

The Depository Trust Company
IMPORTANT

B#: 2669
DATE: November 20, 2001
TO: All Participants
CATEGORY: Dividends
FROM: Nilesh Desai, Supervisor, Dividend Department
ATTENTION: Dividend Managers, Cashiers and Reorganization Managers
SUBJECT: Optional Dividend: Petroleum & Resources Corporation
Cusip: 716549100 R/D: 11/19/01 P/D: 12/27/01
Rate: \$ 1.11 in Stock or Cash
DTC Cut-off 12/07/2001

***** WARNING TIME CRITICAL *****

Participants who have positions in the above captioned security, can elect to receive a dividend of \$0.12 per share from undistributed net investment income for the year 2001 and a distribution of \$0.99 per share from undistributed net capital gains realized during for the year 2001, of which \$0.94 was long term and \$0.05 was short term capital gains in stock or cash, as follows:

***Option #1 Stock** You may elect to receive additional common shares of Petroleum & Resources Corporation for the combined total of \$1.11 per share and fractional shares will be paid in cash.

***THIS STOCK ELECTION PROVIDES FOR SUB ACCOUNTING ON THE "EDS" FUNCTION**

***Option #2 Stock & Cash** You may elect to receive additional common shares of Petroleum & Resources Corporation for the capital gain distribution of \$0.99 per share with fractional shares paid in cash and the income dividend of \$0.12 per share in cash.

***THIS STOCK ELECTION PROVIDES FOR SUB ACCOUNTING ON THE "EDS" FUNCTION**

Option #3 Cash You may elect to receive the total of \$1.11 in cash per common share held.

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PARTICIPANTS SHOULD SUBMIT ELECTION INSTRUCTIONS OVER THE PARTICIPANT TERMINAL SYSTEM (PTS) THROUGH THE ELECTIVE DIVIDEND SYSTEM (EDS) FUNCTION

Participants not responding to the above option by 12/07/01, will receive the mandatory distribution in accordance with Option # 2 (\$0.99 in stock with fractions in cash and \$0.12 in cash).

Method of Computation

The number of additional shares to be issued to a shareholder electing Option 1 or 2 will be determined by the value per share of the Corporation's stock on December 10, 2001. The "value per share" on that date for this purpose shall be **lower** of (1) the "fair market value" on that date, which shall be the **mean** between the high and low sales prices on the New York Stock Exchange or, if there are no sales, then the **mean** between the closing bid and asked quotation for such day, or (2) the net asset value per share determined as of the close of business on December 10, 2001. In no event shall the "value per share" for this purpose be less than 95 per cent of the "fair market value" on December 10, 2001. In the event that the New York Stock Exchange should be closed on December 10, 2001, prices from the next preceding day on which the New York Stock Exchange shall have been open will be used in this computation.

To confirm your Record Date positions, DTC participants should access the Dividend and Allocation History (DPAL) Option, via the PTS Dividend Announcements Inquiry (DIVA) function.

If there are any questions regarding this Important Notice or the processing of related instructions via EDS, participants should contact Mr. John Mc Carthy or Mrs. Janet Tuccillo of DTC's Stock Dividend Department at (212) 855-4521/4533.