

27 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 response to your correspondence received today, 27 July 2022 seeking clarification on the news article published in Philstar column on even date entitled, "Dennis Uy also owes \$12 million to some of the country's tycoons" which in part provides as follows:

"Davao-based businessmen Dennis Uy may have averted a major debt default as his beleaguered holding firm Udenna Corp. said on Monday, but apparently that's just one part of Uy's debt story.

. . . Phoenix Petroleum Philippines Inc., has also not been able to pay its suppliers, particularly bioethanol manufacturers – including those owned by some of the country's biggest tycoons.

These are Gokongwei-owned URC- La Carlota, Andrew Tan-owned ProGreen AgriCorp., and Lucio Tan-owned Absolut Distillers Inc. and Asian Alcohol Corp., together with Far East Alcohol Corp. (founded by the late sugar businessman Romulo Kehyeng). Collectively, these companies are seeking payments from Uy's Phoenix Petroleum amounting to P646.97 million as of end April.

The P646.97 million, which does not include interest yet, is equivalent to roughly \$12 million at the current exchange rate.

.....

As of this writing, the outstanding payables of PPPI with the bioethanol manufacturers are as follows:

URC-La Carlota, P63.20 million, due last January 2022

Far East Alcohol Corp., P43.18 million, due last March 2022

Absolut Distillers Inc., P150 million, due last June 2021

ProGreen Balayan , P204.03 million, due last June 2021

Asian Alcohol Corp. P186.56 million, due last August 2021.

For a total amount of P646.97 million.

.....”

First of all, we state that the article expresses only the opinion of the columnist and does not reflect facts that may have transpired in the concerned transactions. It is one-sided without any consideration of any premises that may have led to the source of her opinion.

The same article mentioned a statement made on behalf of Phoenix Petroleum and we confirm the statement of Phoenix's Sr. Vice President, Atty. Raymond T. Zorrilla, that “debt is necessary in any business in order to expand and grow it. Just like any other company, Phoenix has its own liabilities that were incurred to fuel and propel its growth”.

The EPAP letter which is the said source of the columnist's opinion is nothing new and as of date the matter with the concerned suppliers have progressed and negotiations are either ongoing or have been completed by the Company with the parties. In fact, Phoenix Petroleum has substantially settled some of these obligations and continues to do so until its completion.

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



Like other businesses in the country, large or small, the challenges experienced by the Company commenced in 2020 during the slowdown in the economy brought about by the pandemic. Subsequently, operations were likewise adversely affected by geopolitical issues, specifically the war between Ukraine and Russia, that drove extreme volatility in global crude oil prices. These negative effects are felt not only by Phoenix Petroleum but all other businesses in the country and in fact, globally with no exception. These are real challenges that not only Phoenix Petroleum has had to endure in the last two and half years.

While recovery is underway, it is not immediate. It has been set back by the emerging threats of a recession in developed markets fanned by sharply rising prices across the world and prevailing geopolitical risks. Despite these, we, in Phoenix Petroleum, are working tirelessly to deliver on our commitments to customers, partners, and stakeholders. We positively believe that we will overcome the headwinds like the rest of the businesses in the country.

We hope we have fully clarified our position on this matter.

Thank you and warm regards.

Very truly yours,

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

**Atty. Socorro Ermac Cabreros**  
Corporate Secretary