



August 22, 2022

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 “San Miguel power unit buys PNOC banked gas for \$1.2B” posted in Business Mirror (Online Edition) on August 22, 2022, it was reported in part that:

“South Premiere Power Corp. (SPPC), a unit of SMC Global Power Holdings Corp. (SMCGP), purchased the remaining banked gas of the Philippine National Oil Co. (PNOC) for \$1.2 billion.

‘We already bought the banked gas, \$1.2 billion. The banked gas that we bought is good for 5 years. Yes, we bought all the remaining banked gas,’ San Miguel Corp. (SMC) President Ramon S. Ang said in an interview.

Based on a filing, SPPC entered into a gas supply agreement for 70.26 petajoules of banked gas with PNOC at a daily volume of dispatch sufficient to run the Ilijan Power Plant at 45 percent to 75 percent plant factor. This volume of gas is adequate and expected to support the Ilijan power plant’s fuel requirements until February 2024. To date, the delivery of the banked gas by PNOC has yet to commence.

The PNOC, for its part, confirmed that it sold the remaining uncontracted banked gas to SPPC under the Gas Sale and Purchase Agreement (GSPA) executed on June 23.

‘The banked gas is intended to supply the Ilijan power plant until full delivery of the total contract quantity on or before February 23, 2024. However, the said delivery has not commenced as the SC38 Consortium or the Malampaya consortium and its operator, Shell Philippines Exploration B.V. (SPEX), have yet to comply with the series of directives by the DOE [Department of Energy],’ PNOC said.

The agency is requiring them to immediately resume the supply and maintain the allocation of natural gas minimum daily contract quantity of banked gas to the Ilijan Power Plant, pursuant to the GSPA.

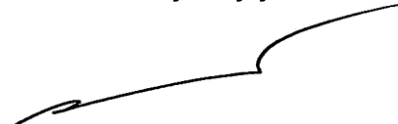
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In addition to the banked gas, SPPC will commence purchase of commercial liquefied natural gas (LNG) for the Ilijan power plant once the LNG Terminal, currently being built and to be operated by Atlantic Gulf and Pacific Co. besides the Ilijan plant, commences operation later this year.

. . . . ”

By way of response to the Exchange, we confirm that South Premiere Power Corp. (SPPC), a wholly-owned subsidiary of SMC Global Power Holdings Corp., which is the 100% holding company of San Miguel Corporation engaged in the power business, entered into and purchased the remaining banked gas of the Philippine National Oil Company (70.26 petajoules) to support the projected fuel requirements of the Ilijan Power Plant of SPPC until February 2024, at a purchase price of \$1.2 Billion, as reported in the aforementioned article.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer