



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

January 4, 2010

THE DISCLOSURE DEPARTMENT

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

Gentlemen:

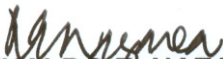
We hereby submit the Quarterly Progress Report on the application of the proceeds from the stock rights offering for the quarter ended December 31, 2009 as follows:

CASH FLOW	OCT	NOV	DEC	TOTAL
BEGINNING BALANCE	8,490,657.38	9,206,855.44	9,231,855.44	8,490,657.38
COLLECTION OF SUBSCRIPTIONS	716,198.06	25,000.00	242,753.12	983,951.18
NET INTEREST EARNED			13,543.48	13,543.48
USE OF PROCEEDS:				
<i>Payment of Loans</i>				
<i>Operating expenses (Galoc/Nido/Matinloc)</i>				
<i>Exp related to SRO</i>				
<i>Refund to stockholders</i>				
ENDING BALANCE	9,206,855.44	9,231,855.44	9,488,152.04	9,488,152.04

USES OF SRO FUNDS	PROJECTS/ BEGINNING BALANCE SEPT 30, 2009	AMOUNT UTILIZED FOURTH QUARTER	TOTAL AS OF DEC 31, 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.