

To be an indispensable partner in the journey of everyone
whose life we touch



12 November 2020

Securities & Exchange Commission
Secretariat Building, PICC Complex
Roxas Blvd, Metro Manila

Philippine Stock Exchange
Disclosure Department
6/F PSE Tower, 28th Street corner 5th Avenue,
BGC, Taguig City, Metro Manila

Philippine Dealing & Exchange Corp.
29/F, BDO Equitable Tower,
8751 Paseo de Roxas, Makati City

Attention: Hon. Vicente Graciano P. Felizmenio, Jr.
Director, Market and Securities Regulation Department
Securities & Exchange Commission

Ms. Janet Encarnacion
Head - Disclosure Department
Philippine Stock Exchange

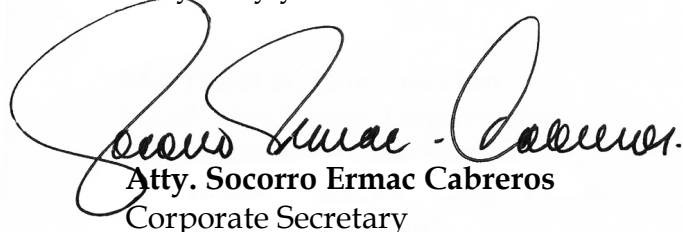
Atty. Marie Rose M. Magallen-Lirio
Head - Issuer Compliance and Disclosure Department (ICDD)

Sir and Mesdames:

We would like to submit the attached Press Release in relation to the Company's performance for the period ended 30 September 2020.

Thank you and warm regards.

Very truly yours,



Atty. Socorro Ermac Cabrerros
Corporate Secretary

HEAD OFFICE: Phoenix Bulk Depot, Lanang, Davao City
8000 Philippines
Trunkline: +63 82 235 8888
Fax: +63 82 233 0168

MANILA OFFICE: 15th-17th Floors, UDENNA Tower, Rizal Drive cor. 4th Avenue,
Bonifacio Global City, Taguig 1634 Philippines
Trunkline: +63 2 403 4013
Fax: +63 2 403 4009

CEBU OFFICE: Phoenix Maguikay Gasoline Station, M.C. Briones Street,
National Highway, Maguikay, Mandaue City, Cebu 6014 Philippines
Telephone: +63 32 236 8168 / 236 8198

November 12, 2020

Phoenix Petroleum strengthens in 3Q

- **Overall volume up 42% year-on-year in 3Q on strong overseas volume and domestic recovery**
- **Domestic volume rebounds 14% quarter-on-quarter in 3Q and is now above 80% of pre-COVID level as liquidity eases**
- **Sustained OPEX and CAPEX discipline keep costs in check as volume recovers**
- **3Q reverses to a P296 million net income from a P5 million loss in 2Q, trimming YTD net loss to P95 million, and on track to end positive in FY2020**

Phoenix Petroleum volume grew by 42% in the 3Q over the prior year on the more than triple growth of overseas volume and recovery of the domestic business from the ECQ-driven slump in 2Q. Year to date, overall volume was 23% higher year-on-year. Alongside relentless focus on cost discipline, and a more stable oil price environment, the Company returned to profitability in 3Q with a net income of P296 million after a net loss of P5 million in 2Q. Year-to-date net loss was further reduced to P95 million.

Overseas volume led by its trading operations, through PNX Petroleum Singapore, is at an all-time high. PNX SG is emerging as a strong regional player as it broadened its portfolio with LPG last year. Overseas LPG volume, through Phoenix Gas Vietnam, grew another 8% in the 3Q from 2Q as the country became one of the first countries to re-open its economy following the pandemic. Leveraging on the supply partnership with Hengyi Industries, LPG Vietnam has grown its volume by 3x post-acquisition.

Domestic volume increased by 14% quarter-on-quarter as restrictions on travel and movements ease nationwide. Retail led the recovery with a 36% sequential volume growth in 3Q. Even with public transportation yet to be fully back to normal operations, retail has already reached 80% of its pre-COVID volume. Close to 100% of the network is under regular operations. As of end September 2020, total station count stood at 665.

Domestic LPG growth accelerated in 3Q with cylinder sales exceeding pre-COVID levels. Household cylinders were up double-digit during the period. The lockdown-resilient demand for LPG has been amply supported by competitive supply and sustained expansion of its Luzon distribution network and complemented by its strong foothold in VisMin. LPG is now 17% of the Company's domestic volume, up from 10% in the same period last year.

The Commercial business is stabilizing driven by improvements in the mining, fishing, and power sectors, which were less affected by the ECQ. Volume in the 3Q was relatively flat from 2Q. The convenience store retailing business likewise improved from its low in May with average checks almost double year-ago levels.

The Company remains committed to its priority to preserve resources. OPEX per liter was down 22% in 3Q from prior year. To date, close to P1 billion in cost savings and at least P1.5bn in capex rationalization have been realized.

“Our mission to become an indispensable partner in the journey of our customers, employees, and communities is more relevant than ever today as we navigate our way through the uncertainties together. With the support and confidence of our stakeholders, including creditors and suppliers, we will be able to return working capital and liquidity to optimal levels and accelerate growth,” said Phoenix Petroleum President Henry Albert R. Fadullon.

The Company is moving forward post-COVID with new innovations and milestones. Based on the latest data from the Department of Energy on fuels market share as of the first half of 2020, the Company is now the third largest in the country. LPG market share also increased.

Meanwhile, through a partnership with Mesa Energy, the Company introduced a gen-set technology that uses propane-rich LPG to provide cleaner and reliable power supply to remote, off-grid locations. Currently being piloted at the Balesin Island Club in Polillo, Quezon, the Company will replicate the solution in industries such as manufacturing, hospitality & leisure, construction, and telecommunications, which are generating power for their own use.

Scaling the business for the new normal, FamilyMart also started operating beyond its brick-and-mortar locations with mobile stores. With lower upfront investment, smaller real estate, and lighter working capital needs, the new format brings the store closer to communities. The first three stores were unveiled in Cebu in November. These are in addition to the 48 stores operating as of date.

“From fuel and convenience store retailing to B2B, we continue to strengthen our offer, deliver operational excellence in our execution, and deepen our focus on cash flows as we bring the Company back to its path to profitability by year end,” said Phoenix Petroleum President Henry Albert R. Fadullon.

#End

About Phoenix Petroleum

Phoenix Petroleum is engaged in the nationwide trading and marketing of refined petroleum products, including LPG and lubricants, operation of oil depots and storage facilities, hauling and into-plane services; convenience store retailing; and trading and supply.

With a vision to be an indispensable partner in the journey of everyone whose life it touches, Phoenix Petroleum is committed to deliver world-class services, empower people, and spire every Filipino's entrepreneurial spirit.

Investor Relations Contact

Nikka B. Maloles

investors@phoenixfuels.ph