



CIRCULAR

The Philippine Stock Exchange, Inc.

<input checked="" type="checkbox"/>	Disclosures	<input type="checkbox"/>	Stockholders' Meeting	Others:	<input type="checkbox"/>	Lifting of
<input type="checkbox"/>	Dividend Notice	<input type="checkbox"/>	SEC / Gov't Issuance		<input type="checkbox"/>	Trading
<input type="checkbox"/>	Stock Rights Notice	<input type="checkbox"/>	Transfer Agent's Notice		<input type="checkbox"/>	Suspension

Company : **PHOENIX PETROLEUM PHILIPPINES, INC.**
Date : **March 11, 2009**

This is in reference to Circular No. 1640-2009 dated March 9, 2009, in connection with Phoenix Petroleum Philippines, Inc.'s ("PNX") board of directors' approval of the authorization to purchase 100% or approximately 6,000,000 shares of Bacnotan Industrial Park Corporation ("BIPC") and the acquisition of 3.9 hectare land owned by PHINMA.

PNX, in reply to the Exchange's request for additional information on the matter, submitted the attached letter dated March 10, 2009.

Please be advised that the trading suspension implemented on PNX shares shall be lifted at 9:00 a.m. today, March 11, 2009.

For your information and guidance.

(Original Signed)
ATTY. PETE M. MALABANAN
Head, Disclosure Department

Noted by:

(Original Signed)
ROY JOSEPH M. RAFOLS
COO/Head, Issuer Regulation Division

FID/CSD	Market Regulation Division	Issuer Regulation Division	Information Technology Division	Capital Markets Dev't Division	Office of the General Counsel
Tel. No. 688-7561/688-7508	Tel. No. 688-7541	Tel. No. 688-7510	Tel. No. 688-7480	Tel. No. 688-7534	Tel. No. 688-7411



10 March 2009

Atty. Pete M. Malabanan
Head, Disclosure Department
Philippine Stock Exchange
Exchange Road, Ortigas Center
Pasig City

Dear **Atty. Malabanan**:

This is in relation to the disclosure we made last Friday, March 06, 2009 on the Company's purchase of 100% of the shares or approximately 6,000,000 shares of the Bacnotan Industrial Park Corporation (BIPC) and the acquisition of a 3.9 hectare land owned by PHINMA located inside the Batangas Union Industrial Park..

First of all, we would like to clarify that the subject purchase pertains to the shares of Bacnotan Industrial Park Corp. (BIPC) and not Batangas Industrial Park Corp., as previously disclosed.

However, the terms and conditions of the said purchase of BIPC shares and the PHINMA land, and all relevant transactions and agreements duly executed by and between the parties are covered by a confidentiality agreement between and among the parties. We are thus constrained to honor the confidential nature of our transaction.

However, in compliance with the requirements of the Exchange to provide additional information with respect to the purchase of the BIPC shares and the PHINMA land, as earlier disclosed, we are replying to your queries as follows:

- a) Identity of Sellers: According to pertinent documents executed between the parties, the following are the Sellers of the Bacnotan Industrial Park Corp. (BIPC):
 - i. **Bacnotan Consolidated Industries, Inc. (BCII)** with principal address located at the 12th Floor, The Phinman Plaza, 39 Plaza Drive, Rockwell Center, Makati City;
 - ii. **Trans-Asia Oil and Energy Development Corporation (TA Oil)** with principal address located at 11th Floor, The Phinma Plaza, 39 Plaza Drive, Rockwell Center, Makati City;
 - iii. **Trans-Asia Power Corporation (TA Power)** with principal address located at the 11th Floor, The Phinma Plaza, 39 Plaza Drive, Rockwell Center, Makati City;

PHOENIX PETROLEUM PHILIPPINES, INC.



- iv. **Atlas Holdings Corporation (Atlas)** with principal address located at The Phinma Plaza, 39 Plaza Drive, Rockwell Center, Makati City;

On the other hand, the Seller of the PHINMA land is Philippine Investment Management, Inc. (PHINMA)

- b.) Our Company has no relations whatsoever, and any of its directors or officers has no relationship, whether direct or indirect, to the Sellers/stockholders of BIPC and PHINMA.
- c.) Sources of Funds: Funding for the subject purchase shall be primarily sourced from internally-generated funds and loans.
- d.) On the matter of Item No. 3, we wish to announce that today, March 10, 2009, Phoenix Petroleum Philippines, Inc. has signed an Agreement for the purchase of equity shares in Bacnotan Industrial Park Corp. (BIPC) at the price of P109.81 per share from the following companies:

Name of Company	Number of Shares
Bacnotan Consolidated Industries, Inc. (BCI)	3,600,000
Trans-Asia Oil and Energy Development Corp. (TA Oil)	1,800,000
Trans-Asia Power Corp. (TA Power)	300,000
Atlas Holdings Corp.	<u>300,000</u>
Grand Total	6,000,000

The Agreement likewise included the purchase of the PHINMA land. The total aggregate purchase price for the above-mentioned purchase of shares and the land is approximately P680,000,000.00, with the Company making a down payment of about 20%. The balance shall be payable within a period of five (5) years commencing on the 7th month from execution.

The parties agreed that in the event of non-payment of any of the installments, the entire Balance shall become due and demandable and the Sellers shall have the right to proceed against the securities.

- e) Net Asset Valuation conducted by three (3) independent appraisers showed that BIPC has an adjusted net asset value of about P1.2 billion which was subsequently confirmed by Punongbayan & Araullo per financial due diligence. Attached herewith is the unaudited financial statement of BIPC as of December 31, 2008.

PHOENIX PETROLEUM PHILIPPINES, INC.



- f) Date of Incorporation: BIPC was incorporated last March 07, 1996 with the following Capital Structure:

	Before	After
Authorized Capital Stock	8,000,000 shares	8,000,000 shares
Issued and Subscribed Capital Stock	6,000,000 shares	6,000,000 shares
Par Value	P100.00 per share	P100.00 per share

- g) Current Ownership structure: The above capital structure of BIPC has the following ownership:

Principal Shareholders	Before		
	Amount in Pesos	Number of Shares	%
BCII	₱ 359,999,100.00	3,599,991	60
Ramon V. del Rosario	100.00	1	
Oscar J. Hilado	100.00	1	
Magdaleno B. Albarracin	100.00	1	
Victor J. del Rosario	100.00	1	
Eduardo A. Mendoza	100.00	1	
Ramon R. del Rosario Jr.	100.00	1	
Bernardo Villegas	100.00	1	
Guillermo D. Luchangco	100.00	1	
Willibaldo J. Uy	100.00	1	
TA Oil	179,999,900.00	1,799,999	30
Antonio V. del Rosario	100.00	1	.

PHOENIX PETROLEUM PHILIPPINES, INC.



TA Power	29,999,900.00	299,999	5
Roberto M. Laviña	100.00	1	
Atlas	30,000,000.00	300,000	5
TOTAL	₱ 600,000,000.00	6,000,000	100

h) Ownership structure after the pertinent transaction shall be as follows:

	After		
	Amount in Pesos	Number of Shares	%
Phoenix Petroleum Philippines, Inc.	₱ 5,999,989.00	5,999,989	60
Dennis A. Uy	100.00	1	
Domingo T. Uy	100.00	1	
Cherylyn C. Uy	100.00	1	
Jose Manuel R. Quimson	100.00	1	
Socorro Ermac Cabreros	100.00	1	
Romeo B. de Guzman	100.00	1	
Felix Cesar L. Zerrudo, Jr.	100.00	1	
Chryss Alfonsus V. Damuy	100.00	1	
Rebecca Pilar C. Caterio	100.00	1	
Ignacia S. Braga IV	100.00	1	
Gigi Q. Fuensalida	100.00	1	

PHOENIX PETROLEUM PHILIPPINES, INC.



TOTAL	₱ 600,000,000.00	6,000,000	100
-------	------------------	-----------	-----

e) The current members of the Board of Directors of BIPC are as follows:

- a. Ramon V. del Rosario
- b. Oscar J. Hilado
- c. Magdaleno B. Albarracin, Jr.
- d. Victor J. del Rosario
- e. Eduardo A. Mendoza
- f. Ramon R. del Rosario, Jr.
- g. Guillermo D. Luchangco
- h. Willibaldo J. Uy
- i. Antonio V. del Rosario
- j. Roberto M. Laviña
- k. Jose Marie del Rosario

While the current Principal Officers of the same are as follows:

- Magdaleno B. Albarracin, Jr. - President
- Roberto M. Laviña - Treasurer/ Senior Vice President
- Virgilio Francisco - General Manager
- Atty. Juan Diaz - Corporate Secretary

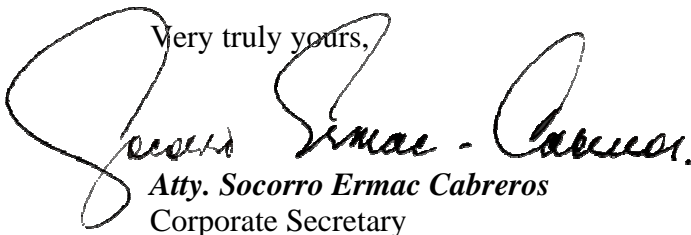
- i) Except for the affiliations brought about by the ownership of the corporations mentioned, BIPC has no subsidiaries.

We hope to have substantially answered your queries on the recent acquisition of our Company.

We reiterate our request for the lifting of the suspension as soon as possible.

Thank you and best regards.

Very truly yours,


Atty. Socorro Ermac Cabreros
Corporate Secretary

PHOENIX PETROLEUM PHILIPPINES, INC.

Head Office: Phoenix Bulk Depot, Lanang, Davao City 8000, Philippines
Davao Tel : 082-302-5998 Fax: 082- 235-8888

Manila Office: Unit A, 7th Flr. ACT Tower, Sen. Gil Puyat Ave., Salcedo Village, Makati City 1227, Philippines
Manila Telefax: 02-750-1686
www.phoenixphilippines.com

BACNOTAN INDUSTRIAL PARK CORPORATION
BALANCE SHEETS
in thousands

	<u>INDICATED</u>	<u>AUDITED</u>
	CY 2008	CY 2007
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	9,197	10,106
Receivables	987	6,750
Installment contracts receivable - current	25,992	11,074
Investments in financial assets through profit and loss	-	7,955
Land held for sale and development costs	122,067	143,226
Input tax and other current assets	1,189	710
Total Current Assets	159,432	179,822
Noncurrent Assets		
Installment contracts receivable - noncurrent	58,481	84,473
Property and Equipment	134,114	141,887
Land held for future development	230,095	230,095
Deferred tax asset	4,593	10,651
Other non-current assets	9,533	8,683
Total Noncurrent Assets	436,816	475,789
TOTAL ASSETS	596,248	655,611
<u>LIABILITIES AND EQUITY</u>		
Current Liabilities		
Accounts Payable and Accrued Expenses	17,509	25,230
Current portion of long-term debt	6,539	4,495
Deferred Gross Profit	2,565	13,092
Estimated Liability	2,283	19,142
Total Current Liabilities	28,896	61,959
Noncurrent Liabilities		
Long term debt	12,071	19,198
Deposit for construction	2,257	15,195
Deferred tax liability	64	13,234
Accrued retirement benefits	655	655
Total Noncurrent Liabilities	15,047	48,281
TOTAL LIABILITIES	43,943	110,241
Equity		
Capital stock	600,000	600,000
Retained Earnings	(47,695)	(54,630)
Total Equity	552,305	545,370
TOTAL LIABILITIES AND EQUITY	596,248	655,611

**BACNOTAN INDUSTRIAL PARK CORPORATION
INCOME STATEMENTS**

	CY 2008		CY 2007
	INDICATED	BUDGET	AUDITED
PARK			
Sales of land in hectares (Phase I)	-	-	3.52
Sale of land in sq. m.	-	-	35,162
Average selling price (net of VAT)	-	-	3,300.00
Sales of real estate	35,806	40,654	102,937
Cost of real estate	(16,859)	(19,142)	(40,284)
Income from Real Estate (net of VAT)	18,947	21,512	62,653
PORT			
Volume	404,784	460,100	438,195
Port revenues	20,958	24,193	21,900
Cost of port operations	(10,606)	(12,757)	(9,807)
Income from Port Operation	10,352	11,436	12,093
INCOME FROM OPERATIONS	29,299	32,948	74,747
General and Administrative Expenses			
Park overhead	(7,800)	(7,946)	(7,509)
Administrative charges	(6,666)	(7,044)	(9,240)
Marketing & selling expenses	(1,459)	(1,464)	(1,670)
Sub-Total	(15,925)	(16,454)	(18,419)
Commission	-	-	(6,962)
Total	(15,925)	(16,454)	(25,381)
EBITDA	13,374	16,494	49,366
Depreciation	(10,189)	(10,158)	(10,158)
INCOME (LOSS) BEFORE FINANCIAL CHARGES	3,185	6,336	39,208
Financial charges	(2,782)	(3,023)	(2,946)
Other income (expense)	8,519	6,723	1,655
Gain on redemption	145	-	19
Gain on sale of asset	-	-	54
Unrealized gain (loss) on change in FV	-	-	183
INCOME (LOSS) BEFORE TAX	9,067	10,036	38,174
Provision for income tax - current	(8,021)	(10,447)	(858)
Provision for income tax - deferred	7,112	-	(2,856)
Provision for management & director's bonus	(1,224)	-	(4,911)
NET INCOME	6,934	(411)	29,548