



THE PHILODRILL CORPORATION

QUAD ALPHA CENTRUM, 125 PIONEER, MANDALUYONG CITY, PHILIPPINES
TEL. NOS. 631-1801 TO 05 ; 631-8151/52 ; FAX: (632) 631-8080 , (632) 631-5310

11 April 2014

DISCLOSURE DEPARTMENT

Philippine Stock Exchange
3F, The Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention : **Ms. Janet A. Encarnacion**
Head, Disclosure Department

Gentlemen:

We write in reference to your letter dated April 11, 2014, sent through the PSE EDGE Submission System, requesting us to clarify and/or confirm the report posted in the Manila Standard (Internet Edition) on April 11, 2014 which states in part that:

"Nido Petroleum Ltd. of Australia said Thursday it will pursue the redevelopment of the West Linapacan oil field northwest off Palawan, with commercial production expected by the third quarter next year.. . .

"I look forward to the service contract 14C2 joint venture sanctioning the redevelopment of the West Linapacan field in the near future, subject to securing all necessary approvals. Based on the operator's estimates a successful project sanction will provide the company with a second producing asset in third quarter of 2015," Nido managing director Phil Byrne said.

"Byrne said SC 14C2 operator RMA West Linapacan Pte. Ltd. was finalizing the front-end engineering and design work for the project, "including securing key long lead drilling items, advancing discussions with FPSO [floating, production, storage and offloading vessel] and rig owners and finalizing the field development plan."

"Nido bared plans of redeveloping the West Linapacan oil field in northwest Palawan involving a development cost of \$100 million as early as 2012.. . .

"The previous work had estimated the field to hold around 100 million barrels of oil in place, and in today's oil price environment of \$100 a barrel, coupled with modern horizontal well completion technology, the West Linapacan field presents a very attractive proposition for potential redevelopment," Byrne said earlier.

"Latest independent assessment by Gaffney Cline and Associates showed the West Linapacan field had a potential reserves ranging from 11.6 million stock tank barrels (mmstb) up to 22.8 mmstb.

"Nido said the redevelopment of West Linapacan A was based on a phased approach. Current plans include drilling three horizontal, dual-lateral, subsea development wells tied back to a floating production system."

In reply, Philodrill, as a joint venture partner on Service Contract 14C2, can confirm that the information released by Nido Petroleum (possibly to the ASX) as quoted in the news article above was based on the recent studies and redevelopment/reactivation plan that have been presented by the SC operator, RMA, to the SC 14C2 consortium. However, Philodrill is not aware nor does it have any information whether the potential reserves mentioned in the news article above have been validated or cleared by the Department of Energy.

We trust the foregoing is sufficient.

Very truly yours,



ADRIAN S. ARIAS
Corporate Secretary