

Petron Corporation

30 June 2014



Disclaimer

This document does not constitute or form part of and should not be construed as an offer to sell or issue or the solicitation of an offer to buy or acquire securities of Petron Corporation or any of its subsidiaries or affiliates in any jurisdiction or as an inducement to enter into any investment activity. No part of this document, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. This document is not financial, legal, tax or other product advice.

This document has been prepared by the Company based on information available to it for use in this document by the Company for information purposes only and does not constitute a recommendation regarding any securities of the Company. The information contained herein is of a preliminary nature, is not complete, has not been independently verified and is subject to material changes. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. None of the Company or any of its subsidiaries, affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document.

The information contained in this document speak only as at the date as of which they are made, and the Company expressly disclaims any obligation or undertaking to supplement, amend or disseminate any updates or revisions to any information contained herein to reflect any change in events, conditions or circumstances on which any such information is based. By preparing this document, none of the Company, its management or their respective advisers undertakes any obligation to provide access to any additional information or to update this document or to correct any inaccuracies in any such information which may become apparent.

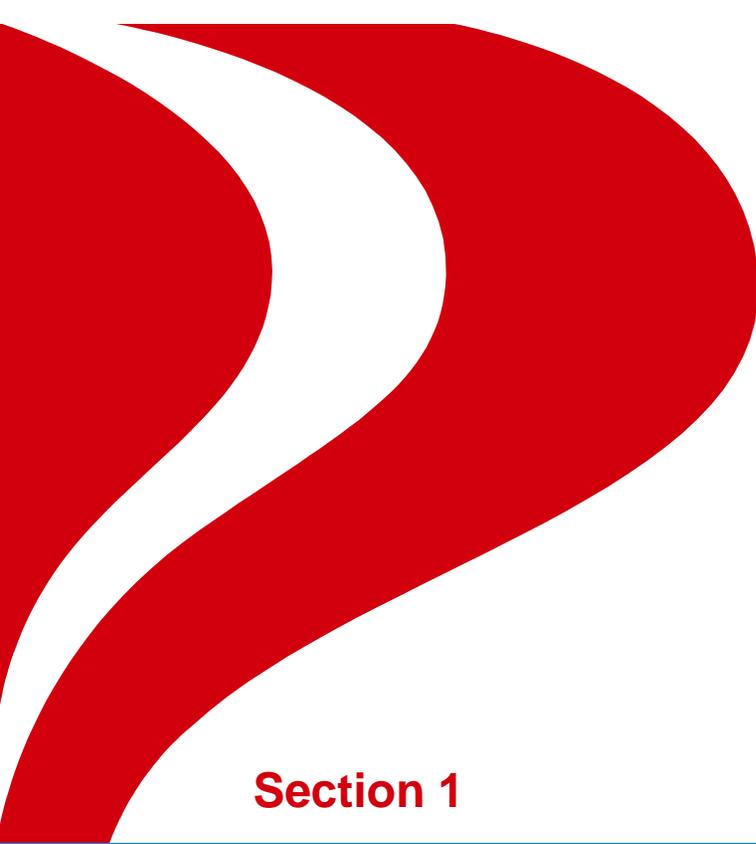
This document is not an offer of securities for sale in the United States or any other jurisdiction. Securities may not be offered or sold in the United States absent registration or an exemption from registration.

Certain statements in this document may constitute "forward-looking" statements within the meaning of U.S. securities laws, including without limitation statements about the business outlook, business plans and growth strategies of the Company. These forward-looking statements include words or phrases such as the Company "believes", "expects", "anticipates", "intends", "plans", "foresees", or other words or phrases of similar import. All such forward-looking statements are not guarantees of future performance. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. Certain factors that could cause actual results to differ include unforeseen developments in the Company's business or industry, changes in law or regulations and other factors described in the Company's filings with the Philippine Stock Exchange. Such forward-looking statements are made based on management's current expectations or beliefs regarding a variety of factors as well as assumptions made by, and information currently available to, management. Neither the Company nor any of its affiliates, shareholders, directors, employees, agents or advisers makes expressed or implied representations or warranties as to the accuracy or completeness of the information contained herein and none of them accepts any responsibility or liability (including any third party liability) for any loss or damage, whether or not arising from any error or omission in compiling such information or as a result of any party's reliance or use of such information. The Company has no obligation and does not undertake to update or revise forward-looking statements to reflect future events or circumstances. The information and opinions in this document are subject to change without notice and the document's accuracy is not guaranteed. You should not place undue reliance on any forward-looking statements.

Unless the context otherwise requires, "the Company" means Petron Corporation and its subsidiaries and associates.

Table of contents

 Introduction to Petron Corporation	3
 Business overview	6
 Financial performance	15



Section 1



Introduction to Petron Corporation



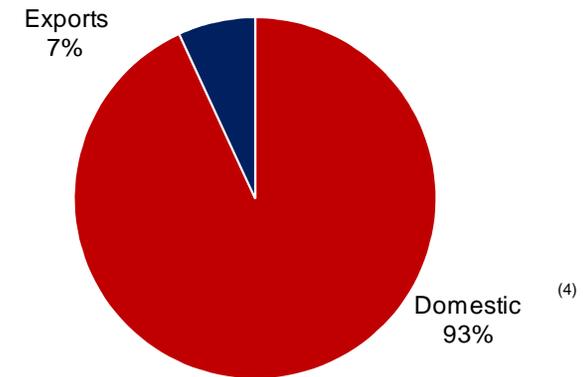
Overview

Petron is a major oil player in the Philippine and Malaysian downstream oil market and is a member of the San Miguel Group ⁽¹⁾

Overview

- Significant oil refining and marketing player in the Philippine and Malaysian markets
 - #1 in the Philippines in terms of market share and refining capacity ⁽²⁾
 - #3 in terms of retail market share in Malaysia ⁽³⁾
- Integrated refining complex with 180,000 bpd capacity in Bataan, Philippines and 88,000 bpd in Port Dickson, Malaysia
- Network of approximately 2,200 service stations in the Philippines and 560 in Malaysia ⁽³⁾
- More than 30 depots, terminals and airport installations located throughout the Philippines
- 8 product terminals across Peninsular and East Malaysia and 20% stake in a multi-product pipeline to Kuala Lumpur International Airport ("KLIA")

Sales by geography ⁽³⁾



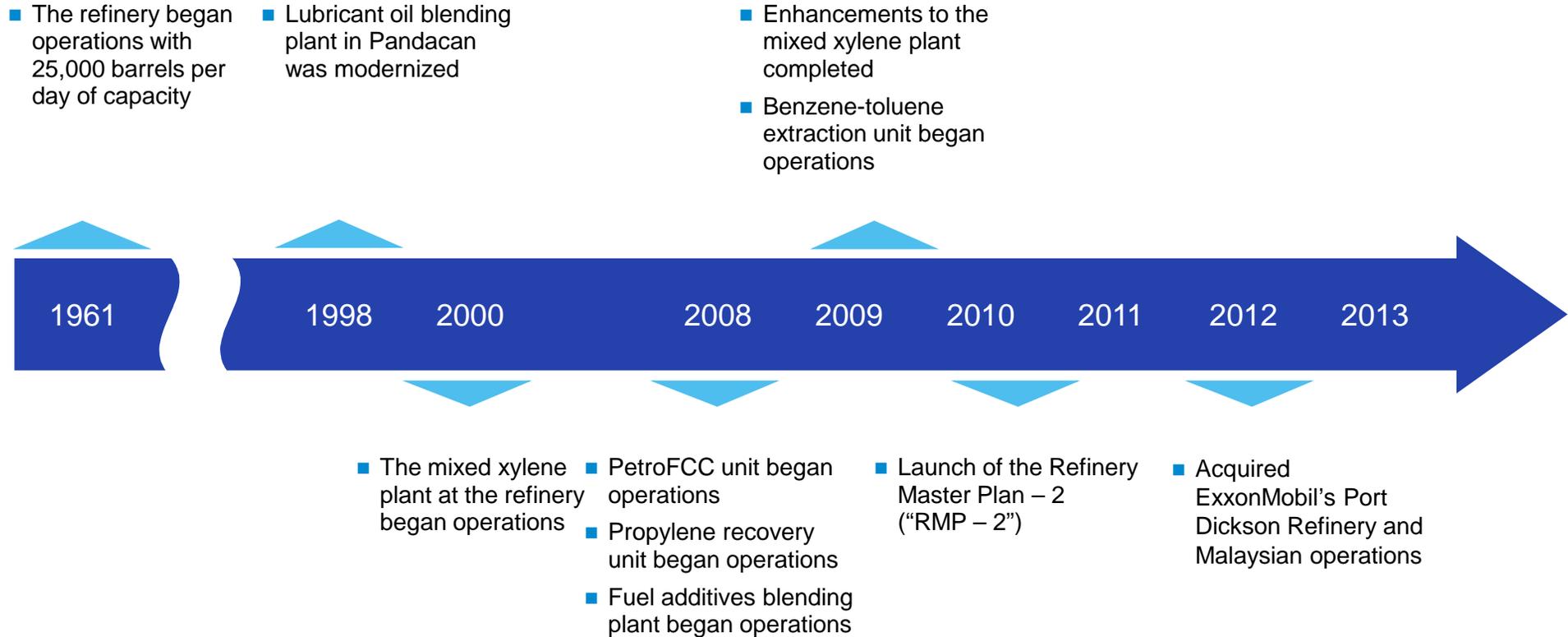
Source: Company estimates based on Company information and data from Department of Energy of the Philippines and Metrix Research Sdn. Bhd..

Note:

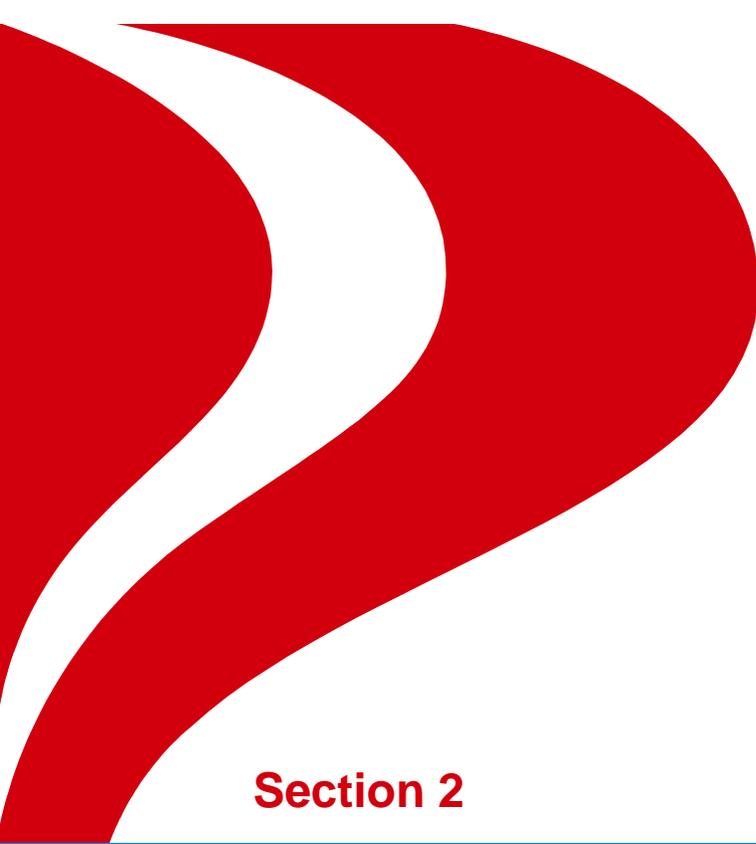
- (1) San Miguel Corporation has beneficially owned 68.3% of Petron since 2010.
- (2) Data as of FY2013.
- (3) Data as of June 30, 2014.
- (4) Domestic sales include sales in Philippine and Malaysian domestic markets.

Has been in operation since 1961

Long standing history and growth track record



Continuous initiatives on enhanced operating efficiencies and production of higher value products



Section 2



Business Overview



Business Overview

1 Operations in the growing Philippine and Malaysian markets

2 Market leader in the Philippine downstream sector

3 Strong presence in the Malaysian downstream sector

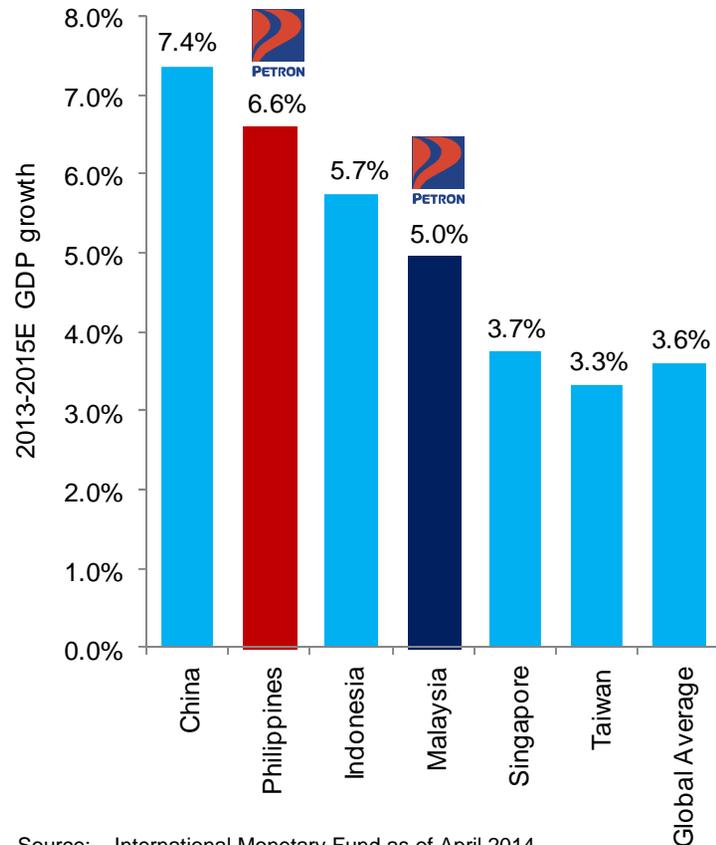
4 Strategic focus on key projects that are expected to enhance efficiencies, product mix and facilities

1 Operations in the growing Philippine and Malaysian markets

Strong GDP growth expected to drive fuel consumption

Strong macroeconomic growth fundamentals

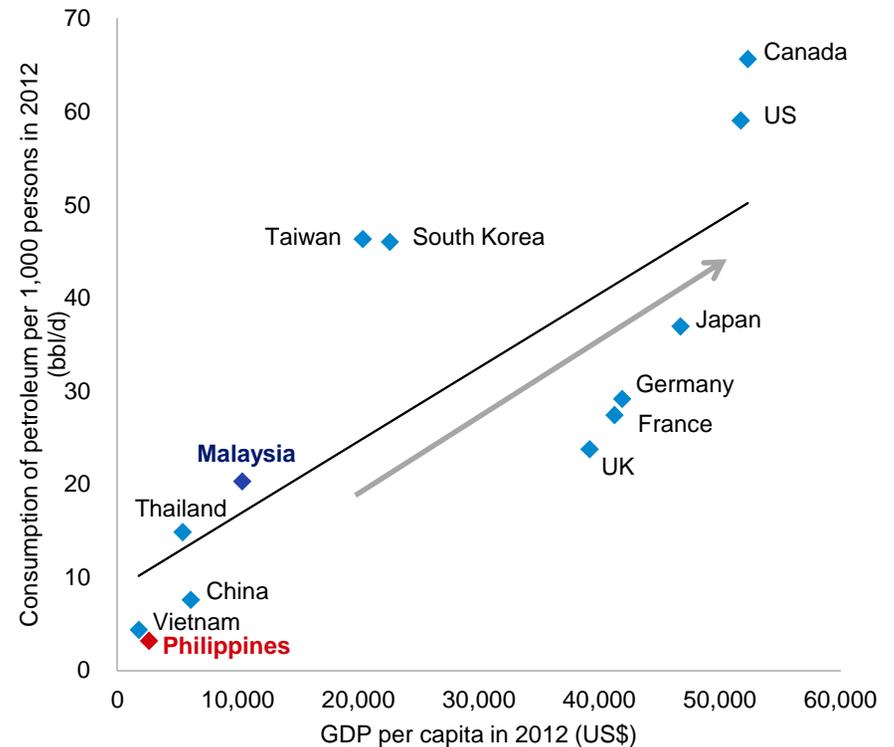
Operations in 2 of the projected fastest growing economies in the world



Source: International Monetary Fund as of April 2014.

Large fuel consumption upside potential

Historically, fuel consumption has been highly correlated to GDP



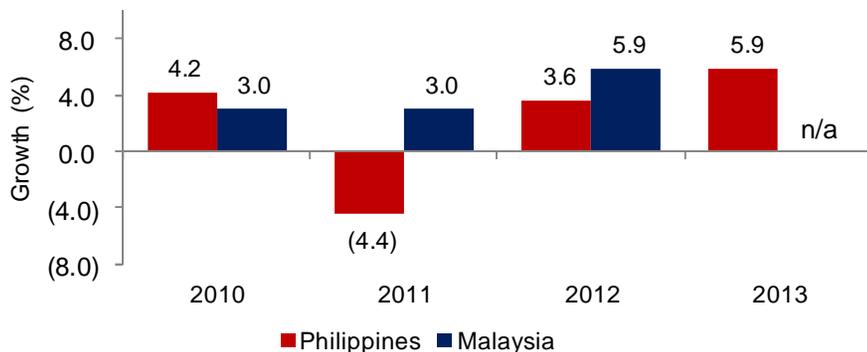
Source: US Energy Information Administration, International Monetary Fund as of October 2013.

1 Operations in the growing Philippine and Malaysian markets

Industry overview

- Growing Philippine and Malaysian domestic demands
- Both markets are importers of finished petroleum products
- Philippines is a free market with weekly price adjustments based on international benchmark prices (MOPS ⁽¹⁾) and foreign exchange movements
- Malaysia, as a regulated market with fixed retail prices, operates a pricing scheme allowing oil companies to recover operating costs and earn stable margins

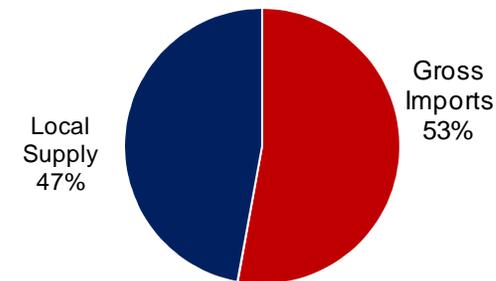
Petroleum products industry growth



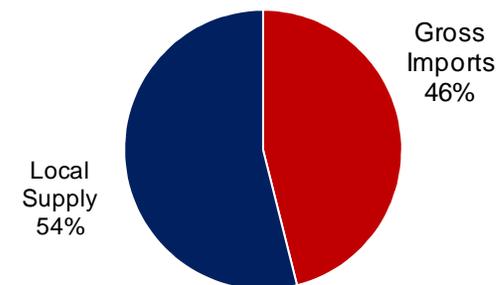
Demand and gross imports of finished petroleum products

The Philippines and Malaysia are importers of finished petroleum products

Gross imports as a percentage of total petroleum products consumption in the Philippines (FY2013)



Gross imports as a percentage of total petroleum products consumption in Malaysia (2012)



Source: Company estimates based on Company information and data from Philippine Department of Energy and JBC Energy.

Note:
(1) Mean of Platts Singapore.

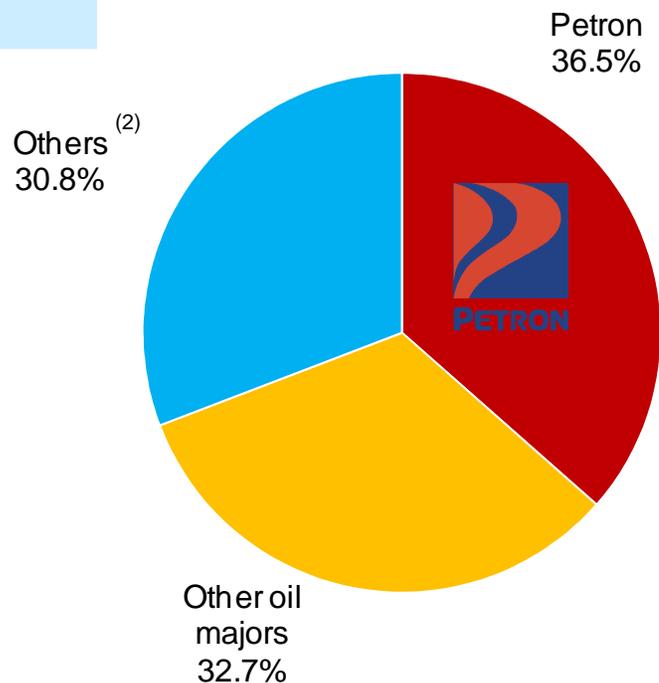
Source: Department of Energy of the Philippines, Malaysia Energy Information Hub.

2 Market leader in the Philippine downstream sector

Philippines domestic sales volume

Total market size:
322mbd ⁽¹⁾

Petron is the largest seller of fuels in the Philippines



Market performance across segments

Petron is the market leader in key segments based on domestic sales volume

Segment	Rank
Retail trade	#1
Industrial	#1
LPG	#1
Lubricants and greases	#2

Source: Company estimates based on Company information and data from Philippine Department of Energy as of FY2013.

Notes:

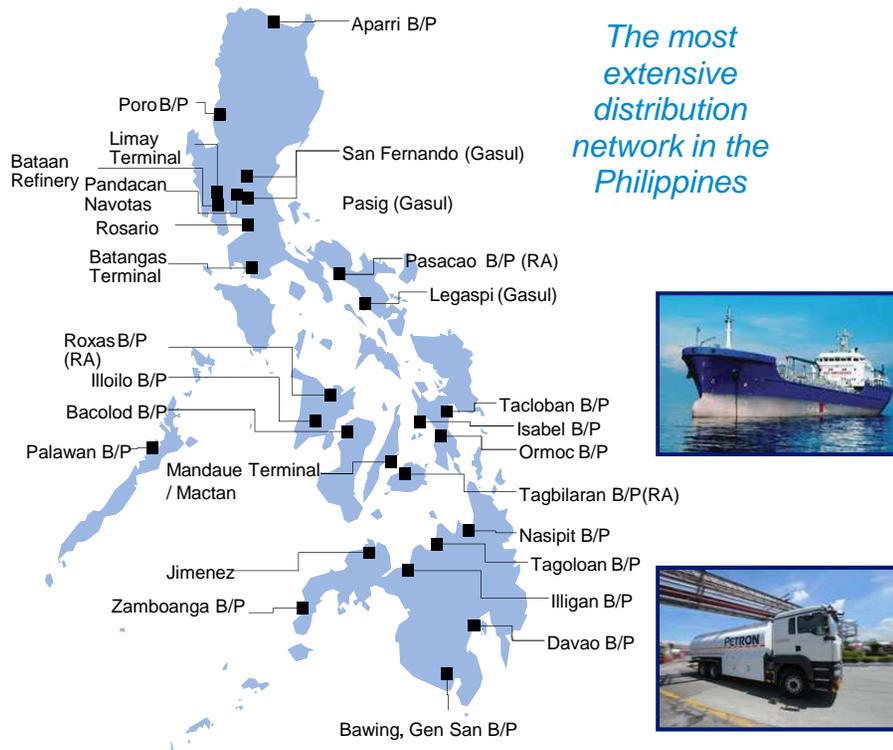
(1) Thousands of barrels per day. Data for FY2013.

(2) "Others" consists of smaller players/direct importers.

2 Market leader in the Philippine downstream sector

Extensive distribution infrastructure and multi-pronged marketing system in the Philippines

Nationwide distribution network (1)



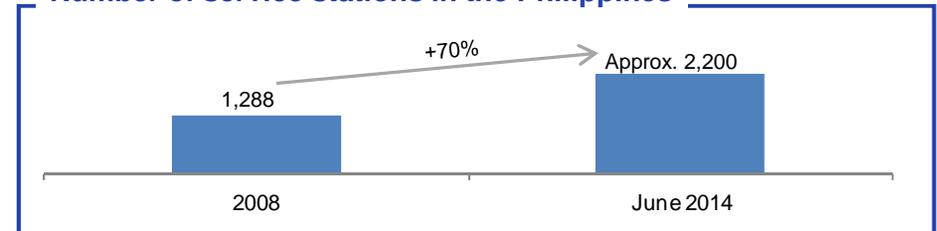
More than 30 depots, terminals and airport installations across the Philippines

Multi-pronged marketing system

Service station and lubricants network

- Approximately 2,200 service stations (27% CODO, 73% DODO) (2)
- More than 20 Car Care Centers
- Loyalty programs
 - Fleet Cards: More than 120,000
 - Value Cards: Close to 1.8 million

Number of service stations in the Philippines



LPG

- Biggest player
- More than 1,000 Gasul and Fiesta Gas branch stores
- Auto-LPG facilities installed in 20 service stations nationwide

Industrial Accounts

- More than 1,100 direct industrial account customers
- Services approximately 38% of the industrial sector

Notes:

- (1) Map indicates depots and terminals only and excludes airport installations as of June 2014, B/P refers to bulk plants (depots), and RA indicates that a rationalization agreement is in place in relation to the relevant depot, which is a contract between the owner-operator of the depot and another oil company regarding product supply and the use of the facilities to rationalize operations and reduce costs.
- (2) CODO represents company-owned-dealer-operated service stations and DODO represents dealer-owned-dealer-operated service stations; Data as of June 2014.

3 Strong presence in the Malaysian downstream sector

Petron entered the Malaysian market in 2012

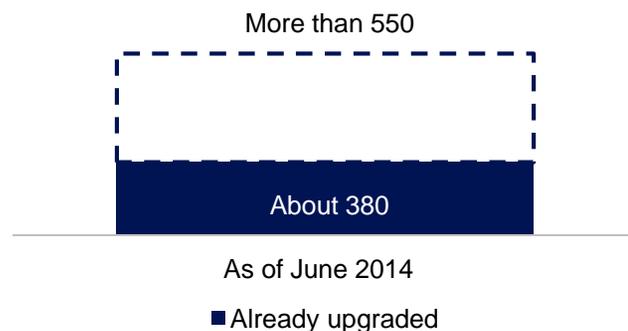
Marketing overview

- 3rd largest player (16.4% ⁽¹⁾ of the retail sector) in a growing market
- Current market size of approximately 700 thousand barrels per day, double the size of the Philippines
- Petron is upgrading service stations in Malaysia. This includes rebranding and refurbishing under the Petron brand

Industrial Accounts and LPG

- Presence in Aviation business with 20% ownership of multi-product pipeline to KLIA
- Supply 68% of the unbranded stations ⁽¹⁾
- 11.7% LPG market share in Malaysia ⁽¹⁾

Progress of service station rebranding in Malaysia



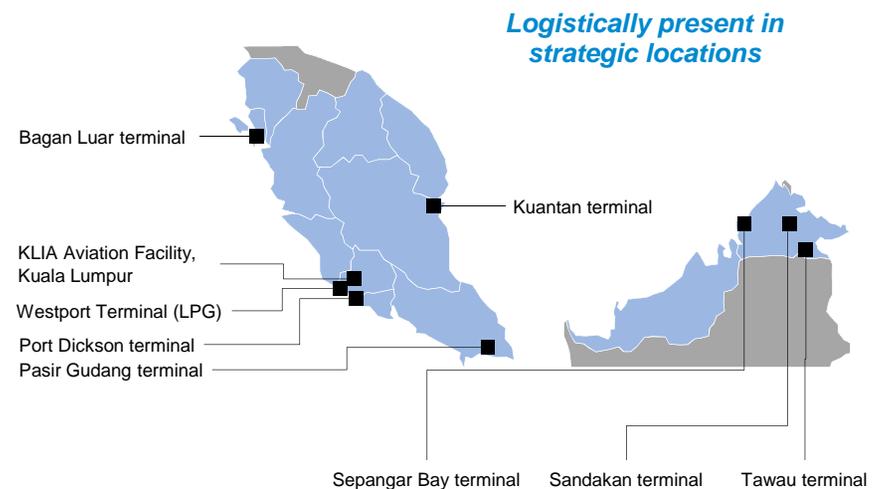
Notes:

- (1) Company estimates based on Company information and data from Metrix Research Sdn. Bhd. Data as of 1Q2014.
 (2) Includes 10 newly built stations carrying Petron brand. As of June 2014.

Service station and distribution network

- One-stop service experience (including TREATS convenience stores, cafes, ATMs, well-kept and clean facilities and many more)
 - Network of 560 ⁽²⁾ service stations across Malaysia which are currently being upgraded under the Petron brand with
 - 260 convenience stores in Malaysia
 - 8 product terminals
 - Loyalty Programs
- Approximately 1.6 million Smiles Cardholders in Malaysia

Nationwide distribution network



4 Strategic focus on key projects that are expected to enhance efficiencies, product mix, and facilities

The completion of projects are on schedule and are expected to benefit Petron once completed

- Significant investments expected to increase operating efficiencies leading to enhanced operating margins
- Investments expected to expand market reach and penetration
- Increase in storage capacity to support expected increase in volumes from RMP-2

Project	Outcome	Expected completion date
1 	<ul style="list-style-type: none"> ■ Convert production of lower value / margin fuel oils to higher margin products, resulting in increased complexity for the refinery ■ Further enhances the refinery's operational efficiencies to run at almost full capacity ■ Capability to process heavier/more sour and cheaper crude 	End 2014
2 	<ul style="list-style-type: none"> ■ Strengthen brand recognition and loyalty ■ Reach under-served and untapped urban / provincial areas ■ Support expected increase in volume once RMP-2 comes on-stream ■ Ongoing upgrading of service stations in Malaysia 	Continuing Program ⁽¹⁾
3 	<ul style="list-style-type: none"> ■ Increase in storage capacity by approximately 6% or 160 MB to support expected increase in volumes from RMP-2 <ul style="list-style-type: none"> – Identified locations include Navotas, Limay, and Rosario ■ Improve product supply reliability to customers/end-users 	Continuing Program ⁽¹⁾

Note:

(1) For Philippines only.

4 Strategic focus on key projects that are expected to enhance efficiencies, product mix, and facilities

Investments focused on increasing production of white products and petrochemicals while minimizing production of low margin fuel products

Core base of quality petroleum products...

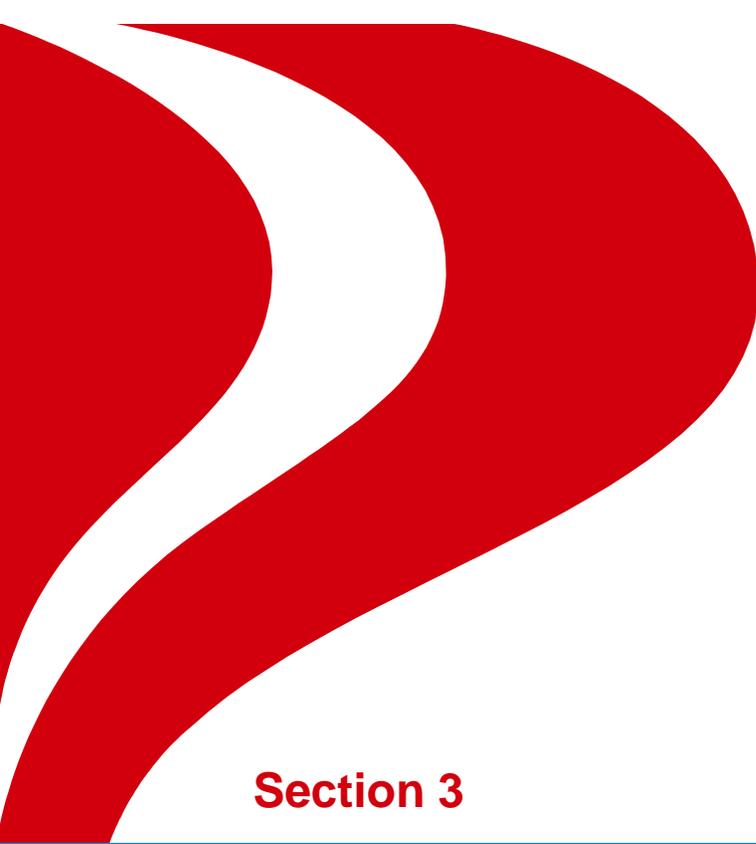
LPG	PETRON GASUL	FIESTA GAS	PETRON XTEND	PETRON GASUL
Gasoline	BLAZE	XCS PLUS	XTRA ADVANCE	SUPER XTRA
	BLAZE97	BLAZE95		
Jet / kerosene	PETRON JET A-1	PETRON AVIATION GASOLINE	PETRON GAAS	PETRON JET A-1
Diesel	DIESEL MAX	TURBO DIESEL	DIESEL	
Fuel oil	PETRON FUEL OIL	SPECIAL FUEL OIL	PETRON INDUSTRIAL HSFO	LOW SULFUR WAXY RESIDUE

...complemented by higher margin petrochemical products

Product	End use
Xylene	Polyester fibers, packaging materials, bottles and films
Benzene	Plastics, pharmaceuticals, pesticides, and other chemicals
Toluene	Solvents in paint, inks, adhesives and cleaning agents as well as chemical extractions; also pharmaceuticals, dyes and cosmetic nail products
Propylene/ Polypropylene	Food packaging plastics, car bumpers, computer housings, appliance parts, and fibres

Products Brands

- Available in the Philippines
- Available in Malaysia



Section 3

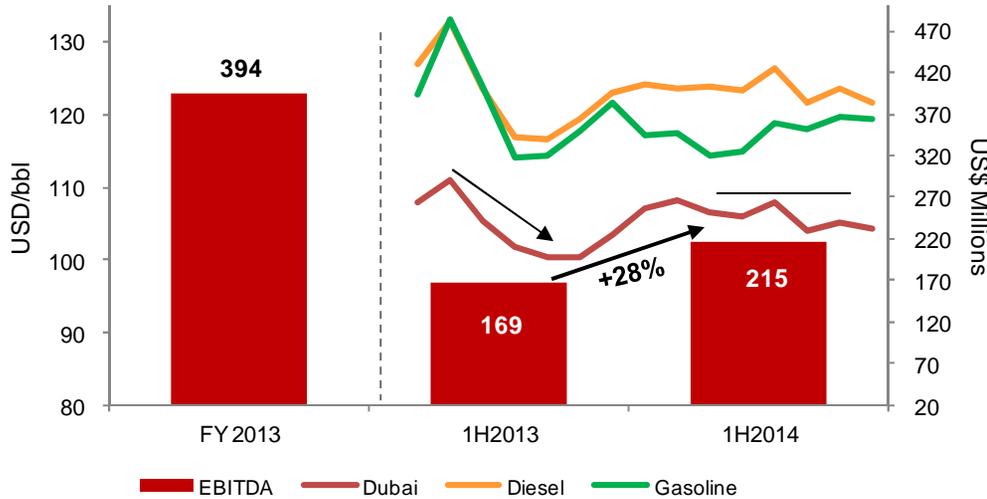


Financial performance



Less Volatile Market Environment

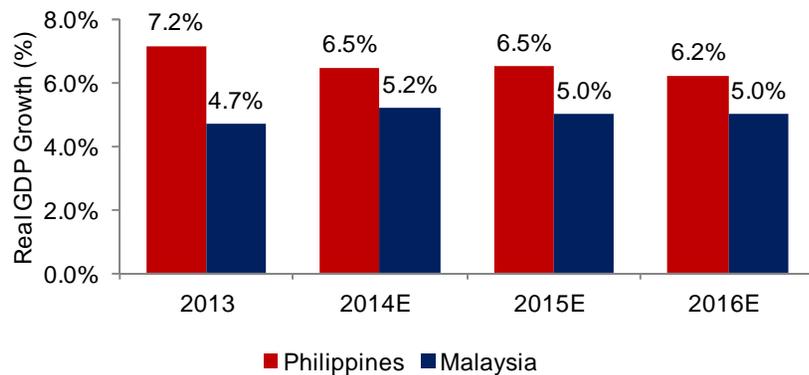
Crude prices and EBITDA (1)



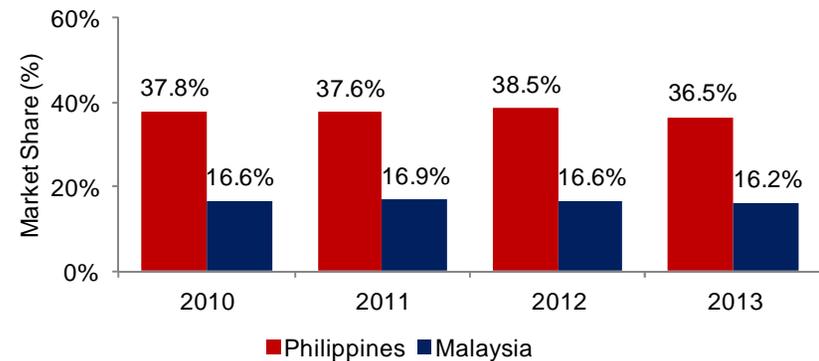
Less volatile market condition

- Less volatile environment in 1H2014
 - Dubai crude price movement more stable, with monthly average prices trading at a narrower band of US104/bbl to US108/bbl. (1H2013: US100/bbl to US111/bbl).
 - Less volatility allows fundamentals to set in resulting in lower refining margins as reflected by product cracks (MOPS differential vs. Dubai)
- Petron continues to operate in markets with expected strong economic growth

GDP growth



Petron market shares in the Philippines & Malaysia (2)



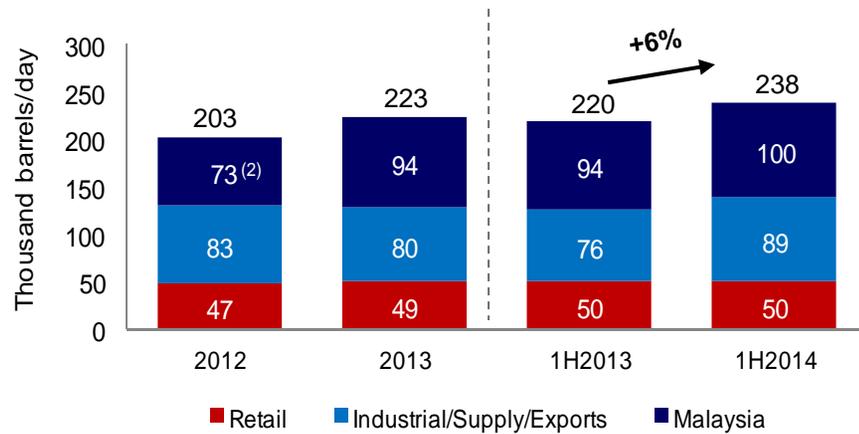
Source: International Monetary Fund as of April 2014

Notes:

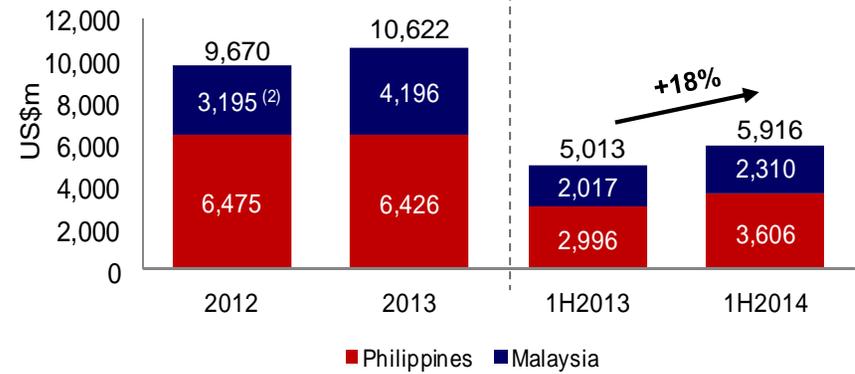
- (1) All US\$ figures are translated at an exchange rate of PHP 43.65 = US\$1.00, the weighted average rate quoted on the PDS for the purchase of U.S. dollars with Philippine Pesos on June 30 2014. EBITDA is defined as net income before net interest expenses, tax expenses, depreciation and amortization, foreign exchange gains /losses, amortization of transaction costs, and Marked to Market on free standing currencies.
- (2) Company estimates based on Company information and data from the Philippine Department of Energy for FY2013, and Metrix Research Sdn. Bhd. for FY 2013. Philippine market share based on overall market share. Malaysia market share based on retail market share for FY 2013.

Sustained growth amidst challenges

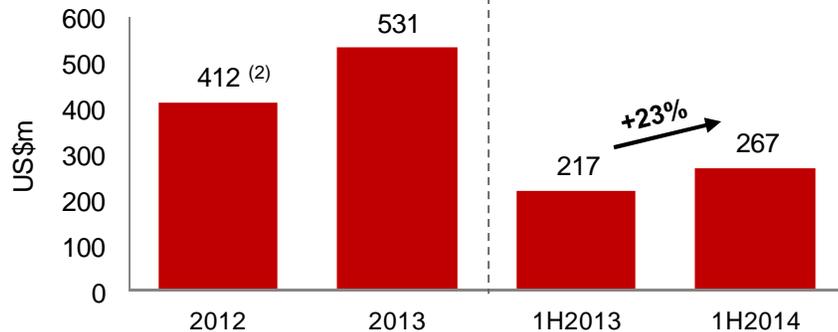
Sales volumes



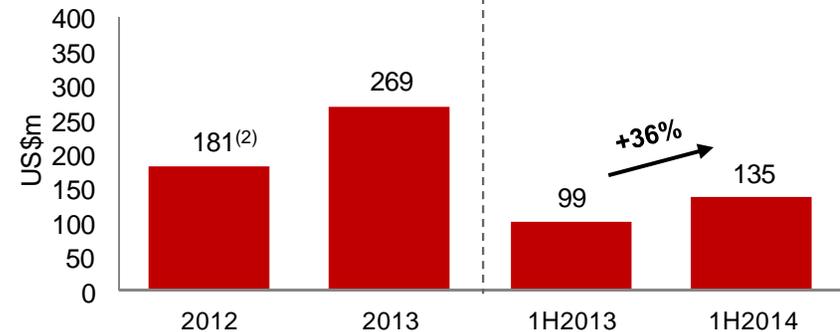
Sales ⁽¹⁾



Gross profit ⁽¹⁾



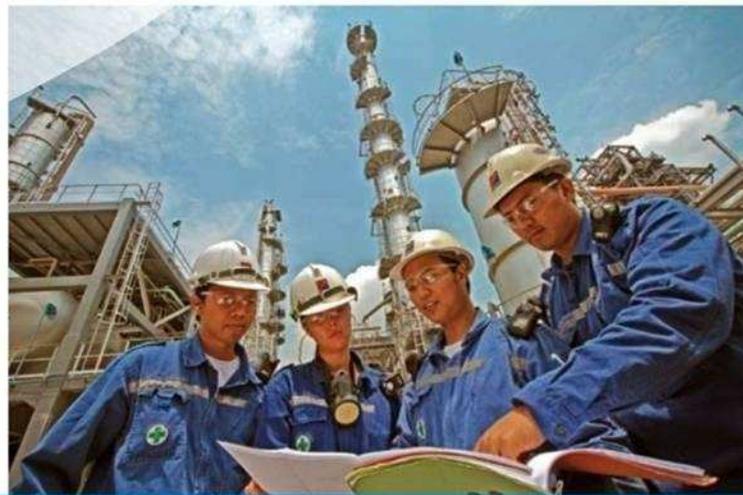
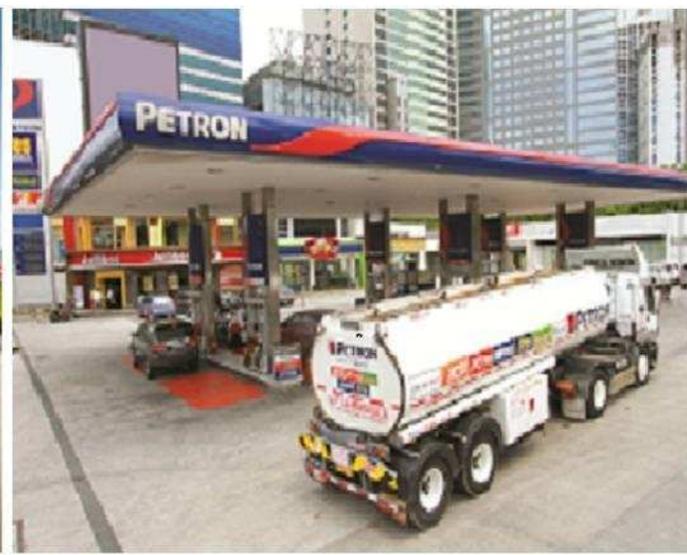
Operating income ⁽¹⁾



Source: Company financials.

Notes:

- (1) All US\$ figures are translated at an exchange rate of PHP 43.65 = US\$1.00, the weighted average rate quoted on the PDS for the purchase of U.S. dollars with Philippine Pesos on June 30 2014.
- (2) Includes Petron Malaysia contribution from 2Q 2012. Petron acquired ExxonMobil's downstream business in Malaysia in March 2012. Malaysia sales volumes from 2Q to 4Q 2012 divided by 366 days.



Petron Corporation

30 June 2014

