



**SAN MIGUEL
CORPORATION**

March 27, 2026

Philippine Dealing & Exchange Corp.
29th Floor, BDO Equitable Tower
8751 Paseo de Roxas, Makati City 1226

Attention: Atty. Suzy Claire R. Selleza
Head – Issuer Compliance and Disclosure Department
Philippine Dealing & Exchange Corp.

Gentlemen:

Please see attached disclosure from the Company.

Very truly yours,

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

MARY ROSE S. TAN
Assistant Corporate Secretary



**SAN MIGUEL
CORPORATION**

March 27, 2026

The Philippine Stock Exchange, Inc.

Disclosure Department
6th Floor, Philippine Stock Exchange Tower
28th Street, corner 5th Avenue
Bonifacio Global City, Taguig City

Attention: **Atty. Johanne Daniel M. Negre**
Officer-in-Charge, Disclosure Department

Gentlemen:

The Corporation advises that Petron Corporation (“Petron”), a subsidiary of the Corporation, in line with the call of the Philippine Government to secure alternative crude oil and finished petroleum products to safeguard the stability and adequacy of the country’s fuel supply, as subsequently formalized in the declaration of a state of national energy emergency on March 24, 2026 through Executive Order No. 110, managed to procure a total of 2,480,000 barrels of crude oil sourced from Russia. Such imported crude oil, together with all other crude secured, will augment Petron’s petroleum product inventory until June 2026.

The Corporation wishes to emphasize that the procurement by Petron of the aforementioned crude oil is not part of Petron’s business-as-usual sourcing strategy and the purchases were undertaken strictly out of extreme necessity, and as an extraordinary emergency measure, in response to unprecedented geopolitical and supply-chain disruptions, and only after exhausting all commercially and operationally viable alternatives.

On February 28, 2026, the same day the United States and Israel launched a military campaign against Iran, Petron was advised that one shipment of two (2) million barrels of crude oil did not gain safe passage at the Strait of Hormuz as the Islamic Revolutionary Guard Corps (IRGC) Navy announced the closure of Strait of Hormuz to all merchant vessels. Subsequently, on March 7, a second shipment of two (2) million barrels of crude oil was cancelled owing to the the heightened risk in the Red Sea and Strait of Hormuz.

Considering that Petron has a 30% market share of the Philippine fuel supply, operates the only oil refinery in the Philippines, and the precarious level of fuel supply in the entire country since approximately 98% of the Philippines' crude oil imports are sourced from the Middle East, the unforeseen military campaign on Iran and the subsequent effective closure of the Strait of Hormuz posed an imminent and real threat to the country's fuel supply security and the economy at large. Acting out of extreme necessity and considering the abrupt cut in supply, Petron was thus constrained to procure Russian crude oil, which at that time was available and the only viable crude, to protect not only its interests as a company but more importantly, the security and interests of the nation.

A refinery shutdown for failure to secure crude would lead to serious nationwide fuel shortages, sharp price spikes, panic buying, disruption to transportation and logistics, and broader economic dislocation—outcomes that would have had serious consequences for households, businesses, and critical public services in a country that is highly dependent on imported fuel.

In procuring the oil supply, Petron engaged closely with the Department of Energy and the Department of Finance, both of which have encouraged oil companies to secure alternative crude and finished product sources. On 12 March 2026, the *Bangko Sentral ng Pilipinas* issued a letter confirming that there is no prohibition under Philippine law against sourcing foreign currency for import and trade transactions. Based on these engagements, Petron's understanding was that there were likewise no domestic legal prohibitions imposed on the importation of Russian crude oil. Throughout this period, the Philippine Government has actively engaged with and has been supportive of Petron. Relevant agencies worked closely with Petron to identify emergency supply options, provide regulatory clarity, to ensure that the country's fuel requirements are met without interruption.

The Corporation wishes to transparently disclose that, if the current crisis persists and alternative crude sources remain unavailable or insufficient, Petron may again be compelled to consider purchases of Russian crude oil to augment the national fuel supply and directly mitigate the inimical consequences resulting from the absence of a stable and reliable source of crude. Any initiative taken by Petron shall be made in close coordination with the Philippine Government, and will be guided by the overriding objective of ensuring energy security for the country.

Throughout this process, the Corporation has acted, and will continue to act, in compliance with its applicable obligations. The Corporation and Petron remain steadfast in their commitment to transparency, adherence to all applicable laws and regulations and the responsible fulfillment of its obligations to stakeholders, creditors, customers, and the Filipino public.

Very truly yours,



Ferdinand K. Constantino
Corporate Information Officer