

**FEC RESOURCES INC.**  
**Condensed Interim Financial Statements**

**For the three months ended March 31, 2025**  
**(Expressed in United States Dollars)**  
**Unaudited**

**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL  
STATEMENTS**

The accompanying unaudited condensed financial statements for FEC have been prepared by management in accordance with International Financial Reporting Standards. These financial statements, which are the responsibility of management are unaudited and have not been reviewed by the Company's auditors. The Company's Audit Committee and Board of Directors has reviewed and approved these interim financial statements.

The Company's independent auditor has not performed a review of these interim condensed financial statements in accordance with the disclosure requirements of National Instrument 51-102 released by the Canadian Securities Administrators.

**FEC RESOURCES INC.**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
*Expressed in United States Dollars*  
**UNAUDITED**

As at:	<b>March 31</b>	December 31
	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 54,433	\$ 5,756
Prepaid expenses	4,748	8,489
	<u>\$ 59,181</u>	<u>14,245</u>
<b>Non-current assets</b>		
Investment in Forum Energy Limited (Note 9)	7,365,804	8,568,094
<b>Total assets</b>	<u><b>\$ 7,424,985</b></u>	<u><b>\$ 8,582,339</b></u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and accrued payables	\$ 60,317	\$ 41,607
Short term loan (Note 6)	983,752	895,637
	<u><b>1,044,069</b></u>	<u><b>937,244</b></u>
<b>Shareholders' Equity</b>		
Share capital (Note 5)	17,620,625	17,620,625
Contributed surplus (Note 5)	3,058,063	3,058,063
Accumulated other comprehensive income (Note 9)	4,903,873	6,106,163
Deficit	(19,201,645)	(19,139,756)
<b>Total shareholders' equity</b>	<u><b>6,380,916</b></u>	<u><b>7,645,095</b></u>
<b>Total liabilities and equity</b>	<u><b>\$ 7,424,985</b></u>	<u><b>\$ 8,582,339</b></u>

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

*"Daniel Carlos"*

\_\_\_\_\_  
Director

*"Paul Wallace"*

\_\_\_\_\_  
Director

The accompanying notes to the interim condensed financial statements are an integral part of these statements.

**FEC RESOURCES INC.**  
**CONDENSED STATEMENTS OF COMPREHENSIVE LOSS**  
*Expressed in United States Dollars*  
**UNAUDITED**

	<b>Three Month Period Ended</b>	
	<b>March 31, 2025</b>	<b>March 31, 2024</b>
<b>General and administration expenses</b>		
General and administration (Note 7)	\$ 44,724	\$ 31,186
<b>Operating loss</b>	(44,724)	(31,186)
Interest expense (Note 6)	(17,165)	(13,918)
<b>Loss for the period</b>	\$ (61,889)	\$ (45,104)
Other comprehensive (loss)		
Items that will not be reclassified to profit or loss:		
Changes in fair value of investment (Note 9)	(1,202,290)	-
<b>Comprehensive income (loss)</b>	(1,264,179)	(45,104)
<b>Loss per common share</b>		
- Basic and diluted	\$ 0.00	\$ 0.00

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**FEC RESOURCES INC.**  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
*Expressed In United States Dollars*  
**UNAUDITED**

For the three months ended March 31, 2025

	Share capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Total
<b>Balance December 31, 2024</b>	\$17,620,625	\$3,058,063	6,106,163	\$(19,139,756)	\$ 7,645,095
Total net loss for the period	-	-	-	(61,889)	(61,889)
Accumulated other comprehensive (loss)	-	-	(1,202,290)	-	(1,202,290)
<b>Balance March 31, 2025</b>	<u>\$17,620,625</u>	<u>\$3,058,063</u>	<u>4,903,873</u>	<u>\$(19,201,645)</u>	<u>\$ 6,380,916</u>

For the three months ended March 31, 2024

	Share capital	Contributed surplus	Deficit	Total
<b>Balance December 31, 2023</b>	\$17,620,625	\$3,058,063	\$(18,895,319)	\$ 1,783,369
Total comprehensive loss for the period	-	-	(45,104)	(45,104)
<b>Balance March 31, 2024</b>	<u>\$17,620,625</u>	<u>\$3,058,063</u>	<u>\$(18,940,423)</u>	<u>\$ 1,738,265</u>

The accompanying notes to the condensed interim financial statements are an integral part of these statements.

**FEC RESOURCES INC.**  
**CONDENSED STATEMENTS OF CASH FLOWS**  
*Expressed in United States Dollars*  
**UNAUDITED**

	<b>For the three months ended</b>	
	<b>March 31</b>	<b>March 31</b>
	<b>2025</b>	<b>2024</b>
<hr/>		
<b>Cash provided by (used in)</b>		
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (61,889)	\$ (45,104)
Changes in working capital related to operating activities		
Prepaid expenses	3,741	4,281
Accrued interest expense	17,165	13,918
Accounts payable and accrued liabilities	18,710	10,820
<b>Net cash used in operating activities</b>	<u>(22,273)</u>	<u>(16,085)</u>
<b>FINANCING ACTIVITY</b>		
Loan from PXP Energy Corporation	70,950	43,286
<b>Net cash provided by financing activity</b>	<u>70,950</u>	<u>-</u>
Net (decrease) increase in cash	48,677	27,201
Cash – beginning of the period	5,756	7,406
<b>Cash – end of the period</b>	<u>\$ 54,433</u>	<u>\$ 34,607</u>

The accompanying notes to the condensed interim financial statements are an integral part of these statements.

**FEC RESOURCES INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**March 31, 2025**  
**(Stated in United States Dollars)**

Note 1      Corporate Information

FEC Resources Inc. (“FEC” or the “Company”) was incorporated under the laws of Alberta, Canada and is a holding Company with an interest in Forum Energy Limited (“FEL”). The Company is listed in the United States on the OTC Pink (“OTC Pink”), having the symbol FECOF.

As at March 31, 2025, the Company has a 6.8% interest in FEL. (Note 8).

The principal address of the Company is Suite 2300, Bentall 5, 550 Burrard Street, Vancouver, BC, V6C 2B5. The Company’s ultimate parent company is PXP Energy Corporation (“PXP”) with a registered office at 2/F LaunchPad, Reliance corner Sheridan Streets, Mandaluyong City 1550, Metro Manila, Philippines.

Note 2      Basis of Preparation

a) Statement of Compliance

These condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting and have been prepared using the same accounting policies and methods as were used for the Company’s Annual Financial Statements for the year ended December 31, 2024. These condensed interim financial statements should be read in conjunction with the Company’s annual financial statements dated December 31, 2024.

The condensed interim financial statements were authorized for issue by the Board of Directors on July 15, 2025.

b) Basis of Measurement

The financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value described in the applicable notes and are presented in United States dollars, which is also the Company’s functional currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

**FEC RESOURCES INC.**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**March 31, 2025**  
**(Stated in United States Dollars)**

Note 2

Basis of Preparation (continued)

c) Nature of Operations and Going Concern

As a holding company with an interest in FEL, the Company's business is indirectly subject to risks inherent in oil and gas exploration and development operations. In addition, there are risks associated with FEL's stage of operations and the foreign jurisdiction in which it or FEL may operate or invest. The Company has identified certain risks pertinent to its investment including: exploration and reserve risks, uncertainty of reserve estimates, ability to exploit successful discoveries, drilling and operating risks, title to properties, costs and availability of materials and services, capital markets and the requirement for additional capital, market perception, loss of or changes to production sharing, joint venture or related agreements, economic, political and sovereign risks, possibility of less developed legal systems, corporate and regulatory formalities, environmental regulation, reliance on strategic relationships, market risk, competition, dependence on key personnel, volatility of future oil and gas prices and foreign currency risk. The Company has an accumulated deficit since inception of \$19,201,645.

Management considers that the current economic environment is difficult and the outlook for holding companies investing in oil and gas exploration companies presents significant challenges in terms of raising funds through issuance of shares. To the extent necessary, the Company has relied on its ability to raise funds via dispositions of quantities of its shareholdings in FEL to PXP under terms that are consistent with the best interests of shareholders, in order to finance its operations. The Company has been successful in disposing quantities of its shareholdings in FEL in previous fiscal years. However, there can be no assurance the Company will continue to be able to dispose of quantities of its shares in FEL under suitable terms. Currently management has no plans to sell any additional FEL shares.

Since the delisting of FEL from the London Stock Exchange, there is no liquidity via a public market for the FEL shares. As the Company is wholly reliant on the information disclosed by PXP concerning the business of FEL, the Company may not be able to obtain information necessary to facilitate a wider sales process. The continuation of the Company is dependent upon its ability to raise funds via dispositions of quantities of its shareholdings in FEL to PXP under terms that are consistent with the best interests of shareholders, or obtain loans from PXP. Also, the Company may issue new shares to PXP and/or other third parties.

Management has concluded that the combination of these circumstances gives rise to a material uncertainty that casts substantial doubt on the ability of the Company to continue as a going concern; therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

**FEC RESOURCES INC.**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**March 31, 2025**  
**(Stated in United States Dollars)**

Note 3      Summary of Material Accounting Policies and Critical Accounts Estimates and Judgments

These interim condensed financial statements have been prepared using the same accounting policies and methods of computation as the annual financial statements for the year ended December 31, 2024. In addition, these interim condensed financial statements have been prepared using the same critical accounting estimates and judgments as the annual financial statements for the year ended December 31, 2024 except for the valuation of the Company's interest in FEL. Accordingly, the interim condensed financial statements should be read in conjunction with the financial statements for the year ended December 31, 2024.

The valuation of the Company's interest in FEL is a critical accounting estimate and judgement (Note 9).

Note 4      Standards, Amendments and Interpretations

The Company has prepared its financial statements in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"). IFRS represents standards and interpretations approved by the IASB and are comprised of IFRS, International Accounting Standards ("IAS's"), and interpretations issued by the IFRS Interpretations Committee ("IFRIC's") and the former Standing Interpretations Committee ("SIC's"). The financial statements have been prepared in accordance with IFRS standards and interpretations effective as of March 31, 2025.

New IFRS Accounting Standards and interpretations or changes to existing standards with future effective dates are either not applicable or not expected to have a significant impact on the financial statements of the Company.

As at the date of authorization of these financial statements, the IASB had issued certain pronouncements that are mandatory for the Company's accounting periods commencing on or after March 1, 2025. In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18") which replaces IAS 1 Presentation of Financial Statements. This standard aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. Companies are permitted to apply IFRS 18 before that date. The Company is currently assessing the impact the new standard will have on its financial statements. Other recent accounting pronouncements are not applicable or do not have a significant impact to the Company, have been excluded.



**FEC RESOURCES INC.**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**March 31, 2025**  
**(Stated in United States Dollars)**

**Note 5**      **Share Capital**

a)    Authorized:

The Company is authorized to issue an unlimited number of common shares without par value; and

The Company is authorized to issue an unlimited number of Class A and Class B preferred convertible redeemable voting shares without par value.

Issued:

Common Shares	Number	Amount
Balance March 31, 2025 and December 31, 2024	861,082,371	\$ 17,620,625

No preferred shares have been issued since the Company's inception.

b)    Nature and Purpose of Equity and Reserves

Contributed Surplus is used to recognize the value of stock option grants prior to exercise.

Deficit is used to record the Company's change in deficit from earnings and losses from period to period.

Accumulated Other Comprehensive Income is used to record the change in fair value of the Company's investment in FEL from period to period.

**Note 6**      **Related Party Transactions and Balances**

The Company considers its officers (CEO and CFO) and directors to be key management. Key management are those persons having authority and responsibility for planning, directing, and controlling activities, directly or indirectly, of the Company.

- (i)    During the quarter ended March 31, 2025, general and administrative expenses included key management personnel compensation totaling \$12,000 (2024: \$12,000).
- (ii)    As at March 31, 2025, the outstanding PXP Loan balance was \$983,752 (December 31, 2024 - \$895,637), which included accrued interest of \$122,596 (December 31, 2024 - \$105,431). Total interest expense for the quarter was \$17,165.

**FEC RESOURCES INC.**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**March 31, 2025**  
**(Stated in United States Dollars)**

Note 7      General and Administrative Expenses

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Professional fees	\$ 17,226	\$ 3,430
Bank charges	137	279
Listing and filing fees	1,314	937
Office and miscellaneous	4,412	4,684
Consulting (Note 6)	21,607	21,601
Foreign exchange	28	255
	<u>\$ 44,724</u>	<u>\$ 31,186</u>

Note 8      Loss Per Share

Weighted Average Number of Common Shares

	March 31, 2025	March 31, 2024
Weighted average number of common shares (basic and diluted)	<u>861,082,371</u>	<u>861,082,371</u>

Note 9      Investment in FEL

i) Investment in FEL

The investment in FEL is summarized as follows:

	Shares	Amount
Balance December 31, 2024	8,206,638	\$ 8,568,094
Change in fair value	-	(1,202,290)
Balance Sept. 30, 2024	<u>8,206,638</u>	<u>7,365,804</u>

As at March 31, 2025, the Company's interest in FEL was 6.80% (December 31, 2024: 6.80%).

FEL's assets consist of interests in various petroleum service contracts (SC) in the Philippines, the most significant of which in terms of Prospective Resources is SC 72. On March 2, 2015, the Philippine Department of Energy ("DOE") granted a force majeure on SC 72 because the contract area falls within the territorial disputed area of the West Philippine Sea. Under the terms of the force majeure, all exploration work at SC 72 was immediately suspended until the DOE notified PXP that it could re-commence exploration. On October 16, 2020, FEL received a letter from the DOE lifting the force majeure and directing FEL to resume exploration activities on SC 72. On April 11, 2022, force majeure was once again declared on SC 72 as a result of FEL not receiving clearance from Security, Justice and Peace Coordinating Cluster to proceed after preparations for drilling were underway.

**FEC RESOURCES INC.**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**March 31, 2025**  
**(Stated in United States Dollars)**

Note 9      Investment in FEL (continued)

*Determination of fair value*

The investment in FEL represents an investment in a private company for which there is no active market and for which there are no publicly available quoted market prices.

The Company has classified its investment in FEL as Level 2 in the fair value hierarchy.

For purposes of determining fair value of the investment in FEL, the Company considered valuation techniques described in IFRS 13 – Fair Value Measurement. In respect of the investment in FEL, management considered the fair value of \$7,365,804 to be indicative of the fair value of the investment in FEL as on May 17, 2024 PXP disclosed that the company was undertaking a share swap with Tidemark Holdings Limited (“Tidemark”) whereby PXP would exchange PXP shares for all FEL shares held by Tidemark at a value of \$1.17 per share (430,243,903 PXP shares at PHP3.62). This imputed a value of \$9,601,766 on the transaction date. The Company re-calculated the volume weighted average price of the PXP shares as at March 31, 2025 resulting in a 23.29% reduction in the fair value from the transaction date. The fair value of the investment is consistent with the re-calculated implied value based on the May 10, 2024 share swap between PXP and Tidemark, which is a Level 2 input. The share swap transaction closed on March 20, 2025.

Note 10      Segmental Reporting

The Company has one reportable operating segment which is primarily the business of exploration and development of oil and gas and other mineral related opportunities, through companies in which the Company invests.

Note 11      Subsequent Event

Subsequent to quarter end, the Company received an additional loan from PXP amounting to \$150,000 for working capital under the PXP Loan.