

24 March 2021

Securities & Exchange Commission

Secretariat Building, PICC Complex
Roxas Blvd, Metro Manila

Philippine Stock Exchange

Disclosure Department
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Makati City, Metro Manila

Philippine Dealing & Exchange Corp.

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

Ms. Janet A. Encarnacion
Head, Disclosure Department
Philippine Stock Exchange

Atty. Marie Rose M. Magallen-Lirio
Head, Issuer Compliance and Disclosure Department (ICDD)
Philippine Dealing & Exchange Corp.

Sir and Mesdames:

We write in relation to your letter seeking clarification on the news article entitled “Phoenix plans asset sale, transfer to manage debts” posted in the BusinessWorld (Online Edition) on March 24, 2021. In the said news article, it was reported in part that:

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In January, an official of the Department of Energy (DoE) said that the agency had to cancel the ‘notice to proceed’ issued to Mr. Uy’s \$2-billion import terminal project under Tanglawan Philippine LNG, Inc.

'We were constrained to cancel their notice to proceed as, in fact, they essentially withdrew their plans as they were not able to reach financial close,' Assistant Secretary Leonido J. Pulido III said in a Senate hearing. 'They are no longer pursuing their project.'

He added that the withdrawal was caused by a 'commercial issue.' Tanglawan is controlled by Phoenix Petroleum.

...."

We wish to clarify and correct the statements made in the online article. First off, Tanglawan is an SPV registered by CNOOC with the Commission. Phoenix Petroleum Philippines, Inc. (the Company) and/or Mr. Dennis A. Uy is not part nor do they own shares, directly or indirectly, in Tanglawan. The Notice to Proceed (NTP) issued by the DoE on 21 December 2018 was actually and in truth issued to Tanglawan Philippines, Inc. This was disclosed to the Exchange as part of a press statement dated 11 January 2019. Please note that Phoenix Petroleum supported CNOOC in Tanglawan's NTP application with the view that Phoenix Petroleum will later join Tanglawan venture company led by CNOOC.

However, in our disclosure dated 18 December 2019 to the Exchange, the Company confirmed the news article entitled "Phoenix-CNOOC Venture Junks LNG Terminal Project" posted also in Business World (Online Edition) on 18 December 2019 which stated:

PHOENIX Petroleum Philippines, Inc. and CNOOC Gas and Power Group Co., Ltd. have asked the Department of Energy (DoE) to suspend its proposal to build a liquefied natural gas (LNG) import terminal in the country, government officials said on Tuesday.

Energy Secretary Alfonso G. Cusi said the request for suspension was prompted by the deal between Phoenix Petroleum's parent firm Udenna Corp. to acquire the stake of Chevron Malampaya LLC in the Malampaya gas-to-power project.

"They just wrote us a letter because of the development that they have [with] Udenna getting the Chevron share in Malampaya, they are withdrawing their application for the terminal and they want to reassess and submit a new concept," he said in a chance interview on Tuesday.

"They are not pursuing it. They want to revisit their LNG terminal program in lieu of the Malampaya development. So I think they are going to tie it together," Mr. Cusi added.

The requested suspension came after Udenna announced on Nov. 13 that its subsidiary UC Malampaya Philippines Pte. Ltd. had signed a sale and purchase agreement to acquire the 45% stake of Chevron in the deepwater located offshore northwest Palawan.

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



We reiterate that the action to suspend the NTP was upon request by both Parties due to several factors, one of which was the acquisition of Chevron's stake in the Malampaya consortium by our Parent Company, Udenna Corp.

We also reiterate our Company's commitment to support the country's energy agenda on security, self-reliance, and use of cleaner energy sources and will continue to explore the best avenue to provide continuous and sustainable supply of gas to meet the growing demand for cleaner fuel.

Thank you and warm regards.

Very truly yours,



Atty. Socorro Ermac Cabrerros
Corporate Secretary