

**PNOC EXPLORATION CORPORATION**

(A Subsidiary of Philippine National Oil Company)

**STATEMENT OF CASH FLOWS**

For the period ended December 31, 2013

(In Philippine Peso)

	<b>Unaudited</b>	Audited
	<b>December 2013</b>	December 2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	<b>6,774,712,255</b>	8,875,459,464
Interest income	<b>62,149,108</b>	63,348,442
Cash paid to suppliers, affiliates and employees	<b>(1,929,560,984)</b>	(4,404,843,782)
Cash Generated from Operations	<b>4,907,300,379</b>	4,533,964,123
Income taxes paid	<b>(1,009,312,310)</b>	(1,348,496,455)
Net cash from operating activities	<b>3,897,988,069</b>	3,185,467,667
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Exploration and development costs	<b>(48,297,458)</b>	(136,006,358)
Capital expenditures	<b>(1,732,038,808)</b>	(801,161,276)
Investment in Short-term investments/Treasury Notes/Other Assets	<b>928,782,446</b>	-
Net cash used in investing activities	<b>(851,553,819)</b>	(937,167,633)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of cash dividends	<b>(500,501,066)</b>	(2,002,004,265)
Net cash used in financing activities	<b>(500,501,066)</b>	(2,002,004,265)
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>189,506,144</b>	(6,362,269)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,735,439,329</b>	239,933,501
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>2,087,771,074</b>	1,847,837,574
<b>CASH AND CASH EQUIVALENTS, END</b>	<b>4,823,210,402</b>	2,087,771,074