



09 May 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 May 09, 2011 seeking clarification on a news article published on May 09, 2011 in the Business Mirror entitled "IFC mulls \$10-M investment in Phoenix" which states:

LISTED oil firm Phoenix Petroleum Philippines Inc. might soon get a \$10-million boost from International Finance Corp. (IFC), the private sector arm of the World Bank, to support its expansion program.

In a posting on its web site dated April 27, the IFC said it is considering financing up to \$10 million of Phoenix Petroleum's investment program to expand its distribution.

Phoenix Petroleum, the IFC said, has a \$57-million corporate investment program over 2011 and 2012 to expand its retail service station network, and acquire land and build tanks and depots in strategic locations

The above information 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,

A handwritten signature in blue ink that reads "Socorro Ermac Cabreros".

Atty. Socorro Ermac Cabreros
Corporate Secretary

PHOENIX PETROLEUM PHILIPPINES, INC.