



August 6, 2013

**PHILIPPINE STOCK EXCHANGE, INC.**  
Disclosure Department  
3<sup>rd</sup> Floor, Philippine Stock Exchange Center  
Ayala Triangle, Ayala Avenue  
Makati City

Attention: **Ms. Janet A. Encarnacion**  
Head, Disclosure Department

Gentlemen:

Please find attached the media release of the Company entitled  
“**PETRON SALES VOLUMES AND REVENUES UP IN FIRST HALF OF 2013**”.

Very truly yours,

A handwritten signature in black ink, appearing to read "Joel", written in a cursive style.

**JOEL ANGELO C. CRUZ**  
VP - General Counsel &  
Corporate Secretary



August 6, 2013  
**MEDIA RELEASE  
FOR PUBLICATION**

### **PETRON SALES VOLUMES AND REVENUES UP IN FIRST HALF OF 2013**

The country's leading oil refining and marketing company Petron Corporation reported a 22% increase in first half sales volumes, at 39.8 million barrels of petroleum sold from 32.5 million barrels in 2012, due to the full consolidation of its Malaysian operations and the stronger performance of key domestic segments. Because of higher sales volumes, Petron posted revenues of ₱218.8 billion for the first six months of 2013, up 13% over the same period last year.

The Company reported that the 2<sup>nd</sup> quarter of the year was challenging given the sudden drop in commodity prices especially in April and May. Similar to other downstream oil companies in the region, Petron experienced depressed margins owing to the substantial decline in Dubai crude prices which averaged US\$108/barrel in the 1<sup>st</sup> quarter versus US\$101/barrel in the 2<sup>nd</sup> quarter. This caused local fuel prices to fall sharply against higher costing inventory. Petron also had a planned maintenance shutdown during the 2<sup>nd</sup> quarter and had to import higher-costing finished products.

Amid this difficult market situation, Petron posted a relatively modest performance, reporting a ₱1.1 billion income for the first half, better than the ₱183 million posted over the same period last year.

Petron remains the No.1 oil company in the country with a 38% share of the total market as of March 2013, driven mainly by its retail sales. Petron has been consistently delivering volumes despite aggressive competition through the expansion of its retail network in the Philippines which now number over 2,100 service stations – larger than its two biggest competitors combined.

“Even as the short-term business outlook for the oil industry remains volatile, Petron focused on completing major projects aimed at boosting profitability over the long-term,” Petron Chairman and CEO Ramon S. Ang said.

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The Company is nearing the completion of its biggest investment in its 80-year history – the US\$2 billion Refinery Masterplan Phase 2 (RMP-2) at its 180,000 barrel-per-day Bataan refinery. The project, about 80% complete, will substantially improve margins as it eliminates the production of low value fuel oil, converting it to high-value gasoline, diesel, and petrochemicals instead. It also gives the flexibility to refine crude from a variety of sources, thus enhancing the country’s supply security. RMP-2 will make Petron the only oil company capable of locally producing fuels that meet the more stringent and environment-friendly Euro-4 standard.

In Malaysia, Petron continues to upgrade and convert the service stations to the Petron brand and image. Nearly 200 out of 560 stations have been converted featuring improved facilities and personalized services.

“With the programs in place and in the pipeline, Petron is in a unique position to benefit from the robust economic growth being experienced in the Philippines and Malaysia,” Mr. Ang concluded.

(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 over 2,100 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](http://www.petron.com) for more information.**

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