



SAN MIGUEL CORPORATION

October 29, 2008

Philippine Stock Exchange
Disclosure Department
Listing and Disclosure Group
4thFloor, Philippine Stock Exchange Center
Exchange Road, Ortigas Center
Pasig City

Attention: **Atty. Pete M. Malabanan**
Head - Disclosure Department

Gentlemen:

We reply to your request for clarification of the news article entitled "San Miguel buys Petron" published in the October 29, 2008 issue of the Malaya (Internet Edition). The article reported in part that:

"A done deal. A high ranking source yesterday said that San Miguel Corp., has signed up to take control of Petron Corp., from Ashmore Group for a yet undisclosed amount..."

Further to our disclosure on October 27, 2008, the Board of Directors of the Company has authorized Management to initiate discussions with Ashmore for a possible acquisition by the Company of a stake in Petron Corporation. An appropriate disclosure shall be made in the event a definitive agreement has been reached.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer