



SAN MIGUEL CORPORATION

September 3, 2009

Philippine Stock Exchange

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

Attention: **Ms. Janet A. Encarnacion**
Head - Disclosure Department

Gentlemen:

We reply with respect to the following news articles published today, September 3, 2009:

1. "San Miguel allots \$2B for energy projects," published in the September 3, 2009 issue of the Philippine Daily Inquirer (Internet Edition), which reported in part, that:

"SAN MIGUEL CORP. IS WORKING on a new acquisition deal worth about \$2 billion, which will be in line with its expansion in the power and energy industry, company president Ramon Ang said yesterday. "We're preparing for a deal that size. The priority is power and energy," Ang said in a text message yesterday... San Miguel Corp. plans to spend at least \$350 million to convert the combined cycle power plant into a compressed natural gas (CNG)-fueled facility, which will make the cost of its output competitive... The conversion of the plant will take about two years to complete..."

We confirm that the Company intends to earmark approximately \$2 Billion for the investments it will make in the power and energy industry. Such investments include the \$350 million allotted for the conversion of the combined cycle power plant to a compressed natural gas (CNG) fueled facility.

2. "San Miguel puts Laiban project on hold," published in the September 3, 2009 issue of the Philippine Daily Inquirer (Internet Edition), which reported in part that:

"SAN MIGUEL CORP. has put on hold its plans to develop the \$1-billion Laiban dam project, citing the controversies hounding the water project. "We don't want to sign it. I said (to Metropolitan Waterworks and Sewerage System) that we should not negotiate for now. We have lost interest," said SMC president Ramon S. Ang..."

We confirm that the Company has deferred the execution of any agreements relating to the Laiban Dam Project with the Metropolitan Waterworks and Sewerage System ("MWSS") until such time MWSS has completed its review and evaluation of the Unsolicited Proposal of the Company and resolved the issues relating to the same.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer