

**PNOG EXPLORATION CORPORATION**

(A Subsidiary of Philippine National Oil Company)

**STATEMENTS OF CASH FLOWS**

For the period ended December 31, 2014

(In Philippine Peso)

	<b>Unaudited</b>	Audited	Audited
	<b>December 2014</b>	December 2013	December 2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers	<b>6,180,261,866</b>	6,794,517,903	8,377,319,371
Interest income	<b>34,462,120</b>	61,582,545	64,342,139
Cash paid to suppliers, affiliates and employees	<b>(2,217,854,360)</b>	(1,924,821,143)	(4,408,174,114)
Cash Generated from Operations	<b>3,996,869,626</b>	4,931,279,305	4,033,487,396
Income taxes paid	<b>(1,177,735,830)</b>	(1,013,824,950)	(1,348,496,455)
Net cash from operating activities	<b>2,819,133,796</b>	3,917,454,355	2,684,990,941
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Exploration and development costs	<b>(98,252,223)</b>	(68,329,379)	(136,006,358)
Capital expenditures	<b>(1,085,044,537)</b>	(1,732,061,344)	(801,185,615)
Investment in Short-term investments/Treasury Notes/Other Assets	<b>(1,336,492,299)</b>	929,349,008	-
Net cash used in investing activities	<b>(2,519,789,059)</b>	(871,041,715)	(937,191,973)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of cash dividends	<b>(3,007,010,407)</b>	(500,501,066)	(1,501,503,199)
Net cash used in financing activities	<b>(3,007,010,407)</b>	(500,501,066)	(1,501,503,199)
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>(1,218,583)</b>	189,527,754	(6,362,269)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(2,708,884,253)</b>	2,735,439,328	239,933,500
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>4,823,210,402</b>	2,087,771,074	1,847,837,574
<b>CASH AND CASH EQUIVALENTS, END</b>	<b>2,114,326,149</b>	4,823,210,402	2,087,771,074