

October 26, 2018

PHILIPPINE STOCK EXCHANGE, INC.

6/F Philippine Stock Exchange Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

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

Gentlemen:

We would like to inform the Exchange that Philex Mining Corporation (the “Company” or “PX”) has signed and executed a Subscription Agreement in relation to the Company’s subscription to 260,000,000 common shares of PXP Energy Corporation (“PXP”) at Php11.85 per share or an aggregate amount of Php3,081,000,000.00 (the “Subscription Price”). The Subscription Price, represents a discount of 20.0% to the 90-day volume weighted average price (“VWAP”) of the Company’s shares for the period ending 22 October 2018. The Subscription Price shall be payable in two tranches.

PX will fund the said subscription from a combination of (1) proceeds from PXP’s repayment of PX’s advances and (2) cash.

After the issuance of the shares to PX, PX will increase its shareholding in PXP from 19.76% to 25.91%.

Very truly yours,

(Original Signed)

DANNY Y. YU

SVP and Chief Finance Officer