



21 September 2010

Ms. Janet A. Encarnacion
Head, Disclosure Department
Philippine Stock Exchange
3rd Floor, Ayala Triangle
Ayala Ave., Makati City

Dear *Ms. Encarnacion*:

Pursuant to our disclosure on the preferred issuance, we would like to submit the attached press statement which we plan to release to the public.

This disclosure is made in compliance with SRC and the Revised Disclosure Rules.

Thank you and best regards.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Socorro Ermac Cabreros", is written over the typed name and title below.

Atty. Socorro Ermac Cabreros
Corporate Secretary

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PHOENIX PETROLEUM RAISES P500 MILLION FRESH CAPITAL TO FURTHER FUEL GROWTH

Phoenix Petroleum Philippines, Inc. (PNX.PS) successfully concluded today, September 21, 2010, an initial issuance of PhP500 million worth of perpetual non-convertible preferred shares via private placement with institutional investors. The Company issued 5,000,000 shares (non-voting, non-participating and with PhP1.00 par value) at an issue price of PhP100.00 per share and with a fixed annual dividend of 11.5% p.a., distributable quarterly. Significant to note, the share placement represents Phoenix's first major return to the equities market and is also its largest capital-raising exercise after the 2007 initial public offering. PentaCapital Investment Corporation is the issue manager and sole underwriter for the private placement.

The latest capital infusion is the latest in a series of balance sheet strengthening moves of the Company pursuant to its finance-driven growth strategy. Phoenix has been focusing on growing its national retail network as well as the support infrastructure comprising depots and transport fleet. The Company intends to be the leading domestic independent oil company in the retail market over the medium term. As of late Phoenix has a total of 145 operational retail stations and expects to end the current year with at least 160 stations.

In remarks following today's share issuance, Phoenix President and CEO Dennis Uy noted that "The favourable reception of investors to our attractively-priced share placement is testament to the track record delivery of Phoenix since its IPO and is a sign of rising confidence in the Company's growth prospects. You will also note that our common share price has risen substantially alongside our financial performance."

The Company recently reported mid-year interim results showing 179% revenue growth from P2.218 billion in 2009 to P6.188 billion as of June 30, 2010. This was spurred by a 126% surge in sales volume across its retail and commercial customer base. Its first-half core earnings per share rose from 2009's P0.20 to P0.51 per share as of June 30, 2010.

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Phoenix Petroleum Philippines, Inc. is a leading domestic independent petroleum company engaged in the storage, hauling and distribution of petroleum products in the Philippine market through its national retail network and to institutional accounts.

This announcement may contain forward-looking statements which are identified by words including, but not limited to, "believes", "may", "will", "estimates", "continues", "anticipates", "intends" "expects" and similar words. In light of the risks and uncertainties associated with forward-looking statements, readers of this announcement should be aware that the forward-looking events and circumstances in this announcement might not occur. The Company has based these forward-looking statements largely on its current expectations about future events and financial trends affecting its business and operations.

Reference:

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