



21 December 2011

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

Attn: **Mr. Juan Federico C. De Leon**
Analyst

Dear *Ms. Encarnacion*:

We write in reference to your letter dated December 21, 2011 seeking clarification on the news article entitled “Phoenix Petroleum eyeing ₱25-B revenues” published in Manila Bulletin today which in part provides:

Keeping eye on shoring up its market share to 5.0-percent, Phoenix Petroleum Philippines Inc. is hoping to cap the year with ₱25-billion revenues, an ₱11 billion jump from the last year’s ₱14 billion.

In an interview, Phoenix Petroleum president and chief executive officer Dennis A. Uy noted that the targeted market share expansion is buoyed by key factors as volume growth and propped market prices.

“We stick to our target of increasing our market share to 4.5 to 5.0 percent from 2.5-percent last year... although, I must say that we are not done yet with fourth quarter,” he stressed.

The oil firm indicated plans of continuously expanding its retail portfolio – with set targets of additional 80 stations by 2012. This will then cement its fortified network to around 300 stations from 220 this 2011.

Phoenix Petroleum has programmed capital expenditure (capex) of ₱1.5 billion for 2011, around 70-percent of which has already been spent for various projects.

Mr. Uy’s statement was candidly made during a casual encounter with the reporter in a hotel while our Company was having our Christmas party.

PHOENIX PETROLEUM PHILIPPINES, INC.

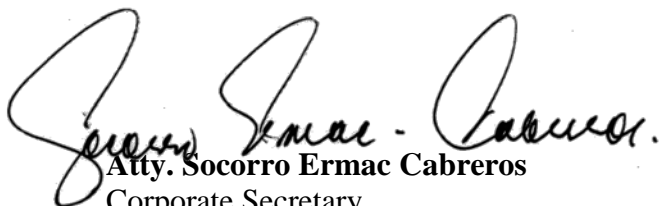


The figure quoted was merely a latest estimate forthrightly given by Mr. Uy considering that the Company recently concluded its Monthly Management Review last December 7, 2011. Nonetheless, we affirm Mr. Uy's further statement that the figure is not final since the Company has yet to conclude its fourth quarter report or its audited financial statement which will be concluded by January 2012 in time for its Annual Stockholders' Meeting on March 8, 2012.

We hope we have sufficiently clarified the matter from our end.

Thank you and warm regards.

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