



August 31, 2007

Petron Corporation's
Disclosure

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

Attention: **Atty. Pete M. Malabanan**
Head, Disclosure Department

Gentlemen:

Pursuant to PSE and SEC's disclosure requirements, please be informed that the Board of Directors of Petron Corporation unanimously agreed on the following:

1. Election of Mr. Kamal M. Al-Yahya as the new President and Director of Petron Corporation effective September 1, 2007. He is replacing Mr. Khalid D. Al-Faddagh who has resigned effective end of August 31, 2007 as he has been called back to Saudi Arabia for a new assignment; and
2. Contract Award in favor of Daelim Industrial Co. Ltd. for the Engineering, Procurement, and Construction (EPC) of the BTX Storage and Loading Facilities. These facilities will allow the safe storage and handling of high value petrochemical products such as benzene and toluene, and are part of Petron's strategic thrust towards petrochemical production.

Above approvals will be submitted for formal ratification by the Board of Directors of Petron in its meeting on November 9, 2007.

We trust that we have sufficiently complied with your disclosure requirements.

Very truly yours,

A handwritten signature in black ink, appearing to read "Luis A. Maglaya".

Luis A. Maglaya
Corporate Secretary