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Basic Energy Corporation BSC

PSE Disclosure Form 17-18 - Other SEC Forms/Reports/Requirements

Form/Report Type	Advisement Report
Report Period/Report Date	Dec 10, 2021

Description of the Disclosure

See attached Advisement Report and attachments

Filed on behalf by:

Name	Angel Gahol
Designation	Corporate Secretary



**ADVISEMENT REPORT ON
MATERIAL RELATED PARTY TRANSACTIONS**

Reporting PLC: BASIC ENERGY CORPORATION (BSC)

SEC Identification Number: 36359

Name of Related Party: FILOIL ENERGY COMPANY INC. (FEC)

Execution Date of Transaction: 07 December 2021

Relationship between the Parties including financial/non-financial interest: FEC will become a subsidiary of BSC upon consummation of the transaction subject of this advisement report.

Type/Nature of Transaction and Description of Assets Involved	Terms and Conditions	Rationale for Entering into the Transaction	Total Assets ¹ of Reporting PLC	Amount/ Contract Price	Percentage of the Contract Price to the Total Assets of the Reporting PLC	Carrying Amount of Collateral, if any	Approving Authority ²
On December 7, 2021, BSC entered into a Subscription Agreement for its equity investment at 60% interest in Filoil Energy Company, Inc. (FEC)	BSC's obligation to subscribe and to pay the Subscription Price to FEC shall be done after the signing of the Subscription Agreement and on Financial Close (until date not later than December 15, 2021 or such other date as the Parties may agree); Documentary Stamp Tax is for the account of FEC.	In furtherance of BSC's corporate purpose to become a total energy company providing end-to-end activities from the upstream oil business, renewable energies and now with the investment into FEC – the downstream gas and oil business and allied logistics services as well.	Php482,862,511 (based on audited consolidated financial statements of BSC December 31, 2020) and Php3,623,684,916.11 (based on unaudited consolidated financial statements of BSC as of December 10, 2021) Note: The total assets as of December 10, 2021 based on unaudited	P 3,000,000,000.00	82.79%. (in relation to unaudited total assets amount)	none	Approval of MRPT was made after review, unanimous vote and recommendation of the Risk Committee and Related Party Transaction Committee to the Board. BSC Board (80% votes; more than 2/3 Board membership) Members Voting Favorably: 1. KIM S. JACINTO-HENARES (independent director), 2. ANDRES B. REYES JR. (independent director),

¹ Total assets shall pertain to consolidated assets if the reporting PLC is a parent company.

² The information shall include the names of directors present, names of directors who approved the Material Related Party Transaction and the corresponding voting percentage obtained.

		<p>The transaction is also seen to provide BSC with a more stable source of passive (dividend) income derived from the downstream oil industry business and fuel logistics services of FEC.</p>	<p>consolidated financial statements include the subscription balance of MAP 2000 Development Corporation (M2DC) Php2,100,733,044.83</p>			<p>3. REYNALDO D. GAMBOA (independent director), 4. OSCAR L. DE VENECIA JR., 5. JAIME J. MARTIREZ, 6. RAMON L. MAPA, 7. BEATRIZ JANE L. ANG, 8. SUPASIT POKINJARURAS,</p> <p>Abstained:</p> <p>1. MANUEL Z. GONZALEZ (Vice-Chairman), 2. MARIA ROSETTE GERALDINE L. OQUIAS</p> <p>Absent:</p> <p>1. OSCAR C. DE VENECIA (Chairman)</p>
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SIGNATURES


Pursuant to the requirements of the Commission, the company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BASIC ENERGY CORPORATION

FILOIL ENERGY COMPANY INC.

.....

 ANGEL P. GAHON, Corporate Secretary

.....

 ELISA S. SAMANIEGO, Authorized Representative



December 10, 2021

SECURITIES AND EXCHANGE COMMISSION


Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City

Attention: Rachel Esther J. Gumtang-Remalante
Director, Corporate Governance and Finance Department

Dear Atty. Gumtang-Remalante,

Pursuant to SEC Memorandum Circular No. 10, Series of 2019, we submit the attached Advisement Report dated (date) containing terms and conditions of the Material Related Party Transaction, i.e., the Investment of Basic Energy Corporation into Filoil Energy Company Inc. through a subscription of sixty (60%) percent equity interest.

Sincerely,


Dominique P. Pascua
Compliance Officer

REPUBLIC OF THE PHILIPPINES)
QUEZON CITY) S. S.


SECRETARY'S CERTIFICATE

I, **VERONNA G. DE LEON**, of legal age, Filipino, in my capacity as the Corporate Secretary of **FILOIL ENERGY COMPANY, INC.** ("Corporation"), a domestic corporation with perpetual existence and duly organized under Philippine laws, with principal office address at Bldg. F, Phoenix Sun Business Park, E. Rodriguez Jr. Ave., Bagumbayan, Quezon City, do certify that during a duly constituted special meeting of the Board of Directors on December 3, 2021, at which a quorum was present and acting throughout, and at a special meeting of the Shareholders owning at least two-thirds (2/3) of the outstanding capital stock of the Corporation being represented, the following resolutions were approved and passed in accordance with the Corporation's By-laws:

***"RESOLVED,** as it is hereby resolved, that the Corporation hereby authorizes **Ms. Elisa S. Samaniego** to be its Authorized Representative to sign the Advisement Report to be filed to the Securities and Exchange Commission (SEC) and/ or to the Philippine Stock Exchange (PSE) by Basic Energy Corporation (BEC), a publicly listed company, in relation to the execution of the Subscription Agreement where BEC will subscribe to 60% of the Corporation's outstanding capital stock, and in compliance with SEC MC No. 10-2019 / Rules on Material Related Party Transactions for Publicly-listed Companies.*


***RESOLVED, FINALLY,** that this resolution shall be valid and shall remain in full force and effect until written revocation thereof is issued."*

IN WITNESS WHEREOF, I have affixed my signature on DEC 10 2021 at QUEZON CITY.


VERONNA G. DE LEON
Corporate Secretary

QUEZON CITY **SUBSCRIBED AND SWORN** to before me this DEC 10 2021 at QUEZON CITY, affiant exhibiting to me her Government Issued ID No./ SSS ID No. 33-2636481-2.

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Book No. 64
Page No. XII
Series of 2021.


ATTY PABLO B. AJESTA
NOTARY PUBLIC
VALID UNTIL DECEMBER 31, 2021
TIN NO. 149-830-057
PTR NO. : 0694766 / Jan. 4, 2021 Quezon City
IBP ROLL NO. : 34661 / IBP NO. : 141228 / Jan. 4, 2020
MCLE COMPLIANCE NO. : VI - 00001374
Adm. MATTER NO. NP - 196 (2020 - 2021)
ADD. : 2A 3RD AVENUE BUNG CRAME, QUEZON CITY

REPUBLIC OF THE PHILIPPINES)

Quezon City, Metro Manila) S.S.

SECRETARY'S CERTIFICATE


I, ANGEL P. GAHOL, Filipino citizen, of legal age and as the duly qualified and incumbent Corporate Secretary of **BASIC ENERGY CORPORATION** [hereinafter the "Corporation"] with office address at UB 111 Paseo de Roxas Building, Paseo de Roxas, Legaspi Village, Makati City, after having sworn in accordance with law, hereby depose and say, that:

1. I, as the Corporate Secretary of **BASIC ENERGY CORPORATION** and according to the By-Laws of the Corporation, am authorized to sign, execute and deliver reports for and on behalf of the Corporation to the Securities and Exchange Commission (SEC) including the Advisement Report pursuant to SEC MC 10- 2019 or Rules on Material Related Party Transactions for Publicly-listed Companies to disclose the Subscription Agreement executed between the Corporation and Filoil Energy Company, Inc. (FEC) for the Corporation's subscription of primary shares equivalent to 60% interest in the outstanding capital stock of FEC.
2. My authority is further attested by the President and CEO of the Corporation, Mr. Oscar L. de Venecia Jr.

IN WITNESS WHEREOF, I have signed this certification this 10 day of December at Quezon City.

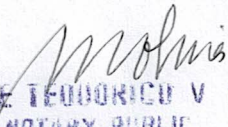

ANGEL P. GAHOL
Corporate Secretary

Attested by:


OSCAR L. DE VENECIA JR.
President and CEO

SUBSCRIBED AND SWORN TO before me at Quezon City, on 10 day of December 2021, affiant Angel P. Gahol exhibited to me his Philippine Passport No. P3827296A issued on July 27, 2017- DFA.

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Book No. 167;
Series of 2021.


ATTY. JOSE TEODORICO V. MOLINA
NOTARY PUBLIC

BLOCK 65 LOT 01, KUOYAPI ST.,
LAGRO SUBDIVISION, QUEZON CITY
ADM. MATTER NO. NP-018 E2021-2022J
ROLL OF ATTORNEY NO. 24542
MCLE COMPLIANCE NO. VI-001073 UNTIL 4-14-2023
MY COMMISSION EXPIRES ON DECEMBER 31, 2022