



09 November 2012

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

Attention: **Juan Federico C. de Leon**  
Specialist, Disclosure Department

Dear *Ms. Encarnacion*:

We reply to your letter dated 09 November 2012 pertaining to the news article entitled " Phoenix Petroleum Issues P2.5-B Notes" published in Manila Bulletin on even date which read as follows:

....

Phoenix Petroleum assistant vice president Raymond T. Zorrilla emphasized that the cash yield from this issuance will be "for capital expenditures and to refinance existing debts."

He stressed that the capital outlay will already be "mostly for 2013," although he intimated that targets for next year will still be firmed up next week.

....

In relation to our disclosure last 07 November 2012 on the approval of the Company's Board of Directors of the issuance of Notes Facility up to P2.5 -B, we are confirming that the use of the proceeds to be generated in the issuance of the Notes Facility shall be applied to (a) capital expenditure expansion (b) for debt-refinancing and (c) other capital expenditures. We further confirm, as stated by our Atty. Zorrilla, that capital outlay will be intended partly for 2012 and mostly for 2013.

We hope we have clarified the matter from our end.

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