

From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Thu, May 5, 2011 5:11:43 AM
Cc:
Subject: ODiSy - Disclosure Status

Dear Sir/Madam:

We would like to inform you that as of MAY 04, 2011 02:11:43 PM today,

Reference Number: WLIST__2011000007358
Company Name: Basic Energy Corporation
Disclosure Subject: Quarterly Report for period ended March 31, 2011
Status: APPROVED

Should you need further assistance, please e-mail us at odisy@pse.com.ph.

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Philippine Stock Exchange, Inc.
PSE Center, One Exchange Road
Ortigas Center, Pasig City.
Philippines 1600



May 4, 2011

THE DISCLOSURE DEPARTMENT
2/F The Philippine Stock Exchange, Inc.
Tower One, PSE Centre
Makati City

Attention : **MS. JANET A. ENCARNACION**
Head, Disclosure Department

Gentlemen:

Attached herewith is a copy of our Quarterly Report (SEC 17-Q) for the 1st quarter ending March 31, 2011 filed with the Securities & Exchange Commission.

Very truly yours,



ANGEL P. GAHOL
Compliance Officer

COVER SHEET

3 6 3 5 9

SEC Registration Number

B A S I C E N E R G Y C O R P O R A T I O N

(Company's Full Name)

7 t h F l o o r , B a s i c P e t r o l e u m B u i l d i n g , C . P a l a n c a , J r . S t r e e t , L e g a s p i V i l l a g e , M a k a t i C i t y

(Business Address: No. Street City/Town/Province)

Marietta V. Villafuerte

(Contact Person)

(632) 817-8596 to 98

(Company Telephone Number)

1 2 3 1

Month Day (Calendar Year)

1 7 Q

(Form Type)

Month Day

(Annual Meeting)

Not Applicable

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Not Applicable

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

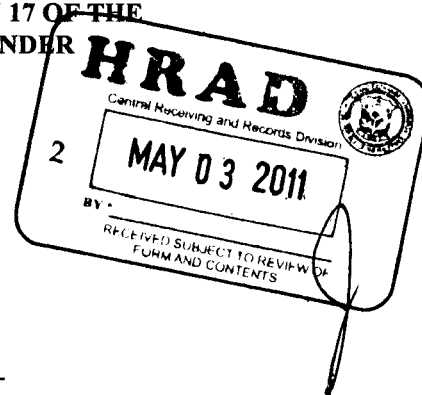
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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SRC AND SRC RULE 17(a)-17(b)(2) THEREUNDER



- 1. For the quarterly period ended March 31, 2011
- 2. Commission identification number 168063
- 3. BIR Tax Identification No. 000-438-702-000
- 4. Exact name of registrant as specified in its charter
BASIC ENERGY CORPORATION
- 5. Province, country or other jurisdiction of incorporation or organization Philippines
- 6. Industry classification code
- 7. Address of registrant's principal office 7th Flr., Basic Petroleum Bldg., C. Palanca St., Legaspi Village, Makati City, Philippines Postal Code 1229
- 8. Registrant's telephone number, including area code (632) 817-8596 to 98
- 9. Former name, former address and former fiscal year, if changed since last report

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

<u>Title of Each Class</u>	<u>Number of shares of common stock outstanding or amount of debt outstanding</u>
<u>Common Shares</u>	<u>2,442,493,512</u>
<u>Listed with PSE</u>	<u>2,442,045,445</u>

11. Are any or all of the securities listed on the Philippine Stock Exchange?

Yes [x] No []

12. Indicate by check mark whether the registrant:

(a) Has filed all reports required to be filed by Section 17 of the SRC and SRC 17(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports)

Yes [x] No []

(b) has been subject to such filing requirements for the past 90 days.

Yes [x] No []

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

“Attachment A”

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

“Attachment A”


PART II--OTHER INFORMATION


“Attachment A”

The registrant may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 17-Q.

SIGNATURES

Pursuant to the requirements of the SRC, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Registrant 
CORAZON M. BEJASA
Signature and Title VP & Corporate Secretary
Date May 3, 2011

Principal Financial/
Accounting Officer/Controller 
MARIETTA V. VILLAFUERTE
Signature and Title VP & Treasurer
Date May 3, 2011

ATTACHMENT "A"
FINANCIAL INFORMATION
For the Quarter Ended March 31, 2011

1. The following unaudited financial statements are contained in this report:
 - 1.1 Statements of Income and Retained Earnings for the Period Ended March 31, 2011 and March 31, 2010;
 - 1.2 Balance Sheets as of March 31, 2011 and December 31, 2010;
 - 1.3 Statements of Cash Flows for the Period Ended March 31, 2011 and March 31, 2010;
 - 1.4 Statements of Changes in Stockholders' Equity for the Period Ended March 31, 2011 and March 31, 2010.
2. Discussion on Financial Condition for the Period December 31, 2010 to March 31, 2011.

A. Key Performance Indicators

Management considers the following as key performance indicators of the company: Return on Investment (ROI), Profit Margin, Performance of Committed Work Programs, Current Ratio and Asset Turnover.

The following table shows the Top 5 performance indicators for the past three interim periods:

KEY PERFORMANCE INDICATORS	1st Qtr 2011	1st Qtr 2010	1st Qtr 2009
Return on Investments (ROI) (Net Income/Ave.Stockholders' Equity)	7.51%	3.45%	-3.35%
Profit Margin (Net Income/Net Revenue)	75.04%	66.81%	-1039.46%
Investment in Projects(Non-Petroleum) as a % of Total Assets	33.55%	38.73%	40.41%
Investment in Wells & Other Facilities as a % of Total Assets	6.86%	7.87%	6.90%
Current Ratio (Current Asset/Current Liabilities)	60.82:1	28.41:1	10.38:1
Asset turnover (Net revenue/Ave.Total Assets)	9.68%	4.95%	0.30%

ROI (Net Income / Average Stockholders' Equity) measures the profitability of stockholders' investment. Profit Margin (Net Income / Net Revenue) measures the net income produced by each peso of revenue. Investment in Projects as a % of Assets, measures how much the company invested in its committed work programs. Current Ratio (Current Assets / Current Liabilities) measures the short-term debt-paying ability of the company. Asset Turnover (Net Revenue / Average Total Assets) measures how efficiently assets are used to produce profit.

ROI of 7.51% and Profit Margin of 75.04% both show positive rates because of the net income for the first quarter. Net income for the 1st quarter of 2011 amounting to PhP 34.823 million increased by PhP 19.106 million compared to the net income for the 1st quarter of 2010 of PhP 15.717 million. This was primarily due to the income from historical cost recoveries resulting from the previous sale of a subsidiary.

Investment in Projects (Non- Petroleum) as a % of Total Assets slightly decreased from 38.73% to 33.55% because the investment balance decreased due to provisions for impairment, while total assets increased during the 1st quarter of 2011 compared to the same quarter of 2010.

Investment in Wells & Other Facilities as a % of Total Assets slightly decreased to 6.86% from 7.87% for the same reason as mentioned in the immediately preceding paragraph.

Current Ratio increased for the 1st quarter of 2011 to 60.82:1 compared to the same quarter last year of 28.41:1 due to the increase in current assets and the decrease in current liabilities.

Asset Turnover of 9.68% increased for the 1st quarter of 2011 compared to the same quarter last year of 4.95% due to the increase both in revenue and total assets during the 1st quarter of 2011 compared to the same quarter of 2010

B. Discussion and Analysis of Financial Condition as of March 31, 2011

For the quarter ending March 31, 2011, Net Income on a consolidated basis was PhP 34.823 million from Total Revenues of PhP 46.407 million and Total Costs and Expenses of PhP 11.591 million with minority interest recorded at PhP 7.414 thousand.

Total revenue for the quarter amounted to PhP 46.407 million primarily from cost recoveries from S. C. 14-C amounting to PhP 44.084 million. Compared to the same quarter last year, total revenue registered an increase of PhP 22.883 million.

Total Assets as of March 31, 2011 increased by PhP 35.329 million from PhP 461.960 million as of December 31, 2010 to PhP 497.289 million as of March 31, 2011 primarily due to the booked receivables from Forum Energy Plc for the Company's cost recoveries from S. C. 14-C.

Cash and Cash Equivalents of PhP 196.309 million likewise increased by PhP 5.099 million during the first quarter of 2011 compared to the balance as of December 31, 2010 of PhP 191.210 million due to the receipts for the 1st quarter from Forum Energy Plc for historical cost recoveries from S. C. 14-C as previously mentioned.

Total Liabilities increased by PhP 511 thousand from PhP 15.400 million as of December 31, 2010 to PhP 15.911 million as of March 31, 2011 due to the accruals for retirement benefits and certain expenses for the 1st quarter of 2011.

Total Stockholders' Equity as of March 31, 2011 stood at PhP 481.346 million or an increase of PhP 34.825 million from the December 31, 2010 balance of PhP 446.521 million mainly due to the net income generated for the 1st quarter.

The interim financial report is in compliance with generally accepted accounting principles. The same accounting policies and methods of computation were followed in the interim financial statements, as compared with the most recent audited financial statements, which are as of December 31, 2010.

The interim operations are not characterized by any seasonality or cyclicity. The nature and amount of items affecting assets, liabilities, equity, net income and cash flows are explained in Attachment "A" on Financial Information for the Quarter ending March 31, 2011.

There are no changes in estimates of amounts reported in prior interim periods of the current financial year or those reported in prior financial years.

There are no other issuances, repurchases and repayments of debt and equity securities other than the additional listing of 31,818,182 common shares of Basic Energy Corporation which was approved by the PSE on October 6, 2010.

There were no dividends paid (aggregate or per share) separately for ordinary shares and other shares.

Currently, the company has a single business and geographical segment and therefore, segment disclosures have not been included.

There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

There are no changes in the composition of the company during the interim period, including business conditions, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing of operations.

Since December 31, 2010, there are no other changes in contingent liabilities or assets and no new material contingencies, events or transactions that have occurred during the current interim period. There are no trends, demands, commitments, events or uncertainties, known to management that will have a material impact on the company's liquidity.

There are no material commitments for capital expenditures and no seasonal aspects that have a material effect on the financial conditions or results of operations.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing

operations.

There are no events that will trigger direct or contingent financial obligations that are material to the company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations, (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

The causes for any material changes (5% of the relevant accounts or such lower amount, which the company deems material on the basis of other factors) from period to period which include vertical and horizontal analysis of any material item, have been presented in this report.

There were no sales of unregistered or exempt securities, nor were there any issuances of securities constituting an exempt transaction.

Finally, there are no other material information for disclosure during the current interim period, whether under this report or under SEC Form 17-C.

BASIC ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of March 31, 2011 and December 31, 2010

	UNAUDITED March 31, 2011	AUDITED December 31, 2010
ASSETS		
Current Assets		
Cash and cash equivalents	P 196,309,412	P 191,210,566
Receivables-net	41,015,358	10,191,303
Agricultural produce	0	125,839
Biological assets	4,180,593	7,108,252
Other current assets	1,446,836	683,785
Total Current Assets	242,952,199	209,319,745
Non Current Assets		
Investments and advances - net	124,500,991	124,486,972
Property and equipment	29,267,353	30,431,654
Project development costs	46,731,677	46,731,677
Deferred charges	34,115,090	31,267,687
Deferred income tax asset	8,924,766	8,924,766
Other noncurrent assets	10,797,561	10,797,561
Total Non Current Assets	254,337,438	252,640,317
TOTAL ASSETS	P 497,289,637	P 461,960,062
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	P 3,994,469	P 3,857,907
Income tax payable	0	0
Total Current Liabilities	P 3,994,469	P 3,857,907
Non Current Liabilities		
Deferred income tax liabilities	10,636,498	10,636,498
Accrued retirement benefits payable	1,280,600	905,600
Total Noncurrent Liabilities	11,917,098	11,542,098
TOTAL LIABILITIES	P 15,911,567	P 15,400,005
Minority Interest	31,377	38,686
Stockholders' Equity		
Attributable to equity holders of the Company:		
Capital stock[held by 7,035 & 7,064 equity holders as of 2011 & 2010 respectively]	610,623,378	610,623,378
Additional Paid-In Capital	32,699,360	32,699,360
Deposit for future subscriptions	0	0
Revaluation increment in office condominium	11,596,669	11,596,669
Fair value adjustments on financial assets	746,046	744,031
Deficit	(174,318,760)	(209,142,067)
Total Stockholders' Equity	481,346,693	446,521,371
TOTAL LIABILITIES & STOCKHOLDERS'EQUITY	P 497,289,637	P 461,960,062

BASIC ENERGY CORPORATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
For the period ended March 31, 2011 and March 31, 2010

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	As of March 31, 2011	As of March 31, 2010
REVENUES		
	<i>P</i>	<i>P</i>
Income from previous sale of BPMI	44,084,421	-
Interest, Dividends and Others	1,502,202	984,452
Sales	820,845	203,405
Realized Gain on sale of AFS	-	22,336,609
	46,407,468	23,524,465
COSTS AND EXPENSES		
General and administrative expenses	6,618,460	6,042,351
Cost of Sales	3,189,283	171,133
Fair Value Adjustments	-	280,777
Foreign Exchange Loss	361,905	872,222
Others	1,421,826	
	11,591,474	7,366,483
LOSS BEFORE INCOME TAX	34,815,992	16,157,982
PROVISION FOR INCOME TAX		
Current	0	447,490
Deferred		
	0	447,490
NET INCOME (LOSS)	34,815,992	15,710,493
MINORITY INTEREST	7,414	6,796
	34,823,406	15,717,288
RETAINED EARNINGS AT BEGINNING OF YEAR / QUARTER	(209,142,167)	(225,655,609)
	-	
	-	0
RETAINED EARNINGS (DEFICIT) AT END OF YEAR/ QUARTER	(174,318,761)	(209,938,321)
Earnings (Loss) Per Share	0.0143	0.0065

Formula: Earnings (Loss) Per Share

= Net Income/ No. of shares for the quarter ended March 31, 2011
2,442,493,512

= Net Income/ No. of shares for the quarter ended March 31, 2010
2,410,675,330

BASIC ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Period Ended March 31, 2011 and March 31, 2010

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	1st quarter 2011	1st quarter 2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (loss)	P 34,815,993	P 16,157,982
Adjustment to reconcile net income to net cash provided		
by operating activities		
Interest income	(1,502,202)	(984,452)
Depreciation, depletion and amortization	1,193,521	1,765,463
Fair Value Adjustment on financial assets at FVPL and Impairment losses on AFS	-	280,777
Foreign Exchange Gain/Loss	361,905	872,222
Dividend Income	-	-
Operating income (loss) before working capital changes	34,869,218	18,091,992
Changes in assets and liabilities		
Decrease (Increase) in asset/s		
Financial assets at fair value through profit or loss	-	2,105,027
Receivables	(30,824,055)	(42,607)
Prepayments and other current assets	2,290,447	(3,931,384)
Increase (Decrease) in liabilities		
Accounts payable & accrued expenses	136,562	698,056
Accrued retirement benefits payable	375,000	-
Other Liabilities	-	(4,700,014)
Cash generated from (used in) operations	6,847,172	12,221,070
Interest received	1,502,202	984,452
Taxes paid	-	(447,490)
Net cash flows from (used) in operating activities	P <u>8,349,374</u>	P <u>12,758,032</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of AFS & FVPL Investments	-	39,853,224
Additions (Deductions) to:		
AFS Investment	(14,019) P	-
Project development cost	-	(1,650,000)
Deferred charges	(2,847,403)	(1,091,744)
Property & equipment	(29,220)	(2,523,503)
Unrealized gain on fair value adjustments	2,015	(12,184,613)
Dividends received	-	-
Net cash from (used in) investing activities	P <u>(2,888,626)</u>	P <u>22,403,364</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of capital stock	-	-
Net cash provided by financing activities	P <u>-</u>	P <u>-</u>
EFFECT OF FOREIGN EXCHANGE RATE CHANGES IN CASH & CASH EQUIVALENT	(361,905)	(872,222)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	5,098,846 P	34,289,174
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR/QUARTER	191,210,566	100,185,897
CASH AND CASH EQUIVALENT AT END	P <u>196,309,412</u>	P <u>134,475,071</u>

BASIC ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the Period Ended March 31, 2011 and March 31, 2010

	Quarters Ended March 31	
	2011	2010
CAPITAL STOCK - P 0.25 par value Authorized - 2,000,000,000 shares		
Issued and Subscribed	P 2,442,493,512	2,410,675,330
Paid-up Capital Stock at beginning of year	610,623,378	602,668,833
Paid-up Capital Stock at end of period/quarter	P 610,623,378	602,668,833
ADDITIONAL PAID-IN CAPITAL		
Balance at beginning of year	32,699,360	27,067,569
Balance at end of period	P 32,699,360	27,067,569
DEPOSITS FOR FUTURE SUBSCRIPTION	0	24,386,336
REVALUATION INCREMENT IN OFFICE CONDOMINIUM	11,596,669	12,756,334
FAIR VALUE ADJUSTMENTS ON FINANCIAL ASSETS	746,046	354,196
RETAINED EARNINGS (DEFICIT)		
Balance at beginning of the year	(209,142,167)	(225,655,609)
Net Income for the period	34,823,408	15,717,287
Balance at end of period	P (174,318,759)	(209,938,322)
TOTAL STOCKHOLDERS' EQUITY	P 481,346,693	457,294,947

BASIC ENERGY CORPORATION AND SUBSIDIARIES
SCHEDULE OF ACCOUNTS RECEIVABLES
As of March 31, 2011

Forum Energy Plc	P	39,754,335
Receivable from Stockholders		1,718,887
Advances to Officers & Employees		130,415
Others		1,556,293
Less: Allowance for uncollectible accounts		<u>(2,144,572)</u>
	P	<u><u>41,015,358</u></u>

Basic Energy Corporation & Subsidiaries Aging of Accounts Receivable As of March 31, 2011	Total	1 Month	2-3 Mos.	4-6 Mos.	7 Mos. To 1 Year	1-2 Years	3-5 Years	5 Years - above	Pas due accounts & Items in Litigation
Type of Accounts Receivable									
a) Trade Receivables									
1)	-	-	-	-	-	-			
2)	-								
3)	-								
Subtotal	-	-	-	-	-	-			
Less: Allow. For Doubtful Acct.	-								
Net Trade receivable	-	-	-	-	-	-			
b) Non-Trade Receivables									
1) Forum PLC	39,754,335	30,668,149	-	-	-		9,086,186		
2) Advances to officers/employees	130,415	121,302	-	3,700	5,413				
3) Receivables from stockholders	1,718,887	-	-	-	-			1,718,887	
4) Others	1,556,293	486,009	22,218	-	256,760	290,927	286,269	214,110	
Subtotal	43,159,930	31,275,460	22,218	3,700	262,173	290,927	9,372,455	1,932,997	
Less: Allow. For Doubtful Acct.	(2,144,572)						(217,235)	(1,927,337)	
Net Non-trade receivable	41,015,358	31,275,460	22,218	3,700	262,173	290,927	9,155,220	5,660	-
Net Receivables (a + b)	41,015,358	31,275,460	22,218	3,700	262,173	290,927	9,155,220	5,660	

Notes: If the Company's collection period does not match with the above schedule and revision is necessary to make the schedule not misleading, the proposed collection period in this schedule may be changed to appropriately reflect the Company's actual collection period.

BASIC ENERGY CORPORATION AND SUBSIDIARIES
SCHEDULE OF ACCOUNTS PAYABLE AND ACCRUED EXPENSES
As of March 31, 2011

Accrued Expense Payables	P	2,396,859
SSS/Philhealth/HDMF/BIR Payables		684,223
Others		913,387
Total	P	<u>3,994,469</u>