

11 March 2013



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

Dear *Ms. Encarnacion*:

Phoenix wishes to inform the Exchange that, as approved by its Board of Directors, a Placing Agreement was entered on 11 March 2013 among Phoenix Petroleum Philippines, Inc. ("**PNX**"), Phoenix Petroleum Holdings, Inc. ("**PPHI**") as the Selling Shareholder, and CLSA Limited as Placement Agent, for the offer and sale (the "**Offer**") of the Selling Shareholder's 130 million PNX common shares (the "**Offer Shares**") at a price of PhP 9.40 per Offer Share (the "**Selling Price**").

At the same time, an agreement was executed between PNX and the PPHI, which provided that PPHI shall make full payment of the subscription balance to PNX for 130 million PNX common shares previously subscribed by PPHI in relation to the increase in capital stock made last April 2012 at a price equivalent to the Selling Price, in aggregate amounting to PhP 1.222 billion or approximately US\$30 million. PPHI will use the net proceeds from the sale of 130 million Offer Shares under the Offer to pay for an equivalent amount of the subscription balance. PPHI will pay for the rest of the subscription balance.

PNX intends to use the fresh subscription proceeds to repay some of its debt obligations taken out to fund its expansion in the number of retail gas filling stations.

The Offer Shares are intended to be crossed on The Philippine Stock Exchange, Inc. ("**PSE**") on 12 March 2013 upon obtaining PSE approval of the application for block sale. Settlement is expected to take place on 15 March 2013.

Thank you and kind regards

Very truly yours,


Atty. Socorro Ermac Cabreros

Corporate Secretary

