



July 2, 2018

**Singapore Exchange Securities
Trading Limited (SGX-ST)**
2 Shenton Way
#02-02 SGX Centre 1
Singapore 068804

Dear Sirs:

**TAX RULING FROM A SINGAPORE TAX PERSPECTIVE IN RESPECT
OF THE ISSUE OF US\$500 MILLION SENIOR PERPETUAL CAPITAL SECURITIES**

Petron Corporation (the “Company”) has issued US\$500,000,000 in aggregate principal amount of senior perpetual capital securities (the “Securities”) on 19 January 2018.

The Company wishes to announce that the Inland Revenue Authority of Singapore (“IRAS”) has issued a tax ruling in respect of the Singapore income tax treatment of the Distributions due and payable on the Securities (including Arrears of Distributions and any Additional Distribution Amounts). In particular, the IRAS has stated in the tax ruling that it is prepared to regard the Securities as “debt securities” for the purpose of Section 43N(4) of the Income Tax Act (Chapter 134 of Singapore (“ITA”) and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations (“QDS Regulations”). Accordingly, the Distributions due and payable on the Securities (including Arrears of Distributions and any Additional Distribution Amounts) will be regarded by the IRAS as interest payable on indebtedness. Subject to the conditions in respect of the qualifying debt securities (“QDS”) scheme being met under the QDS Regulations, Section 43N and Section 13(16) of the ITA, the Securities will be regarded by the IRAS as QDS and the holders of the Securities will be entitled to the tax concessions and exemptions under Section 43N and Section 13(1)(a) of the ITA respectively, as set out in the “Singapore Taxation” section of the Offering Circular dated 11 January 2018.

The foregoing tax ruling is without prejudice to the Securities being classified as equity in the accounting books of the Company from an accounting perspective.

Very truly yours,

A handwritten signature in black ink, appearing to read 'JCCruz'.

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