

14 February 2018

**Philippine Stock Exchange**

PSE Tower  
28<sup>th</sup> Street corner 5<sup>th</sup> Avenue  
Bonifacio Global City  
Taguig City

Attention: **Mr. Jose Valeriano B. Zuño III**  
OIC - Disclosure Department

Dear *Mr. Zuño*:

We reply to your correspondent received today in relation to the news article published in the Business World on 14 February 2018 entitled ***“Phoenix planning to bring FamilyMart to Clark”***.

The article in part made reference as follows:

“PHOENIX PETROLEUM Philippines, Inc. has mapped out plans for its existing and newly acquired businesses, including the expansion of its convenience store chain in Clark, Pampanga, and the construction of a bitumen plant in Calaca, Batangas.

‘[Clark] is an area that we are looking at [because] that is a significant part of our portfolio,’ Henry Albert R. Fadullon, Phoenix chief operating officer, told reporters on the sidelines of the launch of the company’s upgraded fuels on Monday night.

‘We have 177 hectares there and I’m sure when that’s fully built up similar or comparable to BGC (Bonifacio Global City) there will be a lot of opportunities there for Family Mart,’ he added.

....

In the near term, Mr. Fadullon said FamilyMart’s expansion would remain ‘opportunistic’ and focused on ‘key areas’ where customers traditionally patronize for convenience. These are Metro Manila’s central business districts, BGC, Makati City’s Legaspi and Salcedo villages, and some areas in Alabang and Quezon City.

....

**BATANGAS PLANT**

Around mid-January, the listed company announced its joint venture with Thailand-based asphalt maker Tipco Asphalt Public Co. Ltd. and PhilAsphalt (Dev’t) Corp. to market and distribute bitumen and bitumen-related products in the country.

'We are planning to put up our own plant in Calaca, Batangas together with our joint venture partners,' Mr. Fadullon said.

....

Asked when Phoenix plans to build the plant, he said: 'Very soon... Within the year, we would like to have the asphalt business in place.'

...."

First of all, we would like to clarify that the statements made by the Company's Chief Operating Officer, Mr. Henry Albert R. Fadullon, as quoted above, were made in response to questions from news reporters on the occasion of the launching of the Pulse Technology, a new formula designed for the upgrade of its fuels products.


Nonetheless, we confirm the statements made by Mr. Fadullon pertaining to the expansion of the recently acquired chain of convenience stores, FamilyMart. The Company plans to expand its convenience store operation as a stand-alone store and as complement to the retail station operation. While operations of FamilyMart convenience stores are mostly focused within Metro Manila, the Company plans to expand its operations in Luzon including Clark, Visayas as well as Mindanao. But as Mr. Fadullon explained the focus of operations for the moment will be within the CBD areas in Metro Manila where the Company sees as an opportunity based on identified target customers.

On the matter of putting up a bitumen plant in Calaca, Batangas. We likewise confirm that setting up a bitumen plant is a major part of the new business venture entered by the Company with the biggest manufacturer and distributor of bitumen (or asphalt) and bitumen-related products in Thailand, TIPCO Asphalt Public Company Limited. Please note that this is in direct relation to the disclosure we made last January 16, 2018 particularly on the Joint Venture Agreement entered by the Company with TIPCO Asphalt and Carlito B. Castrillo of PhilAsphalt (Dev't) Corporation to operate, market and distribute bitumen and bitumen-related products in the Philippines. The bitumen plant will be established within the year.

We hope we have sufficiently clarified this matter for your reference.

Thank you and warm regards.

Very truly yours,



**Atty. Socorro Ermac Cabreros**  
Corporate Secretary