



CERTIFICATION

I, **Virginia A. Ruivivar**, Public Affairs Manager of PETRON CORPORATION with office address at 39th floor, Petron MegaPlaza, 358 Sen. Gil Puyat Ave. Makati City, hereby certify that the attached media release titled “**PETRON SUSTAINS RECOVERY, POSTS ₱1.81 BILLION NET INCOME IN THE FIRST HALF OF 2009**” with related financial statements was read by me and that the contents are true and not intended to deceive or mislead the public.

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

Virginia A. Ruivivar
Public Affairs Manager



August 12, 2009
Petron Corporation's Disclosure

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

Attention: **MS. JANET A. ENCARNACION**
Head, Disclosure Department

Dear Ms. Encarnacion:

Pursuant to PSE and SEC's disclosure requirements, attached is the media release titled "**PETRON SUSTAINS RECOVERY, POSTS ₱1.81 BILLION NET INCOME IN THE FIRST HALF OF 2009**" with the YTD-June 2009 financial statements.

Very truly yours,

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

Virginia A. Ruivivar
Public Affairs Manager



August 12, 2009
**MEDIA RELEASE
FOR PUBLICATION**

PETRON SUSTAINS RECOVERY, POSTS ₱1.81 BILLION NET INCOME IN THE FIRST HALF OF 2009

The country's leading oil refining and marketing company Petron Corporation reported a net income of ₱1.81 billion for the first six months of 2009. This is 22% lower than the P2.32 billion income that Petron posted for the same period in 2008, but marks a continuation of the company's recovery from its P3.9 billion net loss for full-year 2008.

"Despite lower sales volumes and a difficult business environment, we were able to sustain our recovery," Petron Chairman and CEO Ramon S. Ang said. "We are confident that we can continue to improve on our performance over the next few months with the initiatives we have introduced. These initiatives are aimed at giving Petron new revenue streams while enhancing its leadership position in the industry."

The company continued to lead the industry in the first half with a market share of 46.3%. Earlier this year, the company embarked on an aggressive retail network expansion program.

In the second quarter, the company also started commercial operation of a Benzene, Toluene and Xylene (BTX) unit at its 180,000 barrel-per-day Bataan refinery. The BTX unit has the capacity to produce 22,800 MT of Benzene and 150,000 MT of Toluene per year. It also increased the refinery's capacity to produce Mixed Xylene by 220,000 MT per year. Benzene, Toluene, and Mixed Xylene are the raw materials used in the manufacture of various products such as home electrical goods, food containers, machine housing and solvents.

"The BTX unit will allow us to capture more revenue streams at a time when refining margins are weak. As demand picks up, we expect prices of petrochemicals to improve and substantially contribute to our bottom line," Mr. Ang added. "Together with our PetroFCC and Propylene Recovery Unit, the BTX unit will provide a boost to the local petrochemical industry and benefit other vital downstream manufacturing sectors."

(end)

About Petron Corporation

Petron Corporation is the largest 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 around 40% of the country's total fuel requirements. Through more than 1,300 service stations nationwide -- the largest service station network in the country -- we retail gasoline, diesel and kerosene to motorists. 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 us at www.petron.com for more information.



PETRON CORPORATION & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Millions of Pesos)

Unaudited

	Unaudited	Audited
	As at	
	6/30/2009	12/31/2008
ASSETS		
Current Assets		
Cash and cash equivalents	13,210	12,827
Financial assets at fair value through profit or loss	199	161
Available-for-sale investments	277	331
Receivables	27,402	16,875
Inventories	31,623	30,792
Other current assets	4,523	11,977
Total Current Assets	77,234	72,963
Non-Current Assets		
Property, plant and equipment	35,851	36,428
Investment properties	240	246
Available-for-sale investments	497	351
Deferred tax assets - net	238	885
Other noncurrent assets	714	925
Total Noncurrent Assets	37,540	38,835
	114,774	111,798
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Short-term loans	38,026	53,979
Liabilities for crude oil and petroleum product importation	17,469	8,907
Accounts payable and accrued expenses	3,808	4,562
Current portion of long-term debt	1,247	1,263
Income tax payable	9	22
	60,559	68,733
Non-Current Liabilities		
Long-term debt - net of current portion	18,268	8,988
Deferred income tax liabilities	13	8
Other noncurrent liabilities	1,223	1,166
Total Noncurrent Liabilities	19,504	10,162
Stockholders' Equity Attributable to Equity Holders of the Parent		
Capital stock	9,375	9,375
Retained earnings		
Appropriated	15,492	23,920
Unappropriated	10,077	(144)
Other reserves	(473)	(473)
Stockholders' Equity Attributable to Equity Holders of the Parent	34,471	32,678
Minority Interest		
	240	225
Total Stockholders' Equity	34,711	32,903
	114,774	111,798



PETRON CORPORATION AND SUBSIDIARIES
STATEMENT OF INCOME

Unaudited

For the Six Month Periods Ended June 30, 2009 and 2008
(Amounts in Millions of Pesos, Except Per Share Amounts)

	January to June	
	2009	2008
SALES	76,679	131,323
COST OF GOODS SOLD	<u>(69,406)</u>	<u>(122,650)</u>
GROSS PROFIT	7,273	8,673
SELLING AND ADMINISTRATIVE EXPENSES	(2,766)	(3,005)
INTEREST INCOME	111	153
INTEREST EXPENSE	(2,266)	(1,493)
OTHERS	<u>189</u>	<u>(890)</u>
INCOME BEFORE INCOME TAX	2,541	3,438
PROVISION FOR INCOME TAX	<u>(733)</u>	<u>(1,116)</u>
NET INCOME	<u>1,808</u>	<u>2,322</u>
Attributable to:		
Equity holders of the parent	1,793	2,318
Minority interest	<u>15</u>	<u>4</u>
	<u>1,808</u>	<u>2,322</u>
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT - BASIC & DILUTED	<u>0.19</u>	<u>0.25</u>



PETRON CORPORATION & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Millions of Pesos)

Unaudited

	January to June	
	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	2,541	3,438
Adjustments for:		
Depreciation and amortization	1,703	1,511
Interest expense	2,266	1,493
Interest income	(111)	(154)
Net unrealized foreign exchange loss (gain)	101	396
Others	(64)	50
Operating income before working capital changes	6,436	6,734
Changes in operating assets and liabilities		
Decrease (increase) in assets:		
Receivables	(2,104)	(2,126)
Inventories	1,060	(10,997)
Other current assets	7,396	3,463
Increase (decrease) in liabilities:		
Liabilities for crude oil and petroleum product importation	8,484	10,555
Accounts payable and accrued expenses	(596)	2,356
Provisions for doubtful accounts, inventory obsolescence and others	(1,887)	146
Interest paid	(2,383)	(1,327)
Income taxes paid	(55)	(888)
Interest received	124	159
Net cash provided by (used in) operating activities	16,475	8,075
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Property, plant and equipment	(1,119)	(3,489)
Investment properties	(1)	
Decrease (increase) in:		
Other receivables	(8,439)	2,000
Other noncurrent assets	212	(76)
Reductions from (additions to):		
Available-for-sale investments	(93)	(23)
Net cash provided by (used in) investing activities	(9,440)	(1,588)
CASH FLOWS FROM FINANCING ACTIVITIES		
Availment of loans	77,761	40,244
Payments of:		
Loans	(84,459)	(41,789)
Cash dividends	(3)	(885)
Others	56	38
Net cash provided by (used in) financing activities	(6,645)	(2,392)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(7)	53
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	383	4,148
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	12,827	9,732
CASH AND CASH EQUIVALENTS AT END OF PERIOD	13,210	13,880