

**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, 2018, 2:00 p.m.

Number of Shares Represented: 1,174,394,478

Number of Shares Outstanding: 1,431,538,232

Common Shares	1,174,394,478
Preferred Shares	1,431,538,232

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, 2018 to all stockholders of record as of February 22, 2018 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 1,174,394,478 common shares and preferred shares out of 1,431,538,232 outstanding capital stock of the Company, which constitutes about 82% of

the total outstanding capital stock of the Company as of February 14, 2018, 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, VICE CHAIRMAN (3) MR. JOSEPH JOHN L. ONG, our Chief Finance Officer; (4) CHERYLYN C. UY; (5) JUSTICE CONSUELO YNARES-SANTIAGO, our Independent Director; (6) FREDERICK C. DYBUNCIO; (7) ATTY. J.V. EMMANUEL A. DE DIOS; (8) CAROLIINA YNEZ ANGELA REYES; (9) STEPHEN CUUNJIENG; (10) 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 15, 2017

The next order of business was the approval of the minutes of the previous annual stockholders' meeting held on March 15, 2017, copies of which were sent and enclosed to all the stockholders of record as of February 14, 2018. 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 Petite Principe, without any objections, the stockholders approved the minutes of the previous Annual Stockholders' Meeting held on March 15, 2017, 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 the President's Report 2017.

Mr. Dennis Uy reported the following:

- The 15th Founding Anniversary and 10th Listing Anniversary in 2017, the Company turned into an emerging major to new ventures.
- Net income grew 65% to P1.79B, taking out the nonrecurring gains and cost related to the newly acquired LPG business, core income increase 30% to a record high of P1.42B
- Revenues grew 45% to a high of P44B driven by strong fuels business where sales volume increased by 17% to 1.76B liters from 1.5B liters the previous year.
- New Acquisitions like LPG with the acquisition of Petronas Energy, now Phoenix LPG Philippines last August; Trading and Supply with PNX Petroleum Singapore Regional Office established in September 2017; Convenience Store retailing through Philippine FamilyMart acquired this January 2018; BITUMEN through Phoenix Asphalt Philippines, a Joint Venture with TIPCO Asphalt of Thailand and PhilAsphalt form this year.
- The Company's grew from 5 stations to 513 stations nationwide.

- From less than 1% market share, the Company increased it to more than 6%.
- Our Pinoy Tsuperhero Program is on its 3rd Season and was able to receive 32,500 nominations last year in search of most outstanding pinoy driver.
- Last July 2017, the company launched the Life Juan to support the families of the soldiers who fought in the siege of Marawi.
- PhoenixFuel Masters Basketball Team has new coaches and new upcoming players, the Company is stealing a culture of winning, confidence and unity as they aim a better standing this year.
- Recently, the Company launched Siklab Atleta Pipinas Sports Foundation, Inc., with the aim of winning for the Philippines the first Olympic goal and this initiative is also the first, in the private sector, to support our athletes to represent the country.
- The Company was listed in PSE on July 11, 2007, the first oil company to do after the industry was regulated.
- In 2017, our stock price grew 128% from P5.70 to P13 at year end.
- Market capitalization has grown 18 times in just 10 years, from P1B to P18.16B.

The Company's Chief Operating Officer, **Mr. Henry Albert R. Fadullon** summarized the Operational Highlights of the Company for the year 2017:

- Our Growth Strategy is anchored in 4 key pillars: Delivering the Basics; Growing the Business; Breaking New Ground and Building People and Capabilities.
- For Delivering the Basics, the Company started new organization to drive accountability and ownership for business results and drive commerciality in the business to bear fruit in erms of value driven and its key functions. In Retail, the Company opened 100 stations sporting the new look started on January 2018. The Company also introduced the Mystery Motorist Program; promotions last year was also successful led by the blockbuster P10/liter promotion during the 10th year Listing Anniversary; New offers like credit cards and Phoenix Supercards; In 2017, the Company also opened the 530th retail station which grew by 9%;
- In Commercial Sector, the Company is at number 3. Sales volume in Commercial and Industry business grew by 15% and aviation grew by 13%.
- In Power Sector, the Company won the Meralco and Aboitiz Accounts.
- The Company continue to serve customers in land transport, construction, mining and manufacturing where the Company recently won the 100% COCA COLA Account.
- In Lubricants, volumes grew by 49% as the Company continues to open new stations, serve more commercial accounts, introduce new products, strengthen our distribution network and improve the efficiency of lube oil blending plant.

- In operations, the Company inaugurated our new terminal/depot in Consolacion, Cebu last June 2017, which is the largest in the Visayas Region with the capacity of 18M liters.
- The largest terminal in Calaca, Batangas, the Company commissioned an additional storage tank to increase storage capacity, improve facilities for vessels, receiving and loading.
- Road Transport Group increased their profitability and efficiency by optimizing the fleet and over hauling aviation refuel trucks and facilities.
- The achievement of safety milestone is 4.409 safe man-hours without lost time incident.
- The next pillar, Growing the Business: we will grow the business by pushing aggressively in areas where we see greatest opportunities. For instance, making our services available in more airports and serve more airlines; we will expand our retail business as we will make it a major volume and value driver; we will focus on bringing our sites closer to where our customers are and with more innovative formats.
- On Valentine's Day, we launched the New Pulse Technology of our Fuels with additives and advanced cleaning and protection properties for enhanced power acceleration.
- Breaking New Ground: LPG and Convenience Stores Retailing are two of the markets we entry. The LPG market is expected to grow significantly and aimed to capture that some growth through our Phoenix LPG Philippines. In 2017, the volume increased by 12% to 72,999MT and improved our margins. The convenience store industry is ripe for exponential growth driven by lifestyle changes that demand convenience, fresh ideas and innovative offers particularly in food.
- Aside from LPG and CVS, the Company also established the trading office in Singapore to enhance efficiencies in petroleum importation for regional growth.
- Building People and Capabilities: the Company is building competencies and right culture, customer focus, stewardship and being good corporate citizens. The ASEAN Business Awards recognized our President and CEO, Mr. Dennis Uy, as the young entrepreneur of the year for his success and leadership in business. The Gawad Kaagpay Rewards of the Landbank of the Philippines awarded the Company 2nd Place in the Outstanding Large Corporation Non-Agri Business Category. Franchise Asia of the Philippines likewise awarded the Company 5th Best Booth Design Award. The Media Specialist Association of the Philippines gave a bronze ICE Award to our Goku TV Commercial for our Phoenix Cyclomax Brand of Lubricants for its creativity and effectiveness. And the Franchise Excellence Awards inducted us into its Hall of Fame, as we won for the 2nd time, the Outstanding Filipino Franchise in Retail - Large Store Category.

The Company's Chief Finance Officer, **Mr. Joseph John L. Ong**, summarized the financial performance of the Company for 2017 with reference to the Audited Financial Statements:

- The Company has a net income of P1.8B and revenues at P44.4B.
- The volume increased by 17% which includes 59M Liters contributed by PLPI.
- In terms of Revenues, the Company grew by 45%.
- In terms of Gross Margin, the Company grew by 20%.
- Commercial grew by 15% outpacing the growth of Retail.
- In terms of Net Income, the growth is 64% which included a one-time gain of 650M derived from recognition of the discount based on the land acquired by PEPI.
- In terms of EBITDA, growth was 18 times due to the inclusion of the contribution of PLPI for the full year.
- As for the Balance Sheet, the growth in Current Assets surged by 48% driven by abnormal growth in inventories as the Company ordered in advance in anticipation of an increase in demand.
- In terms of Non Current Assets, the growth is 102% contributed by acquisitions of PLPI which added about 6.6B to the Balance Sheet and the balance contributed by the continued expansion of the Company's network stations, storage and logistic assets.
- In terms of Total Liabilities, it grew by 94% split between Current Liabilities and Non Current Liabilities. Current Liabilities grew by 41% as a result of having to fund the abnormal increase in inventories. In terms of Non Current Liabilities, the growth was five (5) times - the acquisition of Petronas in 2017 was funded entirely by debt which accounted about P6.5B.
- In terms of Ratios, 2017 was ended in 2.72 times driven by one-time transactions plus the late funding of inventories.

Stockholder Maceste Uy asked that Company's Debt to Equity Ratio sharply increased from 1.72:1 to 2.72:1, would there be threshold set by the Company and what are the steps being taken to manage the Debt to Equity Ratio. The Chairman referred the question to Mr. Joseph John L. Ong who explained that the comparable debt to equity ratio is quite low. The surge in Debt to Equity Ratio was a function of the acquisitions that the Company made in 2017 combined with the investments made in the expansion of the net worth. The acquisitions and the expansions that result in EBITDA, the debt will be reduced and therefore, the Debt to Equity is expected to go below what ended in 2017. Notwithstanding, management continues to seeing ways and keeping its options open in lower down the debts in the capital markets.

Stockholder Giselle Gonzales Talion asked what are the plans of PFM in the future. The Chairman once again referred the question to Mr. Bong Fadullon who answered that CVS is one of the fastest segments in Retail and it stands to benefit the lifestyle shift between millennial and new aged people. The Family Mart franchise provides a great platform to participate in growing the segment since it is known for its high quality products and the Company will use this to leverage and use this as an opportunity to grow in this segment.

Stockholder Aisa Mae Kanda asked what are the plans for Phoenix LPG to compete in market and how does it plan to grow the volume. The Chairman referred the question back to Mr. Bong Fadullon who answered that LPG sector is one of the areas of the business that the Company is experiencing high growth of about 14% per annum. At the moment, the business acquired is only present in Southern Philippines – Visayas and Mindanao – where 20% of the market displayed and 80% of the market is in Luzon where the Company has no any presence. LPG Franchise provides the Company as a vehicle to grow in Luzon using the avenue. LPG is high growth and margin business and that is where the Company focuses.

Stockholder Ma. Merceditas Barrios Talaver asked if there are any other planned acquisitions for this year and how does the Company plan to finance these acquisitions. The Chairman referred the question to Mr. Bong Fadullon who explained that the Company is looking to acquire synergies which have good growth potential in terms of profitability. The usual thing in the acquisitions is either internally generated funding or 30-70 Debt Equity arrangement.

Stockholder Kenneth Dabi asked how does the new tax law (TRAIN) affect the Company's Buisness. The Chairman referred the question to Mr. Bong Fadullon who answered that the Company have not seen any untoward effect in terms of volume. The volume becomes continually strong particularly the first two months of the year. In terms of opportunity, this is a great opportunity because the Company believed that the value proposition provides great products at great value. However, because of the cost that was added on the products, the Company will end up carrying more working capitals.

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 2017 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 2017. Stockholder Petite Principe moved to approve the President's Report and the Audited Financial Statements for the year 2017. Stockholder Aisa Mae Kanda seconded.

V. Proposal to Amend Article 2 of Articles of Incorporation

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 Atty. Socorro Ermac Cabreros to explain this item.

The Corporate Secretary Atty. Socorro Ermac Cabreros explained that the Corporation is proposing to amend Article 2 of Articles of Incorporation particularly in Secondary purpose as follows: **Clause No. 5**, *“the authority of the Corporation to execute management contract with or for its subsidiaries, affiliates and other corporations”*. The purpose is to allow the company to enter into management contract to optimize the resources and cost, provide additional flexibility and strengthen internal controls. Next amendment is the *“ability of the Corporation to loan and grant subsidy, guaranty or otherwise other Corporations, to its subsidiaries or other Corporations that we are acquiring”*. The purpose of which is to assist the subsidiaries in their initial operations.

On motion made by Stockholder Aisa Mae Kanda, which was duly seconded by Mr. Gene Geocanica, 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.

VI. PROPOSED AUTHORITY FOR MANAGEMENT TO ENTER AND EXECUTE MANAGEMENT CONTRACTS TO ITS SUBSIDIARIES

The Chairman moved to the next item of the agenda which was the proposed authority for management to enter and execute Management Contracts to its subsidiaries. The Chairman called the Assistant Vice President for Comptrollership, Ms. Jonarest Sibog.

Ms. Jonarest Sibog, Assistant explained that the Management intends to extend shared services to newly acquired subsidiaries - Phoenix LPG Philippines, Inc. and Philippine Family Mart and trading arm in Singapore. The shared services includes Management Consultancy and Guidance, General Accounting, Treasury, I.T Services, Human Resources and Development, Procurement, Brand and Marketing, Legal, Customer Services and Customer Risk Management. These give the following benefits: optimize resources and cost in terms of shared technology and infrastructure, facilities and talent; provide additional flexibility in relation to management’s strategies and decisions, compliance and consolidation; and strengthen internal control to enable implement standard processes and policies.

A motion was made by Stockholder Mae Canete Tupas moving to approve authority to Management to enter into Management Contracts with its subsidiaries. This was seconded by Stockholder Gigi Talion.

VII. PROPOSED INVESTMENT OF CORPORATE FUNDS TO A JOINT VENTURE WITH TIPCO ASPHALT PUBLIC COMPANY LTD. AND PHILASPHALT DEVELOPMENT CORP.

The Chairman called the General Manager for Business Development, Strategies and Portfolio, Mr. Joselito G. De Jesus to explain this matter.

Mr. Joselito De Jesus announced that the Company recently signed Joint Venture Agreement with TIPCO Asphalt Public Company Ltd. and Philippine Asphalt Development Corp. In view of this, the Board is requesting for approval for an investment of Corporate Funds consisting of P110M. Its corporate name is Phoenix Asphalt Philippines, Inc. (PAPI) - ownership is 40% for Phoenix, 40% for TIPCO, and 20% for Phil Asphalt Philippines. The purpose of investment is to be able to participate in P8.4T public infrastructure program of the Philippine government. Also, with the new company, Phoenix will be able to complete its product line and product portfolio as well as to be able to participate in significant way in the asphalt business in the Philippines. The objectives are: to partner with the large internationally recognized and reputable and technically advanced asphalt company - TIPCO Asphalt Public Company Ltd. in Thailand; also, to build a world class asphalt plant to efficiently serve the domestic asphalt requirements. In terms of investment, the total investment for the plant is about P404M and the asphalt plant will be located in a 10,000 square meter-property in Calaca Industrial Seaport Corp. located in Calaca, Batangas. Inauguration is expected on April 2018 and the completion of plant by the end of the year and the operation is, hopefully, on the 1st Quarter of 2019.

Stockholder Kenneth Dabi moved to approved the proposed investment to the Joint Venture of TIPCO Asphalt and Phil Asphalt which was seconded by Ms. Maripet.

VIII. RATIFICATION OF THE ACQUISITION OF THE 100% SHARES IN PETRONAS ENERGY PHILIPPINES, INC., DUTA, INC., AND KAPARANGAN.

The Chairman then called Chief Finance Officer, Mr. Joseph John Ong, to provide the background.

Mr. John Ong explained that the acquisition cost of the Petronas Energy Phils. Inc., renamed to Phoenix LPG Phils. Inc., is \$126M or P6.5B including DUTA, Inc. Petronas Phils. Inc. and DUTA, Inc. are the second largest LPG marketer in Visayas and Mindanao area accounting to 23% market share in VisMin Area and the sixth largest nationwide behind Petron, Liguigaz, SPI, Solane, and Pryce. It was owned by Petronas Dagangan Berhad (PDB) of Malaysia, a publicly listed company in Malaysian stock exchange. DUTA, Inc., is a joint venture between PDB and a Filipino partner for the sole purpose of owning the properties that are being utilized 100% for PEPI's LPG operations.

The acquisition effectively provides Phoenix an access to the desired LPG space, higher margin products vs fuels, it allows cross selling opportunities between LPG and fuel customers, it will resolve savings from shared services, wider supplier network and produce underpenetrated VisMin market and growing Luzon Market. It is expected to generate over 80MT/year or 80ML in converted liters year. Purchase price of USD 126.129MM and it is expected to be net income accretive by 2019.

In terms of Salient Milestones, the Company was invited by Maybank Investment Bank Berhad of Malaysia to participate in a formal process to acquire 100% of PEPI and DUTA. The Company submitted a binding offer of USD 126. 129MM to

acquire both companies. The company was also awarded the right to acquire both companies besting the top 3 LPG players in the local market. The company signed a Memorandum of Undertaking with PDB to enter into a Share Purchase Agreement for the purchase of 100% of PEPI and Duta subject to PCC approval. The PCC approval was granted to the company. Full payment was made on August 11.

Stockholder Gene moved to ratify the acquisition of Petronas Energy Phils. Inc. and DUTA, Inc., and Kaparangan which was seconded by Stockholder Maceste.

IX. PROPOSED RATIFICATION OF THE ACQUISITION OF PHILIPPINE FAMILYMART CVS, INC.

The next item for approval is the proposed ratification of the acquisition of Philippine FamilyMart CVS, Inc. The Chairman called the head of Mergers & Acquisitions, Ms. Nikka Maloles to give the background.

Ms. Nikka Maloles explained that on January 11, 2018, Philippine Family Mart's acquisition was complete. It was acquired from Joint Venture between Ayala Land and SSI. Sial, a Joint Venture, used to own 60% of PFM and 40% owned by Japanese Family Mart and Itochu Corp. It entered the Philippines in 2013 starting with 30 stores and eventually became the 3rd largest convenience store chain after 5 years. It was acquired with 67 stores which are all located in excellent locations, mostly in central business districts in Makati, and mostly Ayala Developments including Bonifacio Global City.

With the acquisition of LPG the company looked for ventures that are high in margin, high in value, and fast growing industries and markets which includes retail. The Company sees it as a platform for retail and the Company would want to expand a retail footprint through convenience stores. The Company also see synergies not only within Phoenix but also shared opportunities within the Udenna Group.

Stockholder Aisa Mae Kanda moved to ratify the acquisition of Philippine FamilyMart CVS, Inc. and was seconded by Stockholder Gigi Talion.

The Chairman duly ratified the acquisition of Philippine FamilyMart CVS, Inc.

X. APPROVAL, CONFIRMATION AND RATIFICATION OF THE ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS, MANAGEMENT AND EXECUTIVE COMMITTEES

The Chairman called the Corporate Secretary to explain this item who sought approval, confirmation and ratification of the Acts and Resolutions covering the period February 1, 2017 until January 31, 2018. The acts and resolutions consist of authorizations of the Company's representative to enter into Contracts, Biddings or other corporate transactions such as but not limited to Lease, Dealership Agreements, 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 Company as well as

advancement and protections of its interests. These acts and resolutions are duly identified, enumerated and attached as Annex A of the Definitive Information Statement sent last February 22, 2018 to all stockholders of record as of February 14, 2018.

Stockholder Maceste Uy moved that all the acts and resolutions of the Board of Directors, Management Team and Executive Committee adopted from February 1, 2017 until January 31, 2018 be ratified and approved. This was seconded by Stockholder Maripet Pantojan. There being no objections, the Chairman duly approved.

XI. ELECTION OF DIRECTORS

The Chairman moved to the next agenda which is the election of directors for 2017 to 2018. In accordance with the By-Laws of the Company, the Nominations Committee has pre-screened and short-listed all candidates qualified and nominated to the Board of Directors. The Chairman called the Vice President for Corporate Affairs, Atty. Alan Raymond Zorrilla.

Mr. Raymond Zorrilla introduced the nominees to the eleven (11) seats of the Board of Directors who are Domingo Uy, Dennis Uy, Romeo de Guzman, Stephen CuUnjieng, Joseph John Ong, Frederic Dybuncio, Cherylyn Uy, Carolina Inez-Angela Reyes, Consuelo Ynares-Santiago and Monico Jacob.

Pursuant to SEC Memorandum Circular no. 4, Series 2017, Mr. Jacob has completed his term as Independent Director. However, considering his valuable contributions to the Company, the Company further nominating Mr. Jacob as a regular director and nominating Ms. Carolina Inez Angela S. Reyes as Independent Director.

Stockholder Gigi Talion moved that all votes be cast in favor of the eleven (11) directors and those nominated be declared elected to the Board. This was seconded by Stockholder Aisa Mae Kanda. The Chairman then cast all votes cast in favor of those nominated who are thus declared to compose the Company's Board of Directors for 2018-2019.

XII. APPOINTMENT OF EXTERNAL AUDITORS

The Chairman called Mr. Joseph Ong to explain the next item which is the Appointment of External Auditor who recommended the re-appointment or election of Punongbayan and Araullo to be the External Auditors of the Company.

Stockholder Kenneth Dabi moved that Punongbayan and Araullo be re-appointed as External Auditors of the Company which was seconded by Stockholder Chin talaver. The Chairman moved to approved the motion after no objection made.

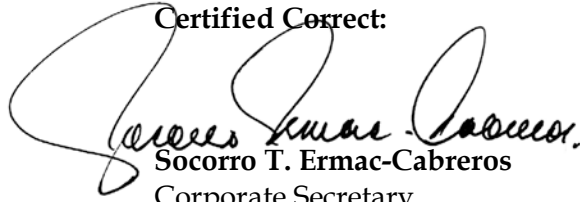
XII. OTHER MATTERS

The Corporate Secretary announced that last January 25, 2018, the Board of Directors declared Php 0.15 per share cash dividends.

XIII. ADJOURNMENT

Upon motion of Petite Principe and duly seconded by Gene Geocanica, the Chairman declared the meeting adjourned.

Certified Correct:



Socorro T. Ermac-Cabreros
Corporate Secretary

Attested:



Domingo T. Uy
Chairman