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MEDIA RELEASE
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PETRON POSTS BETTER-THAN-EXPECTED INCOME IN 2014, SALES VOLUMES SURGE 6%

Amid the collapse of crude and finished product prices in the 2nd half of 2014, the Philippines' leading oil company Petron Corporation posted a better-than-expected consolidated income of ₱3 billion for the year, lower than the previous year's ₱5.1 billion. This would have been much higher if not for the net inventory loss of ₱6.5 billion.

The Company said that the 9% increase in Philippine sales volumes, the completion of strategic projects, and pro-active risk-management cushioned the impact of higher priced inventory being sold at lower prices in the 2nd half of the year. The price of benchmark Dubai crude fell by 44% from an average of US$108/barrel in June to an average of only US$60/barrel in December. This extraordinary development had a negative effect on oil companies around the world.

The same situation happened in 2008 when global oil prices collapsed resulting in a ₱3.9 billion loss for Petron.

Petron said that combined sales from both its Philippine and Malaysian operations increased by 6% to 86.5 million barrels in 2014 versus 81.7 million barrels the previous year. As a result, sales revenues grew by 4% to ₱482.5 billion in 2014 from ₱463.6 billion in 2013.

In its home market, sales volumes surged to 51.5 million barrels as Petron made headway in major market segments namely Retail, LPG, and Lubricants. Backed by the most extensive network in the country with 2,200 stations, retail volumes surged by 6% - the highest growth in the past 5 years. LPG volumes likewise grew by 5% supported by higher retail and industrial sales.

"Despite a difficult environment, we rose to the challenge and delivered strong results. We focused on completing major projects to unleash the full potential of our strategic assets and further cement our leadership in the industry," Petron President and CEO Ramon S. Ang said.

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Petron is commissioning its US$2-billion Refinery Master Plan Phase 2 (RMP-2) at its 180,000 barrel-per-day Bataan refinery. RMP-2 is expected to change the rules of the domestic oil industry. Petron will be the only company that can locally produce Euro-4 compliant fuels and provide extra volumes to other oil players. It also gives Petron a competitive edge since it raises the bar in fuels technology and quality. This project will help improve the supply security of the country at a time the Philippines is experiencing unprecedented economic growth.

Barely three years since entering the highly-competitive Malaysian market, nearly 550 stations now carry Petron's distinct red and blue colors, have upgraded facilities, and more importantly, offer premium fuels and innovative services. The Company completed 10 new service stations in 2014 and about 20 more sites are in various stages of construction and commissioning.

"The completion of our rebranding and upgrading program is a significant milestone since it lays the foundation for our further expansion in the Malaysian market. We are pleased to note that we are gaining the trust and confidence of consumers there," Mr. Ang added.

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About Petron Corporation
Petron Corporation is the largest oil refining and marketing company in the Philippines and is a leading player in the Malaysian market. It has a combined refining capacity of 268,000 barrels-per-day and produces a full range of world-class fuels and petrochemicals. It has nearly 2,800 service stations where it retails gasoline and diesel. 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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