

**MINUTES OF THE 2023 ANNUAL STOCKHOLDERS' MEETING
OF BASIC ENERGY CORPORATION**

**Held via remote communication hosted at the
GM Building, EDSA, Wack Wack, Greenhills North, Mandaluyong
On September 20, 2023 at 3:00 P.M.**

STOCKHOLDERS PRESENT/REPRESENTED:

Total Shares Issued and Outstanding	14,668,643,064
Total Number of Shares Represented*	10,879,056,965
Percentage of Attendance	76.5126%

*Based on the certification issued by the Corporation's stock transfer agent, Professional Stock Transfer, Inc., on the total number of shares represented in person and by proxies.

DIRECTORS PRESENT:

Ramon F. Villavicencio	Chairman
Manuel Z. Gonzalez	Vice Chairman
Oscar L. de Venecia, Jr.	Vice Chairman
Luisito V. Poblete	Director
Beatrice Jane L. Ang	Director
Ramon L. Mapa	Director
Jaime J. Martinez	Director
Ma. Rosette Geraldine L. Oqui	Director
Kim S. Jacinto-Henares	Independent Director
Andres B. Reyes, Jr.	Independent Director

ALSO PRESENT:

Advisory Board:

Oscar S. Reyes
Jose P. de Venecia III
Reynaldo T. Casas

Guests:

Rafaelito N. Villavicencio
Donna Sansano

Officers:

Alain S. Pangan
Darius A. Marasigan
Angel P. Gahol
Janice L. Co

BASIC ENERGY CORPORATION

*Minutes of the Annual Stockholders' Meeting
Held on September 20, 2023*

PROCEEDINGS

I. CALL TO ORDER

Mr. Ramon F. Villavicencio, Chairman of the Board of Directors, called the Annual Stockholders' Meeting to order. The Assistant Corporate Secretary, Ms. Janice L. Co, recorded the minutes of the proceedings.

II. CERTIFICATION OF NOTICE OF MEETING AND EXISTENCE OF QUORUM

The Chairman verified with the Assistant Corporate Secretary whether notices of the annual meeting of the stockholders had been sent to the Corporation's stockholders. The Assistant Corporate Secretary replied that notices for the 2023 Annual Stockholders' Meeting, including the materials required by the Securities and Exchange Commission (SEC) to be furnished all stockholders, were published in the business sections of The Philippine Star and Business World on August 29 and 30, 2023, pursuant to SEC Notice dated March 13, 2023 which provided listed companies with the alternative mode of distribution of notices of stockholders meetings. The notice was posted on the Company's website and at the Philippine Stock Exchange (PSE) EDGE.

The Assistant Corporate Secretary certified that based on the certification issued by the Corporation's stock transfer agent, Professional Stock Transfer, Inc., present for the meeting were stockholders, in person or by proxy, holding a total of 10,879,056,965 shares, equivalent to 76.5126% of the outstanding issued and subscribed shares of stock of the Corporation. The Assistant Corporate Secretary thereafter certified that there was a quorum.

III. APPROVAL OF THE MINUTES OF THE STOCKHOLDERS' MEETING HELD ON AUGUST 31, 2022

The Chairman proceeded to the next item on the agenda, which was the approval of the minutes of the 2022 Annual Stockholders' Meeting held on August 31, 2022. He reminded the attendees that the minutes were posted on the Company's website and summarized in the Definitive Information Statement.

Upon request by the Chairman, the Assistant Corporate Secretary presented the results of voting for the approval of the minutes:

No. of Shares Present / Represented	10,879,056,965
No. of Votes Approving	10,879,056,965
No. of Votes Disapproving	0
No. of Votes Abstaining	0
Percentage Approving	100%

Accordingly, shareholders owning 10,879,056,965 or 100% of the total number of voting shares represented at the meeting, approved the Minutes of the Stockholders' Meeting held on August 31, 2022. The Chairman, having deemed that more than a majority of shares present and represented voted for the approval, officially declared that the minutes was approved.

IV. PRESENTATION OF THR 2022 ANNUAL REPORT WITH HIGHLIGHTS OF THE 2022 CONSOLIDATED AUDITED FINANCIAL STATEMENTS

The Chairman then gave the floor to the President, Mr. Luisito Poblete, to present his report on the Company's operations in 2022 and the programs and prospects for 2023.

A. *The Financial Report*

President Poblete requested the Vice President for Finance, Mr. Alain S. Pangan, to present the financial position of the Corporation for the year 2022. Mr. Pangan reported the following:

1. Key Performance Indicators

	2022	2021
Current ratio	1.11:1	1.29:1
Interest Rate Coverage Ratio	3.73:1	5.53:1

The Company continued to remain positive in its key financial indicators. As pointed out by Mr. Pangan, the Company is reasonably liquid, with a current ratio of 1.11:1 and interest rate coverage ratio of 3.73:1

2. *Consolidated Balance Sheet*

Consolidated Balance Sheet (in million pesos)			
	2022	2021	Inc.(Dec.)
Total Assets	28,802.57	19,356.97	9,445.60
Total Liabilities	21,488.31	12,661.69	8,826.62
Total Equity	7,317.60	6,695.27	618.98

The total consolidated assets of the Company as of end 2022 was around Php9.4 billion higher than at the close of 2021. The 48% increase in the 2022 balance was primarily attributable to the increases in trade and other receivables of Php4.8 billion and inventories of Php4.4 billion.

As to the consolidated liabilities, there was a 69% increase compared to 2021 due to increases in trade and other payables of Php3.6 billion, loans payable of Php3.7 billion, and trust receipts payable of Php1.2 billion.

Total consolidated equity settled at Php7.3 billion in 2022, with the equity holders of MAP 2000 Development Corp., the parent company, contributing Php3.8 billion. The overall increase was due to the increases in retained earnings, other equity reserves and equity from noncontrolling interest of Php494.6 million.

3. Consolidated Income Statement

Consolidated Income Statement (in million pesos)			
	2022	2021	Inc.(Dec.)
Revenue	74,636.37	3,745.67	70,890.69
Gross Profit	1,585.90	90.7	1,495.20
Other Income	354.66	185.27	169.39
Expenses	1,294.29	158.92	1,135.37
Net Income (Loss)	585.83	109.79	476.03
Comprehensive Income (Loss)	618.97	101.03	517.95

The Company's investments in its subsidiaries yielded positive results and contributed to total consolidated revenues for 2022 amounting to Php74.6 billion. Cost of sales is at Php73.1 billion, resulting in a gross margin of around Php1.6 billion. The Company recognized other income of around Php354.7 million, composed of gain on disposal of investment in an associate company of Php156 million, interest income of Php49 million, share in net income of associates of Php18.7 million and other income of Php130.9 million. In 2022, there were other costs and expenses incurred like general and administrative expenses of Php984.8 million, finance costs of Php244.7 million and unrealized loss from change in fair value of derivative assets of Php64.8million.

4. Equity

	2022	2021
Par value	Php 0.25	Php 0.25
Book value	Php 0.27	Php 0.26
Earnings (loss) per share	Php0.007	Php0.006

By the end of 2022, the Company's stock, with a par value of Php 0.25, carried a book value of Php 0.27 per share. With the stock market impacted by global inflation, the highest trading price for the Company's shares for 2022 was reported at Php0.63 per share.

5. *Consolidated Balance Sheet as of June 30, 2023*

Consolidated Balance Sheet (in million pesos) as of June 30, 2023	
Total Assets	31,299.64
Total Liabilities	23,966.92
Total Equity	7,332.64

Consolidated Income Statement (in million pesos) for the period ended June 30, 2023	
Revenue	33,019.55
Cost of Sales	32,245.83
Gross Profit	773.72
Net Income	85.91

As of June 30, 2023, the Company had a total net income of around Php85.9 million resulting from its investment in its subsidiaries. It is also noteworthy that the Company's deficit decreased to Php2.9 million from Php37.8 million registered at the end of 2022.

For the year 2022, no dividends were declared due to the working capital requirements of the subsidiaries. Measures have, however, been in place to allow the possibility of a declaration of dividends for shareholders in the foreseeable future.

B. *The Operations Report*

The President then proceeded with his report on the results of the operations of the Company.

CURRENT PROJECTS

1. Mabini Wind Power Project

The Company, through its subsidiary, Mabini Energy Corporation, was awarded by the Department of Energy on March 17, 2021, a service contract for a 50-megawatt wind energy project on the mountains of Mabini, Batangas.

In 2022, the project team started to conduct a Wind Resource Assessment ("WRA"), using both Meteorological Mast and LIDAR equipment that will require at least one full year cycle. The output from this WRA will determine the precise location of each wind turbine, and to calculate the Annual Energy Production that is vital in establishing the project feasibility. The Company expects the WRA campaign to be completed by the end of October 2023. Preliminary data from the wind measuring instruments are very promising, with wind speeds and directions within target ranges. Simultaneously, the project team

implemented preliminary assessments on Road Access, Land Acquisition and Transmission Line Connectivity.

The Company has also started negotiations with a foreign renewable energy (“RE”) developer, with the necessary technical and financial capability, to be its strategic partner to move the Mabini Wind Power Project forward up to construction and operation.

2. Iriga Geothermal Project

For its geothermal business, the Company retained its 20% participating interest in the Iriga Geothermal Project located at Iriga, Camarines Sur. Its partner, DESCO Inc., handles the project. The pre-development works for this project, previously stalled by the pandemic, has seen significant strides in the recent months. DESCO resumed its permitting activities and site preparation for the drilling of the first exploratory well. The findings from this exploratory activity will determine the viability of the geothermal project.

3. Green Energy Transport Program (“GEEP”)

The Company is also engaged in the development of a Green Energy E-Transport Program (“GEEP”) as an end-to-end renewable energy program to support the country’s thrust to reduce dependence on foreign fossil fuel supply, and as a response to the requirements of Republic Act 11697, otherwise known as the Electric Vehicle Industry Development Act of the Philippines. The retail station’s solarization program and the installation of e-charging facilities therein are designed as an integrated holistic ecosystem supported by the synergy of the retail stations and E-transport operators. The energy resource for the e-charging facilities shall come from the retail stations’ solar-powered systems backed by power-wall batteries. Currently, pilot retail stations in EDSA Mandaluyong and Cainta, Rizal have been in operation, and a third retail station is expected to be in operation by the 4th quarter of 2023. Basic Energy Renewable Corporation, a wholly owned subsidiary of the Company, is being positioned as the Company’s vehicle for this project.

Measures Undertaken to Manage Project-Related Risks

The Corporation’s overarching goal is to increase its project portfolio in wind and solar energy, tempering the same with a more conservative but responsive approach on the technical, financial and operational aspects of the project development. To ensure risk management compliance, the Risk Committee of the Board will give its green light to a project only after it has undertaken a thorough evaluation of the project risks involved.

FUTURE PROJECTS

In addition to the Wind Service Contract awarded to Mabini Energy Corporation, the Company was awarded with 3 new Wind Energy Service Contracts and these are:

1. The Panay Wind Energy Service Contract (“Panay WESC”) was awarded to the Company by the Department of Energy (“DOE”) on June 14, 2023. The Panay WESC

is located in the Panay Island covering an area of 13,392 hectares encompassing the municipalities of San Joaquin and Miagao in the province of Iloilo. The Panay WESC is envisioned to have a total capacity of 155MW to 194MW.

2. The Balayan Wind Energy Service Contract (“Balayan WESC”) was awarded on June 22, 2023. The Balayan WESC is a nearshore wind power project located near the shorelines of Calatagan, Batangas, covering an area of 2,835 hectares, and is envisioned to have a total capacity of 140 to 175MW.
3. The Ilocos Wind Energy Service Contract (“Ilocos WESC”) was approved by the DOE on August 25, 2023 and pre-signing of the agreement is now in process. The Ilocos WESC is also a nearshore wind power project and is located near the shorelines of the municipality of Pasuquin in the province of Ilocos Norte, which covers an area of 5,502 hectares. Total capacity for the Ilocos WESC is envisioned to be around 90 to 112MW.

With the addition of these 3 new contracts, the Company’s portfolio for wind projects has the potential to deliver a combined output of 500MW.

In addition to wind energy projects, the Company is considering the development of several solar energy projects, primarily focusing on areas where it owns the land or has access to land. The Company has a potential 50MW solar project on its 41-hectare land in Bolinao, Pangasinan. The project team is currently evaluating the possible grid interconnection options that will make the project viable.

C. Open Forum

After the presentation, the Chairman opened the floor to give the stockholders opportunity to ask questions or give comments regarding the financial and operations reports.

After giving the shareholders the opportunity to respond, the Chairman requested the Assistant Corporate Secretary to present the results of the voting for its approval. The Assistant Corporate Secretary presented the following:

No. of Shares Present / Represented	10,879,056,965
No. of Votes Approving	10,879,056,965
No. of Votes Disapproving	0
No. of Votes Abstaining	0
Percentage Approving	100%

Accordingly, shareholders owning 10,879,056,965 or 100% of the total number of voting shares represented at the meeting, approved the 2022 Annual Report with highlights from the 2022 Consolidated Audited Financial Statements. The Chairman, having deemed that more than a majority of shares present and represented voted for the approval, officially announced the approval of the 2022 Annual Report with highlights from the 2022 Consolidated Audited Financial Statements.

V. RATIFICATION OF ALL ACTS OF THE BOARD AND MANAGEMENT

The next item in the agenda was the ratification of all acts of the Board and Management for the term 2022-2023. The Chairman reminded the attendees that a summary of these acts was included in the Definitive Information Statement of the Company.

Upon request of the Chairman, the Assistant Corporate Secretary presented the results of voting for the ratification of the acts of the Board and Management:

No. of Shares Present / Represented	10,879,056,965
No. of Votes Approving	10,879,056,965
No. of Votes Disapproving	0
No. of Votes Abstaining	0
Percentage Approving	100%

Accordingly, majority of the shareholders present or represented have voted for the ratification of all acts done by the Board and Management for the term 2022-2023. The Chairman, having deemed that more than a majority of shares present and represented voted for the approval, officially announced the ratification of all acts of the Board and Management for the term 2022-2023.

VI. ELECTION OF DIRECTORS

The Chairman proceeded to the next item on the agenda: the election of the directors for the term 2023-2024. The Chairman explained that the Corporation's Nominations Committee had pre-screened and short-listed all candidates qualified and nominated to the Board.

The nominees endorsed for director positions for the term 2023-2024 are as follows:

For directors:

1. Ramon F. Villavicencio
2. Manuel Z. Gonzalez
3. Oscar L. de Venecia, Jr.
4. Beatrice Jane L. Ang
5. Ramon L. Mapa
6. Jaime J. Martirez

7. Ma. Rosette Geraldine L. Oquias
8. Luisito V. Poblete

For independent directors:

1. Kim S. Jacinto-Henares
2. Andres B. Reyes, Jr.
3. Reynaldo D. Gamboa

The Chairman informed the shareholders of the passing of Mr. Gamboa last August 25, 2023, and acknowledged Mr. Gamboa's contributions to the industry. He, thereafter, requested the Assistant Corporate Secretary to announce the results of the election.

The Assistant Corporate Secretary announced that the results of the election of the foregoing 10 nominees are as follows:

No. of Shares Present / Represented	10,879,056,965
No. of Votes Approving	10,879,056,965
No. of Votes Disapproving	0
No. of Votes Abstaining	0
Percentage Approving	100%

Accordingly, shareholders owning 10,879,056,965 or 100% of the total number of voting shares represented at the meeting, elected the ten (10) nominees as directors, leaving one (1) seat for independent director as vacant.

The Chairman, having deemed that more than a majority of shares present and represented voted for the approval, officially declared the election of the directors for the term 2023-2024.

VII. APPROVAL OF THE PROPOSED AMENDMENTS TO THE BY-LAWS

The next item in the agenda was the approval of the proposed amendments to the Corporation's By-Laws. The proposed amendments were approved by the Board in a special meeting held last May 25, 2023 and re-adopted/approved on August 31, 2023. The specific wordings are provided in the Definitive Information Statement. The key changes to the By Laws are as follows:

Article I - Meetings

- Revising the rules for the conduct of annual and special stockholders' meetings to align with the Revised Corporation Code
- Expanding the means of giving notice to the meetings
- Setting the rules on voting and determination of a quorum for remote participants

Article II – Board of Directors

- Increasing the number of independent directors on the Board to three (3)
- Scheduling regular meetings of the Board on a quarterly basis
- Revising the means of sending notice of Board meetings
- Revising the rules on vacancy depending on applicable grounds
- Setting safeguards on the determination of per diems or compensation of directors
- Adding other grounds for the disqualification of directors

Article II-A – Board Committees

- Adding the Corporate Governance Committee, Audit Committee, Risk Committee, Nominating Committee, and Compensation and Remuneration Committee in the By-Laws

Article III – Officers

- Identifying the corporate officers to be the Chairman of the Board, one or two Vice Chairmen, President, Treasurer, Corporate Secretary, and Assistant Corporate Secretary
- Providing that the Treasurer must be a resident
- Adding the position of a Compliance Officer

Article V – Stock and Transfer Book

- Revising the provision on setting of record dates
- Removing the specific design of the corporate seal

Article VII – Amendment of By-Laws

- Clarifying that amendments may be at any meeting of stockholders owning or representing at least a majority of the outstanding capital stock

Upon request by the Chairman, the Assistant Corporate Secretary presented the results of the votes for this agenda, as follows:

No. of Shares Outstanding and Entitled to Vote	14,218,643,064
No. of Votes Approving	10,879,056,965
No. of Votes Disapproving	0
No. of Votes Abstaining	0
Percentage Approving	76.51%

Accordingly, shareholders owning 10,879,056,965 or 76.51% of the total number of shares outstanding and entitled to vote voted in favor of the amendments. The Chairman, having deemed that more than two-thirds (2/3) of the outstanding and issued capital stock of the Company have voted for the proposed amendments to the By-Laws, deemed the amendments approved.

VIII. APPOINTMENT OF EXTERNAL AUDITORS

The next item on the agenda was the appointment of the Company's external auditor for the year 2023.

The Chairman explained that the Company's Audit Committee had processed and pre-screened nominations for external auditor and recommended the re-appointment of Reyes Tacandong and Co. (RT & Co.) as the Company's external auditor for 2023 to 2024. The Vice President for Finance, Mr. Alain S. Pangan, presented the credentials of RT & Co.

Upon request by the Chairman, the Assistant Corporate Secretary presented the results of voting for the appointment of RT & Co. as external auditor:

No. of Shares Present / Represented	10,879,056,965
No. of Votes Approving	10,879,056,965
No. of Votes Disapproving	0
No. of Votes Abstaining	0
Percentage Approving	100%

The Chairman, having deemed that more than a majority of shares present and represented voted for the approval, officially declared RT & Co. re-appointed as the Company's external auditor for 2023 to 2024.

IX. ADJOURNMENT

There being no further business to transact, the Chairman thanked the participants and adjourned the meeting.

Certified Correct:



JANICE L. CO
Assistant Corporate Secretary/
Secretary of the Meeting

ATTESTED BY:

RAMON F. VILLAVICENCIO
Chairman of the Meeting