



03 November 2015

Ms. Janet A. Encarnacion
Head, Disclosure Department
Philippine Stock Exchange
3/F PSE Plaza, Ayala Triangle Plaza
Ayala Ave., Makati City

Attention: **Ms. Sheena Paula H. Pedrieta**

Dear *Ms. Encarnacion*:

We write in reference to your correspondence dated 03 November 2015 seeking clarification on the news article published or posted in Inquirer.net on 31 October 2015 entitled "Regulator approves Phoenix's plan to sell P2B in Preferred Shares" which in part states:

"The Securities and Exchange Commission (SEC) has approved the plan of petroleum distributor Phoenix Petroleum Philippines Inc. to sell to the public as much as P2 billion worth of preferred shares.

Phoenix was authorized to sell at least 10 million non-voting preferred shares at P100 a share with an option to issue another 10 million preferred shares.

The company has named PentaCapital Investment Corp. sole issue manager and joint lead underwriter. Other joint lead underwriters are Multinational Investment Bancorporation and AB Capital and Investment Corp.

Proceeds will be used by the company to complete the construction of 61 retail stations in the key cities of North and South Luzon, Visayas and Mindanao as well as put up storage facilities in Cebu and General Santos.

Part of the offering will have an optional redemption on the third year of listing and subject to a step-up or increase in dividend rate by 2 percentage points on the fifth anniversary. Another series will be entitled to an optional redemption date on the fifth anniversary and subject to a step-up rate of 2 percentage points on the seventh year after listing.



....."

In behalf of the Company, we DENY the above article in so far as the Securities and Exchange (the Commission) or the Regulator for this matter has approved the Company's plan to sell Php 2 billion in Preferred Shares.

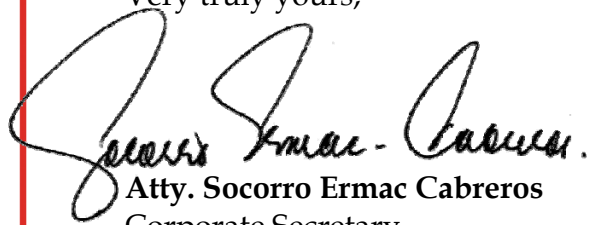
On 31 October 2015, the Company was informed by the Commission that it has favorably considered its application for registration of up to Php2 billion worth Preferred Shares subject however to the submission and fulfillment of certain conditions which the Company has yet to comply.

There is no Order of Registration nor a Certificate of Permit to Sell or Offer For Sale Securities that has been issued by the Commission at this time. Hence, the Company is not authorized or permitted to sell or market its preferred shares. We shall properly disclose such authority or permit once granted by the Commission at the appropriate time.

We hope to have clarified this matter from our end.

Thank you and warm regards.

Very truly yours,


Atty. Socorro Ermac Cabreros
Corporate Secretary