

25 July 2022

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. Alexandra D. Tom Wong
Officer-in-Charge, Disclosure Department
Philippine Stock Exchange

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

Sir and Mesdames:

We write in connection with the various news articles published in various newspapers on July 23, 2022, and in particular, the news article entitled "Dennis Uy's Udenna insists not in debt default " posted online on [abs-cbn.com](https://www.abs-cbn.com).

On July 22, 2022, Clark Global City Corp. ("CGCC"), a subsidiary of Udenna Corporation and an affiliate of P-H-O-E-N-I-X Petroleum Philippines, Inc. ("Phoenix Petroleum"), received a Notice of Declaration of Default from a consortium of banks led by BDO Unibank, Inc., as Majority Lender, on the grounds of "continuing and irremediable Events of Default" in relation to the Master Lease Agreement between Clark International Airport Corporation (CIAC) and Global Gateway Development Corporation (GGDC), a subsidiary of CGCC.

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



To clarify, the declaration of default is in relation to certain obligations of GGDC with CIAC, which are due only on Wednesday, 27 July 2022. To be clear, CGCC or GGDC did not fail to make any interest or principal repayments with its debt to the consortium banks and thus, in contention, CGCC replied to the consortium banks to dispute the default conclusion and clarified that, under the circumstances, there has been, in fact, no Event of Default or, at the very least, no irremediable Event of Default, under the Master Lease Agreement on the part of CGCC or GGDC. The liability of US\$4 million stated in the article was not a liability to the consortium banks but an obligation of GGDC to CGCC.

Nevertheless, GGDC and CGCC are already looking to immediately resolve this matter with the CIAC today, 25 July 2022, or before the stated deadline of 27 July 2022. Upon resolution of this matter, any default scenario under the Master Lease Agreement with CIAC or the debt liabilities with the consortium of banks will not exist.

Thus, by virtue of the above, there should be no effect on the business, financial condition, and operations of Phoenix Petroleum. We trust that we have been able to clearly state our position on the matter.

Thank you and warm regards.

Very truly yours,

A handwritten signature in black ink, appearing to read "Socorro Ermac Cabrerós".

Atty. Socorro Ermac Cabrerós
Corporate Secretary