



THE PHILODRILL CORPORATION

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24 July 2009

THE DISCLOSURE DEPARTMENT
4/F The Philippine Stock Exchange, Inc.
PSE Centre, Exchange Road, Ortigas Center
Pasig City

Attention: **MS. JANET A. ENCARNACION**
Head – Disclosure Department

Gentlemen:

Please find attached press release from Galoc Production Company in connection with the Galoc Field Development Project in which our Company is involved.

This formal written advise is submitted in compliance with the rules and regulations of the Philippine Stock Exchange.

Very truly yours,

ADRIAN S. ARIAS
Corporate Secretary

24 July 2009

Galoc Field - Interruption to Production

GPC advises that re-instatement of the Mooring and Riser System following the weather related disconnection undertaken in late June is continuing. Progress has been delayed due to a combination of sea conditions exceeding those necessary to safely undertake the subsea operations and downtime of equipment necessary to perform these operations. The mooring and riser system has been re-orientated and preparations are in hand to change out the section of riser that was deformed. Once completed, the system will be reconnected to the FPSO and function tested prior to resuming production operations.

The mooring and riser system is a key component of the overall FPSO system which is provided by Rubicon Offshore International under the provisions of an operated lease / service contract.

Additional Notes

General Information

The Galoc field is located in Service Contract SC14-C (Galoc Sub Block) in 290m of water approximately 65km north west of Palawan in the Republic of the Philippines. The development involved the construction of two subsea completed horizontal production wells, with extended reservoir contacts, tied back to a Floating Production Storage and Offloading ("FPSO") facility via a short seabed pipeline and mid water riser system. Most likely oil reserves as estimated at time of commitment to the development in 2006, is approximately 10 million barrels. The reserves estimate and requirement for additional wells and facility capacity will be reassessed following an analysis of results from initial field production performance.

The participating interests in the Galoc Field are as follows:

Participant	Participating Interest %
Galoc Production Company W.L.L. ¹ (Operator)	59.84473
Nido Petroleum Philippines Pty Ltd	22.87952
The Philodrill Corporation	7.21495
Oriental Petroleum & Minerals Corporation/ Linapacan Oil Gas & Power Corporation	7.78505
Forum Energy Philippines Corporation	2.27575

Galoc Production Company is owned by;

Vitol Group	68.6%
Otto Energy Limited	31.4%

Further information on GPC and the Galoc Field can be obtained from:

- GPC's website www.galoc.com
- via email, at enquiry@galoc.com
- or by contacting
 - Jax Mariano
Tel: +63 918 9109581