



SAN MIGUEL CORPORATION

January 7, 2009

Philippine Stock Exchange

Disclosure Department
Listing and Disclosure Group
4th Floor, Philippine Stock Exchange Center
Exchange Road, Ortigas Center
Pasig City

Attention: **Atty. Pete M. Malabanan**
Head - Disclosure Department

Gentlemen:

We refer to your request for additional information in relation to the disclosure of San Miguel Corporation ("SMC") dated January 5, 2009 in connection with the Option Agreement entered into between the SMC and SEA Refinery Holdings B.V. ("SEA BV") to acquire and purchase from SEA BV up to 100% of its interest in Sea Refinery Corporation ("SRC").

We reply as follows:

1. The Option Agreement grants SMC the option to acquire and purchase from SEA BV up to 100% of its interest in SRC. The option may be exercised by SMC within a period of two years from December 24, 2008.
2. The Company will use internally generated funds and may avail of external borrowings, if necessary, to pay for the purchase price.
3. SEA BV is a company incorporated in the British Virgin Islands and is the parent company of SRC. There is no material relationship between SMC and its directors, officers and affiliates and SEA BV.
4. SMC engaged UBS as its financial adviser for the transaction. The valuation analyses used for the transaction are: Discounted Cash Flow Analysis, Comparable Company Analysis and Comparable Transaction Analysis.
5. There will be no changes in the Board of Directors and Officers of SRC.
6. SRC is a wholly owned subsidiary of SEA BV.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer