



13 January 2012

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

Dear *Ms. Encarnacion*:

Pursuant to the separate approvals of the Board of Directors as well as the stockholders last January 28, 2011 and March 11, 2011, respectively, we would like to announce that the Company has concluded the purchase of 100% of the shares of Subic Petroleum Trading and Transport Phils., Inc. ("SPTT").

SPTT was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission on 20 February 2007. It holds its principal office in Subic Bay Freeport Zone in Zambales, Philippine, with office address at Unit 113/115 Alpha Building, Subic International Hotel, Subic Bay Freeport Zone. It is engaged in the business of buying and selling, supply and distribution, importation and exportation, storage and delivery of all types of petroleum and/or petroleum-based fuels for industrial, marine, aviation and automotive use, whether wholesale or retail. SPTT is duly registered with Subic Bay Metropolitan Authority ("SBMA") and was issued the Certificate of Registration and Tax Exemption on 01 June 2010, which is effective until 31 May 2011 and renewable by SPTT. It is classified as a Subic Bay Freeport Enterprise for the purpose of and with permit to operate the business of engaging in the business of importation, warehousing, transshipment, export, distribution of liquor, wines and spirits, tobacco and cigarettes and general merchandise and commodities such as but not limited to groceries, canned goods and pre-paid cards; convenience store for selling and distribution of gasoline and other petroleum products and other liberalized items. SPTT is entitled to tax and duty free importation of raw materials, capital equipment and household and personal items for use within the Freeport Zone, among others..

PHOENIX PETROLEUM PHILIPPINES, INC.

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In accordance with pertinent documents, the following information are as follows:

- 1) Identity of Sellers. The Sellers of SPTT are as follows:
 - a) **GLOBAL INTERNATIONAL (SUBIC) PHILS. CORP.** with office address at Lot 62-A, Innovative Street, Subic Bay Industrial Park, Phase I, Subic Bay Freeport Zone, Zambales
 - b) **CARLITO V. CRUZ**, Filipino with address at Greenview Subdivision, Turo, Bucaue, Bulacan;
 - c) **MA. HENEDINA V. SAN JUAN**, Filipino with address in Matiyaga St., Diliman, Quezon City;
 - d) **IGNACIA S. BRAGA IV**, Filipino, with address located Woodridge Park Subdivision, Maa, Davao City;
 - e) **MA. ROSARIO C.Z. NAVA**, Filipino with address in San Juan, Metro Manila;
 - f) **MA. CONCEPCION L. REGALADO**, Filipino with address in Tandang Sora, Quezon City;
- 2) Relations and Affiliations. Except for Mr. Carlito C. Cruz who used to be the AVP for National Commercial Sales of Luzon but is no longer connected with the Company, the Company has no relations whatsoever, direct or indirect with the Sellers or any of its directors or stockholders.
- 3) Sources of Funds: Funding for the purchase of the shares of SPTT is sourced primarily from internally generated funds.

PHOENIX PETROLEUM PHILIPPINES, INC.



- 4) Terms and Conditions. The Company has purchased 100% equity shares in SPTT at the price of Php800.00 per share from the following Sellers:

Name	Number of Shares
Global International (Subic) Phils., Corp.	2,495
Carlito V. Cruz	1
Ma. Henedina V. San Juan	1
Ignacia S. Braga IV	1
Ma. Rosario C.Z. Nava	1
Ma. Concepcion L. Regalado	1
Total	2,500

Other pertinent terms and conditions of the purchase are as follows:

- a) The acquisition included and guaranteed on the part of the Sellers that all licenses and permits to operate within the Subic Freeport Zone are valid and existing.
 - b) SPTT has not incurred any liabilities or obligations, actual or contingent, and there is no reasonable ground for the assertion of any other claim or action against SPTT based on such liabilities or obligations. All liabilities and obligations not disclosed and prior to the execution of the Agreement shall pertain to the Sellers.
 - c) All taxes pertaining to the sale shall be paid by the Sellers while taxes relating to the transfer shall pertain to the Buyer.
- 5) Date of Incorporation. SPTT was incorporated and registered on February 20, 2007 with the following capital structure

	Before	After
Authorized Capital Stock	10,000 shares	10,000 shares
Subscribed and Issued Capital Stock	2,500 shares	2,500 shares
Par Value	Php 100.00	Php 100.00

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6) Current Ownership Structure. SPTT has the following ownership structure (before acquisition)

Principal Stockholders	Number of Shares	Amount in Pesos	Percentage of Ownership
Global International (Subic) Phils. Corp	2,495	249,500.00	99.840%
Carlito C. Cruz	1	100.00	0.032%
Ma. Henedina V. San Juan	1	100.00	0.032%
Ignacia S. Braga IV	1	100.00	0.032%
Ma. Rosario C. Z. Nava	1	100.00	0.032%
Ma. Concepcion L. Regalado	1	100.00	0.032%
Total	2,500	Php 250,000.00	100%

7) Ownership Structure After the Pertinent Transaction. After the acquisition, the SPTT shall have the following ownership structure:

Principal Stockholders	Number of Shares	Amount in Pesos	Percentage of Ownership
Phoenix Petroleum Philippines, Inc.	2,495	249,500.00	99.840%
Dennis A. Uy	1	100.00	0.032%
Domingo T. Uy	1	100.00	0.032%
Gigi Q. Fuensalida	1	100.00	0.032%
Jose Manuel R. Quimson	1	100.00	0.032%
Romeo B. De Guzman	1	100.00	0.032%
Total	2,500	Php 250,000.00	100%

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8) The members of the Board of Directors of SPTT after the pertinent transaction are as follows:

- a) Dennis A. Uy
- b) Domingo T. Uy
- c) Gigi Q. Fuensalida
- d) Jose Manuel R. Quimson
- e) Romeo B. De Guzman

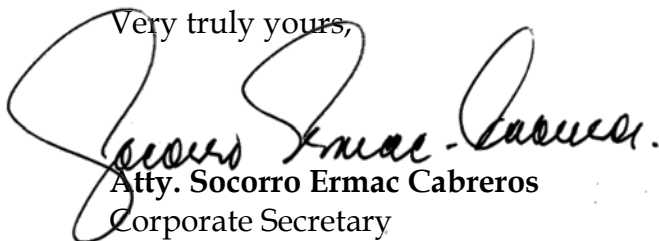
9) SPTT has no current affiliations or subsidiaries.

The primary purpose for the acquisition of SPTT is to enable the Company to expand its operations in the North-West and parts of Central Luzon, Bataan, Zambales, Pampanga, Tarlac as well as establish its operations inside the Subic Bay Freeport Zone

We are disclosing this transaction in compliance with the Revised Disclosure Rules and the Securities Regulations Code.

Thank you and warm regards.

Very truly yours,


Atty. Socorro Ermac Cabreros
Corporate Secretary

PHOENIX PETROLEUM PHILIPPINES, INC.

SUBIC PETROLEUM TRADING AND TRANSPORT PHILS., INC.
[A Wholly Owned Subsidiary of Global International (Subic) Phils. Corp.]
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2010 AND 2009
(Amounts in Philippine Pesos)

	2010	2009
<u>A S S E T S</u>		
CURRENT ASSETS		
Cash	P 135,518	P 140,996
Trade and other receivables - net	2,507,705	2,567,150
Total Current Assets	2,643,223	2,708,146
NON-CURRENT ASSETS		
Property and equipment - net of accumulated depreciation of P161,480 in 2010 and P138,612 in 2009	-	22,868
Other non-current assets	53,887	76,756
Total Non-current Assets	53,887	99,624
TOTAL ASSETS	P 2,697,110	P 2,807,770
<u>LIABILITY AND CAPITAL DEFICIENCY</u>		
CURRENT LIABILITY		
Trade and other payables	P 6,005,606	P 5,283,248
CAPITAL DEFICIENCY		
Capital stock	200,000	200,000
Deficit	(3,508,496)	(2,675,478)
Total Capital Deficiency	(3,308,496)	(2,475,478)
TOTAL LIABILITY AND CAPITAL DEFICIENCY	P 2,697,110	P 2,807,770