



05 May 2011

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

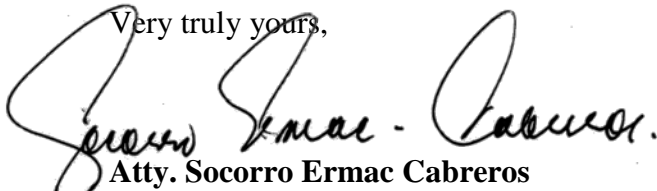
Dear *Ms. Encarnacion*:

We would to submit the enclosed press statement issued by our Company in response to the news report released at about 11:58AM this morning entitled, "Customs files P5-B smuggling complaint vs Phoenix" with GMA News online, and "P5-B smuggling rap filed vs Phoenix Petroleum" with ABS-CBN news.com.

We hope to clarify this matter and clear our name as soonest possible time.

Thank you

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: 25/F Fort Legend Towers, 3rd Ave. Corner 31st Street, Fort Bonifacio, Global City, 1634 Taguig City, Philippines
Manila Telefax: 02-403-4013; 403-4025 to 27
www.phoenixphilippines.com

May 5, 2011



Phoenix Petroleum denies charges of smuggling, non-payment of taxes

Phoenix Petroleum Philippines expresses surprise with the news reports that the Bureau of Customs has allegedly filed charges against the company.

It is inappropriate to respond at this time as the company has yet to officially receive a copy of the charges.

The company strongly denies any allegation of non-payment of excise taxes and/or non-submission of importation documents.

The company has been paying taxes religiously and its records will clearly belie these unfounded accusations against it. As a matter of fact, the company is among the top taxpayers in Davao City, where it is based.

The company believes that the BOC should exercise caution and fairness especially if the accusation is damaging to the taxpayer. In this case, there was no such process taken, making the filing of the complaint highly unjust, arbitrary and oppressive. It unfairly damages all the hard and honest work that the company has exerted in building its name.

The company does not take this accusation lightly and is currently consulting legal counsel on all possible courses of actions.

Reference:

Atty. Raymond T. Zorrilla
Trunk: +632 4034013
Fax: +632 4034009
Email: raymond.zorrilla@phoenixphilippines.com

PHOENIX PETROLEUM PHILIPPINES, INC.

Head Office: Phoenix Bulk Depot, Barangay Pampanga, Lanang,
8000 Davao City, Philippines
Davao Trunkline 082-235-8888 Fax: 082-2330168

Manila Office: 25th Floor, FORT LEGEND TOWERS, 3rd Avenue corner 31st St., Bonifacio Global City
Taguig City, 1634 Philippines
Telephone: +63-2-4034013

www.phoenixphilippines.com