



October 16, 2007
Petron Corporation's Disclosure

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

Attention: **Atty. Pete Malabanan**
Head, Disclosure Department

Dear Atty. Malabanan:

Pursuant to PSE and SEC's disclosure requirements, attached is the media release titled "PETRON SECURES TRO VERSUS BATAAN PROVINCIAL TREASURER'S OFFICE".

Very truly yours,

A handwritten signature in black ink that reads "V. A. Ruivivar".

Virginia A. Ruivivar
Public Affairs Manager



October 16, 2007

**PRESS RELEASE
FOR PUBLICATION**

PETRON SECURES TRO VERSUS BATAAN PROVINCIAL TREASURER'S OFFICE

Petron Corporation has secured a temporary restraining order (TRO) from the Bataan Regional Trial Court (RTC) effectively stopping the Provincial Treasurer of Bataan from its threatened auction sale of the company's machinery and equipment at its Bataan refinery scheduled on October 17 for allegedly unpaid real property taxes from 1994 to the first half of 2007.

The Bataan RTC ruled that the public auction of the company's properties by the province of Bataan is premature and violates Petron's right to due process. It cited that the validity of the revised property assessments has yet to be determined by the Local Board of Assessment Appeals (LBAA), and later the Central Board of Assessment Appeals (CBAA). The Court also noted the decision of the CBAA that the bond posted by Petron is a valid substitute for a cash deposit to cover its alleged tax liabilities under protest.

Even before seeking to stop the planned auction sale, Petron has appealed the "revised" assessment to the LBAA.

"The issuance of the TRO affirms our position that the Provincial Treasurer's actions have no legal basis and even violates the Local Government Code," Legal and External Affairs Vice-President Jose Jesus G. Laurel said. "We have always maintained that the revised assessment amounting to P1.7 billion made by the province of Bataan is erroneous and excessive."

Records show that Petron has been religiously paying its real property taxes, even advancing payments to the province of Bataan. Since 1994, Petron has paid P1.675 billion in real property taxes based on assessments made and approved by the province.

The Bataan RTC added that "The repercussions of this eventuality (*sale of Petron properties*), considered vis-à-vis the nature of the business of the plaintiff which is highly imbued with public interest, and which is vital to the economic life of the nation, are so grave and foreboding as to be foolhardy to be even attempted, especially so when, on the other hand, the interest of the Province of Bataan is amply protected by the surety bond in the event that it is later found that the enjoining of the auction sale is not proper."

(continued)

Previously, Petron sent a letter to the Provincial Treasurer pointing out that the increased assessment for back taxes violates the Local Government Code; it does not comply with the law, implementing regulations and tax collection procedures; and it even included items that should have been excluded for realty tax purposes.

Petron's 180,000 barrel per day Bataan refinery supplies nearly 40% of the country's total fuel requirements including vital strategic industries such as power, manufacturing, transport etc.

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Petron Corporation is the leading 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 fuel requirements. 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 www.petron.com for more information.

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