

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



02 September 2016

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 corporate matters approved by the Company's Board of Directors, 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

September 2, 2016



Phoenix Petroleum to sell shipping and industrial park businesses.

Publicly-listed leading independent oil company Phoenix Petroleum Philippines, Inc. (PNX) announced today the approval by their Board of Directors (BOD) for the sale of wholly-owned subsidiaries, namely: Chelsea Shipping Corp. (CSC) and Phoenix Petroterminals and Industrial Park, Corp. (PPIPC), to the Udenna Group, the effective parent and majority stockholder of the Company. Both companies represent about 8% of the consolidated assets of PNX as of the end of 2015 and has an estimated market value of about Php7billion.

The sale of CSC and PPIPC, which will be subject to a 3rd party valuation and fairness opinion, will have an estimated selling price of Php3-3.5 billion (net of debt) and which will generate between Php500-700million in non-recurring gain for PNX. PNX will use the proceeds of the sale to pay off existing debts which is expected to reduce Interest-Bearing-Debt-to-Equity ratio from 1.69:1 at the end of 2015 to 0.92:1 by the end of 2016. Furthermore, the reduction in interest bearing debt will save PNX Php150-160million a year in interest expense starting 2017.

The sale will significantly allow PNX to allocate all of its resources to fuel its aggressive growth in its core business and the distribution of petroleum products nationwide.

The BOD of PNX, during the same meeting, also approved the amendment in the maximum amount of up to a total of Php450million worth of common shares for the share-buy-back program currently being implemented by the Company, or an increase of Php200million from the initial Php250million disclosed last May 11, 2016. As of August 30, 2016, the company purchased over 27.3million shares with an aggregate value of over Php171.1million at a volume weighted average price of Php6.25/share.

Phoenix Petroleum is the fastest growing oil company today with an expanding network of operations nationwide. It has opened a total of 489 stations as of the end of June 30, 2016.