

26 February 2019

Securities & Exchange Commission

Secretariat Building, PICC Complex
Roxas Blvd, Metro Manila

Philippine Stock Exchange

Disclosure Department
3/F PSE Plaza, Ayala Triangle Plaza
Makati City, Metro Manila

Philippine Dealing & Exchange Corporation

37th Floor, Tower 1, The Enterprise Center
6766 Ayala Ave. corner Paseo de Roxas
Makati, 1226 Metro Manila, Philippines

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

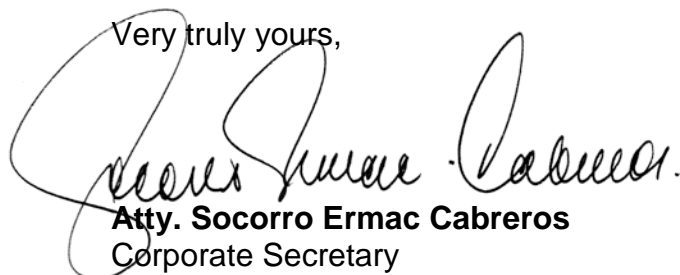
Ms. Paula Beatrice A. Bueno
OIC - Issuer Compliance and Disclosure Department
(ICDD)

Sir and Mesdames:

We would like to submit the attached Press Release entitled "**Phoenix Petroleum Posts Record Net Income at ₱2.77 billion in Full Year 2018**".

Thank you and warm regards.

Very truly yours,



Atty. Socorro Ermac Cabreros
Corporate Secretary

February 26, 2019

Phoenix Petroleum Posts Record Net Income at ₱2.77 billion in Full Year 2018

Phoenix Petroleum concluded a banner year in 2018 with the strongest revenue and earnings in the Company's history, driven by record volume from new businesses and sustained strength in its core fuels business. Reported net income surged 82% to ₱2.77 billion.

Revenues grew 99% to ₱88.61 billion in 2018 as volume of petroleum products sold grew by 49% year-on-year to an all-time high of 2.75 billion liters. The Company showed stellar growth in 2018 despite a confluence of industry challenges in the fourth quarter arising from the sharp decline in benchmark crude.

The Company saw accelerating growth in its domestic business driven by fuels and LPG, which delivered a 15% volume increase. As a testament to stronger awareness and patronage of the brand, retail volume grew 5% from last year. As of end 2018, 600 stations have been opened nationwide. Commercial volume grew 13% year-on-year and continued to strengthen its position with key wins in fast growth industries such as marine, road transport, and construction.

LPG made tremendous headway in 2018. Total volume surged by 23% year-on-year on the back of the continued expansion in Luzon and consistent strength of its VisMin business. Luzon accounted for 10% of total LPG volume versus 4% pre-acquisition. VisMin meanwhile, continued to outpace industry growth and grew volume by 14%.

Further driving the Company to new records was the trading operations at PNX Petroleum Singapore, which contributed 758 million liters of volume sold to third parties. This was equivalent to 28% of the consolidated volume sales. Of said sales, 44% were sold mostly to customers within the fast growing markets in Southeast Asia, laying a strong foundation for Phoenix's regional expansion.

One year after acquisition, the convenience store retailing business, through Philippine FamilyMart (PFM), delivered significant efficiency improvements for customers through higher fill rates and improved equipment uptime. This was complemented by an expanded and food-centric offer that is anchored on the evolving lifestyle shift towards convenience. Average daily sales increased by 8% year-on-year while store operating costs and back office costs were down by

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



14% and 13%, respectively, turning store EBITDA positive in 2018 from a loss in 2017.

In addition, post acquisition, PFM has been realizing the synergies within the Udenna Group ecosystem with the first Generation 2 FamilyMart store being opened in August 2018 in Clark Global City. Currently, there are already four FamilyMart kiosks aboard four Starlite ferries. Furthermore, at least three Phoenix stations are slated to have FamilyMart stores on-site.

“Despite industry headwinds in fourth quarter, we worked together to deliver a strong close to 2018. We are positioning ourselves for more success in 2019 and beyond, with a focus on growth, execution, and delivering for our customers and shareholders,” said Phoenix Petroleum Chief Operating Officer Henry Albert Fadullon.

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 its vision to be an indispensable partner in the journey of everyone whose life we touch, Phoenix Petroleum is committed to deliver world-class services, empower people, and inspire every Filipino’s entrepreneurial spirit.

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

MANILA OFFICE: 25/F Fort Legend Towers, 3rd Avenue corner 31st St.,
Fort Bonifacio Global City, Taguig City 1634, Philippines
Trunkline: +632-403-4013
Fax: +632-403-4009

CEBU OFFICE: Phoenix Maguikay Gasoline Station, M.C. Briones St.,
National Highway, Maguikay, Mandaue City, Cebu 6014,
Philippines
Tel. No.: +63 (32) 236-8168 / 236-8198