



25 JANUARY 2017

ADM REUBEN S. LISTA (RET)
President
PHILIPPINE NATIONAL OIL COMPANY (PNOC)
PNOC Bldg. 6, Energy Center, Merritt Rd.,
Bonifacio Global City, Taguig

ACKNOWLEDGEMENT RECEIPT

LETTER **17 JANUARY 2017**
DATE:

RE: **PNOC'S MONITORING REPORT OF
PERFORMANCE TARGETS FOR THE FOURTH
QUARTER OF 2016**

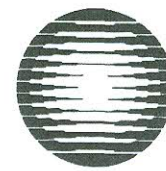
The said document was officially received by the Governance Commission on 25 January 2017 and has been forwarded to the responsible GCG Officer for appropriate action.

To follow-up for further action on the document, you may contact us through telephone numbers 328-2030 to 34. Please cite the GCG Document Management System (DMS) Barcode Number: **0-1129-25-01-2017-001485.**

THIS RECEIPT IS COMPUTER GENERATED AND DOES NOT REQUIRE SIGNATURE.

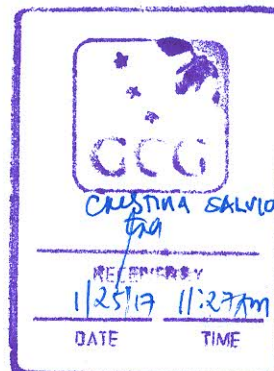
Received by:

GCG INFORMATION MANAGEMENT SECTION
25 January 2017, 11:34am



17 January 2017

Hon. Samuel G. Dagpin, Jr.
Chairman
Governance Commission for GOCCs
Office of the President of the Philippines
3/F Citibank Center, Citibank Plaza
8741 Paseo De Roxas
Makati City



Dear Chairman Dagpin:

We are pleased to submit PNOC's "Monitoring Report of Performance Targets" for the **Fourth Quarter of 2016**.

Should you need additional information and/or clarification, please do not hesitate to contact the undersigned.


Thank you.

Very truly yours,


ADM Reuben S. Lista (Ret)
President & CEO

PHILIPPINE NATIONAL OIL COMPANY
MONITORING REPORT OF CY 2016 TARGETS

CY 2016

Component	Objective/Measure	Formula	Weight	Baseline			Target	CY 2016											
				2014	2015	2016		1 st Quarter		2 nd Quarter		3 rd Quarter		4 th Quarter					
								Target	Actual	Target	Actual	Target	Actual	Target	Actual				
SO 1	Provided Vital Energy Infrastructure for the Development of the Energy Industry																		
SM1	Establishment of the Country's Natural Gas Infrastructure																		
		TRB = 30% SLEX = 35% STAR = 35%	10%	Completed Technical Study	DFS Certified by DOE	MOU on the Final Alignment with Toll Regulatory Board (TRB), South Luzon Tollway Corp. (SLEX), and Southern Luzon Tollway Arterial Road (STAR)		Sent letter of request for meeting/presentation with TRB, SLEX & STAR Tollways.  Coordinated/meet with representatives from TRB, SLEX & STAR Tollway	Conducted coordination/ meetings with TRB, SLEX & STAR Tollways for securing of MOU to facilitate the conduct of due diligence on the infrastructures within the tollways that may interface with the project.			Conducted coordination/ meetings with TRB, SLEX & STAR Tollways to discuss the suggested revision from MOU to Letter of Conformity to Instruction emanating from TRB addressed to STAR & SLEX operators with instruction "to provide assistance to PNOCC in its conduct of due diligence on the various infrastructures underneath and above ground that may interface with the BatMan1 project".	MOU on the Final Alignment with Toll Regulatory Board (TRB), South Luzon Tollway Corp. (SLEX) and Southern Luzon Tollway Arterial Road (STAR)	Received copy of letter sent by the Toll Regulatory Board to toll operators dated September 16, 2016 informing the Toll Operators that the TRB has no objection to PNOCC's request for access to the toll roads for the conduct of due diligence and for the latter to extend assistance to PNOCC.					
	Batangas-Manila (BatMan) Gas Pipeline Project	80% = 1 90% = 2 100% = >2	5%		N/A	Acquisition of at least two (2) complete As-Built Plans from LGUs/tollway operators/utilities		Secured the "As Built" plan of Manila-Batangas Road, Tambo Section, Lipa City, Batangas and inventory inspection data of infrastructures particularly bridges along the national highways to be traversed by the pipeline which were all under the administration of DPWH District 2, Batangas City, Batangas last April 6, 2016	Secured the following "As Built" plans from TRB: a) Rehabilitation & widening project of the Alabang-Calamba section of the SLEX b) Extension project of the Calamba-Sto. Tomas section of SLEX	Acquisition of at least two (2) complete As-Built Plans from LGUs/tollway operators/utilities	Acquired three (3) As-Built Plans from DPWH and TRB								
		80% = 1 90% = 2 100% = >2	10%		N/A	At least two (2) favorable endorsements from LGUs		Conducted continuous coordination, meeting and presentation of the BatMan 1 Project with various LGUs of Batangas, Laguna, Cavite to secure their endorsement of the project.	Conducted continuous coordination, meeting and presentation of the BatMan 1 Project with various LGUs of Batangas, Laguna, Cavite to secure their endorsement of the project.			Secured favorable endorsements from the following Municipalities: 1. Carmona, Cavite 2. Malvar, Batangas	Secured two (2) Favorable Endorsements from LGUs	Secured three (3) LGU Endorsements from Ibaan and Malvar in Batangas and Carmona, Cavite					

**PHILIPPINE NATIONAL OIL COMPANY
MONITORING REPORT OF CY 2016 TARGETS**

Proprietors	CY 2016																	
	Component	Objective/Measure	Formula	Weight	Baseline			Target	1 st Quarter		2 nd Quarter		3 rd Quarter		4 th Quarter			
					2014	2015	2016		Target	Actual	Target	Actual	Target	Actual	Target	Actual		
STAKEHOLDERS	SM 2	Establishment of the Country's Strategic Petroleum Reserve	Pass or Fail	5%	N/A	Concept Paper for SPR Approved by the Board	Final Recommendation by the Board on the directions for SPR	N/A	N/A	Secure the PNOOC Board Direction on the SPR	Secured PNOOC Board Direction on the SPR	N/A	N/A	N/A	N/A	N/A		
	SO 2	Operated in an Environment of Fairness and Transparency in our Dealing with Stakeholders																
	SM 3	Stakeholder Satisfaction Rating	90 and above = 100% 80 to 89 = 90% 70 to 79 = 80% 60 to 69 = 70% 59 and below = 0%	5%	N/A	Very Satisfactory	Satisfactory (DOE, CSC, House Committee on Appro, Senate LBRMO, DBM, COA, PNOOC, EC, PNOOC-RC, SC 38 Consortium (Shell & Chevron))	Completion of TOR for the conduct of Stakeholder Satisfaction Survey	TOR for the conduct of Stakeholder Satisfaction Survey completed	Big/Procurement of Consultancy Firm	Notice of Award was given to UPLB as consultant for the conduct of 2016 Stakeholder Satisfaction Survey	Signing of an Agreement with the Consulting Firm	MOA between PNOOC and UPLB signed	Completion of Design of Survey Tool/Instrument	Survey Tool & Conduct of 2016 Survey Completed	PNOOC received a VERY SATISFACTORY rating	[See Annex II]	
FINANCE	SO 3	Ensure Sound Financial Condition																
	SM 4	Net Income (excluding all income or dividends received from operating subsidiaries and Banked Gas)	Actual Net Income/Target Net Income	10%	P1,983 billion	P301.88 million	P148.50 million	P43.5 million	P59.3 million	P43.7 million	P78.85 million	P34.2 million	P50.93 million	P27.1 million	P56.20 million	[See Annex III]		
	SO 4	Ensure Optimal Use of Assets																
SM 5	Sale of Banked Gas	Actual over Target	10%	N/A	Signed Joint Tender Agreement	Notice of Award (NOA) to winning bidder of at least 30% (29.1 PJ) of total remaining volume of 97 PJ	Signed the Memorandum of Agreement with PNOOC Exploration Corporation	Signed the Memorandum of Agreement with PNOOC Exploration Corporation	Signed Gas Sales Purchase Agreement (GSPA) for winning bidder of at least 30% (29.1 PJ) of total remaining volume of 97 PJ	On-going discussions on the draft term sheet between SC38/PNOOC and the EC/PNOOC and the prospective buyer	On-going discussions on the draft term sheet between SC38/PNOOC and the EC/PNOOC and the prospective buyer	On-going discussions on the draft term sheet between SC38/PNOOC and the EC/PNOOC and the prospective buyer	On-going discussions on the draft term sheet between SC38/PNOOC and the EC/PNOOC and the prospective buyer	On-going discussions on the draft term sheet between SC38/PNOOC and the EC/PNOOC and the prospective buyer	On-going discussions on the draft term sheet between SC38/PNOOC and the EC/PNOOC and the prospective buyer	On-going discussions on the draft term sheet between SC38/PNOOC and the EC/PNOOC and the prospective buyer	Term sheet signed as agreed between rep. of PNOOC & SC-38 Consortium	[See Annex IV]

