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MEDIA RELEASE
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PETRON CONTINUES MAJOR PROGRAMS IN 2013

KUALA LUMPUR, February 20, 2014 – Despite a challenging environment, Petron Malaysia Refining & Marketing Bhd (PMRMB) continued to focus on its major programs in 2013 aimed at enhancing customer convenience, increasing sales volumes, and improving margins.

PMRMB has already achieved a major milestone in its service station upgrading and rebranding program with 60% of its stations fully converted to Petron. 180 out of the 300 stations owned by PMRMB have been converted. PMRMB together with its sister companies, Petron Fuel International Sdn Bhd (PFISB) and Petron Oil (M) Sdn Bhd (POMSB) that form Petron Malaysia, has successfully completed the rebranding of 287 out of 560 stations. The entire program is targeted for completion by end 2014.

Petron Malaysia also introduced the Petron Miles Privilege Card that is replacing the Smiles Loyalty Card. The Petron Miles Privilege Card continues to give more value to loyal customers who get 1 Miles point for every RM1 spent on fuel. Motorists also get more privileges with the ever-growing list of Petron merchant partners, fuel redemptions and other lifestyle rewards. There are currently around 1.5 million Petron loyalty card users.

2013 also saw the launch of Petron Malaysia's retail network expansion program. The program aims to make Petron's premium fuels (Blaze 97RON, Blaze 95RON, and DieselMax) and personalized services accessible to more motorists. Petron Malaysia has completed the construction of 10 service stations for 2013 and targets to build at least 30 new stations this year to broaden its reach.

PMRMB continued to focus on these value-adding projects amid volatility in international oil prices that lowered margins of downstream oil companies locally and across the region. The price differential between crude feedstocks and finished products narrowed in 2013 which further impacted margins. The appreciation of the US Dollar against Ringgit in the 4th quarter also affected the company's earnings.

These external factors reflected in PMRMB's full year 2013 results with an after tax loss of RM64 million from an income of RM98 million in 2012.

PMRMB's sales volumes slightly dropped by 1.7% to 29 million barrels last year from 29.5 million barrels in 2012 as commercial sales decreased, largely due to reduced diesel consumption by some power plants in favour of LNG. This correspondingly translated to lower revenues which decreased by 3% to RM11.1 billion in 2013. The company however reported that volumes in its higher margin Retail business increased by nearly 5%.

"In spite of external factors that affected our business, we continued to get the job done as we focused on internal programs to further increase productivity levels and optimise our operating costs," PMRMB Chairman Ramon S. Ang said, "We continued to invest and pursue initiatives aimed at increasing our market share which should help us moving forward."

"We are confident of Petron Malaysia's prospects as we deliberately grow the business," Mr. Ang concluded.

Petron Corporation of the Philippines assumed management of PMRMB, PFISB, and POMSB in the 2nd quarter of 2012.

PMRMB said that in spite of the challenging environment, balanced with its desire to give shareholders consistent and stable returns, the Board proposed a final dividend of 14 sen per share. The proposal will be presented for shareholders' approval at the next Annual General Meeting.

(end)

CAUTIONARY NOTE: Statements in this release relating to future plans, projections, events, or conditions are forward-looking statements. Actual results, including project plans, timing, and capacities, could differ materially due to changes in long-term oil or gas prices or other market conditions affecting the oil and gas industry; political events or disturbances; the outcome of commercial negotiations; changes in technical or operating conditions; and other factors.

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