



August 15, 2013

PHILIPPINE STOCK EXCHANGE, INC.
Disclosure Department
3rd Floor, Philippine Stock Exchange Center
Ayala Triangle, Ayala Avenue
Makati City

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

Gentlemen:

This pertains to your request for clarification of the news article entitled “Petron Buying LPG Operations of Liguigaz” published in the August 15, 2013 issue of the *Manila Bulletin*, which reads in part as follows:

“Oil giant Petron Corporation is planning to acquire the LPG operations of Liguigaz, a wholly-owned subsidiary of SHV Energy of the Netherlands in the Philippines.

According to Rep. Arnel Ty of the LPG Marketer’s Association, once Petron is able to complete negotiations for the acquisition of Liguigaz, it will control the LPG industry with a 70 percent market share.

....

“We’re seeing that Petron may buy Solane (formerly Shellane) next,” Ty said. Isla LPG Corporation, the joint venture between Itochu of Japan and the Citadel Holdings, Inc. of the Delgado Group acquired Pilipinas Shell’s LPG business in the Philippines for around \$131 million.

Ty said Petron has given a non-binding offer of \$60 million (around R2.6 billion) for Liguigaz’s LPG business, which the other bidders are forced to match.

....”

The Company confirms that it is participating in the proposed acquisition of the LPG operations of Liguigaz, a wholly-owned subsidiary of SHV Energy of the Netherlands in the Philippines. The appropriate disclosure will be made by the Company in the event a definitive agreement is concluded by it in respect of such proposed acquisition.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Joel", written over a light blue horizontal line.

JOEL ANGELO C. CRUZ
VP - General Counsel &
Corporate Secretary