

**MINUTES OF THE ANNUAL MEETING
OF THE STOCKHOLDERS OF**

P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.

2nd Floor, Marco Polo Hotel
C.M. Recto Street, Davao City
March 8, 2012, 2:00 p.m.

Number of Shares Represented: 380,599,172

Number of Shares Outstanding: 494,872,415

Common Shares	489,872,415
Preferred Shares	5,000,000

Directors Present:

1. Domingo T. Uy (Chairman)
2. Dennis A. Uy (Director & President)
3. Romeo B. De Guzman (Director)
4. Jose Manuel R. Quimson (Director)
5. Socorro T. Ermac-Cabreros (Director & Corporate Secretary)
6. J.V. Emmanuel A. de Dios (Director)
7. Ricardo S. Pascua (Independent Director)

PROCEEDINGS OF THE MEETING

I. Call to Order

The Chairman, Mr. Domingo T. Uy, called the meeting to order and presided over the proceedings. The Corporate Secretary, Atty. Socorro T. Ermac-Cabreros, recorded the minutes of the meeting.

II. Proof of Notice and Determination of Existence of Quorum

The Corporate Secretary certified that: (i) notice of the meeting, stating the time, date, venue and purpose thereof, together with the agenda and the Definitive Information Statement of the Company were duly sent beginning February 16, 2012 to all stockholders of record as of February 14, 2011 by courier with postage pre-paid, (ii) based on the record of attendance, present in the meeting in person or by proxy were stockholders holding Three Hundred Eighty Million Five Hundred Ninety Nine Thousand One Hundred Seventy Two (380,599,172) shares equivalent to 77.31 per cent (77.31 %) of the outstanding capital stock of the Company, and (iii) there was, therefore, a quorum to transact business.

The Chairman therefore declared the existence of a quorum and the meeting duly constituted for the transaction of business. The Chairman also acknowledged the

presence in the meeting of the other incumbent directors: (1) Mr. Dennis A. Uy, the President & CEO; (2) Mr. Romeo B. De Guzman, Chief Operating Officer; (3) Mr. Jose Manuel R. Quimson; (4) J.V. Emmanuel A. de Dios; (5) Mr. Ricardo S. Pascua, an Independent Director; and (6) Atty. Socorro Ermac Cabreros, the Corporate Secretary.

III. Approval of the Minutes of the Previous Annual Stockholders' Meeting Held on March 11, 2011

The next order of business was the approval of the minutes of the previous annual stockholders' meeting held on March 11, 2011, copies of which were sent and enclosed in with the Definitive Information Statement as of February 16, 2012 to all the stockholders of record as of February 14, 2012. Copies of the said minutes were likewise given to the stockholders together with the Company's Annual Report upon registration.

Upon the motion of Mr. Peter Paul Tombo, and duly seconded by Mr. Coco Cabreros, without any objections, the stockholders approved the minutes of the previous Annual Stockholders' Meeting held on March 11, 2011, as recorded.

IV. Annual Report of the President and Chief Executive Officer

The Chairman then asked the President of the Company, Mr. Dennis A. Uy, for his annual report on the operations of the Company

The President reported on the significant business transactions undertaken by Management and how the Company continued to grow by leaps and bounds, posting record numbers, as seen in its revenues, net income, retail and logistics expansion, increasing bank credit lines, supply efficiency, organizational development, and brand awareness, despite a number of challenges in 2011. A summary of Mr. Dennis Uy's message to all the stockholders is as follows:

- Revenues of the Company increased by 86% to Php 27.5 Billion;
- The Net Income increased by 19%, from Php 427 Million to Php 510 Million;
- For the first time the Assets of the Company reached a total of Php 10 Billion;
- The 200th Phoenix Station opened last October 2011 in Mindanao Avenue, a wonderful coincidence since the first Phoenix Station opened in Mindanao;
- From 161 Retail Stations by the end of 2010, it increased to a total of 220 Retail stations by the end of 2011 (151 in Mindanao, 58 in Luzon and 11 in Visayas);
- Phoenix Petroleum's market share increased from 3.2% in 2010 to 5.93% by the end of 2011;
- In Mindanao, Phoenix became the Number 1 independent and Number 4 Oil Company, increasing its market share, from 7.7% in 2010 to 12.4% by 2011;

- Recently, there have been expansions for our depots in Davao and Calaca and the Company also opened its Cagayan de Oro Installation, the most modern installation yet, thereby increasing its storage capacity from a total of 98 Million liters in 2010 to 167 Million liters by the end of 2011;
- Despite all the challenges the Company faced, the stocks still rose a substantial 20%;
- The Company received various awards such as the best TV advertisement by the Catholic Mass Media Awards, the Asia Responsibility Entrepreneurship Award, and the nomination of Mr. Dennis Uy in the Asia Business Leaders Award by CNBC Asia;
- Corporate Notes were reduced and deferred a few months due to the BOC case;
- In February 2012, the Bureau of Customs, awarded the company as the top importer in Davao and the Number 7 overall in the whole Philippines, and the biggest importer of all independent oil players.
- Last May 6, 2011, the price of MOPS on ADO and MOGAS dropped by an unprecedented \$13/barrel due to the death of Osama Bin Laden, significantly cutting into the Margins of the 2nd Quarter;
- In the third quarter of 2011, the Company's supplier refineries in Singapore and Taiwan caught fire, resulting to a shortage in the supply of gasoline;
- Several Typhoons delayed deliveries of products to our import terminals;
- 2012 looks to be a very volatile year for oil prices, just last February 24, 2012 the price of oil rose to a 10 month high of \$125 per barrel. Analysts predict that oil could spike up to \$150 per barrel due to various international factors;
- Due to the volatility of international oil prices and threats to domestic inflation, our Company should always be prepared, thus we are strengthening our operations and systems to enable effective and efficient performance;
- Last January 2012, the Company completed the acquisition of the Subic Petroleum Trading and Transport Philippines (SPTTP), supporting the Company's expansion in the North West parts of Central Luzon and establish the Company's operations inside the Subic Freeport Zone;

"We thank you for all those who believe in us. Thank you for your unwavering faith. To our business partners who supported us and inspired us, no words can ever express our gratitude. With your faith and confidence we are inspired to perform. We choose to be great because we can achieve great things. Together, we will soar higher!"

Thereafter, the Company's Chief Finance Officer, Mr. Joseph John L. Ong, presented a summary of the financial performance of the Company for 2011, with reference to the Company's Audited Financial Statements for the year ended 31 December 2011, the highlights of which are as follows:

- Mr. Jojo Ong presented the net income and balance sheet of the Company for 2011 as against 2010
- 2011n was another banner year for the Company, surpassing 2010 in all aspects;
- Revenue was up 86% and Net Income hit a Record High of Php 510 Million (a 19% growth from 2010), however, it is still not at pace with the Company's Revenue because of lower margins in 2011;
- Gross Margins were down from 9% to 7% basically due to the single day drop in oil prices on May 6th of \$15 per barrel. It also reduced margins significantly for 3 months. Added to that the lower gasoline sales due to the supply shortage due to the refinery fires of our suppliers and other outside factors;
- The Balance sheet showed higher Current Assets due to increased inventories and accounts;
- It also showed Non-current Assets due to expansions in storage and the retail networks;
- There is also a higher Debt to Finance ratio due to higher Capital Expenditures and increased inventories. It also increase the Debt to Equity ratio to 2.27:1;
- Inventory more than doubled from Php 1 Billion to Php 2.1 Billion and Non-Current Assets increased by Php 1 Billion;
- Majority of Financing is currently covered by short-term debts;
- The Company was supposed to withdraw Php 3 Billion to Php 5 Billion in corporate notes but the Company voluntarily deferred it due to the BOC case;
- The Company experienced a consistently positive performance through the years, particularly a steep rise in volume and revenue in the last 2 years;
- With regard to PPIP, it sold a total of Php 432,000,000.00 worth of land, netting Php 104,000,000.00;
- Out of the over 58 hectares of land available for sale, the Company has a remaining land bank of 48 hectares which is expected to increase in value in the coming years;
- With regard to the sale to Trans-Asia, 141,000 square meters were sold to SL Tech Trans-Asia for Php 354 Million with a net margin of Php 98.7 Million.
- For 2012, subject to stockholder's approval, the Company hopes to issue a 50% stock dividend and a Php 0.10 cash dividend.
- PNX stocks enjoyed a consistent growth in value through the years. The price of PNX shares is currently tracking at 5.7 to 6 times EPS somewhere in the middle in terms of performance, hence, there is still a good potential for growth and improvement.

The Chairman then opened the floor for questions or comments from the shareholders relating to the reports of the CEO and the CFO and to the Annual Report of the Company.

Stockholder Mr. Vincent Paul Montejo asked that while the net income for 2011 is commendably high but the net margin dropped, what could have caused this and what could be done to remedy this situation?

Mr. Joseph John L. Ong explained that the net margin dropped due to increased cost due to some non-recurring incidents such as: (1) The assassination of Osama Bin Laden which caused a sudden drop in the price of oil by \$15 per barrel; and (2) Four Refinery Fires which caused a shortage in the supply of gasoline, which is the product which provides the Company a higher margin. These things are unlikely to happen again, it being non-recurring incidents, thus it is expected that the margin will improve in the future.

Stockholder Mr. Carlos Isagani Zarate mentioned about the Company's goal of becoming the No.1 independent player by 2012 in terms of retail and then asked where is the company now on this goal? As a follow-up question, Mr. Zarate asked how will the Company validate this claim? The Company's COO, Mr. Romeo B. De Guzman, answered that last June 2011, a trade survey indicated that the Company is already the Number 1 independent petroleum company, although by a very small margin. In June 2012, another trade survey will be done to validate and the Company can officially announce that Phoenix is already the Number 1 Independent Petroleum Company.

Stockholder Mr. Kenneth Dabi, in relation to the question of Mr. Zarate, since the Company has already reached or is about to reach its goal of becoming the Number 1 Independent Oil Company, what is its next goal? The Company's CEO, Mr. Dennis A. Uy, answered that The Company will try to be a strong number 4, if not the number 3 player in the Petroleum Industry in the next 5 years.

Stockholder Ma. Merceditas Talaver then inquired what the Company intends to do to manage its Debt to Equity Ratio which increased from 2.1:1 in 2010 to 2.68:1 in 2011. Mr. Joseph John Ong, the Company's CFO said that the increase in the Debt to Equity ratio was mainly driven by growth and expansion plus the smaller margins in 2011 affected the Equity of the Company. With the margins expected to return to normal the next following years the Equity will slowly recover thus lowering the Debt to Equity ratio. If need be, then the Company can also raise more equity in the future.

On the other hand, stockholder Maceste Uy asked the How has the BOC case affected the Corporation and what is the current status of the case? Mr. Dennis A. Uy replied that initially, the company had to explain to its creditors and investors, showing them that the allegations were not true. Eventually the creditors supported the Company by doubling the Company's credit line and eventually the stocks recovered as the public and the creditors were convinced that there was no wrongdoing on the part of the Company. As of now the case is still pending with the Department of Justice.

As a follow up question, Mr. Carlos Isagani Zarate, asked how Mr. Dennis Uy personally felt when the case of smuggling was filed against him and he was labeled a smuggler. Mr. Dennis A. Uy replied that he felt aggrieved and depressed but it

eventually made him stronger. The persons who filed the case against him were eventually relieved from office and the Company was awarded top importer in Davao and top 7 importer nationwide. Mr Uy then called on the Assistant Vice President for HR, Banding and External Affairs, Mr. Raymond T. Zorrilla to further elaborate on the matter. Mr. Zorrilla pointed out that just one month after the filing of the smuggling case, the Company received its first International Award, Entrepreneurship Asia awarded Phoenix Petroleum with the Asia Responsible Entrepreneurship Award in recognition of the Company's "Phoenix for Education" Program. Two months after the filing of the case, The Company also received the Catholic Mass Media Award for the best TV Commercial for its Commercial, "The Journey". The Company's CEO just recently was named the Honorary Consul to Kazakhstan tasked to promote trade relations between the Philippines and Kazakhstan. While being labeled as a smuggler by the BOC, the same body awarded Phoenix as the Top Importer in Davao City and Number 7 in nationwide.

After all these questions and clarifications, a motion was made by Ms. Giselle Gonzales-Talion to approve the President's Report and the Audited Financial Statements of the Corporation for the year 2011, which was duly seconded by Mr. Maceste Uy.

There being no dissenting votes to the motion, the President's Report and the Audited Financial Statements of the Corporation for the period ended December 31, 2010 were noted and approved and the following resolution was passed:

"RESOLVED, that the President's Report and the Audited Financial Statements of P-H-O-E-N-I-X Petroleum Philippines, Inc. for the period ended December 31, 2011 be, as it is hereby, approved."

V. Approval of Corporate Actions

The next in the agenda was the approval of proposed corporate actions, which proposed corporate actions were described and stated in the Definitive Information Statement which was sent to the stockholders last February 16, 2012.

- a) *Proposed Amendment of Article VII of the Articles of Incorporation increasing the Authorized Capital Stock from 750,000,000 Common Shares to 2,500,000,000 Common Shares*

The first item for approval is the resolution of the Board of Directors approving the proposed increase in the Common shares of the Company and thereby amending Article VII of the Articles of Incorporation of the Company. The Chairman asked the Corporation's Vice President for Finance, Mr. Chryst Alfonsus Damuy, to explain this item.

Mr. Damuy stated the reasons for the proposed increase:

- If approved by the stockholders, the increase in Common Shares shall cover the proposed 50% stock dividends in 2012, subject to the approval of the stockholders.
- This will also cover the possible declaration of stock dividends of 40% in 2013 and 30% in 2014, if approved by the stockholders and while at the same time still leaving some room for other possible investors to come in and invest in the Company.
- By the year 2015 if the company declares a stock dividend of 30% then it will cover all the authorized capital stock.

A question was then asked by Ms. Ma. Merceditas Talaver, on will there be new investors or subscribers to provide for the paid up capital required for the increase in the Authorized Capital Stock.

Mr. Damuy then answered that the Company is looking at a possible investor, but even without such investor the Company will still be able to meet the 25% subscribed capital requirement for the increase in the authorized capital stock if the stockholders approve the proposed 50% stock dividends for 2012.

A motion was, thereafter, made by Mr. Maceste Uy for the approval of the resolution of the Board of Directors approving the proposed amendment in Article VII of the Articles of Incorporation and increasing the Authorized Capital Stock from 750,000,000 common shares to 2,500,000,000 common shares. This motion was duly seconded by Ms. Talion.

The Chairman then asked for any objections. There being none, the shareholders voted on the motion.

The Chairman explained the procedure for the voting: Identification Numbers with control numbers were issued to stockholders/proxies upon their registration. The control number per I.D has a corresponding entry in the database containing the following information: the name of the stockholder (and proxy, as the case maybe) and the number of shares being held by such stockholder. Also, the I.Ds given to the stockholders were color-coded. The red-font IDs represent our common stockholders while the green-font IDs represent our preferred shareholders. Hence, for purposes of determining the number of votes for the proposed action, the Chairman explained that they would be asking the stockholders/proxies to raise their IDs instead of their hands.

After explaining the procedure, the Chairman asked those who were in favor of the proposed motion to raise their I.D. cards. Thereafter, the representatives of the Corporation's External Auditor, Punongbayan & Associates were requested to determine and take note of the control numbers of those who are in favor of the proposed motion.

Next, those who were not in favor of the proposed motion were asked to raise their I.D. cards. He called on the representative of Punongbayan & Associates to take note of this as well as the other objections of the other stockholders to the proposed motion.

Lastly, those who chose to abstain from the voting were asked to raise their I.D. cards and the representatives of Punongbayan & Associates were asked to take note of their control numbers.

Thereafter, the Chairman asked from the Punongbayan & Associates the results of the voting.

The representative of Punongbayan & Associates handed to the Corporation's Corporate Secretary the results.

The representative of Punongbayan & Associates handed to the Corporation's Corporate Secretary the results: 380,599,172 shares voted YES; zero shares voted NO; and nobody abstained.

The Chairman declared that Yes had it and the Motion was approved:

“RESOLVED, that the resolution of the Board of Directors approving the Proposed increase in the Authorized Capital Stock and Amendment of Article VII of the Articles of Incorporation increasing the Authorized Capital Stock from 750,000,000 Common Shares to 2,500,000,000 Common Shares., is hereby approved.”

***b) Approval of the fifty per cent
(50%) stock dividends***

The next item for approval is the fifty per cent (50%) stock dividend declaration. The Chairman called on the Corporate Secretary to explain the item.

On February 8, 2012, the Board of Directors of the Corporation approved the declaration of cash dividends in the amount of Ten Centavos (0.10 Php) per share for the year 2012 for shareholders as of March 23, 2012 and to be paid on April 23, 2012, and a 50% stock dividends of the total and outstanding shares of the Company, which shall be issued out from the Company's unrestricted retained earnings, for shareholders as of March 28, 2012 and to be given out on April 26, 2012

The Corporate Secretary noted the minimal possibility of fractional shares resulting from the issuance of the stock dividends and that to eliminate the fractional shares the Corporation shall pay the value of the fractional shares in cash at par.

A motion was made by Mr. Peter Paul Tombo to approve the resolution of the Board of Directors approving and endorsing for stockholders' approval the declaration of thirty per cent (50 %) stock dividends, which motion was duly seconded by Mr. Paul

Montejo. Upon affirmative vote of the stockholders of the Corporation representing at least two thirds (2/3) of the outstanding capital stock of the Corporation, the following resolutions of the Board of Directors of the Corporation were adopted by the stockholders:

RESOLVED, that the P-H-O-E-N-I-X Petroleum Philippines, Inc. (the "Corporation") hereby approve the declaration of stock dividends aggregating fifty per cent (50%) of the total issued and outstanding shares of the Corporation to be subscribed and paid out of the surplus profit of the Corporation as of December 31, 2012 for stockholders of record as of March 28, 2012 and to be paid out on April 26, 2012;

RESOLVED, FURTHER, that the Corporation shall eliminate fractional shares resulting from the issuance of the stock dividends by paying the value of the fractional shares in cash at par.

VI. Approval, Confirmation and Ratification of All Acts and Resolutions of the Board of Directors, Management and Executive Committees during their term of office

The stockholders then proceeded to the next item in the agenda which was the ratification, confirmation and approval of all acts and resolutions of the Board of Directors, Management and Executive Committees. The Chairman requested the Corporate Secretary to explain this item.

The Corporate Secretary explained that the acts and resolutions of the Board of Directors, Management and Executive Committee sought to be approved, confirmed and ratified at the meeting cover the period commencing from February 01, 2011 to January 31, 2012. The acts and resolutions consist of authorizations of the Corporation's representative to enter into contracts, such as but not limited to lease, sale and purchase of service vehicles and other real and personal properties, opening of bank accounts as well as bank credit facilities, acquisitions and investments and such other acts incidental and necessary to the purpose of the Corporation as well as advancement and protection of its interests. The Corporate Secretary added that these acts and resolutions are duly identified, enumerated and attached as Annex A of the Definitive Information Statement sent on February 16, 2012 to all stockholders of record as of February 14, 2012.

On motion made by Mr. Coco Cabrerros, which was duly seconded by Mr. Ken Dabi, without any objections, all the acts and resolutions of the Board of Directors, Management and Executive Committee from the period commencing from February 01, 2011 to January 31, 2012 were confirmed, approved and ratified.

"RESOLVED, as it is hereby resolved, that all acts and resolution passed and approved by the Board of Directors, Management and Executive Committee covering the period from February 01, 2011 to January 31, 2012, is hereby approved, confirmed and ratified."

VII. Election of Directors

The body then proceeded to the election of the members of the Board of Directors of the Corporation for the ensuing year.

The head of the Human Resources Atty. Raymond Zorrilla reported that there were only nine (9) persons nominated to, and who upon his Committee's evaluation, qualified for the nine (9) seats in the Board. He then announced the qualified nominees for directors of the Corporation for the ensuing year:

1. Domingo T. Uy
2. Dennis A. Uy
3. Jose Manuel R. Quimson
4. Diana Pardo-Aguilar
5. Romeo B. De Guzman
6. J.V. Emmanuel de Dios
7. Socorro Ermac-Cabreros
8. Ricardo S. Pascua Sr. (Independent Director)
9. Monico V. Jacob (Independent Director)

A motion was made by Ms. Giselle Gonzales-Talion, and duly seconded by Ms. Ma. Petrocel Pantojan, to cast all votes of the shareholders present and represented *equally* among the nine (9) nominees and to declare them elected directors of the Corporation for the following term. Considering there were only nine (9) persons nominated to and qualified for the nine (9) seats in the Board, the Corporate Secretary was instructed to cast, as she did cast, all the votes in favor of the nine (9) nominees who were thereupon declared directors to serve for a term of one (1) year and until their successors shall have been elected and qualified.

VIII. Appointment of External Auditor

The Chairman then announced that the next item on the agenda is the appointment of the external auditor for the year 2011.

Mr. Jose Manuel Quimson explained that for the year 2011, the financial statements of the Corporation were audited by Punongbayan & Araullo. He, thereafter, recommended the re-appointment or re-election of Punongbayan & Araullo to be the External Auditor of the Corporation for 2012.

Upon motion made by Mr. Paul Montejo and duly seconded by Ms. Talaver, the shareholders adopted the following resolution:

“**RESOLVED**, that the stockholders approve, as they hereby approve, the appointment of Punongbayan & Araullo as the external auditor of P-H-O-E-N-I-X Petroleum Philippines, Inc. for the year 2012 under such terms and conditions as may be approved by the Board of Directors.”

IX. Other Matters

The Chairman then asked whether there are any other matters which may be properly taken up by the stockholders.

The Corporate Secretary, Ms. Socorro Ermac-Cabreros then asked Mr. Rey Phala, AVP for Treasury to help introduce to the stockholders the Company's new credit card in partnership with Union Bank, the Phoenix Petroleum Credit Card. Mr. Rey Phala then showed an Audio-Visual Presentation introducing the Company's New Credit Card.

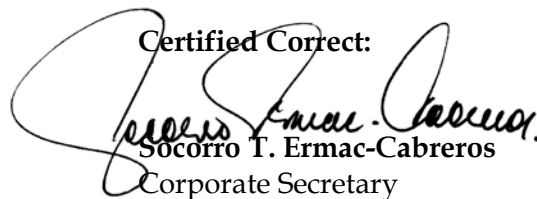
Between March 8, 2012 and April 18, 2012, the Company will engage the 33 participating dealers nationwide in the details of the program and will continuously grow this number to provide for better service to the customers of this Credit Card. Pre-approved Credit Cards will be mailed to the Directors, Stockholders and qualified employees on or before April 18, 2012, the official media launching of the card. Mr. Phala also encouraged all those present to apply for the said Credit Card and that application forms are readily available.

Afterwards, the Corporate Secretary informed the Chairman that there were no other matters for stockholders' approval.

X. Adjournment


There being no further business to transact and upon motion made and duly seconded, the meeting was adjourned.

Certified Correct:



Socorro T. Ermac-Cabreros
Corporate Secretary

Attested:



Domingo T. Uy
Chairman