

## Energy



15 September 2008 –  
26 September 2008

### In the News

**Eastern petroleum to cut gas price**

**Basic Energy inks ethanol deal with Canada firm**

**Seaoil inks \$30-M diesel supply deal**

**Oil discovered off Northwest Palawan; drilling continues**

**Philodrill rights offer gets SEC nod**

**Oil exploration partners to explore more Palawan sites next year**

**Northwind expands wind farm in Ilocos Norte**

This industry update from KPMG Manabat Sanagustin & Co. is a bi-weekly collection of the latest news and developments from the country's Industrial Markets - Energy sector. We hope that you will find this service, which the Firm provides its clients for the different Lines of Business, interesting and useful.

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If you want us to send this to any other member of your company, please contact Mitzel M. Ladia, KPMG Markets Communications Officer, at +632 8857000 loc 269 or at [mladia@kpmg.com](mailto:mladia@kpmg.com).

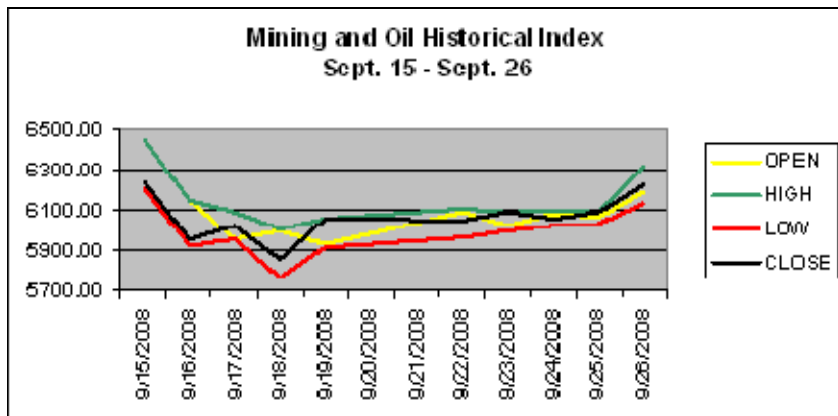
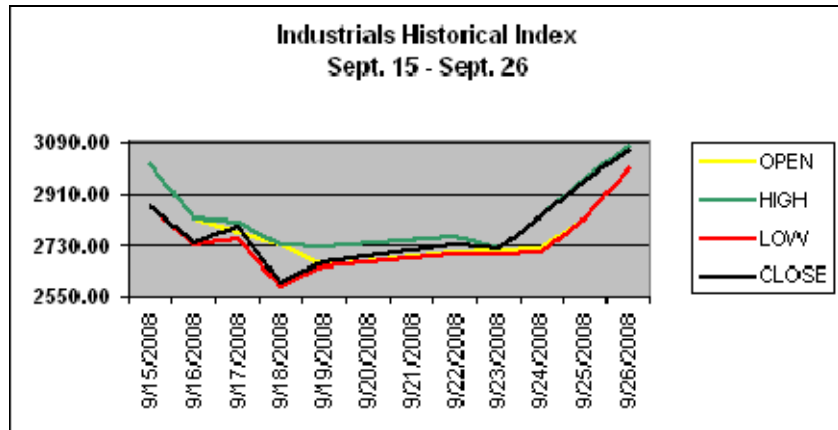
### Philippine Stock Exchange Top Gainers for Sept. 22-26 Last Trade Price, Comparative Price Change & Total Value

Rank	Stock	Last Traded Price (in P)	Comparative Price Change (%)		Total Value (in P'000)
			1 week	4 weeks	
1	Energy Development (EDC) Corporation	4.20	37.70	(7.69)	886,274
2	Keppel Philippines Holdings, Inc. "A"	2.00	31.58	33.33	152
3	Aboitiz Transport System (ATSC) Corporation	1.76	29.41	51.72	5,668
4	eTelecare Global Solutions, Inc.	387.50	29.17	25.00	13,367
5	Jollibee Foods Corporation	52.00	26.83	19.54	342,984
6	Cityland Development Corporation	1.60	23.08	(20.00)	16
7	Splash Corporation	5.20	20.93	40.54	41,541
8	San Miguel Corporation "B"	59.00	19.19	31.11	77,121
9	San Miguel Corporation "A"	58.00	18.37	31.82	65,395
10	Minerales Industrias Corporation	3.35	17.54	11.67	24,376

### Philippine Stock Exchange Top Gainers for Sept. 22-26 PER, EPS & BPV

Rank	Stock	PER	EPS	BPV
1	Energy Development (EDC) Corporation	8.81	0.48	1.89
2	Keppel Philippines Holdings, Inc.	21.55	0.09	0.68
3	Aboitiz Transport System (ATSC) Corporation	61.35	0.03	0.96
4	eTelecare Global Solutions, Inc.	17.93	21.61	1.96
5	Jollibee Foods Corporation	23.30	2.23	3.91
6	Cityland Development Corporation	5.39	0.30	0.83
7	Splash Corporation	15.44	0.34	1.43
8	San Miguel Corporation "B"	8.56	6.89	1.21
9	San Miguel Corporation "A"	8.41	6.89	1.19
10	Minerales Industrias Corporation	(418.89)	(0.01)	977.59

Source: Philippine Stock Exchange, Weekly Market Watch, VOL. II NO. 39



## IN THE NEWS:

### Eastern petroleum to cut gas price

As world oil prices continue to decline, local oil companies are expected to also continue bringing down the prices of their gasoline, diesel and kerosene. Veering away from the usual practice of implementing price adjustments on weekends, Eastern Petroleum Corp. said it will cut fuel prices by 50 centavos a liter on Wednesday. He did not specify what time the rollback will take effect. Eastern Petroleum chair and chief executive Fernando Martinez said this would not be the first price reduction that his company would implement for the week as another price cut would be effected. "I plan to implement price adjustments more frequently so that under-recoveries won't pile up when prices are going up and so that consumers will be able to take advantage of lower prices when prices are going down," he said in a telephone interview.

[http://newsinfo.inquirer.net/breakingnews/nation/view\\_article.php?article\\_id=161079](http://newsinfo.inquirer.net/breakingnews/nation/view_article.php?article_id=161079)

**Basic Energy inks ethanol deal with Canada firm**

Basic Energy Corp. said it had signed a memorandum of understanding with Canadian firm Nexum Energy Corp. on construction and operation of an ethanol plant with a capacity of 200,000 liters a day. In a disclosure to the Philippine Stock Exchange, Basic Energy compliance officer Angel Gahol said the plant would generate up to eight megawatts of “green power, natural gas and organic fertilizers.” “The ethanol project is in line with Basic Energy’s recent signing of a MOA [memorandum of agreement] with EcoMarketFarms Inc. to greatly expand their cassava project in the Zamboanga Peninsula,” Gahol said. “The MOA is expected to jump start the agricultural operations of Basic Energy and generate initial revenues from the sale of cassava chips to local animal feed manufacturers and, eventually, to supply the feedstock requirements of the planned ethanol plant.”

[http://business.inquirer.net/money/breakingnews/view\\_article.php?article\\_id=160908](http://business.inquirer.net/money/breakingnews/view_article.php?article_id=160908)

**Seaoil inks \$30-M diesel supply deal**

Independent oil firm Seaoil Philippines Inc. has awarded a \$30-million contract to Korean trading house SK Networks for the supply of Euro-5 diesel, a type of diesel that is compliant with more stringent emission standards, over the next six months. SK Networks, a unit of South Korean global conglomerate SK Corp. and one of its main marketing divisions, is a leading player in the global trading of oil, gas, coal, steel and chemical products. Seaoil president Glenn Yu said the supply deal would allow the oil firm to be the first in the country to offer Euro-5 diesel to motorists. This type of diesel has lower sulfur content and a higher cetane number of 51. The Euro-5 is a European emission standard that sets lower emission levels through the use of cleaner fuels and vehicles that accept such fuels. Yu said Seaoil’s launch of the Euro-5 diesel would further boost its product line, particularly at a time when cleaner fuels were very much in demand.

[http://business.inquirer.net/money/topstories/view\\_article.php?article\\_id=162050](http://business.inquirer.net/money/topstories/view_article.php?article_id=162050)

**Oil discovered off Northwest Palawan; drilling continues**

Energy Secretary Angelo T. Reyes announced the discovery of oil in the Yakal-1 well covered by Service Contract No. 54 operated by Nido Petroleum Philippines Ltd. and its joint venture partner Yilgarn Petroleum Philippines Ltd. Reyes said Nido and Yilgarn are in the process of completing the drilling activity on Yakal-1 well located offshore in the northwest Palawan basin. The drilling started last Sept. 8 and after reaching the well’s total depth of 1,969.5 meters last Sept. 20, initial findings showed the presence of gas (methane to pentane) and oil in the drill cuttings recovered to the surface, he said. Geological data gathered from the underlying limestone reservoir also confirmed the presence of an oil column of about 66 meters in the Nido Reservoir from depths of 1,733 to 1,839 meters, he said. Reyes said the consortium is still evaluating the oil bearing section to determine the extent of the oil column below 1,839 meters. After the evaluation which will be completed this week, Nido and Yilgarn will halt operations in the Yakal-1 well and move the rig to a new drilling site, to be called Tindalo-1, located about 5 kilometers northeast of Yakal-1, he said.

[www.mb.com.ph/MAIN20080924136138.html](http://www.mb.com.ph/MAIN20080924136138.html)

### **Philodrill rights offer gets SEC nod**

The Securities and Exchange Commission has approved the proposed stock rights offer of oil and gas exploration firm The Philodrill Corp. to raise some P383.7 million to pay for a portion of its share in the production costs of the Galoc oil field project in offshore Palawan. Philodrill plans to offer 38.37 billion in stock rights at one centavo each, documents from the Securities and Exchange Commission showed. Under the terms of the stock rights, each Philodrill shareholder holding at least 4 common shares will be entitled to subscribe to one offer share. Proceeds will be used to pay for the company's share in the expenses for Service Contract (SC) No. 14 Galoc for two months of production, as well as payment of loans and shareholder advances. Philodrill has tapped PentaCapital Investment Corp. as its underwriter to distribute the shares.

[http://business.inquirer.net/money/topstories/view\\_article.php?article\\_id=162044](http://business.inquirer.net/money/topstories/view_article.php?article_id=162044)

### **Oil exploration partners to explore more Palawan sites next year**

Oil exploration company VenturOil Philippines will explore five more blocks in Palawan next year, after its petroleum service contract was extended by the Energy department. VenturOil Chief Operating Officer Arman M. Martinez said the blocks are adjacent to their existing site in the northwest coast of Palawan island, about 220 kilometers from Batangas. He said the areas had produced oil in the 1980s, but operations stopped when a barrel of oil plummeted to \$15 per barrel, which made operations too expensive. Mr. Martinez said they think there is still oil in the area. "It will be also easier for us since we will already have our facility in place, and we'll just explore the surrounding areas," he added. The Energy department has extended the contract with VenturOil and partner Australian-based Blade Petroleum Philippines Ltd. in the northwest coast of Palawan island. The initial investment will cost \$3 million. The two will develop the Cadlao oil field, with the first oil expected late next year. VenturOil has a 20% equity stake in the venture.

<http://www.bworldonline.com/BW092508/content.php?id=045>

### **Northwind expands wind farm in Ilocos Norte**

The developer of the first wind farm in the Philippines and Southeast Asia has commenced with the expansion of its wind farm in Bangui Bay, Ilocos Norte. Ferdinand Dumlao, Northwind Power Development Corp. chairman, told reporters that the company has commissioned the second phase of its wind project in the said province. The 24.75-megawatt Bangui Bay wind farm is the country's largest renewable energy project. The expansion of the project, Dumlao said, will entail the addition of 8.33 megawatts to the Bangui Bay wind farm's present capacity, which the company earlier scheduled for completion this month. The company tapped a \$13.1-million loan from Danish International Development Agency (Danida) in October last year for the expansion project. The Danida facility the company tapped comes with a guarantee from the Philippine Export Import Credit Agency. Dumlao said that Northwind is currently looking for funding sources for another proposed wind farm project that is targeted for construction next year.

<http://www.manilatimes.net/national/2008/sep/17/yehey/business/20080917bus10.html>



## Feedback

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