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PETRON

**Petron Corporation
PCOR**

PSE Disclosure Form 17-18 - Other SEC Forms/Reports/Requirements

| | |
|----------------------------------|---------------------------------------------------------------------------------|
| Form/Report Type | Special Form for Financial Statements of Publicly-Held and Investment Companies |
| Report Period/Report Date | Dec 31, 2016 |

Description of the Disclosure

Please see attached Special Form for Financial Statements of Publicly-Held and Investment Companies for the period ended December 31, 2016 for each of (i) the Company and (ii) the Company and Subsidiaries, together with the covering Certification signed by Mr. Dennis S. Janson, AVP and Controller.

Filed on behalf by:

| | |
|--------------------|-------------------------------------------------|
| Name | Jhoanna Jasmine Javier-Elacio |
| Designation | Legal Manager and Assistant Corporate Secretary |

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: PETRON CORPORATION
CURRENT ADDRESS: San Miguel Corp. Head Office Complex, 40 San Miguel Ave., Mandaluyong City, 1550
TEL. NO.: 886-3888 FAX NO.: 884-0932
COMPANY TYPE : Oil Refining and Marketing PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

| FINANCIAL DATA | 2016 (in P'000) | 2015 (in P'000) |
|-------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| A. ASSETS (A.1 + A.2 + A.3 + A.4 + A.5 + A.6 + A.7 + A.8 + A.9 + A.10) | 291,845,946 | 273,428,953 |
| A.1 Current Assets (A.1.1 + A.1.2 + A.1.3 + A.1.4 + A.1.5) | 100,817,656 | 95,376,825 |
| A.1.1 Cash and cash equivalents (A.1.1.1 + A.1.1.2 + A.1.1.3) | 10,103,077 | 11,829,337 |
| A.1.1.1 On hand | 1,754,114 | 1,992,880 |
| A.1.1.2 In domestic banks/entities | 8,348,963 | 9,836,457 |
| A.1.1.3 In foreign banks/entities | 0 | 0 |
| A.1.2 Trade and Other Receivables (A.1.2.1 + A.1.2.2) | 25,359,326 | 26,811,391 |
| A.1.2.1 Due from domestic entities (A.1.2.1.1 + A.1.2.1.2 + A.1.2.1.3 + A.1.2.1.4) | 20,877,655 | 22,904,386 |
| A.1.2.1.1 Due from customers (trade) | 10,886,402 | 11,190,951 |
| A.1.2.1.2 Due from related parties | 6,133,211 | 5,882,876 |
| A.1.2.1.3 Others, specify (A.1.2.1.3.1 + A.1.2.1.3.2) | 4,935,647 | 6,944,694 |
| A.1.2.1.3.1 Government | 4,546,695 | 6,032,578 |
| A.1.2.1.3.2 Others | 388,952 | 912,116 |
| A.1.2.1.4 Allowance for doubtful accounts (negative entry) | -1,077,605 | -1,114,135 |
| A.1.2.2 Due from foreign entities, specify | 4,481,671 | 3,907,005 |
| A.1.2.2.1 Due from customers (trade) | 2,120,692 | 602,124 |
| A.1.2.2.2 Due from related parties | 2,360,979 | 3,304,881 |
| A.1.2.2.3 Others | | |
| A.1.2.2.4 Allowance for doubtful accounts (negative entry) | | |
| A.1.3 Inventories (A.1.3.1 + A.1.3.2 + A.1.3.3 + A.1.3.4 + A.1.3.5 + A.1.3.6) | 35,063,770 | 24,231,087 |
| A.1.3.1 Crude oil and others | 20,515,641 | 11,395,698 |
| A.1.3.2 Goods in process (including unfinished goods, growing crops, unfinished seeds) | | |
| A.1.3.3 Finished goods | 8,406,469 | 7,165,370 |
| A.1.3.4 Merchandise/Goods in transit | | |
| A.1.3.5 Unbilled Services (in case of service providers) | | |
| A.1.3.6 Others, specify (A.1.3.6.1 + A.1.3.6.2) | 6,141,660 | 5,670,019 |
| A.1.3.6.1 Materials and supplies | 3,388,940 | 2,347,749 |
| A.1.3.6.2 Lubes, greases and aftermarket specialties | 2,752,720 | 3,322,270 |
| A.1.4 Financial Assets other than Cash/Receivables/Equity investments (A.1.4.1 + A.1.4.2 + A.1.4.3 + A.1.4.4 + A.1.4.5) | 174,117 | 346,871 |
| A.1.4.1 Financial Assets at Fair Value through Profit or Loss - issued by domestic entities: | 165,142 | 146,643 |
| A.1.4.1.1 National Government | | |
| A.1.4.1.2 Public Financial Institutions | | |
| A.1.4.1.3 Public Non-Financial Institutions | 156,504 | 146,643 |
| A.1.4.1.4 Private Financial Institutions | 8,638 | |
| A.1.4.1.5 Private Non-Financial Institutions | | |
| A.1.4.2 Held to Maturity Investments - issued by domestic entities: | 0 | 0 |
| A.1.4.2.1 National Government | | |
| A.1.4.2.2 Public Financial Institutions | | |
| A.1.4.2.3 Public Non-Financial Institutions | | |
| A.1.4.2.4 Private Financial Institutions | | |
| A.1.4.2.5 Private Non-Financial Institutions | | |

NOTE:

This special form is applicable to Investment Companies and Publicly-held Companies (enumerated in Section 17.2 of the Securities Regulation Code (SRC), except banks and insurance companies). As a supplemental form to PHFS, it shall be used for reporting Consolidated Financial Statements of Parent corporations and their subsidiaries.

Domestic corporations are those which are incorporated under Philippine laws or branches/subsidiaries of foreign corporations that are licensed to do business in the Philippines where the center of economic interest or activity is within the Philippines. On the other hand, foreign corporations are those that are incorporated abroad, including branches of Philippine corporations operating abroad.

Financial Institutions are corporations principally engaged in financial intermediation, facilitating financial intermediation, or auxiliary financial services. Non-Financial institutions refer to corporations that are primarily engaged in the production of market goods and non-financial services.

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: PETRON CORPORATION
CURRENT ADDRESS: San Miguel Corp. Head Office Complex, 40 San Miguel Ave., Mandaluyong City, 1550
TEL. NO.: 886-3888 FAX NO.: 884-0932
COMPANY TYPE: Oil Refining and Marketing PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

| FINANCIAL DATA | 2016 (in P'000) | 2015 (in P'000) |
|---------------------------------------------------------------------------------------------------|----------------------|----------------------|
| A.1.4.3 Loans and Receivables - issued by domestic entities: | | |
| A.1.4.3.1 National Government | | |
| A.1.4.3.2 Public Financial Institutions | | |
| A.1.4.3.3 Public Non-Financial Institutions | | |
| A.1.4.3.4 Private Financial Institutions | | |
| A.1.4.3.5 Private Non-Financial Institutions | | |
| A.1.4.4 Available-for-sale financial assets - issued by domestic entities: | 0 | 0 |
| A.1.4.4.1 National Government | | |
| A.1.4.4.2 Public Financial Institutions | | |
| A.1.4.4.3 Public Non-Financial Institutions | | |
| A.1.4.4.4 Private Financial Institutions | | |
| A.1.4.4.5 Private Non-Financial Institutions | | |
| A.1.4.5 Financial Assets issued by foreign entities: (A.1.4.5.1+A.1.4.5.2+A.1.4.5.3+A.1.4.5.4) | 8,975 | 200,228 |
| A.1.4.5.1 Financial Assets at fair value through profit or loss | 8,975 | 200,228 |
| A.1.4.5.2 Held-to-maturity investments | | |
| A.1.4.5.3 Loans and Receivables | | |
| A.1.4.5.4 Available-for-sale financial assets | | |
| A.1.4.6 Allowance for decline in market value <i>(negative entry)</i> | | |
| A.1.5 Other Current Assets (state separately material items) (A.1.5.1 + A.1.5.2 + A.1.5.3) | 30,117,366 | 32,158,139 |
| A.1.5.1 Input VAT | 4,154,989 | 10,848,428 |
| A.1.5.2 Prepaid Taxes | 24,395,068 | 19,586,347 |
| A.1.5.3 Prepaid Expenses | 1,427,245 | 1,589,535 |
| A.1.5.4 Others | 140,064 | 133,829 |
| A.2 Property, plant, and equipment (A.2.1 + A.2.2 + A.2.3 + A.2.4 + A.2.5 + A.2.6 + A.2.7+ A.2.8) | 151,755,689 | 136,441,734 |
| A.2.1 Land and leasehold improvements | 2,277,316 | 1,992,028 |
| A.2.2 Buildings and related facilities | 16,181,645 | 15,913,422 |
| A.2.3 Computers, office and motor equipment | 3,279,373 | 2,771,711 |
| A.2.4 Refinery and plant equipment | 151,935,371 | 39,938,275 |
| A.2.5 Others, specify (A.2.5.1 + A.2.5.2 + A.2.5.3 + A.2.5.4 + A.2.5.5) | 33,374,454 | 124,597,149 |
| A.2.5.1 Service stations and other equipment | 9,361,338 | 9,632,976 |
| A.2.5.2 Construction in progress | 24,013,116 | 114,964,173 |
| A.2.5.3 | | |
| A.2.5.4 | | |
| A.2.5.5 | | |
| A.2.6 Appraisal increase, specify (A.2.6.1 + A.2.6.2 + A.2.6.3 + A.2.6.4 + A.2.6.5) | | |
| A.2.6.1 | | |
| A.2.6.2 | | |
| A.2.6.3 | | |
| A.2.6.4 | | |
| A.2.6.5 | | |
| A.2.7 Accumulated Depreciation <i>(negative entry)</i> | -55,292,470 | -48,770,851 |
| A.2.8 Impairment Loss or Reversal <i>(if loss, negative entry)</i> | | |
| A.3 Investments accounted for using the equity method (A.3.1 + A.3.2 + A.3.3 + A.3.4) | 0 | 0 |
| A.3.1 Equity in domestic subsidiaries/affiliates | | |
| A.3.2 Equity in foreign branches/subsidiaries/affiliates | | |
| A.3.3 Others, specify (A.3.3.1 + A.3.3.2 + A.3.3.3 + A.3.3.4 + A.3.3.5) | | |
| A.3.3.1 | | |
| A.3.3.2 | | |
| A.3.3.3 | | |
| A.3.3.4 | | |
| A.3.3.5 | | |
| A.4 Investment Property | 12,476 | 13,862 |
| A.5 Biological Assets | | |
| A.6 Intangible Assets | 0 | 0 |
| A.6.1 Major item/s, specify (A.6.1.1 + A.6.1.2) | 0 | 0 |
| A.6.1.1 Goodwill | | |
| A.6.1.2 | | |
| A.6.2 Others, specify (A.6.2.1 + A.6.2.2) | | |
| A.6.2.1 | | |
| A.6.2.2 | | |
| A.7 Assets Classified as Held for Sale | 0 | 0 |
| A.8 Assets included in Disposal Groups Classified as Held for Sale | | |

SPECIAL FORM FOR CONSOLIDATED FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: PETRON CORPORATION
CURRENT ADDRESS: San Miguel Corp. Head Office Complex, 40 San Miguel Ave., Mandaluyong City, 1550
TEL. NO.: 886-3888 FAX NO.: 884-0932
COMPANY TYPE : Oil Refining and Marketing PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

| FINANCIAL DATA | 2016 (in P'000) | 2015 (in P'000) |
|------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| A.9 Long-term receivables (net of current portion) (A.9.1 + A.9.2 + A.9.3) | | |
| A.9.1 From domestic entities, specify (A.9.1.1 + A.9.1.2 + A.9.1.3) | | |
| A.9.1.1 | | |
| A.9.1.2 | | |
| A.9.1.3 | | |
| A.9.2 From foreign entities, specify (A.9.2.1 + A.9.2.2 + A.9.2.3) | | |
| A.9.2.1 | | |
| A.9.2.2 | | |
| A.9.2.3 | | |
| A.9.3 Allowance for doubtful accounts, net of current portion (negative entry) | | |
| A.10 Other Assets (A.10.1 + A.10.2 + A.10.3 + A.10.4 + A.10.5) | 39,260,125 | 41,596,532 |
| A.10.1 Deferred charges - net of amortization | | |
| A.10.2 Deferred Income Tax | | |
| A.10.3 Advances to affiliates | 4,124,762 | 5,635,448 |
| A.10.4 Others, specify (A.10.4.1 + A.10.4.2 + A.10.4.3 + A.10.4.4+A.10.4.5) | 35,135,363 | 35,961,084 |
| A.10.4.1 Investments in subsidiaries, associates and Joint Venture | 31,836,058 | 34,688,669 |
| A.10.4.2 Prepaid rent | | 0 |
| A.10.4.3 Catalyst | 747,762 | 840,515 |
| A.10.4.4 Input VAT | 2,228,998 | 78,737 |
| A.10.4.5 Others | 322,545 | 353,163 |
| A.10.5 Allowance for write-down of deferred charges/bad accounts (negative entry) | | |
| B. LIABILITIES (B.1 + B.2 + B.3 + B.4 + B.5) | 206,207,833 | 189,958,337 |
| B.1 Current Liabilities (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5 + B.1.6 + B.1.7) | 142,864,587 | 113,479,226 |
| B.1.1 Trade and Other Payables to Domestic Entities | 103,692,856 | 102,502,073 |
| B.1.1.1 Loans/Notes Payables | 88,370,000 | 94,164,400 |
| B.1.1.2 Trade Payables | 5,750,354 | 4,213,896 |
| B.1.1.3 Due to Related Parties | 5,904,693 | 1,716,574 |
| B.1.1.4 Advances from Directors, Officers, Employees and Principal Stockholders | | |
| B.1.1.5 Accruals, specify material items (B.1.1.5.1 + B.1.1.5.2 + B.1.1.5.3) | 1,641,098 | 1,620,561 |
| B.1.1.5.1 Accrued rent, interest and payroll | 1,641,098 | 1,620,561 |
| B.1.1.5.2 | | |
| B.1.1.5.3 | | |
| B.1.1.6 Others, specify (B.1.1.6.1 + B.1.1.6.2 + B.1.1.6.3) | 2,026,711 | 786,642 |
| B.1.1.6.1 Specific taxes and other taxes payable | 1,798,085 | 698,441 |
| B.1.1.6.2 Others | 228,626 | 88,201 |
| B.1.1.6.3 | | |
| B.1.2 Trade and Other Payables to Foreign Entities (specify) (B.1.2.1 + B.1.2.2 + B.1.2.3) | 14,901,673 | 6,477,320 |
| B.1.2.1 Due to related parties | 14,747,271 | 6,369,404 |
| B.1.2.2 Trade Payables | 154,402 | 107,916 |
| B.1.2.3 | | |
| B.1.3 Provisions | | |
| B.1.4 Financial Liabilities (excluding Trade and Other Payables and Provisions) | 511,603 | 442,267 |
| B.1.4.1 Derivative liabilities | 511,603 | 442,267 |
| B.1.4.2 | | |
| B.1.4.3 | | |
| B.1.4.4 | | |
| B.1.4.5 | | |
| B.1.5 Liabilities for Current Tax | | |
| B.1.6 Deferred Tax Liabilities | 3,026,332 | 3,579,907 |
| B.1.7 Others, specify (If material, state separately; indicate if the item is payable to public/private or | 20,732,123 | 477,659 |
| B.1.7.1 Dividends declared and not paid at balance sheet date | 217,536 | 195,280 |
| B.1.7.2 Acceptances Payable | | |
| B.1.7.3 Liabilities under Trust Receipts | | |
| B.1.7.4 Portion of Long-term Debt Due within one year | 19,996,118 | 64,904 |
| B.1.7.5 Deferred Income (customer loyalty programme) | 518,469 | 217,475 |
| B.1.7.6 Any other current liability in excess of 5% of Total Current Liabilities, specify: | 0 | 0 |
| B.1.7.6.1 | | |
| B.1.7.6.2 | | |
| B.1.7.6.3 | | |

Control No.: _____

Form Type: PHFS (rev 2006)**SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES**NAME OF CORPORATION: PETRON CORPORATIONCURRENT ADDRESS: San Miguel Corp. Head Office Complex, 40 San Miguel Ave., Mandaluyong City, 1550TEL. NO.: 886-3888FAX NO.: 884-0932COMPANY TYPE : Oil Refining and Marketing

PSIC: _____

*If these are based on consolidated financial statements, please so indicate in the caption.***Table 1. Balance Sheet**

| FINANCIAL DATA | 2016 (in P'000) | 2015 (in P'000) |
|-----------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| B.2 Long-term Debt - Non-current Interest-bearing Liabilities (B.2.1 + B.2.2 + B.2.3 + B.2.4 + B.2.5) | 57,598,478 | 69,086,177 |
| B.2.1 Domestic Public Financial Institutions | | |
| B.2.2 Domestic Public Non-Financial Institutions | | |
| B.2.3 Domestic Private Financial Institutions | 57,598,478 | 69,086,177 |
| B.2.4 Domestic Private Non-Financial Institutions | | |
| B.2.5 Foreign Financial Institutions | | |
| B.3 Indebtedness to Affiliates and Related Parties (Non-Current) | 143,458 | 140,121 |
| B.4 Liabilities Included in the Disposal Groups Classified as Held for Sale | | |
| B.5 Other Liabilities (B.5.1 + B.5.2) | 5,601,310 | 7,252,813 |
| B.5.1 Deferred Tax | | |
| B.5.2 Others, specify (B.5.2.1 + B.5.2.2 + B.5.2.3 + B.5.2.4 + B.5.2.5) | 5,601,310 | 7,252,813 |
| B.5.2.1 Payable to a contractor | 40,721 | 0 |
| B.5.2.2 Asset retirement obligation | 2,320,254 | 1,805,470 |
| B.5.2.3 Retirement benefits liability | 2,616,408 | 4,828,387 |
| B.5.2.4 Others | 623,927 | 618,956 |
| B.5.2.5 | | |
| C. EQUITY (C.3 + C.4 + C.5 + C.6 + C.7 + C.8 + C.9+C.10) | 85,638,113 | 83,470,616 |
| C.1 Authorized Capital Stock (no. of shares, par value and total value; show details) (C.1.1+C.1.2+C.1.3) | 10,000,000 | 10,000,000 |
| C.1.1 Common shares 9,375,104,497 at P1.00 par value | 9,375,104 | 9,375,104 |
| C.1.2 Preferred Shares 624,895,503 at P1.00 par value | 624,896 | 624,896 |
| C.1.3 Others | | |
| C.2 Subscribed Capital Stock (no. of shares, par value and total value) (C.2.1 + C.2.2 + C.2.3) | 9,385,104 | 9,385,104 |
| C.2.1 Common shares 9,375,104,497 at P1.00 par value | 9,375,104 | 9,375,104 |
| C.2.2 Preferred Shares 10,000,000 at P1.00 par value | 10,000 | 10,000 |
| C.2.3 Others | | |
| C.3 Paid-up Capital Stock (C.3.1 + C.3.2) | 9,485,104 | 9,485,104 |
| C.3.1 Common shares | 9,375,104 | 9,375,104 |
| C.3.2 Preferred Shares | 110,000 | 110,000 |
| C.4 Additional Paid-in Capital / Capital in excess of par value / Paid-in Surplus | 19,652,702 | 19,652,702 |
| C.5 Non-controlling interests | 0 | 0 |
| C.6 Others, specify (C.6.1 + C.6.2 + C.6.3) | 29,245,744 | 27,382,272 |
| C.6.1 Undated Subordinated Capital Securities | 30,546,231 | 30,546,231 |
| C.6.2 Other reserves | -1,300,487 | -3,163,959 |
| C.6.3 | | |
| C.7 Appraisal Surplus/Revaluation Increment in Property/Revaluation Surplus | | |
| C.8 Retained Earnings (C.8.1 + C.8.2) | 37,254,563 | 36,950,538 |
| C.8.1 Appropriated | 15,000,000 | 25,000,000 |
| C.8.2 Unappropriated | 22,254,563 | 11,950,538 |
| C.9 Head / Home Office Account (for Foreign Branches only) | | |
| C.10 Cost of Stocks Held in Treasury (negative entry) | -10,000,000 | -10,000,000 |
| TOTAL LIABILITIES AND EQUITY (B + C) | 291,845,946 | 273,428,953 |

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: PETRON CORPORATION
 CURRENT ADDRESS: San Miguel Corp. Head Office Complex, 40 San Miguel Ave., Mandaluyong City, 1550
 TEL. NO.: 886-3888 FAX NO.: 884-0932
 COMPANY TYPE: Oil Refining and Marketing PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 2. Income Statement

| FINANCIAL DATA | 2016 | 2015 | 2014 |
|-----------------------------------------------------------------------------------|--------------------|--------------------|--------------------|
| | (in P'000) | (in P'000) | (in P'000) |
| A. REVENUE / INCOME (A.1 + A.2 + A.3) | 222,724,021 | 237,216,329 | 296,863,840 |
| A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, mining, | 225,821,357 | 236,263,165 | 294,776,603 |
| A.2 Share in the Profit or Loss of Associates accounted for using the Equity | | | |
| A.3 Other Revenue (A.3.1 + A.3.2 + A.3.3 + A.3.4 + A.3.5) | | | |
| A.3.1 Rental Income from Land and Buildings | | | |
| A.3.2 Receipts from Sale of Merchandise (trading) (from Secondary Activity) | | | |
| A.3.3 Sale of Real Estate or other Property and Equipment | | | |
| A.3.4 Royalties, Franchise Fees, Copyrights (books, films, records, etc.) | | | |
| A.3.5 Others, specify (A.3.5.1 + A.3.5.2 + A.3.5.3 + A.3.5.4 + A.3.5.5 + A.3.5.6) | | | |
| A.3.5.1 | | | |
| A.3.5.2 | | | |
| A.3.5.3 | | | |
| A.3.5.4 | | | |
| A.3.5.5 | | | |
| A.3.5.6 | | | |
| A.3.5.7 | | | |
| A.3.5.8 | | | |
| A.4 Other Income (non-operating) (A.4.1 + A.4.2 + A.4.3 + A.4.4) | -3,097,336 | 953,164 | 2,087,237 |
| A.4.1 Interest Income | 543,071 | 749,475 | 903,363 |
| A.4.2 Dividend Income | 3,701,045 | 3,698,217 | 120,000 |
| A.4.3 Gain / (Loss) from selling of Assets, specify | | | |
| A.4.3.1 | | | |
| A.4.3.2 | | | |
| A.4.3.3 | | | |
| A.4.3.4 | | | |
| A.4.4 Others, specify | -7,341,452 | -3,494,528 | 1,063,874 |
| A.4.4.1 Impairment loss | -5,550,755 | -359,000 | 0 |
| A.4.4.2 Foreign currency losses - net | -2,078,369 | -3,315,929 | -1,149,593 |
| A.4.4.3 Others | 287,672 | 180,401 | 2,213,467 |
| A.4.4.4 | | | |
| B. COST OF GOODS SOLD (B.1 + B.2 + B.3) | 199,679,903 | 215,331,191 | 281,755,154 |
| B.1 Cost of Goods Manufactured (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5) | 199,679,903 | 215,331,191 | 281,755,154 |
| B.1.1 Direct Material Used | 178,102,707 | 199,412,409 | 271,705,017 |
| B.1.2 Direct Labor | 1,269,835 | 1,175,140 | 1,079,145 |
| B.1.3 Other Manufacturing Cost / Overhead | 20,307,361 | 14,743,642 | 8,970,992 |
| B.1.4 Goods in Process, Beginning | | | |
| B.1.5 Goods in Process, End (negative entry) | | | |
| B.2 Finished Goods, Beginning | | | |
| B.3 Finished Goods, End (negative entry) | | | |
| C. COST OF SALES (C.1 + C.2 + C.3) | | | |
| C.1 Purchases | | | |
| C.2 Merchandise Inventory, Beginning | | | |
| C.3 Merchandise Inventory, End (negative entry) | | | |
| D. GROSS PROFIT (A - B - C) | 23,044,118 | 21,885,138 | 15,108,686 |

NOTE: Pursuant to SRC Rule 68.1 (as amended in Nov. 2005), for fiscal years ending December 31, 2005 up to November 30, 2006, a comparative format of only two (2) years may be filed to give temporary relief for covered companies as the more complex PFRSs will be applied for the first time in these year end periods. After these first time applications, the requirement of three (3) year comparatives shall resume for year end reports beginning December 31, 2006 and onwards.

Control No.: _____

Form Type: PHFS (rev 2006)**SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES**NAME OF CORPORATION: PETRON CORPORATIONCURRENT ADDRESS: San Miguel Corp. Head Office Complex, 40 San Miguel Ave., Mandaluyong City, 1550TEL. NO.: 886-3888 FAX NO.: 884-0932COMPANY TYPE : Oil Refining and Marketing PSIC: _____*If these are based on consolidated financial statements, please so indicate in the caption.***Table 2. Income Statement**

| FINANCIAL DATA | 2016 (in P'000) | 2015 (in P'000) | 2014 (in P'000) |
|--------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| E. OPERATING EXPENSES (E.1 + E.2 + E.3 + E.4) | 9,926,288 | 9,478,902 | 7,659,517 |
| E.1 Selling and Administrative expenses | 9,926,288 | 9,478,902 | 7,659,517 |
| E.2 Administrative Expenses | | | |
| E.3 General Expenses | | | |
| E.4 Other Expenses, specify (E.4.1 + E.4.2 + E.4.3 + E.4.4 + E.4.5 + E.4.6 + E.4.7 + | | | |
| E.4.1 Education-related expenditures | | | |
| E.4.2 | | | |
| E.4.3 | | | |
| E.4.4 | | | |
| E.4.5 | | | |
| E.4.6 | | | |
| E.4.7 | | | |
| E.4.8 | | | |
| E.4.9 | | | |
| E.4.10 | | | |
| F. FINANCE COSTS (F.1 + F.2 + F.3 + F.4 + F.5) | 7,007,891 | 4,671,621 | 3,883,960 |
| F.1 Interest on Short-Term Promissory Notes | 2,211,518 | 2,949,885 | 2,305,123 |
| F.2 Interest on Long-Term Promissory Notes | 3,504,152 | 686,430 | 727,544 |
| F.3 Interest on bonds, mortgages and other long-term loans | | | |
| F.4 Amortization of debt issue costs | 487,077 | 134,363 | 108,085 |
| F.5 Other interests, specify (F.5.1 + F.5.2 + F.5.3 + F.5.4 + F.5.5) | 805,144 | 900,943 | 743,208 |
| F.5.1 Bank charges | 726,013 | 822,570 | 672,818 |
| F.5.2 Accretion on ARO | 75,520 | 66,056 | 64,476 |
| F.5.3 Others | 3,611 | 12,317 | 5,914 |
| F.5.4 | | | |
| F.5.5 | | | |
| G. NET INCOME (LOSS) BEFORE TAX (D - E - F) | 6,109,939 | 7,734,615 | 3,565,209 |
| H. INCOME TAX EXPENSE (negative entry) | -414,735 | -2,234,788 | -857,076 |
| I. INCOME (LOSS) AFTER TAX | 5,695,204 | 5,499,827 | 2,708,133 |
| J. Amount of (i) Post-Tax Profit or Loss of Discontinued Operations; and (ii) Post- | | | |
| J.1 | | | |
| J.2 | | | |
| K. PROFIT OR LOSS ATTRIBUTABLE TO MINORITY INTEREST | | | |
| L PROFIT OR LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT | 5,695,204 | 5,499,827 | 2,708,133 |
| M. EARNINGS (LOSS) PER SHARE | 0.13 | 0.13 | -0.21 |
| M.1 Basic | 0.13 | 0.13 | -0.21 |
| M.2 Diluted | | | |

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: PETRON CORPORATION
CURRENT ADDRESS: San Miguel Corp. Head Office Complex, 40 San Miguel Ave., Mandaluyong City, 1550
TEL. NO.: 886-3888 FAX NO.: 884-0932
COMPANY TYPE: Oil Refining and Marketing PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 3. Cash Flow Statements

| FINANCIAL DATA | 2016 (in P'000) | 2015 (in P'000) | 2014 (in P'000) |
|----------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net Income (Loss) Before Tax and Extraordinary Items | 6,109,939 | 7,734,615 | 3,565,209 |
| Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities | | | |
| Interest expense | 7,007,891 | 4,671,621 | 3,883,960 |
| Depreciation and amortization | 7,507,700 | 4,529,380 | 4,108,612 |
| Retirement expense (income) | 485,123 | 329,249 | -11,423 |
| Interest income | -543,071 | -749,475 | -903,363 |
| Unrealized foreign exchange losses (gains) -net | 387,285 | 133,780 | -244,946 |
| Other loss (gain) | 7,633,654 | 3,397,931 | -950,908 |
| Changes in Assets and Liabilities: | | | |
| Decrease (Increase) in: | | | |
| Receivables | 1,792,739 | 15,973,171 | 2,684,073 |
| Inventories | -10,988,771 | 21,709,920 | -5,860,672 |
| Other Current Assets | 479,868 | -8,553,567 | -3,374,348 |
| Others, specify: Additional (reversal) allowance for impairment of receivables, inventory decline and/or obsolescence and others | 127,726 | -158,516 | -638,173 |
| Increase (Decrease) in: | | | |
| Trade and Other Payables | 2,663,228 | -28,769,856 | 5,478,519 |
| Income and Other Taxes Payable | | | |
| Others, specify: Liabilities for crude and product importation | 8,257,056 | -5,312,064 | -9,708,581 |
| Contribution to retirement fund | -135,000 | 0 | 0 |
| Interest paid | -6,477,324 | -7,171,550 | -6,493,966 |
| Income taxes paid | -5,808 | -24,708 | -35,683 |
| Interest received | 269,546 | 811,564 | 820,236 |
| A. Net Cash Provided by (Used in) Operating Activities (sum of above rows) | 24,571,781 | 8,551,495 | -7,681,454 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Reductions from (additions to): | | | |
| Property, plant and equipment (including disposals) | -18,009,316 | -12,151,140 | -10,946,540 |
| Investment properties | | | |
| Financial assets at fair value through profit or loss | 0 | 0 | 0 |
| Investments and advances | -2,990,989 | -16,688,934 | 7,786,784 |
| Decrease (increase) in: | | | |
| Other receivables | 0 | -264,674 | 1,008,097 |
| Other noncurrent assets | -468,342 | 350,030 | -1,552,507 |
| B. Net Cash Provided by (Used in) Investing Activities (sum of above rows) | -21,468,647 | -28,754,718 | -3,704,166 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from: | | | |
| Loans | 212,300,738 | 214,644,014 | 308,869,720 |
| Long-term Debt | | | |
| Issuance of Securities | 0 | 0 | 9,898,298 |
| Others, specify: Increase (decrease) in other noncurrent liabilities | 107,107 | -417,995 | 616,453 |
| Payments of: | | | |
| (Loans) | -212,269,240 | -240,834,592 | -270,127,399 |
| (Long-term Debt) | | | |
| (Stock Subscriptions) | | | |
| Others, specify (negative entry): | | | |
| Cash dividends and distributions | -5,368,923 | -4,948,940 | -4,996,272 |
| Redemption of 2010 preferred shares | 0 | -10,000,000 | 0 |
| C. Net Cash Provided by (Used in) Financing Activities (sum of above rows) | -5,230,318 | -41,557,513 | 44,260,800 |
| D. EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | 400,924 | 414,001 | 84,197 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C + D) | -1,726,260 | -61,346,735 | 32,959,377 |
| Cash and Cash Equivalents | | | |
| Beginning of year | 11,829,337 | 73,176,072 | 40,216,695 |
| End of year | 10,103,077 | 11,829,337 | 73,176,072 |

NOTE: Pursuant to SRC Rule 68.1 (as amended in Nov. 2005), for fiscal years ending December 31, 2005 up to November 30, 2006, a comparative format of only two (2) years may be filed to give temporary relief for covered companies as the more complex PFRSs will be applied for the first time in these year end periods. After these first time applications, the requirement of three (3) year comparatives shall resume for year end reports beginning December 31, 2006 and onwards.

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: PETRON CORPORATION
 CURRENT ADDRESS: San Miguel Corp. Head Office Complex, 40 San Miguel Ave., Mandaluyong City, 1550
 TEL. NO.: 886-3888 FAX NO.: 884-0932
 COMPANY TYPE : Oil Refining and Marketing PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 4. Statement of Changes in Equity

| FINANCIAL DATA | (Amount in P'000) | | | | | | | | |
|-----------------------------------------------------------------------|-------------------|----------------------------|-----------------------------------------|--------------------------------|----------------------------------|----------------|---------------------------|----------------|-------------|
| | Capital Stock | Additional Paid in Capital | Undated Subordinated Capital Securities | Appropriated Retained Earnings | Unappropriated Retained Earnings | Other reserves | Non-controlling interests | Treasury Stock | TOTAL |
| A. Balance, 2014 | 9,485,104 | 19,652,702 | 30,546,231 | 0 | 36,172,564 | -983,609 | 0 | 0 | 94,872,992 |
| A.1 Correction of Error(s) | | | | | | | | | 0 |
| A.2 Changes in Accounting Policy | | | | | | | | | 0 |
| B. Restated Balance | 9,485,104 | 19,652,702 | 30,546,231 | 0 | 36,172,564 | -983,609 | 0 | 0 | 94,872,992 |
| C. Surplus | 0 | 0 | 0 | 0 | 0 | -2,180,350 | 0 | 0 | -2,180,350 |
| C.1 Surplus (Deficit) on Revaluation of | | | | | | | | | 0 |
| C.2 Unrealized fair value gain on available-for-sale financial assets | | | | | | | | | 0 |
| C.3 Exchange differences on translation of foreign operations | | | | | | | | | 0 |
| C.4 Other Surplus (specify) | 0 | 0 | 0 | 0 | 0 | -2,180,350 | 0 | 0 | -2,180,350 |
| C.4.1 Equity reserve for retirement plan | | | | | | -2,180,350 | | | -2,180,350 |
| C.4.2 | | | | | | | | | 0 |
| C.4.3 | | | | | | | | | 0 |
| C.4.4 | | | | | | | | | 0 |
| C.4.5 | | | | | | | | | 0 |
| D. Net Income (Loss) for the Period | | | | | 5,499,827 | | | | 5,499,827 |
| E. Dividends (negative entry) | | | | | -4,721,853 | | | | -4,721,853 |
| F. Appropriation for (specify) | 0 | 0 | 0 | 25,000,000 | -25,000,000 | 0 | 0 | 0 | 0 |
| F.1 Refinery Master Plan (RMP-2) Project | | | | 25,000,000 | -25,000,000 | | | | 0 |
| F.2 | | | | | | | | | 0 |
| G. Reversal of Appropriation for (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| G.1 | | | | | | | | | 0 |
| G.2 | | | | | | | | | 0 |
| H. Issuance of Capital Stock | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -10,000,000 | -10,000,000 |
| H.1 Common Stock | | | | | | | | | 0 |
| H.2 Preferred Stock | | | | | | | | -10,000,000 | -10,000,000 |
| H.3 Others | | | | | | | | | 0 |
| I. Balance, 2015 | 9,485,104 | 19,652,702 | 30,546,231 | 25,000,000 | 11,950,538 | -3,163,959 | 0 | -10,000,000 | 83,470,616 |
| I.1 Correction of Error (s) | | | | | | | | | 0 |
| I.2 Changes in Accounting Policy | | | | | | | | | 0 |
| J. Restated Balance | 9,485,104 | 19,652,702 | 30,546,231 | 25,000,000 | 11,950,538 | -3,163,959 | 0 | -10,000,000 | 83,470,616 |
| K. Surplus | 0 | 0 | 0 | 0 | 0 | 1,863,472 | 0 | 0 | 1,863,472 |
| K.1 Surplus (Deficit) on Revaluation of | | | | | | | | | 0 |
| K.2 Unrealized fair value gain on available-for-sale financial assets | | | | | | | | | 0 |
| K.3 Exchange differences on translation of foreign operations | | | | | | | | | 0 |
| K.4 Other Surplus (specify) | 0 | 0 | 0 | 0 | 0 | 1,863,472 | 0 | 0 | 1,863,472 |
| K.4.1 Equity reserve for retirement plan | | | | | | 1,863,472 | | | 1,863,472 |
| K.4.2 | | | | | | | | | 0 |
| K.4.3 | | | | | | | | | 0 |
| K.4.4 | | | | | | | | | 0 |
| K.4.5 | | | | | | | | | 0 |
| L. Net Income (Loss) for the Period | | | | | 5,695,204 | | | | 5,695,204 |
| M. Dividends and Distributions (negative entry) | | | | | -5,391,179 | | | | -5,391,179 |
| N. Appropriation for (specify) | 0 | 0 | 0 | 15,000,000 | -15,000,000 | 0 | 0 | 0 | 0 |
| N.1 Capital projects for 2016 & 2017 | | | | 15,000,000 | -15,000,000 | | | | 0 |
| N.2 | | | | | | | | | 0 |
| O. Reversal of Appropriation for (specify) | 0 | 0 | 0 | -25,000,000 | 25,000,000 | 0 | 0 | 0 | 0 |
| O.1 Refinery Master Plan (RMP-2) Project | | | | -25,000,000 | 25,000,000 | | | | 0 |
| O.2 | | | | | | | | | 0 |
| P. Issuance of Capital Stock | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| P.1 Common Stock | | | | | | | | | 0 |
| P.2 Preferred Stock | | | | | | | | | 0 |
| P.3 Others | | | | | | | | | 0 |
| Q. Balance, 2016 | 9,485,104 | 19,652,702 | 30,546,231 | 15,000,000 | 22,254,563 | -1,300,487 | 0 | -10,000,000 | 85,638,113 |

Control No.: _____

Form Type: PHFS (rev 2006)**SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES**NAME OF CORPORATION: PETRON CORPORATIONCURRENT ADDRESS: San Miguel Corp. Head Office Complex, 40 San Miguel Ave., Mandaluyong City, 1550TEL. NO.: 886-3888FAX NO.: 884-0932COMPANY TYPE : Oil Refining and Marketing

PSIC: _____

*If these are based on consolidated financial statements, please so indicate in the caption.***Table 5. Details of Income and Expenses, by source**

| FINANCIAL DATA | 2016 | 2015 | 2014 |
|----------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|
| | (in P'000) | (in P'000) | (in P'000) |
| A. REVENUE / INCOME (A.1 + A.2) | 225,821,357 | 236,263,165 | 294,776,603 |
| A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, mining, utilities, | 225,821,357 | 236,263,165 | 294,776,603 |
| A.1.1 Domestic | 204,585,367 | 212,723,377 | 275,112,239 |
| A.1.2 Foreign | 21,235,990 | 23,539,788 | 19,664,364 |
| A.2 Other Revenue (A.2.1 +A.2.2) | 0 | 0 | 0 |
| A.2.1 Domestic | | | |
| A.2.2 Foreign, specify (A.2.2.1+A.2.2.2+ A.2.2.3+ A.2.2.4+ A.2.2.5+ A.2.2.6+ | 0 | 0 | 0 |
| A.2.2.1 Interest Income | | | |
| A.2.2.2 Other Income (Expenses) | | | |
| A.2.2.3 Dividend Income | | | |
| A.2.2.4 | | | |
| A.2.2.5 | | | |
| A.2.2.6 | | | |
| A.2.2.7 | | | |
| A.2.2.8 | | | |
| A.2.2.9 | | | |
| A.2.2.10 | | | |
| B. EXPENSES (B.1 + B.2) | 9,926,288 | 9,478,902 | 7,659,517 |
| B.1 Domestic | 9,926,288 | 9,478,902 | 7,659,517 |
| B.2 Foreign, specify | | | |
| B.2.1 Selling and Administrative expenses | | | |
| B.2.2 | | | |
| B.2.3 | | | |
| B.2.4 | | | |
| B.2.5 | | | |
| B.2.6 | | | |
| B.2.7 | | | |
| B.2.8 | | | |
| B.2.9 | | | |
| B.2.10. | | | |

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: PETRON CORPORATION AND SUBSIDIARIES
CURRENT ADDRESS: San Miguel Corp. Head Office Complex, 40 San Miguel Ave., Mandaluyong City, 1550
TEL. NO.: 886-3888 / 884-9200 FAX NO.: 884-0932
COMPANY TYPE : Oil Refining and Marketing PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

| FINANCIAL DATA | 2016 (in P'000) | 2015 (in P'000) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| A. ASSETS (A.1 + A.2 + A.3 + A.4 + A.5 + A.6 + A.7 + A.8 + A.9 + A.10) | 318,892,604 | 294,266,908 |
| A.1 Current Assets (A.1.1 + A.1.2 + A.1.3 + A.1.4 + A.1.5) | 125,817,542 | 115,724,708 |
| A.1.1 Cash and cash equivalents (A.1.1.1 + A.1.1.2 + A.1.1.3) | 17,331,813 | 18,880,985 |
| A.1.1.1 On hand | 1,793,842 | 2,028,807 |
| A.1.1.2 In domestic banks/entities | 9,191,914 | 10,603,595 |
| A.1.1.3 In foreign banks/entities | 6,346,057 | 6,248,583 |
| A.1.2 Trade and Other Receivables (A.1.2.1 + A.1.2.2) | 31,548,330 | 30,748,684 |
| A.1.2.1 Due from domestic entities (A.1.2.1.1 + A.1.2.1.2 + A.1.2.1.3 + A.1.2.1.4) | 23,204,949 | 23,489,799 |
| A.1.2.1.1 Due from customers (trade) | 13,188,147 | 11,817,581 |
| A.1.2.1.2 Due from related parties | 6,128,314 | 5,790,295 |
| A.1.2.1.3 Others, specify (A.1.2.1.3.1 + A.1.2.1.3.2) | 4,975,772 | 7,002,944 |
| A.1.2.1.3.1 Government | 4,546,695 | 6,032,577 |
| A.1.2.1.3.2 Others | 429,077 | 970,367 |
| A.1.2.1.4 Allowance for doubtful accounts (negative entry) | (1,087,284) | (1,121,021) |
| A.1.2.2 Due from foreign entities, specify (A.1.2.2.1 + A.1.2.2.2 + A.1.2.2.3 + A.1.2.2.4) | 8,343,381 | 7,258,885 |
| A.1.2.2.1 Due from customers (trade) | 5,149,411 | 5,606,660 |
| A.1.2.2.2 Government | 2,893,941 | 1,029,300 |
| A.1.2.2.3 Others | 359,171 | 633,649 |
| A.1.2.2.4 Allowance for doubtful accounts (negative entry) | (59,142) | (10,724) |
| A.1.3 Inventories (A.1.3.1 + A.1.3.2 + A.1.3.3 + A.1.3.4 + A.1.3.5 + A.1.3.6) | 44,146,929 | 30,822,852 |
| A.1.3.1 Crude oil and others | 24,473,640 | 13,382,647 |
| A.1.3.2 Goods in process (including unfinished goods, growing crops, unfinished seeds) | | |
| A.1.3.3 Finished goods | 13,419,049 | 11,660,841 |
| A.1.3.4 Merchandise/Goods in transit | | |
| A.1.3.5 Unbilled Services (in case of service providers) | | |
| A.1.3.6 Others, specify (A.1.3.6.1 + A.1.3.6.2) | 6,254,240 | 5,779,364 |
| A.1.3.6.1 Materials and supplies | 3,500,708 | 2,454,094 |
| A.1.3.6.2 Lubes, greases and aftermarket specialties | 2,753,532 | 3,325,270 |
| A.1.4 Financial Assets other than Cash/Receivables/Equity investments (A.1.4.1 + A.1.4.2 + A.1.4.3 + A.1.4.4 + A.1.4.5 + A.1.4.6) | 291,766 | 741,744 |
| A.1.4.1 Financial Assets at Fair Value through Profit or Loss - issued by domestic entities: (A.1.4.1.1 + A.1.4.1.2 + A.1.4.1.3 + A.1.4.1.4 + A.1.4.1.5) | 165,142 | 146,643 |
| A.1.4.1.1 National Government | | |
| A.1.4.1.2 Public Financial Institutions | 0 | 0 |
| A.1.4.1.3 Public Non-Financial Institutions | 156,504 | 146,643 |
| A.1.4.1.4 Private Financial Institutions | 8,638 | 0 |
| A.1.4.1.5 Private Non-Financial Institutions | | |
| A.1.4.2 Held to Maturity Investments - issued by domestic entities: (A.1.4.2.1 + A.1.4.2.2 + A.1.4.2.3 + A.1.4.2.4 + A.1.4.2.5) | 0 | 0 |
| A.1.4.2.1 National Government | | |
| A.1.4.2.2 Public Financial Institutions | | |
| A.1.4.2.3 Public Non-Financial Institutions | | |
| A.1.4.2.4 Private Financial Institutions | | |
| A.1.4.2.5 Private Non-Financial Institutions | | |

NOTE:

This special form is applicable to Investment Companies and Publicly-held Companies (enumerated in Section 17.2 of the Securities Regulation Code (SRC), except banks and insurance companies). As a supplemental form to PHFS, it shall be used for reporting Consolidated Financial Statements of Parent corporations and their subsidiaries.

Domestic corporations are those which are incorporated under Philippine laws or branches/subsidiaries of foreign corporations that are licensed to do business in the Philippines where the center of economic interest or activity is within the Philippines. On the other hand, foreign corporations are those that are incorporated abroad, including branches of Philippine corporations operating abroad.

Financial Institutions are corporations principally engaged in financial intermediation, facilitating financial intermediation, or auxiliary financial services. Non-Financial institutions refer to corporations that are primarily engaged in the production of market goods and non-financial services.

Control No.: _____

Form Type: PHFS (rev 2006)**SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES**NAME OF CORPORATION: PETRON CORPORATION AND SUBSIDIARIESCURRENT ADDRESS: San Miguel Corp. Head Office Complex, 40 San Miguel Ave., Mandaluyong City, 1550TEL. NO.: 886-3888 / 884-9200 FAX NO.: 884-0932COMPANY TYPE: Oil Refining and Marketing PSIC: _____*If these are based on consolidated financial statements, please so indicate in the caption.*

Table 1. Balance Sheet

| FINANCIAL DATA | 2016 (in P'000) | 2015 (in P'000) |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| A.1.4.3 Loans and Receivables - issued by domestic entities: (A.1.4.3.1 + A.1.4.3.2 + A.1.4.3.3 + A.1.4.3.4 + A.1.4.3.5) | | |
| A.1.4.3.1 National Government | | |
| A.1.4.3.2 Public Financial Institutions | | |
| A.1.4.3.3 Public Non-Financial Institutions | | |
| A.1.4.3.4 Private Financial Institutions | | |
| A.1.4.3.5 Private Non-Financial Institutions | | |
| A.1.4.4 Available-for-sale financial assets - issued by domestic entities: (A.1.4.4.1 + A.1.4.4.2 + A.1.4.4.3 + A.1.4.4.4 + A.1.4.4.5) | 71,153 | 232,675 |
| A.1.4.4.1 National Government | 20,442 | 70,465 |
| A.1.4.4.2 Public Financial Institutions | | |
| A.1.4.4.3 Public Non-Financial Institutions | 50,711 | 0 |
| A.1.4.4.4 Private Financial Institutions | | |
| A.1.4.4.5 Private Non-Financial Institutions | | 162,210 |
| A.1.4.5 Financial Assets issued by foreign entities: (A.1.4.5.1+A.1.4.5.2+A.1.4.5.3+A.1.4.5.4) | 55,471 | 362,426 |
| A.1.4.5.1 Financial Assets at fair value through profit or loss | 55,471 | 362,426 |
| A.1.4.5.2 Held-to-maturity investments | | |
| A.1.4.5.3 Loans and Receivables | | |
| A.1.4.5.4 Available-for-sale financial assets | | |
| A.1.4.6 Allowance for decline in market value <i>(negative entry)</i> | | |
| A.1.5 Other Current Assets (state separately material items) (A.1.5.1 + A.1.5.2 + A.1.5.3 + A.1.5.4) | 32,498,704 | 34,530,443 |
| A.1.5.1 Input VAT | 6,096,531 | 12,092,783 |
| A.1.5.2 Prepaid Taxes | 24,478,107 | 19,586,347 |
| A.1.5.3 Prepaid Expenses | 1,517,567 | 2,281,814 |
| A.1.5.4 Others | 406,499 | 569,499 |
| A.2 Property, plant, and equipment (A.2.1 + A.2.2 + A.2.3 + A.2.4 + A.2.5 + A.2.6 + A.2.7+ A.2.8) | 176,603,760 | 161,597,399 |
| A.2.1 Land and leasehold improvements | 14,003,596 | 13,274,845 |
| A.2.2 Buildings and improvements and related facilities | 28,903,086 | 28,247,325 |
| A.2.3 Computers, office and motor equipment | 4,652,144 | 4,703,170 |
| A.2.4 Refinery and plant equipment | 162,263,088 | 49,785,460 |
| A.2.5 Others, specify (A.2.5.1 + A.2.5.2 + A.2.5.3 + A.2.5.4 + A.2.5.5) | 41,490,834 | 132,814,457 |
| A.2.5.1 Service stations and other equipment | 16,172,248 | 16,230,009 |
| A.2.5.2 Construction in progress | 25,318,586 | 116,584,448 |
| A.2.5.3 | | |
| A.2.5.4 | | |
| A.2.5.5 | | |
| A.2.6 Appraisal increase, specify (A.2.6.1 + A.2.6.2 + A.2.6.3 + A.2.6.4 + A.2.6.5) | | |
| A.2.6.1 | | |
| A.2.6.2 | | |
| A.2.6.3 | | |
| A.2.6.4 | | |
| A.2.6.5 | | |
| A.2.7 Accumulated Depreciation <i>(negative entry)</i> | (74,708,988) | (67,227,858) |
| A.2.8 Impairment Loss or Reversal <i>(if loss, negative entry)</i> | | |
| A.3 Investments accounted for using the equity method (A.3.1 + A.3.2 + A.3.3) | 1,883,005 | 1,814,169 |
| A.3.1 Equity in domestic subsidiaries/affiliates | 1,883,005 | 1,814,169 |
| A.3.2 Equity in foreign branches/subsidiaries/affiliates | | |
| A.3.3 Others, specify (A.3.3.1 + A.3.3.2 + A.3.3.3 + A.3.3.4 + A.3.3.5) | | |
| A.3.3.1 | | |
| A.3.3.2 | | |
| A.3.3.3 | | |
| A.3.3.4 | | |
| A.3.3.5 | | |
| A.4 Investment Property | 91,420 | 111,900 |
| A.5 Biological Assets | | |
| A.6 Intangible Assets | 7,480,170 | 7,693,989 |
| A.6.1 Major item/s, specify (A.6.1.1 + A.6.1.2) | 7,480,170 | 7,693,989 |
| A.6.1.1 Goodwill - net | 7,480,170 | 7,693,989 |
| A.6.1.2 | | |
| A.6.2 Others, specify (A.6.2.1 + A.6.2.2) | | |
| A.6.2.1 | | |
| A.6.2.2 | | |
| A.7 Assets Classified as Held for Sale | | |
| A.8 Assets included in Disposal Groups Classified as Held for Sale | | |

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: PETRON CORPORATION AND SUBSIDIARIES
 CURRENT ADDRESS: San Miguel Corp. Head Office Complex, 40 San Miguel Ave., Mandaluyong City, 1550
 TEL. NO.: 886-3888 / 884-9200 FAX NO.: 884-0932
 COMPANY TYPE : Oil Refining and Marketing PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

| FINANCIAL DATA | 2016 (in P'000) | 2015 (in P'000) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| A.9 Long-term receivables (net of current portion) (A.9.1 + A.9.2 + A.9.3) | | |
| A.9.1 From domestic entities, specify (A.9.1.1 + A.9.1.2 + A.9.1.3) | | |
| A.9.1.1 | | |
| A.9.1.2 | | |
| A.9.1.3 | | |
| A.9.2 From foreign entities, specify (A.9.2.1 + A.9.2.2 + A.9.2.3) | | |
| A.9.2.1 | | |
| A.9.2.2 | | |
| A.9.2.3 | | |
| A.9.3 Allowance for doubtful accounts, net of current portion (negative entry) | | |
| A.10 Other Assets (A.10.1 + A.10.2 + A.10.3 + A.10.4 + A.10.5) | 7,016,707 | 7,324,743 |
| A.10.1 Deferred charges - net of amortization | | |
| A.10.2 Deferred Income Tax | 193,769 | 211,242 |
| A.10.3 Advance/Miscellaneous deposits | | |
| A.10.4 Others, specify (A.10.4.1 + A.10.4.2 + A.10.4.3 + A.10.4.4 + A.10.4.5 + A.10.4.6) | 6,822,938 | 7,113,501 |
| A.10.4.1 Available-for-sale financial assets | 408,223 | 387,505 |
| A.10.4.2 Due from related parties | 0 | 1,816,210 |
| A.10.4.3 Prepaid rent | 2,211,248 | 2,227,921 |
| A.10.4.4 Input VAT (non-current) | 2,228,998 | 78,737 |
| A.10.4.5 Catalyst - net (non-current) | 832,870 | 946,713 |
| A.10.4.6 Others - net | 1,141,599 | 1,656,415 |
| A.10.5 Allowance for write-down of deferred charges/bad accounts (negative entry) | | |
| B. LIABILITIES (B.1 + B.2 + B.3 + B.4 + B.5) | 230,072,863 | 211,166,942 |
| B.1 Current Liabilities (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5 + B.1.6 + B.1.7) | 158,808,242 | 126,579,050 |
| B.1.1 Trade and Other Payables to Domestic Entities (B.1.1.1 + B.1.1.2 + B.1.1.3 + B.1.1.4 + B.1.1.5 + B.1.1.6) | 104,066,392 | 101,361,984 |
| B.1.1.1 Loans/Notes Payables | 88,370,000 | 95,424,400 |
| B.1.1.2 Trade Payables | 5,733,197 | 1,384,628 |
| B.1.1.3 Payables to Related Parties | 5,873,745 | 1,718,615 |
| B.1.1.4 Advances from Directors, Officers, Employees and Principal Stockholders | | |
| B.1.1.5 Accruals, specify material items (B.1.1.5.1 + B.1.1.5.2 + B.1.1.5.3) | 1,647,079 | 1,634,297 |
| B.1.1.5.1 Accrued rent | 891,718 | 937,995 |
| B.1.1.5.2 Accrued interest | 703,349 | 619,430 |
| B.1.1.5.3 Accrued payroll | 52,012 | 76,872 |
| B.1.1.6 Others, specify (B.1.1.6.1 + B.1.1.6.2 + B.1.1.6.3) | 2,442,371 | 1,200,044 |
| B.1.1.6.1 Specific taxes and other taxes payable | 1,829,001 | 717,641 |
| B.1.1.6.2 Others | 613,370 | 482,403 |
| B.1.1.6.3 | | |
| B.1.2 Trade and Other Payables to Foreign Entities (specify) (B.1.2.1 + B.1.2.2 + B.1.2.3+ B.1.2.4 + B.1.2.5 + B.1.2.6) | 31,458,595 | 23,140,787 |
| B.1.2.1 Loans/Notes Payables | 1,996,076 | 4,056,519 |
| B.1.2.2 Trade Payables | 28,374,533 | 17,769,088 |
| B.1.2.3 Payables to Related Parties | 3,472 | 0 |
| B.1.2.4 Specific taxes and other taxes payable | 523,498 | 1,140,738 |
| B.1.2.5 Accruals and others | 561,016 | 174,442 |
| B.1.2.6 | | |
| B.1.3 Provisions | | |
| B.1.4 Financial Liabilities (excluding Trade and Other Payables and Provisions) (B.1.4.1 + B.1.4.2 + B.1.4.3 + B.1.4.4 + B.1.4.5) | 778,199 | 603,321 |
| B.1.4.1 Derivative liabilities | 778,199 | 603,321 |
| B.1.4.2 | | |
| B.1.4.3 | | |
| B.1.4.4 | | |
| B.1.4.5 | | |
| B.1.5 Liabilities for Current Tax | 626,067 | 182,907 |
| B.1.6 Deferred Tax Liabilities | | |
| B.1.7 Others, specify (If material, state separately; indicate if the item is payable to public/private or financial/non-financial institutions) (B.1.7.1 + B.1.7.2 + B.1.7.3 + B.1.7.4 + B.1.7.5 + B.1.7.6) | 21,878,989 | 1,290,051 |
| B.1.7.1 Dividends declared and not paid at balance sheet date | 217,536 | 195,280 |
| B.1.7.2 Acceptances Payable | | |
| B.1.7.3 Liabilities under Trust Receipts | | |
| B.1.7.4 Portion of Long-term Debt Due within one year | 20,910,954 | 694,286 |
| B.1.7.5 Deferred Income (customer loyalty programme) | 750,499 | 400,485 |
| B.1.7.6 Any other current liability in excess of 5% of Total Current Liabilities, specify: (B.1.7.6.1 + B.1.7.6.2 + B.1.7.6.3) | | |
| B.1.7.6.1 | | |
| B.1.7.6.2 | | |
| B.1.7.6.3 | | |

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: PETRON CORPORATION AND SUBSIDIARIES
 CURRENT ADDRESS: San Miguel Corp. Head Office Complex, 40 San Miguel Ave., Mandaluyong City, 1550
 TEL. NO.: 886-3888 / 884-9200 FAX NO.: 884-0932
 COMPANY TYPE: Oil Refining and Marketing PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

| FINANCIAL DATA | 2016 (in P'000) | 2015 (in P'000) |
|-----------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| B.2 Long-term Debt - Non-current Interest-bearing Liabilities (B.2.1 + B.2.2 + B.2.3 + B.2.4 + B.2.5) | 58,941,527 | 71,726,204 |
| B.2.1 Domestic Public Financial Institutions | | |
| B.2.2 Domestic Public Non-Financial Institutions | | |
| B.2.3 Domestic Private Financial Institutions | 57,598,478 | 69,086,707 |
| B.2.4 Domestic Private Non-Financial Institutions | | |
| B.2.5 Foreign Financial Institutions | 1,343,049 | 2,639,497 |
| B.3 Indebtedness to Affiliates and Related Parties (Non-Current) | | |
| B.4 Liabilities Included in the Disposal Groups Classified as Held for Sale | | |
| B.5 Other Liabilities (B.5.1 + B.5.2) | 12,323,094 | 12,861,688 |
| B.5.1 Deferred Tax | 5,725,530 | 4,637,899 |
| B.5.2 Others, specify (B.5.2.1 + B.5.2.2 + B.5.2.3 + B.5.2.4 + B.5.2.5) | 6,597,564 | 8,223,789 |
| B.5.2.1 Payable to a contractor | 0 | 0 |
| B.5.2.2 Asset retirement obligation | 2,323,651 | 1,809,381 |
| B.5.2.3 Retirement benefits liability | 3,315,405 | 5,508,898 |
| B.5.2.4 Others | 958,508 | 905,510 |
| B.5.2.5 | | |
| C. EQUITY (C.3 + C.4 + C.5 + C.6 + C.7 + C.8 + C.9+C.10) | 88,819,741 | 83,099,966 |
| C.1 Authorized Capital Stock (no. of shares, par value and total value; show details) (C.1.1+C.1.2+C.1.3) | 10,000,000 | 10,000,000 |
| C.1.1 Common shares 9,375,104,497 at P1.00 par value | 9,375,104 | 9,375,104 |
| C.1.2 Preferred Shares 624,895,503 at P1.00 par value | 624,896 | 624,896 |
| C.1.3 Others | | |
| C.2 Subscribed Capital Stock (no. of shares, par value and total value) (C.2.1 + C.2.2 + C.2.3) | 9,385,104 | 9,385,104 |
| C.2.1 Common shares 9,375,104,497 at P1.00 par value | 9,375,104 | 9,375,104 |
| C.2.2 Preferred Shares 10,000,000 at P1.00 par value | 10,000 | 10,000 |
| C.2.3 Others | | |
| C.3 Paid-up Capital Stock (C.3.1 + C.3.2) | 9,485,104 | 9,485,104 |
| C.3.1 Common shares | 9,375,104 | 9,375,104 |
| C.3.2 Preferred shares | 110,000 | 110,000 |
| C.4 Additional Paid-in Capital / Capital in excess of par value / Paid-in Surplus | 19,652,702 | 19,652,702 |
| C.5 Non-controlling interests | 4,329,300 | 470,932 |
| C.6 Others, specify (C.6.1 + C.6.2 + C.6.3) | 23,342,134 | 21,779,726 |
| C.6.1 Undated Subordinated Capital Securities | 30,546,231 | 30,546,231 |
| C.6.2 Equity reserves | (7,204,097) | (8,766,505) |
| C.6.3 | | |
| C.7 Appraisal Surplus/Revaluation Increment in Property/Revaluation Surplus | | |
| C.8 Retained Earnings (C.8.1 + C.8.2) | 42,010,501 | 41,711,502 |
| C.8.1 Appropriated | 15,160,000 | 25,082,000 |
| C.8.2 Unappropriated | 26,850,501 | 16,629,502 |
| C.9 Head / Home Office Account (for Foreign Branches only) | | |
| C.10 Cost of Stocks Held in Treasury (negative entry) | (10,000,000) | (10,000,000) |
| TOTAL LIABILITIES AND EQUITY (B + C) | 318,892,604 | 294,266,908 |

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: PETRON CORPORATION AND SUBSIDIARIES
 CURRENT ADDRESS: San Miguel Corp. Head Office Complex, 40 San Miguel Ave., Mandaluyong City, 1550
 TEL. NO.: 886-3888 / 884-9200 FAX NO.: 884-0932
 COMPANY TYPE: Oil Refining and Marketing PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 2. Income Statement

| FINANCIAL DATA | 2016 (in P'000) | 2015 (in P'000) | 2014 (in P'000) |
|------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| A. REVENUE / INCOME (A.1 + A.2 + A.3 + A.4) | 344,413,499 | 360,996,431 | 484,271,032 |
| A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, | 343,840,277 | 360,177,633 | 482,535,174 |
| A.2 Share in the Profit or Loss of Associate accounted for using the Equity Method | 65,843 | 132,607 | 102,371 |
| A.3 Other Revenue (A.3.1 + A.3.2 + A.3.3 + A.3.4 + A.3.5) | | | |
| A.3.1 Rental Income from Land and Buildings | | | |
| A.3.2 Receipts from Sale of Merchandise (trading) (from Secondary Activity) | | | |
| A.3.3 Sale of Real Estate or other Property and Equipment | | | |
| A.3.4 Royalties, Franchise Fees, Copyrights (books, films, records, etc.) | | | |
| A.3.5 Others, specify (A.3.5.1 + A.3.5.2 + A.3.5.3 + A.3.5.4 + A.3.5.5 + A.3.5.6) | | | |
| A.3.5.1 Rental Income, Equipment | | | |
| A.3.5.2 | | | |
| A.3.5.3 | | | |
| A.3.5.4 | | | |
| A.3.5.5 | | | |
| A.3.5.6 | | | |
| A.3.5.7 | | | |
| A.3.5.8 | | | |
| A.4 Other Income (non-operating) (A.4.1 + A.4.2 + A.4.3 + A.4.4) | 507,379 | 686,191 | 1,633,487 |
| A.4.1 Interest Income | 507,379 | 686,191 | 843,719 |
| A.4.2 Dividend Income | | | |
| A.4.3 Gain / (Loss) from selling of Assets, specify | | | |
| A.4.3.1 | | | |
| A.4.3.2 | | | |
| A.4.3.3 | | | |
| A.4.3.4 | | | |
| A.4.4 Others, specify | 0 | 0 | 789,768 |
| A.4.4.1 Other Income | 0 | 0 | 789,768 |
| A.4.4.2 | | | |
| A.4.4.3 | | | |
| A.4.4.4 | | | |
| B. COST OF GOODS SOLD (B.1 + B.2 + B.3) | 306,125,344 | 328,733,504 | 463,404,482 |
| B.1 Cost of Goods Manufactured (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5) | 306,125,344 | 328,733,504 | 463,404,482 |
| B.1.1 Direct Material Used | 283,169,248 | 311,525,638 | 451,318,241 |
| B.1.2 Direct Labor | 1,646,597 | 1,564,995 | 1,529,186 |
| B.1.3 Other Manufacturing Cost / Overhead | 21,309,499 | 15,642,871 | 10,557,055 |
| B.1.4 Goods in Process, Beginning | | | |
| B.1.5 Goods in Process, End (negative entry) | | | |
| B.2 Finished Goods, Beginning | | | |
| B.3 Finished Goods, End (negative entry) | | | |
| C. COST OF SALES (C.1 + C.2 + C.3) | | | |
| C.1 Purchases | | | |
| C.2 Merchandise Inventory, Beginning | | | |
| C.3 Merchandise Inventory, End (negative entry) | | | |
| D. GROSS PROFIT (A - B - C) | 38,288,155 | 32,262,927 | 20,866,550 |

NOTE: Pursuant to SRC Rule 68.1 (as amended in Nov. 2005), for fiscal years ending December 31, 2005 up to November 30, 2006, a comparative format of only two (2) years may be filed to give temporary relief for covered companies as the more complex PFRSs will be applied for the first time in these year end periods. After these first time applications, the requirement of three (3) year comparatives shall resume for year end reports beginning December 31, 2006 and onwards.

Control No.: _____

Form Type: PHFS (rev 2006)**SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES**NAME OF CORPORATION: PETRON CORPORATION AND SUBSIDIARIESCURRENT ADDRESS: San Miguel Corp. Head Office Complex, 40 San Miguel Ave., Mandaluyong City, 1550TEL. NO.: 886-3888 / 884-9200 FAX NO.: 884-0932COMPANY TYPE : Oil Refining and Marketing PSIC: _____*If these are based on consolidated financial statements, please so indicate in the caption.***Table 2. Income Statement**

| FINANCIAL DATA | 2016 (in P'000) | 2015 (in P'000) | 2014 (in P'000) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| E. OPERATING EXPENSES (E.1 + E.2 + E.3 + E.4) | 16,353,226 | 16,804,587 | 11,525,645 |
| E.1 Selling and Administrative Expenses | 13,917,727 | 13,309,655 | 11,525,645 |
| E.2 Administrative Expenses | | | |
| E.3 General Expenses | | | |
| E.4 Other Expenses, specify (E.4.1 + E.4.2 + E.4.3 + E.4.4 + E.4.5 + E.4.6 + E.4.7 + E.4.8 + E.4.9 + E.4.10) | 2,435,499 | 3,494,932 | 0 |
| E.4.1 Education-related expenditures | | | |
| E.4.2 Other Expenses | 2,435,499 | 3,494,932 | 0 |
| E.4.3 | | | |
| E.4.4 | | | |
| E.4.5 | | | |
| E.4.6 | | | |
| E.4.7 | | | |
| E.4.8 | | | |
| E.4.9 | | | |
| E.4.10 | | | |
| F. FINANCE COSTS (F.1 + F.2 + F.3 + F.4 + F.5) | 7,557,045 | 5,533,170 | 5,528,570 |
| F.1 Interest on Short-Term Promissory Notes | 2,323,131 | 3,284,249 | 3,301,722 |
| F.2 Interest on Long-Term Promissory Notes | 3,656,884 | 869,174 | 858,767 |
| F.3 Interest on bonds, mortgages and other long-term loans | | | |
| F.4 Amortization of debt issue costs | 498,464 | 144,147 | 114,948 |
| F.5 Other interests, specify (F.5.1 + F.5.2 + F.5.3 + F.5.4 + F.5.5) | 1,078,566 | 1,235,600 | 1,253,133 |
| F.5.1 Bank charges | 999,190 | 1,156,744 | 1,182,441 |
| F.5.2 Accretion on ARO | 75,765 | 66,355 | 64,778 |
| F.5.3 Others | 3,611 | 12,501 | 5,914 |
| F.5.4 | | | |
| F.5.5 | | | |
| G. NET INCOME (LOSS) BEFORE TAX (D - E - F) | 14,377,884 | 9,925,170 | 3,812,335 |
| H. INCOME TAX EXPENSE (negative entry) | (3,556,054) | (3,655,114) | (803,788) |
| I. INCOME (LOSS) AFTER TAX | 10,821,830 | 6,270,056 | 3,008,547 |
| J. Amount of (i) Post-Tax Profit or Loss of Discontinued Operations; and (ii) Post-Tax Gain or Loss Recognized on the Measurement of Fair Value less Cost to Sell or on the Disposal of the Assets or Disposal Group(s) constituting the Discontinued Operation (if any) | | | |
| J.1 | | | |
| J.2 | | | |
| K. PROFIT OR LOSS ATTRIBUTABLE TO MINORITY INTEREST | 721,644 | 652,414 | (310,847) |
| L. PROFIT OR LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT | 10,100,186 | 5,617,642 | 3,319,394 |
| M. EARNINGS (LOSS) PER SHARE | 0.60 | 0.15 | (0.15) |
| M.1 Basic | 0.60 | 0.15 | (0.15) |
| M.2 Diluted | | | |

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: PETRON CORPORATION AND SUBSIDIARIES

CURRENT ADDRESS: San Miguel Corp. Head Office Complex, 40 San Miguel Ave., Mandaluyong City, 1550

TEL. NO.: 886-3888 / 884-9200

FAX NO.: 884-0932

COMPANY TYPE: Oil Refining and Marketing

PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 3. Cash Flow Statements

| FINANCIAL DATA | 2016 (in P'000) | 2015 (in P'000) | 2014 (in P'000) |
|-----------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net Income Before Tax and Extraordinary Items | 14,377,884 | 9,925,170 | 3,812,335 |
| Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities | | | |
| Share in net income of an associate | (65,843) | (132,607) | (102,371) |
| Retirement benefits cost | 578,578 | 419,004 | 90,762 |
| Interest expense and other financing charges | 7,557,045 | 5,533,170 | 5,528,570 |
| Depreciation and amortization | 9,505,064 | 6,271,923 | 6,033,001 |
| Interest income | (507,379) | (686,191) | (843,719) |
| Unrealized foreign exchange losses (gains) - net | 529,390 | 86,558 | (201,840) |
| Other losses (gains) | 538,404 | 303,635 | (1,855,007) |
| Changes in noncash assets, certain current liabilities and others | 4,550,263 | (5,483,596) | (6,559,795) |
| Interest paid | (7,014,443) | (8,020,165) | (8,061,160) |
| Income taxes paid | (901,801) | (513,340) | (497,684) |
| Contributions to retirement fund | (135,000) | 0 | 0 |
| Interest received | 256,990 | 764,160 | 1,919,672 |
| A. Net Cash Provided by (Used in) Operating Activities (sum of above rows) | 29,269,152 | 8,467,721 | (737,236) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Net additions to (including disposals): | | | |
| Property, plant and equipment | (18,786,161) | (13,368,414) | (12,415,163) |
| Proceeds from sale of an investment property | 17,689 | 0 | 0 |
| Decrease (increase) in: | | | |
| Other receivables | 0 | (264,674) | 1,008,097 |
| Other noncurrent assets | (535,654) | (694,348) | 7,212,060 |
| Reductions from (additions to): | | | |
| Financial assets at fair value through profit or loss | 0 | 0 | 0 |
| Investment in shares of stock of an associate | 0 | (525,000) | (175,000) |
| Available-for-sale financial assets | 138,759 | 260,402 | 33,928 |
| Acquisition of subsidiaries, net of cash and cash equivalents acquired | 0 | 0 | 0 |
| Acquisition of non-controlling interest | | | |
| B. Net Cash Used in Investing Activities (sum of above rows) | (19,165,367) | (14,592,034) | (4,336,078) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from availment of loans | 226,359,674 | 222,099,239 | 360,308,809 |
| Payments of: | | | |
| Loans | (230,924,010) | (256,731,763) | (320,949,213) |
| Cash dividends and distribution | (5,537,144) | (5,517,008) | (5,675,577) |
| Purchase of non-controlling interest in a subsidiary | (1,921,291) | 0 | 0 |
| Proceeds from issuance of Parent Company's preferred shares | 0 | 0 | 9,898,298 |
| Redemption of preferred shares | 0 | (25,641,500) | |
| Increase (decrease) in other noncurrent liabilities | (2,556) | (551,470) | 1,582,565 |
| C. Net Cash Provided by (Used in) Financing Activities (sum of above rows) | (12,025,327) | (66,342,502) | 45,164,882 |
| D. EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | 372,370 | 745,989 | 112,181 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D) | (1,549,172) | (71,720,826) | 40,203,749 |
| Cash and Cash Equivalents | | | |
| Beginning of year | 18,880,985 | 90,601,811 | 50,398,062 |
| End of year | 17,331,813 | 18,880,985 | 90,601,811 |

NOTE: Pursuant to SRC Rule 68.1 (as amended in Nov. 2005), for fiscal years ending December 31, 2005 up to November 30, 2006, a comparative format of only two (2) years may be filed to give temporary relief for covered companies as the more complex PFRSs will be applied for the first time in these year end periods. After these first time applications, the requirement of three (3) year comparatives shall resume for year end reports beginning December 31, 2006 and onwards.

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: **PETRON CORPORATION AND SUBSIDIARIES**

CURRENT ADDRESS: **San Miguel Corp. Head Office Complex, 40 San Miguel Ave., Mandaluyong City, 1550**

TEL. NO.: **886-3888 / 884-9200**

FAX NO.: **884-0932**

COMPANY TYPE : **Oil Refining and Marketing**

PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 4. Statement of Changes in Equity

| FINANCIAL DATA | (Amount in P'000) | | | | | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------------------|-----------------------------------------|--------------------------------|----------------------------------|-----------------|----------------|---------------------------|--------------|
| | Capital Stock | Additional Paid-in Capital | Undated Subordinated Capital Securities | Appropriated Retained Earnings | Unappropriated Retained Earnings | Equity Reserves | Treasury Stock | Non-controlling Interests | TOTAL |
| A. Balance, 2014 | 9,485,104 | 19,652,702 | 30,546,231 | 25,171,300 | 15,643,613 | (3,166,593) | 0 | 16,360,144 | 113,692,501 |
| A.1 Correction of Error(s) | | | | | | | | | 0 |
| A.2 Changes in Accounting Policy | | | | | | | | | 0 |
| B. Restated Balance | 9,485,104 | 19,652,702 | 30,546,231 | 25,171,300 | 15,643,613 | (3,166,593) | 0 | 16,360,144 | 113,692,501 |
| C. Surplus | 0 | 0 | 0 | 0 | 0 | (5,599,912) | 0 | (332,057) | (5,931,969) |
| C.1 Surplus (Deficit) on Revaluation of | | | | | | | | | 0 |
| C.2 Unrealized fair value loss on available-for-sale financial assets - net of tax | | | | | | (500) | | | (500) |
| C.3 Exchange differences on translation of foreign operations | | | | | | (3,041,437) | | (707,108) | (3,748,545) |
| C.4 Other Surplus (specify) | 0 | 0 | 0 | 0 | 0 | (2,557,975) | 0 | 375,051 | (2,182,924) |
| C.4.1 Equity reserve for retirement plan - net of tax | | | | | | (2,179,677) | | 2,578 | (2,177,099) |
| C.4.2 Share in other comprehensive loss of an associate | | | | | | (5,825) | | | (5,825) |
| C.4.3 Reserve arising from the acquisition of additional interest in a subsidiary | | | | | | (372,473) | | 372,473 | 0 |
| C.4.4 | | | | | | | | | 0 |
| C.4.5 | | | | | | | | | 0 |
| D. Net Income (Loss) for the Period | | | | | 5,617,642 | | | 652,414 | 6,270,056 |
| E. Dividends and Distributions (negative entry) | | | | | (4,721,053) | | | (567,509) | (5,288,562) |
| F. Appropriation for (specify) | 0 | 0 | 0 | 80,000 | (80,000) | 0 | 0 | 0 | 0 |
| F.1 Programmed lot acquisitions by a subsidiary | | | | 80,000 | (80,000) | | | | 0 |
| F.2 | | | | | | | | | 0 |
| G. Reversal of Appropriation | | | | (169,300) | 169,300 | | | | 0 |
| H. Issuance of Capital Stock | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| H.1 Common Stock | | | | | | | | | 0 |
| H.2 Preferred Stock | | | | | | | | | 0 |
| H.3 Others | | | | | | | | | 0 |
| I. Acquisition of Own Capital Stock | | | | | | | (10,000,000) | (15,641,500) | (25,641,500) |
| J. Balance, 2015 | 9,485,104 | 19,652,702 | 30,546,231 | 25,082,000 | 16,629,502 | (8,766,505) | (10,000,000) | 471,492 | 83,100,526 |
| J.1 Correction of Error (s) | | | | | | | | | 0 |
| J.2 Changes in Accounting Policy | | | | | | | | | 0 |
| K. Restated Balance | 9,485,104 | 19,652,702 | 30,546,231 | 25,082,000 | 16,629,502 | (8,766,505) | (10,000,000) | 471,492 | 83,100,526 |
| L. Surplus | 0 | 0 | 0 | 0 | 0 | 1,562,408 | 0 | (1,106,123) | 456,285 |
| L.1 Surplus (Deficit) on Revaluation of | | | | | | | | | 0 |
| L.2 Unrealized fair value loss on available-for-sale financial assets - net of tax | | | | | | (1,070) | | | (1,070) |
| L.3 Exchange differences on translation of foreign operations | | | | | | 784,296 | | (260,537) | 523,759 |
| L.4 Other Surplus (specify) | 0 | 0 | 0 | 0 | 0 | 779,182 | 0 | (845,586) | (66,404) |
| L.4.1 Equity reserve for retirement plan - net of tax | | | | | | 1,855,321 | | (3,422) | 1,851,899 |
| L.4.2 Share in other comprehensive gain of an associate and joint ventures | | | | | | 2,687 | | | 2,687 |
| L.4.3 Reserve arising from the acquisition of additional interest in a subsidiary | | | | | | (570,324) | | 570,324 | 0 |
| L.4.4 Reserve arising from the purchase of non-controlling interest in a subsidiary | | | | | | (508,502) | | (1,412,488) | (1,920,990) |
| M. Transfer from non-controlling interests | | | | | (4,410,008) | | | 4,410,008 | 0 |
| N. Net Income (Loss) for the Period | | | | | 10,100,186 | | | 721,644 | 10,821,830 |
| O. Dividends and Distributions (negative entry) | | | | | (5,391,179) | | | (167,721) | (5,558,900) |
| P. Appropriation for (specify) | 0 | 0 | 0 | 15,080,000 | (15,080,000) | 0 | 0 | 0 | 0 |
| P.1 Capital projects of the Parent Company in 2016 and 2017 which are expected to be completed within 5 years from the date of approval | | | | 15,000,000 | (15,000,000) | | | | 0 |
| P.2 Acquisition of parcels of land in 2017 by a subsidiary | | | | 80,000 | (80,000) | | | | 0 |
| P.3 | | | | | | | | | 0 |
| Q. Reversal of Appropriation | | | | (25,002,000) | 25,002,000 | | | | 0 |
| R. Issuance of Capital Stock | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| R.1 Common Stock | | | | | | | | | 0 |
| R.2 Preferred Stock | | | | | | | | | 0 |
| R.3 Others | | | | | | | | | 0 |
| S. Acquisition of Own Capital Stock | | | | | | | | | 0 |
| T. Balance, 2016 | 9,485,104 | 19,652,702 | 30,546,231 | 15,160,000 | 26,850,501 | (7,204,097) | (10,000,000) | 4,329,300 | 88,819,741 |

Control No.: _____

Form Type: PHFS (rev 2006)**SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES**NAME OF CORPORATION: PETRON CORPORATION AND SUBSIDIARIESCURRENT ADDRESS: San Miguel Corp. Head Office Complex, 40 San Miguel Ave., Mandaluyong City, 1550TEL. NO.: 886-3888 / 884-9200 FAX NO.: 884-0932COMPANY TYPE : Oil Refining and Marketing PSIC: _____*If these are based on consolidated financial statements, please so indicate in the caption.***Table 5. Details of Income and Expenses, by source**

| FINANCIAL DATA | 2016 | 2015 | 2014 |
|------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|
| | (in P'000) | (in P'000) | (in P'000) |
| A. REVENUE / INCOME (A.1 + A.2) | 344,413,499 | 360,996,431 | 484,271,032 |
| A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, mining, utilities, trade, services, etc.) (from Primary Activity) (A.1.1 +A.1.2) | 343,840,277 | 360,177,633 | 482,535,174 |
| A.1.1 Domestic | 205,411,128 | 213,633,363 | 276,730,916 |
| A.1.2 Foreign | 138,429,149 | 146,544,270 | 205,804,258 |
| A.2 Other Revenue (A.2.1 +A.2.2) | 573,222 | 818,798 | 1,735,858 |
| A.2.1 Domestic | 458,814 | 722,277 | 1,481,097 |
| A.2.2 Foreign, specify (A.2.2.1+A.2.2.2+ A.2.2.3+ A.2.2.4+ A.2.2.5+ A.2.2.6+ A.2.2.7+ A.2.2.8+A.2.2.9+A.2.2.10) | 114,408 | 96,521 | 254,761 |
| A.2.2.1 Interest Income | 114,408 | 96,521 | 107,592 |
| A.2.2.2 Other Income | 0 | 0 | 147,169 |
| A.2.2.3 | | | |
| A.2.2.4 | | | |
| A.2.2.5 | | | |
| A.2.2.6 | | | |
| A.2.2.7 | | | |
| A.2.2.8 | | | |
| A.2.2.9 | | | |
| A.2.2.10 | | | |
| B. EXPENSES (B.1 + B.2) | 16,353,226 | 16,804,587 | 11,525,645 |
| B.1 Domestic | 12,329,346 | 12,945,101 | 7,716,671 |
| B.2 Foreign, specify | 4,023,880 | 3,859,486 | 3,808,974 |
| B.2.1 Selling and Administrative Expenses | 3,803,756 | 3,723,320 | 3,808,974 |
| B.2.2 Other Expenses | 220,124 | 136,166 | 0 |
| B.2.3 | | | |
| B.2.4 | | | |
| B.2.5 | | | |
| B.2.6 | | | |
| B.2.7 | | | |
| B.2.8 | | | |
| B.2.9 | | | |
| B.2.10. | | | |



CERTIFICATION

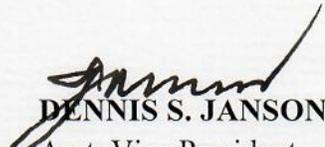


The undersigned, **DENNIS S. JANSON**, in his capacity as the Controller of PETRON CORPORATION (hereinafter referred to as the "Corporation"), a corporation duly organized and existing under Philippine Laws with principal address at San Miguel Corp. Head Office Complex, 40 San Miguel Ave., Mandaluyong City, 1550.

HEREBY CERTIFIES AND STATES THAT:

1. Pursuant to SEC Memorandum Circular 06 Series of 2006, a computer CD is submitted herewith.
2. The said computer CD contains the basic and material data in the Corporation's Audited Financial Statements for 2016.
3. This certification is hereby submitted conformably to SEC's reportorial requirements and for whatever legal purpose it may serve.

DONE this 29th day of March 2017 at Ortigas, Mandaluyong City, Metro Manila, Philippines.


DENNIS S. JANSON
Asst. Vice President – Controllers



SUBSCRIBED AND SWORN TO before me, a Notary Public for and in the City of Mandaluyong, Metro Manila, this MAR 29 2017, affiant being personally known to me and signed this instrument in my presence and avowed under penalty of law to the whole truth of the contents thereof.

Competent Evidence of Identity: EB6526183

Date/Place of Issue: 10 Oct 2012/ PE Kuala Lumpur

Doc No. 276;

Page No. 57;

Book No. vll;

Series of 2017


DON-VIC P. QUEZON
Notary Public for Mandaluyong City
40 San Miguel Avenue, 1550 Mandaluyong City,
Appointment No. 0382-16
Until December 31, 2017
Attorney's Roll No. 56728
PTR No. 3017310/1-3-17/Mandaluyong
Lifetime IBP No. 08324
MCLE Compliance No. V-0020700/4-20-2016