

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



11 August 2017

Mr. Jose Valeriano B. Zuño III
OIC-Head, Disclosure Department
Philippine Stock Exchange
3/F PSE Plaza
Ayala Triangle Plaza
Ayala Ave., Makati City

Dear *Mr. Zuño*:

Pursuant to the results of the Company's 2nd Quarter performance for 2017 or for period ended 30 June 2017, please find the attached press statement which we would like to submit to the Exchange.

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

August 11, 2017

Phoenix Petroleum core income grows 35% in first half of 2017

Leading independent oil company Phoenix Petroleum Philippines, Inc. (PNX.PM) saw strong growth in the first half of 2017 as core income grew 35% year-on-year from P450 million to P610 million. Revenues from the core petroleum business also grew 24% at P18.9 billion in the first half of this year compared to the same period last year.

Including subsidiaries Chelsea Shipping Corp. and Phoenix Petroterminals and Industrial Park Corporation, which were divested in November 2016 and have since been deconsolidated, revenues and net income increased 24% and 8%, respectively.

The Company completed 518 Phoenix retail service stations as of the first half of 2017. Commercial also continues to deliver new direct accounts, at the same time expand its market share within existing accounts, with notable wins in power, marine transport, and road transport, among others. Furthermore, lubricants maintained its solid growth, with volume up 18% year-to-date.

“We will continue to sustain the growth momentum of our company as we expand our retail, commercial, lubricants, and LPG businesses, drive operational excellence, and acquire companies,” said Phoenix Petroleum President and CEO Dennis Uy.

In May 2017, Phoenix Petroleum announced the potential acquisition of Petronas Energy Philippines, Inc. (PEPI), marking its foray into the liquefied petroleum gas (LPG) market. Phoenix Petroleum secured approval from the Philippine Competition Commission last August 3 and is expecting to close the transaction in the same month.

The acquisition of PEPI will be a strong growth and value driver for Phoenix Petroleum as it continues to expand its presence in the petroleum industry. It will be consolidated into the Company beginning August and is expected to be already accretive to earnings by end 2017. PEPI is principally engaged in the LPG business in the Philippines, particularly in the Visayas and Mindanao regions. Upon completion, Phoenix Petroleum becomes a more diversified petroleum company with an enhanced product mix and a more robust platform for growth.

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About Phoenix Petroleum:

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. It has over 500 retail stations across the country, selling high quality fuel and lubricant products. With its vision to be an indispensable partner in the journey of everyone whose life we touch, Phoenix Petroleum is committed to deliver world-class services, empower people, and inspire every Filipino's entrepreneurial spirit.