Republic of the Philippines

Securities and Exchange Commission

EDSA, Greenhills, Mandaluyong
Metro-Manila

S.E.C. Reg. No. 147669

TO ALL TO WHOM THESE PRESENTS MAY COME, GREETINGS:

WHEREAS, Articles of Incorporation and By-Laws duly signed and acknowledged for the organization of the

ALCORN PETROLEUM AND MINERALS CORPORATION

under and in accordance with the provisions of the Corporation Code of the Philippines, Batas Pambansa Blg. 68, approved on May 1, 1980, were presented for filing in this Commission on October 7, 1987, and a copy of said Articles and By-Laws are hereto attached;

NOW, THEREFORE, by virtue of the powers and duties vested in me by law, I do hereby certify that the said Articles of Incorporation and By-Laws were, after due examination to determine whether they are in accordance with law, duly registered in this Commission on the 19 day of January, Anno Domini, Nineteen Hundred and eighty-eight.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Mandaluyong, Metro-Manila, Philippines, this 19 day of January, in the year of our Lord nineteen hundred and eighty-eight.

ATTY. TOMAS F. TIMASON
1-20-88
Corp. Secretary

JULIO A. SULIT, JR.
Chairman

R-71 /cmm

FORM NO. G-4001-B DUPLICATE SN № 26322

ARTICLES OF INCORPORATION

OF

ALCORN PETROLEUM AND MINERALS, ~~INC~~. CORPORATION

KNOW ALL MEN BY THESE PRESENTS:

The undersigned incorporators, all of legal age, and the majority of whom are citizens and residents of the Philippines, have this day voluntarily agreed to form a stock corporation under the laws of the Republic of the Philippines:

AND WE HEREBY CERTIFY:

FIRST. That the name of said corporation shall be

ALCORN PETROLEUM AND MINERALS, ~~INC~~. CORPORATION

SECOND. That the purpose or purposes for which such corporation is incorporated are:

CASHIER'S OFFICE
PAYMENT VERIFIED
CORRECT
VERIFIED BY:

PRIMARY PURPOSE

To carry on in the Philippines or elsewhere the business of exploration, discovery, development and exploitation of mineral oils, petroleum and in its natural state, rock or carbon oils, natural gas and all kinds of ores, metals, minerals and natural resources and the products and by-products thereof; to process, manufacture, refine, prepare for market, buy, sell, and transport the same in crude, raw or refined condition; to buy, sell, exchange, lease, acquire thru Service Contracts, Participating Agreements and all other forms of contracts or concessions dealing in lands, mines and mineral rights and claims, and to conduct all business appertaining thereto; to purchase, lease, acquire, or otherwise, to own, hold and maintain, and to mortgage, pledge, lease, sell or otherwise dispose of petroleum, gas and oil lands, concessions, leases, royalties, and permits, lands and real estate of all kinds, and the oil, gas and mineral rights and interests therein, to develop such lands, concessions, lease, rights, and interests by and to enter into, acquire, carry out and execute contracts for drilling wells and installation of rigs, platforms, machinery and equipment; to construct, erect, and build, to purchase, lease or otherwise acquire, to own, manage, or in any manner dispose of or encumber, pipelines, plants, refineries, stations, systems, tank cars, vessels, appliances, machinery, structures, equipment and facilities of all kinds for manufacturing, treating, processing, concentrating, distilling, and in any manner dealing in gas, petroleum and other oils, mineral and volatile substances, asphalt, bitumen and bituminous substances and other similar products of every kinds and character for any and all purposes whatsoever; to carry on and conduct the general business of mining, to acquire and perform all powers conferred by law on said mining business, within and outside of the Philippines, and including that of domestic and foreign concessions or contracts of every kind and nature; and generally to do and perform all or any of the matters aforesaid, and all other acts and things which in the judgment of this Company may be requisite for its purpose or incidental thereto; to achieve its corporate objectives, to borrow and lend money with or without security, register its shares for public offering, issue warrants, bonds, debentures and other negotiable and transferrable instruments, secure or unsecured for such amounts or in exchange of properties or rights as may be found advisable as well as to farm-out or farm-in rights and interests as generally practiced in the mining industry.

SECONDARY PURPOSES

(a) To engage in the management, supervision or control of business enterprises of all kinds, the operations and transactions of any company or undertaking and to manage and administer lands, buildings, whether real or personal, and in general, to act as agent, attorney-in-fact, or in any representative capacity as may be permitted by law. except the management of funds, securities, portfolio and other similar assets of an[y] firm or entity.

(b) To engage in the assay of all kinds of ores, minerals, oils, for umpiring, development and for export or import; to prepare flowsheets for the beneficiation of ores.

(c) To engage in the business of general builders and constructors of roads, bridges, terminals, landing fields, docks, piers, government and private buildings.

(d) To undertake dredging and drilling operations and to dredge or otherwise obtain out of the waters, navigable or non-navigable as may be permitted by law, sand, gravel and deposits found in or beneath said waters and to acquire and make the same available for commercial purposes.

(e) To own, acquire, construct, maintain and operate plants, factories and buildings which are necessary in the production and manufacturing of all kinds of goods, wares and merchandise of all kinds and descriptions which are within the commerce of men.

(f) Subject to existing laws, to hold, purchase or otherwise acquire or be interested in, and to sell or otherwise dispose of, shares or capital stocks, bonds, or other evidences of debts issued or created by any other corporation, partnership or company, domestic or foreign, governmental or otherwise, and while the owner and holder of any such shares of stock, to exercise all the rights and privileges of ownership, including the right to vote thereon and exercise all the eights pertaining thereto.

AND IN FURTHERANCE OF THE FOREGOING CORPORATE PURPOSES:

(1) To enter into, make and perform contracts of every kind for any lawful purpose with any person, firm, corporation, body politic, municipality, national government or any of its instrumentalities.

(2) To purchase, hold, convey, sell, lease, rent, mortgage, encumber and otherwise deal with real property, improved or unimproved, as the purposes for which the corporation is formed may permit.

(3) To borrow money or create indebtedness, bonded or otherwise; to secure the payment of any such obligations by mortgage, pledge or agreement as to all or any part of properties, real and personal, of the corporation; to provide that any such obligations shall be convertible into or exchangeable for stocks of the corporation upon such terms permitted by law as the board of directors shall determine.

(4) To apply for, register, produce, purchase, exchange, lease, acquire, own, operate, or negotiate for, licenses or other rights in respect of, sale, transfer, grant or licenses and rights in respect of, manufacture under, introduce, sell, assign, collect the royalties on, mortgage, pledge, create lien upon, or otherwise dispose of, deal in,

and turn to account, letters patent, patent rights, trademarks, trade names and indications of origin, ownership, copyrights, syndicate rights, inventions, discoveries, machines, licenses, processes, data, and formulate of any and all kinds pursuant to the laws of the Philippines, or any country whatsoever, and with a view to the working and development of the same.

(5) To finance and enter into and perform contracts and agreements of any kind in connection or in furtherance of any or all of the foregoing to the extent as the same may be permitted by law.

(6) To promote any company or companies for the purpose of acquiring all or any part of the stockholdings properties and liabilities of said company, as may be permitted by law, or for any other purpose which may seem directly or indirectly calculated to benefit the company all in accordance with law.

(7) Without in any way limiting the powers of the company, it is hereby expressly provided that the company shall have the power to make and perform contracts of any kind and description with any person, firm or corporation; to have one or more offices within the Philippines and abroad; and to conduct its business and exercise its powers, authorities and privileges granted by the laws of the Philippines to corporations organized under said laws and, in particular, unto corporations of like nature and kind.

(8) Generally, to do all such acts, things and to transact all business as may be directly or indirectly incidental to or conducive to the attainment of the above objects or any of them respectively.

THIRD: That the place where the principal office of the Corporation is to be established or located is in Makati, Metro-Manila, Philippines.

FOURTH: That the term for which said Corporation is to exist is FIFTY (50) years from and after the date of incorporation.

FIFTH: That the names, nationalities and residences of the incorporators of said corporation are as follows:

	NAME	NATIONALITY	RESIDENCE
1.	Charles W. Alcorn	American	4600 Post Oak Place, Suite 212 Houston, Texas 77027
2.	Virgil A. Walston	American	
3.	Jerrel D. Branson	American	
4.	Eduardo F. Hernandez	Filipino	1177 Tamarind Road Damasrinas Village, Makati
5.	Antonio O. Caguiat	Filipino	23 North Lawin, Quezon City
6.	Robert Coyiuto, Jr.	Filipino	AIC Center, 204 Escolta, Manila
7.	Robert Cokeng	Filipino	#30 Victoria Ave., New Manila Quezon City

SIXTH: That the number of directors of said Corporation shall be seven (7) and that the names, nationalities and residences of the first directors, who are to serve until their successors are elected and qualified as provided by the By-Laws are as follows:

	NAME	NATIONALITY	RESIDENCE
1.	Charles W. Alcorn	American	4600 Post Oak Place, Suite 212 Houston, Texas 77027
2.	Virgil A. Walston	American	
3.	Jerrel D. Branson	American	
4.	Eduardo F. Hernandez	Filipino	1177 Tamarind Road Dasmarinas Vill., Makati
5.	Antonio O. Caguiat	Filipino	23 North Lawin, Q.C.
6.	Robert Coyiuto, Jr.	Filipino	AIC Center, 204 Escolta Manila
7.	Robert Cokeng	Filipino	#30 Victoria Avenue New Manila, Q.C.

SEVENTH: That the capital stock of the said Corporation is Two Hundred Million Pesos (P=200,000,000.00), Philippine Currency, and said capital stock is divided into Twenty Billion (20,000,000,000) shares having a par value of One Centavo (₱0.01) Philippine Currency, per share.

All of the shares of the capital stock of the Corporation shall be common shares, all with the same rights and privileges. However, said common shares shall be divided into two (2) classes. The first shall be classified as Class "A", consisting of Twelve Billion (12,000,000,000) shares valued at One Hundred Twenty Million Pesos (₱120,000,000.00), which shall be issued solely to citizens of the Republic of the Philippines. The second shall be classified as Class "B", consisting of Eight Billion (8,000,000,000) shares, valued at Eighty Million Pesos (₱80,000,000.00), which may be issued to citizens of the Republic of the Philippines or to foreigners alike. Each type of class of the shares shall be indicated in the stock certificates to be issued by the Corporation.

Out of the authorized capital stock of ₱200,000,000.00, there is hereby reserved in favor of the herein incorporators, in proportion to their respective stockholdings in the corporation at the time of incorporation, the sum of ₱20,000,000.00 worth of stocks, which subscription shall be exercised within a period of three (3) years from and after the date of incorporation as follows:

at 2,000,000,0 shares

> If exercised within the first six (6) months after incorporation, the option holders may exercise their rights to purchase at the par value of ₱.01 per share.
>
> If exercised after six (6) months but within one (1) year from date of incorporation, the option price shall be ₱.015 per share.
>
> If exercised after one (1) year but within two (2) years, the option price shall be ₱.02 per share.
>
> If exercised after two (2) years but within three (3) years from date of incorporation, the option holders may exercise their rights to purchase at ₱.025 per share.

In case an option holder should die while the stock option subsists, then his forced heirs as determined by law shall succeed to the said deceased option holder to the exercise of the right to purchase.

No stockholder of this corporation shall have any pre-emptive or preferential right to subscribe for the remaining portion of the capital stock as authorized herein, but shall have such a pre-emptive or preferential right to subscribe for any increase thereof that may be lawfully authorized, in proportion to his respective holdings at the time such an increase is authorized.

EIGHTH: That the amount of said capital stock which has actually been subscribed is ~~One Hundred Twenty Five~~ FIFTY Million Pesos (~~₱125~~ ₱50,000,000.00) Philippine Currency, consisting of ~~Twelve~~ FIVE Billion ~~Five Hundred~~ (~~12~~ 5,000,000,000) shares, and the following persons ~~have~~ subscribed for the number of shares and amount of capital stock set out after their respective names:

	NAME	NO. OF SHARES	Class	AMOUNT OF SUBSCRIPTION
1.	Charles W. Alcorn	300,000,000	"B"	₱ 3,000,000
2.	Virgil A. Walston	300,000,000	"B"	3,000,000
3.	Jerrel D. Branson	200,000,000	"B"	2,000,000
4.	Eduardo F. Hernandez	1,200,000,000	"A/B"	12,000,000
5.	Antonio O. Caguiat	1,000,000,000	"A/B"	10,000,000
6.	Robert Coyiuto, Jr.	1,000,000,000	"A"	10,000,000
7.	Robert Cokeng	1,000,000,000	"A"	10,000,000
	T O T A L	5,000,000,000		₱50,000,000

400,000,000 "A"
₱4,000,000
800,000,000 "B"
₱8,000,000.
2,000,000,000 "A"
[illegible]

NINTH: That the following persons have paid on the shares of capital stock for which they have subscribed, the amount set out after their respective names:

	NAME	AMOUNT PAID IN SUBSCRIPTION
1.	Charles W. Alcorn	₱ 3,000,000
2.	Virgil A. Walston	3,000,000
3.	Jerrel D. Branson	2,000,000
4.	Eduardo F. Hernandez	3,000,000
5.	Antonio O. Caguiat	2,~~500,000~~ 246,167.14
6.	Robert Coyiuto, Jr.	2,500,000
7.	Robert Cokeng	2,500,000
	T O T A L	₱18,~~000,000~~ 246,167.14

ATTY. TOMAS F. TUASON IV

TENTH: That no transfer of stock or interest, which will reduce the ownership of Filipino stockholders to less than the percentage of the capital stock required by law, shall be allowed or permitted to be recorded in the proper books, and this restriction shall also be indicated in all stock certificates of the corporation.

ELEVENTH: That Jerrel D. Branson has been elected by the subscribers as Treasurer of the Corporation, to act as such until his successor is duly elected and qualified in accordance with the By-Laws, and that as such Treasurer, he has been authorized to receive for the Corporation and to receipt in its name for all subscription paid in by said subscribers.

IN WITNESS WHEREOF, we have hereunto set our hands this 11th day of September, 1987, in Makati, Metro Mla., Philippines.

ROBERT COKENG	ROBERT COYIUTO JR.	VIRGIL A. WALSTON
JERREL D. BRANSON	EDUARDO F. HERNANDEZ	CHARLES W. ALCORN

ANTONIO O. CAGUIAT

Signed in the presence of:

REPUBLIC OF THE PHILIPPINES) S.S.
MAKATI, METRO MANILA)

BEFORE ME, a Notary Public for and in the City of Manila, Philippines, this 11th day of September, 198 , personally appeared:

NAME	RES. CERT. A	ISSUED AT	ISSUED ON
C. W. Alcorn, Jr.	HOO4748	Houston, Texas	12 January 1987
V. A. Walston	DO40347	New Orleans La.	13 January 1983
J. D. Branson	GO39544	Houston, Texas	13 January 1986
E. F. Hernandez	[illegible]	Makati, M. M.	09 February 1987
A. O. Caguiat	[illegible]	Quezon City, MM	25 January 1987
R. Coyiuto, Jr.	147911	Manila	02 March 1987
R. Cokeng	[illegible]	Manila	19 February 1987

all known to me and to me known to be the same persons who executed the foregoing Articles of Incorporation and who acknowledged to me that the same is their free and voluntary act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and at the place first above written.

TOMAS F. TEASON IV
NOTARY PUBLIC
Until December 31, 1987
PTR NO. 027756
Issued On January 14, 1987
Issued At Makati, Metro Manila

Doc. No. 6;
Page No. ___;
Book No. ___;
Series of 1987.

0000469663

0000355563

REPUBLIC OF THE PHILIPPINES) S.S.
MAKATI, METRO MANILA)

TREASURER'S AFFIDAVIT

I, JERREL D. BRANSON, after being duly sworn, depose and say I have been elected by the subscribers of the corporation as Treasurer thereof, to act as such until my successor has been duly elected and qualified in accordance with the by-laws of the corporation, and that as such Treasurer, I hereby certify under oath that at least 25% of the authorized capital stock of the corporation has been subscribed and at least 25% of the total subscription has been paid, and received by me in cash, in the amount of not less than ₱5,000.00, in accordance with the Corporation Code.

JERREL D. BRANSON
Treasurer

SUBSCRIBED AND SWORN to before me, a Notary Public for and in Makati, Metro Manila, Philippines this 11th day of September 198 7, affiant has exhibited to me his Passport No. C039544 issued at Houston, Texas, on January 13, 1986.

TOMAS F. TUASON IV
NOTARY PUBLIC
Until December 31, 1987
PTR NO. 027756
Issued On January 14, 1987
Issued At Makati, Metro Manila

Doc. No. ___;
Page No. ___;
Book No. ___;
Series of 1987.

0000469670
0000355561

AND EXCHANGE COMM
PUBLIC ASSISTANCE UNIT
BY: 6/10/87

BY - LAWS

OF

ALCORN PETROLEUM & MINERALS, ~~INC.~~ CORPORATION

ARTICLE I

OFFICE AND SEAL

Sec. 1. Office - The principal office of the corporation shall be located at Makati, Metro Manila, Philippines. The corporation may establish and maintain branch offices or agencies elsewhere in the Philippines or in foreign countries whenever warranted by the exigencies of its business affairs.

Sec. 2 Seal - The corporate seal of the corporation shall consists of a Circle, around which shall be written the name of the corporation and the words "Incorporated 1987, Republic of the Philippines."

CASHIER'S OFFICE
PAYMENT VERIFIED CORRECT
VERIFIED BY:

SEC028 07OCT87 *110.00CACHR2

360445#

ARTICLE II

STOCK

Sec. 1 Certificate of Stock - Certificate of stock shall be issued to each holder of fully paid stock subscription in numerical order from the stock certificate book.

The certificate of stock shall be in such form and design as may be determined by the Board of Directors. Every certificate shall be signed by the President and countersigned by the Secretary, sealed by the Secretary with the corporate seal, and shall state on its face its number, the date of issue, and the name of the person in whose favor it was issued. A full record of each certificate issued shall be kept on the stub thereof and upon the stock register of the company.

Sec. 2. Transfers of Stock - Shares of stock shall be transferred by delivery of the certificate endorsed by the owner or his attorney-in-fact or other person legally authorized to make the transfer, but no transfer shall be valid and effective insofar as the corporation is concerned until duly registered upon the books of the company; and before a new certificate is issued, the old certificate must be entered for cancellation and cancelled upon the face thereof, and the Secretary shall keep the cancelled certificate as proof of substitution.

The stock book of the corporation shall be closed for transfers during ten (10) days next preceding general elections of directors and officers and during ten (10) days next preceding the date upon which dividends are declared payable and during each additional time as the Board of Directors may from time to time determine and fix.

Sec. 3. Stock and Transfer Book - The stock and transfer book and other records of the corporation shall be kept in its principal office and they shall be open for inspection during business hours by any director or stockholder of the corporation.

Sec. 4. Unissued stock - The unissued stock of the corporation shall be offered for sale and sold in such quantities and at such times as the Board of Directors of the corporation may from time to time determine, and shall be sold upon such terms and for such prices not less than the par value, as may be fixed in the resolution directing such sales.

Sec. 5. Treasury Stock - Treasury stock of the corporation shall consist of such issued and outstanding stock of corporation as may be acquired by it, and shall be held subject to disposal by the Board of Directors except in cases falling under Sec. 9 of the Corporation Code. Such stock shall neither vote nor participate in dividends while held by the corporation.

Sec. 6. Lost or Destroyed Certificate - Lost or destroyed certificates may be replaced whenever any registered owner claiming a certificate of stock to be lost, stolen or destroyed shall by himself or his legal representative make and file with the corporation an affidavit in triplicate, setting forth if possible, the circumstances as to how, when and where said certificate was lost, stolen or destroyed, the number of shares represented by each certificate claimed to have been lost, stolen or destroyed, the serial numbers thereof, and the name of the corporation. The claimant shall also submit to the corporation such information and evidence as he may deem necessary in support of his claim.

The corporation, after verifying the affidavit, and such other information and evidence with its books, shall publish a notice in a newspaper of general circulation in the Philippines published in the place of the principal office of the corporation, once a week for three consecutive weeks at the expense of the registered owner of the certificates of stock which have been lost, stolen or destroyed. The notice shall conform in details to the provisions of Sec. 73 of Batas Pambansa Blg. 68, Corporation Code. After the expiration of one year from the date of the last publication, if no protest has been presented to the corporation, regarding the certificates of stock claimed to have been lost, stolen or destroyed, the right to make such protest shall be barred and the corporation shall cancel in its books the certificate of stock concerned and issue in lieu thereof new certificates of stock. A new certificate of stock may be issued at any time before the expiration of the said one year period if the claimant files a bond or other security in lieu thereof for a sum and in such form and with such securities as may be required by the Board of Directors, which undertaking shall run for the paid one-year period.

If a protest has been presented to the corporation or if an action is pending in court regarding the ownership of the certificates of stock which have been lost, stolen or destroyed, the corporation shall suspend the issuance of the new certificate of stock in lieu thereof until final decision by the Court regarding the ownership of said certificate of stock.

The new certificate of stock issued in lieu of the one which has been lost, stolen or destroyed shall be plainly marked as a duplicate and shall otherwise be of the same tenor as the one claimed to have been lost, stolen or destroyed.

Sec. 7. Unpaid Subscription - Unpaid subscription to the capital stock shall not bear any interest.

Sec. 8. Stock Register - The corporation shall be entitled to treat the registered holder of any share as the absolute owner thereof, and shall not be bound to recognize any equitable or other claims or any interest in such share on the part of any other person, unless the corporation shall have express notice thereof.

ARTICLE III

STOCKHOLDERS' MEETING

Sec. 1. Annual Meeting - The annual meeting of the stockholders of this corporation shall be held in the principal office of the company at Makati on the last Saturday of May of each year at such hour as stated in the notices of meetings which the Board of Directors may determine.

Sec. 2. Special Meetings - The special meetings of the stockholders may be called at the principal office of the corporation at any time by resolution of the Board of Directors or by order of the President.

Sec. 3. Notices of Meetings - Notice of meeting written or printed for every regular or special meeting of the stockholders shall be prepared and mailed to the registered post office address of each stockholder or personally served upon each of them not less than ten (10) days prior to the date set for such meeting, and if for a special meeting, such notice shall state the object or objects of the same. No failure or irregularity of notice of any regular meeting shall invalidate such meeting or any proceeding thereat when the stockholders thereof voted without protest. No publication of notice of meeting in the public newspapers shall be required. Such written notice, however, may be waived in writing by the stockholders.

Sec. 4. Quorum - At any meeting of the stockholders a majority of the outstanding capital stock of the corporation entitled to vote, represented in person or by proxy shall constitute a quorum, and a majority of such quorum shall decide any question that may come before the meeting, save and except in those matters in which the laws of the Philippines requires the affirmative vote of a greater proportion.

If a quorum is not present at the time and place, fixed by the By-Laws for the annual meeting, or fixed by notice as herein provided for a duly called special meeting, a majority in interest of the stockholders present in person or by proxy may adjourn from time to time, without notice other than by announcement at the meeting, until a quorum is secured. At any such adjourned meeting at which a quorum may be present, any business may be transacted which might have been transacted at the meeting as originally called and notified.

Sec. 5. Proxies - Stockholders may vote at all meetings the number of shares registered in their respective names, either in person or by proxy duly presented to the Secretary for inspection and recorded at or prior to the opening of such meeting. No proxy bearing a signature which is not legally acknowledged shall be recognized at any meeting unless such signature is known and recognized by the Secretary of the meeting.

Sec. 6. Vote - At each meeting of the stockholders, every stockholder shall be entitled to vote in person or by proxy, and he shall have one vote for each share of stock standing in his name on the books of the corporation at the time of the closing of the transfer books on the day preceding the meeting; provided, however, that all meetings for the election of directors the shares of stock will be voted as provided in Section 24 of the Corporation Code.

Sec. 7. Election of Directors - Election of directors shall be held at the annual meeting of stockholders to be held on the last Saturday of May of every year as herein provided, and shall be done by a majority of stock represented in the meeting, and shall be conducted in the manner provided by the Corporation Law of the Philippines, and with such formalities and in such manner as the officer presiding at the meeting shall then and there determine and provide.

Sec. 8. Order of Business - At the annual meeting and as far as possible at all other meetings of the stockholders, the order of business shall basically be as follows:

1. Secretary's proof of due notice of the meeting and certification of a quorum.
2. Reading and disposal of any unapproved minutes
3. Reports of officers, annual and otherwise
4. Election of directors
5. Unfinished business
6. New business
7. Adjourn

ARTICLE IV

DIRECTORS

Sec. 1. Management - The business and property of the corporation shall be managed by a Board of seven (7) directors who shall be elected annually by the stockholders from among themselves, and who shall serve as such for a term of one (1) year until their successors are duly elected and qualified. The number of directors composing the Board of Directors of the corporation may be increased from seven (7) directors to any number not exceeding fifteen (15) directors in accordance with law. Any vacancy in the Board of Directors except removal and expiration of term shall be filled by a majority vote of the remaining members of the Board if still constituting a quorum, and the Director or Directors so chosen shall serve for the unexpired term.

The Board of Directors, at its judgment and discretion, shall exercise, either directly of by lawful delegation to any number of directors, and, or officers, the actual powers of management; in the case of such delegation, it will be made by proper resolution of the Board of Directors, and such Board shall always maintain, reasonable control and supervision over the persons to whom the actual powers of management are delegated.

Sec. 2. General Powers of the Board - The Board of Directors shall have the general management and supervision of the business and properties of the corporation and shall exercise all such powers and authority as Philippine Laws expressly confer upon them.

Sec. 3. Specific Powers of the Board - Without prejudice to the general powers conferred by the last preceding clause, it is hereby expressly declared that the Board of Directors shall have the following powers, that is to say:

1. From time to time, make and change rules and regulations not inconsistent with these By-Laws for the management of the corporation's business and officers;

2. To purchase or otherwise acquire for the corporation any property, rights or privileges which the corporation is authorized to acquire at such price and on such terms and conditions and for such consideration as they shall from time to time see fit;

3. At their discretion to pay for any property or rights acquired by the corporation or to discharge obligations of the corporation either wholly or partly in money or in stocks, bonds, debentures, or other securities of the corporation;

4. To create, make and issue promissory notes, mortgages, deeds of trusts, trust agreements, bonds, commercial papers and negotiable or transferable instruments and securities, secured by mortgage or otherwise, and to do every act and thing necessary to effectuate the same;

5. To appoint any person or persons to act and hold in trust for the corporation any property belonging to the corporation, or in which it is interested, or for any other purpose and to execute and do all such duties and things as may be requisite in relation to any such trust;

Sec. 4. Compensation of Directors - Directors as such shall receive a salary or compensation for their services in the amount of ₱3,500 per meeting, provided that nothing herein contained shall be construed to preclude any Director from serving the corporation in any other capacity and receiving compensation thereof.

Sec. 5. Resignation of directors and officers - Any Director or other officer may resign from his office at any time, such resignation to be made in writing and to take effect from the time of its acceptance

Sec. 6. Delegation of Officer - In case of the temporary absence of any officer of the corporation, or for any other reason that the Board may deem sufficient, the Board may delegate the powers and duties of such officer to any other officer or to any director for the time being, provided a majority of the entire Board concur therein.

Sec. 7 Annual Meetings - The regular annual meeting of the Board of Directors shall be held at the principal office of the corporation or at such other place in or outside the Philippines, as the majority of the directors may designate from time to time, immediately after the annual meeting of the stockholders, or as soon as possible thereafter, for the purpose of electing the officers of the corporation for the ensuing year and transacting any other business that may properly come before the meeting.

Sec. 8 Special Meeting - Special meetings of the Board of Directors shall be held in the principal office of the corporation or at such other place in or outside the Philippines, as may be designated in the call, and may be called by the President at any time; or by the majority of the Board, or such special meetings may be held at any time and place without notice by the unanimous written consent of all members of the Board, or with the presence and participation of all members of the Board.

Sec. 9. Notices - Notices of special meeting shall be mailed or personally served by the Secretary to each member of the Board not less than ten (10) days before any such meeting, and such notices shall state the objects and purposes thereof. No publication of the notice of any meeting in the public newspapers shall be required.

Sec. 10. Quorum - A Quorum at any meeting of the Directors shall consist of majority of the entire membership of the Board. A majority of such quorum shall decide any question that may come before the meeting.

Sec. 11. Officers - The officers of the corporation as provided by these By-Laws, shall be elected by the Board of Directors at their first meeting after the election of Directors. If any office becomes vacant during the year, the vacancy may be filled by the Board of Directors for the unexpired term. The Board of Directors shall fix the compensation of the officers and agents of the corporation.

Sec. 12. Order of Business - At any regular or special meeting of the Board of Directors, the order of business shall be:

1. Roll call

2. Secretary's proof of due notice of meeting

3. Reports of officers

4. Unfinished business

5. New business

6. Determination of time, date and place of the next meeting

7. Adjournment

ARTICLE V

OFFICERS

Sec. 1. Enumeration - The officers of the corporation shall consist of the following: a Chairman, a Vice Chairman, a President, a Vice-President, a Treasurer, and a Secretary, whose powers and duties shall be as hereinafter provided and as the Board of Directors may fix in conformity with the provisions of these By-Laws. All officers shall be elected as aforesaid to their respective offices by majority vote of the Board of Directors. Any officer may hold more than one office provided that the duties thereof are not incompatible.

Sec. 2. Chairman - The Chairman shall preside over all meetings of the Stockholders and of the Board of Directors, and shall perform such duties and functions as may be assigned by the Board of Directors.

Sec. 3. Vice-Chairman - The Vice-Chairman who must also be a director shall have all the powers and duties of the Chairman, during the absence or incapacity of the Chairman. The Vice-Chairman shall also perform such powers and duties as may be assigned to him by the Board of Directors.

Sec. 4. President - The President must be a director. Together with the Secretary of the corporation, he shall sign all stock certificates. He shall exercise such powers and perform such duties as may, from time to time, be designated to him by the Board of Directors. He shall be the Chief Executive Officer of the corporation and shall exercise the administration and control over the business activities and affairs of the corporation. He shall, as authorized by the Board of Directors, sign all contracts and instruments of the corporation; make reports to the Directors and Stockholders; shall see to it that all resolutions of the Board of Directors are duly executed and carried out.

Sec. 5. Vice-President - One or more Vice-Presidents who must also be directors shall be vested with all such powers and duties as may be vested in them by the Board of Directors. During the absence or incapacity of the President, the Vice-President chosen by the Board of Directors shall perform such duties of President.

Sec. 6. Treasurer - The Treasurer shall be the custodian of the funds of the corporation and shall be responsible for all moneys and other property of the corporation under his charge. He shall keep full and accurate records and accounts in books belonging to the corporation of all receipt, disbursements, assets, liabilities and general financial transactions of the corporation.

He shall deposit all moneys and other valuable effects of the corporation coming into his hands in such depositaries as may be designated by the Board of Directors. He shall also indorse for collection or deposit all bills, notes, checks and other negotiable instruments of the corporation and deposit the same to its credit.

The Treasurer shall render to the Board of Directors whenever so requested, all such statements and accounts as may be required of him, and he shall prepare an annual report showing the financial condition of the corporation as of the 31st day of December, each year, which report when made shall be present to the next succeeding meeting of the Board of Directors and to the annual meeting of the stockholders. He shall also discharge such other duties incidental to his position as may be required of him by the Board of Directors.

Sec. 7. Assistant Treasurer - The Assistant Treasurer shall perform the duties and functions of the Treasurer during the absence or incapacity of the latter. He shall also discharge such other duties as may be assigned to him of the Board of Directors.

Sec. 8. Secretary - The Secretary who must be a citizen and resident of the Philippines shall keep a record of the minutes of all meetings of the stockholders and of the Board of Directors, and he shall perform the same duty for any committee or committees that may be created whenever so required. He shall prepare and serve due notice of all meetings of the stockholders and of the Board of Directors in accordance with these By-Laws.

He shall have charge of the corporate seal and affix the same to certificates of stock when such certificates are duly signed by the proper officers, and shall affix the said seal, attested by his signature, to such other instruments as are duly authorized by the Board of Directors. He shall sign with the President all the certificates of stock issued, and he shall also be responsible for the stock certificate book, the stock transfer book, the stock ledger, and such other books and papers as the Board of Directors may place in his care.

He shall make such reports to the Board of Directors as may be required of him and he shall likewise prepare such reports and statements as are required by the laws of the Philippines. He shall perform all such other duties as are incident to his office or as may be assigned to him from time to time by the Board of Directors.

Sec. 9. Delegation of Powers - In case of absence or disability of any officer of the corporation, the President or the Board of Directors may delegate his powers and duties to any other officer for the time being and until the official returns or again perform his duties of his successor is elected.

In case of the disability of the President, then the Board of Directors shall elect his successor.

ARTICLE VI

REMOVAL AND SUSPENSION OF OFFICERS

Sec. 1. Removal - All officers of the corporation shall be subject to removal by resolution of the Board of Directors at any time, with or without cause, provided a majority of the Board shall vote in favor thereof.

Sec. 2. Suspension - All officers of the corporation shall be subject to preemptory suspension by order of the President in writing, subject to the subsequent action of the Board of Directors.

ARTICLE VII

EXECUTIVE COMMITTEE

1. There shall be an Executive Committee, composed of five (5) members, namely: The President, who shall be the Chairman of the Committee; and five members, who shall be elected from among the members of the Board, all to serve for a period of one (1) year until their successors to the Committee shall have been chosen. In case of vacancy in the Committee, the Board shall designate from among its members to fill in the vacancy for the duration of the term.

2. The Executive Committee shall, conformably with law, have and exercise the powers of the Board of Directors during the interim period between meetings of the Board, subject to such limitations as the Board may from time to time impose by resolution.

3. The Executive Committee shall hold regular or special

meetings to be determined by it annually soon after its organization. The President shall preside at its meetings, and in his absence, the remaining members shall elect among themselves an acting chairman. A majority of the members of the Committee shall constitute a quorom in all of its meetings, and any act of the Committee to be effective, must be authorized by the affirmative vote of at least four (4) of its members.

4. Each member of the Executive Committee shall receive a fee of ₱5,000 for his attendance at any meeting, or such other amount as shall be determined by the Board of Directors.

5. The Minutes of the Meetings of the Executive Committee shall be reported by its Secretary to the Board of Directors at the first regular or special meeting that the Board may subsequently hold.

ARTICLE VIII

DIVIDENDS AND FINANCE

Sec. 1. The Fiscal Year of the corporation shall commence with the opening on the 1st day of January of each year, and shall close on the 31st day of December of the following year.

Sec. 2. Dividends shall be declared only from the surplus profit and shall be payable at such times and in such amounts as the Board of Directors shall determine, and shall be payable in cash or shares of stock as said Board of Directors shall determine. No dividends shall be declared that will impair the capital of the corporation and no stock dividends shall be issued except as now or may hereafter be authorized and provided by law.

Sec. 3. Auditors shall be designated by the Board of Directors prior to the close of business in such fiscal year, who shall audit and examine the books of account of the corporation, and shall certify to the Board of Directors and the shareholders the annual balances of said books which shall be prepared at the close of the said year under the direction of the Treasurer. No director or officer of the corporation and no firm or corporation of which such officer or director is a member, shall be eligible to discharge the duties of the Auditor. The compensation of the Auditor shall be fixed by the Board.

Sec. 4. Inspection of the books, accounts, and records of the corporation by any member of the Board of Directors or stockholders may be made at any and all times during business hours of the corporation.

ARTICLE IX

AMENDMENTS

Sec. 1. These By-Laws may be amended, repealed or altered, in whole or in part, by a majority vote of the board of directors entire subscribed/ outstanding capital stock of the company at any regular meeting of the stockholders, or at any special meeting where such action has been announced in the call and notice of such meeting. The stockholders may however by the affirmative vote of the stockholders owning at least two-thirds (2/3) of all the subscribed/ outstanding capital stock at the annual meeting or at a special meeting called for that purpose, delegate the power to amend, repeal, or adopt new by-laws to the Board of Directors.

IN WITNESS WHEREOF, we, the undersigned stockholders owning all of the subscribed/ outstanding capital stock of the corporation have adopted unanimoulsy the foregoing By-laws and have affixed our signatures hereto, together with the Chairman of the meeting and the Secretary of the same, this 11th day of September 1987 .

CHARLES. W. ALCORN VIRGIL A. WALSTON

JERREL D. BRANSON EDUARDO F. HERNANDEZ

ROBERT COYUITO, JR. ROBERT COKENG

ANTONIO G. CAGUIAT

Attest:

Chairman of the Meeting

Secretary of the Meeting

DIRECTORS' CERTIFICATE

KNOW ALL MEN BY THESE PRESENTS:

THAT WE, the undersigned, being all of the directors of ALCORN PETROLEUM MINERALS AND EXPLORATION, ~~INC.~~ CORPORATION, a corporation duly organized and existing under the laws of the Philippines, and the Secretary thereof, do hereby certify that the foregoing By-Laws were adopted by the vote of more than a majority of all the subscribed/outstanding capital stock of the corporation at the meeting of the Stockholders thereof held on the 11th day of September, 1987 at 19th Flr., Solidbank Bl;dg., 777 Paseo de Roxas, Makati, Metro Manila.

CHARLES W. ALCORN	EDUARDO F. HERNANDEZ
VIRGIL A. WALSTON	ANTONIO O. CAGUIAT
JERREL D. BRANSON	ROBERT COYUITO, JR.

ROBERT COKENG

Countersigned:

TOMAS F. TUASON IV
Corporate Secretary

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES) S.S.
MAKATI, METRO MANILA)

BEFORE ME, a Notary Public for and in Makati, Philippines, this 11th day of September, 1987, personally appeared:

NAME	RES. CERT. A	ISSUED AT	ISSUED ON
C. W. Alcorn, Jr.	H004748	Houston, Texas	12 January 1987
V. A. Walston	D040347	New Orleans La.	13 January 1983
J. D. Branson	G039544	Houston, Texas	13 January 1986
E. F. Hernandez	6200176F	Makati, M. M.	09 February 1987
A. O. Caguiat	6866087F	Quezon City, MM	28 January 1987
R. Coyiuto, Jr.	147911	Manila	02 March 1987
R. Cokeng	126715B	Manila	19 February 1987

all known to me and to me known to be the same persons who executed the foregoing By-Laws and who acknowledged to me that the same is their free and voluntary act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and at the place first above written.

TOMAS F. TUASON IV
NOTARY PUBLIC
Until December 31, 1987
P.T.R. No. 027756
Issued on January 14, 1987
Issued at Makati, Metro Manila

Doc. No. ___;
Page No. ___;
Book No. ___;
Series of 1987.

000045962

000355570