



May 25, 2010

**Petron Corporation's
Disclosure dated May 17,
2010**

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

Attention: **Ms. Janet A. Encarnacion**
Head, Disclosure Department

Dear Ms. Encarnacion:

In response to your letter dated May 24, 2010, please be advised that the formation of the joint venture company between Petron and San Miguel Energy Corporation will no longer be pursued.

We hope we have sufficiently complied with your disclosure requirements.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Joel", written over a light grey circular stamp.

JOEL ANGELO C. CRUZ
Corporate Secretary