



**THE PHILODRILL CORPORATION**

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10 August 2009

**THE DISCLOSURE DEPARTMENT**

4/F The Philippine Stock Exchange, Inc.  
PSE Centre, Exchange Road, Ortigas Center  
Pasig City

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

Gentlemen:

Please find attached press release from Galoc Production Company in connection with the Galoc Field Development Project in which our Company is involved.

This formal written advise is submitted in compliance with the rules and regulations of the Philippine Stock Exchange.

Very truly yours,

**ADRIAN S. ARIAS**  
Corporate Secretary

07 August 2009

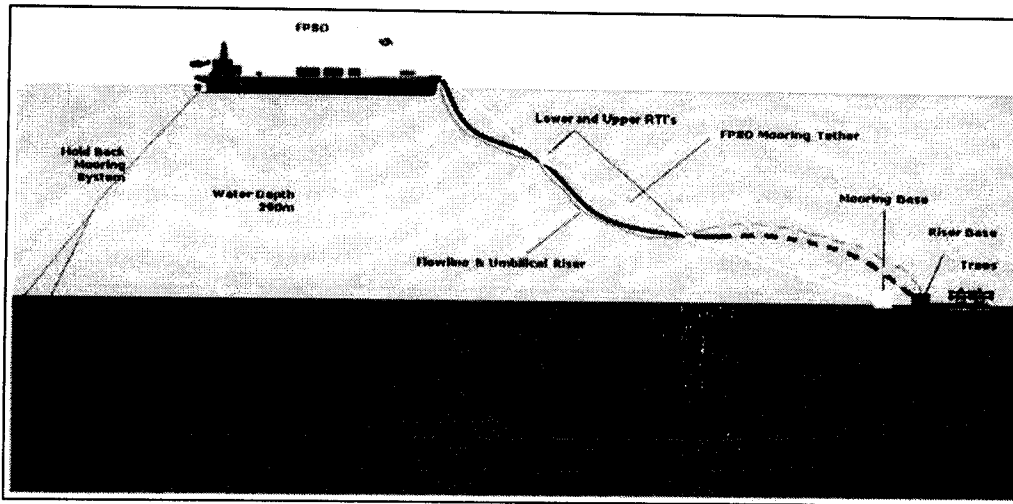
**Galoc Field - Interruption to Production**

Re-instatement of the Mooring and Riser System (M&RS) following the weather related disconnection undertaken in late June is continuing.

The M&RS was re-orientated and connected to the FPSO in mid July however progress was interrupted due to weather conditions which precluded the necessary subsea operations at that time. Whilst waiting for suitable conditions, the FPSO was disconnected and the M&RS laid down on the seabed all of which was undertaken in accordance with standard operating procedures. Conditions in the Field have improved and, with an acceptable forecast for the coming days, preparations to resume activities in the Field are underway. The first operation is for the FPSO to reconnect to the M&RS prior to change out the deformed riser section by the construction vessel Rubicon Maverick. Once repairs are completed, the riser element of the M&RS will be reconnected to the FPSO and the full system function tested prior to resuming production operations. The remaining tasks are expected to take 1-2 weeks, subject to any further weather interruptions.

The M&RS and thrusters are key components of the overall FPSO system, which is provided by Rubicon Offshore International under the provisions of an operated lease / service contract. During field shut-ins resulting from problems with the FPSO, neither the FPSO lease rate nor repair costs are payable under the contract.

Production from the field to date is in excess of 2.2 million barrels. The Galoc Joint Venture will continue to monitor field performance and address any further development opportunities.



**Additional Notes**

General Information

The Galoc field is located in Service Contract SC14-C (Galoc Sub Block) in 290m of water approximately 65km north west of Palawan in the Republic of the Philippines. The development involved the construction of two subsea completed horizontal production wells, with extended reservoir contacts, tied back to a Floating Production Storage and Offloading ("FPSO") facility via a short seabed pipeline and mid water riser system. Most likely oil reserves as estimated at time of commitment to the development in 2006, is approximately 10 million barrels. The reserves estimate and requirement for additional wells and facility capacity will be reassessed following an analysis of results from initial field production performance.

The participating interests in the Galoc Field are as follows:

Participant	Participating Interest %
Galoc Production Company W.L.L. <sup>1</sup> (Operator)	59.84473
Nido Petroleum Philippines Pty Ltd	22.87952
Oriental Petroleum & Minerals Corporation/ Linapacan Oil Gas & Power Corporation	7.78505
The Philodrill Corporation	7.21495
Forum Energy Philippines Corporation	2.27575



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Galoc Production Company is owned by;

Vitol Group	68.6%
Otto Energy Limited	31.4%

Further information on GPC and the Galoc Field can be obtained from:

- GPC's website [www.galoc.com](http://www.galoc.com)
- via email, at [enquiry@galoc.com](mailto:enquiry@galoc.com)
- or by contacting
  - Jax Mariano
  - Tel: +63 918 9109581