



October 20, 2017

PHILIPPINE STOCK EXCHANGE, INC.

3rd Floor, Philippine Stock Exchange Center
Ayala Triangle, Ayala Avenue
Makati City

Attention: **Mr. Jose Valeriano B. Zuño III**
OIC Head - Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORP.

37th Floor, Tower 1, The Enterprise Center
6766 Ayala Avenue cor. Paseo de Roxas
Makati City

Attention: **Ms. Vina Vanessa S. Salonga**
Head - Issuer Compliance and Disclosure Department

Gentlemen:

We write to inform the Exchange that the Company, earlier today, filed a complaint before the Regional Trial Court of Mandaluyong City against the Philippine National Oil Company ("PNOC") for *Resolution and Reconveyance, and Damages, with Verified Ex-Parte Application for 72-hour Temporary Restraining Order and Verified Applications for 20-day Temporary Restraining Order and Writ of Preliminary Injunction* (the "Complaint").

The Complaint arose from the unilateral disregard and fundamental breach by PNOC of the renewal clauses of the lease agreements dated September 30, 2009 (for Refinery Lots) and November 26, 1993 (for Bulk Plants and Service Station Lots) covering parcels of land on which the Company's refinery, 23 bulk plants and 66 service stations are erected, and categorically declaring its refusal to honor them. The properties subject of the lease were only conveyed to PNOC by the Company pursuant to the Philippine Government's privatization plan in 1993 and in consideration for the Company's right to lease the subject properties and to renew such lease.

Very truly yours,

A handwritten signature in black ink, appearing to read 'JACruz'.

JOEL ANGELO C. CRUZ
VP - General Counsel &
Corporate Secretary