

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

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

Stella Hizon Reyes Road,
Bo. Pampanga, Lanang,
Davao City
March 15, 2017, 2:00 p.m.

Number of Shares Represented: 1,018,027,199

Number of Shares Outstanding: 1,365,070,935

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. Atty. J.V. Emmanuel A. de Dios
7. Paul Dominguez
8. Justice Consuelo Ynares-Santiago, Independent Director
9. 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 14, 2014 to all stockholders of record as of February 22, 2017 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 1,018,027,199 common shares and preferred shares out of 1,365,070,935 outstanding capital stock of the Company, which constitutes about 75% of

the total outstanding capital stock of the Company as of February 20, 2017, 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, President & CEO, (2) MR. ROMEO B. DE GUZMAN, Chief Operating Officer, (3) MR. JOSEPH JOHN L. ONG, our Chief Finance Officer; (4) MR. PAUL DOMINGUEZ; (5) JUSTICE CONSUELO YNARES-SANTIAGO, our Independent Director; (6) ATTY. MONICO JACOB, our Independent Director; (7) ATTY. J.V. EMMANUEL A. DE DIOS (8) ATTY. SOCORRO ERMAC CABREROS, Corporate Secretary and yours truly, (9) DOMINGO T. UY, as your Chairman.

III. Approval of the Minutes of the Previous Annual Stockholders' Meeting Held on March 18, 2016

The next order of business was the approval of the minutes of the previous annual stockholders' meeting held on March 18, 2016, copies of which were sent and enclosed in with the Definitive Information Statement as of February 22, 2017 to all the stockholders of record as of February 20, 2017. Copies of the said minutes and Definitive Information Statement were likewise given to the stockholders together upon registration.

Upon the motion of Maripet Pantojan, and duly seconded by Andrea Lauren Cabrerros, without any objections, the stockholders approved the minutes of the previous Annual Stockholders' Meeting held on March 18, 2016, 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 2013.

Mr. Dennis Uy reported the following:

- In 2016, we sold an oil time high of 1.5B liters posted record profits of P1.09B and increase our number of built station to 505 nationwide.
- Sales volume grew 25% year on year, driven by high retail sales from new stations increase same source sales and higher sales to corporate direct accounts.
- Volume sales has been growing at CGR of 17% since 2011 outpacing industry growth of 9%.
- As of the first half of 2016, market share has grown to 6.9%.
- Phoenix marked a safety milestone of a record 2.917M safe man-hours since generate 2015 to December 2016.
- In November 2016, Chelsea Shipping Corporation and Phoenix Petroterminals and Industrial Park Corporation was sold to the Udenna Group, the effective parent and majority shareholder of Phoenix Petroleum.

The Company's Chief Finance Officer, Mr. Joseph John L. Ong summarized the financial performance of the Company for the year 2016 with reference to the Audited Financial Statements of the Company for the year ended 31 December 2015.

- The Company reached 505 stations and we'd hit 1.5B litres in terms of volume sales and 6.9% in terms of market shares.
- Retail grew by 12%, commercial grew by 33% and lubricants has grown by 18%, for a total fuel sales of 25%.
- Gasoline grew by 24%, Diesel 12%, Jet A-1 by 18%, IFO by 76%, for a total of 25%.
- As of the first half of 2016, per the DOE website, Phoenix had surpassed Chevron at 6.9%.
- As far as the retail is concerned, the Company has 57 stations every year and since 2012, the Company is hitting 505 stations as of 2016.
- In terms of storage capacity, hitting 328, almost 329M litres throughout the country.
- The Company has 4 import terminals and 6 depots; there will also be a construction in Zamboanga.
- In terms of brand and marketing, Phoenix have won silver for Fuel 'the Dream' Digital Campaign and an award in the Franchise Asia Philippines in terms of Best Booth Design.
- The Company had also increased our ads spending from 95M in 2015, by 88% growth to 79% in 2016 including the investment in PBA Team.
- In terms of financial highlights, Revenues grew by modest 2%.
- The Company's gross profit improved by 14%.
- In the end, Phoenix ended up with P1.09B in terms of net income, a growth of 906M.
- EPS grew from 60 centavos to 64 centavos with the gross profit margin increasing from 15.9% to 17.8% and sales margin of 3% to 3.6%.
- growth in gross profit margin which grew from 2015 to 2016 from 15.9% to 17.8% and EBITDA margin from 9.6% to 10.1% and EBIT margin from 6.8% to flat 6.8% and net income margin from 3% to 3.6%.
- In terms of cash, the growth of 1.6B to 2.3B.
- In 2016, the Company spent for capital expenditures, 2.16B. 568M went to depots and facilities expansion, about 558M went to land acquisition mostly for depots and facilities, 738M was spent in retail mostly in terms of stations, and 250M in to others including the acquisition of PBA franchise, office furniture, and computer software and licenses. 77M were spent in terms of heavy equipment.
- Since 2014, the Company improved its debt to equity by increasing our margins and EBITDA, and so from 2.55 times in 2014, debt to equity dropped in to 1.72 times.
- The performance of the stock price, in year 2016, the stock prices up 46% year on year closing at P5.64 which is 8.8 times and much lower enjoyed by Petron and Shell.

Stockholder Maceste Uy asked the underlying reason behind the decision to dispose or sell Chelsea Shipping Corp. and Phoenix Petroterminals & Industrial Corp.

The Chairman referred the question to Mr. Joseph John L. Ong who explained that the Chelsea Shipping was acquired many years ago because of the company's inability to secure reliable and consistent charter for the ships to bring our fuel purchases. In the case of PPIPC, which is a listed company, it was the property that was acquired when it first entered Luzon and the Company needs depot and in the process, it turned out that the owners then, the Bacnotan Industrial Park owned by PHINMA Group, was willing to offload that business and gave the company a very good discount to the point that the Company had register over 500M in terms of a one-time gain showing how much discount it was compared to the market price. It was also sold because these two businesses is non-core.

Stockholder Mae Canete Tupas inquired what does the Company want to achieve in implementing share buyback program and does it have any plan to further increase it. The Chairman once again referred the question to Mr. Jojo Ong who clarified that the board approval was increased from 400M to 700M because the share price is still below of what is the correct value. However, the Company doesn't have any plans to increase beyond P700M.

Stockholder Gisella Gonzales Talion asked why was the Company's revenues in 2016 still lower compared to 2014. The Chairman referred the question back to the Mr. Jojo Ong, CFO who answered that the reason why revenues are declining is because of the price. Revenues has the function of selling price and all things being equal, revenues will go down assuming you sell the same amount of volume. As to what the company's doing anything to mitigate, the company cannot really do anything about the selling price. The revenue really is a function of commodity prices which is beyond the control of the company.

Stockholder Aisa Mae Kanda asked why is it that fuel prices in Manila is way higher than the prices in Mindanao or even in Visayas. The Chairman referred the question to the Chief Operating Officer, Mr. Romeo de Guzman, who explained that sometime in 2015, to eliminate the 'bought system' in Mindanao and Visayas, and to weaken the white stations, Luzon has to follow with the pricing system.

Stockholder Ma. Merceditas Barrios Talaver asked what is next for the Company after receiving numerous achievements. The Chairman referred the question to Mr. Romeo de Guzman who answered that other than being Number 3 in the industry, the Company is still pushing harder to be the dominant number 3 player in the country within the year.

Stockholder Kenneth Dabi asked what are the Company's CAPEX and investment plans for the next 3-5 years. The Chairman referred the question to the Company's CEO who explained that the company has allocated around 1.5B to 2B as the regular capital expenditures that will be spent for retail stations, depots, terminals and few trucks and other miscellaneous recurring expenditures. If there

are acquisitions, the company can spend as much as 6B to 8B in the next few years for acquisitions.

Stockholder Edin Buiser Paras asked that with the assumption of the new administration, how would the company or management reacts on the proposed fuel excise tax. The Chairman referred the question to the Company's CEO who answered that Phoenix supports the current administration and the increasing its excise tax. Phoenix have even volunteered that it can pay advance taxes for a quarter and liquidate it after to ensure that the government gets its targeted revenues.

The Chairman now asks the floor for any more questions when there being no other questions, stockholders proceeded to the next item which is the Financial Statements of the Company for the period ended 31 December 2016 which were appended to the Definitive Information Statement sent to all stockholders of record and included in the Annual Report distributed.

The Chairman asks the floor for motion to approve the Report of the President and the Audited Financial Statements of the Company for year 2016. Stockholder Andrea Lauren Cabrerros moved to approve the President's Report and the Audited Financial Statements for the year 2016. Stockholder Aisa Mae Kanda seconded.

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 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, 2016 to January 31, 2017. 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 beginning February 22, 2017 to all stockholders of record as of February 20, 2017.

On motion made by stockholder Maceste Uy, which was duly seconded by Ms. Maripet Pantojan, without any objections, all the acts and resolutions of the Board of Directors, Management and Executive Committee from the period commencing from February 01, 2016 to January 31, 2017 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, 2016 to January 31, 2017, 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 2017-2018 and called the Assistant Vice President for Human Resources, Ms. Celeste Ong, to state the list of nominees.

Ms. Celeste Ong announced the following nominees for directorship for the ensuing term, 2017-2018:

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. Joseph John L. Ong
7. Paul Dominguez
8. Cherylyn C. Uy
9. Carolina Inez Angela S. Reyes (who is currently out of the country right now)
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 Gigi Ty seconded the motion.

VIII. Other Matters

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

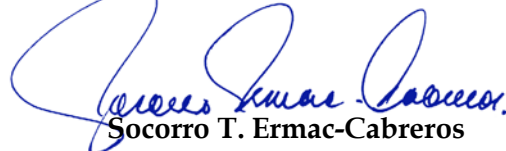
The Corporate Secretary, Atty. Cabreros through the permission of the Chairman announced that on January 24, 2017, the Board of Directors declared a Php0.10 per share cash dividend and on March 15, 2017, the Board of Directors through management announced that all stockholders of record as of March 30, 2014 shall be entitled to receive the Php0.10 per share cash dividend to be paid out on April 27, 2017.

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

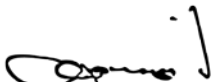
IX. Adjournment

Upon motion of Maceste Uy 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