

## Information about the Delinquent Shares for Auction Sale

In 2007, the Company increased its authorized capital stock from Php 500 Million to Php2.5 Billion. The capital increase consisted of 8,000,000,000 shares with a par value of Php0.25 per shares, of which increase, 2,000,000,000 shares were subscribed and , at least 25% of the subscribed shares was paid.

The subscription price for the subscribed shares was stipulated at Php0.25 per share, and for the remaining subscribed shares, the subscription price, under the covering subscription agreements, were to be payable upon call by the Board of Directors.

The Board of Directors of the Company, at its meeting held on December 29, 2020, decided to call on all unpaid subscriptions to shares of stock of the Company as of the date of the Board meeting, and required payments on or before April 8, 2021. The April 8, 2021 due date was extended up to May 11, 2021. The call notices were sent to the subscribers' address on record with the Company.

The delinquent shares, which are **unlisted** shares, consisting of a total of 472,500,000 shares, were subscribed by four (4) subscribers, whose names cannot be disclosed, in view of the provisions of the Data Privacy Act. These shares were not paid as of May 11, 2021 and pursuant to Section 66 of the Revised Corporation Code, the subscribers had another thirty (30) days to pay for their unpaid subscriptions, which was up to June 11, 2021. As of June 11, 2021, the shares remained unpaid, and on this basis, the Board of Directors, in its meeting held on June 24, 2021, declared the said unpaid shares to be delinquent as of June 11, 2021 and ordered the sale of the delinquent shares on August 10, 2021, for the minimum bid price for each lot, as itemized below, which is inclusive of the amount due on each subscription plus all accrued interest ( at the legal rate), costs of publication and other expenses of the auction sale:

|       | <b>Delinquent Shares</b> | <b>Minimum Bid Price</b> |
|-------|--------------------------|--------------------------|
| Lot 1 | 7,500,000 shares         | Php1,922,180.61          |
| Lot 2 | 7,500,000 shares         | Php1,922,180.61          |
| Lot 3 | 7,500,000 shares         | Php1,922,180.61          |
| Lot 4 | 450,000,000 shares       | Php115,330,836.67        |

For information about Basic Energy Corporation, please check the Company's Annual Report for 2020 as submitted to the Securities and Exchange Commission (SEC), the 2020 Audited Financial Statements and the 2020 General Information Sheet submitted to the SEC, which can be found in the Company Disclosures posted in the Company's website.

