



08 February 2012

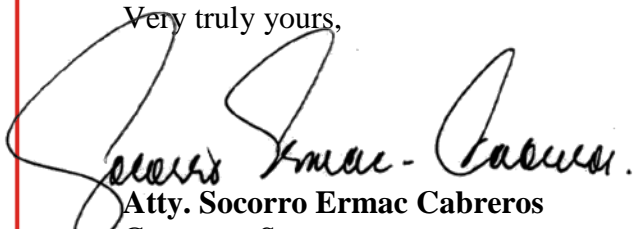
Ms. Janet A. Encarnacion
Head, Disclosure Department
Philippine Stock Exchange
3rd Flr, PSE Plaza, Ayala Triangle
Ayala Ave., Makati City

Dear *Ms. Encarnacion*:

We would like to announce and submit the following press statement in relation to the Company's performance for calendar year 2011 which we will soon be submitting.

Thank you and best regards.

Very truly yours,


Atty. Socorro Ermac Cabreros
Corporate Secretary

PHOENIX PETROLEUM POSTS RECORD NET INCOME OF P510-M IN 2011

Publicly-listed leading independent oil company Phoenix Petroleum Philippines, Inc. (PNX.PS) announced today that the consolidated net earnings for 2011 increased to PhP 510 million, or about 19% higher than the PhP 427 million earned in 2010. This translates to earnings per share of PhP1.00.

In its audited statements, the Company also reported consolidated revenues of PhP27.47 billion for 2011 which was an increase of 86% over PhP14.79 billion in 2010. A substantial portion of this growth was brought about by the 52% increase in fuel sales volume during the year plus the around 22% average increase in fuel selling prices compared to 2010 as a result of company product sales mix and increasing crude prices.

The surge in fuel sales volume in 2011 was driven primarily by the Company's continuously expanding retail station network. After ending 2009 with 120 stations, the Company's network reached 161 and 220 stations at the close of 2010 and 2011, respectively. Of these stations, 151 are based in Mindanao, 11 in Visayas and 58 are in Luzon with approximately 31% classified as company-owned and 69% being dealer-owned.

At the same time, sales to commercial accounts, primarily to the airlines, shipping, fishing, mining, power and transportation sectors, registered a continuous growth during the year. Phoenix Petroleum supplies approximately 50% of Cebu Pacific's jet fuel requirements and handles all their logistics needs in Mindanao.

The Company increased its market share from 3.2% in 2010 to 5.33% in 2011, excluding the LPG and Export sectors. In Mindanao, it is the leading independent oil company with a 14% market share.

Overall, independent oil companies have been increasing their market share: from 15.8% in 2007 to 22.8% in 2010. As of the first half of 2011, this has grown to 27.4%, based on Department of Energy data.

The Company expects to sustain its growth momentum into 2012-2013 with further investments in retail stations and depots in key trade areas. Accompanying this growth will be the expansion of its markets for lubricants and other automotive chemicals, as well as further building on the initial successes of its Phoenix Fuels Life brand awareness efforts.

The continuous investment in its retail, depot facilities and logistics infrastructure, brought up the Company's total resources to PhP10.5 billion in 2011, up by 38% from 2010. Its state-of-the-art and world-class installation near Cagayan de Oro was inaugurated in November and will serve the growth of the northern Mindanao market. Phoenix Petroleum also completed the expansion and improvements of its installations in Calaca, Batangas and Davao City.

Total shareholder's equity was PhP2.863 billion at the end of 2011 as against PhP2.461 billion in 2010 as a result of the current year's net income net of the cash dividends declared in 2011.

This announcement may contain forward-looking statements which are identified by words including, but not limited to, "believes", "may", "will", "estimates", "continues", "anticipates", "intends" "expects" and similar words. In light of the risks and uncertainties associated with forward-looking statements, readers of this announcement should be aware that the forward-looking events and circumstances in this announcement might not occur. The Company has based these forward-looking statements largely on its current expectations about future events and financial trends affecting its business and operations.

Reference:

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