



25 April 2011

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

Dear *Ms. Encarnacion*:

We write in reference to your memorandum dated April 25, 2011 seeking clarification on a news article published on April 25, 2011 in Philippine Daily Inquirer which states:

PHOENIX PETROLEUM Philippines Inc., the country's second largest independent downstream oil industry player, is set to debut in the local bond market in May with an offering of long-term debt paper worth as much as P5 billion.

Banking sources told the Inquirer that Phoenix was planning to offer a mix of five- and seven-year bonds with fixed and floating rates to raise fresh funds for expansion.

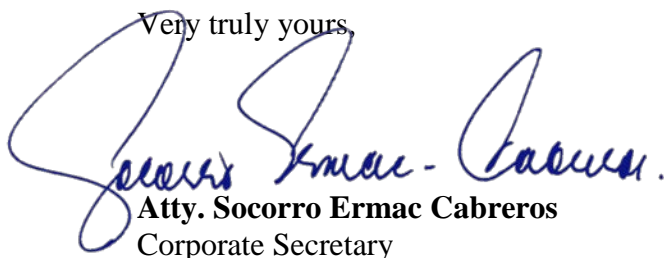
The offering is targeted at P3 billion with an option to increase the size by another P2 billion in case there would be strong demand.

The above information remains soft information containing inaccuracies and thus, has no concrete basis. The proposed plan has yet to be approved by the Company's board of directors including the terms and conditions therein.

We shall be disclosing the same in the proper time as soon as our board of directors approved of the same.

Thank you and warm regards.

Very truly yours,



Atty. Socorro Ermac Cabreros
Corporate Secretary

PHOENIX PETROLEUM PHILIPPINES, INC.