



SAN MIGUEL CORPORATION

February 4, 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 letter dated February 3, 2009 requiring the Corporation to explain why the Exchange should not impose the appropriate penalties for not promptly disclosing the signing of the Option Agreement (the "Agreement") signed between the Corporation and SEA Refinery Holdings B.V.

While the Agreement was signed on December 24, 2008, the Company promptly disclosed the signing of the Agreement on January 5, 2009 which is the next trading day after December 24, 2008. From December 24, 2008 to January 4, 2009, there were no trading on the Philippine Stock Exchange. We agree that material information must be immediately disclosed to the public and we believe that the rationale for the Exchange's rule has been complied with when the disclosure was made at the next trading day.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer