

18 December 2019

Philippine Stock Exchange

Disclosure Department
3/F PSE Plaza, Ayala Triangle Plaza
Makati City, Metro Manila

Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department
Philippine Stock Exchange

Ms. Hannah Abigail R. de Guzman
Disclosure Department
Philippine Stock Exchange

Madam:

We write in reply to your correspondence which we received today 18 December 2019 seeking clarification on the news article that was published in Business World (Online Edition) today entitled, "Phoenix-CNOOC Venture Junks LNG Terminal Project".

In the said news article, it was stated:

PHOENIX Petroleum Philippines, Inc. and CNOOC Gas and Power Group Co., Ltd. have asked the Department of Energy (DoE) to suspend its proposal to build a liquefied natural gas (LNG) import terminal in the country, government officials said on Tuesday.

Energy Secretary Alfonso G. Cusi said the request for suspension was prompted by the deal between Phoenix Petroleum's parent firm Udenna Corp. to acquire the stake of Chevron Malampaya LLC in the Malampaya gas-to-power project.

"They just wrote us a letter because of the development that they have [with] Udenna getting the Chevron share in Malampaya, they are withdrawing their application for the terminal and they want to reassess and submit a new concept," he said in a chance interview on Tuesday.

"They are not pursuing it. They want to revisit their LNG terminal program in lieu of the Malampaya development. So I think they are going to tie it together," Mr. Cusi added.

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



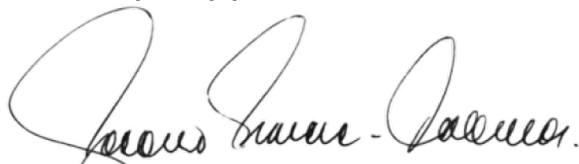
The requested suspension came after Udenna announced on Nov. 13 that its subsidiary UC Malampaya Philippines Pte. Ltd. had signed a sale and purchase agreement to acquire the 45% stake of Chevron in the deepwater located offshore northwest Palawan.

We confirm the news article as reported particularly the request of Tanglawan to hold in abeyance the LNG Project in view, among others, of the recent acquisition of Chevron's stake in the Malampaya consortium by our Parent Company, Udenna Corp.

Nonetheless we reiterate our Company's commitment to support the country's energy agenda on security, self-reliance, and use of cleaner energy sources and will continue to explore the best avenue to provide continuous and sustainable supply of gas to meet the growing demand for cleaner fuel.

Thank you and warm regards.

Very truly yours,



Atty. Socorro Ermac Cabreros
Corporate Secretary

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