



April 10, 2008

ATTY. PETE M. MALABANAN
Head, Disclosure Department
Philippine Stock Exchange, Inc. (PSE)
Philippine Stock Exchange Center
Exchange Road, Ortigas Center
Pasig City

Dear Atty. Malabanan:

We refer to your letter requesting for clarification on the article that came out in today's issue of the Philippine Daily Inquirer (Internet Edition) "*Mitsui is Petron's first petrochem buyer*" which reported in part that:

"LIMAY, Bataan, Philippines - Petron Corp. has signed an agreement with Mitsui Co. Ltd. on supply of polymer-grade propylene for an initial six-month period. Mitsui received the first shipment of 1,500 metric tons of the product on April 1, according to an agreement signed at a ceremony Wednesday in time with the inauguration of Petron's Petro Fluidized Catalytic Cracking (PetroFCC) unit and Propylene Recovery Unit (PRU) here. Mitsui is Petron's first customer for its polymer-grade propylene, the raw materials for petrochemical products used in production of everyday items, such as food packaging, appliance, suitcases, furniture, DVDs and car parts..."

We wish to confirm that in ceremonies held yesterday (April 9) at our refinery in Limay, Bataan, Petron signed a 6-month supply contract with Mitsui Co. Ltd. for the latter to purchase polymer-grade propylene. The initial lifting by Mitsui at our Bataan refinery of 1,500 metric tons of propylene was done on April 1.

With the foregoing, we hope we have complied with your disclosure requirements.

Thank you.

Very truly yours,

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

Virginia A. Ruivivar
Public Affairs Manager