

11 February 2015

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



Dear *Ms. Encarnacion*:

Pursuant to the completion of the Audited Financial Statement for period ended 31 December 2014 of the Company, please find the attached press statement which we would like to share with your office and the public.

Thank you and ward regards.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Socorro Ermac Cabreros".

Atty. Socorro Ermac Cabreros
Corporate Secretary

February 11, 2015



Phoenix Petroleum earnings decline 7%

Phoenix Petroleum Philippines, Inc. (PNX.PM) posted a revenue decline of 20% as a result of lower sales volume and selling price during the year. Fuel sales volume decreased by 18% year-on-year, mostly from the non-retail segment, as a result of the company's deliberate action to temper low margin sales to distributors/wholesalers.

Average selling prices for the year declined in line with the continuous drop in global oil and fuel prices. In the Philippines, the total net price adjustments for 2014 was a net decrease of P13.29 for gasoline, P15.03 for diesel, and P28.52 for LPG, as monitored by the Department of Energy.

As a result, net income declined by 7% from Php 665 million in 2013 to Php 616 million in 2014. However, in line with the company's strategy to focus on more profitable sales, 2014 return on sales improved to 1.8% coming from 1.5% in 2013.

Despite the drop in sales to distributors/wholesalers, volume from retail sales continues to grow in line with the year-on-year expansion of the independent oil company's retail network and increase in same-store-sales by 10%. Phoenix Petroleum expanded its retail station network from 368 stations in 2013 to 418 stations as of December 2014, of which 221 are in Mindanao, 56 in Visayas, and 141 in Luzon.

At the same time, sales to commercial accounts, primarily to the shipping, fishing, mining, power and transportation sectors, registered continuous growth during the year. Phoenix Petroleum also supplies more than 50 percent of Cebu Pacific's jet fuel requirements and handles all their logistics needs in Mindanao and parts of Visayas. The partnership was renewed recently with a long-term supply agreement.

Phoenix Petroleum continues to expand its logistics and infrastructure, such as with the opening of its Mindoro storage facility to support both its network expansion and its commercial and industrial clients.

In 2014, its subsidiary, Chelsea Shipping Corporation, expanded its fleet to 11 tanker vessels when it took delivery of the 146-meter M/T Chelsea Donatela, which with its sister ship, MT Chelsea Thelma, are the largest Philippine-registered oil tankers with a capacity of 14,000 DWT each. This increases the total capacity of Chelsea Shipping Corporation to 44,368 MT. The new vessel, together with its sister ship, will serve the regional shipping requirement for petroleum products. Chelsea Shipping is one of the top five petroleum tanker owners in the country, serving Phoenix Petroleum, Cebu Pacific Air, and National Power Corporation, among other companies, and sailing on local and regional seas.



With its investments in retail, logistics and shipping, the total assets of the Company grew by 12% to Php 25 billion in 2014 from Php 22.4 billion in 2013.

Phoenix Petroleum is the No. 1 independent and fastest growing oil company today with an expanding network of operations nationwide. It is engaged in the business of trading refined petroleum products and lubricants, operation of oil depots and storage facilities, shipping/logistics and other allied services.