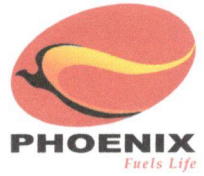


To be an indispensable partner in the journey of everyone
whose life we touch.



22 February 2017

Mr. Jose Valeriano B. Zuño III
OIC-Head, Disclosure Department
Philippine Stock Exchange
PSE Plaza, Ayala Triangle Plaza
Makati City, Metro Manila

Dear Mr. Zuño:

Pursuant to the completion of the Audited Financial Statement for the period ended 31 December 2016 of the Company, please find the attached press statement which we would like to share with your office and the public.

Thank you and warm regards.

Very truly yours,

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

Atty. Socorro Ermac Cabreros
Corporate Secretary

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Phoenix Petroleum hits record earnings of Php 1.09 billion in 2016 on all-time-high 1.5 billion liter sales volume

Phoenix Petroleum Philippines, Inc. (PNX.PM) posted net income of Php 1.09 billion for the full year of 2016, 21% higher than 2015. Moreover, core earnings from the fuel business more than doubled from Php 416 million to Php 937 million due to better margins and sales mix.

Fuel sales volume grew 25%, hitting the 1.5 billion liter milestone in 2016, driven by solid growth in retail and commercial volume. Furthermore, lubricant sales volume saw an 18% growth year-on-year on increased market share.

Retail sales volume was up 12% year-on-year, with the completion of 51 new retail stations during the year, bringing the total number of outlets built to 505 as of end December 2016. Meanwhile, same store sales growth remains strong at 18% on higher consumption, supported by brand-enhancing investments in marketing and advertising.

Commercial sales volume grew 33%, from higher market share and increased consumption by distributors and corporate direct accounts, which include the power, transport, construction, and aviation sectors.

Revenues were higher by 2% as lower oil prices year-on-year were offset by higher sales volume.

Last November, the Company concluded its sale of its non-core businesses in shipping and industrial park operations to the Udenna Group, the effective parent and majority stockholder of the Company, for total net proceeds of Php 3 billion. Proceeds of the sale were used to pay down debt, which improved the Company's leverage, allowing room for further investments in its core business, including potential acquisitions. Debt to equity ratio dropped to 1.72:1 as of end December 2016 from 2.09:1 the previous year.

Furthermore, Phoenix Petroleum continues to expand its supply chain assets, with higher tank capacities at its Villanueva (Cagayan De Oro) and Subic terminals in 2016. This year, new depots in Tayud (Cebu) and General Santos are expected to be completed in the first and fourth quarters, respectively. Further expansion is also eyed for the Calaca (Batangas) terminal in the third quarter.

Based on the latest data released by the Department of Energy, Phoenix Petroleum registered a market share of 6.9% as of the first half of 2016, putting it on track to becoming the third largest oil company in the country by the end of 2017.

Phoenix Petroleum is engaged in the nationwide trading and marketing of refined petroleum products and lubricants, operation of oil depots and storage facilities, hauling and into-plane services.