



THE PHILODRILL CORPORATION

QUAD ALPHA CENTRUM, 125 PIONEER ST., MANDALUYONG CITY, PHILIPPINES
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January 25, 2012

THE DISCLOSURE DEPARTMENT

4th Floor The Philippine Stock Exchange, Inc.
PSE Centre, Exchange Road, Ortigas Center
Pasig City

Gentlemen:


We hereby submit the Annual summary of the application of the proceeds from the stock rights offering for the year ended December 31, 2011 as follows:

CASH FLOW	1 st Qtr MAR 31	2 ND Qtr JUN 30	3 rd Qtr SEP 30	4 TH Qtr DEC 31	TOTAL 2011
BEGINNING BALANCE	7,532,290.64	7,635,124.65	10,326,177.12	11,561,160.42	7,532,290.64
COLLECTION OF SUBSCRIPTIONS	66,163.71	2,624,091.12	1,146,009.10	41,854.68	3,878,118.61
NET INTEREST EARNED	36,670.30	66,961.35	88,974.20	94,607.74	287,213.59
TRANSFER OF INTEREST EARNED	0	0	0	0	0
USE OF PROCEEDS:					
<i>Payment of Loans</i>	0	0	0	0	0
<i>Operating expenses (Galoc/Nido/Matinloc)</i>					
<i>Exp related to SRO</i>	0	0	0	0	0
<i>Refund to stockholders</i>	0	0	0	0	0
ENDING BALANCE	7,635,124.65	10,326,177.12	11,561,160.42	11,697,622.84	11,697,622.84

USES OF SRO FUNDS	PROJECTS/ BEGINNING BALANCE DEC 31, 2010	AMOUNT UTILIZED DURING THE YEAR	TOTAL AS OF DEC 31, 2011	TOTAL ALLOCATION BASED ON PROSPECTUS 1 ST 25% AND 2 ND 25%	AMOUNT OF ALLOCATION BUT NOT YET UTILIZED
LOANS					
<i>MBTC</i>	30,906,720.52	-	30,906,720.52		-
<i>UCPB</i>	69,444,861.11	-	69,444,861.11		-
<i>Loans arranged by Penta</i>	30,216,481.04	-	30,216,481.04		-
National Book Store	7,148,236.33	-	7,148,236.33		-
Sub-total	137,716,299.00	-	137,716,299.00	137,716,299.00	-
OPERATING EXPENSES:					
<i>Galoc</i>	41,334,839.00	-	41,334,839.00	41,334,839.00	-
<i>Nido/Matinloc</i>	11,011,434.00	-	11,011,434.00	11,011,434.00	-
EXP RELATED TO SRO	5,000,000.00	-	5,000,000.00	5,000,000.00	-
TOTALS	195,062,572.00	-	195,062,572.00	195,062,572.00	-

The foregoing disclosures are made in compliance with the rules and regulations of the Exchange.

Very truly yours,


REYNALDO E. NAZAREA
Treasurer & VP-Administration