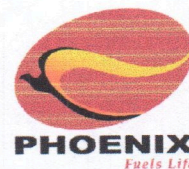


To be an indispensable partner in the journey of everyone
whose life we touch.



February 02, 2017


Ms. Jose Valeriano B. Zuño III
Head, Disclosure Department
Philippine Stock Exchange □
3/F PSE Plaza, Ayala Triangle Plaza
Ayala Avenue, Makati City

Dear *Mr. Zuño*:

In connection with the issuance of the Preferred Shares (Tranche 3) by the Company on December 18, 2015, we hereby submit the Progress report on the application of the Php 2 Billion Proceeds from the Offer.

We hope you find the foregoing in order.

Very truly yours,


Chryss Alfonsus V. Damuy
Treasurer and VP for Finance

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Progress Report

Breakdown of Usage for P2.0B Preferred Shares	Projected Timeline of Acquisition	Allocation (in PHP 000)	Actual Amt Disbursed (in PHP 000)	Timing of Disbursement				
				Dec-15	Q1 2016	Q2 2016	Q3 2016	Q4 2016
A. Capital Expenditures								
A.1 Issuance Cost	Nov 2015	46,107	46,107	46,107				
A.2. Retail Stations								
Construction of 61 Retail Stations	Jul - Dec 2015	340,000	340,000	156,000	69,000	82,000	33,000	
Construction of 80 Retail Stations	Jan - Dec 2016	640,000	640,000				225,400	414,600
A.3. Storage Terminals								
Cebu	Nov - Dec 2015	360,000	360,000	55,000	57,000	103,000	24,900	120,100
General Santos	Nov 2015 - Dec 2016	253,893	253,893	163,000	72,000	16,000	2,893	
B. Working Capital								
B.1. Importation of petroleum products	Nov 2015	360,000	360,000	360,000				
TOTAL		2,000,000	2,000,000	780,107	198,000	201,000	286,193	534,700