SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)

   Apr 23, 2024

2. SEC Identification Number

   36359

3. BIR Tax Identification No.

   000-438-702-000

4. Exact name of issuer as specified in its charter

   BASIC ENERGY CORPORATION

5. Province, country or other jurisdiction of incorporation

   MANDALUYONG CITY

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

   GM Building, Florida St., Barangay Wack-Wack, Greenhills East, Mandaluyong City
   Postal Code
   1556

8. Issuer's telephone number, including area code

   (+63) 7917-8118

9. Former name or former address, if changed since last report

   UB 111 Paseo de Roxas Bldg., Paseo de Roxas Avenue, Legaspi Village, Makati City

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	14,668,643,064

11. Indicate the item numbers reported herein

    Item No. 9

the Corporate Information Officer of the disclosing party.

Basic Energy Corporation
BSC

PSE Disclosure Form 4-22 - Joint Ventures
References: SRC Rule 17 (SEC Form 17-C) and Section 4.4 of the Revised Disclosure Rules

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Subject of the Disclosure

Execution of Joint Development Shareholders Agreement (JDSHA) Between Basic Energy Corporation and RENOVA Inc.; subsequent subscription and/or transfer of 10 million (10,000,000) common shares in Mabini Energy Corporation to RENOVA Inc. at a par value of Php 1.0/share

Background/Description of the Disclosure

On April 17, 2024, Basic Energy Corporation ("BSC"; "the Company") entered into a Joint Development Shareholders Agreement (JDSHA) with RENOVA Inc. ("RENOVA") which effectively establishes the agreement to form a Joint Venture partnership between the aforementioned companies at the level of BSC's subsidiary – Mabini Energy Corporation (MEC) at a 50:50 equity ratio.

The implementation of the JDSHA will entail the transfer a portion of MEC shares currently owned by BSC to RENOVA in order for the latter to enter MEC as a 50% shareholder. After which event, the BSC and RENOVA will be deemed Joint Venture partners in MEC and shall jointly develop the Mabini Wind Energy Project.

Date of Approval by Board of Directors	Apr 15, 2024
Date of Approval by Stockholders, if applicable	N/A

Description and nature of the transaction including the timetable for implementation, and related regulatory requirements

Compliance of the Conditions Precedent is expected to be done on or before eight (8) months from execution date of JDSHA (April 17, 2024) or December 18, 2024; and transfer of shares from BSC to RENOVA is set to be done on the set Closing Date – December 18, 2024. Regulatory requirements include, securing of E-Certificate Authorizing Registration for the transfer of shares, MEC updating its Certificate of Registration issued by the Bureau of Internal Revenue to reflect changes in the current principal office address, and BSC complying with reportorial or other requirements within anti-money laundering regulations.

Rationale for the transaction including the benefits which are expected to be accrued to the Issuer as a result of the transaction

The partnership with RENOVA is seen as a necessary step toward realizing the fulfilment of the Mabini Wind Energy Project. RENOVA brings with it its years of expertise and knowledge base in the development of renewable energy projects.

With this partnership, the investment cost is also evenly distributed among the shareholder-investors and preparing the project's foundation for the future developments when construction and implementation is expected to transpire.

BSC as the proponent of the Mabini Wind Power Project will be paid by RENOVA a development premium of USD150,000/MW, subject to RENOVA's achieving a target Equity IRR of 15%. Development premium. The Development Premium will be payable as follows:

(i) 10% at Closing Date;
(ii) 10% upon achieving agreed milestones;
(iii) 40% at Financial Close Date; and,
(iv) 40% at Commercial Operation Date.

At an initial target capacity of 50MW, BSC is expected to receive a total development premium of USD7.5 million for its 50% interest in the Mabini Wind Power Project.

Terms and conditions of the joint venture

Amount of investment and/or interest by the parties involved

RENOVA will acquire BSC's 50% interest in Mabini Energy Corporation ("MEC"). The purchase price for RENOVA's acquisition of BSC's 50% interest in MEC will be equal to 50% of the prior costs plus a prior cost premium of 10% p.a. less the amount of outstanding advances by BSC to MEC as of the Closing Date.

As of 29 February 2024, total prior cost is at Php34,049,857.01 with prior costs premium calculated at Php3,980,417.75. Estimated development cost to be incurred prior to Closing date is estimated at around Php50 million. Final amount of prior costs, prior costs premium and advances will be updated and agreed to by both parties 10-business days prior to Closing Date.

Further development of the Mabini Wind Power Project to bring it to RTB stage is estimated at USD3.8 million which costs will be shared by RENOVA and BSC equal to their shareholding interests in MEC.

Budget for the construction of the Mabini Wind Power Project will be determined and agreed to by both parties at Financial Close Date and is envisioned to be funded via debt and equity with a target DE ratio of 70:30. Equity portion of the funds for construction will be shared in accordance with the shareholding interest of each party. As of this date, total project cost is estimated to around Php5 billion.

Provisions on profit-sharing, arrangements on management and operations

BSC and RENOVA will have 49% and 51% common (voting) shares, respectively , with BSC being issued additional 2% non-voting preferred shares in MEC to achieve a 50:50 economic/equity sharing of the Parties.

Renova will be entitled to nominate three (3) directors, while BSC will nominate two (2) directors. Furthermore, RENOVA shall have the right to nominate the President and Assistant Treasurer to MEC, while BSC has the right to nominate the Chairman, Treasurer, and Corporate Secretary to MEC. Lastly, the management of the Project shall consist of Officers and other employees appointed from persons nominated by the President.

(for further illustration and explanation please refer to attached narrative on the matter)

Conditions precedent to closing of transaction, if any

The share reclassification (a portion of the issued and/or unissued shares of MEC being reclassified into non-voting preferred shares and issued to BSC to effectuate the 50:50 economic/equity share of the Parties) should have been completed as of closing.

The Corporation's authorized capital stock will be divided into two types of shares: Common Shares and Preferred Shares. Preferred Shares have no voting rights, are redeemable at the Corporation's discretion, and are non-convertible to Common Shares. Upon redemption, they are retired by the Corporation. Holders of Preferred Shares have pre-emptive rights only for additional issuance of new Preferred Shares based on their proportionate shareholding percentage, but not for any other class of shares.

Other salient features of the joint venture agreement

none

Identity and/or corporate background of the parties to the transaction, including the following

Name	Nature of Business	Nature of any material relationship with the Issuer and the parties to the joint venture, their directors/officers or any of their affiliates
Mabini Energy Corporation	Special Purpose Vehicle for Mabini Wind Energy Project	100% owned subsidiary of BSC; JV Company where BSC and RENOVA will be partners at 50-50 equity
RENOVA Inc.	Renewable Energy Development	n/a
Basic Energy Corporation	Renewable Energy Development	Issuer; current parent company of Mabini Energy Corporation

Effect(s) on the business, financial condition and operations of the Issuer, if any

While the Joint Venture between BSC and RENOVA does not materially affect the business and operations of Issuer (BSC) itself since the level of the Joint Venture partnership is at BSC's subsidiary – Mabini Energy Corporation – the partnership is deemed an integral step to continue the development of the Mabini Wind Energy Project and seeing it to actual fruition. In terms of BSC's financial condition, an income is expected as natural when BSC sells its shares in MEC to RENOVA when it enters MEC to attain the agreed equity share ration indicated in the JDSHA.

Other Relevant Information

none

Filed on behalf by:

Name	Dominique Pascua
Designation	Compliance Officer

Narrative and Illustration on Equity Sharing of BSC and RENOVA in MEC

Prospective Equity Sharing of Renova and BSC in MEC by Closing Date:

Shareholder	Voting Share	Capital Contribution Share	Economic Share
Renova	51%	50%	50%
BSC	49%	50%	50%

The terms of the JDSHA effectively addresses the concern regarding the disparity between the shareholding allocation (50% for Renova and 50% for BSC) and the voting right allocation (51% for Renova and 49% for BSC), as agreed upon, as follows:

1. Part of the Conditions Precedent in the JDSHA is the amendment of the Articles of Incorporation of MEC to accommodate foreign investment in the company; this includes removing nationalized activities included in the purposes of MEC.

2. Another part of the amendments to be implemented in the Articles of Incorporation of MEC is that the capital structure of MEC will also be amended to introduce a new class of non-voting preferred shares. A certain number of the issued and unissued common shares of MEC will be reclassified from common shares to non-voting preferred shares.

3. The JDSHA contemplates the following percentage allocation of common shares and non-voting preferred shares to achieve the revised shareholding structure described above:

Shareholder	% Common Shares	% Non-voting Preferred Shares	Total % Shareholding
Renova	51%	-	50%
BSC	49%	100%	50%

To illustrate, assuming a total of 102 shares of MEC are to be issued between BSC and Renova, based on the JDSHA provisions and the intent of the Parties to attain 50:50 equity sharing in MEC, the allocation shall be as follows:

Shareholder	No. of Common Shares	No. of Non-voting Preferred Shares	Total No. of Shares
Renova	51	-	51
BSC	49	2	51
TOTAL	**100**	**2**	**102**

The dividend distribution will be based on the total number of shares held to achieve the 50:50 economic share of the Parties.

4. Based on the foregoing revised capital structure, the JDSHA specifies that Renova will be entitled to nominate three (3) directors, while BSC will nominate two (2) directors.

   Notably, the quorum for any board meeting requires the presence of at least one (1) director from each party. The JDSHA further stipulates that Board Reserved Matters can only move forward and transacted with the affirmative vote of at least one (1) director nominated by each shareholder.