



THE PHILODRILL CORPORATION

QUAD ALPHA CENTRUM, 125 PIONEER ST., MANDALUYONG CITY, PHILIPPINES
 TEL. NOS. 631-1801 TO 05; 631-8151/52; FAX: (632) 631-8080, (632) 631-5310

July 9, 2009

THE DISCLOSURE DEPARTMENT

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

Gentlemen:

We hereby submit the Quarterly Progress Report on the application of the proceeds from the stock rights offering for the quarter ended June 30, 2009 as follows:

CASH FLOW	APR	MAY	JUNE	TOTAL
BEGINNING BALANCE	98,940,317.65	37,809.19	7,400,209.37	98,940,317.65
COLLECTION OF SUBSCRIPTIONS	43,664.43	95,777,531.38	525,372.75	96,346,568.56
NET INTEREST EARNED	165,393.00	387,638.58		553,031.58
USE OF PROCEEDS:				
<i>Payment of Loans</i>	(80,511,565.89)	(50,056,496.78)		(130,568,062.67)
<i>Operating expenses (Galoc/Nido/Matinloc)</i>	(13,600,000.00)	(38,746,273.00)		(52,346,273.00)
<i>Exp related to SRO</i>	(5,000,000.00)			(5,000,000.00)
<i>Refund to stockholders</i>				
ENDING BALANCE	37,809.19	7,400,209.37	7,925,582.12	7,925,582.12

USES OF SRO FUNDS	PROJECTS/ BEGINNING BALANCE MAR 31, 2009	AMOUNT UTILIZED SECOND QUARTER	TOTAL AS OF JUNE 30, 2009	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		
Sub-total	-	130,568,062.67	130,568,062.67	137,716,299.00	7,148,236.33
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	-	187,914,335.67	187,914,335.67	195,062,572.00	7,148,236.33

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

Very truly yours,


REYNALDO E. NAZAREA
Treasurer & VP-Admin.