

19 October 2018

Philippine Stock Exchange
Disclosure Department
3/F PSE Plaza, Ayala Triangle Plaza
Makati City, Metro Manila

Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department
Philippine Stock Exchange

Dear *Ms. Encarnacion*:

We reply to your inquiry received today, 19 October 2018, pertaining to the news article entitled "Group asks BIR to investigate Uy's alleged tax deficiencies" published in Manila Standard.net on 18 October 2018 which reported as follows:

"The Alliance for Consumer and Protection of Environment, Inc. asked the Bureau of Internal Revenue to investigate the alleged tax deficiency of companies owned by Davao City-based businessman Dennis Uy.

Acapae, in a letter to BIR dated Oct. 16, asked the revenue body 'to probe the alleged tax deficiency of businessman Dennis Uy from his oil and other businesses.'

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Acapae said Uy's oil business, Phoenix Petroleum Philippines, Inc. allegedly incurred a tax liability amounting to P3 billion.

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Acapae wanted the BIR to look into Phoenix's tax payments. 'In line with these, Acapae would like to request from your good office to conduct an investigation on this matter, particularly on the tax liability of the company and businessman himself Dennis Uy,' the group said.

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We categorically DENY the allegations and insinuations suggested by this so-called consumer protection Group, ACAPE, as there is utterly no basis in fact or even in law for their allegations and insinuations.

As far as Phoenix Petroleum Philippines, Inc. (the “Company” or “Phoenix”) and Mr. Uy are concerned, we have not received any assessments from the Bureau of Internal Revenue (BIR) or the Bureau of Customs (BOC) pertaining to any tax deficiencies incurred by Phoenix or Mr. Uy of material amount such as Php3Bn, whether current or past.

Obviously the group or Acape is clueless and in a “witch hunt” as it did not know what they were referring to in their complaint with the BIR and BOC. Hence, the Complaint of Acape is nothing but pure harassment with no other obvious objective but to smear the reputation of the Company and Mr. Uy which they have worked hard for the last 12 years.

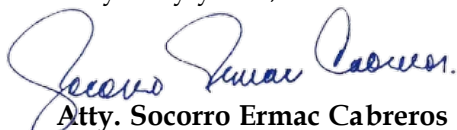
We reiterate the statement of Atty. Raymond Zorrilla, Vice President for External Affairs that all our transactions are above board and that we have consistently complied with laws and regulations including all legal processes.

As of date of writing, we have not received any complaint nor have we received and read the complaint submitted by Acape to the BIR and the BOC.

We hope we have clarified this matter.

Thank you for the opportunity to explain and kind regards.

Very truly yours,



Atty. Socorro Ermac Cabrer
Corporate Secretary