



Ms. Justina F. Callangan

Director, Corporate Finance Department
Securities & Exchange Commission
EDSA, Greenhills
Mandaluyong City

Janet A. Encarnacion

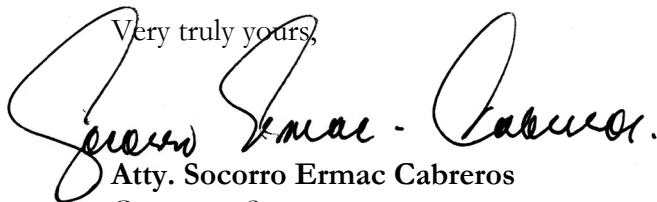
Head, Disclosure Department
Philippine Stock Exchange
PSE Center, Exchange Road
Ortigas, Pasig City

Mdms:

We are herewith submitting the attached Notice of Annual Stockholder's Meeting and the corresponding Preliminary Information Statement (SEC Form 20-IS) of our company for your consideration and approval.

Thank you and best regards.

Very truly yours,



Atty. Socorro Ermac Cabreros
Corporate Secretary

PHOENIX PETROLEUM PHILIPPINES, INC.

Head Office: Phoenix Bulk Depot, Barangay Pampanga, Lanang,
8000 Davao City, Philippines
Davao Trunkline 082-235-8888 Fax: 082-2330168

Manila Office: 25th Floor, FORT LEGEND TOWERS, 3rd Avenue corner 31st St., Bonifacio Global City,
Taguig City, 1634 Philippines
Telephone: +63-2-4034013

www.phoenixphilippines.com



NOTICE OF ANNUAL STOCKHOLDERS' MEETING

The Annual Stockholders' Meeting of P-H-O-E-N-I-X Petroleum Philippines, Inc. will be held on the following date and place:

**Friday, March 11, 2011, 2:00 PM
Jade Room, Marco Polo Hotel
Davao City**

The agenda for the Meeting shall be, as follows:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held last July 15, 2010
4. Report of the President and Chief Executive Officer
5. Report of the Chief Finance Officer
6. Approval of the 2010 Audited Financial Statements and 2010 Annual Report
7. Approval of Corporate Actions:
 - a) Proposed acquisition of Subic Petroleum Transport And Trading Philippines, Inc.;
 - b) Proposed investment of the Company's funds to form and incorporate a new corporation, of which the Company shall subscribe to majority of the shares and Chelsea Shipping as minority shareholder, for purposes of acquiring and operating a new tanker vessel to boost and support the Company's fuel importation, depot expansion and the corresponding increase in fuel capacity of its depot terminals;
 - c) Proposed Amendments of the Article II, Section 1 of the By-Laws of the Company, to wit;

"Section 1. Annual/Regular Meetings – The annual/regular meetings of stockholders shall be held at the principal office on any day in March of each year."
8. Declaration of thirty percent (30%) stock dividend
9. Ratification and Confirmation of all Acts and Resolutions of the Board and Management executed in the normal course of business covering the period of June 1, 2010 until January 31, 2011
10. Election of the Members of the Board of Directors
11. Appointment of External Auditor
12. Other Matters
13. Adjournment

PHOENIX PETROLEUM PHILIPPINES, INC.



Only stockholders of record as of February 14, 2011 will be entitled to notice of and vote at, this meeting. Registration for the Meeting begins at 12:00 PM on March 11, 2011.

If you will not be able to attend the Meeting but would like to be represented thereat, you may submit your proxy form, duly signed and accomplished, to the Corporate Secretary at Stella Hizon Reyes Road, Bo. Pampanga, Lanang, Davao City, Philippines, no later than 5:00PM on March 1, 2011. Corporate stockholders should also provide a notarized secretary's certificate indicating their number of shares and attesting to the appointment of the corporation's proxy for the Meeting as well as the execution and delivery of the proxy form. Any proxies received will be validated by the Company's Corporate Secretary on March 4, 2011 at its principal office at Stella Hizon Reyes Road, Bo. Pampanga, Lanang, Davao City, Philippines.

THE COMPANY IS NOT SOLICITING PROXIES.

Davao City, Philippines, February 17, 2011.

A handwritten signature in black ink, which appears to read "Socorro T. Ermac Cabreros".

SOCORRO T. ERMAC CABREROS
Corporate Secretary

PHOENIX PETROLEUM PHILIPPINES, INC.

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8000 Davao City, Philippines
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SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

☒ Preliminary Information Statement

☐ Definitive Information Statement

2. Name of Company as specified in its charter: **P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.**

3. Country of Incorporation: **Philippines**

4. SEC Identification Number: **A200207283**

5. BIR Tax Identification Code: **006-036-274**

6. Address of principal office: **Stella Hizon Reyes Road, Bo. Pampanga**
Lanang, Davao City 8000

7. Company's telephone number, including area code: **(082) 233-0168**

8. Date, time and place of the meeting of security holders:

March 11, 2011, 2:00 p.m.
Marco Polo Hotel
Davao City

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **February 17, 2011**

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the SRC:

<u>Title of Each Class</u>	<u>Number of Shares</u>
Common Shares, Php1.00 par value	<u>376,824,940</u>
Preferred Shares, Php 1.00 par value	<u>5,000,000</u>

11. Are any or all of Company's securities listed on a Stock Exchange?

Yes X No _____

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange, **376,824,940** Common Shares

PART I.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders

- (a) Date : **March 11, 2011**
 Time : **2:00 p.m.**
 Place : **Marco Polo Hotel**
 Davao City

Mailing **P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.**
Address: **Office of the Corporate Secretary**
 Stella Hizon Reyes Road, Bo. Pampanga
 Lanang, Davao City 8000

- (b) Approximate date on which the Information Statement is first to be sent or given to security holders: **February 17, 2011**

Item 2. Dissenter's Right of Appraisal

Pursuant to Section 81 of the Corporation Code of the Philippines, a stockholder has the right to dissent and demand payment of the fair value of his shares in case of any amendment to the articles of incorporation that has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence, in case of lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code, and in case of merger or consolidation. Such appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action by making a written demand on the Company within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares. Failure to make the demand within such period shall be deemed a waiver of the appraisal right.

Within ten (10) days after demanding payment for his shares, a dissenting stockholder shall submit the certificate(s) of stock representing his shares to the Company for notation thereon that such shares are dissenting shares. His failure to do so shall, at the option of the Company, terminate his appraisal rights. No demand for payment as

aforesaid may be withdrawn by the dissenting stockholder unless the Company consents thereto.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the Company cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the Company and third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the Company within thirty (30) days after such award is made: Provided, that no payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment: Provided, further, that upon payment by the Company of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Company.

The proposed corporate actions are not among those instances provided under Section 81 of the Corporation Code wherein a stockholder may exercise his right to appraisal.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- (a) No director or officer of the Company since the beginning of the last fiscal year, nominee for election as director of the Company, nor any of their associates, have any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon during the Annual Meeting other than election to office.
- (b) No director of the Company has informed the Company in writing that he intends to oppose any action to be taken by the Company during the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

- (a) Voting Securities

As of **January 31, 2011**, the total number of shares outstanding and entitled to vote are **376,824,940** shares.

- (b) Record Date

The record date for purposes of determining the stockholders entitled to notice of and to vote at the Annual Meeting is **February 14, 2011**.

(c) Voting Rights

In the election of directors, stockholders of record as of **February 14, 2011** shall be entitled to vote in person or by proxy, as many votes as there are directors elected. If he will vote thru a proxy, the By-Laws of the Company requires the submission of the accomplished proxy form to the Corporate Secretary for validation and authentication at least ten (**10**) days before the date of the Annual Meeting.

The validation of proxies chaired by the Corporate Secretary or Assistant Corporate Secretary and attended by the Stock and Transfer Agent shall be convened at least five (5) days before the Annual Meeting. Any questions and issues relating to the validity and sufficiency, both as to form and substance, of proxies shall only be raised during said forum and resolved by the Corporate Secretary. The Corporate Secretary's decision shall be final and binding upon the shareholders, and those not settled at such forum shall be deemed waived and may no longer be raised during the Annual Meeting.

In the election of directors, each stockholder shall be entitled to cumulate his votes in the manner prescribed by Title III, Section 24 of the Corporation Code of the Philippines.

(d) Security Ownership of Certain Record and Beneficial Owners and Management as of **January 31, 2011**.

(1) Security Ownership of Certain Record and Beneficial Owners

As of **January 31, 2011**, the following are the owners of the Company's common stock in excess of five percent (5%) of the total outstanding shares:

Title of Class of Securities	Name/Address of Record Owners and Relationship with Phoenix	Name of Beneficial Owners/Relationship with Record Owner	Citizenship	No. of Shares Held	% of Ownership
Common	Phoenix Petroleum Holdings, Inc. Stella Hizon Reyes Road, Bo. Pampanga, Lanang, Davao City	Record Owner is the direct beneficial owner	Filipino	200,018,000	53.08%
	Majority Shareholder				
Common	PCD Nominee Corporation (Filipino) 37/F Tower 1, The	Record Owner is the indirect beneficial	Filipino	106,527,880	28.27 %

Enterprise Center, owner
6766 Ayala Ave. cor.
Paseo de Roxas, Makati
City

Shareholder

Common	Udenna Corporation (Formerly Udenna Holdings Corporation) Stella Hizon Reyes Road, Bo. Pampanga, Lanang, Davao City	Record Owner is the direct beneficial owner	Filipino	50,322,986	13.35 %
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Shareholder

As of **January 31, 2011**, the following are the beneficial owners under the PCD Nominee Corp. of the Company's common stock in excess of five percent (5%) of the total outstanding shares:

Title of Class of Securities	Name/Address of Record Owners and Relationship with Phoenix	Name of Beneficial Owners/Relat ionship with Record Owner	Citizenshi p	No. of Shares Held	% of Ownershi p
Common	CLSA Philippines, Inc. Trafalgar Plaza, Unit 17-D, 105 H.V. Dela Costa St. Salcedo Village, Makati City, Metropolitan Manila	Record Owner is a trading participant/sto ckbroker	Filipino	20,082,400	5.00 %

Shareholder

Common	Social Security System SSS Bldg, East Avenue Diliman, Quezon City Metropolitan Manila Shareholder	Record Owner is the Social Security System of which the investments are managed and handled by the Social Security Commission	Filipino	36,063,998	9.57 %
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The persons voting for and in behalf of the following stockholders are as follows:

Name of Stockholders	Representative
1. Phoenix Petroleum Holdings, Inc.	Domingo T. Uy
2. Udenna Corporation	Cherylyn C. Uy
3. CLSA Philippines, Inc.	<i>Ultimate Beneficial Owners representing CLSA Philippines, Inc. shall be made available after lapse of the Record Date and only after submission of their respective proxy forms for validation</i>
4. Social Security System	<i>The name of the representative of the Social Security System shall be made available after lapse of the Record Date and only after submission of their respective proxy forms for validation</i>
5. PCD Nominees/ Trading Participants	<i>Ultimate Beneficial Owners representing the trading participants shall be made available after lapse of the Record Date and only after submission of their respective proxy forms for validation</i>

(2) Security Ownership of Management

As of **January 31, 2011** the security ownership of management is as follows:

Title of Class of Securities	Name/Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	% of Ownership
Directors:				
Common	Dennis A. Uy Penthouse Valero Tower, 122 Valero St., Salcedo Village, Makati City	1,574,664 direct beneficial owner	Filipino	0.42%
Common	Dennis A. Uy &/or Cherylyn C. Uy	433,160	Filipino	0.11%

	Penthouse Valero Tower, 122 Valero St., Salcedo Village, Makati City	direct beneficial owner		
Common	Domingo T. Uy Insular Village Phase II, Lanang, Davao City	254,801 direct beneficial owner	Filipino	0.07%
Common	Romeo B. De Guzman Hillsborough, Alabang Village, Muntinlupa City	505,400 direct beneficial owner	Filipino	0.13%
Common	Socorro T. Ermac Cabreros 223 V. Mapa St., Davao City	40,741 direct beneficial owner	Filipino	0.01%
Common	Jose Manuel R. Quimson 28 Osmeña St., Xavierville Subd., Loyola Heights, Katipunan, Quezon City	140,001 direct beneficial owner	Filipino	0.04%
Common	J.V. Emmanuel A. De Dios 95 A. Melchor St., Loyola Heights, Quezon City	70,001 direct beneficial owner	Filipino	0.02%
Common	Ricardo S. Pascua 16 Solar St., Bel-Air III, Makati City	1 direct beneficial owner	Filipino	0.00%
Common	Monico V. Jacob 7 th flr Philippine First Bldg, 6764 Ayala Ave., Makati City	1 direct beneficial	Filipino	0.00%

		owner		
Common	Diana Pardo-Aguilar 205 Cadena de Amor Street Ayala Alabang Village Muntinlupa City	1 direct beneficial owner	Filipino	0.00 %

Senior Management:

Common	Joseph John L. Ong 80 Pola Bay, Southbay Gardens, Parañaque City	93,300 direct beneficial owner	Filipino	0.02 %
Common	Chryss Alfonsus V. Damuy Ph2 Blk 07 Lot 07, Wellspring Highlands Subd. Catalunan Pequeno Davao City 8000	28,000 direct beneficial owner	Filipino	0.00%
Common	Alberto D. Alcid Doña Socorro St., Belisario Heights Subd., Lanang, Davao City	40,740 direct beneficial owner	Filipino	0.01%
Common	Edgardo A. Alerta Arellano St., Davao City	216,720 direct beneficial owner	Filipino	0.05%
Common	Rebecca Pilar C. Caterio Margarita Village, Bajada, Davao City	58,562 direct beneficial owner	Filipino	0.01%
Common	Gigi Q. Fuensalida	28,000	Filipino	0.00%

	155 Brillantes St. 5th Avenue, Caloocan City	direct beneficial owner		
Common	Reynaldo A. Phala Block 5 Lot 20 Pioneers Village	14,000 direct beneficial owner	Filipino	0.00%

The other executive officers of the Company, Raymond T. Zorilla, Carlito V. Cruz, Jose Victor L. Cruz, William M. Azarcon, John Henry C. Yap do not own shares in the Company.

The number of aggregate shares for all directors and executive officers is **Three Million Four Hundred Ninety Eight Thousand Ninety Three (3,498,093)**.

There are no persons holding more than five percent (5%) of a class under a voting trust or any similar agreements as of the date of this Report.

(e) Change in Control

The Company is not aware of any arrangements that may result in a change of control in the Company since the beginning of its fiscal year.

Item 5. Directors and Executive Officers

(a) The incumbent members of the Board of Directors and the executive officers of the Company are as follows:

Office	Name	Age	Citizenship
Directors			
Chairman	Domingo T. Uy	64	Filipino
Director/President and Chief Executive Officer	Dennis A. Uy	37	Filipino
Director/Vice President/Treasurer	Jose Manuel R. Quimson	61	Filipino
Director/Chief Operating Officer	Romeo B. De Guzman	62	Filipino
Corporate Secretary/Asst. Vice President for Corporate Legal	Socorro T. Ermac Cabreros	46	Filipino
Director	J.V. Emmanuel A. de Dios	45	Filipino
Director	Diana Pardo Aguilar	47	Filipino

Independent Director	Ricardo S. Pascua	62	Filipino
Independent Director	Monico V. Jacob	65	Filipino
Other Executive Officers			
Chief Finance Officer	Joseph John L. Ong	51	Filipino
Vice President for Finance	Chryss Alfonsus V. Damuy	37	Filipino
Asst. Vice President for Human Resources, Corporate Affairs and Branding	Alan Raymond T. Zorilla	41	Filipino
Asst. Corporate Secretary	Gigi Q. Fuensalida	34	Filipino
Asst. Vice President for Sales in Visayas and Mindanao	Edgardo A. Alerta	56	Filipino
Asst. Vice President for Lubes	Alberto D. Alcid	55	Filipino
Asst. Vice President for Treasury	Reynaldo A. Phala	44	Filipino
Assistant Vice President for Luzon Commercial Sales	Carlito V. Cruz	55	Filipino
Assistant Vice-President for Engineering, Operations and Logistics	William M. Azarcon	46	Filipino
Assistant Vice President for Credit and Collections	Rebecca Pilar C. Caterio	39	Filipino
Assistant Vice President for Retail Sales Luzon	Jose Victor L. Cruz	50	Filipino
Supply Manager	John Henry C. Yap	36	Filipino
Manager of Depot Operations and Logistics of the Company	Alejandro U. Suan	47	Filipino

Directors

The members of the Board of Directors of the Company are elected during the annual stockholders' meeting to hold office until the next succeeding annual stockholders' meeting and until their successors have been appointed or elected and qualified. The following is the list of the incumbent members of the Board of Directors, and their business experiences during the past five (5) years:

Domingo T. Uy **Chairman**

Domingo T. Uy, Filipino, 64 years old, is a co-founder and has been a member of the Board of Directors of the Company since 2002. Mr. Uy was elected Chairman of the Board of Directors of the Company on February 15, 2007. Likewise, he is the Chairman of Granscor Corporation, a holding company of the Uy brothers engaged in real estate, mining and commodities trading. He is also a Director of

Granland Resources Corporation, a corporation involved in real estate development, and Aquamines, Philippines, a firm engaged in prawn farming. Mr. Uy is currently involved in socio-civic programs and is a Director of the Philippine National Red Cross, Davao Chapter. He is also the Past President of the Davao City Sta. Ana Lions Club and the Kang Ha Uy Association, Davao Chapter.

Dennis A. Uy

Director, President and Chief Executive Officer

Dennis A. Uy, Filipino, 37 years old, is the founder of the Company and has served as President and Chief Executive Officer since inception. He is currently the Chairman of the Board of Directors of Phoenix Petroleum Holdings, Inc., the holding company of the Company and Udenna Corporation, the ultimate parent entity of the Company. Mr. Uy is also the President and Chief Executive Officer of Udenna Management & Resource Corp. and its subsidiaries namely: Chelsea Shipping Corporation, Global Synergy Trade and Distribution Corporation, Udenna Development Corporation (UDEVCO), Value Leases Inc. and Udenna Foundation, Inc. In addition, he was an Independent Director of Transpacific Broadband Group, International, a publicly-listed firm. Mr. Uy is also a Member of the Management Association of the Philippines (MAP), the American Chamber of Commerce, Davao Chapter, the Davao City Chamber of Commerce and a Business Sector representative to the Chinatown Development Council in Davao. He was also Past-President of Apo Golf & Country Club and was a Director of Elias Lopez Sports Foundation. Mr. Uy holds a Bachelor of Science Degree in Business Management from the De La Salle University.

Romeo B. De Guzman

Director, Chief Operating Officer

Romeo B. De Guzman, Filipino, 62 years of age, is currently the Chief Operating Officer of the Company. Mr. De Guzman has thirty-five (35) years of experience in the oil industry, covering retail, commercial, operations, distribution, finance, and corporate affairs. Prior to joining the COMPANY, Mr. De Guzman was the former Vice President-External Affairs for Asia Pacific of Shell, directly reporting to London, from 2004 to 2006. He was with Pilipinas Shell for twenty-five (25) years and served in various positions nationwide. National Accounts Manager from 1982 to 1983, Mindanao District Manager-General Sales from 1983 to 1986, later on as Retail Regional Manager for Metro Manila from 1986 to 1988 and he was later on appointed as Retail Regional Manager for Visayas and Mindanao from 1988 to 1991. From 1991 to 1994, De Guzman served as the Area Manager for North Luzon of Pilipinas Shell, until he was appointed GM/Vice President for Sales – Philippines and North Pacific Islands from 1995 to 2003. He also had attended various management and leadership courses in London, The Hague, and in other Asian countries. Mr. De Guzman also worked with Getty Oil Philippines Inc. for ten (10) years, holding various positions in retail and sales in the said

company. Mr. De Guzman completed his Masters in Business Administration at San Sebastian College Manila. He holds a degree in Bachelor of Science in Commerce, Major in Management-Marketing also in San Sebastian College Manila.

Jose Manuel R. Quimson

Director, Vice President/Treasurer

Jose Manuel R. Quimson, Filipino, 61 years old, is Vice President and Treasurer of the COMPANY. He was elected to the Company's Board of Directors on February 15, 2007. He is also the Vice President & Chief Operating Officer of Chelsea Shipping Corp. Currently, Mr. Quimson is a member of the Board of Directors of the Udenna Corporation and its subsidiaries. Previously, he was President of Petrotrade Philippines, Inc. a company providing bunkering services to international vessels. Mr. Quimson was also Vice Chairman of Herma Shipyard, Inc., a company engaged in the business of ship building, repair, port terminal services and fabrication. He also worked as President of Transman Shipping Corporation, operators of cargo vessels for inter-island shipping and the Transport Managers, Inc. a company engaged in customs brokerage, freight forwarding, general transport and heavy lift handling. Mr. Quimson was also the Managing Director of Delbros Group of Companies, where he started his professional career in 1970 as Financial Analyst. Mr. Quimson has more than 30 years of work experience in the shipping industry. He is a graduate of the MBA Program of the Ateneo de Manila University Graduate School of Business in 1972 and completed the first year of the MBM Program at the Asian Institute of Management. He holds a Bachelor of Arts Degree from the Ateneo De Manila University.

Socorro T. Ermac-Cabreros

Director, AVP for Corporate Legal and Corporate Secretary

Atty. Socorro T. Ermac Cabreros, 45 years old, is currently Asst. Vice President for Corporate Legal of the Company. She is also Corporate Secretary of the Company since February 15, 2007. She is likewise appointed as Corporate Secretary and member of the Board of Directors of Udenna Corporation and its subsidiaries. Prior to joining the Company, Atty. Ermac-Cabreros was a Legal Counsel of Philippine National Bank in Davao City where she handled and managed the various legal cases of the branches in Southern Mindanao particularly in the areas of General Santos City and the provinces of Davao del Norte and Davao Oriental. Atty. Ermac-Cabreros has also worked for various government agencies such as Office of the Ombudsman for Mindanao and later as Prosecutor for the Province of Davao del Norte after engaging in the private practice of law. She holds a Bachelor of Science Degree Major in Behavioral Science from Maryknoll College Foundation, Inc. and finished her law degree at the Ateneo de Davao University College of Law. She is also an active member of the Integrated Bar of the Philippines, and is currently the President of the Davao City Chapter. Atty. Ermac-Cabreros has over 20 years experience in the practice

of law rendering legal opinions and consultation and handling and management of criminal, civil and administrative cases including investigation, litigation and prosecution.

Atty. J.V. Emmanuel A. De Dios

Director

J.V. Emmanuel A. De Dios, Filipino, 44 years old, was initially elected as Independent Director of the Company on February 15, 2007. He was elected as a regular director last March 7, 2008. He is the President and CEO of Nido Petroleum Philippines, Pty Ltd. and Atty. De Dios served previously as Chairman of the Philippine National Oil Company, Exploration Corporation. Prior to PNOC-EC, Atty. De Dios was the Undersecretary of the Philippine Department of Energy where he supervised the Department's Planning Bureau and Administration, and Downstream Oil and Gas Industry. He was also an Associate of Romulo Mabanta Buenaventura Sayoc & De Los Angeles Law Office where he practiced Corporate, Commercial, Energy and Securities Law. Atty. De Dios also worked under former Chief Justice Hilario G. Davide, Jr. as a Senior Law Clerk where he engaged in legal research and drafting decisions. He also took time to be a Contributor of the Philippine Daily Star, responsible for reporting on the U.S. System of legal education and law practice. Atty. De Dios was also a professor at the St. Scholastica's College and a Senior Instructor at the University of the Philippines where he taught cost accounting and business law. He is an active member of the Integrated Bar of the Philippines where he served as Director for the KAMANAVA Chapter. He is also a member of the Council of Advisers at the Harvard Law School Club of the Philippines. Atty. De Dios took his Master of Laws at the Harvard Law School and completed his Bachelor of Laws at the Ateneo de Manila University School of Law. He holds a Bachelor of Science degree in Business Administration from the University of the Philippines.

Diana Pardo Aguilar

Director

Diana Pardo-Aguilar, Filipino, 47 years old, is a business management professional who has extensive experience in board directorships (22 years), entrepreneurship (nine years), and investment banking (13 years). Her board directorship includes Philippine Seven Corporation, a licensee of the famous brand 7-11 convenience stores and a publicly-listed company in the Philippine Stock Exchange (PSE). She is also a member of the Board Directors and Treasurer for Wenphil Corporation, the Philippine franchise holder of the globally-renowned food brand Wendy's Hamburger that is present in leading shopping malls and town centers in the Philippines. She currently sits as Board Director in seven (7) other firms and institutions engaged in asset and real property management, education, information technology, telecommunication and technology transfer. Ms. Pardo-Aguilar possesses a wide experience in

investment banking, which she gained from her various stints such as: CLSA Exchange Capital Corporation, a leading Philippine investment house specializing in corporate finance, stock brokering and investment management; Vice-President for Exchange Capital Corporation and Jardine Fleming Exchange Capital Corporation. She holds a Masters Degree in Business Administration major in International Business and graduated with academic citations from Pepperdine University in Sta. Monica California. She is also a Computer Science graduate from the De La Salle University.

Ricardo S. Pascua
Independent Director

Ricardo S. Pascua, Filipino, 62 years old, was elected Independent Director of the Company on February 15, 2007 and currently serves in the same capacity for various corporate and foundation boards. He retired from active employment but sits as Chairman of the Board of Readyfoods Manufacturing Corporation, a manufacturer of ready-to-eat foods. Mr. Pascua is also the Chairman of the Facilities and Property Management Technologies, Inc., the Biometrix Technology Philippines Corporation, which distributes IP-based security and communications systems. Prior to his retirement, Mr. Pascua was the Vice Chairman, President and Chief Executive Officer of the Metro Pacific Corporation, where he was tasked to refocus Metro Pacific as a premier property holding and development company in the Philippines. He was the Executive Director of the First Pacific Company Limited involved in setting overall group policy and strategic direction. As part of his investment oversight duties, he served in companies such as SMART Communications, Inc., the United Commercial Bank in San Francisco, CA, the First Pacific Bank in Hong Kong, and the 1st eBANK in Manila. Mr. Pascua oversaw the preparation and initial execution of the Master Development Plan when he was Vice Chairman, President and Chief Executive Officer of Fort Bonifacio Development Corporation, now known as the Bonifacio Land Corporation. Mr. Pascua completed his Master in Business Management from the Asian Institute of Management. He graduated with a Bachelor of Arts Degree Major in Economics, Cum Laude, from the Ateneo de Manila University.

Monico V. Jacob
Independent Director

Monico V. Jacob, 65 years old, was elected as Independent Director of the Company on March 7, 2008. He is at present the President and Chief Executive Officer of the STI Education Services Group, a network of over 100 colleges and educational centers in the Philippines. Concurrently, Mr. Jacob also sits as Chairman and Managing Partner of CEOs, Inc., a business and management consultancy Firm; Chairman of Global Resource for Outsourced Worker, Inc., a professional placement company for healthcare and ICT workers. His areas of specialty include energy, corporate law, corporate recovery and rehabilitation

work. Prior to his present positions, Mr. Jacob was Chairman and Chief Executive Officer of Petron Corporation. As Chairman, he presided over its privatization and implemented and led the partnership of the government with Saudi Aramco in Petron. He also presided over the Initial Public Offering (IPO) of Petron shares which has since been hailed as the most successful IPO offering in the country. He retired from Petron at the close of the President Fidel V. Ramos presidency in July 1998. He was also Chairman and CEO of Philippine National Oil Company (PNOC) and all of its subsidiaries. As Chairman of the PNOC, he presided over the privatization of the PNOC Dockyard and Engineering Corporation. Prior to joining the government, Mr. Jacob was Partner of the law firm of Jacob Acaban Corvera Valdez and Del Castillo and was an active trial lawyer. He is a member of the following group: Management Association of the Philippines (MAP) where he served as President for 1998; Board of FINEX; Integrated Bar of the Philippines. Mr. Jacob finished his Bachelor of Arts degree with a Major in Liberal Arts from the Ateneo de Manila University in 1971.

Directorships in Other Reporting Companies

The following are directorships held by the directors and executive officers in other reporting companies during the last five (5) years:

Name of Director	Name of Reporting Company	Position Held
Ricardo S. Pascua	Boulevard Holdings, Inc.	Independent Director
Monico V. Jacob	Jollibee Foods Corporation	Independent Director
	Chemrez Technologies, Inc.	Independent Director

Period of Directorship in the Company

<u>Name</u>	<u>Period of Service</u>	<u>Term of Office</u>
Dennis A. Uy	since incorporation to present	1 year
Domingo T. Uy	since incorporation to present	1 year
Socorro T. Ermac-Cabreros	2006 to present (except 2009, 2010)	1 year
Romeo B. De Guzman	since incorporation to present	1 year
Jose Manuel R. Quimson	2007 to present	1 year
J.V. Emmanuel De Dios	2007 to present	1 year
Diana Pardo Aguilar	2010 to present	1 year
Ricardo S. Pascua	2007 to present	1 year
Monico V. Jacob	2008 to present	1 year

Certificate of Qualification of the Independent Directors

The Company will submit an updated Certificate of Qualification of all independent directors pursuant to the October 20, 2006 notice of the commission on or before the Company's distribution of the Definitive Information Statement to the security holders on February 17, 2011.

Certificate of Attendance of Directors for 2010

A copy of the Corporate Secretary's Sworn Certification on the attendance of Directors for the year 2010 is herein attached as **Annex "E"**.

Executive Officers

The following is a list of other executive officers and their business experiences during the past five (5) years:

Joseph John L. Ong, Filipino, 51 years old, married, is the Chief Finance Officer of the Company. Prior to his employment in the Company, he spent almost ten (10) years at Primeworld Digital Systems, Inc. (Pacific Internet Phils.) initially as Vice President and CFO and eventually as Executive Vice President – Operations and Chief Finance Officer from 2008 - 2009. He also worked for twelve (12) years with Ginebra San Miguel, Inc. (then known as La Tondea Distillers, Inc.), then the country's 2nd largest beverage company and a listed subsidiary of San Miguel Corporation. He was its Vice President – Treasury from 1995 – 1999, at which time he headed the team that took the company public in 1994 and was primarily responsible for institutional-investor relations. Prior to the San Miguel Group, he held various positions at the Bank of the Philippine Islands & Ayala Investment & Development Corp. (before it merged with BPI) from 1980-1986. He received his Bachelor of Science in Commerce from De La Salle University in 1980.

Chryss Alfonsus V. Damuy, Filipino, 37 years old, is the Vice-President for Finance and the Comptroller of the COMPANY. Prior to his employment with the Company, he was the Controller of Lapanday Foods Corporation and held various positions in its subsidiaries including the Fresh Asia Produce as Accounting Manager and the Mindanao Fresh Produce Services Corporation as Assistant Accounting Manager. He also worked as Chief Accountant of the Regional Educators Multi-purpose Cooperative and as its Branch Officer. Mr. Damuy started his professional career as College Instructor of the Holy Cross of Davao College where as a dean's lister, he earned his Bachelor of Science Degree in Accountancy in 1997. Mr. Damuy is a Certified Public Accountant.

Alan Raymond T. Zorrilla, Filipino, 41 years of age and is currently appointed as the Asst. Vice President for Human Resources and Corporate Affairs and Branding. Prior to his employment with the Company, he was Chief Legal

Counsel of Unioil Group of Companies. He also sat as Director for Freeport Services Corporation, as 100% subsidiary of Subic Bay Metropolitan Authority. Atty. Zorilla was engaged in the litigation practice with Pangilinan Britanico Sarmiento And Franco Law Offices, a Makati-based Law Office before his engaging into Corporate Practice. Atty. Zorilla is a graduate of the San Beda Law School in 1994.

Edgardo A. Alerta, Filipino, 56 years old, is the Assistant Vice President for Sales for Visayas and Mindanao. Prior to joining the COMPANY, Mr. Alerta served as Municipal Councilor of the Municipality of Matanao, Davao Del Sur, Philippines. He worked with Pilipinas Shell Petroleum Corporation for 15 years where he started as a Marketing Sales Executive and later progressed to District Sales Manager. He also worked as a Technical Services Engineer of Getty Oil Philippines and was an Energy Examiner of the Department of Energy. Mr. Alerta, who is a licensed Mechanical Engineer, has more than 25 years work experience in the energy and petroleum industries from the government and multinational corporations. He holds two degrees in Engineering: Bachelor of Science Degrees Major in Mechanical Engineering and Electrical Engineering from the Cebu Institute of Technology.

Alberto D. Alcid, Filipino, 55 years old, is the Assistant Vice President for Lubes and Chemicals of the COMPANY. Mr. Alcid started his professional career in the petroleum industry with Caltex Philippines, Inc. as a Sales Representative. He later became the Regional Manager for the Visayas and Mindanao where he strengthened the market position of Caltex in those regions. He was later promoted as the National Manager for Lubes and Greases of Caltex Philippines where he lead the integration of the manufacturing and marketing operations of lubes and greases and strengthened the market position of the brand in the retail, commercial and high street trades. Mr. Alcid holds a Bachelor of Science Degree Major in Mechanical Engineering from the De La Salle University.

Rebecca Pilar C. Caterio, Filipino, 39 years old, is currently the Assistant Vice President for Credit and Collection of the Company. Previously, she was the Controller of Lapanday Packaging Inc., a company engaged in the manufacturing of cartons and in the production of fresh pineapple and vegetable. She was also the Accounting Manager of Fresh Asia Produce Company International Corporation, a company which is also owned by the Lapanday Group and is primarily engaged in the trading and marketing of bananas. Ms. Caterio started her professional career with the SGV & Co. as a Staff Auditor. She is a Certified Public Accountant and a member of the Philippine Institute of Certified Public Accountants (PICPA) since 1993. Ms. Caterio holds a Bachelor of Science Degree in Commerce, Major in Accounting from the Ateneo De Zamboanga.

Carlito V. Cruz, Filipino, 55 years old, is currently the Assistant Vice President for Luzon Commercial Sales of the Company. Prior to his employment with the Company, he served as the Senior Account Sales executive of Petron Corporation for 16 years. He had also been the Technical Engineer of the same company for 5

years. He had a short stint as a Production Supervisor for 2 years at the Imperial Textile Mills (ITM) He started his career as a Laboratory Analyst with Philippine Ink Corporation. Mr. Cruz is a licensed Chemical Engineer and earned his degree at the Adamson University.

Reynaldo A. Phala Filipino, 44 years old, is the Assistant Vice President for Treasury. He joined the Company on October 16, 2008 as its Credit and Collection Manager. Before joining the Company, he was with various banks for seventeen (17) years. He also worked with the Department of Trade and Industry as Municipal Trade and Industry Officer for a year. He is a graduate of Bachelor of Science in Civil Engineering from the Mindanao State University-General Santos City. Mr. Phala is a licensed Civil Engineer having passed the Civil Engineering Licensure Examination last May 1989.

Jose Victor L. Cruz, Filipino, 50 years old, is currently the AVP – Retail Luzon. Mr. Cruz has more than twenty-five (25) years of experience in the oil industry covering retail, commercial, lubricants sales, international business (aviation and shipping for Chevron and Texaco), marketing and distribution, and corporate affairs. Prior to joining the Company in 2010, Mr. Cruz was Vice President for Retail Network Operations of Flying V in 2008 before he was promoted to Chief Operating Officer in 2009. He was COO of Citadel Commercial, Inc. from 2001-2002 before he ventured into private enterprise. He held various positions in Caltex Philippines Inc. from 1983 up to 1991 when he handled CPI's International Business. Eventually, Joey was appointed Executive Assistant – Marketing Commercial in 1992. In 1994, he held the position of District Manager – Luzon South Commercial and in 1996, as DM – Luzon Retail, this area being the highest growth region in the country. He was sent to Bangkok, Thailand to observe oil deregulation in action. When the oil deregulation law was enacted, Total Petroleum Philippines Inc. entered the Philippine market and Mr. Cruz joined them as General Manager for Retail. He received training in operations and marketing in France, convenience retailing in England and retail operations and network development in South Africa. Mr. Cruz has completed his MBA curriculum at the De La Salle University. He is a graduate of B.S. Industrial Management Engineering, Minor in Mechanical Engineering and is a Professional Industrial Engineer under the Philippine Institute of Industrial Engineers.

William M. Azarcon, Filipino, 64 years old is currently the Asst. Vice President for Operational Engineering and Logistics. Mr. Azarcon has twenty-six (26) years experience in the oil industry, covering engineering operations, retail and distribution of bulk & packed products nationwide. Mr. Azarcon used to work for Pilipinas Shell Petroleum Corporation and served as Field Engineer in Operations nationwide constructing Depots & related facilities, i.e, jetties, submarine pipelines, bulk storage tanks among others. He held various positions in operations as Superintendent of Poro Installation- the biggest installation of Shell outside Pandacan. He likewise served as Head of Operations

of North Luzon and transferred to Retail Engineering as Retail Engineering Manager nationwide. He also served as RVI (Retail Visual Identity) Manager. Mr. Azarcon attended training in engineering courses in Japan, Australia & New Zealand and in different countries in Southeast Asia. After retiring from Shell, Mr. Azarcon engaged in business as Retail Engineering Contractor of Shell. He holds a degree in Bachelor of Science in Mechanical Engineering from Mapua.

Gigi Q. Fuensalida, Filipino, 33 years old, is presently the Assistant Corporate Secretary of the Company. Prior to her employment with the Company, she was one of the Senior Associates of the Villaraza Cruz Marcelo and Angangco Law Office. For six years, Atty. Fuensalida specialized in Civil, Commercial and Criminal Litigation wherein she developed strategies for complex litigation and actively participated in the prosecution and defense of criminal cases before the regular trial courts, quasi-judicial bodies and the appellate courts. She started her professional career as an apprentice in the Gaviola Law Offices back in May 2000. Atty. Fuensalida holds a degree in Bachelor of Arts Major in Political Science from the Ateneo de Manila University. She further obtained her Juris Doctor degree from the same institution and graduated with honors in 2002. Atty. Fuensalida is a member of the Integrated Bar of the Philippines since 2003.

Alejandro U. Suan, Filipino, 47 years old, is currently the Manager of Depot Operations and Logistics of the Company. Prior to his employment with the Company, he worked with Paramina Earth Technologies, Inc. where he started as General Foreman and later progressed to General Manager. Mr. Suan also worked for Atlas Mining, Inc. in both Mining Operations and Marketing and Sales. He holds a Bachelor of Science Degree in Mining Engineering from the Cebu Institute of Technology and is a licensed Mining Engineer. Mr. Suan has over 18 years work experience in the mining industry.

John Henry C. Yap, Filipino, 36 years old, is currently the Trading and Supply Manager of the Company since 2009. Mr. Yap manages the supply function for the company's requirement for Petroleum products, coordinates and monitors the operational aspect of all importation in Batangas and Davao and reviews product availability and/or pricing information with suppliers, sales and customers. Prior to his employment with the Company, he worked as a Purchasing Manager for Golden Forum Land Inc. for about a year and also became the Supply Manager of Oilink International Corp. for four years. Mr. Yap started his professional career with Unioil Petroleum Philippines, Inc. as a Purchasing Manager for five years and eventually became their Lubricants Supply Manager. Mr. Yap has a Bachelor degree in Industrial Engineering from De La Salle University and further acquired his Masteral Degree in Business Administration from the Ateneo Graduate School of Business.

Period of Service in the Company

<u>Name</u>	<u>Period of Service</u>
Joseph John L. Ong	November 3, 2010 to present
Socorro Ermac Cabrereros	2006 to present
Edgardo A. Alerta	2006 to present
Alberto D. Alcid	2006 to present
Chryss Alfonsus V. Damuy	2008 to present
Rebecca Pilar C. Caterio	2005 to present
Reynaldo A. Phala	2008 to present
Alan Raymond T. Zorilla	2009 to present
Gigi Q. Fuensalida	2008 to present
Alejandro U. Suan	since incorporation to present
John Henry C. Yap	2009 to present
Carlito V. Cruz	2009 to present
William M. Azarcon	2009 to present
Jose Victor L. Cruz	May 11, 2010 to present

Nominations of Directors and Independent Directors

The following are the final nominees for election to the Board of Directors at the forthcoming Annual Meeting:

1. Domingo T. Uy
2. Dennis A. Uy
3. Jose Manuel R. Quimson
4. Romeo B. De Guzman
5. J.V. Emmanuel A. de Dios
6. Socorro Ermac Cabrereros
7. Diana Pardo Aguilar
8. Ricardo S. Pascua (Independent Director)
9. Monico V. Jacob (Independent Director)

Messrs. Ricardo S. Pascua was nominated Independent Director by Jose Manuel R. Quimson. On the other hand, Mr. Monico Jacob was nominated by Mr. Romeo B, De Guzman. Mr. Quimson and Mr. De Guzman or any of the nominated directors is not related to either Mr. Pascua or Mr. Jacob by consanguinity or affinity and has no professional or business dealings with them. Messrs. Pascua and Jacob are neither officers nor substantial stockholders of the Company. They have always possessed the qualifications and none of the disqualifications of independent directors. Jacob Acaban Corvera Valdez and Del Castillo law offices, of which Mr. Jacob is a partner, has not at any time rendered any service to the Company. Atty. Jacob holds only one (1) share in the Company. He has not at any time rendered any service to the Company.

The members of the Nomination Committee are: Atty. J.V. Emmanuel A. de Dios, Chairman, Diana Pardo Aguilar, Ricardo S. Pascua, (Independent Director), and Raymond Allan T. Zorrilla.

For the scheduled Annual Meeting, the Committee has screened and evaluated the candidates for Independent Directors based on the Rule 38 of the Securities Regulation Code ("SRC") and the Company's New By-laws and Manual of Corporate Governance. Amendments to the By-laws of the Company incorporating the provisions of SRC Rule 38 were approved by the SEC on February 19, 2007.

(For individual write-ups of the aforementioned nominees, please refer to Item 5 of this Information Sheet)

(b) Significant Employees

There are no significant employees or personnel who are not executive officers but are expected to make a significant contribution to the business of the Company.

(c) Family Relationships

With the exception of Messrs. Domingo T. Uy and Dennis A. Uy who are related to each other by consanguinity within the first civil degree, there are no other family relationships either by consanguinity or affinity up to the fourth civil degree among the directors, executive officers, and persons nominated and chosen by the Company to become directors and executive officers of the Company.

(d) Involvement in Certain Legal Proceedings

To the best of the Company's knowledge there has been no occurrence during the past five (5) years up to the date of this Report of any of the following events which are material to an evaluation of the ability or integrity of any director, person nominated to become a director, executive officer, or control person of the Company:

- (i) Any insolvency or bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the insolvency or within two years prior to that time;
- (ii) Any conviction by final judgment in a criminal proceeding, domestic or foreign, or any pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

- (iii) Any final and executory order, judgment, or decree or any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting involvement in any type of business, securities, commodities, or banking activities; and
- (iv) Any final and executory judgment by a domestic or foreign court or competent jurisdiction (in a civil action), the Securities and Exchange Commission ("SEC"), or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, for violation of a securities or commodities law.

(e) **Certain Relationships and Related Transactions**

The Group's related parties include the ultimate parent company, parent company, stockholders, the Group's key management and others as described below and in the succeeding pages. The following are the transactions with related parties:

23.1 Rentals

The Group has an operating lease agreement with Udenna Corporation, the ultimate parent Company. Total rent expense incurred in the years 2008, 2009, and 2010 is P 4.8 million, P6.1 million, and 5.6 million, respectively and is presented as part of Rent expense in the profit or loss.

23.2 Due from Related Parties

The Group grants and obtains unsecured advances to and from parent company and other related companies for working capital purposes. The advances bear a 9% interest per annum and are due on demand.

The breakdown of due from related parties as of December 31, 2009 and December 31, 2010 are as follows:

		<u>December 31, 2010</u>	<u>December 31, 2009</u>
Due to Parent Company			
Balance at beginning of year	P	- P	2,937,730
Additions		-	
Collections		-	(2,937,730)
Balance, end	P	- P	-0-
Due to Related Parties			

Balance at beginning of year	P	14,421,693	P	13,302,975
Additions		328,802		1,118,712
Collections				(-)
				<hr/>
Balance, end	P	14,750,495	P	14,421,693
				<hr/>

TOTAL Due to Related Parties

Balance at beginning of year	P	14,421,693	P	16,240,705
Additions		328,802		1,118,712
Collections				(2,937,730)
				<hr/>
Balance, End	P	14,750,495	P	14,421,693
				<hr/>

The Group's advances to related parties are presented as Due from Related Parties in the consolidated balance sheet.

23.3 Key Management Compensations

The compensations of key management personnel are broken down as follows:

	2009	2010
Salaries	19,699,625	25,137,801
Honoraria and Allowances	1,647,059	1,997,059
13th Month and Bonuses	2,761,963	3,086,174
SSS, PHIC, HDMF and Others	181,325	216,975
	<hr/>	<hr/>
	24,289,972	30,438,009
	<hr/>	<hr/>

Item 6. Compensation of Directors and Executive Officers

The Company's executives are regular employees and are paid a compensation package of twelve (12)-months pay. They also receive performance bonuses similarly to those of the managerial, supervisory and technical employees.

The members of the Board of Directors who are not employees of the Company are elected for a period of one year. They receive reasonable per diem on a per meeting participation.

There are no other arrangements for which the members of the Board of Directors are compensated.

The aggregate compensation paid or incurred during the last three (3) fiscal years and estimated to be paid in the ensuing fiscal year to the executive officers of the Company are as follows:

Summary of Compensation Table

Compensation of Executive Officers and Directors (in thousand Pesos)				
Name	Principal Position	Salaries (in ₱)	Bonuses / 13th Month / Other Income (in ₱)	Total (in ₱)
<u>Domingo T. Uy</u>	<u>Chairman</u>			
<u>Dennis A. Uy</u>	<u>President and Chief Executive Officer</u>			
<u>Romeo B. De Guzman</u>	<u>Chief Operating Officer</u>			
<u>Joseph John L. Ong</u>	<u>Chief Finance Officer</u>			
<u>Edgardo A. Alerta</u>	<u>Assistant Vice President for Sales in Mindanao</u>			
<u>Alberto D. Alcid</u>	<u>Assistant Vice President for Lubes and Chemicals</u>			
<u>Jose Manuel R. Quimson</u>	<u>Vice President, GM-BIPC</u>			
<u>Alan Raymond T. Zorrilla</u>	<u>Asst. Vice President-Corporate Affairs and OIC Human Resource</u>			
<u>Alejandro U. Suan</u>	<u>Manager of the Davao Depot Operations and Logistics</u>			
<u>Socorro T. Ermac-Cabreros</u>	<u>Corporate Secretary and Director of Corporate Legal</u>			
<u>Chryss Alfonsus V. Damuy</u>	<u>AVP Finance & Comptroller</u>			
<u>Rebecca Pilar C. Caterio</u>	<u>AVP for Credit and Collection</u>			
<u>Carlito V. Cruz</u>	<u>Assistant Vice President for Luzon Commercial Sales</u>			
<u>Rey A. Phala</u>	<u>Credit and Collection Manager</u>			
<u>Gigi Q. Fuensalida</u>	<u>Asst. Corporate Secretary</u>			
<u>John Henry Yap</u>	<u>Supply Manager</u>			
Total 2010				₱ 30,438
Total 2009				₱ 24,290
Total 2008				₱ 21,828
Estimates in 2011				₱ 35,000

Generally, a typical employment contract executed between the Company and its named executive officers has the following terms:

1. Specification of job title, commencement date of employment, work assignment and possible need for reassignment of work or location as the need may arise;
2. A probation period of six months probationary period from commencement of employment. If the job performance is found to be satisfactory, employment shall be converted to regular basis.
3. Salary & Benefits: specifies that the executive shall receive his monthly salary and a guaranteed 13th month pay less the necessary government deductions allowed by law such as but not limited to SSS premium, Philhealth, Pag-IBIG contributions. The same section likewise provides that the executive's salary shall be subject to annual review which shall take into consideration his performance and the achievement of a mutually-agreed goals.
4. Exclusivity: The employment contract provides that the executive shall render exclusive service to the Company and the prohibition to work with other companies regardless of whether such work is done outside office hours, without the consent of the Company.
5. Confidentiality: The executive/employee is duty bound to keep all information, materials and records which he or she may access in the course of his/her employment with the Company are confidential in nature and he or she may not disclose or reproduce the same without the consent of the Company.
6. Professional Conduct: The executive concerned is expected to comply with all the policies and procedures which the Company may issue from time to time. It is specifically prohibited to accept any or all kinds of gifts from suppliers and customers without the consent of the Company

Compensation Committee

The Company's Compensation Committee shall be composed of at least 3 members of the Board, one of whom shall be an Independent Director. It is tasked with establishing a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provides oversight over remuneration of senior management and other key personnel.

The following are the members of the Compensation Committee:

Dennis A. Uy	Chairman
Domingo T. Uy	Member
Monico Jacob (Independent Director)	Member
Joseph John L. Ong	Member

Employee's Stock Options Plan

The Company's Employee's Stock Options Plan (ESOP) has not yet been implemented and the terms and conditions of which is still being finalized by management.

Item 7. Independent Public Accountants

The financial statements of the Company were audited by Punongbayan & Araullo for the years ended December 31, 2008, 2009 and 2010. Said external auditor has no shareholdings in the Company, or any right, whether legally enforceable or not, to nominate persons or to subscribe to the securities of the Company, in accordance with the professional standards on independence set by the Board of Accountancy and the Professional Regulation Commission.

Punongbayan & Araullo will be recommended for re-appointment at the scheduled Annual Meeting.

Representatives of the firm are expected to be present at the Annual Meeting and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Punongbayan & Araullo was first appointed external auditor of the Company in 2006. The Company is compliant with SRC Rule 68, paragraph 3(b)(IV) (Rotation of External Auditors). The certifying partner for the examination of the Company's financial statements for the year/s 2010 is Mr. Ramilito L. Nañola

Audit Fees

The following table sets out the aggregate fees billed for each of the last three (3) fiscal years for professional services rendered by the Company's external auditors.

Audit and Related Fees

		Amount in Thousands Php		
Particulars	Nature	2008	2009	2010
Punongbayan and Araullo	Audit of FS for the year 2007 - Parent and Subsidiaries	725.0		
Punongbayan and Araullo	Audit of FS for the year 2008 - Parent and Subsidiaries		1,276	
Sycip, Gorres and Velayo	Audit of FS for the year 2008- Subsidiary	442		
Punongbayan and Araullo	Audit of FS for the year 2009 - Parent and Subsidiaries			2,098
Sub-total		1,147	1,276	2,098
Tax Advisory Services				
Sycip, Gorres and Velayo	Tax Consultancy	107.5	116.5	88
Sub-total		107.5	116.5	88
All Other Fees				
Entia Accounting Office	Professional Fee for BOI Registration of Depot Facilities		96.4	211.8
Sub-total			96.4	211.8
GRAND TOTAL		1,254.5	1,488.9	2,397.8

Audit Committee and Policies

Under the Company's By-laws, the Audit Committee is responsible for, among others, the setting-up of an internal audit department and considers the appointment of an

internal auditor as well as the independent external auditor, the audit fees and any question of resignation or dismissal, and the review of the quarterly, half-year and annual financial statements before their submission to the Board of Directors.

In accordance with the Company's By-laws and Manual of Corporate Governance, in 2007, the Company formed its Audit Committee. The Company's Audit Committee shall be composed of at least 3 members of the Board, preferable with accounting and finance background, one of whom shall be an Independent Director and another should have related audit experience. The chairman of the Audit Committee should be an independent director and he should be responsible for inculcating in the minds of the members of the Board the importance of management responsibilities in maintaining a sound system of internal control and the Board's oversight responsibility.

The following are the members of the Audit Committee: Monico Jacob (Independent Director) as Chairman Domingo T. Uy, and J.V. Emmanuel De Dios.

The Internal Audit systems of the Company are in place since 2008 but these auditing tools are strengthened this year. The Internal Audit's role and responsibilities are defined in the Audit Charter approved by the Board of Directors. Primarily, it assists the Audit Committee of the Board in fulfilling its oversight responsibility to the shareholders by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management and internal control processes.

Internal Audit, in fulfilling its role, performs the following general functions: 1.) evaluating the Company's governance processes including ethics-related programs; 2.) performing an objective assessment of the effectiveness of risk management and internal control framework, identifying risk exposures and recommending strategies to mitigate them; 3.) evaluating the reliability and integrity of financial statements and the financial reporting process; 4.) analyzing and evaluating business processes and associated controls; 5.) determining compliance with applicable laws and regulations.

The appointed external auditors of the Company make a proposal to the Audit Committee as to their fees for the professional services rendered to the company including audit and other related fees. The Audit Committee evaluates the proposal given by the said external auditors and the Audit Committee later on makes a recommendation to the Board of Directors for their approval. Then the Board acts on the recommendation by either approving, disapproving or suggest further revisions to the proposed fees.

Changes In and Disagreements With Accountants

The Company has not had any disagreement with its previous and current external auditor / independent public accountant on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

Item 8. Compensation Plans

No action is to be taken by the Company with respect to any compensation plans.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

Declaration of Stock Dividends and Cash Dividends for the Company's Issued and Outstanding shares.

(A) Description of Registrant's Securities.

(1) Common Stocks

On January 31, 2011 the Board of Directors of the Company approved the declaration of thirty per cent (30%) stock dividends and cash dividends in the amount of Ten Centavos (0.10 Php) per share for the year 2011, which shall be issued out from the Company's unrestricted retained earnings. Record date and Payment date are to be determined and announced later. The stock dividend declaration shall increase the paid-up capital of the Company. The declaration of stock dividends of the Company shall be submitted to the stockholders at the Annual Meeting for their approval.

(b) The Company's dividend policy is to declare at least 30% of its prior year's net income as dividends, whether in stock or in cash, payable out of its unrestricted retained earnings subject to statutory limitations.

Each holder of a common share is entitled to such dividends as may be declared in accordance with the Company's dividend policy. The Company's current dividend policy entitles holders of common shares to receive dividends based on the recommendation of the Board of Directors. Such recommendation will consider such factors as operating expenses, implementation of business plans, and working capital among other factors.

For 2010, the Company declared and paid the following dividends to all stockholders of record as of September 23, 2010: 40% stock dividends amounting to One Hundred Six Million One Hundred Twenty Four Thousand Six Hundred Seventy Pesos (₱106,124,670.00), more or less,.

(2) Preferred Shares

On March 6, 2010, the SEC approved the reclassification of 50,000,000 common shares of the Company to preferred shares at par value of ₱ 1.00 per share with the following features:

- non-convertible into common shares
- non participating in any other or further dividends
- non-voting except in cases specified by law
- no pre-emptive rights to any issue of the Company's share and shall enjoy preference over the holders of common shares as to distribution of net assets in the event of dissolution or liquidation and in the payment of dividends at the specified rate.
- The Board of Directors shall determine its issued value at the time of issuance and shall determine its dividend rates and the dividends shall be paid cumulatively.
- The preferred shares shall be redeemable at the Company's option under such terms as the Board of Directors may provide at the time of issuance. It shall also be re-issuable when fully redeemed.

As of date, the Company's Preferred Shares totals Five Million (5,000,000) with a par value of ₱1.00.

On January 31, 2011, the Board of Directors of the Company approved the declaration of cash dividend for the preferred shares at the rate of 11.5% per annum and the payment of the said cash dividend on March 21, 2011 to all preferred shares subscribers., which shall be issued out from the Company's unrestricted retained earnings. Record date and Payment date are to be determined and announced later.

There are no provision in the charter or by-laws that would delay, defer or prevent a change in control of the Company.

Item 10. Modification or Exchange of Securities

No action is to be taken by the Company with respect to modification or Exchange of Securities

Item 11. Financial and Other Information

The consolidated audited financial statement of the Company as of December 31, 2010 is attached herein as **Annex C**. The Consolidated Management Report is attached herein as **Annex B**.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

No transactions to be taken by the Company with respect to any transaction involving mergers consolidations, acquisitions and similar matters.

Item 13. Acquisition or Disposition of Property

I. Acquisition of Subic Petroleum Trading and Transport Phils, Inc.

A. General character and location of the Property

Subic Petroleum Trading and Transport Phils, Inc. ("SPTT") was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission on 20 February 2007. It holds its principal office in Subic Bay Freeport Zone in Zambales, Philippine, with office address at Unit 113/115 Alpha Building, Subic International Hotel, Subic Bay Freeport Zone and telephone number 047-252-8049.

SPTT is engaged in the business of buying and selling, supply and distribution, importation and exportation, storage and delivery of all types of petroleum and/or petroleum-based fuels for industrial, marine, aviation and automotive use, whether wholesale or retail. It has an authorized capital stock of Philippine Pesos: One Million (Php1,000,000.00), divided into ten thousand (10,000) common shares of stocks, with a par value of One Hundred Peso (Php100.00) per share, of which Philippine Pesos: Two Hundred Fifty Thousand (Php250,000.00) have been subscribed and Philippine Pesos: Two Hundred Thousand (Php200,000.00) fully paid by the following stockholders:

Name	Subscription (Php)	Paid-Up (Php)
Global International (Subic) Phils., Corp.	249,600.00	199,600.00
Salvador C. Medialdea	100.00	100.00
Renato Q. Bello	100.00	100.00
Ma. Rosario C.Z. Nava	100.00	100.00
Ma. Concepcion L. Regalado	100.00	100.00
Total	250,000.00	200,000.00

Global International (Subic) Phils., Corp., Salvador C. Medialdea, Renato Q. Bello, Ma. Rosario C.Z. Nava, and Ma. Concepcion L. Regalado shall hereinafter be referred to as the "Sellers".

SPTT is duly registered with Subic Bay Metropolitan Authority ("SBMA") and was issued the Certificate of Registration and Tax Exemption on 01 June 2010, which is effective until 31 May 2011 and renewable by SPTT. It is classified as a Subic Bay Freeport Enterprise for the purpose of and with permit to operate the business of engaging in the business of importation, warehousing, transshipment, export,

distribution of liquor, wines and spirits, tobacco and cigarettes and general merchandise and commodities such as but not limited to groceries, canned goods and pre-paid cards; convenience store for selling and distribution of gasoline and other petroleum products and other liberalized items. SPTT is entitled to tax and duty free importation of raw materials, capital equipment and household and personal items for use within the Freeport Zone, among others.

As of December 31, 2008, SPTT's total assets amounted to Twenty Two Million Three Hundred Sixty Four Thousand Six Hundred Nineteen Pesos (Php22,364,619.00) and total liabilities amounted to Twenty Nine Million Six Hundred Forty Two Thousand Nine Hundred Fifty-Five Pesos (Php29,642,955.00) leaving a negative equity value of Two Million Two Hundred Seventy-Eight Thousand Three Hundred Thirty Six Pesos (Php2,278,336.00).

As of December 31, 2009, SPTT's total assets amounted to Two Million Eight Hundred Seven Thousand One Hundred Forty Six Pesos (Php2,807,146.00) and total liabilities amounted to Five Million Two Hundred Eighty Three Thousand Two Hundred Forty Eight Pesos (Php5,283,248.00) leaving a negative equity value of Two Million Four Hundred Seventy-Five Thousand Four Hundred Seventy-Eight Pesos (Php2,475,478.00).¹

As of December 31, 2010, SPTT's total assets amounted to 2,697,110 and total liabilities amounted to 6,005,606, leaving a negative equity value of 3,308,496, based on the unaudited figures of SPTT.

B. Nature and amount of consideration to be paid or received by the Company

The parties are still in the negotiation stage with respect to the specific terms and conditions of the sale, including the final amount of consideration for the acquisition of SPTT. The Company is in the process of conducting due diligence on SPTT especially on the validity and effectivity of its existing permits and licenses. As part of its due diligence, the Company is also assessing the most reasonable offer for the purchase of SPTT and comparing the acquisition cost with the capitalization and other costs required if the Company will simply form and incorporate a new corporation and secure all the necessary permits and licenses from the SBMA for the conduct of business in the Free port Zone.

C. Name and address of the transferors and the nature of any material relationship

Name of Transferors	Address
Global International (Subic) Phils., Corp.	Lot 62-A, Innovative Street, Subic Bay Industrial Park, Phase I, Subic Bay Freeport Zone, Zambales

¹ At the time the Company conducted its legal audit on SPTT, the audited figures available were for 2008 and 2009.

Salvador C. Medialdea	6 Romulo Street, Pacific Malayan Village, Muntinlupa City
Renato Q. Bello	12 Manchester Street, Hillsborough Subdivision, Alabang, Muntinlupa City
Ma. Rosario C.Z. Nava	3 Jade Garden Compound, Ortigas Avenue, San Juan, Metro Manila
Ma. Concepcion L. Regalado	9C White Street, Doña Faustina I Village, Tandang Sora, Quezon City

Global International (Subic) Phils., Corp., Salvador C. Medialdea, Renato Q. Bello, Ma. Rosario C.Z. Nava, and Ma. Concepcion L. Regalado are the transferors in the acquisition by the Company of SPTT. They are not subsidiaries or affiliates of the Company or of any of its affiliates. They are also not the directors and/or officers of the Company or any of its affiliates.

(D) Material features of the Transaction

(i) Rationale for the Acquisition of SPTT²

² Based on 2008 and 2009 due diligence and appraisal reports, which were based on 2008 and 2009 figures of SPTT.

- A. It will fast-track the Company's expansion in the ecozone, North-West and parts of central Luzon, Bataan, Zambales, Pampanga, Tarlac
 - 1. SPTT is an existing locator in SBMA and has the appropriate trading licenses and duly issued Certificate of Registration and Tax Exemption. If the Company will apply for registration as a new locator, this will be a long process since SBMA Board has yet to be constituted.
 - 2. SPTT as a wholly-owned subsidiary of the Company will lease land for the proposed depot in Subic.
- B. The Company can serve its client, One Subic Power Generation Corp.
- C. The Company can commence international bunkering, i.e. US Navy vessels.
- D. The Company will be able to import its fuel requirements directly to Subic.
- E. The Company will also be able to enjoy the following incentives of the SBMA:
 - 1. Tax and duty free importation
 - 2. Zero rated VAT
 - 3. SBMA locators are only subject to 5% income tax on gross income (net of direct cost).

Other Features of the Proposed Transaction:

(a) **Liability of Sellers.** The Sellers will be liable, jointly and severally, for all judgments and awards against SPTT in connection with any action, filed, pending, or to the best of the Sellers' knowledge, threatened, that may affect SPTT, its Shares or any of its assets, which arose from acts done by the Sellers prior to the signing of the Share Purchase Agreement, and to indemnify and hold the Company-Buyer and/or SPTT free and harmless from any such judgments and awards and all claims in connection therewith; and in the event the Company-Buyer is made and/or held liable therefore pursuant to any judgment, decree, writ, order and the like, to indemnify, reimburse and compensate the Company-Buyer any and all amounts paid or delivered, if any.

(b) **No Change in Employer.** The Parties agree that nothing in their agreement and the transaction contemplated shall amount to or be considered a change in the employer of all employees of SPTT. No employee of SPTT shall be terminated by reason of the sale and purchase of the SPTT Shares, unless such employee voluntarily

agrees to such termination and is paid the corresponding separation pay and benefits under the law and existing SPTT employment policies, if any.

II. Proposed Joint Venture Between the Company and Chelsea Shipping Corporation for the Formation and Incorporation of a Joint Venture Corporation for the Purpose of Acquiring a Brand New 14,000 DWT tanker Vessel from China

A. The name, address and telephone number of the principal executive office

Chelsea Shipping Corporation (“Chelsea Shipping”) holds its principal office in Stella Hizon Reyes Road, Bo. Pampanga, Lanang, Davao City, with telephone number 63 (82) 2358888. It has an executive office located at the 26th Floor, Fort Legend Towers, 3rd Avenue corner 31st Street, Bonifacio Global City, Taguig City, Metro Manila with telephone number 63 4034015.

B. General Nature of the Business of Chelsea Shipping

Chelsea Shipping, an affiliate of the Company, is engaged in the limited trade and business of transporting/shipping/hauling of various products/cargoes such as but not limited to petroleum products. It was incorporated on 17 July 2006 and it has an authorized capital stock of Philippine Pesos: Five Hundred Million (Php500,000,000.00), divided into five million (5,000,000) common shares of stocks, with a par value of One Hundred Peso (Php100.00) per share, of which Philippine Pesos: Four Hundred Million (Php400,000,000.00) have been subscribed and Philippine Pesos: Three Hundred Forty Eight Million Five Hundred Ninety Thousand Four Hundred (Php348,590,400.00) have been fully paid by the following stockholders:

Name	Subscription (Php)	Paid-Up (Php)
Udenna Management & Resources Corp.	399,999,500.00	348,589,900.00
Dennis A. Uy	100.00	100.00
Cherylyn C. Uy	100.00	100.00
Jose Manuel R. Quimson	100.00	100.00
Socorro Ermac-Cabreros	100.00	100.00
Ignacia Braga IV	100.00	100.00
TOTAL	400,000,000.00	348,590,400.00

Chelsea Shipping manages a fleet of fourteen (14) vessels to transport petroleum products. It is currently operating more than fifteen (15) ports nationwide from Luzon to Mindanao, namely Bauang, La Union; Sual, Pangasinan; Subic Bay; NPC Malaya-Pililia; Liway, Bataan; Manila; Batangas; Pagbilao, Quezon; Semirara; Dumaguít; Aklan; Iloilo; Dumaguete; Naga, Cebu; Cagayan de Oro; Zamboanga; and, Davao.

C. Features of the Proposed Transaction

1. Brief Summary of the Terms of the Proposed Joint Venture

The proposed transaction is a joint venture between the Company and Chelsea Shipping for the formation and incorporation of a joint venture corporation for the purpose of acquiring a brand new 14,000 DWT tanker vessel from China to service the transport requirements of the Company in the importation of petroleum products. The Joint Venture Company will be named PNX-Chelsea Shipping Corp. ("PCSC").

PCSC will be sixty per cent (60%) owned by the Company and forty per cent (40%) owned by Chelsea Shipping, with a paid-up capital of Two Hundred Fifty Million Pesos (P250,000,000.00).

PCSC will acquire a 14,000 DWT Tanker Vessel from China, which is currently seventy per cent (70%) completed.

Chelsea Shipping, given its four year track record in the oil shipping industry, will provide Ship Management services to PCSC. On the other hand, the Company will enter into a long term agreement with PCSC to protect itself from freight rate fluctuations with the bunker market on the upswing as the world economy improves.

There will be five (5) members of the Board of Directors, two (2) of whom shall be appointed by Chelsea Shipping, the three (3) others shall be appointed by the Company, provided that one (1) of them shall an independent director of the Company.

2. Rationale for the Proposed Joint Venture

At present, the Company already imports about 98% its fuel products from neighboring countries in order to be more competitive in the market. The Company, however, sees the need to further enhance its product distribution efficiency of petroleum products from the supplier's depot to its various depot terminals and sub-depots facilities and further improve the control of product supply by acquiring tanker vessels to minimize and eliminate the potential risk of supply disruptions due to scarcity of tanker vessels.

For this purpose, the Company intends to enter into a joint venture agreement with Chelsea Shipping, which has been operating tanker vessels for more almost four (4) years, thus has the necessary experience and expertise, for the formation and incorporation of a joint venture corporation for the purpose of acquiring a brand new 14,000 DWT tanker vessel from China.

D. Nature and amount of consideration to be paid or received by the Company

PCSC will be sixty per cent (60%) owned by the Company and forty per cent (40%) owned by Chelsea Shipping, with a proposed paid-up capital of Two Hundred Fifty Million Pesos (P250,000,000.00): One Hundred Fifty Million Pesos

(P150,000,000.00) will be invested by the Company and One Hundred Million Pesos (P100,000,000.00) by Chelsea Shipping.

Item 14. Reclassification of Accounts

No actions are to be taken with respect to the restatement of any asset, capital, or surplus account of the Company.

D. OTHER MATTERS

Item 15. Action with Respect to Reports and Other Proposed Action

1. Approval of the Minutes of the 15 July 2010 Annual Stockholders' Meeting covering the following matters:
 - Approval of the minutes of the 29 May 2009 Annual Stockholder's Meeting;
 - Report of the Chief Finance Officer;
 - Approval of the Annual Report of the President and the Audited Financial Statement for the year ended December 31, 2009
 - Approval confirmation and the ratification of all acts and resolution passed and approved by the Board of Directors, Management and Executive Committee covering the period from June 1, 2009 to May 31, 2010.
 - Approval of Employees Stock Options Plan;
 - Amendment to the Articles of Incorporation: (1) Article II - amending the Secondary Purpose; (2) Article VII - Incorporation increasing the Authorized Capital Stock of the Company from Php400,000,000.00 to Php800,000,000.00, , is hereby approved; and Article III Section 1(a) of the By-Laws increasing the composition of the Board of Directors of 7 to 9;
 - Approval of the declaration of 40% stock dividends;
 - Election of the members of the Board of Directors;
 - Appointment of the external auditors and fixing their rates.
2. Annual Report of the President and Chief Executive Officer;
3. Report of the Chief Finance Officer;
4. Approval of the Company's 2010 Annual Report and 2010 Audited Financial Statement.
5. Ratification and Confirmation of all Acts and Resolutions of the Board of Directors as set forth in **Annex A**;
6. Approval of the proposed acquisition of SPTT.

7. Approval of the proposed investment of the Company's funds to form and incorporate a new corporation, of which the Company shall subscribe to majority of the shares and Chelsea Shipping as minority shareholder, for purposes of acquiring and operating a new tanker vessel to boost and support the Company's fuel importation, depot expansion and the corresponding increase in fuel capacity of its depot terminals;
8. Approval of the declaration of the thirty (30%) stock dividends;
9. Proposed amendment of By-Laws of the Company;
10. Election of the Members of the Board of Directors;
11. Election of External Auditor.

Item 16. Matters Not Required to be Submitted

There are no actions to be taken with respect to any matter, which are not required to be submitted to a vote by security holders.

Item 17. Amendment of Charter, Bylaws or Other Documents

Amendment of the By-Laws

At the scheduled Annual Meeting of the Company, the following proposed amendment to the By-Laws of the Company shall be submitted to the stockholders for approval:

- A. Proposal to amend Article II Section 1 of the Company's By-Laws changing the date of Annual/Regular meeting of stockholders from the last Thursday of June to any day in March. **The proposed amended portion of the By-Laws now reads:**

"Section 1. Annual/Regular Meetings - The annual/regular meetings of stockholders shall be held at the principal office on any day in March of each year.

x	x	x	x	x	x	x
x	x	x	x'			

The reasons for setting an earlier date for the holding of the annual stockholders' meeting to any day in March are the following: (1) to ensure that all stockholders are apprised as early as possible of the result of the operations and finances of the Company for the previous year as contained in the Audited Financial Statements and Management Report; and (2) corporate transactions for the ensuing year, which require stockholders' approval will be presented to the stockholders within one hundred thirty (135) days after the end of the most recently ended fiscal year.

Item 18. Other Proposed Action

The proposed acquisition of SPTT, the proposed investment of the Company's funds to form and incorporate a new corporation for purposes of acquiring and operating a new tanker vessel and the declaration of thirty (30%) stock dividends shall be submitted to the stockholders for their approval.

Item 19. Voting Procedures

Under the Corporation Code, the affirmative vote of stockholders representing at least two thirds (2/3) of the outstanding capital stock of the Company shall be necessary for the approval of the proposed investment of the Company's funds to form and incorporate a new corporation for purposes of acquiring and operating a new tanker vessel. The affirmative vote of stockholders representing a majority of the outstanding capital stock of the Company at the Annual Meeting shall be necessary for the proposed acquisition of SPTT and the approval of the amendment to the New By-Laws.

Except in cases provided above, or where the law provides otherwise, all matters subject to vote shall be decided by the plurality vote of stockholders present in person or by proxy and entitled to vote thereat, a quorum being present.

Except for the election of directors in which cumulative voting is allowed, stockholders of record are entitled to one (1) vote per share. There is no manner of voting prescribed in the New By-Laws of the Company. Hence, voting may be done by *viva voce*, raising of hands or by balloting.

The external auditor of the Company, Punongbayan & Araullo, will validate the votes when voting is done by secret ballot. Likewise, Punongbayan & Araullo will count the number of hands raised when voting by show of hands is done.

The following items will be included in the agenda for the meeting:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held last July 15, 2010
4. Report of the President and Chief Executive Officer

5. Report of the Chief Finance Officer
6. Approval of the 2010 Audited Financial Statements and 2010 Annual Report
7. Approval of Corporate Actions:
 - a) Proposed acquisition of Subic Petroleum Transport And Trading Philippines, Inc.;
 - b) Proposed investment of the Company's funds to form and incorporate a new corporation, of which the Company shall subscribe to majority of the shares and Chelsea Shipping as minority shareholder, for purposes of acquiring and operating a new tanker vessel to boost and support the Company's fuel importation, depot expansion and the corresponding increase in fuel capacity of its depot terminals
 - c) Proposed Amendments of the Article II Section 1 of the By-Laws of the Company, to wit;

"Section 1. Annual/Regular Meetings - The annual/regular meetings of stockholders shall be held at the principal office on any day in March of each year."

8. Declaration of thirty (30%) stock dividend
9. Ratification and Confirmation of all Acts and Resolutions of the Board and Management executed in the normal course of business covering the period of June 1, 2010 until January 31, 2011
10. Election of the Members of the Board of Directors
11. Appointment of External Auditor
12. Other Matters
13. Adjournment

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct.

This report is signed in Davao City on **02 February 2011**.

P-H-O-E-N-I-X Petroleum Philippines, Inc.

SOCORRO T. ERMAC CABREROS
Corporate Secretary