

PXP Energy cuts net loss to P30.9M in 2024 on higher sales, cost reductions

PANGILINAN-LED PXP Energy Corp. narrowed its attributable net loss to P30.9 million for 2024 from P97 million a year earlier, driven by higher petroleum sales volume, reduced overhead costs, and lower net interest expenses.

The company's core net loss stood at P33.3 million during the period, lower than the P42.5 million recorded in 2023, PXP said in a statement on Thursday.

The reduction was attributed to "higher volume lifted, a reduction in overhead, and lower net interest expense."

Petroleum revenues rose by 6% to P67 million, driven by higher output sold at 498,126 barrels of oil. This was partially offset by a slight decline in the average crude oil price to \$79.97 per barrel from \$80.50 per barrel previously. The crude was sourced through Service Contract (SC) 14C-1 Galoc.

SC 14C-1 is a block containing the producing Galoc Oil Field, situated offshore Northwest Palawan. The oil field has yielded approximately 24.2 million barrels since production began in October 2008, according to PXP.

Costs and expenses declined by 10.5% to P91.8 million, primarily due to significant reductions in both production costs and recurring overhead, which fell to P37.5 million and P54.4 million, respectively.

Amid ongoing geopolitical tensions, PXP and Forum Energy Limited reiterated their commitment to SC 72 and SC 75 despite the extended force majeure on both blocks.

The company holds a 50% operating interest in SC 75, located in Northwest Palawan. Fo-

rum Energy, through its wholly owned subsidiary Forum (GSEC 101) Limited, has a 70% operating interest in SC 72 Recto Bank, offshore West Palawan.

PXP Chairman Manuel V. Pangilinan said the company remains unable to proceed due to the moratorium.

"We can't do anything when the moratorium is there because we don't own the asset. It's owned by the government. Service contracts [are] given to us by the government as [a] concessionaire," Mr. Pangilinan told reporters on Monday.

He added that the company could initiate discussions with China National Offshore Oil Corp. (CNOOC), China's state-owned oil producer, to explore possible action.

"Probably, there has to be some, I guess, some conversation between the Chinese government first. But what we might be able to do is we'll talk to CNOOC, our counterpart, because it's an enterprise-to-enterprise [arrangement] as [the] private sector," he said.

PXP and CNOOC previously held talks on a potential joint oil and gas development in the South China Sea.

Meanwhile, PXP and its joint venture partners are anticipating the imminent awarding of two pre-determined areas (PDAs) offered by the government for petroleum exploration.

A joint venture comprising PXP, The Philodrill Corp., Sunda Energy Plc (United Kingdom), and operator Triangle Energy (Global) Limited (Australia) has submitted bid documents for petroleum exploration in two PDAs located in the Sulu Sea Basin.

— **Sheldeen Joy Talavera**

SEC pushes on with AML reforms to prevent return to FATF 'gray list'

By Luisa Maria Jacinta C. Jocson Reporter

THE SECURITIES and Exchange Commission (SEC) is ramping up reforms by launching a beneficial ownership registry, tightening oversight of financial institutions and non-profits, and drafting new crypto asset regulations to ensure the Philippines does not return to the Financial Action Task Force's (FATF) "gray list," its chairman said.

"The next two years will be crucial as the Philippines prepares for another mutual evaluation, where the country's AML/CFT standards will be assessed for compliance with global standards," SEC Chairperson Emilio B. Aquino said during a briefing on Thursday.

"Failure to address identified risks — such as gaps in beneficial ownership transparency, enforcement actions, or emerging financial threats — could increase our risk of going back to the gray list," he added.

The FATF last week removed the Philippines from its list of jurisdictions under increased monitoring for "dirty money" risks.

The country had been on the gray list for over three years, since June 2021. The dirty money watchdog said the Philippines' removal was due to progress in addressing strategic deficiencies in anti-money laundering, countering the financing of terrorism, and proliferation financing (AML/CFT/CPF).

In 2027, the Philippines will undergo a new assessment, during

which the FATF will verify whether the measures remain in place.

The SEC said it will continue cooperating with other government agencies and authorities to combat money laundering and other illicit financial activities.

PROJECT HARBOR

The SEC plans to launch the Hierarchical Applicable Relations and Beneficial Ownership Registry (Project HARBOR) this year. This will serve as a "registry of beneficial ownership information that will be easily accessible to partner agencies through data-sharing agreements."

Project HARBOR's features will include automated data validation, configurable access levels for authorized users, and analytical tools for identifying complex ownership structures."

The registry aims to streamline beneficial ownership disclosures, promote regulatory transparency, and enhance compliance with global AML/CFT standards.

Project HARBOR will modernize how we manage beneficial ownership data, reducing manual interventions and facilitating a secure, efficient disclosure process for corporations, thereby addressing concerns over the accuracy of beneficial ownership information submitted to the SEC," Mr. Aquino added.

NON-PROFIT ORGANIZATIONS

The SEC also said it will continue to monitor the non-profit organization (NPO) sector through regular offsite and onsite examinations.

"The SEC has committed to continuing outreach and knowl-

edge-sharing activities for the NPO sector, while also encouraging unincorporated entities to register with the Commission to reduce their risk of being used for money laundering and terrorist financing."

The FATF, in its statement, emphasized that the Philippines' reform measures should not impede legitimate nonprofit activities.

"We recognize the important role that non-profit organizations play in nation-building through the advocacies they put forward," Mr. Aquino said.

"At the SEC, our goal in regulation is to improve corporate governance without unduly burdening legitimate NPO activities," he added.

The SEC said it is also streamlining processes and removing redundancies by prioritizing engagement with NPOs through capacity-building initiatives instead of imposing additional regulatory requirements.

FINANCIAL INSTITUTIONS

"Aside from the NPO sector, the SEC is also strengthening enforcement of AML/CFT policies over financial institutions under its jurisdiction, including brokers, dealers, lending and financing corporations, and other securities dealers, in line with its mandate as the country's capital market regulator."

Mr. Aquino said the SEC is also closely monitoring virtual currencies and other digital assets.

"To mitigate risks, the Commission is drafting new rules on crypto-asset service providers (CASPAs) to enhance oversight and supervision of businesses engaged in offering, trading, and

other activities involving innovative financial products."

The draft guidelines for CASPs have already been released for public consultation, the SEC added.

"The SEC reiterates its commitment to implementing the necessary measures in compliance with evolving global AML/CFT standards, ensuring that the Philippines' presence on the FATF gray list will finally become a thing of the past," Mr. Aquino said.

IMPACT

The banking, financial institutions, and financial technology sectors could see a boost in investment.

"There are a lot of potential venture capitalists and private equity firms interested. They will bring in their money as long as the country is not seen as a high-risk investment destination. Now, with our removal from the gray list, the Philippines has become more attractive. Investors no longer have to worry," Mr. Aquino said.

In 2002, the FATF blacklisted the Philippines for having no legal anti-money laundering framework. The country was removed from the blacklist a year later after the passage of the Anti-Money Laundering Act.

Last year, President Ferdinand R. Marcos, Jr. directed all relevant agencies to work toward the country's removal from the gray list by October.

In July, Malacañang issued an executive order mandating all government offices to adopt the National Anti-Money Laundering, Counter-Terrorism Financing, and Counter-Proliferation Financing Strategy 2023–2027.

From Fragile to Agile: A Young Boy's Triumph Over Severe Acute Malnutrition

In a small barangay in the municipality of Calbiga, Samar, one-year-old Khrist Jay was battling a silent yet deadly condition—severe acute malnutrition (SAM). As the youngest of three children, with his older siblings aged eight and four, his family struggled to provide the care and support needed for the children's healthy development. Poverty hindered them from accessing proper nutrition and healthcare, further exacerbated by the fact that their father works miles away as a construction worker in Manila.

Fortunately, Calbiga, Samar was chosen as one of the three test locations for the package due to its existing program addressing severe acute malnutrition. Christine Benitez, Khrist Jay's mother, decided to enroll him in PhilHealth's SAM OTC benefits package after the doctor diagnosed him with acute malnutrition. He was among the early enrollees in this pioneering program during its pilot test in Western Samar.

Before receiving treatment during the pilot testing of PhilHealth's new benefits package for severely malnourished patients in November 2023, Khrist Jay weighed a mere 4.6 kilograms, stood at only 60.5 centimeters, and had a mid-upper arm circumference of 6.1 centimeters. His tiny body frame was alarmingly thin like a fragile doll and his height was far below normal for his age. His measurements emphasized the severity of his malnutrition which was a clear indicator of his struggle to obtain proper nutrition. The stark contrast between Khrist Jay's age and size painted a heartbreaking image of a child trapped in the vicious cycle of SAM. But

with PhilHealth's groundbreaking intervention, hope emerged for this young boy and his family.

After the successful pilot test, PhilHealth, with support from UNICEF, officially launched the Severe Acute Malnutrition Outpatient Therapeutic Care (SAM OTC) benefits package last October 1, 2024. This is the first in the world to be funded through a national health insurance system and is designed to save lives like Khrist Jay's.

This innovative program provides treatment services valued at P7,500 for children 0 to less than 6 months old and P17,000 for 6 months to 60 months old. The comprehensive package includes assessment, consultation, follow-up visits, counselling and ready-to-use therapeutic foods, which help ameliorate weight and treat underlying infections affecting children with SAM.

"As a father myself, children will always have a special place in my heart. It is heartbreaking to see them suffer from severe acute malnutrition due to a lack of access to adequate nutrition and healthcare," said PhilHealth President and CEO Emmanuel R. Ledesma, Jr. "I am proud to lead PhilHealth's efforts in combating this life-threatening disease among children. With this new package, PhilHealth aims to reduce the financial burden on affected families, especially those in vulnerable sectors," he further said.

Over the course of his treatment, Khrist Jay experienced an astonishing transformation. After several months of dedicated care, he successfully completed the program which brought significant improvements to his health and well-being.

After he graduated from the program, the changes in his appearance were conspicuous. He now weighs 7.8 kilograms and stands 71.3 centimeters tall. His once dehydrated and pale skin is now hydrated and radiant, a clear sign of nourishment. Standing strong at 71 centimeters, Khrist Jay is no longer the frail little boy he once was—he is now stronger, more resilient and full of life.

"Ngayon malikot na siya. Medyo nakakatayo na siya, nagapang na rin," Mommy Christine



Khrist Jay's mother gleams with joy as she carries her child, a former severe acute malnutrition patient.

shared as her face lit up with joy. The transformation in her little boy was nothing short of miraculous. "Marunong na rin siya kumain ng kanin, mga prutas, gulay, kahit kamatis na hilaw kinakain, lalo na 'yong carrots," she continued, recounting the small victories her son had made after the treatment.

For health workers like Anna Kristina Gaviola, a public health nurse at the rural health unit of Calbiga who monitored Khrist Jay's progress, the impact of PhilHealth's intervention is undeniable. "Dapat po ipagpatuloy itong SAM benefit package ng PhilHealth kasi malaki po itong tulong para sa mga pasyente lalo sa mga walang kakayahan na bumili ng saktong pagkain para sa kanilang anak at malayo sa sakit ang kanilang mga anak," Gaviola explained.

Khrist Jay's story shows how treatment can make a real difference in the lives of the youth dealing with SAM. Severe acute malnutrition remains one of the world's most critical health issues affecting nearly 600,000 children in the Philippines alone. Unfortunately, only a small number of them receive the necessary treatment.

His remarkable recovery not only gives hope for a second chance for SAM patients, but also inspires parents to envision a brighter future for their kids. Seeing her son happy and healthy, Mommy Christine is hopeful that many more children will also get another chance to grow healthy and live a happy life just like her child.

Driven by her own experience, she now advocates for this treatment to help other children afflicted with malnutrition. "Kailangan po natin ipagpatuloy para rin sa mga batang matutulungan at maiwasan din ang mga sakit," she asserted with conviction. With heartfelt gratitude, she expressed her appreciation to the state insurer



Khrist Jay, his mother, and the dedicated rural health workers from Calbiga, Samar, celebrating a joyful moment together after a successful check-up.

for helping the little ones including her son, saying, "Maraming maraming salamat po sa PhilHealth na maraming bata na natulungan lalong lalo na't nakasama na po roon ang aking anak ngayon."

The PhilHealth Chief appeals to stakeholders in the fight against malnutrition and calls for more providers: "I urge all stakeholders, from healthcare providers to local government units, to join us in this endeavor. By working together and expanding our network of providers, we can efficiently deliver the necessary treatment and care to those in need, wherever they are in the country."

For more information on the PhilHealth SAM OTC benefits package, visit www.philhealth.gov.ph, drop by the nearest PhilHealth Local Health Insurance Office or contact PhilHealth's hotline at (02) 8662-2588. #

PhilHealth is currently working closely with local government units to accredit more healthcare facilities to make this benefit more accessible to families with children suffering from Severe Acute Malnutrition (SAM).