



04 May 2010

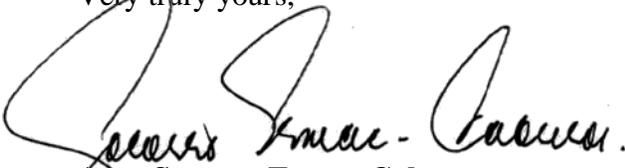
Ms. Janet A. Encarnacion
Head, Disclosure Department
Philippine Stock Exchange
Exchange Road, Ortigas Center
Pasig City

Dear *Ms. Encarnacion*:

We would like to submit the attached press statement pertaining to the incentives currently granted to the Company by the Board of Investments.

Thank you and best regards.

Very truly yours,



Atty. Socorro Ermac Cabreros
Corporate Secretary

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PHOENIX WINS FURTHER BOI INCENTIVES

Phoenix Petroleum Philippines, Inc. announced that its 50.4 million liter storage terminal inside the Phoenix Petroterminals and Industrial Park located in Barangay Salong, Calaca, Batangas was granted registration by the Board of Investments (BOI) as a New Industry Participant with New Investment in Storage, Marketing & Distribution of Petroleum Products under Republic Act No. 8479 (Oil Industry Deregulation Law) in relation to the Omnibus Investments Code of 1987 (Executive Order No. 226). The Company's first (and largest nationally) Luzon-based storage facility was initiated in 2008 and began commercial operations last February 2010 servicing its growing retail network and commercial and industrial customers in Luzon.

The BOI incentives awarded to the Phoenix Calaca Terminal includes a non-extendible 5-year income tax holiday on all on-site revenue activities, duty-free importation of capital equipment, spare parts and accessories for a certain period after start-up, and real property tax exemption on equipment and machinery, amongst other benefits.

In addition to the new Calaca registration, the Company filed an application with the BOI for the registration of its additional investment comprising two (2) new storage tanks for petroleum products with a total capacity of 7.4 million liters located inside the Phoenix Bulk Depot in Davao City. The Davao depot's original 6.3 million liter capacity (registered with the BOI in 2006) already enjoys the same incentives available under the Oil Industry Deregulation Law. The BOI likewise approved the application for the additional investment in Davao and is evaluating the same.

The Company's investments in storage facilities are expected to be sustained in the coming years as this presages its planned expansion of its retail station network in selected key trade areas around the country. Phoenix currently operates both owned and leased storage facilities with total capacity in excess of 75 million liters and plans to increase this by at least 50% in the next 12 to 18 months. This program opens up more opportunities for it to avail of further incentives provided under the Oil Industry Deregulation Law and E.O. 226. Under this system of continuously additions to its storage infrastructure and registering the new capacity with the BOI, the Company ensures that the income tax holiday benefit rolls forward to favorably enhance its earnings per share.

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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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