



05 April 2011

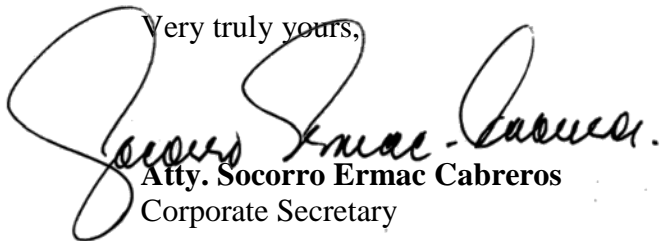
**Ms. Janet A. Encarnacion**  
Head, Disclosure Department  
Philippine Stock Exchange  
4<sup>th</sup> floor, Philippine Stock Exchange Plaza  
Ayala Triangle Plaza  
Ayala Ave., Makati City

Dear *Ms. Encarnacion*:

We gladly share with you the following statement in relation to the recent rave review the Company obtained from the Asia's leading independent brokerage and investment group, CLSA Asia Pacific Markets.

Thank you and warm regards.

Very truly yours,



**Atty. Socorro Ermac Cabreros**  
Corporate Secretary

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April 5, 2011

## **CLSA picks Phoenix Petroleum one of local “moats” along with top companies**

Asia's leading, independent brokerage and investment group CLSA Asia-Pacific Markets in a recent report named Phoenix Petroleum Philippines (PNX) one of the other economic moats in the Philippines, along with several top companies.

The report follows CLSA's “The Moat Report” highlighting 246 companies in Asia that generated return ratios above cost of capital, sustained earnings growth, and were at undemanding valuations. “Economic moats” are the basis for this durable competitive advantage.

The moats, in medieval times, moats were deep wide ditches with water surrounding a fortress. Warren Buffet coined the term “economic moat” to refer to the ability to sustain such an advantage. Companies that have a moat around their operation can be said to have a business franchise. They generally have pricing power that leads to wide margins and good return ratios.

Out of the 246 companies CLSA mentioned, four are from the Philippines. These are PLDT, SM Investments, ICTSI, and Jollibee.

“Aside from the 4 companies mentioned, we believe that there are still other moats in the Philippines and these are Aboitiz Power, DMCI Holdings, Universal Robina, Alliance Global, and Phoenix,” said CLSA in their April 1, 2011 Market Outlook report written by analyst Alfred Dy.

“These names should continue to generate positive EVA and have strong franchises and consequently result in share price gains over the next decade.”

CLSA cited Phoenix Petroleum's strong 69% year-on-year earnings growth in 2011 underpinned by aggressive service station roll-out this year, and inexpensive valuations (mid-single-digit PEs) further highlighted by strong earnings growth and 24-29% return on equity. It said the company's 8.8x PE at target price is still at a substantial 40% discount to the market PE.

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.