



August 7, 2018

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

PHILIPPINE DEALING & EXCHANGE CORP.

37th Floor, Tower 1, The Enterprise Center
6766 Ayala Avenue cor. Paseo de Roxas
Makati City

Attention: **Ms. Vina Vanessa S. Salonga**
Head – Issuer Compliance and Disclosure Department

Gentlemen:

Please find attached the media release of the Company entitled
“PETRON INCOME UP 16%, POSTS ₱9.5 BILLION IN FIRST HALF OF 2018”.

Very truly yours,

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

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

**August 7, 2018
MEDIA RELEASE
FOR PUBLICATION & BROADCAST**



PETRON INCOME UP 16%, POSTS ₱9.5 BILLION IN FIRST HALF OF 2018

The country's leading oil company Petron Corporation (PCOR) sustained its strong performance in the first half of 2018 reaching a consolidated net income of ₱9.5 billion, up 16% from ₱8.2 billion in the same period last year.

Consolidated revenues increased 32 percent to ₱273.5 billion over the period from 2017's ₱207 billion, driven by sustained sales volumes of its Philippine and Malaysian operations and higher prices of crude oil and finished products. Consolidated sales volumes grew to 54.4 million barrels. Benchmark Dubai crude oil averaged US\$68/barrel in the first six months of 2018, 32% higher over the same period last year.

In the Philippine market, Petron's continued focus on other high-margin products resulted in petrochemicals generating strong sales, surpassing last year's first half volumes by 14%. Gasoline and aviation fuel likewise increased by 8% and 4%, respectively.

Petron Malaysia, in turn, reported a 7% growth in sales volumes boosted by stronger retail sales. The Company said its continuing network expansion program drove the increase in retail volumes. Petron Malaysia now has over 620 service stations and is becoming a significant force in this highly-competitive market. Petron also benefitted as the Malaysian Ringgit recovered and continued to strengthen during the period.

Operating income for the first six months of 2018 stood at ₱15.6 billion, higher than last year's ₱14.6 billion by 7%. This did not reflect the robust growth in revenues of 32% because the increase in cost of crude outpaced the increase in prices of finished goods. This reduced the Company's gross profit rate to 8.5% in the first half of 2018 versus last year's 10.2% over the same period.

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“We intend to fortify our leadership position as we ride on the continued economic growth of the Philippine and Malaysian markets. We continue to integrate our value chain, build up our supply and logistics capabilities, and roll-out more service stations than our competitors,” Petron President and CEO Ramon S. Ang said.

“We are well-positioned to fuel the government’s infrastructure program,” Mr. Ang added.

Despite its No.1 market position, Petron remains the fastest-growing oil company with a network of over 2,400 stations – the largest in the country and more than its three next competitors combined. Petron also continues to enjoy strong brand preference with continued product innovation. Its **Petron Blaze 100 Euro 6**, for instance, is the only one of its kind in the market and is the best gasoline in the country.

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About Petron Corporation

Petron Corporation is the largest oil refining and marketing company in the Philippines and is a leading player in the Malaysian market. It has a combined refining capacity of 268,000 barrels-per-day and produces a full range of world-class fuels and petrochemicals. It has over 3,000 service stations where it retails world-class gasoline and diesel. 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.

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