# SAN MIGUEL CORPORATION

January 5, 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:

Please be informed that San Miguel Corporation ("SMC") and Sea Refinery Holdings B.V. ("SEA BV") entered into an Option Agreement dated 24 December 2008 (the "Option Agreement") pursuant to which SEA BV granted SMC an option to acquire and purchase from SEA BV up to 100% of its interests in SEA Refinery Corporation ("SRC"). SRC is a wholly-owned subsidiary of SEA BV which, in turn, currently owns a total of 50.1% of the outstanding shares of Petron Corporation. The option may be exercised by SMC within a period of two (2) years from December 24, 2008. SMC and SEA BV have agreed that SMC shall have representation in the board and management of Petron Corporation.

Very truly yours,

**FERDINAND K. CONSTANTINO**
Corporate Information Officer