



SAN MIGUEL CORPORATION

February 9, 2009

Philippine Stock Exchange

Disclosure Department

Listing and Disclosure Group

4th Floor, Philippine Stock Exchange Center

Exchange Road, Ortigas Center

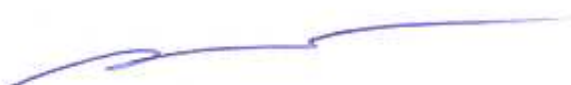
Pasig City

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

Gentlemen:

Enclosed is a copy of our press statement entitled "San Miguel Eyes Bulk Water Supply Project," which we will release to the press today.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer



SAN MIGUEL CORPORATION

SAN MIGUEL EYES BULK WATER SUPPLY PROJECT

San Miguel Bulk Water Company Inc. (SMBWCI), a wholly owned subsidiary of San Miguel Corporation, submitted to the Metropolitan Waterworks and Sewerage System (MWSS) an Unsolicited Proposal for the Laiban Dam Project. The proposal is a Joint Venture with the MWSS under the Public-Private Joint Venture Scheme as implemented by the Guidelines and Procedures for Entering into Joint Venture Agreements between Government and Private Entities as promulgated by the National Economic and Development Authority (NEDA). SMBWCI and its foreign partner shall enter into a cooperative joint venture with MWSS to secure financing and undertake the engineering and design, construction, operation and maintenance of the Project. Plans for the Project include the construction of the dam and headworks, raw water conveyance facilities, water treatment plant, hydropower plant, treated water conveyance facilities, pumping stations, storage facilities and offtake points.

The Laiban Dam Project, located in Tanay, Rizal is intended to address the long-term water requirements of Metro Manila and to provide stability and security to the water supply source. The Project is in line with SMC's direction to invest in strategic industries such as power, oil and gas, and water.