



September 30, 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 the September 29 issue of the Manila Standard Today titled "*PETRON TOLD TO PAY DUTIES*" which reported in part that:

"The Customs bureau has demanded more than P623-million in additional duties and taxes from Petron Corp., whose previous importation for the last three years were placed under the agency's audit of importers. Commissioner Napoleon Morales issued a demand letter to Petron on Aug. 29, informing the firm that the audit covering July 26, 2004 to June 26, 2007 indicated that it had outstanding deficiencies of P623,631,446, representing total additional assessment on duties and taxes inclusive of two-time penalty for the revenue loss. Morales gave the oil company 10 days to settle the obligation..."

We wish to clarify that Petron officially received the final Audit and Demand letter from the Bureau of Customs last Friday, September 26. Petron has been given ten (10) working days to settle the additional duties and taxes amounting to over P623-million. The company is currently studying the merits of BOC's demand letter. We will evaluate our position on the matter and we will take the appropriate action accordingly. We shall be informing the Exchange of further developments.

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