



CERTIFICATION

I, **Jose Joel Angelo C. Cruz**, General Counsel and Corporate Secretary of PETRON CORPORATION with office address at SMC Head Office Complex, 40 San Miguel Avenue, Mandaluyong City, hereby certify that the attached media release titled “**PETRON POSTS P1.9 BILLION NET INCOME FOR 1st QUARTER OF 2010**” 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".

JOEL ANGELO C. CRUZ
General Counsel &
Corporate Secretary



May 07, 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 POSTS P1.9 BILLION NET INCOME FOR 1st QUARTER OF 2010" with the YTD-March 2010 Financial Statements.

Very truly yours,

A handwritten signature in black ink, appearing to read "Joel", is positioned above the printed name.

JOEL ANGELO C. CRUZ
General Counsel and
Corporate Secretary



May 7, 2010
**MEDIA RELEASE
FOR PUBLICATION**

PETRON POSTS P1.9 BILLION NET INCOME FOR 1ST QUARTER OF 2010

The Philippines' largest oil refining and marketing company Petron Corporation posted a net income of ₱1.9 billion for the 1st quarter of the year compared to the ₱874 million registered over the same period in 2009. The company attributed its robust performance to a significant increase in petrochemical sales, higher domestic volumes, and lower interest expenses.

Petron sold 689,000 barrels of petrochemical feedstocks (mixed xylene, propylene, benzene and toluene) in the first quarter of 2010 compared to only 35,000 barrels last year, given that the company had an extended maintenance turnaround in the first quarter of 2009. Petrochemical production also increased with the commercial operation of the BTX unit in April 2009.

Domestic sales volumes also increased by 12% to 10.65 million barrels this year versus 9.49 million barrels in 2009. Higher sales volumes can be attributed to a significant increase in the industrial sector due to a pick-up in economic activity and the aggressive acquisition of new accounts. It is also a direct result of the aggressive retail network expansion that Petron implemented beginning 2009. The company completed the 1st phase of its expansion program in January with the addition of 200 new service stations over a one year period. Petron's retail expansion program will continue over the next few years to ensure its market dominance.

At the end of March 2010, Petron's service station count stood at 1,504—the largest in the country.

"We are already seeing strong and positive returns from our recent initiatives aimed at improving our market share and enhancing revenue streams," Petron Chairman and CEO Ramon S. Ang said. "Moving forward, we hope to build on these as we roll out more projects that will sustain the company's growth."

(continued)

These projects include the upgrade of the power generation system of the 180,000 barrel-per-day Petron Bataan refinery. The planned upgrade will ensure a more reliable and efficient power supply at the refinery and support facilities.

Sales revenues increased by 61% to ₱55.9 billion in the first quarter compared to ₱34.6 billion over the same period in 2009.

(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 1,500 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 & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
March 31, 2010
(With Comparative Figures for the year ended December 31, 2009)
(Amounts in Millions of Pesos)

	Mar 31, 2010	Dec 31, 2009
	Unaudited	Audited
ASSETS		
Current Assets		
Cash and cash equivalents	P 17,388	P 12,985
Financial assets at fair value through profit or loss	162	169
Available-for-sale investments	-	170
Trade and Other Receivables - net	27,543	29,696
Inventories - net	41,287	28,169
Other current assets	5,358	4,467
Total Current Assets	91,738	75,656
Non-Current Assets		
Available-for-sale investments	1,371	1,185
Property, plant and equipment- net	36,037	34,784
Investment properties - net	228	232
Deferred tax assets - net	13	7
Other noncurrent assets	1,346	1,329
Total Noncurrent Assets	38,995	37,537
TOTAL ASSETS	P 130,733	P 113,193
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans	P 32,505	P 42,744
Liabilities for crude oil and petroleum product importation	24,168	7,529
Trade and other payables	3,854	4,917
Income tax payable	19	10
Current portion of long-term debts - net	1,296	1,296
Total Current Liabilities	61,842	56,496
Non-Current Liabilities		
Long-term debts - net of current portion	17,284	17,596
Deferred tax liabilities - net	1,183	514
Other noncurrent liabilities	1,083	1,052
Total Noncurrent Liabilities	19,550	19,162
Total Liabilities	81,392	75,658
Equity Attributable to Equity Holders of the Parent		
Preferred Stock	100	-
Common Stock	9,375	9,375
Additional Paid-in Capital- Preferred	9,764	-
Retained Earnings	29,936	28,014
Other reserves	(88)	(98)
Total Equity Attributable to Equity Holders of the Parent	49,087	37,291
Noncontrolling Interest	254	244
Total Equity	49,341	37,535
TOTAL LIABILITIES AND EQUITY	P 130,733	P 113,193



PETRON CORPORATION AND SUBSIDIARIES
CONSOLIDATED INTERIM STATEMENT OF INCOME
Year-to-Date March 31, 2010 and 2009
(Amounts in Millions of Pesos, Except Per Share Amounts)
(UNAUDITED)

	<u>January to March</u>	
	<u>2010</u>	<u>2009</u>
SALES	P 55,883	P 34,649
COST OF GOODS SOLD	<u>(51,402)</u>	<u>(30,999)</u>
GROSS PROFIT	4,481	3,650
SELLING AND ADMINISTRATIVE EXPENSES	(1,336)	(1,301)
INTEREST EXPENSE	(943)	(1,186)
INTEREST INCOME	58	48
OTHER INCOME (CHARGES)	<u>364</u>	<u>36</u>
INCOME BEFORE INCOME TAX	2,624	1,247
TAX EXPENSE	<u>(692)</u>	<u>(373)</u>
NET INCOME	<u>P 1,932</u>	<u>P 874</u>
Attributable to:		
Equity holders of the parent	P 1,922	P 867
Noncontrolling interest	<u>10</u>	<u>7</u>
	<u>P 1,932</u>	<u>P 874</u>
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY		
HOLDERS OF THE PARENT - BASIC AND DILUTED	<u>P 0.21</u>	<u>P 0.09</u>



PETRON CORPORATION & SUBSIDIARIES
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
Year-to-Date March 31, 2010 and 2009
(Amounts in Millions of Pesos)
(UNAUDITED)

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	P 2,624	P 1,247
Adjustments for:		
Interest expense	943	1,182
Depreciation and amortization	854	855
Interest income	(58)	(48)
Net unrealized foreign exchange loss (gain)	(72)	-
Others	18	11
Operating income before working capital changes	4,309	3,247
Changes in operating assets and liabilities	1,932	7,037
Interest paid	(940)	(1,414)
Income taxes paid	(341)	(10)
Interest received	49	63
Net cash provided by operating activities	5,009	8,923
CASH FLOWS FROM INVESTING ACTIVITIES		
(Additions) to:		
Property, plant and equipment	(2,103)	(755)
Decrease (increase) in:		
Other receivables	2,233	(564)
Other noncurrent assets	(22)	11
Reductions from (additions to):		
Available-for-sale investments	(16)	189
Net cash provided by (used in) investing activities	92	(1,119)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from availment of loans	42,836	31,844
Payments of:		
Loans	(53,396)	(45,016)
Cash dividends	-	(2)
Issuance of Preferred Stock	9,864	-
Increase in other noncurrent liabilities	20	34
Net cash used in financing activities	(676)	(13,140)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(22)	10
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,403	(5,326)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	12,985	12,827
CASH AND CASH EQUIVALENTS AT END OF PERIOD	P 17,388	P 7,501