

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

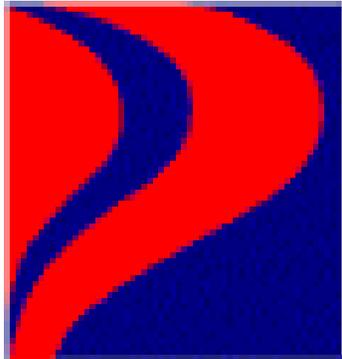
1. Date of Report (Date of earliest event reported)
Oct 11, 2017
2. SEC Identification Number
31171
3. BIR Tax Identification No.
000-168-801
4. Exact name of issuer as specified in its charter
PETRON CORPORATION
5. Province, country or other jurisdiction of incorporation
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
San Miguel Head Office Complex, 40 San Miguel Avenue, Mandaluyong City
Postal Code
1550
8. Issuer's telephone number, including area code
(63 2) 886-3888, 884-9200
9. Former name or former address, if changed since last report
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON (PCOR)	9,375,104,497
PREFERRED SERIES 2A (PRF2A)	7,122,320
PREFERRED SERIES 2B (PRF2B)	2,877,680
PCOR SERIES A BONDS DUE 2021 (IN MIL PESO)	13,000
PCOR SERIES B BONDS DUE 2023 (IN MIL PESO)	7,000
TOTAL DEBT AS OF JUNE 30, 2017 (IN MIL PESO-CONSO)	222,792

11. Indicate the item numbers reported herein

Item 9.

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



PETRON

**Petron Corporation
PCOR**

PSE Disclosure Form 4-13 - Clarification of News Reports
*References: SRC Rule 17 (SEC Form 17-C) and
Section 4.4 of the Revised Disclosure Rules*

Subject of the Disclosure

Clarification of news article entitled "Petron says PNOC violated 3 lease contracts" posted in BusinessWorld on October 11, 2017.

Source	BusinessWorld
Subject of News Report	"Petron says PNOC violated 3 lease contracts"
Date of Publication	Oct 11, 2017

Clarification of News Report

We write in response to your request for clarification and/or confirmation of the news article entitled "Petron says PNOOC violated 3 lease contracts" published in the October 11, 2017 issue of BusinessWorld. The article reported in part that:

"PETRON Corp. said the state-run Philippine National Oil Company (PNOC) violated three lease contracts when it sought to nullify the renewal clauses in its concession agreement.

In a statement issued on Tuesday, the country's largest oil refinery company stressed its agreements with PNOOC covering the operations of its \$3-billion refinery in Bataan, 24 bulk plants, and 67 gasoline stations in the country are valid and binding.

'It is Petron's position that the lease agreements for the three properties and the renewal clauses therein are valid and binding. They are not in violation of any law nor manifestly and grossly disadvantageous to the government. Accordingly, your letters because they deny without legal causes Petron's contractual right to renew constitute fundamental breach of the three lease agreement,' Petron general counsel Joel Angelo C. Cruz said in a letter sent to PNOOC President and Chief Executive Officer Reuben S. Lista.

. . . .

The provisions in question are Sections 2 and 3 of the lease agreement, which pertain to the rental rates for the 32.2-hectare land being leased by Petron from PNOOC.

The statement follows Mr. Lista's letter asking Petron to waive provisions in the lease agreements set to expire in 2018 because they are inequitable.

'So that the abandonment and clean-up of the sites may already be discussed and completed before the expiration of the lease agreements next year,' Petron quoted Mr. Lista as writing.

Petron further said that PNOOC has been disregarding Petron's rights when Mr. Lista supposedly offered the properties covered by the agreement to interested independent oil companies.

'As you very well know, the long-term lease by Petron of the subject properties and the properties denominated as Refinery Properties which are the subject of a third lease agreement between Petron and PNOOC was the primary consideration for Petron's conveyance of said properties at book value to PNOOC. Hence, the consideration for Petron's leasehold rights is not only the rental payments provided for in the Lease Agreements but the conveyance of the properties to PNOOC,' Mr. Cruz said.

. . . ."

We wish to confirm with the Exchange that the details contained in the article were quoted from a letter we sent the Philippine National Oil Company (PNOC) dated October 6, 2017 by way of a response to their two (2) letters dated August 1, 2017 and August 31, 2017. In said letters, PNOOC formally requested "for Petron's conformity to nullify (Sections 2 and 3) from the above cited lease agreements."

We stated our position that the three (3) Lease Agreements between Petron and PNOOC covering the bulk plants, service stations, and refinery, and their respective renewal clauses are "valid and binding" and are not in violation of law nor "manifestly and grossly disadvantageous to the government."

Other Relevant Information

Please see attached letter dated October 11, 2017.

Filed on behalf by:

Name	Joel Angelo Cruz
Designation	Vice President - General Counsel and Corp. Sec.



October 11, 2017

PHILIPPINE STOCK EXCHANGE, INC.
3rd Floor, Philippine Stock Exchange Center
Ayala Triangle, Ayala Avenue
Makati City

Attention: **Mr. Jose Valeriano B. Zuño III**
OIC, Head, Disclosure Department

Gentlemen:

We write in response to your request for clarification and/or confirmation of the news article entitled “Petron says PNOC violated 3 lease contracts” published in the October 11, 2017 issue of BusinessWorld. The article reported in part that:

“PETRON Corp. said the state-run Philippine National Oil Company (PNOC) violated three lease contracts when it sought to nullify the renewal clauses in its concession agreement.

In a statement issued on Tuesday, the country’s largest oil refinery company stressed its agreements with PNOC covering the operations of its \$3-billion refinery in Bataan, 24 bulk plants, and 67 gasoline stations in the country are valid and binding.

‘It is Petron’s position that the lease agreements for the three properties and the renewal clauses therein are valid and binding. They are not in violation of any law nor manifestly and grossly disadvantageous to the government. Accordingly, your letters because they deny without legal causes Petron’s contractual right to renew constitute fundamental breach of the three lease agreement,’ Petron general counsel Joel Angelo C. Cruz said in a letter sent to PNOC President and Chief Executive Officer Reuben S. Lista.

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The provisions in question are Sections 2 and 3 of the lease agreement, which pertain to the rental rates for the 32.2-hectare land being leased by Petron from PNOC.

The statement follows Mr. Lista’s letter asking Petron to waive provisions in the lease agreements set to expire in 2018 because they are inequitable.

'So that the abandonment and clean-up of the sites may already be discussed and completed before the expiration of the lease agreements next year,' Petron quoted Mr. Lista as writing.

Petron further said that PNOC has been disregarding Petron's rights when Mr. Lista supposedly offered the properties covered by the agreement to interested independent oil companies.

'As you very well know, the long-term lease by Petron of the subject properties and the properties denominated as Refinery Properties which are the subject of a third lease agreement between Petron and PNOC was the primary consideration for Petron's conveyance of said properties at book value to PNOC. Hence, the consideration for Petron's leasehold rights is not only the rental payments provided for in the Lease Agreements but the conveyance of the properties to PNOC,' Mr. Cruz said.

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We stated our position that the three (3) Lease Agreements between Petron and PNOC covering the bulk plants, service stations, and refinery, and their respective renewal clauses are "valid and binding" and are not in violation of law nor "manifestly and grossly disadvantageous to the government."

Very truly yours,



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