6	Have its audit committee conduct regular meetings and dialogues with the external audit team without anyone from management present.	Yes
5.7	Have the financial reports attested to by the Chief Executive Officer and Chief Financial Officer.	Yes
5.8	Have a policy of rotating the lead audit partner every five years.	Yes
Guideline No. 6: RESPECTS AND PROTECTS THE RIGHTS OF ITS SHAREHOLDERS, PARTICULARLY THOSE THAT BELONG TO THE MINORITY OR NON-CONTROLLING GROUP		
6.1	Adopt the principle of "one share, one vote."	Yes
6.2	Ensure that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Yes
6.3	Have an effective, secure and efficient voting system.	Yes
6.4	Have effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Yes

CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

Company Name: BASIC ENERGY CORPORATION

Date: April 2, 2012

	controlling shareholders.		
6.5	Provide all shareholders with the notice and agenda of the annual general meeting (AGM) at least thirty (30) days before a regular meeting and twenty (20) days before a special meeting.	Yes	
6.6	Allow shareholders to call a special shareholders meeting, submit a proposal for consideration at the AGM or the special meeting, and ensure the attendance of the external auditor and other relevant individuals to answer shareholder questions in such meetings.	Yes	
6.7	Ensure that all relevant questions during the AGM are answered.	Yes	
6.8	Have clearly articulated and enforceable policies with respect to treatment of minority shareholders.	Yes	
6.9	Avoid anti-takeover measures or similar devices that may entrench management or the existing controlling shareholder group.	Yes	
6.10	Provide all shareholders with accurate and timely information regarding the number of shares of all classes held by controlling shareholders and their affiliates.	Yes	
6.11	Have a communications strategy to promote effective communication with shareholders.	Yes	
6.12	Have at least thirty percent (30%) public float to increase liquidity in the market.	Yes	
6.13	Have a transparent dividend policy.	Yes	
Guideline No. 7: ADOPTS AND IMPLEMENTS AN INTERNATIONALLY-ACCEPTED DISCLOSURE AND TRANSPARENCY REGIME			
7.1	Have written policies and procedures designed to ensure compliance with the PSE and SEC disclosure rules, as well as other disclosure requirements under existing laws and regulations.	Yes	
7.2	Disclose the existence, justification, and details on shareholders agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Yes	
7.3	Disclose its director and executive compensation policy.	Yes	
7.4	Disclose names of groups or individuals who hold 5% or more ownership interest in the company, significant cross-shareholding relationship and cross guarantees, as well as the nature of the company's other companies if it belongs to a corporate group.	Yes	
7.5	Disclose annual and quarterly consolidated reports, cash flow statements and special audit revisions. Consolidated financial statements shall be published within 90 days from the end of the financial year, while interim reports shall be published within 45	Yes	



CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

Company Name: BASIC ENERGY CORPORATION

Date: April 2, 2012

7.6	Disclose to shareholders and the Exchange any changes to its corporate governance manual and practices, and the extent to which such practices conform to the SEC and PSE CG Guidelines.	Yes	
7.7	Publish and/or deliver to its shareholders in a timely fashion all information and materials relevant to corporate actions that require shareholder approval.	Yes	
7.8	Disclose the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This shall also include the disclosure of the company's purchase of its shares from the market (e.g share buy-back program).	Yes	
7.9	Disclose in its annual report the principal risks to minority shareholders associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	Yes	
Guideline No. 8: RESPECTS AND PROTECTS THE RIGHTS AND INTERESTS OF EMPLOYEES, COMMUNITY, ENVIRONMENT, AND OTHER STAKEHOLDERS			
8.1	Establish and disclose a clear policy statement that articulates the company's recognition and protection of the rights and interests of key stakeholders specifically its employees, suppliers & customers, creditors, as well the community, environment and other key stakeholder groups.	Yes	
8.2	Have in place a workplace development program.	Yes	
8.3	Have in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.	Yes	
8.4	Have in place a community involvement program.	No	There is none at this time, but the program will be adopted at the appropriate time
8.5	Have in place an environment-related program.	No	There is none at this time, but the program will be adopted at the appropriate time
8.6	Have clear policies that guide the company in its dealing with its suppliers, customers, creditors, analysts, market intermediaries and other market participants.	Yes	
Guideline No. 9: DOES NOT ENGAGE IN ABUSIVE RELATED-PARTY TRANSACTIONS AND INSIDER TRADING			
9.1	Develop and disclose a policy governing the company's transactions with related parties.	Yes	



CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

Company Name: BASIC ENERGY CORPORATION

Date: April 2, 2012

TRADING			
9.1	Develop and disclose a policy governing the company's transactions with related parties.	Yes	
9.2	Clearly define the thresholds for disclosure and approval for RPTs and categorize such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPT within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	Yes	
9.3	Establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions in shareholders meetings.	Yes	
9.4	Have its independent directors or audit committee play an important role in reviewing significant RPTs.	Yes	
9.5	Be transparent and consistent in reporting its RPTs. A summary of such transactions shall be published in the company's annual report.	Yes	
9.6	Have a clear policy in dealing with material non-public information by company insiders.	Yes	
9.7	Have a clear policy and practice of full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or management.	Yes	
Guideline No. 10: DEVELOPS AND NURTURES A CULTURE OF ETHICS, COMPLIANCE, & ENFORCEMENT			
10.1	Formally adopt a code of ethics and proper conduct that guides individual behavior and decision making, clarify responsibilities, and inform other stakeholders on the conduct expected from company personnel.	Yes	
10.2	Have a formal comprehensive compliance program covering compliance with laws and relevant regulations. The program should include appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Yes	
10.3	Not seek exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. Should it do so, it has to disclose the reason for such action as well present the specific steps being taken to finally comply with the applicable law, rule or regulation.	Yes	
10.4	Have clear and stringent policies and procedures on curbing and penalizing company or employee involvement in offering, paying and receiving bribes.	Yes	



CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

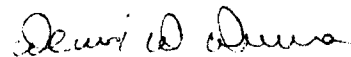
Company Name: BASIC ENERGY CORPORATION

Date: April 2, 2012

10.5	Have a designated officer responsible for ensuring compliance with all relevant laws, rules, and regulation, as well as all regulatory requirements.	Yes	
10.6	Respect intellectual property rights.	Yes	
10.7	Establish and commit itself to an alternative dispute resolution system so that conflicts and difference with counterparties, particularly with shareholders and other key stakeholders, would be settled in a fair and expeditious manner.	Yes	

This is to certify that the undersigned reviewed the contents of this document and to the best of my knowledge and belief, the information contained set forth in this document is true, complete and correct.

Done this April 2, 2012 in Makati City


DENNIS DECENA

Independent director


OSCAR L. DE VENECIA, JR

President & CEO

03 APR 2012

SUBSCRIBED AND SWORN TO THIS ___ DAY OF APRIL 2012, AFFIANTS DENNIS DECENA AND OSCAR L. DE VENECIA, JR, EXHIBITED THEIR TIN NO. 110-179-435 AND 146-709-049 RESPECTIVELY.

Doc. No. 423

Page No. 64

Book No. 294
2012


ATTY. LOPE M. VELASCO
NOTARY PUBLIC

Until December 31, 2013
Appt. No. M-136, Makati City
JPPA No. 12/21/11
PSE No. 01/02/12
PSE No. 12-965-939
P.O. Box No. 28717
Makati Center 2111 Chino Roces Ave
Makati City



4/3/12

Print

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Tuesday, April 3, 2012 10:35 PM

Dear Sir/Madam:

We would like to inform you that as of APR 03, 2012 07:35:20 AM today,

Reference Number: WLST__2012000005023
Company Name: Basic Energy Corporation
Disclosure Subject: Report on Number of Shareholders as of March 31, 2012
Status: APPROVED

Should you need further assistance, please e-mail us at

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

about:blank

1/1



April 2, 2012

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

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

Gentlemen:

In compliance with your requirements, we attached herewith the report from our Transfer Agent, RCBC, on the number of its shareholders owning at least one board lot each, as of March 31, 2012 and ownership of securities by citizenship.

Very truly yours,

ANGELA A. GAHOL
Compliance Officer

7F Basic Petroleum Building, 104 Carlos Palanca, Jr. Street, Legaspi Village, Makati City 1229, Philippines

☎ + (632) 8178596 or 98 ☎ + (632) 8170191 🌐 www.basicenergy.ph



March 31, 2012

Basic Energy Corporation
6 Basic Petroleum Bldg
Lingap Village, Makati City

Attention: **Ms. Corazon M. Bejasa**
Corporate Secretary


Sir/Madam:

We are submitting to you the report on the number of its shareholders owning at least one board lot each of **BASIC ENERGY CORPORATION** as of March 31, 2012.

Market Price	30
Number of Listed Shares	2,442,493,512
Number of Stockholders	6,930
Number of Shares Per Board Lot	10,000
Number of Stockholders owning at least 1 board lot	2,127

Truly yours,

RIZAL COMMERCIAL BANKING CORPORATION
Transfer Agent


JOELLE CRUZ
Off. Stock Transfer Processing Section

RCBC Building, 320 San. Felipe Avenue, P.O. Box 1262 N CPO 0727, Makati City Tel. 894-0000 <http://www.rcbc.com>

200

02-04-2013 13:03 FAX 02949568

NR 500 E TRANS

RIZAL COMMERCIAL BANKING CORPORATION
9/F YUCHENSCO TOWER 1, RCBZ PLAZA
5919 AYALA AVENUE, MAKATI CITY TEL.
894-8005

RUNDATE : Mar 31, 2012

BASIC ENERGY CORPORATION
OWNERSHIP OF SECURITIES BY CITIZENSHIP
AS OF : 03/31/2012

FOR CLASSER : COMMON

CITIZENSHIP	SUBSCRIBED/OUTSTANDING	AMOUNT	PAID-UP	PERCENTAGE HOLDINGS	NUMBER OF STOCKHOLDERS
CHINESE	7,728,827	840,205.50	840,205.50	0.14	48
CANADIAN	1,150	282.50	282.50	0.00	2
SPANISH	10,617	2,654.25	2,654.25	0.00	2
FRENCH	22,000	5,500.00	5,500.00	0.00	1
INDIAN	41,173	10,577.25	10,577.25	0.00	9
OTHER ALIE	78,154,248	4,538,562.00	4,538,562.00	0.74	11
FLIPINO	2,418,716,275	604,579,068.75	604,579,068.75	99.01	6,706
SINGAPORE	63,481	15,870.25	15,870.25	0.00	4
SWISS	119,204	29,801.00	29,801.00	0.00	4
BRITISH	366,051	91,512.75	91,512.75	0.01	21
AMERICAN	1,554,362	498,590.50	498,590.50	0.08	117
AUSTRALIAN	43,149	10,797.25	10,797.25	0.00	5
TOTAL	2,442,492,512	610,623,378.00	610,623,378.00	100.00	6,730

SUMMARY OF CAPITAL STOCK

CAPITAL STOCK		TOTAL SHARE	
NO. OF SHARES	AMOUNT	ISSUED AND OUTSTANDING	RECORDED
10,000,000,000	2,500,000,000.00	2,442,492,512	
	950 - 2,442,512		
	50 - 1		

4/10/12

Print

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph,
Date: Wednesday, April 11, 2012 4:42 AM

Dear Sir/Madam:

We would like to inform you that as of APR 10, 2012 01:42:33 PM today,

Reference Number: WLIST__2012000005433
Company Name: Basic Energy Corporation
Disclosure Subject: Computation of Public Ownership as of March 31, 2012
Status: APPROVED

Should you need further assistance, please e-mail us at

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

about:blank

1/1



April 10, 2012

THE PHILIPPINE STOCK EXCHANGE, INC
PSE Centre, Exchange Road, Ortigas Center
Ortigas Center, Pasig City

Attention : **MR. JOHN BENETTE B. MAMANGUN**
Corporate Planning and Research

Gentlemen:

Attached herewith is the computation of the public ownership level of Basic Energy Corporation as of March 31, 2012.

Very truly yours,


ANGEL P. CAHOL
Compliance Officer

BASIC ENERGY CORPORATION**As of March 31, 2012**

Number of Issued Shares	2,442,493,512
Number of Treasury Shares	0
Number of Issued & Outstanding Shares	2,442,493,512

Less: Non-Public Shareholdings

Directors	% to Total I/O Shares	Number of Shares		
Oscar C. de Venecia	0.00332038	8,110,000		
Oscar L. de Venecia, Jr.	0.00021140	516,334		
Isidoro O. Tan	0.01016268	24,822,276		
Ramon L. Mapa	0.00010998	268,635		
Francis Chua	0.00000409	10,000		
Oscar S. Reyes	0.00000409	10,000		
Eduardo V. Manalac	0.00000409	10,000		
Jaime J. Martinez	0.00000409	10,000		
Gabriel R. Singson, Jr.	0.00000409	10,000		
Ma. Florina M. Chan	0.00000409	10,000		
Dennis D. Decena	0.00000409	10,000		
			33,787,245	
Officers				
Alberto P. Morillo	0.00063628	1,554,121	1,554,121	35,341,366
PCD Nonimee Corp		2,019,655,115		
Christodel Phils, Inc.		25,736,744		
Phases Realtors, Inc		20,989,439		
Northwest Traders Corp		20,745,757		
PCD Nonimee Corp (Non-Filipino)		17,463,541		
Jose C. De Venecia, Jr.		10,013,225		
Samuel Uy		10,000,000		
Jose Ma. L de Venecia		9,075,833		
Northwest Investors Inc.		8,708,890		
Mark Anthony L. de Venecia		8,363,333		
Ernesto Chua Chiaco		8,000,000		
JLV Holdings, Inc		7,200,000		2,165,951,877
Total Number of Shares Owned by Public				2,201,293,243

PUBLIC OWNERSHIP %

Total No. of Shares Owned by Public	2,201,293,243	
Total Issued & Outstanding Shares	2,442,493,512	=

90.2%
25.00%**Required Public Ownership %**

Number of Listed Shares	2,442,045,455
Number of Stockholders	6,930
No. Stockholder owning at least 1 Boardlot	2,127

PUBLIC OWNERSHIP PERCENTAGE		
Total Number of Shares Owned by the Public		
Total Issued and Outstanding Shares		
2,201,293,243	90.2%	
<hr/>		
2,442,493,512		
Required Public Ownership %	=	<input type="text" value="25%"/>
<input checked="" type="checkbox"/> X		<input type="text"/>
Complied		Not Complied

Number of Issued and Outstanding Shares	=	<input type="text" value="2,442,493,512"/>
Number of Outstanding Shares	=	<input type="text" value="2,442,493,512"/>
Number of Treasury Shares	=	<input type="text" value="0"/>
Number of Listed Shares	=	<input type="text" value="2,442,045,455"/>
Number of Foreign-Owned Shares	=	<input type="text" value="24,177,237"/>
Foreign Ownership Level (%)	=	<input type="text" value="0.98%"/>
Foreign Ownership Limit (%)	=	<input type="text" value="40%"/>
Number of Stockholders	=	<input type="text" value="6,930"/>
Number of Shareholders owning at least one Board Lot each	=	<input type="text" value="2,127"/>

Handwritten signature

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Friday, April 13, 2012 6:12 AM

Dear Sir/Madam:

We would like to inform you that as of APR 12, 2012 03:12:36 PM today,

Reference Number: WLIST__2012000005746
Company Name: Basic Energy Corporation
Disclosure Subject: Top 100 Stockholders as of March 31, 2012
Status: APPROVED

Should you need further assistance, please e-mail us at

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



April 10, 2012

THE DISCLOSURE DEPARTMENT
2/F The Philippine Stock Exchange, Inc.
PSE Centre, Ayala Avenue
Makati City

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

Gentlemen:

We are furnishing you a copy of the Top 100 Stockholders as of March 31, 2012
as submitted to the Securities & Exchange Commission.

Very truly yours,

A handwritten signature in black ink, appearing to read "ANGEL P. GAHOL", is written over a circular stamp. The stamp contains the text "ANGEL P. GAHOL" and "Compliance Officer" below it.

ANGEL P. GAHOL
Compliance Officer

7F Basic Petroleum Building, 104 Carlos Palanca Jr. Street, Legaspi Village, Makati City 1229, Philippines

(632) 817-8596 and 98 (632) 817-0191 www.basicenergy.ph

3	6	3	5	9				
---	---	---	---	---	--	--	--	--

SEC Registration Number

[illegible]

(Company's Full Name)

[illegible]

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

Atty. Angel P. Gahol
(Contact Person)

(632) 817-8596 or 98
(Company Telephone Number)

1 2 **3 1**
Month Day
 (Calendar Year)

		-		
--	--	---	--	--

{Form Type}

05
Month Day
(Annual Meeting)

(Secondary License Type, If Applicable)

CFD
Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings	
Domestic	Foreign

To be accomplished by SEC Personnel concerned

--	--	--	--	--	--	--	--	--	--

File Number

LCU

Document ID									

Cashier

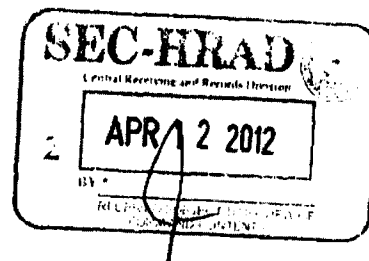
STAMPS

Remarks: Please use BLACK ink for scanning purposes.



April 10, 2012

SECURITIES AND EXCHANGE COMMISSION
SEC BLDG., EDSA Greenhills
Mandaluyong City, Metro Manila



Attention : **ATTY. JUSTINA F. CALLANGAN**
 Director, Corporate and Finance Department

Gentlemen:

We are pleased to submit to you the list of Top 100 Stockholders as March 31, 2012.

We hope you find the attached in order.

Thank you and regards.

Very truly yours,


ANGEL P. GAHOL
 AVP-Asst Corporate Secretary/
 Compliance Officer

7F Basic Petroleum Building, 104 Carlos Palanca Jr. Street, Legaspi Village, Makati City 1229, Philippines
 ☎ (632) 817-8596 and 98 📠 (632) 817-0191 🌐 www.basicenergy.ph

cutoffdate	stkhldnum	natcode	totshares	nameaddr
03/31/2012	0000175606	PH	2,019,655,115	PCD NOMINEE CORPORATION (FILIPINO)
03/31/2012	0000165969	PH	25,736,744	CHRISTODEL PHILS., INC.
03/31/2012	0000178513	PH	24,822,276	TAN, ISIDORO OCAMPO
03/31/2012	0000175066	PH	20,989,439	PHASES REALTORS INC.
03/31/2012	0000174180	PH	20,745,757	NORTHWEST TRADERS CORPORATION
03/31/2012	0000175605	OA	17,463,541	PCD NOMINEE CORPORATION
03/31/2012	0000179569	PH	10,013,225	VENECIA JR., JOSE C. DE
03/31/2012	0000203690	PH	10,000,000	UY, SAMUEL
03/31/2012	0000179874	PH	9,075,833	VENECIA, JOSE MA. L. DE
03/31/2012	0000174174	PH	8,708,890	NORTHWEST INVESTORS, INC.
03/31/2012	0000179885	PH	8,363,333	VENECIA, MARK ANTHONY L. DE
03/31/2012	0000179804	PH	8,110,000	VENECIA, OSCAR C. DE
03/31/2012	0000165980	PH	8,000,000	CHUA CHIACO, ERNESTO
03/31/2012	0000171512	PH	7,200,000	JLV HOLDINGS, INC.
03/31/2012	0000174029	PH	5,070,000	MDV HOLDINGS, INC.
03/31/2012	0000171545	PH	4,550,000	KHO GIOK EN
03/31/2012	0000175849	PH	4,408,523	RODRIGUEZ, HORACIO
03/31/2012	0000174178	PH	4,177,025	NORTHWEST SECURITIES, INC.
03/31/2012	0000203689	PH	3,750,000	TAN, JAN SHARON GAISANO
03/31/2012	0000166347	PH	3,149,221	CHUA, CHRISTINE
03/31/2012	0000168110	PH	3,019,498	EAST WEST COMMODITIES, INC.
03/31/2012	0000177209	PH	2,658,257	SY SR., HENRY
03/31/2012	0000203688	PH	2,500,000	CHUA, VICKY
03/31/2012	0000216878	PH	2,500,000	LISTA, JENNETTE J.
03/31/2012	0000216876	PH	2,500,000	CASTANEDA, RENATO
03/31/2012	0000216875	PH	2,500,000	PO, ARCHIVALD
03/31/2012	0000163375	PH	2,184,328	AGRI-TECH MANAGEMENT HOLDINGS
03/31/2012	0000174809	PH	2,025,824	PAIC SECURITIES CORPORATION
03/31/2012	0000179895	PH	2,000,000	VY, ALFONSO C.
03/31/2012	0000178534	PH	1,940,398	TANCHAN, SANTIAGO
03/31/2012	0000225608	PH	1,910,000	CRUZ, TERESITA B. CRUZ &/OR REGINO B.
03/31/2012	0000174215	PH	1,787,458	NATIONAL LIFE INSURANCE
03/31/2012	0000177273	PH	1,650,000	SANGALANG, JOSE D.

03/31/2012	0000167589	PH	1,605,476 DAVID GO SECURITIES CORP.
03/31/2012	0000174455	PH	1,602,391 ONG, JOSEPH D.
03/31/2012	0000217209	CH	1,500,000 LIM, ROSENDO
03/31/2012	0000167710	PH	1,363,249 DUCA, VICTORIA
03/31/2012	0000163854	PH	1,353,080 AQUATIC RANCH DEVELOPMENT CORP
03/31/2012	0000168402	PH	1,317,969 F. YAP SECURITIES, INC.
03/31/2012	0000167836	PH	1,279,962 DUCA, VICTORIA
03/31/2012	0000183806	PH	1,262,676 DAVID GO SEC. CORP.
03/31/2012	0000197078	PH	1,262,500 DY, KOC GUAN TIU
03/31/2012	0000174255	PH	1,185,000 NG, RICARDO
03/31/2012	0000165681	PH	1,170,000 CHUNG GUAT TIOC
03/31/2012	0000178243	PH	1,104,554 TANCHAN JR., SANTIAGO J.
03/31/2012	0000176736	PH	1,100,000 RIVERO, RAMON R.
03/31/2012	0000165954	PH	1,093,307 CHIU, RAMON L.
03/31/2012	0000173489	PH	1,086,571 MENDOZA, ALBERTO
03/31/2012	0000170131	PH	1,072,170 G & L SECURITIES COMPANY, INC.
03/31/2012	0000176100	PH	1,071,595 ROSARIO, ALBERT DEL
03/31/2012	0000167739	PH	1,050,000 DY, SOPHIA
03/31/2012	0000173382	PH	1,047,453 MOUNT PEAK SECURITIES, INC.
03/31/2012	0000176830	PH	1,032,819 SAN JOSE, AURORA V.
03/31/2012	0000168302	PH	1,025,246 EBC SECURITIES CORPORATION
03/31/2012	0000180048	PH	1,010,403 YEE, JUANITO L.
03/31/2012	0000178728	PH	1,000,000 TAN, DOUGLAS
03/31/2012	0000216105	PH	1,000,000 PRECILLA, GEORGE G. PRECILLA &/OR REBECCA T.
03/31/2012	0000203700	PH	982,907 SF PASS INTERNATIONAL
03/31/2012	0000172939	PH	980,000 LIM, JORGE G.
03/31/2012	0000169722	PH	962,893 GO, DAVID C.
03/31/2012	0000166704	PH	962,497 CHING, CYNTHIA D.
03/31/2012	0000165348	PH	944,248 BA SECURITIES, INC.
03/31/2012	0000180151	PH	915,016 YAN, LUCIO
03/31/2012	0000165879	PH	908,073 CHAM, ALLEN
03/31/2012	0000166597	PH	895,000 CRUZ, BENITO DE LA
03/31/2012	0000174556	PH	880,005 OLIVA, DULCE MARIA S.
03/31/2012	0000203695	PH	880,000 MAGNO, JOSE

03/31/2012	0000178187	PH	867,702 TAN, FRANCISCO
03/31/2012	0000170436	PH	850,000 GOCHANGCO, ALBERTO
03/31/2012	0000178285	PH	829,234 TANSENGCO & COMPANY, INC.
03/31/2012	0000169790	PH	783,374 GOTHONG, BREZILDA
03/31/2012	0000177768	PH	750,000 SY, VICTOR GAN
03/31/2012	0000178129	PH	737,469 TANCHAN, CONSTANTINE
03/31/2012	0000177585	PH	734,076 SIAO, VICENTE
03/31/2012	0000172947	PH	722,308 LOCSIN, JOSE E.
03/31/2012	0000176681	PH	710,000 RIVERO, RAMON
03/31/2012	0000174618	PH	700,000 ONG, RAMON
03/31/2012	0000174552	PH	698,709 ONG, ROSARIO T.
03/31/2012	0000166349	PH	683,000 CANLAS, EFREN M.
03/31/2012	0000165764	PH	674,160 CAMPOS, JOSE Y.
03/31/2012	0000173127	PH	663,695 MANOTOC SECURITIES, INC.
03/31/2012	0000175644	PH	654,274 QUE, JUANITO
03/31/2012	0000167414	CH	650,000 CHEN ZHIMENG
03/31/2012	0000175857	PH	649,092 R. NUBLA SECURITIES, INC.
03/31/2012	0000220674	PH	626,902 NG, IDA S.
03/31/2012	0000176829	PH	623,518 SAN JOSE JR., RAMON A.
03/31/2012	0000169485	PH	618,005 GO JR., DELFIN
03/31/2012	0000178470	PH	616,914 TY, A.N.
03/31/2012	0000216155	PH	614,373 MANILAC AGRO COMMERCIAL CORPORATION
03/31/2012	0000165657	PH	600,000 BANTOTO, LOVE
03/31/2012	0000178061	PH	600,000 SY TIONG SHIOU
03/31/2012	0000173362	PH	594,990 MONZON, RAMON
03/31/2012	0000175047	PH	591,913 PUA YOK BING
03/31/2012	0000166761	PH	585,771 CU, OSCAR
03/31/2012	0000165937	PH	578,863 CHING TIONG KANG
03/31/2012	0000169651	PH	550,604 GUANZON, ARTURO A.
03/31/2012	0000166743	PH	520,000 CHUA, VICTOR T.
03/31/2012	0000175614	PH	500,000 PHILIPPINE INTERNATIONAL LIFE
03/31/2012	0000163532	PH	500,000 ANG NGO CHIONG
03/31/2012	0000173665	PH	489,999 MENDOZA, ALBERTO

RBKPS104

TCSUSER9

Philippine Depository & Trust Corp.

TOP 100 PDTF PARTICIPANTS

Business 3/30/2012

Security ID: BSC0000000 BASIC ENERGY CORPORATION

Transfer Agent: RCBCTA Transfer Agent Name: RCBC TRANSFER AGENT

S. No.	BPID	BPNAME	HOLDING	%HOLDING
1	20300000000	CITISECONLINE.COM, INC.	160,025,225.00	7.8554530
2	27800000000	YU & COMPANY, INC.	156,420,411.00	7.6784968
3	25300000000	TOWER SECURITIES, INC.	111,187,737.00	5.4580773
4	38900000000	KING'S POWER SECURITIES, INC.	105,088,996.00	5.1586971
5	15400000000	EVERGREEN STOCK BROKERAGE & SEC., INC.	90,437,597.00	4.4394769
6	34500000000	UNICAPITAL SECURITIES INC.	89,554,079.00	4.3961060
7	10300000000	ACCORD CAPITAL EQUITIES CORPORATION	78,989,549.00	3.8775055
8	16700000000	AURORA SECURITIES, INC.	74,158,791.00	3.6402710
9	10200000000	ABACUS SECURITIES CORPORATION	69,648,232.00	3.4189511
10	28900000000	WEALTH SECURITIES, INC.	52,028,281.00	2.5539099
11	17500000000	H. E. BENNETT SECURITIES, INC.	51,948,131.00	2.5499754
12	11100000000	ANSALDO, GODINEZ & CO., INC.	48,727,640.00	2.3919834
13	10900000000	BA SECURITIES, INC.	46,363,040.00	2.2759079
14	21800000000	PAPA SECURITIES CORPORATION	44,483,408.00	2.1836390
15	23300000000	R. COYIUTO SECURITIES, INC.	39,463,563.00	1.9372206
16	20800000000	MDR SECURITIES, INC.	39,145,051.00	1.9215852
17	22000000000	ATR-KIM ENG SECURITIES, INC.	38,383,494.00	1.8842013
18	12600000000	BPI SECURITIES CORPORATION	36,737,900.00	1.8034210
19	24600000000	SUMMIT SECURITIES, INC.	30,866,211.00	1.5151886
20	14300000000	DAVID GO SECURITIES CORP.	25,437,702.00	1.2487073
21	28600000000	SOLAR SECURITIES, INC.	23,224,597.00	1.1400686
22	11500000000	SB EQUITIES, INC.	22,795,464.00	1.1190029
23	20600000000	MERIDIAN SECURITIES, INC.	21,601,412.00	1.0803883
24	27900000000	BDO SECURITIES CORPORATION	20,709,082.00	1.0165849
25	26700000000	FIRST METRO SECURITIES BROKERAGE CORP.	20,115,728.00	0.9874578
26	28200000000	PCCI SECURITIES BROKERS CORP.	19,746,702.00	0.9693427
27	11200000000	AB CAPITAL SECURITIES, INC.	19,607,721.00	0.9625203
28	27000000000	WESTLINK GLOBAL EQUITIES, INC.	19,306,462.00	0.9477319
29	23000000000	QUALITY INVESTMENTS & SECURITIES CORPORATION	18,722,984.00	0.9190896
30	14700000000	E. CHUA CHIACO SECURITIES, INC.	18,325,048.00	0.8995554
31	16800000000	GLOBALINKS SECURITIES & STOCKS, INC.	18,765,628.00	0.8230052
32	27200000000	BERNAD SECURITIES, INC.	15,939,121.00	0.7824330
33	13100000000	PCIB SECURITIES, INC.	15,489,804.00	0.7603687
34	27500000000	YAO & ZIALCITA, INC.	14,727,506.00	0.7229562
35	19700000000	LOPEZ, LOCSIN, LEDESMA & CO., INC.	13,891,547.00	0.6819200
36	20000000000	MANDARIN SECURITIES CORPORATION	12,872,282.00	0.6318854
37	28300000000	EAGLE EQUITIES, INC.	12,561,435.00	0.6166263
38	23500000000	REGINA CAPITAL DEVELOPMENT CORPORATION	12,510,018.00	0.6141023
39	12400000000	B. H. CHUA SECURITIES CORPORATION	12,401,174.00	0.6087593
40	19900000000	LUYS SECURITIES COMPANY, INC.	12,140,700.00	0.5959729
41	18200000000	IMPERIAL, DE GUZMAN, ABALOS & CO., INC.	10,611,768.00	0.5209194
42	25700000000	TRI-STATE SECURITIES, INC.	10,507,514.00	0.5158017

43	26600000000 VICSAL SECURITIES & STOCK BROKERAGE, INC.	10,262,158.00	0.5037575
44	20400000000 DA MARKET SECURITIES, INC.	10,125,986.00	0.4970729
45	21800000000 PAN ASIA SECURITIES CORP.	9,692,016.00	0.4757698
46	28500000000 GOLDEN TOWER SECURITIES & HOLDINGS, INC.	9,517,524.00	0.4672042
47	10400000000 A. T. DE CASTRO SECURITIES CORP.	9,300,616.00	0.4565565
48	25100000000 TANSENGCO & CO., INC.	9,016,170.00	0.4425933
49	11000000000 ANGPING & ASSOCIATES SECURITIES, INC.	8,893,297.00	0.4365617
50	17900000000 I. ACKERMAN & CO., INC.	8,236,591.00	0.4043247
51	12200000000 BELSON SECURITIES, INC.	7,822,776.00	0.3840110
52	22400000000 PNB SECURITIES, INC.	7,705,683.00	0.3782631
53	14000000000 IGC SECURITIES INC.	7,458,355.00	0.3661220
54	18100000000 INVESTORS SECURITIES, INC.	7,276,576.00	0.3571987
55	23100000000 R & L INVESTMENTS, INC.	6,757,994.00	0.3317421
56	15000000000 EASTERN SECURITIES DEVELOPMENT CORPORATION	6,702,442.00	0.3290151
57	22500000000 PREMIUM SECURITIES, INC.	6,606,058.00	0.3242837
58	13600000000 TRITON SECURITIES CORP.	6,604,188.00	0.3241918
59	17400000000 HDI SECURITIES, INC.	6,551,281.00	0.3215948
60	13300000000 CITISECURITIES, INC.	6,352,095.00	0.3118170
61	11800000000 ASIASEC EQUITIES, INC.	6,229,353.00	0.3057917
62	20500000000 MERCANTILE SECURITIES CORP.	6,218,185.00	0.3052435
63	18300000000 INTRA-INVEST SECURITIES, INC.	5,972,145.00	0.2931657
64	19800000000 LUCKY SECURITIES, INC.	5,793,300.00	0.2843864
65	11600000000 ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	5,437,735.00	0.2689321
66	10100000000 A & A SECURITIES, INC.	5,200,317.00	0.2551585
67	23800000000 R. NUBLA SECURITIES, INC.	4,776,526.00	0.2344741
68	11900000000 ASTRA SECURITIES CORPORATION	4,703,344.00	0.2308817
69	15300000000 EQUITIWORLD SECURITIES, INC.	4,547,166.00	0.2232151
70	32800000000 DW CAPITAL INC.	4,326,483.00	0.2123820
71	17000000000 GOLDSTAR SECURITIES, INC.	4,319,664.00	0.2120473
72	23800000000 R. S. LIM & CO., INC.	3,986,068.00	0.1956715
73	12900000000 SINCERE SECURITIES CORPORATION	3,923,233.00	0.1925870
74	21000000000 MOUNT PEAK SECURITIES, INC.	3,787,553.00	0.1859266
75	24700000000 STANDARD SECURITIES CORPORATION	3,764,928.00	0.1848160
76	27300000000 WONG SECURITIES CORPORATION	3,700,924.00	0.1819972
77	21300000000 NIEVES SECURITIES, INC.	3,544,557.00	0.1739982
78	12300000000 BENJAMIN CO CA & CO., INC.	3,483,842.00	0.1710178
79	28800000000 G.D. TAN & COMPANY, INC.	3,319,522.00	0.1629515
80	12800000000 CAMPOS, LANUZA & COMPANY, INC.	3,311,442.00	0.1625549
81	PABC1000000 AB CAPITAL & INVESTMENT CORP. - TRUST & INVESTMENT DIV.	3,000,000.00	0.1472665
82	21100000000 NEW WORLD SECURITIES CO., INC.	2,579,944.00	0.1266465
83	24000000000 S.J. ROXAS & CO., INC.	2,419,558.00	0.1187733
84	14100000000 CUALOPING SECURITIES CORPORATION	2,404,157.00	0.1180173
85	16900000000 JSG SECURITIES, INC.	2,325,244.00	0.1141435
86	25200000000 THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	2,215,152.00	0.1087392
87	23900000000 RTG & COMPANY, INC.	1,878,484.00	0.0922126
88	25900000000 UCPB SECURITIES, INC.	1,864,398.00	0.0915211
89	12500000000 JAKA SECURITIES CORP.	1,844,516.00	0.0905452
90	23200000000 ALAKOR SECURITIES CORPORATION	1,781,366.00	0.0874452
91	21500000000 OPTIMUM SECURITIES CORPORATION	1,715,651.00	0.0842193
92	CIT11000000 CITIBANK N.A.	1,658,236.00	0.0814009
93	17200000000 GUILD SECURITIES, INC.	1,584,986.00	0.0778051
94	16200000000 F. YAP SECURITIES, INC.	1,500,296.00	0.0736478

95	23700000000 AAA SOUTHEAST EQUITIES, INCORPORATED	1,440,371.00	0.0707081
96	14500000000 DIVERSIFIED SECURITIES, INC.	1,392,034.00	0.0683333
97	10600000000 ALPHA SECURITIES CORP.	1,271,010.00	0.0623924
98	15700000000 FIRST ORIENT SECURITIES, INC.	1,157,516.00	0.0568211
99	18800000000 J.M. BARCELON & CO., INC.	1,039,518.00	0.0510287
100	16100000000 FRANCISCO ORTIGAS SECURITIES, INC.	998,159.00	0.0489985
101	18000000000 I. B. GIMENEZ SECURITIES, INC.	980,930.00	0.0481527
102	19300000000 LARRGO SECURITIES CO., INC.	976,263.00	0.0479236
103	22300000000 PLATINUM SECURITIES, INC.	936,965.00	0.0459945
104	21700000000 RCBC SECURITIES, INC.	923,643.00	0.0453406
105	26300000000 VENTURE SECURITIES, INC.	857,265.00	0.0420821
106	13000000000 CENTURY SECURITIES CORPORATION	794,474.00	0.0389998
107	14900000000 EAST WEST CAPITAL CORPORATION	768,192.00	0.0376115
108	38800000000 ARMSTRONG SECURITIES, INC.	534,340.00	0.0282301
109	12000000000 ATC SECURITIES, INC.	526,546.00	0.0258475
110	22900000000 SALISBURY BKT SECURITIES CORPORATION	489,350.00	0.0240216
111	19200000000 STRATEGIC EQUITIES CORP.	486,864.00	0.0229178
112	32300000003 CLSA PHILIPPINES, INC.	447,805.00	0.0219822
113	24200000000 SECURITIES SPECIALISTS, INC.	360,082.00	0.0176760
114	18700000000 ASIAN CAPITAL EQUITIES, INC.	348,154.00	0.0170905
115	10000000000 UPCC SECURITIES CORP.	314,927.00	0.0154594
116	25600000000 TRENDLINE SECURITIES CORPORATION	313,637.00	0.0153961
117	SCBK1000000 STANDARD CHARTERED BANK	250,116.00	0.0122779
118	SEIC1000000 SEABOARD-EASTERN INSURANCE COMPANY, INC.	241,499.00	0.0118549
119	RCBC1000031 RCBC TRUST & INVESTMENT DIVISION	216,122.00	0.0108092
120	20100000000 MARIAN SECURITIES, INC.	200,082.00	0.0098218
121	26100000004 E.SECURITIES, INC. ITF VARIOUS CLIENTS	199,870.00	0.0098114
122	20900000001 DEUTSCHE REGIS PARTNERS, INC.	157,658.00	0.0077392
123	24300000000 FIDELITY SECURITIES, INC.	154,599.00	0.0075891
124	24900000000 SUPREME STOCKBROKERS, INC	141,755.00	0.0069586
125	26100000003 E.SECURITIES, INC. ITF VARIOUS CLIENTS	110,563.00	0.0054274
126	22800000000 PRYCE SECURITIES, INC.	81,745.00	0.0040128
127	23000000001 Asia Insurance (Philippines) Corporation	80,000.00	0.0039271
128	20200000000 MARINO OLONDRIZ Y CIA	64,491.00	0.0031658
129	24000000002 S.J. ROXAS & CO., INC.	51,321.00	0.0025193
130	25400000000 TRANS-ASIA SECURITIES, INC.	36,334.00	0.0017836
131	RCBC1000032 RCBC TRUST & INVESTMENT DIVISION	34,723.00	0.0017045
132	HSBC1000000 THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' A	24,543.00	0.0012048
133	33800000000 PHILIPPINE EQUITY PARTNERS, INC.	14,177.00	0.0008959
134	17800000000 HK SECURITIES, INC.	11,445.00	0.0005618
135	19500000000 LITONJUA SECURITIES, INC.	11,302.00	0.0005548
136	10500000000 ALL ASIA SECURITIES MANAGEMENT CORP.	9,624.00	0.0004724
137	PCPL1000000 UNITED COCONUT PLANTERS LIFE ASSURANCE CORPORATION	9,583.00	0.0004704
138	14800000000 EQUITABLE SECURITIES (PHILS.) INC.	8,062.00	0.0003958
139	RCBC1000033 RCBC TRUST & INVESTMENT DIVISION	2,324.00	0.0001141
140	RCBC1000051 RCBC TRUST & INVESTMENTS DIVISION	1,666.00	0.0000818
141	20900000003 DEUTSCHE REGIS PARTNERS, INC.	1,133.00	0.0000558
142	13800000000 PHILEO ALLIED SECURITIES (PHILIPPINES), INC.	1,028.00	0.0000505
143	19400000000 LIPPO SECURITIES, INC.	1,000.00	0.0000491
144	15900000000 FIRST INTEGRATED CAPITAL SECURITIES, INC.	792.00	0.0000389
145	20900000000 DEUTSCHE REGIS PARTNERS, INC.	749.00	0.0000368
146	34500000006 UNICAPITAL SECURITIES INC.	572.00	0.0000281

147	11300000000 SARANGANI SECURITIES, INC.	458.00	0.0000225
148	12100000004 MACQUARIE CAPITAL SECURITIES (PHILIPPINES) INC.	245.00	0.0000120
149	BCDO2000000 BANCO DE ORO - TRUST BANKING GROUP	214.00	0.0000105
150	14200000000 DBP-DAIWA CAPITAL MARKETS PHILPPINES, INC.	183.00	0.0000080
151	BPMI0000000 BASIC PETROLEUM & MINERALS, INC.	22.00	0.0000011

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Thursday, May 24, 2012 4:08 AM

Dear Sir/Madam:

We would like to inform you that as of MAY 23, 2012 01:08:35 PM today,

Reference Number: WLIST_2012000008919
Company Name: Basic Energy Corporation
Disclosure Subject: Subscription of director/officer to Stock Option Plan
Status: APPROVED

Should you need further assistance, please e-mail us at

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

May 23, 2012

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

3 6 3 5 9

SEC Registration Number

BASIC ENERGY CORPORATION

(Company's Full Name)

7th Floor, Basic Petroleum
Building, C. Palanca, Jr. Street,
Legaspi Village, Makati City

(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 Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE**

1. May 23, 2012
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., C. Palanca St. 1229
Legaspi Village, Makati City
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

Under the Company's Stock Option Plan approved by the Securities and Exchange Commission last September 8, 2011, please be informed that Mr. Francis Chua, Vice-Chairman of the Board of Directors subscribed to the Stock Option Plan in the amount of 30,000,000 shares.

As an amendment to our previous disclosures dated April 27, 2012, please be informed that Mr. Oscar C. de Venecia subscribed only to 30,000,000 shares from the Stock Option Plan instead of 60,000,000 shares as previously reported.

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

BASIC ENERGY CORPORATION
Registrant


ANGEL F. CAHOL
Compliance Officer

May 23, 2012

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Thursday, May 31, 2012 10:54 PM

Dear Sir/Madam:

We would like to inform you that as of MAY 31, 2012 07:54:22 AM today,

Reference Number: WLIST_2012000009238
Company Name: Basic Energy Corporation
Disclosure Subject: Results of Organizational Meeting of Board of Directors
Status: APPROVED

Should you need further assistance, please e-mail us at

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If verification is required please request a hard-copy version.

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

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May 30, 2012

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 R. GAHOL
Compliance Officer

3 6 3 5 9

SEC Registration Number

BASIC ENERGY CORPORATION

(Company's Full Name)

7th Floor, Basic Petroleum
Building, C. Palanca, Jr. Street,
Legaspi Village, Makati City

(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 Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

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 30, 2012
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

Please see attached

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


ANGEL P. BAHOL
Compliance Officer

May 30, 2012.

3/21/2013 4:56 PM

**BASIC ENERGY CORPORATION
BOARD OF DIRECTORS
RESULTS OF ORGANIZATIONAL MEETING
MAY 30, 2012, 4:00 P.M.**

AGENDA

I. ELECTION OF OFFICERS

Chairman of the Board	- Oscar C. de Venecia
Vice Chairman	- Francis C. Chua
Vice Chairman	- Ramon L. Mapa
President & CEO	- Oscar L. de Venecia, Jr.
Treasurer & Vice President-Finance	- Marietta V. Villafuerte
Corporate Secretary & Vice President-Legal/Admin.	- Corazon M. Bejasa
Vice President- Operations	- Alberto P. Morillo
Assistant Corp. Secretary & Compliance Officer	- Angel P. Gahol
Assistant Vice President-Business Development	- Mary Jean G. Alger
Executive Assistant to the Chairman	- Ana Alexandra B. Edillon

II. ADVISORY BOARD

Jose C. De Venecia, Jr. -Chairman
Seiichi Wada
Jose P. De Venecia III

III. COMMITTEE MEMBERSHIPS

Audit Committee

Oscar S. Reyes.- Chairman
Dennis D. Decena- Vice Chairman
Ma. Florina M. Chan
Jaime J. Martinez
Gabriel R. Singson, Jr.

Nominating Committee

Oscar C. De Venecia –Chairman
Oscar S. Reyes- Vice Chairman
Oscar L. De Venecia, Jr.
Ramon L. Mapa
Dennis D. Decena-Independent Director

Compensation and Remuneration Committee

Oscar L. De Venecia , Jr.- Chairman
Francis C. Chua- Vice Chairman
Jaime J. Martinez
Isidoro A. Tan
Dennis D. Decena- Independent Director

Finance and Investments Committee

Jaime J. Martinez –Chairman
Ramon L. Mapa- Vice Chairman
Oscar L. De Venecia, Jr.
Ma. Florina M. Chan
Eduardo V. Manalac
Oscar S. Reyes/Dennis D. Decena-Independent Director
Gabriel R. Singson, Jr.
Isidoro O. Tan

Corporate Governance Committee

Gabriel R. Singson, Jr. - Chairman
Dennis D. Decena- Independent Director
Ma. Florina M. Chan
Eduardo V. Manalac
Jaime J. Martinez

IV. DIRECTORS AND OFFICERS OF SUBSIDIARIES

Basic Biofuels Corporation (11)

Oscar C. De Venecia- Chairman
Oscar L. de Venecia, Jr.- President
Joselito C. Aseniero
Francis C. Chua
Ma. Florina M. Chan
Dennis D. Decena
Eduardo V. Manalac
Ramon L. Mapa
Jaime J. Martinez
Gabriel C. Singson, Jr.
Isidoro O. Tan

Basic Ecomarket Farms, Inc. (11)

Oscar C. De Venecia- Chairman
Oscar L. de Venecia, Jr.- President
Joselito C. Aseniero
Francis C. Chua
Ma. Florina M. Chan
Dennis D. Decena
Eduardo V. Manalac
Ramon L. Mapa
Jaime J. Martinez
Gabriel C. Singson, Jr.
Isidoro O. Tan

Basic Geothermal Energy Corporation (11)

Oscar C. De Venecia- Chairman
Oscar L. de Venecia, Jr.- President
Francis C. Chua
Ramon L. Mapa
Ma. Florina M. Chan
Dennis D. Decena
Eduardo V. Manalac
Jaime J. Martirez
Oscar S. Reyes
Gabriel C. Singson, Jr.
Isidoro O. Tan

IBasic, Inc. (7)

Oscar C. de Venecia - Chairman
Oscar L. De Venecia, Jr.- President
Francis C. Chua
Dennis D. Decena
Eduardo V. Manalac
Ramon L. Mapa
Isidoro O. Tan

Basic Diversified Industrial Holdings, Inc. (11)

Oscar C. de Venecia - Chairman
Oscar L. de Venecia, Jr.-President
Ma. Florina M. Chan
Francis C. Chua
Dennis D. Decena
Eduardo V. Manalac
Ramon L. Mapa
Jaime J. Martirez
Gabriel R. Singson, Jr.
Isidoro O. Tan

Southwest Resources, Inc.
From Basic Energy Corporation (8):

Oscar C. De Venecia - Chairman
Oscar L. de Venecia, Jr.-President
Francis C. Chua
Dennis D. Decena
Eduardo V. Manalac
Ramon L. Mapa
Jaime J. Martirez
Isidoro O. Tan

Pan-Phil Aqua Culture Corporation
From Basic Energy Corporation (4)

Oscar C. De Venecia - Chairman
Oscar L. De Venecia, Jr.-President
Eduardo V. Manalac
Ramon L. Mapa

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Tuesday, June 5, 2012 10:23 PM

Dear Sir/Madam:

We would like to inform you that as of JUN 05, 2012 07:23:11 AM today,

Reference Number: WLIST__2012000009458
Company Name: Basic Energy Corporation
Disclosure Subject: Report on Number of Shareholders as of May 31, 2012
Status: APPROVED

Should you need further assistance, please e-mail us at

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

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If verification is required please request a hard-copy version.

Philippine Stock Exchange, PSE Plaza, Ayala Avenue, Makati City.

June 4,, 2012

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

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

Gentlemen:

In compliance with your requirements, we attached herewith the report from our Transfer Agent, RCBC, on the number of its shareholders owning at least one board lot each, as of May 31, 2012 and ownership of securities by citizenship.

Very truly yours,



ANGEL P. GAHOL
Compliance Officer



June 1, 2012

Basic Energy Corporation
6 Basic Petroleum Bldg.
Legaspi Village, Makati City

Attention: Ms. Corazon M. Bejasa
Corporate Secretary

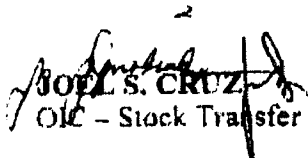
Gentlemen:

We are submitting to you to the report on the number of its shareholders owning at least one board lot each of **BASIC ENERGY CORPORATION** as of May 31, 2012.

Market Price	.265
Number of Listed Shares	2,442,493,512
Number of Stockholders	6,921
Number of Shares Per Board Lot	10,000
No. of Stockholders owning at least 1 board lot	2,120

Truly yours,

RIZAL COMMERCIAL BANKING CORPORATION
Transfer Agent


JOEL S. CRUZ
OIC - Stock Transfer Processing Section

6819 AYALA AVENUE, MAKATI CI
894-9055

RUNDATE : May 31, 2012

BASIC ENERGY CORPORATION
OWNERSHIP OF SECURITIES BY CITIZENSHIP
AS OF : 05/31/2012

FOR CLASSES : COMMON				
CITIZENSHIP	SUBSCRIBED/ OUTSTANDING	AMOUNT	PAID-UP	FE H
CHINESE	3,360,822	840,205.50	840,205.50	
CANADIAN	1,130	282.50	282.50	
SPANISH	10,617	2,654.25	2,654.25	
FRENCH	22,000	5,500.00	5,500.00	
INDIAN	42,133	10,533.25	10,533.25	
OTHER ALIE	33,847,305	8,461,826.25	8,461,826.25	
FILIPINO	2,402,623,218	600,655,804.50	600,655,804.50	
SINGAPOREA	63,481	15,870.25	15,870.25	
SWISS	119,204	29,801.00	29,801.00	
BRITISH	366,051	91,512.75	91,512.75	
AMERICAN	1,774,382	443,590.00	443,590.00	
AUSTRALIAN	43,189	10,797.25	10,797.25	
TOTALS	2,442,493,512	610,623,378.00	610,623,378.00	

SCHEDULE OF CAPITAL STOCK

CAPITAL STOCK		
NO. OF SHARES	AMOUNT	ISSUED
10,000,000,000	2,500,000,000.00	

P00-5-24

6819 AYALA AVENUE, MAKATI CI
894-9055

RUNDATE : May 31, 2012

BASIC ENERGY CORPORATION
OWNERSHIP OF SECURITIES BY CITIZ.
AS OF : 05/31/2012

FOR CLASSES : COMMON				
CITIZENSHIP	SUBSCRIBED/ OUTSTANDING	AMOUNT	PAID-UP	FE
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BRITISH	366,051	91,512.75	91,512.75	
AMERICAN	1,774,382	443,595.50	443,595.50	
AUSTRALIAN	43,189	10,797.25	10,797.25	
TOTALS	2,442,493,512	610,623,378.00	610,623,378.00	

SCHEDULE OF CAPITAL STOCK

CAPITAL STOCK		
NO. OF SHARES	AMOUNT	ISSUED
10,000,000,000	2,500,000,000.00	

PAD-5-24

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Wednesday, June 6, 2012 6:23 AM

Dear Sir/Madam:

We would like to inform you that as of JUN 05, 2012 03:23:01 PM today,

Reference Number: WLIST__2012000009591
Company Name: Basic Energy Corporation
Disclosure Subject: Results of Annual Stockholders' Meeting held last May 30, 2012
Status: APPROVED

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

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Philippine Stock Exchange, PSE Plaza, Ayala Avenuc, Makati City.

June 5, 2012

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 F. GAHOL
Compliance Officer

3 6 3 5 9

SEC Registration Number

BASIC ENERGY CORPORATION

(Company's Full Name)

7th Floor, Basic Petroleum
Building, C. Palanca, Jr. Street,
Legaspi Village, Makati City

(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 Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

**CURRENT REPORT UNDER SECTION 17
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1. June 5, 2012
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Exact name of registrant as specified in its charter
5. Philippines 6. _____
Province, country or other jurisdiction Industry Classification Code
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Common Shares	2,442,493,512
Listed with PSE	2,442,045,455

11. Indicate the item numbers reported herein: Item 9

In the Annual Stockholders' Meeting of the Company held last May 30, 2012, the following actions were taken:

- a) Approval of the Minutes of the 2011 Annual Stockholders' Meeting held last June 29, 2011;
- b) Approval of the 2011 Annual Report and the 2011 Audited Financial Statements of the Corporation;
- c) Ratification of all acts of the Board and Management for the term 2011-201;
- d) Election of the eleven (11) Directors as follows:
 - 1) Oscar C. de Venecia
 - 2) Francis C. Chua
 - 3) Ramon L. Mapa
 - 4) Oscar L. de Venecia, Jr.
 - 5) Ma. Florina M. Chan
 - 6) Jaime J. Martinez
 - 7) Gabriel R. Singson, Jr.
 - 8) Isidoro O. Tan
 - 9) Eduardo V. Manalac
 - 10) Dennis D. Decena (Independent Director)
 - 11) Oscar S. Reyes (Independent Director)

- e) Appointment of SGV & Company as the External Auditors of the corporation for the fiscal year ending December 31, 2012 with Ms. Aileen L. Saringan as the engagement partner.

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


ANGEL P. GAHOL
Compliance Officer

June 5, 2012.

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Friday, June 22, 2012 11:01 PM

Dear Sir/Madam:

We would like to inform you that as of JUN 22, 2012 08:01:35 AM today,

Reference Number: WLIST__2012000010297

Company Name: Basic Energy Corporation

Disclosure Subject: Execution of compromise agreement with Forum Energy Plc. re: share purchase agreement

Status: APPROVED

Should you need further assistance, please e-mail us at

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PSE Center, One Exchange Road
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Philippines 1600

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If verification is required please request a hard-copy version.

Philippine Stock Exchange, PSE Plaza, Ayala Avenue, Makati City.

June 21, 2012

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



106222012001122

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Marites S. Guevarra
Receiving Branch : SEC Head Office
Receipt Date and Time : June 22, 2012 04:11:24 PM
Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No. 0000036359
Company Name BASIC ENERGY CORPORATION
Industry Classification
Company Type Stock Corporation

Document Information

Document ID 106222012001122
Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code 17-C
Period Covered June 21, 2012
No. of Days Late 0
Department CFD
Remarks

3/21/2013 4:49 PM

COVER SHEET

3 6 3 5 9

SEC Registration Number

BASIC ENERGY CORPORATION

(Company's Full Name)

7th Floor, Basic Petroleum Building, C. Palanca, Jr. Street, Legaspi Village, Makati City

(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)

Dept. Requiring this Doc.

Not Applicable

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

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Document ID

Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
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Exact name of registrant as specified in its charter
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6. _____
Province, country or other jurisdiction
7. 7th Floors, Basic Petroleum Bldg., 104 C. Palanca St.
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Address of principal office
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Registrant's telephone number, including area code
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Listed with PSE	2,442,045,455

11. Indicate the item numbers reported herein: Item 9

Basic Energy Corporation ("Basic Energy"), a publicly-listed company, today announces that it has executed a compromise agreement with Forum Energy Plc. ("Forum Energy"), to fully and finally settle all issues in connection with the Sale and Purchase Agreement dated April 3, 2006 ("SPA"), including the claims relative to Basic Energy's share in the historical cost recoveries relative to Service Contract 14 A and B (Nido/Matinloc) ("Arbitration Claims"), subject of arbitration proceedings ("Arbitration Proceedings"), and other issues as defined in the Compromise Agreement.

Basic Energy had previously signed a settlement agreement with Forum Energy last 10 May 2011 which would have concluded the arbitration process in relation to these assets provided the conditions therein were met. However, that settlement agreement was not completed because not all required third-party consents were obtained within the agreed timeframe. Consequently, the process reverted into arbitration.

Under date 11 June 2012, the Arbitral Tribunal rendered a Decision in the Arbitration Proceedings ("Award"). The dispositive portion of the Award reads as follows:

"WHEREFORE, premises considered, the Tribunal hereby renders judgment:

1. (a) Holding Claimant's [Basic Energy's] 75% share and Respondent's [Forum Energy's] 25% share in the distribution of the utilization of HCR [Historical Cost Recovery] Accounts of BPML [Basic Petroleum and Minerals Inc.] in SC 14 A and B (Nido/Matinloc) should be computed without deduction for FEPC's [Forum Energy Philippines Corporation] current operating or other expenses, such that for every

US\$1.00, US\$0.75 will be due to Claimant [Basic Energy] and US\$0.25 will be due to Respondent [Forum Energy] until the amount of US\$10,000,000.00 would have been fully paid.

(b) Ordering Respondent [Forum Energy] to pay Claimant [Basic Energy] any amount now still unpaid in consonance with the foregoing computation, with legal interest of 12% per annum if unsettled within thirty (30) days from receipt of this Decision.

2. Directing the Parties to exert best efforts to have a nominee of Claimant [Basic Energy] elected to the Board of Directors of Respondent [Forum Energy] until the amount of US\$10,000,000.00 has been fully paid.
3. Denying the claim of exemplary damages, attorney's fees and arbitration costs, each party being adjudged to bear its own costs and expense.

SO ORDERED."

Under the Compromise Agreement, Forum Energy shall pay Basic Energy: (a) upon execution of the Compromise Agreement, the amount of USD 2,399,392.73, which is the remaining balance of the USD 10,000,000.00 stipulated in Article 2.2 of the SPA, representing Basic Energy's share in the utilization of the historical cost recoveries of Basic Petroleum and Minerals, Inc. (now Forum Energy Philippines Corporation) relating to the oil assets indicated in the SPA ("Balance Payment"), and (b) the amount of USD 2,000,000.00, to settle any and all issues between the parties in respect of Article 2.3 of the SPA, to be paid as follows: USD 1,000,000.00 within six (6) months, and USD 1,000,000.00 within eighteen (18) months, from execution of the Compromise Agreement.

As a result of agreeing to pay the Balance Payment, Basic Energy agrees not to nominate a representative to Forum Energy's board.

The terms of the Compromise Agreement were subject of continuing discussions between the parties prior to the issuance of the Award. Considering that the Award covered only the Arbitration Claims, the parties opted for a global settlement of all issues related to the SPA, as the Compromise Agreement is beneficial to both Basic Energy and Forum Energy.

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


ANGEL P. GAHOL
Compliance Officer

June 21, 2012

3/21/2013 4:49 PM

June 27, 2012

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:

We are submitting to you copy of SEC Form No. 23-B Statement of Changes in Beneficial Ownership of Securities of Ms. Ma. Florina M. Chan, Director of Basic Energy Corporation.

Very truly yours,


ANGEL P. GAHOL
Compliance Officer

7F Basic Petroleum Building, 104 Carlos Palanca Jr. Street, Legaspi Village, Makati City 1229, Philippines
 (632) 817-8506 and 98  (632) 817-0191  www.basicenergy.ph

3/21/2013 4:47 PM



106272012001568

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 726-5293 Email: mis@sec.gov.ph

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Receipt Date and Time : June 27, 2012 03:30:57 PM
Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No. 0000036359
Company Name BASIC ENERGY CORPORATION
Industry Classification
Company Type Stock Corporation

Document Information

Document ID 106272012001568
Document Type Statement of Changes in the Beneficial Ownership
Document Code 23B
Period Covered June 25, 2012
No. of Days Late 0
Department
Remarks FILED BY : CHAN MA. FLORINA MARIN

3/21/2013 4:47 PM

3 6 3 5 9

SEC Registration Number

BASIC ENERGY CORPORATION

(Company's Full Name)

7th Floor, Basic Petroleum
Building, C. Palanca, Jr. Street,
Legaspi Village, Makati City

(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)

2 3 - B

(Form Type)

Month Day

(Annual Meeting)

Not Applicable

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Not Applicable

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES
Filed pursuant to Section 23 of the Securities Regulation Code

☐ Check box if no longer subject to filing requirement[illegible]

(Print or Type Response)

If the change in beneficial ownership is 50% of the previous shareholdings or is equal to 5% of the outstanding capital stock of the issuer, provide the disclosure requirements set forth on page 3 of this form.

Reminder: Report on a separate line for each class of equity securities beneficially owned directly or indirectly.

- (2) A person is directly or indirectly the beneficial owner of any equity security with respect to which he has or shares:
- (a) Voting power which includes the power to appoint or to direct the voting of, such security;
 - (b) Investment power which includes the power to dispose of, or to direct the disposition of, such security.
- (2) A person will be deemed to have an indirect beneficial interest in any equity security which is:
- (A) held by members of a person's immediate family sharing the same household;
 - (B) held by a partnership in which such person is a general partner;
 - (C) held by a corporation of which such person is a controlling shareholder; or
 - (D) subject to any contract, arrangement or understanding which gives such person voting power or investment power with respect to such security.

Item 1. Security and Issuer

State the title of the class of equity securities to which this Form relates and the name and address of the principal executive offices of the issuer of such securities.

Item 2. Identity and Background

If the person filing this Form is a corporation, partnership, syndicate or other group of persons, state its name, the province, country or other place of its organization, its principal business, the address of its principal office and the information required by (d) and (e) of this Item. If the person filing this statement is a natural person, provide the information specified in (a) through (f) of this Item with respect to such person(s).

- a. Name;
- b. Residence or business address;
- c. Present principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is conducted;
- d. Whether or not, during the last five years, such person has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) and, if so, give the dates, nature of conviction, name and location of court, any penalty imposed, or other disposition of the case;
- e. Whether or not, during the last five years, such person was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction, domestic or foreign, and as a result of such proceeding was or is subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, permanently or temporarily enjoining, barring, suspending or otherwise limiting involvement in any type of business, securities, commodities or banking; and
- f. Citizenship.

Item 3. Purpose of Transaction

State the purpose or purposes of the acquisition of securities of the issuer. Describe any plans or proposals which the reporting persons may have which relate to or would result in:

- a. The acquisition by any person of additional securities of the issuer, or the disposition of securities of the issuer;
- b. An extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the issuer or any of its subsidiaries;
- c. A sale or transfer of a material amount of assets of the issuer or of any of its subsidiaries;
- d. Any change in the present board of directors or management of the issuer, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board;
- e. Any material change in the present capitalization or dividend policy of the issuer;
- f. Any other material change in the issuer's business or corporate structure;
- g. Changes in the issuer's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the issuer by any person;
- h. Causing a class of securities of the issuer to be delisted from a securities exchange;
- i. Any action similar to any of those enumerated above.

Item 4. Interest in Securities of the Issuer

- a. State the aggregate number and percentage of the class of securities identified pursuant to Item 1 beneficially owned (identifying those shares which there is a right to acquire within thirty (30) days from the date of this report) by each person named in Item 2. The abovementioned information should also be furnished with respect to persons who, together with any of the persons named in Item 2, comprise a group.

- b. For each person named in response to paragraph (a), indicate the number of shares as to which there is sole power to vote or to direct the vote, shared power to vote or to direct the vote, sole or shared power to dispose or to direct the disposition. Provide the applicable information required by Item 2 with respect to each person with whom the power to vote or to direct the vote or to dispose or direct the disposition is shared.
- c. Describe any transaction in the class of securities reported on that were effected during the past sixty (60) days by the persons named in response to paragraph (a). The description shall include, but not necessarily be limited to: (1) the identity of the person who effected the transaction; (2) the date of the transaction; (3) the amount of securities involved; (4) the price per share or unit; and (5) where or how the transaction was effected.
- d. If any other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of such securities, a statement to that effect should be included in response to this item and, if such interest relates to more than five (5%) percent of the class, such person should be identified.
- e. If the filing is an amendment reflecting the fact that the reporting person has ceased to be the beneficial owner of more than five (5%) percent of the class of securities, state the date on which such beneficial ownership was reduced.

Item 5. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

Describe any contract, arrangement, understanding or relationship among the person named in Item 2 and between such persons and any person with respect to any securities of the issue, including but not limited to transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies, naming the person with whom such contracts, arrangements, understandings or relationships have been entered into. Include such information for any of the securities that are pledged or otherwise subject to a contingency the occurrence of which would give another person voting power or investment power over such securities except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Item 6. Material to be Filed as Exhibits

Copies of all written agreements, contracts, arrangements, understandings, plans or proposals relating to:

- a. the acquisition of issuer control, liquidation, sale of assets, merger, or change in business or corporate structure or any other matter as disclosed in Item 3; and
- b. the transfer or voting of the securities, finder's fees, joint ventures, options, puts, calls, guarantees of loans, guarantees against losses or the giving or withholding of any proxy as disclosed in Item 5.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Report is true, complete and accurate.
This report is signed in the City of MASSACHUSETTS on March 20, 2012

By: [Signature]
(Signature of Reporting Person)

[Signature]
(Name/Title)

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Tuesday, July 3, 2012 4:34 AM

Dear Sir/Madam:

We would like to inform you that as of JUL 02, 2012 01:34:55 PM today,

Reference Number: WLIST__2012000010651
Company Name: Basic Energy Corporation
Disclosure Subject: Report on Number of Shareholders as of June 30, 2012
Status: APPROVED

Should you need further assistance, please e-mail us at

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

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If verification is required please request a hard-copy version.

Philippine Stock Exchange, PSE Plaza, Ayala Avenue, Makati City.

July 2, 2012

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




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

Gentlemen:

In compliance with your requirements, we attached herewith the report from our Transfer Agent, RCBC, on the number of its shareholders owning at least one board lot each, as of June 30, 2012 and ownership of securities by citizenship.

Very truly yours,


ANGEL P. GAHOL
Compliance Officer

7F Basic Petroleum Building, 104 Carlos Palanca Jr. Street, Legaspi Village, Makati City 1229, Philippines
 (632) 817-8596 and 98  (632) 817-0191  www.basicenergy.ph

3/21/2013 4:46 PM



June 30, 2012

Basic Energy Corporation
6 Basic Petroleum Bldg.
Legaspi Village, Makati City

Attention: Ms. Corazon M. Bejasa
Corporate Secretary

Gentlemen:

We are submitting to you the report on the number of its shareholders owning at least one board lot each of **BASIC ENERGY CORPORATION** as of June 30, 2012.

Market Price	.265
Number of Listed Shares	2,442,493.512
Number of Stockholders	6,888
Number of Shares Per Board Lot	10,000
No. of Stockholders owning at least 1 board lot	2,100

Truly yours,

RIZAL COMMERCIAL BANKING CORPORATION
Transfer Agent


JOCELYN A. MODINA
Unit Head - Stock Transfer Processing Section

RCBC Head Office, Yungmundo Tower, RCBC Plaza, 8418 Ayala Avenue, MAKATI City, P.O. Box 7702 MCPO 0727 • Tel. 894-9000 • Website: <http://www.rcbc.com>

3/21/2013 4:46 PM

RIZAL COMMERCIAL BANKING CORPORATION
9/F YUCHENGO TOWER 1, RCB PLAZA
3819 AYALA AVENUE, MAKATI CITY TEL.
894-2055

RUNDATE : Jun 29, 2012

BASIC ENERGY CORPORATION
OWNERSHIP OF SECURITIES BY CITIZENSHIP
AS OF : 06/30/2012

FOR CLASSES : COMMON

CITIZENSHIP	SUBSCRIBED/ OUTSTANDING	AMOUNT	PAID-UP	PERCENTAGE HOLDINGS	NUMBER OF STOCKHOLDERS
CHINESE	3,160,922	790,205.50	790,205.50	0.13	45
CANADIAN	1,130	282.50	282.50	0.00	2
SPANISH	10,617	2,654.25	2,654.25	0.00	2
FRENCH	22,000	5,500.00	5,500.00	0.00	1
INDIAN	42,133	10,533.25	10,533.25	0.00	9
OTHER ALIE	34,047,305	8,511,826.25	8,511,826.25	1.39	11
ILIPINO	2,402,623,218	600,655,804.50	600,655,804.50	98.37	6,665
SINGAPOREA	63,481	15,870.25	15,870.25	0.00	6
SWISS	119,204	29,801.00	29,801.00	0.00	4
BRITISH	366,051	91,512.75	91,512.75	0.01	21
AMERICAN	1,994,362	498,590.50	498,590.50	0.08	117
AUSTRALIAN	43,189	10,797.25	10,797.25	0.00	5
TOTALS	2,442,493,512	610,623,378.00	610,623,378.00	100.00	6,888

SCHEDULE OF CAPITAL STOCK

NO. OF SHARES	CAPITAL STOCK		TOTAL SHARES	
	AMOUNT	ISSUED AND OUTSTANDING	SUBSCRIBED	
10,000,000,000	2,500,000,000.00	2,442,493,512	0	

PCO - 6-28-12

DT - X

3/21/2013 4:46 PM

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Thursday, July 12, 2012 6:05 AM

Dear Sir/Madam:

We would like to inform you that as of JUL 11, 2012 03:05:01 PM today,

Reference Number: WLIST_2012000011493
Company Name: Basic Energy Corporation
Disclosure Subject: Top 100 Stockholders as of June 30, 2012
Status: APPROVED

Should you need further assistance, please e-mail us at

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

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If verification is required please request a hard-copy version.

Philippine Stock Exchange, PSE Plaza, Ayala Avenue, Makati City.

July 10, 2012

THE DISCLOSURE DEPARTMENT
2/F The Philippine Stock Exchange, Inc.
PSE Centre, Ayala Avenue
Makati City

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

Gentlemen:




We are furnishing you a copy of the Top 100 Stockholders as of June 30, 2012
as submitted to the Securities & Exchange Commission.

Very truly yours,



ANGEL P. GAHOL
Compliance Officer

7F Basic Petroleum Building, 104 Carlos Palanca Jr. Street, Legaspi Village, Makati City 1229, Philippines

 (632) 817-8596 and 98  (632) 817-0191  www.basicenergy.ph



107112012000665

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Company Representative**Doc Source****Company Information**

SEC Registration No. 0000036359
Company Name BASIC ENERGY CORPORATION
Industry Classification
Company Type Stock Corporation

Document Information

Document ID 107112012000665
Document Type LETTER/MISC
Document Code LTR
Period Covered July 10, 2012
No. of Days Late 0
Department CED/CFD/CRMD/MRD/NTD
Remarks

3/21/2013 4:42 PM

COVER SHEET

3 6 3 5 9

SEC Registration Number

BASIC ENERGY CORPORATION

(Company's Full Name)

7th Floor, Basic Petroleum

Building, C. Palanca, Jr. Street,

Legaspi Village, Makati City

(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)

-

(Form Type)

Month Day

(Annual Meeting)

Not Applicable

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Not Applicable

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

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Remarks Please use BLACK ink for scanning purposes.

July 10, 2012

SECURITIES AND EXCHANGE COMMISSION
SEC Bldg., EDSA, Greenhills
Mandaluyong City, Metro Manila

Attention : **ATTY. JUSTINA F. CALLANGAN**
Director, Corporate and Finance Department

Gentlemen:

We are pleased to submit to you the Top 100 Stockholders listed with our stock transfer agent RCBC and Top 100 Stockholders listed with Philippine Depository & Trust Corp. (PDTC) for the 2nd quarter ending June 30, 2012.

We hope you find the above in order.

Thank you and regards.

Very truly yours,



ANGEL P. GAHOL
AVP-Asst Corporate Secretary/
Compliance Officer

cutoffdate	stkhldmum	natcode	totshares	nameaddr
06/30/2012	0000175606	PH	2,009,342,709	PCD NOMINEE CORPORATION (FILIPINO)
06/30/2012	0000175605	OA	33,356,598	PCD NOMINEE CORPORATION
06/30/2012	0000165969	PH	25,736,744	CHRISTODEL PHILS., INC.
06/30/2012	0000178513	PH	24,822,276	TAN, ISIDORO OCAMPO
06/30/2012	0000175066	PH	20,989,439	PHASES REALTORS INC.
06/30/2012	0000174180	PH	20,745,757	NORTHWEST TRADERS CORPORATION
06/30/2012	0000179569	PH	10,013,225	VENECIA JR., JOSE C. DE
06/30/2012	0000203690	PH	10,000,000	UY, SAMUEL
06/30/2012	0000179874	PH	9,075,833	VENECIA, JOSE MA. L. DE
06/30/2012	0000174174	PH	8,708,890	NORTHWEST INVESTORS, INC.
06/30/2012	0000179885	PH	8,363,333	VENECIA, MARK ANTHONY L. DE
06/30/2012	0000179804	PH	8,110,000	VENECIA, OSCAR C. DE
06/30/2012	0000165980	PH	8,000,000	CHUA CHIACO, ERNESTO
06/30/2012	0000171512	PH	7,200,000	JLV HOLDINGS, INC.
06/30/2012	0000174029	PH	5,070,000	MDV HOLDINGS, INC.
06/30/2012	0000171545	PH	4,550,000	KHO GIOK EN
06/30/2012	0000175849	PH	4,408,523	RODRIGUEZ, HORACIO
06/30/2012	0000174178	PH	3,998,109	NORTHWEST SECURITIES, INC.
06/30/2012	0000203689	PH	3,750,000	TAN, JAN SHARON GAISANO
06/30/2012	0000166347	PH	3,149,221	CHUA, CHRISTINE
06/30/2012	0000168110	PH	3,019,498	EAST WEST COMMODITIES, INC.
06/30/2012	0000177209	PH	2,658,257	SY SR., HENRY
06/30/2012	0000216878	PH	2,500,000	LISTA, JENNETTE J.
06/30/2012	0000216876	PH	2,500,000	CASTANEDA, RENATO
06/30/2012	0000203688	PH	2,500,000	CHUA, VICKY
06/30/2012	0000216875	PH	2,500,000	PO, ARCHIVALD
06/30/2012	0000163375	PH	2,184,328	AGRI-TECH MANAGEMENT HOLDINGS
06/30/2012	0000174809	PH	2,025,824	PAIC SECURITIES CORPORATION
06/30/2012	0000179895	PH	2,000,000	VY, ALFONSO C.
06/30/2012	0000178534	PH	1,940,398	TANCHAN, SANTIAGO
06/30/2012	0000225608	PH	1,910,000	CRUZ, TERESITA B. CRUZ &/OR REGINO B.
06/30/2012	0000174215	PH	1,787,458	NATIONAL LIFE INSURANCE
06/30/2012	0000167589	PH	1,605,476	DAVID GO SECURITIES CORP.
06/30/2012	0000174455	PH	1,602,391	ONG, JOSEPH D.
06/30/2012	0000217209	CH	1,500,000	LIM, ROSENDO
06/30/2012	0000167710	PH	1,383,249	DUCA, VICTORIA
06/30/2012	0000163854	PH	1,353,080	AQUATIC RANCH DEVELOPMENT CORP
06/30/2012	0000168402	PH	1,317,960	F. YAP SECURITIES, INC.
06/30/2012	0000167836	PH	1,279,962	DUCA, VICTORIA
06/30/2012	0000183806	PH	1,262,676	DAVID GO SEC. CORP.
06/30/2012	0000197078	PH	1,262,500	DY, KOC GUAN TIU

06/30/2012	0000174255	PH	1,185,000	NG, RICARDO
06/30/2012	0000165681	PH	1,170,000	CHUNG GUAT TIOC
06/30/2012	0000225969	PH	1,165,427	KENSINGTON MANAGEMENT CORPORATION
06/30/2012	0000178243	PH	1,104,554	TANCHAN JR., SANTIAGO J.
06/30/2012	0000165954	PH	1,093,307	CHIU, RAMON L.
06/30/2012	0000173489	PH	1,086,571	MENDOZA, ALBERTO
06/30/2012	0000176100	PH	1,071,595	ROSARIO, ALBERT DEL
06/30/2012	0000167739	PH	1,050,000	DY, SOPHIA
06/30/2012	0000173382	PH	1,047,453	MOUNT PEAK SECURITIES, INC.
06/30/2012	0000176830	PH	1,032,819	SAN JOSE, AURORA V.
06/30/2012	0000168302	PH	1,025,246	EBC SECURITIES CORPORATION
06/30/2012	0000170131	PH	1,013,107	G & L SECURITIES COMPANY, INC.
06/30/2012	0000180048	PH	1,010,403	YEE, JUANITO L.
06/30/2012	0000178728	PH	1,000,000	TAN, DOUGLAS
06/30/2012	0000216105	PH	1,000,000	PRECILLA, GEORGE G. PRECILLA &/OR REBECCA T.
06/30/2012	0000203700	PH	982,907	SF PASS INTERNATIONAL
06/30/2012	0000172939	PH	980,000	LIM, JORGE G.
06/30/2012	0000169722	PH	962,893	GO, DAVID C.
06/30/2012	0000166704	PH	962,497	CHING, CYNTHIA D.
06/30/2012	0000165348	PH	944,248	BA SECURITIES, INC.
06/30/2012	0000180151	PH	915,016	YAN, LUCIO
06/30/2012	0000165879	PH	908,073	CHAM, ALLEN
06/30/2012	0000168597	PH	895,000	CRUZ, BENITO DE LA
06/30/2012	0000174556	PH	880,005	OLIVA, DULCE MARIA S.
06/30/2012	0000203695	PH	880,000	MAGNO, JOSE
06/30/2012	0000178187	PH	867,702	TAN, FRANCISCO
06/30/2012	0000170436	PH	850,000	GOCHANGCO, ALBERTO
06/30/2012	0000178265	PH	829,234	TANSENGCO & COMPANY, INC.
06/30/2012	0000177768	PH	750,000	SY, VICTOR GAN
06/30/2012	0000178129	PH	737,469	TANCHAN, CONSTANTINE
06/30/2012	0000177585	PH	734,076	SIAO, VICENTE
06/30/2012	0000172947	PH	722,308	LOCSIN, JOSE E.
06/30/2012	0000174818	PH	700,000	ONG, RAMON
06/30/2012	0000174552	PH	698,709	ONG, ROSARIO T.
06/30/2012	0000166349	PH	683,000	CANLAS, EFREN M.
06/30/2012	0000165764	PH	674,160	CAMPOS, JOSE Y.
06/30/2012	0000173127	PH	663,695	MANOTOC SECURITIES, INC.
06/30/2012	0000175644	PH	654,274	QUE, JUANITO
06/30/2012	0000167414	CH	650,000	CHEN ZHIMENG
06/30/2012	0000175857	PH	649,092	R. NUBLA SECURITIES, INC.
06/30/2012	0000220874	PH	626,802	NG, IDA S.
06/30/2012	0000176829	PH	623,518	SAN JOSE JR., RAMON A.

06/30/2012	0000169485	PH	618,005	GO JR., DELFIN
06/30/2012	0000178470	PH	616,914	TY, A.N.
06/30/2012	0000216155	PH	614,373	MANILAC AGRO COMMERCIAL CORPORATION
06/30/2012	0000165657	PH	600,000	BANTOTO, LOVE
06/30/2012	0000178061	PH	600,000	SY TIONG SHIOU
06/30/2012	0000173362	PH	594,990	MONZON, RAMON
06/30/2012	0000175047	PH	591,913	PUA YOK BING
06/30/2012	0000166761	PH	585,771	CU, OSCAR
06/30/2012	0000165937	PH	578,863	CHING TIONG KANG
06/30/2012	0000169651	PH	550,604	GUANZON, ARTURO A.
06/30/2012	0000166743	PH	520,000	CHUA, VICTOR T.
06/30/2012	0000175614	PH	500,000	PHILIPPINE INTERNATIONAL LIFE
06/30/2012	0000163532	PH	500,000	ANG NGO CHIONG
06/30/2012	0000173665	PH	489,999	MENDOZA, ALBERTO
06/30/2012	0000165204	QA	488,705	BANK OF THE PHIL. ISLANDS
06/30/2012	0000179140	PH	485,529	UNIVERSAL SECURITIES, CORP.
06/30/2012	0000168372	PH	480,000	E. CHUA CHIACO SECURITIES, INC

Philippine Depository & Trust Corp.

TOP 100 PDTC PARTICIPANTS

Business Date 06/29/2012

Security ID: BSC000000000

BASIC ENERGY CORPORATION

Transfer Agent: RCBCTA00000

Transfer Agent Name: RCBC TRANSFER AGENT

S. No.	BPID	BPNAME	HOLDING
1	20300000000	COL Financial Group, Inc.	169,898,848.00
2	27800000000	YU & COMPANY, INC.	159,235,078.00
3	38900000000	KING'S POWER SECURITIES, INC.	130,328,996.00
4	25300000000	TOWER SECURITIES, INC.	117,677,737.00
5	15400000000	EVERGREEN STOCK BROKERAGE & SEC., INC.	105,507,597.00
6	34500000000	UNICAPITAL SECURITIES INC.	87,554,079.00
7	10300000000	ACCORD CAPITAL EQUITIES CORPORATION	75,478,988.00
8	16700000000	AURORA SECURITIES, INC.	74,176,791.00
9	10200000000	ABACUS SECURITIES CORPORATION	71,611,460.00
10	10900000000	BA SECURITIES, INC.	52,699,836.00
11	26900000000	WEALTH SECURITIES, INC.	50,036,281.00
12	11100000000	ANSALDO, GODINEZ & CO., INC.	49,183,007.00
13	21900000000	PAPA SECURITIES CORPORATION	45,386,625.00
14	26700000000	FIRST METRO SECURITIES BROKERAGE CORP.	42,350,932.00
15	23300000000	R. COYTUTO SECURITIES, INC.	42,227,017.00
16	22000000000	ATR-KIM ENG SECURITIES, INC.	39,817,022.00
17	20800000000	MDR SECURITIES, INC.	39,145,051.00
18	12600000000	BPI SECURITIES CORPORATION	32,972,245.00
19	24600000000	SUMMIT SECURITIES, INC.	32,526,211.00
20	14300000000	DAVID GO SECURITIES CORP.	26,607,702.00
21	11500000000	SB EQUITIES, INC.	24,565,296.00
22	28600000000	SOLAR SECURITIES, INC.	23,503,285.00
23	20600000000	MERIDIAN SECURITIES, INC.	21,523,012.00
24	14700000000	E. CHUA CHIACO SECURITIES, INC.	19,535,048.00
25	27900000000	BDO SECURITIES CORPORATION	19,529,082.00
26	23000000000	QUALITY INVESTMENTS & SECURITIES CORPORATION	19,022,534.00
27	16800000000	GLOBALINKS SECURITIES & STOCKS, INC.	18,145,626.00
28	27500000000	YAO & ZIALCITA, INC.	15,927,506.00
29	13100000000	PCIB SECURITIES, INC.	15,529,604.00
30	27200000000	BERNAD SECURITIES, INC.	15,439,121.00
31	19700000000	LOPEZ, LOCSIN, LEDESMA & CO., INC.	13,891,547.00
32	28200000000	PCCI SECURITIES BROKERS CORP.	12,926,702.00
33	11200000000	AB CAPITAL SECURITIES, INC.	12,575,384.00
34	21800000000	PAN ASIA SECURITIES CORP.	12,462,016.00
35	12400000000	B. H. CHUA SECURITIES CORPORATION	12,401,174.00
36	23500000000	REGINA CAPITAL DEVELOPMENT CORPORATION	12,142,098.00
37	19900000000	LUYS SECURITIES COMPANY, INC.	12,139,179.00
38	18200000000	IMPERIAL, DE GUZMAN, ABALOS & CO., INC.	10,611,537.00

39	22500000000 PREMIUM SECURITIES, INC.	10,486,067.00
40	25700000000 TRI-STATE SECURITIES, INC.	10,260,007.00
41	28500000000 GOLDEN TOWER SECURITIES & HOLDINGS, INC.	9,617,524.00
42	27000000000 WESTLINK GLOBAL EQUITIES, INC.	9,606,462.00
43	11000000000 ANGPING & ASSOCIATES SECURITIES, INC.	9,586,710.00
44	25100000000 TANSENGCO & CO., INC.	8,997,003.00
45	10400000000 A. T. DE CASTRO SECURITIES CORP.	8,878,997.00
46	26600000000 VICSAL SECURITIES & STOCK BROKERAGE, INC.	8,662,158.00
47	18100000000 INVESTORS SECURITIES, INC.	8,112,178.00
48	12200000000 BELSON SECURITIES, INC.	7,821,912.00
49	22400000000 PNB SECURITIES, INC.	7,808,595.00
50	14000000000 IGC SECURITIES INC.	7,628,355.00
51	17400000000 HDI SECURITIES, INC.	6,851,281.00
52	17000000000 GOLDSTAR SECURITIES, INC.	6,719,664.00
53	15000000000 EASTERN SECURITIES DEVELOPMENT CORPORATION	6,607,900.00
54	23100000000 R & L INVESTMENTS, INC.	6,557,994.00
55	18300000000 INTRA-INVEST SECURITIES, INC.	6,278,732.00
56	20500000000 MERCANTILE SECURITIES CORP.	5,968,185.00
57	23600000000 R. NUBLA SECURITIES, INC.	5,926,526.00
58	19800000000 LUCKY SECURITIES, INC.	5,796,300.00
59	11600000000 ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	5,537,735.00
60	28300000000 EAGLE EQUITIES, INC.	5,461,435.00
61	10100000000 A & A SECURITIES, INC.	5,420,317.00
62	17900000000 I. ACKERMAN & CO., INC.	5,239,140.00
63	12800000000 CAMPOS, LANUZA & COMPANY, INC.	4,805,577.00
64	21300000000 NIEVES SECURITIES, INC.	4,744,557.00
65	11900000000 ASTRA SECURITIES CORPORATION	4,713,177.00
66	15300000000 EQUITIWORLD SECURITIES, INC.	4,567,166.00
67	23800000000 R. S. LIM & CO., INC.	4,486,068.00
68	19200000000 STRATEGIC EQUITIES CORP.	4,466,864.00
69	13600000000 TRITON SECURITIES CORP.	4,438,759.00
70	23900000000 RTG & COMPANY, INC.	4,398,484.00
71	11800000000 ASIASEC EQUITIES, INC.	4,229,353.00
72	24700000000 STANDARD SECURITIES CORPORATION	4,195,773.00
73	12900000000 SINCERE SECURITIES CORPORATION	4,123,233.00
74	21100000000 NEW WORLD SECURITIES CO., INC.	3,879,944.00
75	20000000000 MANDARIN SECURITIES CORPORATION	3,854,751.00
76	27300000000 WONG SECURITIES CORPORATION	3,707,777.00
77	12300000000 BENJAMIN CO CA & CO., INC.	3,474,675.00
78	28800000000 G.D. TAN & COMPANY, INC.	3,408,917.00
79	PABC1000000 AB CAPITAL & INVESTMENT CORP. - TRUST & INVESTMENT DIV.	3,000,000.00
80	19000000000 VALUE QUEST SECURITIES CORPORATION	2,840,000.00
81	13300000000 CITISECURITIES, INC.	2,822,428.00
82	21000000000 MOUNT PEAK SECURITIES, INC.	2,787,553.00
83	22900000000 SALISBURY BKT SECURITIES CORPORATION	2,649,350.00
84	24000000000 S.J. ROXAS & CO., INC.	2,619,559.00
85	14100000000 CUALOPING SECURITIES CORPORATION	2,379,387.00

86	16900000000 JSG SECURITIES, INC.	2,275,244.00
87	25200000000 THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	2,215,152.00
88	20400000000 DA MARKET SECURITIES, INC.	2,112,005.00
89	17500000000 H. E. BENNETT SECURITIES, INC.	1,875,274.00
90	25900000000 UCPB SECURITIES, INC.	1,864,398.00
91	12500000000 JAKA SECURITIES CORP.	1,844,516.00
92	23200000000 ALAKOR SECURITIES CORPORATION	1,781,366.00
93	21500000000 OPTIMUM SECURITIES CORPORATION	1,700,651.00
94	CITI1000000 CITIBANK N.A.	1,677,084.00
95	15700000000 FIRST ORIENT SECURITIES, INC.	1,647,516.00
96	17200000000 GUILD SECURITIES, INC.	1,588,258.00
97	16200000000 F. YAP SECURITIES, INC.	1,503,973.00
98	23700000000 AAA SOUTHEAST EQUITIES, INCORPORATED	1,490,371.00
99	14500000000 DIVERSIFIED SECURITIES, INC.	1,392,034.00
100	32800000000 DW CAPITAL INC.	1,326,483.00
101	10600000000 ALPHA SECURITIES CORP.	1,271,010.00
102	16100000000 FRANCISCO ORTIGAS SECURITIES, INC.	1,168,159.00
103	21700000000 RCBC SECURITIES, INC.	987,280.00
104	18800000000 J.M. BARCELON & CO., INC.	967,968.00
105	19300000000 LARRGO SECURITIES CO., INC.	957,561.00
106	18000000000 I. B. GIMENEZ SECURITIES, INC.	956,264.00
107	22300000000 PLATINUM SECURITIES, INC.	936,965.00
108	14900000000 EAST WEST CAPITAL CORPORATION	766,192.00
109	26300000000 VENTURE SECURITIES, INC.	657,265.00
110	38800000000 ARMSTRONG SECURITIES, INC.	534,340.00
111	12000000000 ATC SECURITIES, INC.	513,587.00
112	32300000003 CLSA PHILIPPINES, INC.	447,805.00
113	24200000000 SECURITIES SPECIALISTS, INC.	360,082.00
114	18700000000 ASIAN CAPITAL EQUITIES, INC.	348,154.00
115	10000000000 UPCC SECURITIES CORP.	314,927.00
116	25600000000 TRENDLINE SECURITIES CORPORATION	313,637.00
117	SCBK1000000 STANDARD CHARTERED BANK	250,116.00
118	SEIC1000000 SEABOARD-EASTERN INSURANCE COMPANY, INC.	241,499.00
119	RCBC1000031 RCBC TRUST & INVESTMENT DIVISION	216,122.00
120	26100000004 E.SECURITIES, INC. ITF VARIOUS CLIENTS	199,870.00
121	20900000001 DEUTSCHE REGIS PARTNERS, INC.	157,656.00
122	24900000000 SUPREME STOCKBROKERS, INC	141,755.00
123	26100000003 E.SECURITIES, INC. ITF VARIOUS CLIENTS	110,563.00
124	24300000000 FIDELITY SECURITIES, INC.	104,599.00
125	22800000000 PRYCE SECURITIES, INC.	81,745.00
126	23000000001 Asia Insurance (Philippines) Corporation	80,000.00
127	20200000000 MARINO OLONDRIZ Y CIA	64,491.00
128	24000000002 S.J. ROXAS & CO., INC.	51,321.00
129	25400000000 TRANS-ASIA SECURITIES, INC.	36,334.00
130	RCBC1000032 RCBC TRUST & INVESTMENT DIVISION	34,723.00
131	13000000000 CENTURY SECURITIES CORPORATION	28,874.00
132	33800000000 PHILIPPINE EQUITY PARTNERS, INC.	14,177.00

133	17800000000	HK SECURITIES, INC.	11,445.00
134	10500000000	ALL ASIA SECURITIES MANAGEMENT CORP.	9,624.00
135	PCPL1000000	UNITED COCONUT PLANTERS LIFE ASSURANCE CORPORATION	9,583.00
136	14800000000	EQUITABLE SECURITIES (PHILS.) INC.	8,062.00
137	HSBC1000000	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.	5,695.00
138	RCBC1000033	RCBC TRUST & INVESTMENT DIVISION	2,324.00
139	20900000000	DEUTSCHE REGIS PARTNERS, INC.	1,882.00
140	RCBC1000051	RCBC TRUST & INVESTMENTS DIVISION	1,666.00
141	13800000000	PHILEO ALLIED SECURITIES (PHILIPPINES), INC.	1,028.00
142	19400000000	LIPPO SECURITIES, INC.	1,000.00
143	15900000000	FIRST INTEGRATED CAPITAL SECURITIES, INC.	792.00
144	34500000006	UNICAPITAL SECURITIES INC.	572.00
145	11300000000	SARANGANI SECURITIES, INC.	458.00
146	12100000004	MACQUARIE CAPITAL SECURITIES (PHILIPPINES) INC.	245.00
147	BCDO2000000	BANCO DE ORO - TRUST BANKING GROUP	214.00
148	14200000000	DBP-DAIWA CAPITAL MARKETS PHILIPPINES, INC.	183.00

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Friday, July 27, 2012 4:36 AM

Dear Sir/Madam:

We would like to inform you that as of JUL 26, 2012 01:36:58 PM today,

Reference Number: WLIST__2012000012299
Company Name: Basic Energy Corporation
Disclosure Subject: Election of Advisory Board Member
Status: APPROVED

Should you need further assistance, please e-mail us at

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If verification is required please request a hard-copy version.

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

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107272012001603

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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SEC Registration No. 0000036359
Company Name BASIC ENERGY CORPORATION
Industry Classification
Company Type Stock Corporation

Document Information

Document ID 107272012001603
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Document Code 17-C
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3/21/2013 4:40 PM

COVER SHEET

3 6 3 5 9

SEC Registration Number

BASIC ENERGY CORPORATION

(Company's Full Name)

7th Floor, Basic Petroleum

Building, C. Palanca, Jr. Street,

Legaspi Village, Makati City

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

Atty. Angel P. Gahol

(Contact Person)

(632) 817-8596 & 98

(Company Telephone Number)

1 2

Month Day
(Calendar Year)

3 1

1 7 - C

(Form Type)

Month Day
(Annual Meeting)

Not Applicable

(Secondary License Type, If Applicable)

Not Applicable

Amended Articles Number/Section

Total Amount of Borrowings

Domestic

Foreign

Dept. Requiring this Doc.

Total No. of Stockholders

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE**

1. July 26, 2012
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 July 25, 2012, at the regular meeting of the Board of Directors and upon nomination of the Chairman, Oscar C. de Venecia, the Board unanimously approved the election of Mr. Leonardo R. Arguelles of Unicapital Securities as member of the Advisory Board.

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


ANGEL P. GAHOL
Compliance Officer

July 26, 2012

3/21/2013 4:40 PM

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Wednesday, September 5, 2012 2:43 AM

Dear Sir/Madam:

We would like to inform you that as of SEP 04, 2012 11:43:42 AM today,

Reference Number: WLIST_2012000014153
Company Name: Basic Energy Corporation
Disclosure Subject: Report on Number of Shareholders as of August 31, 2012
Status: APPROVED

Should you need further assistance, please e-mail us at

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

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about:blank

1/2

September 5, 2012

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

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

Gentlemen:

In compliance with your requirements, we attached herewith the report from our Transfer Agent, RCBC, on the number of its shareholders owning at least one board lot each, as of August 31, 2012 and ownership of securities by citizenship.

Very truly yours,



ANGEL A. GAHOL
Compliance Officer



August 31, 2012

Basic Energy Corporation
6 Basic Petroleum Bldg.
Legaspi Village, Makati City

Attention: Ms. Corazon M. Bejasa
Corporate Secretary

Gentlemen:

We are submitting to you to the report on the number of its shareholders owning at least one board lot each of **BASIC ENERGY CORPORATION** as of August 31, 2012.

Market Price	.25
Number of Listed Shares	2,442,493.512
Number of Stockholders	6,878
Number of Shares Per Board Lot	10,000
No. of Stockholders owning at least 1 board lot	2,088

Truly yours,

RIZAL COMMERCIAL BANKING CORPORATION
Transfer Agent


JOCelyn P. MODINA
Operation Officer - STD Processing Section


WALTER R. BRIONES
Operation Manager

RIZAL COMMERCIAL BANKING CORPORATION
7/F YUCHENGCO TOWER 1, ACBC PLAZA
6819 AYALA AVENUE, MAKATI CITY TEL.
894-9055

RUNDATE : Aug 31, 2012

BASIC ENERGY CORPORATION
OWNERSHIP OF SECURITIES BY CITIZENSHIP
AS OF : 08/31/2012

3/21/2013 11:47 AM

CLASSES : COMMON	SUBSCRIBED/ OUTSTANDING	AMOUNT	PAID-UP	PERCENTAGE HOLDINGS	NUMBER OF STOCKHOLDERS
ENSEN	3,160,822	750,205.50	750,205.50	0.13	45
DIAN	1,130	282.50	282.50	0.00	2
ISH	10,617	2,654.25	2,654.25	0.00	2
CH	22,000	5,500.00	5,500.00	0.00	1
AN	42,133	10,533.25	10,533.25	0.00	9
R ALI	34,047,305	8,511,826.25	8,511,826.25	1.39	11
PINO	2,402,623,218	600,655,804.50	600,655,804.50	98.37	6,655
APORE	63,481	15,870.25	15,870.25	0.00	6
IS	117,204	29,801.00	29,801.00	0.00	4
ISH	366,051	91,512.75	91,512.75	0.01	21
ICAN	1,794,362	498,590.50	498,590.50	0.08	117
ITALIA	43,189	10,797.25	10,797.25	0.00	5
LS	2,442,493,512	610,623,378.00	610,623,378.00	100.00	6,878

SCHEDULE OF CAPITAL STOCK

NO. OF SHARES	CAPITAL STOCK		TOTAL SHARES	
	AMOUNT	ISSUED AND OUTSTANDING	SUBSCRIBED	
10,000,000,000	2,500,000,000.00	2,442,493,512		0

PCC - 8/31/12

DT - 8/24/12

Subject: ODiSy - Disclosure Status
From: no_reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph
Date: Tuesday, August 7, 2012 2:34 AM

Dear Sir/Madam:

We would like to inform you that as of AUG 06, 2012 11:34:33 AM today,

Reference Number: WLST_2012000012820
Company Name: Basic Energy Corporation
Disclosure Subject: Report on Number of Shareholders as of July 31, 2012
Status: APPROVED

Should you need further assistance, please e-mail us at

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If verification is required please request a hard-copy version.

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

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1/2



August 6, 2012

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

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

Gentlemen:

In compliance with your requirements, we attached herewith the report from our Transfer Agent, RCBC, on the number of its shareholders owning at least one board lot each, as of July 31, 2012 and ownership of securities by citizenship.

Very truly yours,



ANGEL P. GAHOL
Compliance Officer

7F Basic Petroleum Building, 104 Carlos Palanca Jr. Street, Legaspi Village, Makati City 1229, Philippines
☎ (632) 817-8598 and 98 ☎ (632) 817-0191 🌐 www.basicenergy.ph



August 1, 2012

Basic Energy Corporation
6 Basic Petroleum Bldg.
Legaspi Village, Makati City

Attention: Ms. Corazon M. Bejasa
Corporate Secretary

Gentlemen:

We are submitting to you to the report on the number of its shareholders owning at least one board lot each of **BASIC ENERGY CORPORATION** as of July 31, 2012.

Market Price	.26
Number of Listed Shares	2,442,493,512
Number of Stockholders	6,879
Number of Shares Per Board Lot	10,000
No. of Stockholders owning at least 1 board lot	2,095

Truly yours.

RIZAL COMMERCIAL BANKING CORPORATION
Transfer Agent


JOCELYN P. MODINA
Unit Head - Stock Transfer Processing Section

RCBC Head Office, Yachanga Tower, RCBC Plaza, 6815 Ayala Avenue, Makati City, P.O. Box 2202 MCPO 0727 • Tel. 884-8000 • Website: <http://www.rcbc.com>

BASIC ENERGY CORPORATION - COMMON
STOCKHOLDERS WITH SHARES 10000 AND ABOVE
AS OF 07/31/2012

STOCKHOLDER NAME/ADDRESS	ACCOUNT NO.	ISSUED SHARES
CRUZ, TERESITA E. CRUZ &/OR REGINO B. #1419 M. GANDHI ST. PACO MANILA	0000225608	1,910,000
CHUA, FRANCIS 60 XAVIER STREET, GREENHILLS, SAN JUAN CITY	0000225671	10,002
GUILD SECURITIES INC. 1215 UNIT TOWER ONE & EXCHANGE PLAZA AYALA AVE. MAKATI CITY	0000225882	14,742
DELOS REYES, AUGUSTIN PANGANIBAN #302 PARIS CONDO., #919 PARIS ST. LEON GUINTO, MALATE MANILA	0000226102	500,000

BTOTAL FOR Individual 252,769,685

GRAND TOTAL
TOTAL SHARES : 2,431,255,114
TOTAL STOCKHOLDERS : 2,095

RIZAL COMMERCIAL BANKING CORPORATION
9/F YUCHENGCO TOWER 1, ROBC PLAZA
6819 AYALA AVENUE, MAKATI CITY TEL.
894-9055

RUNDATE : Jul 31, 2012

BASIC ENERGY CORPORATION
OWNERSHIP OF SECURITIES BY CITIZENSHIP
AS OF : 07/31/2012

FOR CLASSES : COMMON

CITIZENSHIP	SUBSCRIBED/ OUTSTANDING	AMOUNT	PAID-UP	PERCENTAGE HOLDINGS	NUMBER OF STOCKHOLDERS
CHINESE	3,160,822	790,205.50	790,205.50	0.13	45
CANADIAN	1,130	282.50	282.50	0.00	2
SPANISH	10,617	2,654.25	2,654.25	0.00	2
FRENCH	22,000	5,500.00	5,500.00	0.00	1
INDIAN	42,133	10,533.25	10,533.25	0.00	9
OTHER ALIE	34,047,305	8,511,826.25	8,511,826.25	1.29	11
FILIPINO	2,402,623,218	600,655,804.50	600,655,804.50	98.37	6,856
SINGAPORE	63,481	15,870.25	15,870.25	0.00	6
SWISS	119,204	29,801.00	29,801.00	0.00	4
BRITISH	366,051	91,512.75	91,512.75	0.01	21
AMERICAN	1,994,362	498,590.50	498,590.50	0.08	117
AUSTRALIAN	43,188	10,797.25	10,797.25	0.00	5
TOTALS	2,442,493,512	610,623,378.00	610,623,378.00	100.00	6,879

SCHEDULE OF CAPITAL STOCK

NO. OF SHARES	CAPITAL STOCK AMOUNT	TOTAL SHARES ISSUED AND OUTSTANDING	SUBSCRIBED
---------------	-------------------------	--	------------

10,000,000,000	2,500,000,000.00	2,442,493,512	0
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P00- 7/31/12

DT - X

9/12/12

Print

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Thursday, September 13, 2012 2:44 AM

Dear Sir/Madam:

We would like to inform you that as of SEP 12, 2012 11:44:46 AM today,

Reference Number: WLIST__2012000014620
Company Name: Basic Energy Corporation
Disclosure Subject: Amended Quarterly Report for period ended June 30, 2012
Status: APPROVED

Should you need further assistance, please e-mail us at

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

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9/12/12

Print

If verification is required please request a hard-copy version.

Philippine Stock Exchange, PSE Plaza, Ayala Avenue, Makati City.

about:blank

2/2



109112012000864

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

Barcode Page

The following document has been received:

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Company Representative

Doc Source

Company Information

SEC Registration No. 0000036359
Company Name BASIC ENERGY CORPORATION
Industry Classification
Company Type Stock Corporation

Document Information

Document ID 109112012000864
Document Type 17-Q (FORM 11-Q: QUARTERLY REPORT/FS)
Document Code 17-Q
Period Covered June 30, 2012
No. of Days Late 0
Department CFD
Remarks Amended
with letter.



September 12, 2012

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

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

Gentlemen:

Attached herewith is a copy of our Amended Quarterly Report (SEC 17-Q) for the 2st quarter ending June 30, 2012 filed with the Securities & Exchange Commission with letter addressed to Director Justina F. Callangan of the Corporation Finance Department.

Very truly yours,

A handwritten signature in black ink, appearing to read "ANGEL P. GAHOL", is written over a circular stamp. The stamp contains the text "ANGEL P. GAHOL" and "Compliance Officer" below it.

ANGEL P. GAHOL
Compliance Officer

7F Basic Petroleum Building, 104 Carlos Palanca Jr. Street, Legaspi Village, Makati City 1229, Philippines

(632) 817-8596 and 98 (632) 817-0191 www.basicenergy.ph

COVER SHEET

3 6 3 5 9

SEC Registration Number

BASIC ENERGY CORPORATION
(FORMERLY BASIC PETROLEUM CORP.)

(Company's Full Name)

7th Floor, Basic Petroleum
Building, C. Palanca, Jr. Street,
Legaspi Village, Makati City

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

Marietta V. Villafuerte

(Contact Person)

(632) 817-8596 to 98

(Company Telephone Number)

1 2 3 1

Month Day
(Calendar Year)

1 7 Q

(Form Type)

Month Day
(Annual Meeting)

Not Applicable

(Secondary License Type, If Applicable)

Dept. Requiring this Doc

Not Applicable

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLUE ink for scanning purposes.



7 September 2012

ATTY. JUSTINA F. CALLANGAN

Director

Corporation Finance Department
Securities and Exchange Commission
SEC Building, EDSA, Greenhills
Mandaluyong City

Dear Atty. Callangan:

In response to your letter dated August 16, 2012 which we received on September 5, 2012, enclosed is our revised 2012 2nd Quarter Report for the period ended June 30, 2012 (SEC Form 17-Q) in compliance with the required disclosures pursuant to SRC Rule 17.1 and SRC Rule 68.1

We apologize for our non-disclosure of certain information required in our 2nd Quarter Report, and we request for your consideration and understanding that we will not be subject to the penalties as our non-disclosure was not intentional and definitely not a disregard of any SRC rule. We assure you that this omission will not happen again in our future quarterly reports.

Thank you for your kind attention and we hope that we have adequately explained our position and that our amended report has adequately complied with your requirements.

Very truly yours,


CORAZON M. BEJASA
Vice President & Corp. Secretary

7F Basic Petroleum Building, 104 Carlos Palanca Jr. Street, Legaspi Village, Makati City 1229, Philippines

☎ (632) 817-8596 and 98 ☎ (632) 817-0191 🌐 www.basicenergy.ph

SECURITIES AND EXCHANGE COMMISSION

AMENDED 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 June 30, 2012
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>2,442,493,512</u>
<u>Listed with PSE</u>	<u>2,442,045,455</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.

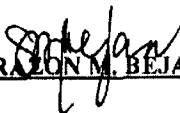
SIGNATURES

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  OSCAR L. DE VENECIA, JR.

Signature and Title President & CEO

Date September 7, 2012

Registrant/
Legal Officer  CORAZON M. BEJASA

Signature and Title VP & Corporate Secretary

Date September 7, 2012

ATTACHMENT "A"
FINANCIAL INFORMATION
For the Quarter Ended June 30, 2012

1. The following unaudited financial statements are contained in this report:
 - 1.1 Statements of Income and Retained Earnings for the Period Ended June 30, 2012 and June 30, 2011;
 - 1.2 Balance Sheets as of June 30, 2012 and December 31, 2011;
 - 1.3 Statements of Cash Flows for the Period Ended June 30, 2012 and June 30, 2011;
 - 1.4 Statements of Changes in Stockholders' Equity for the Period Ended June 30, 2012 and June 30, 2011.
2. Discussion on Financial Condition for the Period December 31, 2011 to June 30, 2012.

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, Asset Turnover and Solvency Ratios (Debt to Equity, Asset to Equity and Interest Rate Coverage Ratio).

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

KEY PERFORMANCE INDICATORS	2nd Qtr. 2012	2nd Qtr. 2011	2nd Qtr. 2010
Return on Investments (ROI) (Net Income/Ave. Stockholders' Equity)	29.337%	11.700%	-2.617%
Profit Margin (Net Income/Net Revenue)	102.09%	69.4%	-281.3%
Investment in Projects(Non-Petroleum) as a % of Total Assets	24.36%	30.11%	39.87%
Investment in Wells & Other Facilities as a % of Total Assets	5.81%	6.57%	8.21%
Current Ratio (Current Assets/Current Liabilities)	25.67:1	109.7:1	24.25:1
Asset Turnover (Net Revenue/Ave. Total Assets)	27.743%	16.356%	0.890%
Solvency Ratios Debt to Equity Ratio	4.507%	2.783%	4.034%
Asset to Equity Ratio	104.51%	102.79%	104.18%
Interest Rate Coverage Ratio	n/a	n/a	n/a

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. Solvency Ratio measures the ability to meet long term obligations.

ROI of 29.34% and Profit Margin of 102.09% for the second quarter of 2012 both increased compared to the rates of the same quarter of 2011 because of the increase in net income for the second quarter of 2012 recorded at PhP162.981 million compared to the net income of the same quarter in 2011 of PhP57.654 million. This was mainly due to the income from cost recoveries booked for the second quarter of 2012 amounting to PhP186.568 million resulting from the previous sale of a subsidiary.

Investment in Non-Petroleum Projects as a % of Total Assets slightly decreased to 24.36% during the second quarter of 2012 from 30.11% of the same quarter in 2011 because both the investment balance and the total assets base increased during the second quarter of 2012 compared to the same quarter of 2011.

Investment in Wells & Other Facilities as a % of Total Assets of 5.81% slightly decreased during the second quarter of 2012 compared to 6.57% of the same quarter in 2011 due to both increased investments balance and total assets base as of the second quarter of 2012.

Current Ratio of 25.67:1 for the second quarter of 2012 decreased compared to the same quarter of 2011 of 109.71:1 mainly due to both increases in current assets and current liabilities as of the second quarter of 2012 compared to the same quarter in 2011.

Asset Turnover increased to 27.74% during the second quarter of 2012 compared to 16.35% during the same quarter of 2011 due to the increases both in revenue and total assets during the second quarter of 2012 compared to the same quarter of 2011.

Debt to Equity Ratio increased to 4.507% during the second quarter of 2012 compared to 2.783% during the same quarter of 2011 due to increase in revenue during the second quarter of 2012 compared to the same quarter of 2011.

Asset to Equity Ratio increased to 104.51% during the second quarter of 2012 compared to 102.79% during the same quarter of 2011 due to both increases in total assets and equity during the second quarter of 2012 compared to the same quarter of 2011.

B. Discussion and Analysis of Financial Condition as of June 30, 2012

As of the quarter ending June 30, 2012, the Company generated a Net Income on a consolidated basis of PhP 194.146 million from Total Revenues of PhP 231.794 million and Total Cost and Expenses of PhP37.663 million including capital gains tax, with minority interest recorded at PhP 14.747 thousand.

Revenues as of the second quarter of 2012 amounting to PhP 231.794 million were mainly from income from a previous sale of a subsidiary recorded at PhP 224.956 million. Other sources of revenue were from interest from cash and placements amounting to PhP6.830 million.

Total Assets as of June 30, 2012 increased to PhP 792.785 million compared to PhP 578.090 million as of December 31, 2011 primarily due to increases in Cash and Cash Equivalents of PhP 108.449 million, Receivables of PhP 84.038 million and Investments and Deferred Charges of PhP 22.394 million. The increases in Cash and Cash Equivalents, Receivables and Investments were mainly due to collections of cost recoveries resulting from a previous sale of a subsidiary.

Deferred Charges increased to PhP 46.039 million as of June 30, 2012 from PhP 40.680 million as of December 31, 2011 due to additional costs for business development.

Accounts Payable and Accrued Expenses increased by PhP 13.304 million as of the second quarter of 2012 closing at PhP20.027 million compared to PhP6.723 million as of December 31, 2011. This was mainly due to accruals for capital gains tax and certain payables and accrued expenses.

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, 2011.

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 June 30, 2012.

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 31,818,182 common shares of Basic Energy Corporation which was approved by the PSE on October 6, 2010.

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, 2011, 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 June 30, 2012 and December 31, 2011

-1-

	UNAUDITED June 30, 2012	AUDITED December 31, 2011
ASSETS		
Current Assets		
Cash and cash equivalents	P 420,203,202	P 311,754,005
Receivables-net	85,743,980	1,705,712
Short Term Investment	6,318,000	8,768,000
Other current assets	1,906,081	840,540
Total Current Assets	514,171,263	323,068,257
Non Current Assets		
Investments and Advances - net	193,106,211	176,070,678
Property and Equipment	26,451,699	25,252,525
Deferred charges	46,038,610	40,680,455
Deferred income tax asset	9,256,558	9,256,558
Other noncurrent assets	3,761,102	3,761,102
Total Non Current Assets	278,614,180	255,021,318
Total Assets	P 792,785,443	P 578,089,575
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	P 20,026,929	P 6,723,074
Income tax payable		0
Total Current Liabilities	P 20,026,929	P 6,723,074
Non Current Liabilities		
Deferred income tax liabilities	10,487,136	10,487,136
Accrued retirement benefit	3,675,300	2,475,300
Total Noncurrent liabilities	14,162,436	12,962,436
Total liabilities	P 34,189,365	P 19,685,510
Minority Interest	3,405	18,043
Stockholders' Equity		
Attribute to equity holders of the Company:		
Capital stock[held by 7,035 & 7,064 equity holders as of 2011 & 2010 respectively]	610,623,378	610,623,378
Additional Paid-In Capital	32,699,360	32,699,360
Deposit for future subscriptions	5,475,000	0
Revaluation increment in office condominium	10,437,004	10,437,004
Fair value adjustments on financial assets	76,273	(509,593)
Retained Earnings (Deficit)	102,521,659	(91,624,127)
Total	761,832,674	561,626,022
Treasury Stock (at cost)	(3,240,000)	(3,240,000)
Total Equity	758,592,674	558,386,022
Total Liabilities and Stockholders' Equity	P 792,785,443	P 578,089,575

BASIC ENERGY CORPORATION, INC. AND SUBSIDIARIES				
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS				
For the period ended June 30, 2012 and June 30, 2011				
	As of June 30, 2012	For the quarter April-June 2012	As of June 30, 2011	For the quarter April-June 2011
REVENUES				
Income from previous sale of BPMI	224,955,850	186,567,854	110,618,659	66,534,238
Interest, Dividends and Others	6,829,644	3,583,513	3,223,607	1,721,405
Sales			1,552,520	731,675
Other Income	8,429	8,429		
	231,793,923	190,159,796	115,394,786	68,987,318
COSTS AND EXPENSES				
General and administrative expenses	22,401,578	12,799,701	14,618,826	8,000,366
Costs of Sales			6,660,427	3,471,144
Foreign Exchange Loss	2,671,677	1,795,731	227,494	(134,411)
Others			1,421,826	
Capital Gains Tax	12,589,629	12,589,629		
	37,662,884	27,185,061	22,928,573	11,337,099
INCOME BEFORE INCOME TAX	194,131,039	162,974,735	92,466,213	57,650,219
PROVISION FOR INCOME TAX				
Current	0	0	0	0
Deferred	0	0	0	0
NET INCOME (LOSS)	194,131,039	162,974,735	92,466,213	57,650,219
MINORITY INTEREST	14,747	6,376	11,588	4,174
	194,145,786	162,981,111	92,477,800	57,654,393
RETAINED EARNINGS (DEFICIT) AT BEGINNING OF YEAR / QUARTER	(91,624,127)	(60,459,452)	(209,142,168)	(174,318,760)
	-	-		
	-	-	0	0
RETAINED EARNINGS (DEFICIT) AT END OF YEAR/ QUARTER	102,521,659	102,521,659	(116,664,368)	(116,664,367)
Earnings (Loss) Per Share	0.0795	0.066727347	0.0379	0.013604727

Formula: Earnings (Loss) Per Share

Net Loss: No. of shares for the quarter ended June 30, 2012
2,442,493,512

Net Loss: No. of shares for the quarter ended June 30, 2011

BASIC ENERGY CORPORATION AND SUBSIDIARIES					-3-				
CONSOLIDATED STATEMENTS OF CASH FLOWS									
For the Period Ended June 30, 2012 and June 30, 2011									
	As of June 30, 2012		For the quarter Apr. - June 2012		As of June 30, 2011		For the quarter Apr-June 2011		
CASH FLOWS FROM OPERATING ACTIVITIES									
Net Income (loss)	P	194,131,040	P	162,974,736	P	92,466,213	P	57,650,220	
Adjustment to reconcile net income to net cash provided									
by operating activities									
Interest income		(6,829,644)		(3,591,942)		3,223,607		(1,721,405)	
Depreciation depletion and amortization		2,041,508		1,090,837		2,382,194		1,188,673	
Unrealized Foreign Exchange Gain		2,671,677		1,795,731		227,494		(134,411)	
Operating income (loss) before working capital changes		192,014,581		162,269,362		98,299,508		56,983,077	
Changes in assets and liabilities									
Decrease (Increase) in asset/s									
Receivables		(84,038,268)		(83,520,934)		6,186,325		37,010,380	
Prepayments and other current assets		1,384,566		2,277,902		4,476,937		2,186,490	
Increase (Decrease) in liabilities									
Accounts payable & accrued expenses		13,303,855		13,859,137		(1,153,054)		(1,289,616)	
Accrued Retirement Fund		1,200,000		600,000		750,000		375,000	
Cash generated from (used in) operations		123,864,733		95,485,466		108,559,716		95,265,331	
Interest received		6,829,644		3,591,942		(3,223,607)		1,721,405	
Net cash flows from (used) in operating activities	P	130,694,378	P	99,077,409	P	105,336,109	P	96,986,736	
CASH FLOWS FROM INVESTING ACTIVITIES									
Additions (Deductions) to:									
AFS Investment		(17,035,533)		(1,915,091)		62,478		76,497	
Project Development Costs		-		-		-		-	
Unrealized Gain of Fair Value Adjustments		585,866		470,970		(77,003)		(79,018)	
Deferred charges		(5,358,155)		(3,488,864)		(5,135,893)		(2,288,490)	
Property & Equipment		(3,240,682)		(79,014)		(1,897,220)		(1,868,000)	
Net cash provided in investing activities	P	(25,048,504)	P	(5,011,999)	P	(7,047,638)	P	(4,159,011)	
CASH FLOWS FROM FINANCING ACTIVITIES									
deposits for future subscription		5,475,000	P	5,475,000	P	-	P	-	
Net cash provided by financing activities		5,475,000	P	5,475,000	P	-	P	-	
Effect of Foreign Exchange rate in Cash & Cash Equivalent		(2,671,677)		(1,795,731)		(227,494)		134,411	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT		108,449,197	P	97,744,678	P	98,060,978	P	92,962,135	
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR/QUARTER		311,754,005		322,458,523		191,210,566		196,309,412	
CASH AND CASH EQUIVALENT AT END	P	420,203,202	P	420,203,202	P	289,271,544	P	289,271,544	

BASIC ENERGY CORPORATION AND SUBSIDIARIES				
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY				
For the Period Ended June 30, 2012 and June 30, 2011				
	Jan to June 2012	Jan to June 2011	Quarters Ended June 30	
			2012	2011
CAPITAL STOCK - P 0.25 par value				
Authorized - 10,000,000,000 shares				
Issued and Subscribed	2,442,493,512	2,442,493,512	2,442,493,512	2,442,493,512
Held by a Subsidiary				
Paid-up Capital Stock at beginning of year	610,623,378	610,623,378	610,623,378	610,623,378
Paid-up Capital Stock at end of period/quarter	610,623,378	610,623,378	610,623,378	610,623,378
ADDITIONAL PAID-IN CAPITAL				
Balance at beginning of year	32,699,360	32,699,360	32,699,360	32,699,360
Balance at end of period	32,699,360	32,699,360	32,699,360	32,699,360
Deposits for Future Stock Subscription	5,475,000	-	5,475,000	0
Revaluation increment in office condominium	10,437,004	11,596,669	10,437,004	11,596,669
Fair value adjustments on financial assets	76,273	667,028	76,273	667,028
RETAINED EARNINGS (DEFICIT)				
Balance at beginning of the year	(91,624,127)	(209,142,168)	(60,459,452)	(174,318,760)
Net Income (Loss) for the period	194,145,786	92,477,800	162,981,111	57,654,392
Balance at end of period	102,521,659	(116,664,368)	102,521,659	(116,664,368)
TOTAL STOCKHOLDERS' EQUITY	761,832,674	538,922,067	761,832,674	538,922,067

BASIC ENERGY CORPORATION AND SUBSIDIARIES			
SCHEDULE OF ACCOUNTS RECEIVABLES			
As of June 30, 2012			
94.72	Forum Energy Plc	P	84,240,000
	Receivable from Stockholders		1,718,887
	Advances to Officers & Employees		68,865
	Others		1,860,801
	Less: Allowance for uncollectible accounts		(2,144,572)
		P	<u>85,743,980</u>

Basic Energy Corporation & Subsidiaries Aging of Accounts Receivable As of June 30, 2012								
Type of Accounts Receivable	Total	1 Month	2-3 Mos.	4-6 Mos.	7 Mos To 1 Year	1-2 Years	3-5 Years	5 Years - above accounts & items in litigation
a) Trade Receivables								
1)								
2)								
3)								
Subtotal								
Less: Allow For Doubtful Acct								
Net Trade receivable								
b) Non-Trade Receivables								
1) Forum PLC	84,240,000	84,240,000						
2) Advances to officers/employees	68,865	68,865						
3) Receivables from stockholders	1,718,887							1,718,887
3) Others	1,860,801	723,735	130,009	15,039	5,128	232,225	349,666	404,999
Subtotal	87,888,553	85,032,599	130,009	15,039	5,128	232,225	349,666	2,123,886
Less: Allow For Doubtful Acct.	(2,144,572)						(26,346)	(2,118,226)
Net Non-trade receivable	85,743,980	85,032,599	130,009	15,039	5,128	232,225	323,320	5,660
Net Receivables (a + b)	85,743,980	85,032,599	130,009	15,039	5,128	232,225	323,320	5,660

Notes: If the Company's collection period does not match with the above schedule and revision is necessary to make the schedule not misleading, the proposed collection period in this schedule may be changed to appropriately reflect the Company's actual collection period.

Type of Receivable	Nature / Description	Collection period
1)		
2)		
3)		

Notes: Indicate a brief description of the nature and collection period of each receivable accounts with major balances or separate receivable captions, both for trade and non-trade accounts.

BASIC ENERGY CORPORATION AND SUBSIDIARIES
SCHEDULE OF ACCOUNTS PAYABLE AND ACCRUED EXPENSES
As of June 30, 2012

	Accrued Expense Payables	14,799,596
	SSS/Philhealth/HDMF/BIR Payables	665,839
94.72	Others	4,561,493
	Total	20,026,929

ADDITIONAL DISCLOSURES**Part I – Financial Information****Item 1. Financial Instruments Recognition and Measurements & Disclosure (PAS 39 and PFRS 7)***Classification of Financial Instruments*

The Company classifies a financial instrument, or its component, on initial recognition as a financial asset, liability, or equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, liability or equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated balance sheet.

Financial assets are classified as financial assets at FVPL, HTM financial assets, loans and receivables and AFS financial assets. Financial liabilities, on the other hand, are classified as financial liabilities at FVPL and other financial liabilities.

The Company determines the classification at initial recognition and re-evaluates the classification at every reporting date.

As of June 30, 2012, the Company has not reclassified any of its existing financial assets into and from the above mentioned categories. The financial assets are maintained on their initial classification.

The Financial Statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

Item 2. Management's Discussion and Analysis (MDA) of Financial Condition and Results of Operations**(1) Plan of Operations for 2012**Oil and Gas Operations

For 2012, the Company will continue with its business in oil and gas exploration, being a party, together with other oil exploration companies, to service contracts for the exploration, development and exploitation of certain contract areas situated in offshore Mindoro (Service Contract 53) and onshore Mindoro (Service Contract 47).

In Service Contract 47, the processing and interpretation works on the newly acquired seismic data have resulted in the identification of some leads and prospects, and more detailed review of the studies will be undertaken by the consortium in 2012, as it awaits DOE's action of the request for the extension of the term of Sub Phase 2 of the service contract. The Company has a 1% participation in this service contract.

In Service Contract 53, the consortium agreed to drill Progreso-2 to fulfil one of the 2 well obligations and the planned geology and geophysical works will be negotiated as fulfilment of the second well and approved the proposed 2012 firm budget of US\$ 8.42MM and contingent budget US\$ 6.14MM firm. The Company has a 3% participation in this service contract.

The Company's cash requirements for the operations of its oil and gas business for the whole year of 2012 is budgeted at about US\$450,000.00, which will be adequately funded by its cash and short-term investments. There is no need for the Company to raise additional funds for its existing oil and gas projects, and there is no plan to increase its present manpower staff nor acquire any significant equipment for these projects.

Geothermal Energy Operations

The Company will continue discussions with other companies interested in the exploration and development of geothermal resources for the formation of a consortium to jointly undertake exploration and development activities at the Mabini, Batangas geothermal area and the other areas applied for by the Company. In the meantime, the necessary exploratory works are being undertaken as a commitment under the Mabini geothermal service contract approved by the DOE. Once successful exploration and the steam resource is determined, the Company, together with possible investors, will consider setting up a geothermal power plant in the Mabini, Batangas area. Initial assessment of the steam resource in the area is about 20 megawatts. Power from the plant would be sold to the local cooperatives and the Wholesale Electricity Stock Market (WESM).

For 2012, the Company shall continue to look for farm-in partners in the project. As its commitments to the DOE for 2012 have already been complied with, the Company did not allocate a budget for said purpose. There is no plan to hire additional personnel or acquire any significant equipment this year for this project.

Cassava Operations

For 2012, the operations of its farm development subsidiary, Basic Ecomarket Farms, Inc. (BEF), shall remain suspended. With the slowdown in the local and global biofuels market, the Company shall continue to re-assess the timing of the implementation of its plans to enter fully the biofuels industry, and shall wait for a more appropriate time to implement both its feedstock development program and its Ethanol Project.

Employees

The Company has twenty (20) officers and employees, of which eight (8) are executive officers, eight (8) are assigned as accounting, administrative and support staff and four (4) are assigned for utility and service staff. The Company expects to hire additional personnel in 2012 as may be needed as technical staff for its various projects. When the Company will pursue additional alternative fuels and renewable energy projects, with the entry of strategic and financial funders or investors, project managers, and engineering, technical and other support personnel may be required for the project.

Item 3. Financial Risk Disclosure

a. Risk Management

In the Oil and Gas and Geothermal Operations, the Company is faced with the following risks, in order of importance:

(a) Probability of Exploration and Development Success. Oil and gas exploration and geothermal projects are inherently high-risk undertakings. There can be no assurance that the Company's activities will be successful in discovering commercially viable oil and gas reservoirs and/or a viable geothermal resource. Even if an apparently feasible resource is determined, there is no guarantee that it can be economically exploited. Despite the Company's reliance on advanced technology such as 3-D seismic data to improve the probability of success of discovery, oil and gas exploration and geothermal is still a speculative business. Advanced technology, even with the correct interpretation, only assist geologists in identifying subsurface structures and does not ensure the certainty of the presence of hydrocarbons if drilled. Moreover, 3-D seismic data and other advanced technology require higher investments that may result in higher losses, should the drilling prove unsuccessful.

Risk of heavy financial losses if prospects would prove unsuccessful could be mitigated through:

Farm-Out of Interest. A Farm-Out Agreement is a contract whereby a third party agrees to acquire from a licensee an interest in a production license and the corresponding operating agreement for a consideration normally comprising of an undertaking to perform a specified work obligation in the drilling of one or more wells. Farming out is usually undertaken by the seller of interest as a source for funding or as part of the rationalization of a licensee's interests. The seller may want to dispose of areas or interests which are peripheral to its main operations or in which it has small equity holdings but would take up as much management time as a larger holding.

Spreading Exploration Risks through Joint Ventures in Several Exploration Blocks. Forming alliances and jointly bidding for the development of a range of opportunities in oil and gas exploration and geothermal projects, mitigates exploration risks of a corporation as there is risk-sharing - the cost and responsibilities of drilling and production are spread over a number of entities. Joint ventures also enable companies to free up funds otherwise tied up in a single drilling project and enable these companies to build a portfolio of prospects.

Exploring in Geological Proven Petroleum Areas. The Company has been making investments and will continue to invest in geologically proven petroleum provinces only.

(b) Operating Hazards of Exploratory Drilling Activities and Environmental Risks. Drilling operations may be delayed, curtailed or subjected to operating and technical difficulties. Unexpected drilling conditions, adverse weather conditions, unanticipated pressure or formations, equipment breakdowns, industrial and environmental accidents and other such events may occur which may have adverse effects on the Company's operations and correspondingly on its financial performance and condition. Oil and gas and geothermal exploration and drilling activities will be subject to Philippine environmental laws and regulations. Normal exploration and drilling operations involve certain operating hazards such as explosions, craterings, well blowouts, uncontrollable flows of oil, natural gas or well fluids, releases of toxic gas, accidental leakages, formations with abnormal pressures, fires, pollution and other environmental perils and risks, any of which may subject the Company to extensive liability or loss of assets.

Operating risks in the exploration and development drilling and production phases are generally directly driven by standards in design, procurement and installation, operating procedures and contingency planning. The Company, in its investment evaluation process, considers the presence and implementation of the following measures and strategies to mitigate risk exposures: (i) hiring of technically competent staff that are adept in utilizing state-of-the-art technology and could conduct effective evaluation work; and (ii) ensuring adherence to the various environmental laws and regulations, taking into account not only local but international expectations as well.

(c) Volatility of Oil and Gas Prices and Exchange Rate Risks. Revenues derived from successful exploration and drilling activities depend on the world price of oil. The price of oil is sensitive to minor changes in the global supply and demand conditions, quality of oil, forward selling activities, domestic and foreign government regulations, environmental trends, overall global economic condition and other macroeconomic and political factors that are beyond the Company's control. Furthermore, revenues from drilling activities are pegged to the US dollar, hence, the Company is exposed to exchange rate risks given the volatility of the rate of exchange between the US dollar and Philippine peso.

(d) Government Regulations and Approvals. Government action such as changes in regulations may affect the Company's business and eventual operating and financial performance. Government may limit access to prospective development areas, implement stricter environmental laws to protect human health and the environment, impose higher taxes and royalties, all of which may adversely affect the Company's financial performance.

For the risks mentioned in items (c) and (d) above, these risks could be mitigated through early identification systems of risk exposures to external threats such as changes in government regulations and changes in the geo-political environment of operating locations. The Company will continue to negotiate oil price agreements with inputs from experts. The Company, as a member of a consortium, adheres to its policy of involving competent technical professionals in the preparation and negotiations of oil price agreements. The Company will also continue to involve competent technical professionals in the preparation and negotiations of power purchase agreements for its geothermal projects.

b. Financial Instruments

Date of Recognition

The Company recognizes a financial asset or a financial liability in the balance sheets when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using trade date accounting.

Initial Recognition of Financial Instrument

Financial instruments are recognized initially at fair value. The initial measurement of financial instruments, except for those classified at FVPL, includes transaction cost.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity net of any related income tax benefits.

Financial Assets or Liabilities at FVPL

Financial assets and financial liabilities at FVPL includes financial assets or financial liabilities held for trading, derivative financial instruments and those designated upon initial recognition as at FVPL.

Financial assets and liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives, are classified as at FVPL unless they are designated as effective hedging instruments or a financial guarantee contract. Dividends, interests, and gains or losses on financial instruments held for trading are recognized in profit or loss.

Financial instruments may be designated at initial recognition as at FVPL when any of the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognizing the gains or losses on them on a different basis; or (ii) the assets are part of a group of financial assets which are managed and their performance evaluated on fair value basis, in accordance with a documented risk management strategy; or (iii) the financial instrument contains an embedded derivative that would need to be separately recorded.

Financial assets or financial liabilities at FVPL, are recorded in the balance sheet at fair value. Changes in fair value are recognized in consolidated statement of operations. Interest and dividend income or expense are recognized in the consolidated statement of operations, according to the terms of the contract, or when the right to the payment has been established.

The Company classifies its held-for-trading investments as financial assets at FVPL.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are subsequently carried at amortized cost using the effective interest rate method less any allowance for impairment. Amortized cost is calculated taking into account any discount or premium on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. These financial assets are included in current assets if maturity is within twelve months from the balance sheet date. Otherwise, these are classified as noncurrent assets.

As of June 30, 2012, included under loans and receivables are the Company's receivables consisting of cash in banks and cash equivalents, receivables from Forum Energy Plc (FEP), interest receivable and other receivables.

AFS Financial Assets

AFS financial assets are those non-derivative financial assets that are designated as AFS or are not classified in any of the three other categories. The Company designates financial instruments as AFS if they are purchased and held indefinitely and may be sold in response to liquidity requirements or changes in market conditions. After initial recognition, AFS financial assets are measured at fair value with unrealized gains or losses being recognized directly in other comprehensive income, net of the related deferred income. The effective yield component of AFS debt securities, as well as the impact of restatement on foreign currency-denominated AFS debt securities, is reported in profit or loss.

When the investment is disposed of, the cumulative gains or losses previously recognized in other comprehensive income is recognized in profit or loss. Interest earned on the investments is reported as interest income using the effective interest rate method. Dividends earned on investments are recognized in the profit or loss as "Dividend income" when the right of payment has been established. The Group considers several factors in making a decision on the eventual disposal of the investment. The major factor of this decision is whether or not the Group will experience inevitable further losses on the investment. These financial assets are classified as noncurrent assets unless the intention is to dispose such assets within 12 months from the reporting date.

As of June 30, 2012, included under AFS financial assets are the Company's investments in shares of stocks and government bonds.

Other Financial Liabilities

Issued financial instruments or their components, which are not designated as at FVPL are classified as other financial liabilities, where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole, the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Other financial liabilities are classified as current liabilities when it is expected to be settled within 12 months from the end of the reporting period or the Group does not have an unconditional right to defer settlement of the liabilities for at least 12 months from the end of the reporting period.

As of June 30, 2012, included in other financial liabilities are the Company's accounts payable and accrued expenses.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated balance sheet.

Derecognition of Financial Assets and Liabilities

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities

A financial liability is derecognized when the obligation under the liability was discharged, cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of operations.

Impairment of Financial Assets

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired

Loans and receivables

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for individually assessed financial assets, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses for impairment. Those characteristics are relevant to the estimation of future cash flows for groups of

such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment for impairment.

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of impairment loss shall be recognized in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through the use of an allowance account. Impaired receivables are derecognized when they are assessed as uncollectible.

Assets Carried at Cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

AFS Financial Assets

For AFS financial assets, the Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

In case of equity investments classified as AFS financial assets, this would include a significant or prolonged decline in the fair value of the investments below its cost. The determination of what is "significant" or "prolonged" requires judgment. The Group treats "significant" generally as 30% or more and "prolonged" as greater than 12 months for quoted equity securities. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss is removed from other comprehensive income (loss) and recognized in profit or loss.

Impairment losses on equity investments are not reversed through profit or loss. Increases in fair value after impairment are recognized directly in equity.

In the case of debt instruments classified as AFS financial assets, impairment is assessed based on the same criteria as financial assets carried at amortized cost. Interest continues to be accrued at the original effective interest rate on the reduced carrying amount of the asset and is recorded as a component of "Other income - net" account in the consolidated statement of comprehensive income. If subsequently, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through profit or loss.

Biological Assets - Standing Crops

Biological assets (cassava crops), for which fair values cannot be measured reliably, are measured at cost less accumulated impairment losses. Expenditure on standing crops includes land preparation expenses and other direct expenses incurred during the cultivation period are capitalized.

Cost incurred in maintaining or enhancing the standing crops are recognized as expenses as incurred.

Agricultural Produce

Agricultural produce represent harvested cassava tubers which are initially measured at fair value less costs to sell at the point of harvest. Any difference between the cost of harvested cassava tubers and fair value less costs to sell is recognized under "Fair value adjustments on agricultural produce" account in the consolidated statement of comprehensive income. Cost of harvested cassava tubers consists of accumulated cost from the land preparation expenses until the point of harvest. Fair value less costs to sell is determined with reference to the market value of cassava tubers in the local market less delivery costs.

Subsequently, agricultural produce are valued at the lower of cost and net realizable value (NRV). Cost incurred in the bringing of each cassava tubers to its present location and condition is accounted for using the first-in, first out basis. NRV is the selling price in the ordinary course of business, less costs of sell.

2. Investments in Foreign Securities

Quoted shares consist of equity investments in FEC Resources, Inc., an independent company listed on the NASD OTC Bulletin Board and the Frankfurt and Munich Stock Exchanges, and Forum Energy Plc, a company listed on London AIM market. The fair values of these listed shares are based on their bid market price as of balance sheet date. Unquoted equity securities include unlisted shares of stock in which the Group will continue to carry as part of its investments. These are carried at cost less impairment, if any.

As of June 30, 2012, investments in FEC Resources Inc. and Forum Energy Plc shares of stocks amounted to PhP 1,052,160 and PhP 898,806, respectively.

3. Significant Accounting Judgments, Estimates and Assumptions

Management is required to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The judgments, estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Future events may occur which can cause the assumptions used in arriving at those judgments and estimates to change. The effects of any changes will be reflected in the financial statements as they became reasonably determinable.

Accounting judgments and estimates are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on amounts recognized in the financial statements:

Determination of the Company's Functional Currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency has been determined to be the Peso. It is the currency that mainly influences the operations of the Company.

Classification of financial instruments

The Company classifies a financial instrument, or its component, on initial recognition as a financial asset, liability or equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, liability or equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated balance sheet.

Financial assets are classified as financial assets at FVPL, loans and receivables, HTM financial assets and AFS financial assets. Financial liabilities, on the other hand, are classified as financial liabilities at FVPL and other financial liabilities.

The Company determines the classification at initial recognition and reevaluates the classification at every reporting date.

Impairment of property and equipment

The Company assesses impairment on property and equipment recorded at cost whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- Significant negative industry or economic trends.

Impairment and write-off of deferred charges

The Company assesses impairment on deferred charges when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. Until the Company has sufficient data to determine technical feasibility and commercial viability, deferred charges need not be assessed for impairment.

Facts and circumstances that would require an impairment assessment as set forth in PFRS 6, *Exploration for and Evaluation of Mineral Resources*, are as follows:

- The period for which the Company has the right to explore in the specific area has expired or will expire in the near future and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

For deferred charges, impairment is recognized when a SC/GSEC where the Company has participating interest is permanently abandoned. Future events could cause the Company to conclude that these assets are impaired.

Valuation of biological assets

The Company carries biological assets at cost less any accumulated impairment losses since prices of cassava tubers are not readily available and any alternative estimates of fair value is believed to be unreliable.

The Company assesses whether its assets are impaired when there are impairment indicators. The Company's impairment test for biological assets is based on value-in-use calculations using the discounted cash flow model. The projected cash flows were based on the estimated cassava granules that can be produced at the current plantation capacity of the Company and other assumptions that management believes are reasonable, like estimated price increases and cost inflation. These do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset base.

Realizability of deferred income tax assets

Deferred income tax assets are recognized for all temporary deductible differences to the extent that it is probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized. Management has determined based on business forecast of succeeding years that there is no sufficient future taxable profits against which the deferred income tax assets will be utilized except for the deferred income tax assets related to the provision for impairment loss, unrealized foreign exchange losses and fair value adjustments on AFS financial assets and some portion of NOLCO.

Estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year are discussed below:

Impairment of AFS financial assets

The Company treats AFS financial assets as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment. The Company treats "significant" generally as 30% of cost or more of the cost and "prolonged" as greater than 12 months for quoted equity securities.

Estimation of allowance for impairment of loans and receivables

The Company reviews its receivables at each reporting date to assess the adequacy of the allowance for doubtful accounts. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on factors such as, but not limited to, the length of the Company's relationship with the customer, customer's payment behavior and other known market factors.

Estimation of useful lives of property and equipment

The Company estimates the useful lives of their property and equipment based on the period over which the assets are expected to be available for use. The Company annually reviews the estimated useful lives of property and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of the assets. It is possible that future results of operation could be materially affected by changes in these estimates brought about by changes in factors mentioned. A reduction in the estimated

useful lives of property and equipment would increase depreciation expense and decrease noncurrent assets.

Estimation of fair value of unquoted equity securities classified as AFS financial assets

Management believes that while the range of reasonable fair value estimates is significant, the probabilities of the various estimates cannot be reasonably assessed given the unquoted nature of these equity investments. As a result, the Company carries these financial assets at cost, less any impairment in value.

Estimation of retirement benefits

The determination of the obligation and retirement benefits is dependent on management's assumptions used by actuaries in calculating such amount, expected rate of return on plan assets and salary projection rate. Actual results that differ from the Company's assumptions are accumulated and amortized over future periods.

While it is believed that the Company's assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Company's retirement obligations.

Determination of fair value of investment properties

The best evidence of fair value is current prices in an active market for similar lease and other contracts. In the absence of such information, the Company determines the amount within a range of reasonable fair value estimates. In making its judgment, the Company considers information from variety of sources including:

- a) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
- b) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- c) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts and (where possible) from external evidence such as current market rents for similar properties in the same location and condition and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

4. Financial Risks

The Company's financial instruments consist of cash and cash equivalents, financial assets at FVPL, receivables, AFS financial assets and accounts payables and dividends payable. Cash and cash equivalents, financial assets at FVPL and AFS financial assets are being used for investment purposes, while receivables and accounts payable and dividends payable arise from operations.

The Company's activities expose it to a variety of financial risks: foreign exchange risk, equity price risk, interest rate risk and credit risk. The Company's overall risk management program focuses on minimizing the potential adverse effects on the Company's financial performance due to unpredictability of financial markets.

The Company's exposures to these risks are managed through close monitoring by the Company's key management and BOD through the Finance and Investments Committee.

Foreign Exchange Risk

Foreign exchange is the risk to earnings or capital arising from changes in foreign exchange rates. The Company takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial instruments. Fluctuations in exchange rates can have significant effects on the Company's reported results. The Company is exposed to foreign exchange risk arising from its foreign currency-denominated cash, receivable and AFS financial assets accounts. The Company's policy is to minimize economic and material transactional exposures arising from currency movements against the peso.

Equity Price risk

Equity price risk is the risk that the value of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to equity securities price risk because of investments held by the Company, which are classified on the balance sheets as FVPL and AFS financial assets.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company's exposure to market risk for changes in interest rates is related primarily to the Company's AFS financial assets. Management closely monitors the behavior of interest rates to ensure that interest rate risk is kept within management's tolerable level.

Credit Risk

Credit risk is the risk that the Company will incur a loss because its counterparties failed to discharge their contractual obligations. The Company manages and controls credit risk by doing business only with recognized, creditworthy third parties. Receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

It is the Company's policy to maintain the receivables at low level except for one-time non-trade transaction which the Company classifies under the collectible/not impaired because these parties have no history of default especially on transactions as agreed on the contract.

The credit quality of the financial assets was determined as follows:

Financial instruments classified as "satisfactory" are those cash and cash equivalents transacted with reputable local and multi-national banks and receivables with some history of default on the agreed terms of the contract. Concentration of financial assets at FVPL and AFS financial assets are considered "satisfactory" since these are invested in blue chip shares of stocks. "Past due and impaired" are those that are long outstanding and has been fully provided with an allowance for doubtful accounts. There are no past due but not impaired receivables.

Concentrations of credit risk arise from financial instruments that have similar characteristics and are affected similarly by changes in economic or other conditions. There are no significant concentrations of credit risk within the Company arising from financial assets since these are not directly affected by changes in economic or other external conditions.

Liquidity Risk

Liquidity risk is defined as the risk that the Company could not be able to settle or meet its obligations on time or at a reasonable price. Management is responsible for liquidity, funding as well as settlement management. Management also ensures that the Company will maximize its gain on trading of marketable securities to finance future capital intensive projects. The Company manages its liquidity risk on a consolidated basis based on business needs, tax, capital or regulatory considerations, if applicable, through numerous sources of finance in order to maintain flexibility.

Capital Management

The objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares.

Management of working capital focuses on short-term decisions to cash and cash equivalents and other current assets and liabilities. The goal of working capital management is to ensure that the Company is able to continue its business operations and that it has sufficient funds to satisfy maturing current liabilities and operating expenses.

5. Comparison of Fair Values as of June 30, 2012 & March 31, 2012

-1-

BASIC ENERGY CORPORATION AND SUBSIDIARIES			
CONSOLIDATED BALANCE SHEETS			
As of June 30, 2012 and March 31, 2012			
	UNAUDITED		UNAUDITED
	June 30, 2012		March 31, 2012
ASSETS			
Current Assets			
Cash and cash equivalents	P	420,203,202	P 322,458,523
Receivables-net		85,743,980	2,223,046
Short Term Investment		6,318,000	8,584,000
Other current assets		1,906,081	1,917,984
Total Current Assets		514,171,263	335,183,553
Non Current Assets			
Investments and Advances - net		193,106,211	191,191,120
Property and Equipment		26,451,699	27,463,522
Deferred charges		46,038,610	42,549,746
Deferred income tax asset		9,256,558	9,256,558
Other Non-Current assets		3,761,102	3,761,102
Total Non Current Assets		278,614,180	274,222,048
Total Assets	P	792,785,443	P 609,405,601
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued expenses	P	20,026,929	P 6,167,792
Income tax payable		0	
Total Current Liabilities	P	20,026,929	P 6,167,792
Non Current Liabilities			
Deferred income tax liabilities		10,487,136	10,487,136
Accrued retirement benefit		3,675,300	3,075,300
Total Noncurrent liabilities		14,162,436	13,562,436
Total liabilities	P	34,189,365	P 19,730,228
Minority Interest		3,405	9,780
Stockholders' Equity			
Attribute to equity holders of the Company:			
Capital stock(held by 7,122 & 7,164 equity holders as of 2010 & 2009 respectively)		610,623,378	610,623,378
Additional Paid-In Capital		32,699,360	32,699,360
Deposit for future subscriptions		5,475,000	0
Revaluation increment in office condominium		10,437,004	10,437,004
Fair value adjustments on financial assets		76,273	(394,697)
Retained Earnings (Deficit)		102,521,659	(60,459,452)
Total		761,832,674	592,905,593
Treasury Stock (at cost)		(3,240,000)	(3,240,000)
Total Equity		758,592,674	589,665,593
Total Liabilities and Stockholders' Equity	P	792,785,443	P 609,405,601

BASIC ENERGY CORPORATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
For the period ended June 30, 2012 and March 31, 2012

-2-

	As of June 30, 2012	As of March 31, 2012	Increase (Decrease)
REVENUES			
Income from previous sale of BPML	224,955,850	38,387,996	186,567,854
Interest, Dividends and Others	6,829,644	3,246,131	3,583,513
Other Income	8,429	-	-
	231,793,923	41,634,127	190,151,367
COSTS AND EXPENSES			
General and administrative expenses	22,401,578	9,601,877	12,799,701
Foreign Exchange Loss	2,671,677	875,946	1,795,731
Capital Gains Tax	12,589,629	-	12,589,629
	37,662,884	10,477,823	27,185,061
INCOME (LOSS) BEFORE INCOME TAX	194,131,039	31,156,304	162,974,735
PROVISION FOR INCOME TAX			
Current	0	0	0
Deferred	0	0	0
	0	0	0
NET INCOME (LOSS)	194,131,039	31,156,304	162,974,735
MINORITY INTEREST	14,747	8,371	6,376
	194,145,786	31,164,675	162,981,111
RETAINED EARNINGS (DEFICIT) AT BEGINNING OF YEAR / QUARTER	(91,624,127)	(91,624,127)	0
	-	-	-
	-	-	-
RETAINED EARNINGS (DEFICIT) AT END OF YEAR/ QUARTER	102,521,659	(60,459,452)	162,981,111

Formula: Earnings (Loss) Per Share

= Net Loss No. of shares for the quarter ended June 30, 2012
2,442,493,512= Net Loss No. of shares for the quarter ended March 31, 2012
2,442,493,512

6. Criteria used to determine whether the market for a financial instrument is active or inactive

Determination of Fair Value

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments and all other financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques include using arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and other valuation models.

"Day 1" Profit

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" profit) in the consolidated statement of operations unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in the consolidated statement of operations when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" profit amount.

7. Disclosures per SEC Memorandum Circular No. 3, Series of 2011

In compliance with SEC Memorandum Circular No. 3, Series of 2011: Guidelines on the Implementation of PFRS 9, we disclose that:

- (i) After consideration of the result of its impact evaluation using the outstanding balances of financial statements as of December 31, 2011, the Company has decided not to early adopt either PFRS 9 (2009) or PFRS 9 (2010) for its 2012 reporting.
- ii) We will however, continue to evaluate the impact of the standard in our financial statements for the year 2012.

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Friday, September 14, 2012 1:41 AM

Dear Sir/Madam:

We would like to inform you that as of SEP 13, 2012 10:41:37 AM today,

Reference Number: WLIST__2012000014664
Company Name: Basic Energy Corporation
Disclosure Subject: Receipt of letter from DOE re: applications for Geothermal Renewable Energy Service Contracts
Status: APPROVED

Should you need further assistance, please e-mail us at

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If verification is required please request a hard-copy version.

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

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Philippine Stock Exchange, PSE Plaza, Ayala Avenue, Makati City.

about:blank

2/2

3/21/2013 11:36 AM



BASIC ENERGY
C O R P O R A T I O N

September 13, 2012

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

BASIC ENERGY CORPORATION

(Company's Full Name)

7th Floor, Basic Petroleum Building, C. Palanca, Jr. Street, Legaspi Village, Makati City

(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)

Dept. Requiring this Doc.

Not Applicable

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE**

1. September 13, 2012
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

Basic Energy Corporation (the Company) recently received the letter dated August 22, 2012 of the Department of Energy (DOE) that its applications for Geothermal Renewable Energy Service Contracts covering three (3) frontier geothermal areas, namely: East Mankayan, Benguet; Mariveles, Bataan; and Iriga, Camarines Sur have passed the legal, technical and financial requirements prescribed by the DOE. These projects are in line with the 2012 business thrust of Basic Energy Corporation to look into new projects in renewable energy development and production.

The East Mankayan geothermal area lies immediately east of the Cervantes, Ilocos Sur geothermal block of Pan Pacific Power Phils, Inc., south of the Bontoc-Sadanga block which is operated by Magma Energy Resources and immediately south of the Daklan block operated by Clean Rock Energy. The area actually covers the 3 provinces of Benguet, Mountain Province and Ifugao.

The Mariveles, Bataan geothermal area is situated along the West Luzon Volcanic Arc which starts from Mt. Pinatubo in the north and extends farther south across the Manila Bay towards Batangas and northeastern Mindoro.

Lastly, the Iriga, Camarines Sur geothermal area is bounded to the north by the Isarog geothermal block of PNOC-RC and to the east by the highly productive Tiwi geothermal service contract area of formerly Chevron, now AP Renewables, Inc. The areal landscape is dominated by Iriga or Asog Volcano, a relatively in stratovolcano immediately southwest of Lake Buhi in southern Luzon.

With the Company's compliance with the processing and evaluation requirements of the DOE, the Geothermal Renewable Service Contracts for the abovementioned geothermal areas shall be executed upon final approval of the DOE.

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


ANGEL P. GAHOL
Compliance Officer

September 13, 2012

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Thursday, September 27, 2012 11:02 PM

Dear Sir/Madam:

We would like to inform you that as of SEP 27, 2012 08:02:45 AM today,

Reference Number: WLIST_2012000015058
Company Name: Basic Energy Corporation
Disclosure Subject: Subscription of officers to the Stock Option Plan
Status: APPROVED

Should you need further assistance, please e-mail us at

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

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If verification is required please request a hard-copy version.

Philippine Stock Exchange, PSE Plaza, Ayala Avenue, Makati City.

September 26, 2012

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

BASIC ENERGY CORPORATION

(Company's Full Name)

7th Floor, Basic Petroleum Building, C. Palanca, Jr. Street, Legaspi Village, Makati City

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

Atty. Angel P. Gahol

(Contact Person)

(632) 817-8596 & 98

(Company Telephone Number)

12 31

Month Day
(Calendar Year)

17 - C

(Form Type)

Month Day
(Annual Meeting)

Not Applicable

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Not Applicable

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SEC FORM 17-C

1. September 26, 2012
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., C. Palanca St. 1229
Legaspi Village, Makati City
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

Under the Company's Stock Option Plan approved by the Securities and Exchange Commission last September 8, 2011, please be informed that Mr. Alberto P. Morillo, VP-Operations, Atty. Corazon M. Bejasa, VP-Corporate Secretary and Marietta V. Villafuerte, VP-Treasurer of the company subscribed to the Stock Option Plan in the amount of 1,000,000 shares each.

BASIC ENERGY CORPORATION
Registrant

ANGEL P. GAHOL
Compliance Officer

3/18/2013 6:06 PM

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Saturday, September 29, 2012 3:20 AM

Dear Sir/Madam:

We would like to inform you that as of SEP 28, 2012 12:20:02 PM today,

Reference Number: WLIST__2012000015120
Company Name: Basic Energy Corporation
Disclosure Subject: Subscription of directors to the Stock Option Plan
Status: APPROVED

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September 28, 2012

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



109282012000559

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Julius N. Salustiano

Receiving Branch : SEC Head Office

Receipt Date and Time : September 28, 2012 02:47:35 PM

Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No. 0000036359

Company Name BASIC ENERGY CORPORATION

Industry Classification

Company Type Stock Corporation

Document Information

Document ID 109282012000559

Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)

Document Code 17-C

Period Covered September 28, 2012

No. of Days Late 0

Department CFD

Remarks

3/21/2013 11:33 AM

COVER SHEET

3 6 3 5 9

SEC Registration Number

BASIC ENERGY CORPORATION

(Company's Full Name)

7th Floor, Basic Petroleum Building, C. Palanca, Jr. Street, Legaspi Village, Makati City

(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)

Dept. Requiring this Doc.

Not Applicable

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

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. September 28, 2012
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., C. Palanca St. 1229
Legaspi Village, Makati City
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

Under the Company's Stock Option Plan approved by the Securities and Exchange Commission last September 8, 2011, please be informed that Directors Oscar S. Reyes and Dennis D. Decena subscribed to the Stock Option Plan in the amount of 30,000,000 each shares.

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

BASIC ENERGY CORPORATION
Registrant


ANGEL P. GAHOL
Compliance Officer

September 28, 2012

COVER SHEET

3 6 3 5 9

SEC Registration Number

BASIC ENERGY CORPORATION

(Company's Full Name)

7th FLOOR, Basic Petroleum Building, C. Palanca, Jr. Street, Legaspi Village, Makati City

(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)

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(Annual Meeting)

Not Applicable

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Dept. Requiring this Doc.

Not Applicable

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

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File Number

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SECURITIES AND EXCHANGE COMMISSION

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

BASIC ENERGY CORPORATION
Registrant


ANGEL P. GAHOL
Compliance Officer

September 28, 2012

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Wednesday, October 3, 2012 3:45 AM

Dear Sir/Madam:

We would like to inform you that as of OCT 02, 2012 12:45:08 PM today,

Reference Number: WLIST__2012000015265
Company Name: Basic Energy Corporation
Disclosure Subject: Report on Number of Shareholders as of September 30, 2012
Status: APPROVED

Should you need further assistance, please e-mail us at

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If verification is required please request a hard-copy version.

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

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1/2

3/21/2013 11:30 AM

If verification is required please request a hard-copy version.

Philippine Stock Exchange, PSE Plaza, Ayala Avenue, Makati City.

October 2, 2012

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




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

Gentlemen:

In compliance with your requirements, we attached herewith the report from our Transfer Agent, RCBC, on the number of its shareholders owning at least one board lot each, as of September 30, 2012 and ownership of securities by citizenship.

Very truly yours,


ANGEL B. GAHOL
Compliance Officer

7F Basic Petroleum Building, 104 Carlos Palanca Jr. Street, Legaspi Village, Makati City 1229, Philippines
 (632) 817-8596 and 98  (632) 817-0191  www.basicenergy.ph



October 1, 2012

Basic Energy Corporation
6 Basic Petroleum Bldg.
Legaspi Village, Makati City

Attention: Ms. Corazon M. Bejasa
Corporate Secretary

Gentlemen:

We are submitting to you the report on the number of its shareholders owning at least one board lot each of **BASIC ENERGY CORPORATION** as of September 30, 2012

Market Price	.26
Number of Issued and outstanding shares	2,442,493,512
Number of Listed Shares	2,442,045,455
Number of Stockholders	6,870
Number of Shares Per Board Lot	10,000
No. of Stockholders owning at least 1 board lot	2,078

Very truly yours,

RIZAL COMMERCIAL BANKING CORPORATION
Transfer Agent


JOCELYN P. MODINA
Operations Officer - STD Processing Section


WALTER R. BRIONES
Operations Manager

RCBC Head Office, Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue, Makati City, P.O. Box 2202 MCPO 0727 • Tel. 894-8000 • Website: <http://www.rcbc.com>

3/21/2013 11:30 AM

SIZAL COMMERCIAL BANKING CORPORATION
S/F YUEHENGCO TOWER 1, ROCO PLAZA
6819 AYALA AVENUE, MAKATI CITY TEL.
694-9088

BUNDATE : Sep 26, 2012

BASIC ENERGY CORPORATION
OWNERSHIP OF SECURITIES BY CITIZENSHIP
AS OF : 09/30/2012

FOR CLASSES : COMMON

CITIZENSHIP	SUBSCRIBED/ OUTSTANDING	AMOUNT	PAID-UP	PERCENTAGE HOLDINGS	NUMBER OF STOCKHOLDERS
CHINESE	7,180,822	790,205.50	790,205.50	0.13	45
CANADIAN	1,130	282.50	282.50	0.00	2
SPANISH	1,517	3,554.00	3,554.00	0.00	2
FRENCH	22,000	5,500.00	5,500.00	0.00	1
INDIAN	42,102	10,525.50	10,525.50	0.00	9
OTHER ALIE	34,097,305	8,511,822.00	8,511,822.00	1.39	11
PHILIPINE	2,402,816,351	600,654,097.00	600,654,097.00	98.13	6,646
AFRO/OREN	67,401	1,670.00	1,670.00	0.00	6
SWISS	119,204	29,801.00	29,801.00	0.00	4
BRITISH	366,081	91,510.00	91,510.00	0.01	21
AMERICAN	1,994,342	496,590.00	496,590.00	0.08	117
AUSTRALIAN	50,018	12,504.50	12,504.50	0.00	6
TOTALS	2,442,493,512	610,623,778.00	610,623,778.00	100.00	6,870

SCHEDULE OF CAPITAL STOCK

NO. OF SHARES	CAPITAL STOCK		TOTAL SHARES	
	AMOUNT	ISSUED AND OUTSTANDING	SUBSCRIBED	
10,000,000,000	2,500,000,000.00	2,442,493,512	0	

PD - 9/26/12
OT - 9/26/12

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Thursday, October 4, 2012 2:49 AM

Dear Sir/Madam:

We would like to inform you that as of OCT 03, 2012 11:49:38 AM today,

Reference Number: WLIST__2012000015376
Company Name: Basic Energy Corporation
Disclosure Subject: Report on compliance with SEC Memorandum re: guidelines for the assessment of the performance of Audit Committees
Status: APPROVED

Should you need further assistance, please e-mail us at

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If verification is required please request a hard-copy version.

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

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If verification is required please request a hard-copy version.

Philippine Stock Exchange, PSE Plaza, Ayala Avenue, Makati City.

October 3, 2012

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 F. GAHOL
Compliance Officer



110032012002392

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Marites S. Guevarra
Receiving Branch : SEC Head Office
Receipt Date and Time : October 03, 2012 04:41:33 PM
Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No. 0000036359
Company Name BASIC ENERGY CORPORATION
Industry Classification
Company Type Stock Corporation

Document Information

Document ID 110032012002392
Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code 17-C
Period Covered October 03, 2012
No. of Days Late 0
Department CFD
Remarks

3/18/2013 6:09 PM

COVER SHEET

3 6 3 5 9

SEC Registration Number

BASIC ENERGY CORPORATION

(Company's Full Name)

7th Floor, Basic Petroleum Building, C. Palanca, Jr. Street, Legaspi Village, Makati City

(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)

Dept. Requiring this Doc.

Not Applicable

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE**

1. October 3 2012
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.
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<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

The Audit Committee, in its meeting held on October 2, 2012, approved Audit Committee Charter of the Basic Energy Corporation, which was adopted pursuant to SEC Memorandum Circular No. 4, Series of 2012, which took effect on June 30, 2012, entitled "Guidelines for the Assessment of the Performance of Audit Committees of Companies Listed on the Exchange." The Audit Committee Charter shall be submitted for approval of the Board of Directors of the Corporation at its regular meeting scheduled on October 31, 2012. In the same meeting, the Audit Committee adopted a self-assessment worksheet following the guidelines set in the said Memorandum Circular, to determine the effectiveness of the performance by the Audit Committee of its responsibilities as prescribed in its Charter.

Pursuant to the Audit Committee Charter, the Audit Committee shall conduct the annual self-assessment in January, 2013, using the aforementioned self-assessment worksheet, and the results thereof shall be reported by the Corporation in current report format to the SEC, after approval by the Board of Directors at the following month's scheduled regular meeting.

Pursuant to the requirements of the Securities Regulations Code, the Registrant has duly caused this report to be signed this October 3, 2012, on its behalf by the undersigned hereunto duly authorized.

BASIC ENERGY CORPORATION

Registrant


OSCAR S. REYES
Chairman


ANGEL P. GAHOL
Compliance Officer

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Wednesday, October 10, 2012 10:35 PM

Dear Sir/Madam:

We would like to inform you that as of OCT 10, 2012 07:35:58 AM today,

Reference Number: WLIST__2012000016062
Company Name: Basic Energy Corporation
Disclosure Subject: Top 100 Stockholders as of September 30, 2012
Status: APPROVED

Should you need further assistance, please e-mail us at

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

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If verification is required please request a hard-copy version.

Philippine Stock Exchange, PSE Plaza, Ayala Avenue, Makati City.

October 9, 2012

SECURITIES AND EXCHANGE COMMISSION
SEC BLDG., EDSA Greenhills
Mandaluyong City, Metro Manila

Attention : **ATTY. JUSTINA F. CALLANGAN**
Director, Corporate and Finance Department

Gentlemen:

We are pleased to submit to you the list of Top 100 Stockholders as September 30, 2012.

We hope you find the attached in order.

Thank you and regards.

Very truly yours,



ANGELA J. GAHOL
AVP-Asst Corporate Secretary/
Compliance Officer

COVER SHEET

3 6 3 5 9

SEC Registration Number

BASIC ENERGY CORPORATION

(Company's Full Name)

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Building, C. Palanca, Jr. Street,

Legaspi Village, Makati City

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

Atty. Angel P. Gahol

(Contact Person)

(632) 817-8596 & 98

(Company Telephone Number)

1 2

Month

3 1

Day

(Calendar Year)

-

(Form Type)

Month

Day

(Annual Meeting)

Not Applicable

(Secondary License Type, if Applicable)

Not Applicable

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Total Amount of Borrowings

Domestic

Foreign

Dept. Requiring this Doc.

Total No. of Stockholders

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LCU

Document ID

Cashier

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cutoffdate	stkhldnum	natcode	totshares	name
9/30/12	0000175606	PH	2,010,886,551	PCD NOMINEE CORPORATION (FILIPINO)
9/30/12	0000175605	OA	33,356,598	PCD NOMINEE CORPORATION
9/30/12	0000165969	PH	25,736,744	CHRISTODEL PHILS., INC.
9/30/12	0000178513	PH	24,822,276	TAN, ISIDORO OCAMPO
9/30/12	0000175066	PH	20,989,439	PHASES REALTORS INC.
9/30/12	0000174180	PH	20,745,757	NORTHWEST TRADERS CORPORATION
9/30/12	0000179569	PH	10,013,225	VENECIA JR., JOSE C. DE
9/30/12	0000203690	PH	10,000,000	UY, SAMUEL
9/30/12	0000179874	PH	9,075,833	VENECIA, JOSE MA. L. DE
9/30/12	0000174174	PH	8,708,890	NORTHWEST INVESTORS, INC.
9/30/12	0000179885	PH	8,363,333	VENECIA, MARK ANTHONY L. DE
9/30/12	0000179804	PH	8,110,000	VENECIA, OSCAR C. DE
9/30/12	0000165980	PH	8,000,000	CHUA CHIACO, ERNESTO
9/30/12	0000171512	PH	7,200,000	JLV HOLDINGS, INC.
9/30/12	0000174029	PH	5,070,000	MDV HOLDINGS, INC.
9/30/12	0000171545	PH	4,550,000	KHO GIOK EN
9/30/12	0000175849	PH	4,408,523	RODRIGUEZ, HORACIO
9/30/12	0000174178	PH	3,998,109	NORTHWEST SECURITIES, INC.
9/30/12	0000203689	PH	3,750,000	TAN, JAN SHARON GAISANO
9/30/12	0000166347	PH	3,149,221	CHUA, CHRISTINE
9/30/12	0000168110	PH	3,019,498	EAST WEST COMMODITIES, INC.
9/30/12	0000177209	PH	2,658,257	SY SR., HENRY
9/30/12	0000216878	PH	2,500,000	LISTA, JENNETTE J.
9/30/12	0000203688	PH	2,500,000	CHUA, VICKY
9/30/12	0000216876	PH	2,500,000	CASTANEDA, RENATO
9/30/12	0000216875	PH	2,500,000	PO, ARCHIVALD
9/30/12	0000163375	PH	2,184,328	AGRI-TECH MANAGEMENT HOLDINGS
9/30/12	0000174809	PH	2,025,824	PAIC SECURITIES CORPORATION
9/30/12	0000179895	PH	2,000,000	VY, ALFONSO C.
9/30/12	0000178534	PH	1,940,398	TANCHAN, SANTIAGO
9/30/12	0000225608	PH	1,910,000	CRUZ, TERESITA B. CRUZ &/OR REGINO B.
9/30/12	0000174215	PH	1,787,458	NATIONAL LIFE INSURANCE
9/30/12	0000167589	PH	1,605,476	DAVID GO SECURITIES CORP.
9/30/12	0000174455	PH	1,602,391	ONG, JOSEPH D.
9/30/12	0000217209	CH	1,500,000	LIM, ROSENDO
9/30/12	0000167710	PH	1,363,249	DUCA, VICTORIA
9/30/12	0000163854	PH	1,353,080	AQUATIC RANCH DEVELOPMENT CORP

9/30/12 0000168402 PH	1,317,969 F. YAP SECURITIES, INC.
9/30/12 0000167836 PH	1,279,962 DUCA, VICTORIA
9/30/12 0000183806 PH	1,262,676 DAVID GO SEC. CORP.
9/30/12 0000197078 PH	1,262,500 DY, KOC GUAN TIU
9/30/12 0000174255 PH	1,185,000 NG, RICARDO
9/30/12 0000165681 PH	1,170,000 CHUNG GUAT TIOC
9/30/12 0000225969 PH	1,165,427 KENSINGTON MANAGEMENT CORPORATION
9/30/12 0000178243 PH	1,104,554 TANCHAN JR., SANTIAGO J.
9/30/12 0000165954 PH	1,093,307 CHIU, RAMON L.
9/30/12 0000173489 PH	1,086,571 MENDOZA, ALBERTO
9/30/12 0000176100 PH	1,071,595 ROSARIO, ALBERT DEL
9/30/12 0000167739 PH	1,050,000 DY, SOPHIA
9/30/12 0000176830 PH	1,032,819 SAN JOSE, AURORA V.
9/30/12 0000168302 PH	1,025,246 EBC SECURITIES CORPORATION
9/30/12 0000173382 PH	1,024,400 MOUNT PEAK SECURITIES, INC.
9/30/12 0000180048 PH	1,010,403 YEE, JUANITO L.
9/30/12 0000170131 PH	1,003,107 G & L SECURITIES COMPANY, INC.
9/30/12 0000216105 PH	1,000,000 PRECILLA, GEORGE G. PRECILLA &/OR REBECCA T.
9/30/12 0000178728 PH	1,000,000 TAN, DOUGLAS
9/30/12 0000203700 PH	982,907 SF PASS INTERNATIONAL
9/30/12 0000172939 PH	980,000 LIM, JORGE G.
9/30/12 0000169722 PH	962,893 GO, DAVID C.
9/30/12 0000166704 PH	962,497 CHING, CYNTHIA D.
9/30/12 0000165348 PH	944,248 BA SECURITIES, INC.
9/30/12 0000180151 PH	915,016 YAN, LUCIO
9/30/12 0000165879 PH	908,073 CHAM, ALLEN
9/30/12 0000166597 PH	895,000 CRUZ, BENITO DE LA
9/30/12 0000174556 PH	880,005 OLIVA, DULCE MARIA S.
9/30/12 0000203695 PH	880,000 MAGNO, JOSE
9/30/12 0000178187 PH	867,702 TAN, FRANCISCO
9/30/12 0000170436 PH	850,000 GOCHANGCO, ALBERTO
9/30/12 0000178265 PH	829,234 TANSENGCO & COMPANY, INC.
9/30/12 0000177768 PH	750,000 SY, VICTOR GAN
9/30/12 0000178129 PH	737,469 TANCHAN, CONSTANTINE
9/30/12 0000177585 PH	734,076 SIAO, VICENTE
9/30/12 0000172947 PH	722,308 LOCSIN, JOSE E.
9/30/12 0000174618 PH	700,000 ONG, RAMON
9/30/12 0000174552 PH	698,709 ONG, ROSARIO T.

9/30/12 0000166349	PH	683,000 CANLAS, EFREN M.
9/30/12 0000165764	PH	674,160 CAMPOS, JOSE Y.
9/30/12 0000173127	PH	663,695 MANOTOC SECURITIES, INC.
9/30/12 0000175644	PH	654,274 QUE, JUANITO
9/30/12 0000167414	CH	650,000 CHEN ZHIMENG
9/30/12 0000175857	PH	649,092 R. NUBLA SECURITIES, INC.
9/30/12 0000220674	PH	626,902 NG, IDA S.
9/30/12 0000176829	PH	623,518 SAN JOSE JR., RAMON A.
9/30/12 0000178470	PH	616,914 TY, A.N.
9/30/12 0000216155	PH	614,373 MANILAC AGRO COMMERCIAL CORPORATION
9/30/12 0000178061	PH	600,000 SY TIONG SHIOU
9/30/12 0000165657	PH	600,000 BANTOTO, LOVE
9/30/12 0000173362	PH	594,990 MONZON, RAMON
9/30/12 0000175047	PH	591,913 PUA YOK BING
9/30/12 0000166761	PH	585,771 CU, OSCAR
9/30/12 0000165937	PH	578,863 CHING TIONG KANG
9/30/12 0000169651	PH	550,604 GUANZON, ARTURO A.
9/30/12 0000166743	PH	520,000 CHUA, VICTOR T.
9/30/12 0000175614	PH	500,000 PHILIPPINE INTERNATIONAL LIFE
9/30/12 0000226102	PH	500,000 DELOS REYES, AUGUSTIN PANGANIBAN
9/30/12 0000163532	PH	500,000 ANG NGO CHIONG
9/30/12 0000173665	PH	489,999 MENDOZA, ALBERTO
9/30/12 0000165204	OA	488,705 BANK OF THE PHIL. ISLANDS
9/30/12 0000179140	PH	485,529 UNIVERSAL SECURITIES, CORP.
9/30/12 0000168372	PH	480,000 E. CHUA CHIACO SECURITIES, INC

Philippine Depository & Trust Corp.

TOP 100 PDTF PARTICIPANTS

Business D 09/28/2012

as of September 30, 2012

Security ID: BSC000000000

BASIC ENERGY CORPORATION

Transfer Agent: RCBCTA0000 Transfer Agent Name: RCBC TRANSFER AGENT

S. No.	BPID BPNAME	HOLDING
1	20300000000 COL Financial Group, Inc.	166,292,228.00
2	27800000000 YU & COMPANY, INC.	160,594,391.00
3	38900000000 KING'S POWER SECURITIES, INC.	154,438,996.00
4	25300000000 TOWER SECURITIES, INC.	117,695,840.00
5	15400000000 EVERGREEN STOCK BROKERAGE & SEC., INC.	117,025,312.00
6	34500000000 UNICAPITAL SECURITIES INC.	85,034,079.00
7	16700000000 AURORA SECURITIES, INC.	74,226,791.00
8	10300000000 ACCORD CAPITAL EQUITIES CORPORATION	72,710,812.00
9	10200000000 ABACUS SECURITIES CORPORATION	60,980,133.00
10	10900000000 BA SECURITIES, INC.	54,060,312.00
11	11100000000 ANSALDO, GODINEZ & CO., INC.	51,759,103.00
12	26900000000 WEALTH SECURITIES, INC.	49,656,281.00
13	26700000000 FIRST METRO SECURITIES BROKERAGE CORP.	49,269,024.00
14	21900000000 PAPA SECURITIES CORPORATION	45,167,548.00
15	23300000000 R. COYUTO SECURITIES, INC.	39,914,716.00
16	22000000000 ATR-KIM ENG SECURITIES, INC.	39,323,506.00
17	20800000000 MDR SECURITIES, INC.	39,145,051.00
18	24600000000 SUMMIT SECURITIES, INC.	33,016,211.00
19	12600000000 BPI SECURITIES CORPORATION	31,236,575.00
20	28600000000 SOLAR SECURITIES, INC.	30,973,285.00
21	14300000000 DAVID GO SECURITIES CORP.	26,177,634.00
22	11500000000 SB EQUITIES, INC.	22,398,043.00
23	20600000000 MERIDIAN SECURITIES, INC.	21,523,012.00
24	23000000000 QUALITY INVESTMENTS & SECURITIES CORPORATION	19,652,534.00
25	14700000000 E. CHUA CHIACO SECURITIES, INC.	17,865,045.00
26	16800000000 GLOBALINKS SECURITIES & STOCKS, INC.	17,694,681.00
27	27500000000 YAO & ZIALCITA, INC.	16,427,506.00
28	13100000000 PCIB SECURITIES, INC.	15,663,100.00
29	27200000000 BERNAD SECURITIES, INC.	14,189,121.00
30	11200000000 AH CAPITAL SECURITIES, INC.	12,976,485.00
31	19700000000 LOPEZ, LOCSIN, LEDESMA & CO., INC.	12,571,547.00
32	12400000000 B. H. CHUA SECURITIES CORPORATION	12,401,174.00
33	28200000000 PCCI SECURITIES BROKERS CORP.	12,206,702.00
34	19900000000 I.UYS SECURITIES COMPANY, INC.	12,144,179.00
35	23500000000 REGINA CAPITAL DEVELOPMENT CORPORATION	11,968,557.00
36	22500000000 PREMIUM SECURITIES, INC.	11,486,067.00
37	21800000000 PAN ASIA SECURITIES CORP.	11,462,016.00
38	18200000000 IMPERIAL DE GUZMAN, ABALOS & CO., INC.	10,587,548.00

3/18/2013 6:03 PM

39	25700000000 TRI-STATE SECURITIES, INC.	10,457,507.00
40	25100000000 TANSENGCO & CO., INC.	9,862,652.00
41	28500000000 GOLDEN TOWER SECURITIES & HOLDINGS, INC.	9,617,524.00
42	11000000000 ANGPING & ASSOCIATES SECURITIES, INC.	9,341,030.00
43	10400000000 A. T. DE CASTRO SECURITIES CORP.	8,878,997.00
44	26600000000 VICSAL SECURITIES & STOCK BROKERAGE, INC.	8,862,158.00
45	27000000000 WESTLINK GLOBAL EQUITIES, INC.	8,541,462.00
46	22400000000 PNB SECURITIES, INC.	8,514,845.00
47	18100000000 INVESTORS SECURITIES, INC.	8,112,178.00
48	12200000000 BELSON SECURITIES, INC.	7,819,712.00
49	17400000000 HDI SECURITIES, INC.	7,151,281.00
50	14000000000 IGC SECURITIES INC.	6,728,355.00
51	23100000000 R & I. INVESTMENTS, INC.	6,557,994.00
52	15000000000 EASTERN SECURITIES DEVELOPMENT CORPORATION	6,517,900.00
53	17000000000 GOLDSTAR SECURITIES, INC.	6,419,664.00
54	20500000000 MERCANTILE SECURITIES CORP.	6,018,185.00
55	18300000000 INTRA-INVEST SECURITIES, INC.	5,978,732.00
56	28300000000 EAGLE EQUITIES, INC.	5,861,435.00
57	19800000000 LUCKY SECURITIES, INC.	5,796,300.00
58	10100000000 A & A SECURITIES, INC.	5,659,258.00
59	11600000000 ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	5,507,735.00
60	27900000000 BDO SECURITIES CORPORATION	5,330,176.00
61	17900000000 I. ACKERMAN & CO., INC.	5,234,679.00
62	23600000000 R. NUBLA SECURITIES, INC.	4,926,526.00
63	12900000000 SINCERE SECURITIES CORPORATION	4,923,233.00
64	11900000000 ASTRA SECURITIES CORPORATION	4,713,177.00
65	12800000000 CAMPOS, LANUZA & COMPANY, INC.	4,565,577.00
66	21300000000 NIEVES SECURITIES, INC.	4,544,557.00
67	23800000000 R. S. LIM & CO., INC.	4,486,068.00
68	13600000000 TRITON SECURITIES CORP.	4,438,759.00
69	23900000000 RTG & COMPANY, INC.	4,393,484.00
70	11800000000 ASIASEC EQUITIES, INC.	4,229,353.00
71	24700000000 STANDARD SECURITIES CORPORATION	4,227,723.00
72	21100000000 NEW WORLD SECURITIES CO., INC.	4,079,944.00
73	28800000000 G.D. TAN & COMPANY, INC.	3,868,917.00
74	20000000000 MANDARIN SECURITIES CORPORATION	3,854,751.00
75	27300000000 WONG SECURITIES CORPORATION	3,707,777.00
76	12300000000 BENJAMIN CO CA & CO., INC.	3,474,675.00
77	25900000000 UCPB SECURITIES, INC.	3,134,398.00
78	PAHC1000000 AB CAPITAL & INVESTMENT CORP. - TRUST & INVESTMENT DIV.	3,000,000.00
79	15300000000 EQUITIWORLD SECURITIES, INC.	2,837,166.00
80	21000000000 MOUNT PEAK SECURITIES, INC.	2,814,140.00
81	13300000000 CITISECURITIES, INC.	2,803,428.00
82	24000000000 S.J. ROXAS & CO., INC.	2,619,559.00
83	20400000000 DA MARKET SECURITIES, INC.	2,402,187.00
84	14100000000 CUALOPING SECURITIES CORPORATION	2,387,387.00
85	16900000000 JSG SECURITIES, INC.	2,275,244.00

86	25200000000 THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	2,215,152.00
87	19200000002 STRATEGIC EQUITIES CORP.	2,000,000.00
88	17500000000 H. E. BENNETT SECURITIES, INC.	1,939,037.00
89	12500000000 JAKA SECURITIES CORP.	1,844,516.00
90	23200000000 ALAKOR SECURITIES CORPORATION	1,781,366.00
91	21500000000 OPTIMUM SECURITIES CORPORATION	1,764,817.00
92	17200000000 GUILD SECURITIES, INC.	1,694,199.00
93	15700000000 FIRST ORIENT SECURITIES, INC.	1,647,516.00
94	10600000000 ALPHA SECURITIES CORP.	1,571,010.00
95	16200000000 F. YAP SECURITIES, INC.	1,493,973.00
96	23700000000 AAA SOUTHEAST EQUITIES, INCORPORATED	1,490,371.00
97	14500000000 DIVERSIFIED SECURITIES, INC.	1,392,034.00
98	32800000000 DW CAPITAL INC.	1,326,483.00
99	16100000000 FRANCISCO ORTIGAS SECURITIES, INC.	1,168,159.00
100	18800000000 J.M. BARCELON & CO., INC.	967,968.00
101	19300000000 LARGO SECURITIES CO., INC.	957,561.00
102	18000000000 I. B. GIMENEZ SECURITIES, INC.	956,264.00
103	22300000000 PLATINUM SECURITIES, INC.	936,965.00
104	21700000000 RCBC SECURITIES, INC.	915,280.00
105	14900000000 EAST WEST CAPITAL CORPORATION	766,192.00
106	26300000000 VENTURE SECURITIES, INC.	657,265.00
107	12000000000 ATC SECURITIES, INC.	602,375.00
108	38800000000 ARMSTRONG SECURITIES, INC.	534,340.00
109	32300000003 CLSA PHILIPPINES, INC.	447,805.00
110	24200000000 SECURITIES SPECIALISTS, INC.	360,082.00
111	18700000000 ASIAN CAPITAL EQUITIES, INC.	348,154.00
112	19200000000 STRATEGIC EQUITIES CORP.	326,864.00
113	10000000000 UPCC SECURITIES CORP.	314,927.00
114	25600000000 TRENDLINE SECURITIES CORPORATION	313,637.00
115	SCBK1000000 STANDARD CHARTERED BANK	250,116.00
116	36800000000 SunSecurities, Inc.	250,000.00
117	SEIC1000000 SEABOARD-EASTERN INSURANCE COMPANY, INC.	241,499.00
118	26100000004 E.SECURITIES, INC. ITF VARIOUS CLIENTS	199,870.00
119	20900000001 DEUTSCHE REGIS PARTNERS, INC.	157,656.00
120	24900000000 SUPREME STOCKBROKERS, INC.	141,755.00
121	26100000003 E.SECURITIES, INC. ITF VARIOUS CLIENTS	110,563.00
122	24300000000 FIDELITY SECURITIES, INC.	104,599.00
123	22800000000 PRYCE SECURITIES, INC.	81,745.00
124	23000000001 Asia Insurance (Philippines) Corporation	80,000.00
125	CITI1000000 CITIBANK N.A.	77,084.00
126	22900000000 SALISBURY BKT SECURITIES CORPORATION	70,600.00
127	20200000000 MARINO OLONDRIZ Y CIA	64,491.00
128	24000000002 S.J. ROXAS & CO., INC.	51,321.00
129	25400000000 TRANS-ASIA SECURITIES, INC.	36,334.00
130	RCBC1000032 RCBC TRUST & INVESTMENT DIVISION	34,723.00
131	13000000000 CENTURY SECURITIES CORPORATION	28,874.00
132	33800000000 PHILIPPINE EQUITY PARTNERS, INC.	14,177.00

133	17800000000 HK SECURITIES, INC.	11,445.00
134	10560000000 ALL ASIA SECURITIES MANAGEMENT CORP.	9,624.00
135	PCPL1000000 UNITED COCONUT PLANTERS LIFE ASSURANCE CORPORATION	9,583.00
136	14800000000 EQUITABLE SECURITIES (PHILS.) INC.	8,062.00
137	HISBC1000000 THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENT	5,695.00
138	RCBC1000033 RCBC TRUST & INVESTMENT DIVISION	2,324.00
139	20900000000 DEUTSCHE REGIS PARTNERS, INC.	1,882.00
140	RCBC1000051 RCBC TRUST & INVESTMENTS DIVISION	1,666.00
141	13800000000 PHILFO ALLIED SECURITIES (PHILIPPINES), INC.	1,028.00
142	19400000000 LIPPO SECURITIES, INC.	1,000.00
143	15900000000 FIRST INTEGRATED CAPITAL SECURITIES, INC.	792.00
144	34500000006 UNICAPITAL SECURITIES INC.	572.00
145	11300000000 SARANGANI SECURITIES, INC.	458.00
146	12100000004 MACQUARIE CAPITAL SECURITIES (PHILIPPINES) INC.	245.00
147	BCDO2000000 BANCO DE ORO - TRUST BANKING GROUP	214.00
148	14200000000 DBP-DAIWA CAPITAL MARKETS PHILIPPINES, INC.	183.00
149	BPM10000000 BASIC PETROLEUM & MINERALS, INC.	22.00

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Wednesday, November 7, 2012 4:35 AM

Dear Sir/Madam:

We would like to inform you that as of NOV 06, 2012 12:35:47 PM today,

Reference Number: WLIST__2012000017294
Company Name: Basic Energy Corporation
Disclosure Subject: Report on Number of Shareholders as of October 31, 2012
Status: APPROVED

Should you need further assistance, please e-mail us at

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If verification is required please request a hard-copy version.

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

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November 6, 2012

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

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

Gentlemen:

In compliance with your requirements, we attached herewith the report from our Transfer Agent, RCBC, on the number of its shareholders owning at least one board lot each, as of October 31, 2012 and ownership of securities by citizenship.

Very truly yours,



ANGEL P. GAHOL
Compliance Officer



October 31, 2012

Basic Energy Corporation
6 Basic Petroleum Bldg.
Legaspi Village, Makati City

Attention: Ms. Corazon M. Bejasa
Corporate Secretary

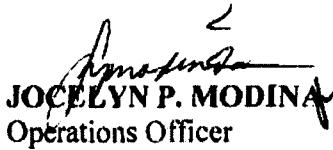
Gentlemen:

We are submitting to you to the report on the number of its shareholders owning at least one board lot each of **BASIC ENERGY CORPORATION** as of October 31, 2012.

Market Price	.27
Number of Issued and outstanding shares	2,442,493,512
Number of Listed Shares	2,442,045,455
Number of Stockholders	6,864
Number of Shares Per Board Lot	10,000
No. of Stockholders owning at least 1 board lot	2,070

Very truly yours.

RIZAL COMMERCIAL BANKING CORPORATION
Transfer Agent


JOCELYN P. MODINA
Operations Officer


WALTER R. BRIONES
Operations Manager

3/18/2013 5:56 PM

RIZAL COMMERCIAL BANKING CORPORATION
9/F YUCHENGCO TOWER 1, RCBC PLAZA
6819 AYALA AVENUE, MAKATI CITY TEL.
894-9055

RUNDATE : Oct 31, 2012

BASIC ENERGY CORPORATION
OWNERSHIP OF SECURITIES BY CITIZENSHIP
AS OF : 10/31/2012

FOR CLASSES : COMMON

CITIZENSHIP	SUBSCRIBED/ OUTSTANDING	AMOUNT	PAID-UP	PERCENTAGE HOLDINGS	NUMBER OF STOCKHOLDERS
CHINESE	3,160,822	790,205.50	790,205.50	0.13	45
CANADIAN	1,130	282.50	282.50	0.00	2
SPANISH	10,617	2,654.25	2,654.25	0.00	2
FRENCH	22,000	5,500.00	5,500.00	0.00	1
INDIAN	42,133	10,533.25	10,533.25	0.00	9
OTHER ALI	34,047,305	8,511,826.25	8,511,826.25	1.39	11
FILIPINO	2,402,616,391	600,654,097.75	600,654,097.75	98.37	6,640
SINGAPORE	63,481	15,870.25	15,870.25	0.00	6
SWISS	119,204	29,801.00	29,801.00	0.00	4
BRITISH	366,051	91,512.75	91,512.75	0.01	21
AMERICAN	1,994,362	498,590.50	498,590.50	0.08	117
AUSTRALIA	50,016	12,504.00	12,504.00	0.00	6
TOTALS	2,442,493,512	610,623,378.00	610,623,378.00	100.00	6,864

SCHEDULE OF CAPITAL STOCK

CAPITAL STOCK		TOTAL SHARES	
NO. OF SHARES	AMOUNT	ISSUED AND OUTSTANDING	SUBSCRIBED
10,000,000,000	2,500,000,000.00	2,442,493,512	

DT

✓

BASIC ENERGY CORPORATION - COMMON
STOCKHOLDERS WITH SHARES 10000 AND ABOVE
AS OF 10/31/2012

STOCKHOLDER NAME/ADDRESS	ACCOUNT NO.	ISSUED SHARES
--------------------------	-------------	---------------

EGINA CAPITAL DEV. CORP. 002123 NIT 806 TOWER 1 PSE PLAZA AYALA AVE. MAKATI ITY	0000226476	38,000
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EGINA CAPITAL DEV. CORP. 012450 NIT 806 TOWER 1 PSE PLAZA AYALA AVE. MAKATI ITY	0000226477	10,000
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UBTOTAL FOR Individual		246,940,535
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RAND TOTAL

OTAL SHARES	:	2,431,239,465
OTAL STOCKHOLDERS	:	2,070

Home
PSE Corporate
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Market Information
Listings & Disclosures
Listed Company Directory
News & Press/IPC
Corporate Disclosures
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Products & Services
PSE Academy
Trading Participants
Online Systems
Rules & Regulations

Basic Energy Corporation BSC

As of November 5, 2012 04:02 PM



Day 1 Trade Price	0.2651	Open	0.2651	Previous Close	0.2700
Change per Share (Daily)	0.0059	High	0.2675	Low	0.2610
	0.0059			Day Range	0.5208
				52 Week High	0.3450
				52 Week Low	0.1786

Security Information: PSE: BSC

Best Bid	Best Bid Volume	Best Bid Price	Best Offer Volume	Best Offer Price	ISIRY	PHY0718K1017
7,040,000	0.265	320,000	0.275	Issue Type	Common	
8,910,000	0.26	3,430,000	0.28	Listing Date	Oct 16, 1973	
3,400,000	0.255	3,270,000	0.265	Status	Open	
				Board Lot	10,000	
				Par Value	0.25	
				Foreign Ownership Limit	40%	
				Year End EPS	0.048	
				Year End EPS Period	Dec 31, 2011	
				Interim EPS	0.0795	
				Interim Period	8mos Jun 2012	

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Records by date

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8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Today

Dividends

Type	Value	Ex Div Date	Record Date	Date Payable	Circular No
No right of dividends for display					

Stock Rights

Offer Price	Excess	Ex Rights	Start of Off	End of Off
No right of stock rights for display				

Market Statistics

Year	Volume	Value
2011	4,438,787,741,000	1,320,580,183,5100
2010	305,668,985,6000	48,204,504,9890

*YTD = Year to Date

Disclaimer

All values presented here are in PHP unless otherwise defined



Subject: ODISy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Wednesday, December 5, 2012 2:53 AM

Dear Sir/Madam:

We would like to inform you that as of DEC 04, 2012 10:53:39 AM today,

Reference Number: WLST__2012000018789
Company Name: Basic Energy Corporation
Disclosure Subject: Report on Number of Shareholders as of November 30, 2012
Status: APPROVED

Should you need further assistance, please e-mail us at

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

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Philippine Stock Exchange, PSE Plaza, Ayala Avenue, Makati City.

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Philippine Stock Exchange, PSE Plaza, Ayala Avenue, Makati City.

December 4, 2012

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

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

Gentlemen:

In compliance with your requirements, we attached herewith the report from our Transfer Agent, RCBC, on the number of its shareholders owning at least one board lot each, as of November 30, 2012 and ownership of securities by citizenship.

Very truly yours,


ANGEL P. GAHOL
Compliance Officer

7F Basic Petroleum Building, 104 Carlos Palanca Jr. Street, Legaspi Village, Makati City 1229, Philippines
☎ (632) 817-8596 and 98 ☎ (632) 817-0191 🌐 www.bascenergy.ph

3/18/2013 5:53 PM



December 3, 2012

Basic Energy Corporation
6 Basic Petroleum Bldg.
Legaspi Village, Makati City

Attention: **Ms. Corazon M. Bejasa**
Corporate Secretary

Gentlemen

We are submitting to you the report on the number of its shareholders owning at least one board lot each of **BASIC ENERGY CORPORATION** as of November 30, 2012.

Market Price	0.27
Number of Issued and outstanding shares	2,442,493,512
Number of Listed Shares	2,442,045,455
Number of Stockholders	6,860
Number of Shares Per Board Lot	10,000
No. of Stockholders owning at least 1 board lot	2,065

Very truly yours,

RIZAL COMMERCIAL BANKING CORPORATION
Transfer Agent


JOCelyn P. MODINA
Operations Officer


WALTER R. BRIONES
Operations Manager

RCBC Head Office: Yichangsa Tower, RCBC Plaza, 6818 Ayala Avenue, Makati City, P.A. Box 2882, MCPO 0127 • Tel. 884-8008 • Website: <http://www.rcbc.com>

3/18/2013 5:53 PM

RUNDATE : Nov 29, 2012

BASIC ENERGY CORPORATION
OWNERSHIP OF SECURITIES BY CITIZENSHIP
AS OF : 11/30/2012

FOR CLASSES : COMMON

CITIZENSHIP	SUBSCRIBED/ OUTSTANDING	AMOUNT	PAID-UP	PERCENTAGE HOLDINGS	NUMBER OF STOCKHOLDERS
CHINESE	3,150,821	790,205.50	790,205.50	0.11	45
CANADIAN	1,130	282.50	282.50	0.00	2
SPANISH	10,617	2,654.25	2,654.25	0.00	2
FRENCH	22,000	5,500.00	5,500.00	0.00	1
INDIAN	42,133	10,533.25	10,533.25	0.00	9
OTHER ALIE	34,047,365	8,511,826.25	8,511,826.25	1.39	11
FILIPINO	2,402,616,391	600,654,097.75	600,654,097.75	98.77	4,174
SINGAPOREAN	42,401	10,533.25	10,533.25	0.00	6
SWISS	119,204	29,801.00	29,801.00	0.00	4
BRITISH	366,051	91,512.75	91,512.75	0.01	21
AMERICAN	1,994,362	498,590.50	498,590.50	0.06	117
AUSTRALIAN	30,016	12,504.00	12,504.00	0.00	5
TOTALS	2,442,493,512	810,623,378.00	810,623,378.00	100.00	6,860

SCHEDULE OF CAPITAL STOCK

NO. OF SHARES	CAPITAL STOCK		TOTAL SHARES	
	AMOUNT	ISSUED AND OUTSTANDING	SUBSCRIBED	
10,000,000,000	2,500,000,000.00	2,442,493,512	0	

900 - 11/29/12

3/18/2013 5:53 PM

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Friday, January 4, 2013 6:20 AM

Dear Sir/Madam:

We would like to inform you that as of JAN 03, 2013 02:20:16 PM today,

Reference Number: WLIST__2013000020101
Company Name: Basic Energy Corporation
Disclosure Subject: Certification on attendance of members of Board of Directors for year 2012
Status: APPROVED

Should you need further assistance, please e-mail us at

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If verification is required please request a hard-copy version.

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

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Philippine Stock Exchange, PSE Plaza, Ayala Avenue, Makati City.

January 3, 2013

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 the Sworn Certification on the attendance of the Board of Directors of the corporation for the fiscal year January to December 2012.

Very truly yours,



ANGEL P. GAHOL
Compliance Officer

COVER SHEET

3	6	3	5	9				
---	---	---	---	---	--	--	--	--

SEC Registration Number

[illegible]

(Company's Full Name)

[illegible]

(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)

--	--	--	--	--

(Form Type)

--	--	--	--

Month Day
(Annual Meeting)

Not Applicable

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Total No. of Stockholders

Not Applicable

Amended Articles Number/Section

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

[illegible]

Document ID

LCU

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SWORN CERTIFICATION

I, **CORAZON M. BEJASA**, Filipino citizen, of legal age with office address at 7th Flr. Basic Petroleum Bldg., 104 Carlos Palanca St., Legaspi Village, Makati City, Metro Manila, after having been sworn in accordance with law and in my capacity as VP-Corporate Secretary of Basic Energy Corporation, do hereby certify on the attendance of the Board of Directors of the Corporation in **TWELVE (12) REGULAR MONTHLY BOARD MEETINGS** and **ORGANIZATIONAL MEETING** for the fiscal year January to December 2012, as follows:

<u>Director</u>	<u>No. of Meetings Attended January to December 2012</u>	<u>No. of Meetings not Attended January to December 2012</u>
1. Oscar C. de Venecia	11	2
2. Francis C. Chua	7	6
3. Ramon L. Mapa	13	0
4. Oscar L. de Venecia, Jr.	12	1
5. Isidoro O. Tan	11	2
6. Oscar S. Reyes	12	1
7. Jaime J. Martinez	10	3
8. Gabriel R. Singson, Jr.	11	2
9. Dennis D. Decena	12	1
10. Ma. Florina M. Chan	10	3
11. Eduardo V. Manalac	7	6

Given this 12 day of December 2012 at Makati City


CORAZON M. BEJASA
VP-Corporate Secretary

Noted by:


OSCAR C. DE VENECIA
Chairman

SUBSCRIBED AND SWORN TO, before me a Notary Public for and in Makati City, this 12 day of JAN 03 2013 2012 affiant exhibited to me her Tax Identification No. (TIN) 135-911-384-000.

Doc. No. 83
Page No. 4
Book No. 4
Series of 2013

ATTENDANCE RECORD OF DIRECTORS FOR THE PERIOD JANUARY 2012 TO DECEMBER 2012

DIRECTORS/MONTH	JAN 25	FEB x	MAR 28	APR 25	MAY 24	May 30	JUN 13	JULY 25	AUG 29	SEPT 26	OCT 24	NOV 28	DEC 13
OSCAR C. DE VENECIA	/	/	/	/	/	/	/	/	/	/	/	x	x
FRANCIS C. CHUA	x	/	x	x	/	/	x	x	/	x	/	/	/
RAMON L. MAPA	/	/	/	/	/	/	/	/	/	/	/	/	/
OSCAR L DE VENECIA JR	/	/	/	x	/	/	/	/	/	/	/	/	/
MA. FLORINA M. CHAN	/	/	/	/	/	/	x	/	/	/	x	/	x
DENNIS D. DECENA	x	/	/	/	/	/	/	/	/	/	/	/	/
JAIME J. MARTIREZ	x	/	/	/	/	/	/	/	/	/	x	/	/
OSCAR S. REYES	/	/	/	/	x	/	/	/	/	/	/	/	/
GABRIEL R. SINGSON JR	/	/	/	/	/	/	x	/	/	x	/	/	/
ISIDORO O. TAN	/	/	/	/	/	/	x	/	x	/	/	/	/
EDUARDO V. MANALAC	/	/	x	x	x	x	x	/	/	x	/	/	/

SUMMARY OF ATTENDANCE FOR 12 REGULAR MEETINGS & 1 ORGANIZATIONAL MEETING

Francis C. Chua	Present 6	Absent 7
Oscar S. Reyes	Present 12	Absent 1
Gabriel R. Singson, Jr.	Present 11	Absent 2
Eduardo V. Manalac	Present 7	Absent 6
Oscar C. de Venecia	Present 11	Absent 2
Dennis D. Decena	Present 12	Absent 1
Isidoro O. Tan	Present 11	Absent 2
Oscar L. de Venecia, Jr.	Present 12	Absent 1
Ma. Florina M. Chan	Present 10	Absent 3
Jaime J. Martirez	Present 10	Absent 3
Ramon L. Mapa	Present 13	Absent 0

Subject: OD8y - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Friday, January 4, 2013 8:12 AM

Dear Sir/Madam:

We would like to inform you that as of JAN 03, 2013 02:12:19 PM today,

Reference Number: WLIST__2013000020100
Company Name: Basic Energy Corporation
Disclosure Subject: Report on Number of Shareholders as of December 31, 2012
Status: APPROVED

Should you need further assistance, please e-mail us at

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

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Mark

1/2

3/18/2013 5:48 PM

If verification is required please request a hard-copy version.

Philippine Stock Exchange, PSE Plaza, Ayala Avenue, Makati City.

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2/2

3/18/2013 5:48 PM

January 3, 2013

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

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

Gentlemen:

In compliance with your requirements, we attached herewith the report from our Transfer Agent, RCBC, on the number of its shareholders owning at least one board lot each, as of December 31, 2012 and ownership of securities by citizenship.

Very truly yours,


ANGEL F. BAHOL
Compliance Officer

7F Basic Petroleum Building, 104 Carlos Palanca Jr. Street, Legaspi Village, Makati City 1229, Philippines
☎ (632) 817-8598 and 98 ☎ (632) 817-0191 🌐 www.basicenergy.ph

3/18/2013 5:48 PM



January 2, 2013

Basic Energy Corporation
5 Basic Petroleum Bldg.
Legaspi Village, Makati City

Attention: Ms. Corazon M. Bejasa
Corporate Secretary

Gentlemen,

We are submitting to you the report on the number of its shareholders owning at least one board lot each of **BASIC ENERGY CORPORATION** as of December 31, 2012.

Market Price	0.27
Number of Issued and outstanding shares	2,442,493,512
Number of Listed Shares	2,442,045,455
Number of Stockholders	6,853
Number of Shares Per Board Lot	10,000
No. of Stockholders owning at least 1 board lot	2,062

Very truly yours,

RIZAL COMMERCIAL BANKING CORPORATION
Transfer Agent


JOCelyn P. MODINA
Operations Officer


WALTER R. BRIONES
Operations Manager

RCBC Head Office: Yuzvague Tower, RCBC Plaza, 1616 Ayala Avenue, Makati City, P.O. Box 2262 MCPO 0121 • Tel. 881-2000 • Website: <http://www.rcb.com>

3/18/2013 5:48 PM

PERIOD: Dec 25, 2012

BASIC ENERGY CORPORATION
OWNERSHIP OF SECURITIES BY CITIZENSHIP
AS OF : 12/31/2012

FOR CLASSES : COMMON

CITIZENSHIP	SUBSCRIBED/ OUTSTANDING	AMOUNT	PAID-UP	PERCENTAGE HOLDINGS	NUMBER OF STOCKHOLDERS
CHINESE	3,160,822	790,205.50	790,205.50	0.13	45
CANADIAN	1,130	282.50	282.50	0.00	2
SPANISH	10,617	2,654.25	2,654.25	0.00	2
FRENCH	22,000	5,500.00	5,500.00	0.00	1
AMERICAN	40,177	10,573.25	10,573.25	0.00	9
OTHER ALL	34,047,305	8,511,826.25	8,511,826.25	1.39	11
FILIPINO	2,402,616,591	600,654,097.75	600,654,097.75	98.37	6,629
SINGAPORE	63,481	15,870.25	15,870.25	0.00	6
SWISS	119,204	29,801.00	29,801.00	0.00	4
BRITISH	366,051	91,512.75	91,512.75	0.01	21
AMERICAN	1,994,062	498,590.50	498,590.50	0.08	117
AUSTRALIA	50,014	12,504.00	12,504.00	0.00	5
TOTALS	2,442,493,512	610,623,378.00	610,623,378.00	100.00	6,955

SCHEDULE OF CAPITAL STOCK

CAPITAL STOCK		TOTAL: SHARES	
NO. OF SHARES	AMOUNT	ISSUED AND OUTSTANDING	SUBSCRIBED
10,000,000,000	2,500,000,000.00	2,442,493,512	0

PCD - 10/10/14
DT - 10/10/14

11/8/12

Print

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Friday, November 9, 2012 3:42 AM

Dear Sir/Madam:

We would like to inform you that as of NOV 08, 2012 11:42:20 AM today,

Reference Number: WLIST__2012000017462
Company Name: Basic Energy Corporation
Disclosure Subject: Letter re: non-compliance with Revised Disclosure Rules
Status: APPROVED

Should you need further assistance, please e-mail us at

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If verification is required please request a hard-copy version.

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

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11/8/12

Print

If verification is required please request a hard-copy version.

Philippine Stock Exchange, PSE Plaza, Ayala Avenue, Makati City.

about:blank

2/2



November 7, 2012

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 the written reprimand of Philippine Stock Exchange relating to the Non-Disclosure of Results of Annual Stockholders' Meeting which is self-explanatory.

Very truly yours,

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

7F Basic Petroleum Building, 104 Carlos Palanca Jr. Street, Legaspi Village, Makati City 1229, Philippines

(632) 817-8596 and 98 (632) 817-0191 www.basicenergy.ph

3/18/2013 5:54 PM

COVER SHEET

3 6 3 5 9

SEC Registration Number

BASIC ENERGY CORPORATION

(Company's Full Name)

7th Floor, Basic Petroleum Building, C. Palanca, Jr. Street, Legaspi Village, Makati City

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

Atty. Angel P. Gahol

(Contact Person)

(632) 817-8596 & 98

(Company Telephone Number)

12 31

Month Day
(Calendar Year)

17 - C

(Form Type)

Month Day

(Annual Meeting)

Not Applicable

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Not Applicable

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

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. November 7, 2012
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

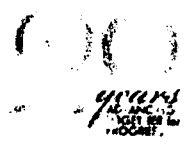
Please see attached.

Pursuant to the requirements of the Securities Regulations Code, the Registrant has duly caused this report to be signed this November 7, 2012, on its behalf by the undersigned hereunto duly authorized.

BASIC ENERGY CORPORATION

Registrant


ANGEL P. CAHOL
Compliance Officer



BASIC ENERGY CORPORATION
7th Floor Basic Petroleum Building
104 Carlos Palanca Jr. Street
Legaspi Village, Makati City

Subject : Non-Disclosure of Results of Annual Stockholders' Meeting

We refer to the failure of Basic Energy Corporation ("BSC" or the "Corporation") to disclose the results of its Annual Stockholders' Meeting held last May 30, 2012, in violation of the Revised Disclosure Rules (the "Rules") of the Exchange.

1. Election of officers;
2. Members of Advisory Board;
3. Committee Memberships; and
4. Directors and officers of subsidiaries.

The Corporation, in its letter dated June 27, 2012, explained that on May 30, 2012, the Corporation filed a disclosure on the results of the Organizational Meeting of the Board of Directors, including the election of the officers of the Corporation and the election of the members of the Board of Directors of its subsidiaries. The Corporation thought that such submission was in compliance with the requirements of the Rules and did not know that what was submitted was insufficient in substance. Hence, the Corporation immediately filed the disclosure on June 5, 2012. The Corporation further explained that the non-filing of the disclosure on the results of its Annual Stockholders' Meeting was not done intentionally but in good faith, as the Corporation thought that what was submitted was in compliance with the requirements of the Rules.

3/18/2013 5:54 PM

Section 4.1 of the Rules explicitly states that listed companies are required to disclose to the Exchange any material information or corporate act, development or event within ten (10) minutes from the receipt of such information or the happening or occurrence of said act, development or event. Section 4.4 of the Rules expressly provides that all resolutions, approving material acts or transactions taken up in meetings of the Board of Directors and Stockholders of the Issuer must be promptly disclosed by the Corporation.

The Corporation's Annual Stockholders' Meeting and Organizational Meeting of the Board of Directors were both held on May 30, 2012. The Corporation was able to promptly submit the results of the Organizational Meeting of the Board of Directors, but failed to disclose the results of its Annual Stockholders' Meeting. The Corporation's failure to timely disclose the results of the Annual Stockholders' Meeting is a clear violation of the requirement of the Exchange.

After a careful evaluation of the Corporation's records, and the facts and circumstances of the instant case, the Exchange issues this written reprimand and will not impose the corresponding monetary penalty for the said violation. We noted that the matters presented for approval at the Corporation's Annual Stockholders' Meeting were reported in the Preliminary and Definitive Information Statements previously submitted by the Corporation on April 12, 2012 and April 26, 2012, respectively.

Please note that the violation cited against the Corporation is considered an offense. The Corporation is directed to strictly comply with the requirement of the Exchange that all resolutions, approving material acts or transactions, taken up in meetings of the Board of Directors and Stockholders of the Issuer must be promptly disclosed to the Exchange.

The Corporation is further cautioned that the Exchange will strictly enforce the applicable sanctions on any subsequent violation of the Rules. The foregoing decision is based on the circumstances attendant to this case and shall not, in any way, be construed as setting a precedent which may be invoked by the Corporation in the future.

Very truly yours, ,


MARSHA M. RESURRECCION
Head, Issuer Regulation Division 

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Saturday, January 5, 2013 6:50 AM

Dear Sir/Madam:

We would like to inform you that as of JAN 04, 2013 02:50:11 PM today,

Reference Number: WLIST_2013000020191
Company Name: Basic Energy Corporation
Disclosure Subject: Public Ownership Report for quarter ended December 31, 2012
Status: APPROVED

Should you need further assistance, please e-mail us at

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

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If verification is required please request a hard-copy version.

Philippine Stock Exchange, PSE Plaza, Ayala Avenue, Makati City.

about:blank

2/2

January 4, 2013

THE PHILIPPINE STOCK EXCHANGE, INC
PSE Centre, Exchange Road, Ortigas Center
Ortigas Center, Pasig City

Attention : **MR. JOHN BENETTE B. MAMANGUN**
Corporate Planning and Research

Gentlemen:

Attached herewith is the computation of the public ownership level of Basic Energy Corporation as of December 31, 2012.

Very truly yours,



ANGEL P. GAHOL
Compliance Officer

BASIC ENERGY CORPORATION
As of December 31, 2012

Number of Issued Shares	2,442,493,512
Number of Treasury Shares	0
Number of Issued & Outstanding Shares	2,442,493,512

Less: Non-Public Shareholdings

Directors	% to Total I/O Shares	Number of Shares
Oscar C. de Venecia	0.00332038	8,110,000
Oscar L. de Venecia, Jr.	0.00021140	516,334
Isidoro O. Tan	0.01016268	24,822,276
Ramon L. Mapa	0.00010998	268,635
Francis Chua	0.00000409	10,000
Oscar S. Reyes	0.00000409	10,000
Eduardo V. Manalac	0.00000409	10,000
Jaime J. Martinez	0.00000409	10,000
Gabriel R. Singson, Jr.	0.00000409	10,000
Ma. Florina M. Chan	0.00000409	10,000
Dennis D. Decena	0.00000409	10,000

33,787,245

Officers

Alberto P. Morillo	0.00063628	1,554,121
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1,554,121

35,341,366

PCD Nonimee Corp	2,016,251,327
PCD Nonimee Corp (Non-Filipino)	33,356,598
Christodel Phils, Inc	25,736,744
Phases Realtors, Inc.	20,989,439
Northwest Trader Corp.	20,745,757
Jose C. de Venecia, Jr.	10,013,225
Samuel Uy	10,000,000
Ma. Jose L. de Venecia	9,075,833
Northwest Investors, Inc.	8,708,890
Mark Anthony L. de Venecia	8,363,333
Ernest Chua Chiaco	8,000,000
JLV Holdings, Inc	7,200,000

2,178,441,146

Total Number of Shares Owned by Public

2,213,782,512

PUBLIC OWNERSHIP %

Total No. of Shares Owned by Public	2,213,782,512
Total Issued & Outstanding Shares	2,442,493,512

=

90.6%

10.00%

Required Public Ownership %

Number of Listed Shares	2,442,045,455
Number of Stockholders	6,853
No. Stockholder owning at least 1 Boardlot	2,062

PUBLIC OWNERSHIP PERCENTAGE
Total Number of Shares Owned by the Public
Total Issued and Outstanding Shares

2,213,782,512	90.6%
<hr/>	
2,442,493,512	

Required Public Ownership % =

☒ **X**
Complied

☐
Not Complied

Number of Issued and Outstanding Shares	=	<input type="text" value="2,442,493,512"/>
Number of Outstanding Shares	=	<input type="text" value="2,442,493,512"/>
Number of Treasury Shares	=	<input type="text" value="0"/>
Number of Listed Shares	=	<input type="text" value="2,442,045,455"/>
Number of Foreign-Owned Shares	=	<input type="text" value="39,877,121"/>
Foreign Ownership Level (%)	=	<input type="text" value="1.63%"/>
Foreign Ownership Limit (%)	=	<input type="text" value="40%"/>
Number of Stockholders	=	<input type="text" value="6,853"/>
Number of Shareholders owning at least one Board Lot each	=	<input type="text" value="2,062"/>

1/3/13

Print

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Friday, January 4, 2013 7:24 AM

Dear Sir/Madam:

We would like to inform you that as of JAN 03, 2013 03:24:10 PM today,

Reference Number: WLIST__2013000020121
Company Name: Basic Energy Corporation
Disclosure Subject: Certification on compliance with Manual on Corporate Governance
Status: APPROVED

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Philippines 1600

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Philippine Stock Exchange, PSE Plaza, Ayala Avenue, Makati City.

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2/2



January 3, 2013

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

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




Gentlemen:

In compliance with your requirements, we attached herewith the Certification on Compliance with SEC Memorandum Circular dated 2 April 2002 on Corporate Governance and compliance to the provision of the Company's Manual of Corporate Governance.

Very truly yours,


ANGEL P. GAHOL

7F Basic Petroleum Building, 104 Carlos Palanca Jr. Street, Legaspi Village, Makati City 1229, Philippines

 (632) 817-8596 and 98  (632) 817-0191  www.basicenergy.ph

COVER SHEET

3 6 3 5 9

SEC Registration Number

BASIC ENERGY CORPORATION

(Company's Full Name)

7th Floor, Basic Petroleum Building, C. Palanca, Jr. Street, Legaspi Village, Makati City

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

Atty. Angel P. Gahol

(Contact Person)

(632) 817-8596 & 98

(Company Telephone Number)

1 2

Month
(Calendar Year)

3 1

Day
(Calendar Year)

MCG12

(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 Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS


Remarks: Please use BLACK ink for scanning purposes.

CERTIFICATION

I, **ANGEL P. GAHOL**, of legal age, Filipino, and with office address c/o Basic Energy Corporation, 7th Flr. Basic Petroleum Corporation, 104 Carlos Palanca St., Legaspi Village, Makati City, Metro Manila, after being duly sworn to in accordance with laws, do hereby certify that:

1. I am the AVP-Asst Corporate Secretary/Compliance Officer of Basic Energy Corporation (the Corporation), a domestic corporation duly organized and existing under the Philippine laws with principal office at 7th Flr. Basic Petroleum Corporation, 104 Carlos Palanca St., Legaspi Village, Makati City, Metro Manila;
2. Compliance with SEC Memorandum Circular No. 2 dated April 2002 on Corporate Governance have been monitored;
3. The Corporation, its directors, officers and employees complied with all the leading practices and principles on good corporate governance as embodied in the Company's Manual on Corporate Governance;
4. The Corporation has substantially complied with the provisions of its Manual on Corporate Governance;
5. This certification is being executed in compliance with the provisions of our Corporate Governance Manual required under Securities and Exchange Commission Memorandum Circular No. 2 dated April 5, 2007.

Signed this 14th day of January 2013 at Makati City.


ANGEL P. GAHOL
AVP-Asst Corp Secretary/
Compliance Officer

Countersigned by:


OSCAR L. DE VENECIA, JR.
President & CEO

JAN 03 2013

SUBSCRIBED AND SWORN to before me this ____ day of January 2013 at Makati City,
Metro Manila, affiant exhibited to me his Tax Identification No 123-535-748-000.

Doc. No. 87
Page No. 19
Book No. AP
Series of 2013.

NOTARY PUBLIC

ATTY. NOT. *[Signature]* N. LUZ

Unit 12, 12th Floor, Asean Building, 12th Floor,
cor. Valero St., Cebu City, Cebu, Philippines



SyCip Gorres Velayo & Co.
 6760 Ayala Avenue
 1226 Makati City
 Philippines
 Phone: (632) 891 0307
 Fax: (632) 819 0872
 www.sgv.com.ph

BOA/PRC Reg. No. 0001,
 December 28, 2012, valid until December 31, 2015
 SEC Accreditation No. 0012-FR-3 (Group A),
 November 15, 2012, valid until November 16, 2015

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
 Basic Energy Corporation
 7th Floor, Basic Petroleum Building
 C. Palanca, Jr. Street, Legaspi Village
 Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Basic Energy Corporation and its subsidiaries as at December 31, 2012 and 2011 and for each of the three years in the period ended December 31, 2012, included in this Form 17-A, and have issued our report thereon dated March 20, 2013. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with Securities Regulation Code Rule 68, As Amended (2011) and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Aileen L. Saringan
 Aileen L. Saringan

Partner

CPA Certificate No. 72557

SEC Accreditation No. 0096-AR-3 (Group A),
 January 18, 2013, valid until January 17, 2016

Tax Identification No. 102-089-397

BIR Accreditation No. 08-001998-58-2012,
 April 11, 2012, valid until April 10, 2015

PTR No. 3670024, January 2, 2013, Makati City

March 20, 2013



BASIC ENERGY CORPORATION AND SUBSIDIARIES

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

FORM 17-A, Item 7

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Statement of Management's Responsibility for Consolidated Financial Statements
Report of Independent Public Accountants
Consolidated Balance Sheets as of December 31, 2012 and 2011
Consolidated Statements of Comprehensive Income
for the years ended December 31, 2012, 2011 and 2010
Consolidated Statements of Changes in Equity
for the years ended December 31, 2012, 2011 and 2010
Consolidated Statements of Cash Flows
for the years ended December 31, 2012, 2011 and 2010
Notes to Consolidated Financial Statements

Supplementary Schedules

Report of Independent Public Accountants on Supplementary Schedules

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C. Accounts Receivable from Related Parties which are eliminated during the consolidation of financial statements	*
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F. Indebtedness to Related Parties (Long-Term Loans from Related Companies)	*
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Additional Components

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D. Schedule of All the Effective Standards and Interpretations Under PFRS as of December 31, 2012 (Part 1, 4J)	4J

* These schedules, which are required by Section 17.2 of SRC Rule 68.1, have been omitted because they are

* This schedule, which is required by Section 17.2 of SRC Rule 68.1, is included in the PART III - CONTROL AND COMPENSATION INFORMATION UNDER MANAGEMENT'S DISCUSSION AND ANALYSIS - KEY PERFORMANCE INDICATORS.

*

BASIC ENERGY CORPORATION AND SUBSIDIARIES

Schedule A. Financial Assets
December 31, 2012

Name of Issuing Entity and Association of each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Value Based on Market Quotations at Balance Sheet Date	Income Received and Accrued
Cash investments				
US\$ Dollar Placement-SECURITY BANK - TD	P 8,210,000	P 8,210,000	P 8,210,000	P
US\$ Dollar Placement-USBDO - Private Bank	6,157,500	6,157,500	6,157,500	
	14,367,500	14,367,500	14,367,500	339,758
Available-for-sale financial assets				
Equity Securities				
SMC Preferred Shares	533,000	39,975,000	39,975,000	
Ayala Alabang Country Club	1	1,950,000	1,950,000	
Forum energy PLC	10,000	563,747	563,747	
FEC Resources, Inc.	1,000,000	574,700	574,700	
Philippine Long Distance Tel. Co.	20	28,800	28,800	
Metropolitan Bank & Trust Company	112	6,448	6,448	
Batulao Golf & Mountain Resort	3	-	-	
Green Valley Country Club	1	-	-	
Lagos de la Sierra Development Corp.	10,000	-	-	
Subic Bay Golf & Country Club	1	100,000	100,000	
International Country Club	2	-	-	
	1,553,140	43,198,695	43,198,695	754,990
Debt Securities				
BDO - FXFN	41,248,795	52,386,827	52,386,827	
BDO - RT 20-01	25,600,000	26,122,216	26,122,216	
BDO - RT 25-01	25,000,000	26,320,209	26,320,209	
CBC - RTB-20-01	26,180,000	26,714,048	26,714,048	
CBC - RTB-25-01	25,000,000	26,320,209	26,320,209	
MBTC - RT 25-01	10,400,000	10,949,207	10,949,207	
MBTC - RT 25-01	15,300,000	16,107,968	16,107,968	
SB-RT 25-01	50,000,000	52,640,418	52,640,418	
SB- ayala corp bonds	25,000,000	25,107,987	25,107,987	
	243,728,795	262,669,089	262,669,089	6,340,763
	P	320,235,284	P 320,235,284	P 7,435,511

BASIC ENERGY CORPORATION AND SUBSIDIARIES

Schedule D. Intangible Assets - Other Assets

December 31, 2012

Description	Beginning Balance	Additions At Cost	Deductions		Other Changes- Additions (Deductions)	Ending Balance
			Charged to Costs and Expenses	Charged to Other Accounts		
Deferred charges	P 40,680,455	P 4,504,959	P -	P -	P -	P 45,185,414
			-	-		-
			-	-		-
	40,680,455	4,504,959	-	-	-	45,185,414
	P 40,680,455	P 4,504,959	P -	P -	P -	P 45,185,414

BASIC ENERGY CORPORATION AND SUBSIDIARIES

**Schedule E. Capital Stock
December 31, 2012**

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of Shares Held By		
				Affiliates	Directors, Officers and Employees	Others
Common stock	10,000,000,000	2,442,493,512	500,000,000	18,000,000	35,341,366	2,389,152,146

**BASIC ENERGY CORPORATION
AND SUBSIDIARIES**

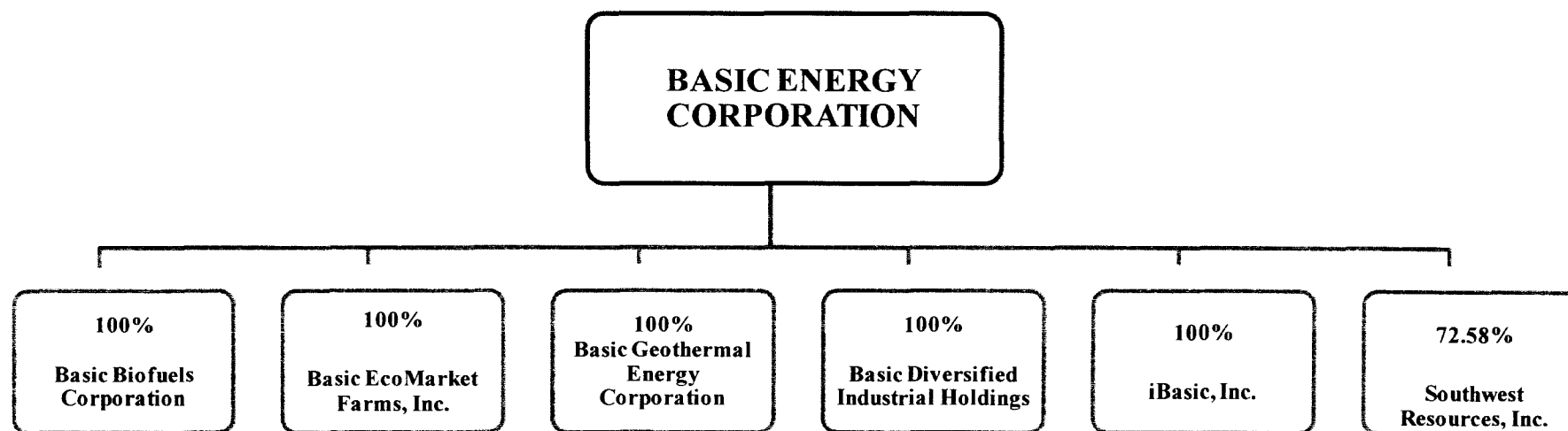
**SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION (Part 1, 4C; Annex 68-C)
DECEMBER 31, 2012**

Deficit, beginning	(P139,942,880)
Revaluation increment on investment properties (net of tax), beginning	(61,209,040)
Deferred income tax asset, beginning	(9,256,558)
Deficit, as adjusted, beginning	(210,408,478)
Add: Net income actually earned/realized during the year	
Net income during the year closed to retained earnings	211,418,117
Revaluation increment on investment properties (net of tax) for the year	(32,802,678)
Movement in deferred income tax assets	(4,055,384)
Deficit, as adjusted, end	(P35,848,423)

SCHEDULE 4H

**BASIC ENERGY CORPORATION
AND SUBSIDIARIES**

**MAP OF THE RELATIONSHIPS OF THE COMPANIES
WITHIN THE GROUP (PART 1, 4H)**



SCHEDULE 4J

**BASIC ENERGY CORPORATION
AND SUBSIDIARIES**

**SUPPLEMENTARY SCHEDULE OF ALL EFFECTIVE
STANDARDS AND INTERPRETATIONS (PART 1, 4J)**

List of Philippine Financial Reporting Standards (PFRS) [which consist of PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations] and Philippine Interpretations Committee (PIC) Q&A's effective as of December 31, 2012:

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2012		Adopted	Not Early Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary				✓
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	✓		
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations	✓		
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓

* These standards have been adopted but the Company has no significant covered transactions as of and for the years ended December 31, 2012 and 2011.

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2012		Adopted	Not Early Adopted	Not Applicable
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations	✓		
PFRS 6	Exploration for and Evaluation of Mineral Resources	✓		
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			✓*
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition			✓*
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets			✓*
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities		✓	
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures		✓	
PFRS 8	Operating Segments	✓		
PFRS 9	Financial Instruments		✓	
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures		✓	
PFRS 10	Consolidated Financial Statements		✓	
PFRS 11	Joint Arrangements		✓	
PFRS 12	Disclosure of Interests in Other Entities		✓	
PFRS 13	Fair Value Measurement		✓	
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income		✓	
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		

* These standards have been adopted but the Company has no significant covered transactions as of and for the years ended December 31, 2012 and 2011.

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2012		Adopted	Not Early Adopted	Not Applicable
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Date	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets			✓*
PAS 16	Property, Plant and Equipment	✓		
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19	Employee Benefits	✓		
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures			✓
PAS 19 (Amended)	Employee Benefits		✓	
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs	✓		
PAS 24 (Revised)	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27	Consolidated and Separate Financial Statements	✓		
PAS 27 (Amended)	Separate Financial Statements		✓	
PAS 28	Investment in Associates			✓
PAS 28 (Amended)	Investments in Associates and Joint Ventures			✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 31	Interests in Joint Ventures			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓

* These standards have been adopted but the Company has no significant covered transactions as of and for the years ended December 31, 2012 and 2011.

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2012		Adopted	Not Early Adopted	Not Applicable
PAS 32	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities		✓	
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
PAS 36	Impairment of Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓*
	Amendments to PAS 39: The Fair Value Option			✓*
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓*
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			✓*
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition			✓*
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓*
	Amendment to PAS 39: Eligible Hedged Items			✓
PAS 40	Investment Property	✓		
PAS 41	Agriculture	✓		
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓

* These standards have been adopted but the Company has no significant covered transactions as of and for the years ended December 31, 2012 and 2011.

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2012		Adopted	Not Early Adopted	Not Applicable
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease			✓*
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 8	Scope of PFRS 2			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓*
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓*
IFRIC 10	Interim Financial Reporting and Impairment			✓
IFRIC 11	PFRS 2- Group and Treasury Share Transactions			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓*
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement			✓*
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓

* These standards have been adopted but the Company has no significant covered transactions as of and for the years ended December 31, 2012 and 2011.

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2012		Adopted	Not Early Adopted	Not Applicable
SIC-12	Consolidation - Special Purpose Entities			✓*
	Amendment to SIC - 12: Scope of SIC 12			✓*
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			✓
SIC-15	Operating Leases - Incentives			✓*
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓*
SIC-29	Service Concession Arrangements: Disclosures.			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓

* These standards have been adopted but the Group has no significant covered transactions as of and for the years ended December 31, 2012 and 2011.

Schedule A. Financial Asset

Current

Name of Issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet
Security Bank		8,210,000
BDO Private Bank		6,157,500
		<u>14,367,500</u>

Non-Current

Name of Issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet
BDO-Private Bank (FXTN 255-8)		52,386,827
BDO-Private Bank (RTBills)		52,442,425
Metrobank (RT Bills)		27,057,175
Chinabank (RTBills)		53,034,257
Security Bank (RTBills)		52,640,418
Security Bank (Ayala Corp Bonds)		25,107,987
SMC Preferred Shares		39,975,000
Ayala Alabang Country Club		2,119,875
Forum energy PLC	10,000	563,747
Philippine Long Distance Tel. Co.	20	28,800
Metropolitan Bank & Trust Company	226	6,448
FEC Resources, Inc.	1,000,000	404,825
Subic Bay Golf & Country Club	1	100,000
		<u>305,867,784</u>

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders

Name and Designation of Debtor	Balance at the beg. of the period	Additions	Amount Collected	Amount Written off	Current	Not Current	Bal end of the period
Florante Sanchez/Employee	45,000	-	13,000		32,000		32,000
	<u>45,000</u>	<u>-</u>	<u>13,000</u>	<u>-</u>	<u>32,000</u>	<u>-</u>	<u>32,000</u>

Schedule C. Amounts Receivable From Related Parties which are Eliminated during the Consolidation of Financial Statement

Subsidiaries	Beginning Balance	Additions at Cost	Allowance for Impairment	Ending Balance
Basic Diversified Industrial Holdings	21,371,880	81,176	21,439,342	13,714
IBASIC, Inc.	3,300,873	85,737	3,346,880	39,730
SouthWest Resources, Inc	19,208	(19,208)	-	-
Basic Biofuels, Corp	5,479,492	104,591	5,584,083	-
Basic Ecomarket Farms, Inc	37,975,000	-	37,975,000	-
Basic Geothermal Energy Corp	3,251,845	(3,251,845)	-	-
	<u>71,398,298.64</u>	<u>(2,999,549.43)</u>	<u>68,345,304.44</u>	<u>53,444.64</u>

Schedule D. Intangible Assets - Other Assets

Description	Beginning Balance	Additions at cost	Charged to cost & expenses	Other charges (additions)	Ending Balance
Goodwill	3,757,602				3,757,602
	3,757,602	-	-	-	3,757,602

Schedule E. Long Term Debt - NONE**Schedule F. Indebtedness to Affiliates and Related Parties - NONE****Schedule G. Guarantees of Securities of Other Issuers - NONE****Schedule K. Capital Stock**

Title of Issue	No. of shares authorized	Number of shares issued & outstanding	No. of shares reserved for options, warrants, conversion and other rights	No. of shares held by affiliates	Directors, officers and employees	Others
Common Stock	10,000,000,000	2,442,493,512		0	0 35,341,366	-