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This announcement is for information purposes only, and does not constitute an invitation or an offer to acquire, purchase or subscribe for securities. This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities law of any such jurisdiction. Any materials relating to the Tender Offer does not constitute, and may not be used in connection with, any form of offer or solicitation in any place where such offers or solicitations are not permitted by law. If a jurisdiction requires the Tender Offer to be made by a licensed broker or dealer and the Dealer Manager or any of its affiliates is such a licensed broker or dealer in such jurisdiction, the Tender Offer shall be deemed to be made by such Dealer Manager or affiliate (as the case may be) on behalf of the Offeror in such jurisdiction.



Petron Corporation (the “Offeror”)

(Incorporated with limited liability in the Republic of the Philippines)

Invitation to holders of the
US\$500,000,000 4.60% Senior Perpetual Capital Securities issued on January 19, 2018
(ISIN: XS1740858540; Common Code: 174085854)
(the “Securities”)

The Offeror today announces its tender offer (the “**Tender Offer**”) to holders of the Securities to tender for purchase by the Offeror for cash such Securities at a price to be determined pursuant to a Modified Dutch Auction Procedure (as described in the Tender Offer Memorandum), up to a total aggregate principal amount of US\$50,000,000 (the “**Maximum Acceptance Amount**”). The Tender Offer is being made on the terms and subject to the conditions and the offer and distribution restrictions set out in the tender offer memorandum dated January 4, 2023 (the “**Tender Offer Memorandum**”). Capitalised terms used and not otherwise defined in this announcement have the meanings given to them in the Tender Offer Memorandum, which is available on the Offer Website: <https://projects.morrowsodali.com/petron>.

The Offeror proposes to accept valid tenders of Securities for purchase pursuant to the Tender Offer such that the aggregate principal amount of the Securities accepted is in an amount of up to the Maximum Acceptance Amount. The Offeror reserves the right, in its sole and absolute discretion, to extend, withdraw, terminate or amend (including by way of modifying the Maximum Acceptance Amount and/or the Minimum Purchase Price) the Tender Offer, purchase Securities in excess of, or below, the Maximum Acceptance Amount, or not to purchase any Securities, subject to applicable law.

Modified Dutch Auction Procedure

Under the Modified Dutch Auction Procedure, the Offeror will determine, in its sole discretion, following expiration of the Tender Offer, the Purchase Price for the Securities (expressed as the amount payable for each US\$1,000 in principal amount of Securities equal to, or in an increment of US\$0.50 per US\$1,000 in principal amount of Securities above, the Minimum Purchase Price), taking into account the principal amount of Securities so tendered and the Offer Prices specified (or deemed to be specified) by tendering Securityholders, as more fully described in the Tender Offer Memorandum.

Tender Instructions in respect of the Securities may be submitted as (a) Tender Instructions which specify a purchase price higher than the Minimum Purchase Price in accordance with the Modified Dutch Auction Procedure described further in the Tender Offer Memorandum (a “**Competitive Offer**”), or (b) Tender Instructions which specify the aggregate principal amount of Securities, tendered pursuant to such Tender Instruction, and which either (i) do not specify a purchase price for such Securities, or (ii) specify a purchase price less than or equal to the Minimum Purchase Price (a “**Non-Competitive Offer**”).

Rationale for the Tender Offer

The Offeror is undertaking the Tender Offer to optimise the cost of capital and capital structure of the Offeror. The Tender Offer also provides liquidity to investors at a premium to market price.

Any Securities acquired pursuant to the Tender Offer will be cancelled.

Summary of the Tender Offer

Description of Securities	Outstanding Principal Amount	ISIN / Common Code	Minimum Denomination	Minimum Purchase Price	Maximum Acceptance Amount
US\$500,000,000 4.60% Senior Perpetual Capital Securities	US\$500,000,000	ISIN: XS1740858540; Common Code: 174085854	US\$200,000 and integral multiples of US\$1,000 thereafter	US\$927 per US\$1,000 in principal amount of the Securities	Up to US\$50,000,000 aggregate principal amount of the Securities

Note: In addition to the Purchase Price, the Offeror will also pay holders of the Securities (whose Securities are accepted for purchase by the Offeror) on the Payment Date, an Accrued Distribution Amount.

Securityholders that validly tender their Securities at or prior to the Expiration Deadline (provided such tender is received by the Information and Tender Agent at or prior to the Expiration Deadline), if the Offeror accepts the tender of such Securities, will be paid (subject to the conditions described in the Tender Offer Memorandum): (a) the Purchase Price, to be determined pursuant to the Modified Dutch Auction Procedure; and (b) an amount in cash in U.S. dollars (rounded to the nearest US\$0.01 with US\$0.005 rounded upwards) equal to the distribution accrued and unpaid on the Securities tendered from (and including) the immediately preceding distribution payment date for the Securities up to (but excluding) the Payment Date (the “**Accrued Distribution Amount**”).

Indicative Timetable

The indicative timetable for the Tender Offer is set out below:

Date and Time	Event
January 4, 2023	Commencement Date
4:00 pm (London time) on January 12, 2023, unless extended or earlier terminated by the Offeror. In the case of an extension, the Expiration Deadline will be such other date and time as so extended.	Expiration Deadline
As soon as practicable on the day following the Expiration Deadline.	Results Announcement Date
A date promptly following the Expiration Deadline expected to be on or about January 18, 2023.	Payment Date

The above times and dates are subject to the rights of the Offeror to extend, re-open, amend, waive in whole or in part any condition to, and/or withdraw or terminate, the Tender Offer (subject to applicable law and as provided in the Tender Offer Memorandum).

Acceptance of Tender Instructions and Scaling of Tenders

Once the Offeror has determined the Purchase Price, the Offeror will accept Tender Instructions in the following order:

- (i) all validly submitted Non-Competitive Offers will be accepted first, subject to possible pro-ration in the event that such Tender Instructions have been submitted with respect to a greater principal amount than the Maximum Acceptance Amount and, if such pro-ration applies, no Competitive Offers will be accepted;

- (ii) all validly submitted Competitive Offers that specify Offer Prices lower than the Purchase Price will be accepted second; and
- (iii) all validly submitted Competitive Offers that specify Offer Prices equal to the Purchase Price will be accepted third, subject to possible pro-ration in the event that such Competitive Offers, when aggregated with all Tender Instructions above and accepted for purchase, results in a principal amount which is greater than the Maximum Acceptance Amount.

The purchases described in stages (ii) and/or (iii) above, as the case may be, will only be made to the extent that purchases described in (i) and/or (ii) above, as the case may be, do not exceed the Maximum Acceptance Amount and, should Securities tendered at any stage exceed the Maximum Acceptance Amount, then the Securities will be adjusted on a pro rata basis, if necessary, as described in the Tender Offer Memorandum.

Tender Instructions are irrevocable and must be submitted in respect of a minimum principal amount of Securities of no less than the Minimum Denomination of US\$200,000, and integral multiples of US\$1,000 thereafter.

A Securityholder that wishes to tender its Securities must submit a separate Tender Instruction per beneficial owner due to potential pro-ration.

Securityholders are advised to check with any broker, dealer, bank, custodian, trust company or other nominee or other intermediary through which they hold Securities to confirm whether such intermediary requires that it receives instructions for such Securityholder to participate in the Tender Offer before the deadlines specified above. The deadlines set by each Clearing System (as defined below) for the submission of Securities subject to the Tender Offer may be earlier than the deadlines set out above.

For a detailed statement of the terms and conditions of the Tender Offer, Securityholders should refer to the Tender Offer Memorandum.

Dated: January 4, 2023

Requests for information in relation to the Tender Offer should be directed to:

THE DEALER MANAGER

Mizuho Securities Asia Limited

14-15/F., K11 Atelier
18 Salisbury Road
Tsim Sha Tsui, Kowloon
Hong Kong

Attention: Debt Capital Markets
Telephone: +852 2685 2023
Email: Liability.Management@hk.mizuho-sc.com

Requests for information in relation to the procedures for tendering Securities and participating in the Tender Offer and the submission of a Tender Instruction should be directed to the Information and Tender Agent:

THE INFORMATION AND TENDER AGENT
Morrow Sodali Limited

In London
103 Wigmore Street
W1U 1QS
London
United Kingdom
Tel: +44 20 4513 6933

In Hong Kong
The Hive
33-35 Hillier Street
Sheung Wan
Hong Kong
Tel: +852 2319 4130

E-mail: petron@investor.morrowsodali.com
Offer Website: <https://projects.morrowsodali.com/petron>

This announcement must be read in conjunction with the Tender Offer Memorandum. The Tender Offer Memorandum contains important information which should be read carefully before any decision is made with respect to the Tender Offer. If any Securityholder is in doubt as to the action it should take, it is recommended to seek its own financial advice, including in respect of any tax consequences, immediately from its stockbroker, bank manager, solicitor, accountant or other independent financial adviser. Any individual or company whose Securities are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to participate in the Tender Offer. None of the Offeror, the Dealer Manager or the Information and Tender Agent, makes any recommendation as to whether or not or how Securityholders should participate in the Tender Offer.

The securities referred to herein have not and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state of the United States or any other jurisdiction. The securities referred to herein may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. No public offering of the securities referred to herein is being made in the United States or in any other jurisdiction.

NONE OF THE TENDER OFFER MEMORANDUM OR ANY RELATED DOCUMENT HAS BEEN REVIEWED BY THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION (THE “PSEC”), AND NEITHER THE TENDER OFFER NOR THE SECURITIES BEING REFERRED TO HEREIN, HAVE BEEN AND WILL NOT BE REGISTERED WITH THE PSEC UNDER THE SECURITIES REGULATION CODE OF THE PHILIPPINES AND ITS IMPLEMENTING RULES AND REGULATIONS (THE “SRC”). ANY FUTURE OFFER OR SALE OF SUCH SECURITIES WITHIN THE PHILIPPINES IS SUBJECT TO THE REGISTRATION REQUIREMENTS UNDER THE SRC UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION UNDER THE SRC.

The distribution of the Tender Offer Memorandum in certain jurisdictions may be restricted by law. Securityholders and any other person into whose possession the Tender Offer Memorandum comes are required by the Offeror to inform themselves about, and to observe, any such restrictions.