



MEMORANDUM ORDER NO. 2014-26

IMPLEMENTING THE ABOLITION OF PNOC ALTERNATIVE FUELS CORPORATION (PNOC-AFC)

WHEREAS, PNOC Alternative Fuels Corporation (PNOC-AFC) is a wholly-owned subsidiary of the Philippine National Oil Company (PNOC) and was established with the purpose to explore, develop and accelerate the utilization and commercialization of existing and emerging alternative sources of energy and technologies and carry on the business of alternative fuels and other related activities thereto to enhance the energy security and promote sustainable energy development;

WHEREAS, the Governance Commission determined that PNOC-AFC is not financially and economically sustainable, has functions that overlap with other existing Government Agencies, and is no longer achieving the primary purpose for which it was created;

WHEREAS, PNOC-AFC's primary purpose can be carried out directly by PNOC through its broad corporate powers to undertake exploration, exploitation, and development of all energy sources of the country, under Section 4 of P.D. 334.

WHEREAS, the Governance Commission recommended the approval of the abolition of PNOC-AFC to H.E. the President pursuant to Section 5(a) of R.A. No. 10149;

WHEREAS, the recommendation to abolish PNOC-AFC was approved by H.E. the President through a Memorandum from the Executive Secretary dated 08 September 2014;

WHEREAS, the Governance Commission and the Securities and Exchange Commission have entered into a Memorandum of Agreement on 8 April 2013 for the abolition of Nonchartered GOCCs;

NOW, BE IT –

RESOLVED, the Commission hereby directs PNOC, as the Parent GOCC of PNOC Alternative Fuels Corporation (PNOC-AFC), to **DISSOLVE** PNOC-AFC and to take all proper and necessary steps in connection therewith, in coordination with the GCG;

RESOLVED FURTHER, PNOC shall submit reports to GCG within thirty (30) calendar days from the close of each quarter until the implementation of the dissolution has been completed.

DONE, in the City of Manila, this 29^h day of September, Two Thousand and Fourteen.

BY AUTHORITY OF THE COMMISSION:

CESAR L. VILLANUEVA

Chairman

MA. ANGELA E. IGNACIO

Commissioner

RAINIER B. BUTALID

Commissioner