



02 May 2012

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

Dear *Ms. Encarnacion*:

Pursuant to the letter-directive dated 11 April 2012 seeking additional information on the subscription of Phoenix Petroleum Holdings Inc. (PPHI) of 193,000,000 common shares to Phoenix Petroleum Philippines, Inc. (the Company), hereunder are the following information:

- a) A subscription agreement was executed between the Company and PPHI on April 10, 2012.
- b) The transaction is part of the increase of the Company's authorized capital stock from Php800,000,000.00 divided into: (a) 750,000,000 common shares and (b) 50,000,000 preferred shares with par value of Php1.00 per share for both classes of shares to Php2,550,000,000.00 divided into: (a) 2,500,000,000 common shares and (b) 50,000,000 preferred shares with par value of Php1.00 per share for both classes of shares.

The 50% stock dividends declaration duly approved by the stockholders on 08 March 2012 during the Annual Stockholders' Meeting shall comply with the subscription and paid up requirement for the increase in the Company's authorized capital stock. Further, out of the 1,750,000,000 increase in common shares, PPHI agreed to subscribe 193,000,000 to fully comply with the 25% subscription requirement. Settlement date of subscription shall be mutually agreed by the Parties provided that the subscribed shares shall be fully settled upon the call date set by the Board of Directors of the Company and on a price computed based on a 30-day weighted average market price as traded with the PSE preceding the settlement date but in no case shall the price be lower than the par value. Settlement shall be duly disclosed to the Exchange and the Commission at the appropriate time.

- c) The main rationale for the transaction is mainly to aid the Company in increasing its capital stock mainly to support enough unissued reserve for future stock dividends and most significantly, equity fund raising activities.



- d) The aggregate value of the consideration cannot be determined as yet considering that the settlement date shall be mutually agreed by the Parties provided that the subscribed shares shall be fully settled upon the “call date” set by the Board of Directors of the Company at a price computed based on a 30-day weighted average market price as traded with the Exchange preceding the settlement date but in no case shall the price be lower than the par value.
- e) The basis for the determination of the consideration, which is 30 days averaging, is what the Parties deemed to be reasonable.
- f) There is no detailed work program and timetable for the application of the proceeds considering that the subscription has yet to be settled but nonetheless, if the subscription will be settled upon agreement by the Parties, the proceeds shall be used for capital expenditures (CAPEX) and operating expenses (OPEX) to support the expansion program of the Company.
- g) The beneficial owner of the shares is Udenna Corporation which owns PPHI. Udenna Corporation is the ultimate holdings company of the Company and is also an existing stockholder.
- h) PPHI is an existing stockholder of the Company. It owns about 53% of its outstanding common capital stock.
- i) As previously stated in the preceding paragraph, the controlling stockholder of the PPHI is Udenna Corporation while the controlling stockholder of the Company is PPHI. There is no substantial or drastic change in the ownership nor in the interest of the existing majority stockholders before and after this transaction.
- j) There is no pecuniary or whatsoever nature of interest any of the directors of the Company has in the transaction.
- k) To ensure that the interests of the independent stockholders are protected, the subscription of PPHI of the Company common shares was presented and duly approved by the Company’s Board of Directors, whose primary responsibility is to protect and safeguard the interest of the shareholders. The subscription was also duly disclosed with the Exchange.



1) Effects on the following:

1.1) Ownership structure:

Name	Before		After	
	Number of Shares	%	Number of Shares	%
Phoenix Petroleum Holdings, Inc.	260,023,400	53.08	583,035,100.00	62.84
PCD Nominee Corp (Filipino)	129,985,560	26.53	194,978,340.00	21.01
UDENNA Corp.	65,419,881	13.35	98,129,821.00	10.58
Udenna Management & Resources Corp.	16,562,000	3.38	24,843,000.00	2.68
PCD Nominee Corp (non Filipino)	10,521,289	2.15	15,781,933.00	1.70
Joselito R. Ramos	2,468,000	0.50	3,702,000.00	0.40
Dennis A. Uy	2,047,063	0.42	3,070,594.00	0.33
UDENCO Corp.	828,096	0.17	1,242,144.00	0.13
Dennis A. Uy &/or Cherylyn C. Uy	563,108	0.11	844,662.00	0.09
Domingo T. Uy	331,241	0.07	496,861.00	0.05
Jose Manuel R. Quimson	182,001	0.04	273,001.00	0.03
Edagrdo A. Alerta	163,336	0.03	245,004.00	0.03
Romeo B. Molano	126,644	0.03	189,966.00	0.02
Zenaida C. Uy	76,440	0.02	114,660.00	0.01
Rebecca Pilar C. Caterio	76,130	0.02	114,195.00	0.01
Emmanuel M. Cabusao	74,480	0.02	111,720.00	0.01
Socorro Ermac Cabrerros	52,963	0.01	79,444.00	0.01
Alberto D. Alcid	52,962	0.01	79,443.00	0.01
Cristina C. Peritierra ITF Michael Pertierra	39,360	0.01	59,040.00	0.01
Ignacia S. Braga IV	36,400	0.01	54,600.00	0.01
Chryss Alfonsus V. Damuy	36,400	0.01	54,600.00	0.01



Romeo B. de Guzman	36,400	0.01	54,600.00	0.01
Gigi Q. Fuensalida	36,400	0.01	54,600.00	0.01
Rodolfo B. Apilado	27,300	0.01	40,950.00	0.00
Roque A. Lim	19,874	0.00	29,811.00	0.00
Reynaldo A. Phala	18,200	0.00	27,300.00	0.00
Stephen T. Teo &/or Teresita R. Teo	16,562	0.00	24,843.00	0.00
Frederick E. Ferraris &/or Ester E. Ferraris	13,000	0.00	19,500.00	0.00
Jose A. Ferriols &/or Eduardo A. Ferriols	9,100	0.00	13,650.00	0.00
Melvin John N. Sedano	8,200	0.00	12,300.00	0.00
Ma. Blesilda S. Concepcion &/or Henry A. Concepcion	6,525	0.00	9,787.00	0.00
Leilani C. Diaz	4,100	0.00	6,150.00	0.00
Dulce Maria S. Oliva	3,312	0.00	4,968.00	0.00
Farida E. Ferraris &/or Ester E. Ferraris	3,000	0.00	4,500.00	0.00
M.J. Soriano Trading, Inc.	1,820	0.00	2,730.00	0.00
Mercedes Patricia D. Pardo	1,352	0.00	2,028.00	0.00
Elnora N. Turner	156	0.00	234.00	0.00
Philip Turner	156	0.00	234.00	0.00
Jose J. Leonardo &/or Teresita A. Leonardo	100	0.00	150.00	0.00
Alvin J. Pascual	100	0.00	150.00	0.00
J.V. Emmanuel A. de Dios	1	0.00	1.00	0.00
Monico V. Jacob	1	0.00	1.00	0.00
Diana Pardo Aguilar	1	0.00	1.00	0.00
Ricardo S. Pascua	1	0.00	1.00	0.00
Grand Totals	489,872,415		927,808,617.00	



1.2) Capital Structure (includes 5,000,000 issued preferred shares)

	Before	After
Authorized Capital Stock	800,000,000	2,550,000,000
Issued Shares	494,872,415	739,808,617
Outstanding Shares	494,872,415	927,808,617
Listed Shares	489,872,415	734,808,617
Par Value	Php 1.00	Php 1.00

1.3) The Company's public float after this transaction is 26.583% which resulted a decrease of 6.983%.

m) There are no precedent conditions for the closing of the transaction.

We hope we have supplied sufficient information on the transaction.

Thank you and warm regards.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Socorro Ermac Cabreros".

Atty. Socorro Ermac Cabreros
Corporate Secretary