



SAN MIGUEL CORPORATION

December 23, 2016

PHILIPPINE STOCK EXCHANGE, INC.

Disclosure Department
3rd Floor, Philippine Stock Exchange Center
Ayala Triangle, Ayala Avenue
Makati City

Attention: **Mr. Jose Valeriano B. Zuño III**
OIC-Head, Disclosure Department

Gentlemen:

We write to advise the Exchange that, Petron Corporation (“Petron”) and SMC PowerGen, Inc. (“SMC PowerGen”), which are both subsidiaries of San Miguel Corporation, today executed the definitive agreements for the acquisition and purchase by Petron from SMC PowerGen of the 140 MW Solid Fuel-Fired Power Plant located in the Petron Bataan Refinery. The details of the transaction are set out in the relevant disclosure of Petron with the Exchange under PSE Form 4-1 filed on even date.

Very truly yours,

Mary Rose S. Tan
Assistant Corporate Secretary