

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

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

Marco Polo Hotel

C.M. Recto Street, Davao City

March 11, 2015, 2:00 p.m.

Number of Shares Represented:

Number of Shares Outstanding:

Common Shares	1,428,777,232
Preferred Shares	5,000,000

Directors Present:

1. Domingo T. Uy, Chairman
2. Dennis A. Uy, President & Chief Executive Officer
3. Romeo B. De Guzman, Chief Operating Officer
4. Socorro T. Ermac-Cabreros, Corporate Secretary
5. Joseph John L. Ong, Chief Finance Officer
6. Jose Manuel R. Quimson
7. Atty. J.V. Emmanuel A. de Dios
8. Cherylyn C. Uy
9. Paul Dominguez
10. Justice Consuelo Ynares-Santiago, Independent Director
11. Atty. Monico Jacob, 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, 2015 to all stockholders of record as of February 19, 2015 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 1,016,901,726 common shares out of 1,428,777,232 outstanding

capital stock of the Company, which constitutes about 71% of the total outstanding capital stock of the Company as of February 19, 2015, 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) Atty. Socorro Ermac Cabreros, the Corporate Secretary; (4) Mr. Joseph John L. Ong, Chief Finance Officer; (5) Mr. Jose Manuel R. Quimson; (6) Ms. Cherylyn C. Uy; (7) Mr. Paul Dominguez; (8) Atty. J.V. Emmanuel De Dios; (9) Justice Consuelo Ynares-Santiago, the Independent Director, and (10) Atty. Monico Jacob, another Independent Director in the meeting.

III. Approval of the Minutes of the Previous Annual Stockholders' Meeting Held on March 7, 2014

The next order of business was the approval of the minutes of the previous annual stockholders' meeting held on March 7, 2014, copies of which were sent and enclosed in with the Definitive Information Statement as of February 16, 2015 to all the stockholders of record as of February 19, 2015. Copies of the said minutes and Definitive Information Statement were likewise given to the stockholders together upon registration.

Upon the motion of Antoinette Principe Castrodes, and duly seconded by Ma. Giselle Gonzales Talion, without any objections, the stockholders approved the minutes of the previous Annual Stockholders' Meeting held on March 7, 2014, as recorded.

IV. Update on the Operational and Financial Highlights

The Chairman then asked the President of the Company, Mr. Dennis A. Uy, to give an update on the operation and financial highlights for 2015.

Mr. Dennis Uy reported the following:

- The Department of Energy (DOE) recorded price movements (rollbacks in prices) were recorded between January 2-5, 2015 as follows:
 - Php0.95 Gasoline
 - Php0.80 Diesel
 - Php1.25 Kerosene
 - Php5.50/kg LPG (as contract price dropped by USD107.50/MT)
- Total net adjustments for 2014 stood at a net decrease of Php13.29 for gasoline, Php15.03 for diesel, Php28.52 for LPG.
- At 6.1 GDP growth, the Philippines was the second fastest growing economy in Asia, second only to China and ahead of Vietnam. This was driven by the strong

- performance of the agriculture, industry, and services sectors, and increased private consumption in the last quarter.
- With the steep drop in fuel prices, crude oil, the Company shifted gears in favor of profitability over volume, by tempering low-margin sales to distributors and wholesalers.
 - With the lower sales volume and lower selling price during the year, Revenue decreased 20 percent to 34.73 billion pesos from 43.55 billion pesos the previous year, 2013
 - Average selling prices for the year fell with the continuous drop in global oil and fuel prices. As a result, net income declined by 7 percent from 665 million pesos in 2013 to 616 million pesos in 2014.
 - But the Company's strategy to focus on profit improved Return on Sales to 1.8 percent this year from 1.5 percent in 2013.
 - From 368 stations in 2013, the Company opened 50 in 2014 to increase network to 418 stations: 221 in Mindanao, 56 in Visayas, and 141 in Luzon.
 - Sales to commercial accounts, primarily to the shipping, fishing, mining, power and transportation sectors, registered continuous growth during the year.
 - the Company marked another year of strong partnership with Cebu Pacific in 2014, and renewed it with supply agreements for various locations.
 - Independent oil players captured 28.9 percent of the market, with 71.1 percent by the majors. Our market share in the first half of 2014 declined to 4 percent from 5.9 percent in full year of 2013, due to the rollout of our new stations mostly in the second half and the shift in strategy to focus on margins. Nevertheless, we remain confident and solid in our position as the leading independent oil company.
 - The company's total shareholder's equity increased to 7 billion pesos this year from 6.5 billion pesos in 2013.
 - Our balance sheet ratios reflect the decrease in income and revenue. Current ratio declined to 1.11 : 1 this year from 1.33 : 1 last year. Debt to equity ratio for 2014 was higher at 2.55 : 1 from 2.44 : 1 due to higher accounts payable trade. As a result of the decline in net income, earnings per share decreased from 0.45 last year to 0.40 this year.
 - The Company accomplished two significant finance activities in the last quarter: the listing of our preferred shares with the PSE, and the issuance and listing of short term commercial papers with the Philippine Dealing Exchange (PDEX).
 - The Company's listing of one billion preferred shares valued at one billion pesos is the first ever listed by an independent oil player. This also makes Phoenix the only oil company to have both common and preferred shares listed in the Philippine Stock Exchange.
 - Various Phoenix products and services from retail operations, commercial operations, fuels and lubricants are complemented by the strength the Phoenix brand which is gaining. Strategic marketing promotions and partnerships such as with the NBA are helping to establish Phoenix as a preferred petroleum brand. Our brand awareness level continues to improve, and is now the third highest in the industry.

- The Company continues to expand logistics and infrastructure program and plans, adding storage capacities and facilities to support its growing network. New depot in Calapan, Oriental Mindoro, started operations last January 2015. The Company now has 9 terminals and depots across the country, with a total capacity of 276 million liters.
- Within the support groups, the Company continues to improve internal policies and processes with the goal of increased efficiency and effectiveness, while ensuring safe and quality handling of products.
- Our subsidiaries performed well in 2014: (1) The Phoenix Petroterminals and Industrial Park Corporation, developer of the 94-hectare Phoenix Petroterminals and Industrial Park in Calaca, Batangas, posted revenues of 74.5 million pesos, 17 percent higher than the previous year; (2) The Chelsea Shipping Group recorded revenues of 894.5 million pesos and net income of 236.9 million pesos. Chelsea Shipping is one of the top five major petroleum tanker owners in the country.
- In February 2014, it took delivery of M/T Chelsea Donatela. With sister ship M/T Chelsea Thelma, the two are the largest Philippine-registered oil tankers with a capacity of 14,000 DWT each. In September, Chelsea acquired another vessel, M/T Chelsea Denise II, which is scheduled for delivery within the month (March 2015). These acquisitions increase Chelsea Shipping's fleet to 12 vessels, with a combined capacity of 44,368 metric tonnes, and crossing local and regional seas.
- The journey of Phoenix is a story of determination, persistence, creativity, and hard work. Passion and compassion fuel our ambitions. Our successes would not be possible without the trust of all who have supported us through the years.
- Actual Total Volume achieved for 2014 vs. 2013 decreased by 18% which is about 213,012,000 liters caused by the effects of the continuous rollbacks in fuel prices with retail having the highest percentage of the total volume at 37%, followed by Commercial at 30%, Distributor 21% and Airlines 12%
- Actual Revenue and Cost of Sales likewise dropped by 20% and 22% respectively in 2014 vs. 2013 still due to the continuous decline in fuel prices
- However, due to the shift in the strategy from Distributor market to Retail, a slight gain was seen in the Actual Gross Margin by 1% in 2014 vs. 2013 resulting to a slight drop of 7% in the Net Profit in 2014 vs. 2013. Net Profit in 2014 was recorded at Php616 million as against Php665 million in 2013.
- With the slight increase in actual gross margin, Gross Margin Rate improved by 26% or at 9.59% in 2014 vs. 7.59% in 2013
- EBITDA likewise improved by 12% in 2014 at 2,084 vs. 2013 at 1,864
- Earnings per share thus dropped by 11% or Php0.40 in 2014 vs. Php0.45 in 2013
- Total Assets increased by 12% at Php25 million in 2014 vs. Php22.38 million 2013
- Liabilities likewise increased by 13% at Php18 million in 2014 vs. Php 16 million in 2013 while stockholders' equity was seen at Php7 million in 2014 vs. Php6.4 million in 2013
- Current ratios slightly improved from 1.33 : 1 in 2013 to 1.11 : 1 in 2014 while Debt to Equity ratio is at 2.55 : 1 in 2014 vs. 2.44 : 1 in 2013

Stockholder Maceste Uy asked what are the financial effects, if any, experienced by the Company in the rollback of fuel prices. The Chairman referred the question to Mr. Joseph John L. Ong who explained that the rollbacks in fuel prices cuts into the expected margins as the Company ends up selling more expensive inventories purchased earlier. However low fuel prices are ideal in that the increase our margins because you essentially maintain the same margin for a lower cost of sale. It's the trend that hurts our margins not the absolute value.

Stockholder Rosalio Roque likewise inquired that with Company's performance in the previous year, 2014, will the goal of becoming number 3 by 2017 still be achievable or doable and what are the strategies to be taken by the Company. The Chairman referred the question to the Chief Operating Officer, Romeo de Guzman who pointed to the attainment level of 98%; he emphasized that the target remains unchanged. The Company's strategies also have remained unchanged which, among others, more high volume stations in major cities and municipalities and good dealer network to improve the Company's network efficiency.

Stockholder Peter Paul Tombo asked if the Company does any hedging activity such as fuel or foreign exchange hedging. The Chairman referred the question back to the Mr. Jojo Ong, CFO who answered that for fuel, as a general rule, the Company does not. He explained that the Company's selling cycle is short - about 30 days so it averages out the volatility in the market. Since it does not have a refinery, it is not required to maintain large amounts of inventory. The most the Company does, if necessary, is to negotiate with its suppliers to value its importations at a forward date thereby closing the gap between the time it purchases the products and it sells them. As far as forex is concerned, the Company does not have any forex liabilities other than from importations. All its loans are either in pesos or USD fully swapped to pesos. As far as importations are concerned, the forex risk is essentially passed on to the market so there is really no need for the Company to hedge. To do so would be speculative.

Stockholder Ma. Merceditas Barrios Talaver inquired if the stockholders will be expecting some fund raising activities for 2015 and how will the Company be managing its debt to equity ratios. The Chairman referred the question to the Chief Finance Officer, Mr. Ong who explained that the group expects to spend about Php3B in capex in 2015 so there will be some capital raising but mostly long-term debts and possibly some equity raising. DE has already come down from the high of 2013 and with improving margins, we expect that trend to continue. In any case, the DE is manageable and well within our creditor's limit of 3:1.

Stockholder Maceste Uy inquired on the status of the case filed by the Department of Justice against Mr. Dennis A. Uy. The Chairman referred the question to the Chief Legal Counsel Atty Ramon Edison C. Batacan who stated that the criminal cases filed against Mr. Dennis A. Uy before the Regional Trial Courts of Batangas and Davao City for a total of 25 counts of Violation of Tariff and Customs Codes or smuggling have been dismissed.

The Chairman now asks the floor for any more questions when stockholder Rosalio Roque moved to approve the President's Report and the Audited Financial Statements for the year ended December 31, 2014, duly seconded by Stockholder Ma. Merceditas Barrios Talaver. There being no objections, the motion was approved:

"RESOLVED, the President's Report and the Audited Financial Statement for year ended December 31, 2014 as presented and appended in the Definitive Information Statement is hereby approved."

V. 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, Atty. Socorro Ermac Cabreros, 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, 2014 to January 31, 2015. 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 from February 16, 2015 to February 20, 2015 to all stockholders of record as of February 19, 2015.

On motion made by stockholder Kenneth Dabi, which was duly seconded by stockholder Antoinette Principe Castrodos, without any objections, all the acts and resolutions of the Board of Directors, Management and Executive Committee from the period commencing from February 01, 2014 to January 31, 2015 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, 2014 to January 31, 2015, is hereby approved, confirmed and ratified."

VI. Election of Directors

The Chairman moved to the next item of the agenda which was the election of directors for 2015-2016 and called Mr. Romeo B. de Guzman, a member of the Nominations Committee, to state the list of nominees.

Mr. de Guzman announced the following nominees for directorship for the ensuing term, 2015-2016:

1. Domingo T. Uy
2. Dennis A. Uy
3. Romeo B. De Guzman
4. J.V. Emmanuel A. De Dios
5. Atty. Socorro Ermac-Cabreros
6. Jose Manuel R. Quimson
7. Joseph John L. Ong
8. Paul Dominguez
9. Cherylyn C. Uy
10. Consuelo Ynares-Santiago (Independent Director)
11. Monico V. Jacob (Independent Director)

A motion was made by Stockholder Ma. Merceditas Barrios Talaver moving that all votes be cast in favor of the eleven (11) directors and that they be declared elected to the Board.

Stockholder Rosalio Roque seconded the motion.

VII. Appointment of External Auditor

The Chairman stated that the appointment of the external auditors is the next item in the Agenda. Mr. Joseph John L. Ong mentioned that the financial statements of the Company were audited by Punongbayan & Araullo (P&A) the previous year.

Upon motion of stockholder Giselle Gonzales Talion and duly seconded by stockholder Peter Paul Tombo, 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 2015 under such terms and conditions as may be approved by the Board of Directors.”

VIII. Other Matters

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

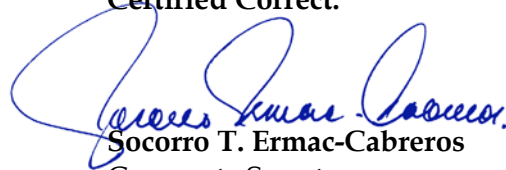
The Corporate Secretary, Atty. Cabreros through the permission of the Chairman announced that on March 4, 2015, the Board of Directors declared a Php0.05 per share cash dividend. On March 4, 2015, the Board of Directors through management announced that all stockholders of record as of March 18, 2015 shall be entitled to received the Php0.05 per share cash dividend and will be paid on April 16, 2015.

Thereafter, the Chairman asked the floor if there are any other matters to be taken up.

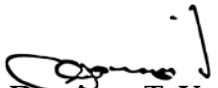
IX. Adjournment

Upon motion of Antoinette Principe Castrodes and duly seconded by Kenneth Dabi, the Chairman declared the meeting adjourned.

Certified Correct:


Socorro T. Ermac-Cabreros
Corporate Secretary

Attested:


Domingo T. Uy
Chairman