



December 20, 2024

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. Stefanie Ann B. Go**
OIC, Disclosure Department

Gentlemen:

We reply with respect to various news articles relating to San Miguel Corporation ("SMC" or the "Company"). In the attached article entitled "Interconnection of gas pipelines for sharing of LNG imports proposed" posted in MB.com.ph on December 19, 2024, it was reported that:

"The key players in the country's gas-to-power industry are exploring interconnecting their pipeline facilities to share liquefied natural gas (LNG) imports, a lifeline designed to neutralize potential fuel supply disruptions and ensure steady electricity generation from gas-fed plants.

In an exclusive interview, Aboitiz Power President and CEO Danel C. Aboitiz revealed that he had proposed the concept of pipeline interconnection to First Gen Chairman and CEO Federico R. Lopez.

The proposal was met with a receptive response, signaling potential collaboration.

However, Aboitiz clarified that further discussions are needed, particularly with Aboitiz Power's strategic partners—SMC Global Power Holdings of the San Miguel Group and Meralco PowerGen Corp. (a subsidiary of Manila Electric Company).

Their \$3.3 billion gas assets, including the integrated Ilijan gas-fired power plants and their LNG import facility, are critical to the proposed pipeline integration.

Aboitiz noted that the pipeline linkup might gain traction once the Philippine Competition Commission (PCC) approves the investment alliance of the three energy giants for the Ilijan gas facilities.

'There are pipelines that will allow us to interconnect our plants to each other (First Gen and Ilijan plants) – and you have Malampaya that lands in Tabangao (Batangas); and there's a pipeline that lands to Ilijan and another one to First Gen – and I was suggesting to him (Lopez) that we will interconnect our pipeline infrastructure together to interconnect their terminal and our terminal,' he stressed.

Aboitiz emphasized that interlinking their pipeline assets would safeguard against fuel supply issues, allowing gas plants to tap into a shared pool of resources. One player's LNG or indigenous gas shortfall could be offset by another's surplus.

'If they have a problem, the ship can dock at the Ilijan terminal and provide gas to First Gen., and in the event that we have a problem or the consortium has a problem, First Gen can then supply gas to Ilijan also,' he explained.

Aboitiz said the pipeline interconnection could be a decisive move for industry players, guaranteeing more reliable operation of the country's gas plants. This approach aligns with the country's energy transition roadmap, where gas is poised to be a flexible bridge fuel, filling generation gaps when renewable sources falter, until energy storage systems become cost-competitive.

. . . . "

By way of response to the Exchange, it appears the statement relating to the possibility of interconnecting the gas pipelines for the storing, handling and distribution of LNG imports to neutralize potential fuel supply disruptions and ensure steady electricity generation, was made by the President and Chief Executive Officer of Aboitiz Power, Mr. Daniel C. Aboitiz, as reported in the aforementioned news article.

We advise that an appropriate disclosure shall be made in the event there are material developments relating to the contemplated transaction relating the Ilijan Gas Facilities among Aboitiz Power Corporation, San Miguel Global Power Holdings, and Meralco Powergen Corp.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer