



SAN MIGUEL CORPORATION

March 20, 2023

The Philippine Stock Exchange, Inc.

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

Attention: Ms. Alexandra D. Tom Wong
Manager, Disclosure Department

Gentlemen:

We reply with respect to the news articles posted in various online sites. In the attached news article entitled "SMC terminates 1,800-MW supply contracts with Meralco" posted in Manila Bulletin (Online Edition) on March 18, 2023, which reported in part that:

"The energy subsidiaries of diversified conglomerate San Miguel Corporation (SMC) have terminated two power supply agreements (PSAs) with utility giant Manila Electric Company (Meralco), crashing hopes of at least 1,800 megawatts in critical power capacity additions by next year until 2025.

In an official statement to the media, Meralco affirmed that the notice of termination had already been lodged by SMC's Excellent Energy Resources Inc. (EERI) for the 1,200MW of gas-generated capacity due for delivery in December 2024. Also terminated is the 600MW from Masinloc Power Partners Co. Ltd. that had been scheduled for commercial operations date (COD) in May 2025.

It was conveyed by highly-placed sources that the PSA termination was resorted to by SMC because the Energy Regulatory Commission (ERC) failed to act on its PSA applications, despite the two years that these have been pending with the agency. The joint PSA applications were filed in March 2021.

As explained, the 'longstop date' of the PSAs already lapsed, hence, there was already a legal leeway for the power suppliers to opt for contract termination without penalties.

. . . . "

By way of response to the Exchange, we confirm that Masinloc Power Partners Co. Ltd. and Excellent Energy Resources, Inc., subsidiaries of SMC Global Power Holdings Corp., a wholly-owned subsidiary of the Company, were constrained to issue notices of termination to Manila Electric Company relating to their respective power supply agreements ("PSA") due to the non-issuance by the Energy Regulatory Commission of the final approvals of the PSAs within the respective long stop dates on September 17, 2021, and September 23, 2021, as reported in the aforementioned news articles.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer