



August 4, 2008

**ATTY. PETE M. MALABANAN**  
Head, Disclosure Department  
Philippine Stock Exchange, Inc. (PSE)  
Philippine Stock Exchange Center  
Exchange Road, Ortigas Center  
Pasig City

Dear Atty. Malabanan:

We refer to your letter requesting for clarification on the article that came out in today's issue of The Manila Times titled "*Petron ups capital spending*" which reported in part that:

*"PETRON Corp. plans to increase its capital outlay for its refinery expansion program because of increasing raw material and construction costs. Nicasio Alcantara, Petron chairman and president, said the completion of the oil refiner's \$1.5-billion Master Refinery Plan may need an additional \$300 million because of rising costs..."*

We wish to clarify that the amounts cited in the news article are rough estimates given the volatility in the price of construction materials. Furthermore, Phase 2 of our Refinery Master Plan is still being evaluated at this time.

With the foregoing, we hope we have complied with your disclosure requirements.

Thank you.

Very truly yours,

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

Virginia A. Ruivivar  
Public Affairs Manager