



CERTIFICATION

I, **Joel Angelo C. Cruz**, Assistant Corporate Secretary of PETRON CORPORATION with office address at 40th floor, Petron MegaPlaza, 358 Sen. Gil Puyat Ave. Makati City, hereby certify that the attached media release titled “**PETRON RETURNS TO PROFITABILITY WITH ₱4.3 BILLION INCOME IN 2009**” with related financial statements was read by me and that the contents are true and not intended to deceive or mislead the public.

A handwritten signature in black ink, appearing to read "Joel Cruz".

Jose Angelo C. Cruz
Assistant Corporate Secretary



March 29, 2010
Petron Corporation's Disclosure

PHILIPPINE STOCK EXCHANGE, INC. (PSE)
Philippine Stock Exchange Center
Exchange Road, Ortigas Center
Pasig, Metro Manila

Attention: **MS. JANET A. ENCARNACION**
Head, Disclosure Department

Dear Ms. Encarnacion:

Pursuant to PSE and SEC's disclosure requirements, attached is the media release titled "**PETRON RETURNS TO PROFITABILITY WITH ₱4.3 BILLION INCOME IN 2009**" with the full year 2009 financial statements.

Very truly yours,

A handwritten signature in black ink, appearing to read "JAC", positioned above the printed name and title.

Jose Angelo C. Cruz
Assistant Corporate Secretary



March 29, 2010
**MEDIA RELEASE
FOR PUBLICATION**

PETRON RETURNS TO PROFITABILITY WITH ₱4.3 BILLION INCOME IN 2009

The Philippines' largest oil refining and marketing company Petron Corporation returned to profitability in 2009, posting a net income of ₱4.3 billion versus the record loss of ₱3.9 billion that it incurred in 2008. This was reported in their Board Meeting today.

The company attributed its strong performance to more stable crude oil and finished product prices last year compared to 2008. It will be recalled that 2008 was an abnormal year for many oil refiners, who experienced extreme volatility in crude and product prices.

Sales revenues were down by 34% due to lower selling prices of petroleum products. From ₱267.7 billion in 2008, sales decreased to ₱176.5 billion in 2009.

“Despite weak economic activity and cutthroat competition, we managed to turn around the financial performance of the company in 2009,” Petron Chairman and CEO Ramon S. Ang said. “More importantly, we remained focused on our business initiatives and implemented several major projects that put us in a better position to sustain our growth momentum.”

Last year, Petron embarked on the largest retail network expansion program in its history, opening 200 new service stations nationwide from Jan. 2009 to Jan. 2010. As of January 2010, the company's service station count stood at 1,463 – still the largest retail network in the country. The company plans to continue its retail expansion program over the next few years to ensure its market dominance.

The retail expansion program also helped increase the company's domestic sales volumes in 2009. Sales volumes reached 40.19 million barrels in 2009 compared to 39.88 million barrels the previous year. The company maintained its leadership in the oil industry with about 37% of the total market.

A major component of the company's diversification program was completed in 2009 with the commissioning of its Benzene, Toluene, and Xylene (BTX) unit. The BTX facility has the capacity to annually produce 22,800 MT of Benzene and 150,000 MT of Toluene. It also increased the refinery's capacity to produce up to 220,000 MT of Mixed Xylene per year. These petrochemical feedstocks are used in a variety of industrial applications including the manufacture of home appliances, machine housings etc.

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“While we are expecting these current programs to significantly contribute to Petron’s bottom line in the near-term, we continue to look for ways to create more value for the company,” Mr. Ang added.

The company recently raised ₱10 billion with the issuance of 100 million perpetual preferred shares. A major part of the proceeds will fund the upgrade of the power generation system at the Petron Bataan refinery. The planned upgrade will ensure a more reliable and economical power supply to the refinery and support further upgrading of its facilities.

(end)

About Petron Corporation

Petron Corporation is the largest oil refining and marketing company in the Philippines. Its 180,000 barrel-per-day oil refinery produces a full range of petroleum products to supply nearly 40% of the country’s total fuel requirements. Through more than 1,400 service stations nationwide -- the largest service station network in the country -- we retail gasoline, diesel and kerosene to motorists. Petron is dedicated and passionate about its vision to be the leading provider of total customer solutions in the energy sector and its derivative businesses. Please visit us at www.petron.com for more information.

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PETRON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2009 and 2008
(Amounts in Million Pesos)

	2009	2008
ASSETS		
Current Assets		
Cash and cash equivalents	P12,985	P12,827
Financial assets at fair value through profit or loss	169	161
Available-for-sale investments	170	331
Trade and other receivables	29,696	16,875
Inventories - net	28,169	30,792
Other current assets	4,467	11,977
Total Current Assets	75,656	72,963
Noncurrent Assets		
Available-for-sale investments	1,185	351
Property, plant and equipment - net	34,784	36,428
Investment properties - net	232	246
Deferred tax assets - net	7	885
Other noncurrent assets	1,329	925
Total Noncurrent Assets	37,537	38,835
TOTAL ASSETS	P113,193	P111,798
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans	P42,744	P53,979
Liabilities for crude oil and petroleum product importation	7,529	8,907
Trade and other payables	4,917	4,562
Income tax payable	10	22
Current portion of long-term debt - net	1,296	1,263
Total Current Liabilities	56,496	68,733
Noncurrent Liabilities		
Long-term debt - net of current portion	17,596	8,988
Deferred tax liabilities - net	514	8
Other noncurrent liabilities	1,052	1,166
Total Noncurrent Liabilities	19,162	10,162
Total Liabilities	75,658	78,895
Equity Attributable to Equity Holders of the Parent		
Capital stock	9,375	9,375
Retained earnings	28,014	23,776
Other reserves	(98)	(473)
Total Equity Attributable to Equity Holders of the Parent	37,291	32,678
Noncontrolling interest	244	225
Total Equity	37,535	32,903
TOTAL LIABILITIES AND EQUITY	P113,193	P111,798

PETRON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
For the Years Ended December 31, 2009 and 2008
(Amounts in Million Pesos, Except Per Share Amounts)

	2009	2008
SALES	₱176,531	₱267,676
COST OF GOODS SOLD	161,583	264,306
GROSS PROFIT	14,948	3,370
SELLING AND ADMINISTRATIVE EXPENSES	(5,751)	(5,222)
INTEREST EXPENSE	(4,251)	(4,180)
INTEREST INCOME	205	354
OTHER INCOME (CHARGES)	597	(115)
INCOME (LOSS) BEFORE TAX	5,748	(5,793)
TAX EXPENSE (BENEFIT)		
Current	253	240
Deferred	1,238	(2,113)
	1,491	(1,873)
NET INCOME (LOSS)	₱4,257	(₱3,920)
Attributable to:		
Equity holders of the parent	₱4,238	(₱3,978)
Noncontrolling interest	19	58
	₱4,257	(₱3,920)
EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY - BASIC AND DILUTED	₱0.45	(₱0.42)

PETRON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
December 31, 2009 and 2008
(Amounts in Million Pesos)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before tax	₱5,748	(₱5,793)
Adjustments for:		
Interest expense	4,251	4,180
Depreciation and amortization	3,586	3,242
Interest income	(205)	(354)
Unrealized foreign exchange gains (losses) - net	66	(40)
Others	(25)	(15)
Operating income before working capital changes	13,421	1,220
Changes in operating assets and liabilities	(4,902)	(651)
Interest paid	(4,311)	(3,830)
Income taxes paid	(90)	(616)
Interest received	214	353
Net cash provided by (used in) operating activities	4,332	(3,524)
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposals of (additions to):		
Property, plant and equipment	(1,928)	(5,534)
Investment properties	-	(52)
Decrease (increase) in:		
Other receivables	1,135	(4,522)
Other noncurrent assets	78	(278)
Reductions from (additions to):		
Financial assets at fair value through profit or loss	14	-
Available-for-sale investments	(673)	(49)
Net cash used in investing activities	(1,374)	(10,435)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from availment of loans	166,214	142,650
Payments of:		
Loans	(168,836)	(125,045)
Cash dividends	-	(924)
Increase (decrease) in other noncurrent liabilities	(113)	327
Net cash provided by (used in) financing activities	(2,735)	17,008
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	(65)	46
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	158	3,095
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
	12,827	9,732
CASH AND CASH EQUIVALENTS AT END OF YEAR		
	₱12,985	₱12,827