

07 February 2019

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

Sir/Madam

We write in reply to your letter of even date in relation to the news article published in the website of Manila Bulletin on 06 February 2019 entitled "Firm looking for site of CNOOC-Phoenix \$2-B LNG projectsNew" which we quote in part:

"An affiliate company of Tanglawan Philippines LNG Inc. is the entity securing the site for the US\$2.0 billion worth of liquefied natural gas (LNG) projects being pursued by the joint venture of China National Offshore Oil Corporation (CNOOC) and Phoenix Petroleum Philippines Inc. of businessman Dennis Uy.

As affirmed by company sources, the entity being used to negotiate for the site procurement is Liwanag Development Corp. which is also a joint venture of CNOOC and Uy's Udenna Corporation.

That corporate vehicle, it was noted, will then sell or sub-lease the property to Tanglawan after completing its JV arrangement with Phoenix Petroleum.

At the time of its application with the Department of Energy (DOE), Tanglawan was still 100-percent owned by CNOOC but the Chinese firm already had agreement-in-principle on a partnership with Uy for the LNG projects.

....

The DOE previously apprised media that the joint venture of Phoenix Petroleum-CNOOC via Tanglawan Philippines LNG Inc. had committed to invest US\$2.0 billion for the integrated LNG terminal and power plant projects.

...."

We would like to clarify that as consistent with our disclosures last January 11 and 31, 2019, we reiterate that the Board has recently approved the authority for P-H-O-E-N-I-X Petroleum Philippines, Inc. (the Company) to enter into a joint venture agreement with

China National Offshore Oil Corporation (CNOOC). While approval was already obtained by the Company's Board of Directors, both CNOOC and the Company have yet to finalize and execute any joint venture agreements with CNOOC as of this writing.

As stated in our Press Statement dated 11 January 2019, "a possible joint venture for Tanglawan Philippine LNG Inc. is currently being discussed between China's largest LNG importer and terminal operator, CNOOC Gas and Power Group Co., Ltd, and Philippine's fastest-growing oil company, Phoenix Petroleum."

Please note that the Notice to Proceed (NTP) issued by the Department of Energy (DOE) to build an LNG terminal in Batangas was issued to Tanglawan Philippine LNG, Inc. which will operate and build the said terminal.

Further, the Company is not part of Liwanag Development Corp. as of todate.

We also would like to clarify that Udenna Corporation is not involved in this LNG Project but Phoenix Petroleum Philippines, Inc.

Finally, we reserve our further comments on any joint venture agreements considering it is still premature at this point. We shall disclose the same at the appropriate time.

Thank you and warm regards.

Very truly yours,



Atty. Socorro Ermac Cabreros
Corporate Secretary