

**THE PHILODRILL CORPORATION**

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

July 3, 2013

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 period ended June 30, 2013 as follows:

CASH FLOW	APR	MAY	JUN	TOTAL
BEGINNING BALANCE	13,092,013.82	13,092,064.03	13,092,064.03	13,092,013.82
COLLECTION OF SUBSCRIPTIONS	0	0	1,123,375.00	1,123,375.00
NET INTEREST EARNED	50.21	0	55,738.81	55,789.02
TRANSFER OF INTEREST EARNED	0	0	0	0
USE OF PROCEEDS:				
<i>Payment of Loans</i>	0	0	0	0
<i>Operating expenses (Galoc/Nido/Matinloc)</i>				
<i>Exp related to SRO</i>	0	0	0	0
<i>Refund to stockholders</i>	0	0	0	0
ENDING BALANCE	13,092,064.03	13,092,064.03	14,271,177.84	14,271,177.84

USES OF SRO FUNDS	PROJECTS/ BEGINNING BALANCE MAR 31, 2013	AMOUNT UTILIZED SECOND QUARTER	TOTAL AS OF JUN 30, 2013	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. NAZARE
Treasurer & VP-Administration