



SAN MIGUEL CORPORATION

October 29, 2020

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

Attention: **Janet A. Encarnacion**
Head, Disclosure Department

Gentlemen:

We reply with respect to the news article entitled "SMC sets sights on hydropower" posted in BusinessMirror (Online Edition) on October 28, 2020. In the said news article, it was reported in part that:

"Conglomerate San Miguel Corp. (SMC) unveiled plans to develop some 5,000 megawatts (MW) of hydropower projects to support its clean energy portfolio.

SMC President Ramon Ang said the company's power unit, SMC Global Power Holdings Inc., is determined to pursue various renewable energy (RE) projects to help ramp up the country's RE capacity as its share in the country's generation mix fell at 20 percent last year from 23.38 percent in 2018.

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Aside from hydro, the company is also interested in pursuing solar and wind power projects across the country. The wind projects are being eyed in Bataan and Ilocos Norte.

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Ang also gave an update of the company's planned liquefied natural gas (LNG) project, which would be built in phases.

'Yung power generation ng SMC, we are now switching to LNG. We intend to put up 2,250MW in the first stage and another 2,550MW later on,' he said.

For the first stage of its LNG project, Ang said three 850MW units would be built. 'It will be 850MW for the first line. There will be 3 lines of 850MW. But if there will be no demand, it will be one 850MW for the meantime.'

SMC plans to sell the gas output to the Manila Electric Co. should it win the upcoming competitive selection process.

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By way of response to the Exchange, we confirm that SMC Global Power Holdings Corp. ("SMC Global Power"), a wholly-owned subsidiary of San Miguel Corporation (the "Company"), contemplates to implement and pursue renewable energy projects, inclusive of solar, wind and liquefied natural gas projects, to augment and supplement the power generation capacity of SMC Global Power, as confirmed by Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, and reported in the aforementioned news article.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer