

October 15, 2016

Ms. Jose Valeriano B. Zuño III
Head, Disclosure Department
Philippine Stock Exchange
3/F PSE Plaza, Ayala Triangle Plaza
Ayala Avenue, Makati City

Dear *Mr. Zuño*:

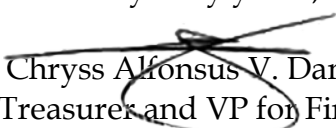
We wish to disclose that as of September 30, 2016, the Company has made the following disbursements out of the Php 2 Billion Proceeds of the issuance of the Preferred Shares (3rd Tranche) dated December 18, 2015:

Breakdown of Usage for P2.0B Preferred Shares	Projected Timeline of Acquisition	Allocation (in PHP 000)	Actual Amt Disbursed (in PHP 000)
A. Capital Expenditures			
A.1 Issuance Cost	Nov 2015	46,107	46,107
A.1. Retail Stations			
Construction of 61 Retail Stations	Jul - Dec 2015	340,000	340,000
Construction of 80 Retail Stations	Jan - Dec 2016	640,000	225,400
A.2. Storage Terminals			
Cebu	Nov - Dec 2015	360,000	239,900
General Santos	Nov 2015 - Dec 2016	253,893	253,893
B. Working Capital			
B.1. Importation of petroleum products	Nov 2015	360,000	360,000
TOTAL		2,000,000	1,465,300

The remaining amount of Php 534.7 Million has been temporarily used to fund the general working capital requirements of the Company including the importation of petroleum products, as approved by its Board of Directors on January 15, 2016.

We hope you find the foregoing in order.

Very truly yours,


Chryss Alfonsus V. Damuy
Treasurer and VP for Finance