



SAN MIGUEL CORPORATION

March 8, 2010

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 refer to your letter dated March 5, 2010, with respect to the news article entitled "San Miguel buys coal firm," posted in the Manila Standard Today on March 6, 2010. The Article reported in part that:

"TOLEDO CITY, CEBU – San Miguel Corp., through energy unit San Miguel Energy Corp., plans to put up a 150-megawatt to 300-MW power plant in General Santos City after acquiring a mining company that has rights over one of the country's richest coal deposits. San Miguel president Ramon Ang told reporters here at the sidelines of a switch-on ceremony that the company had started planning for the construction of a mine-mouth power plant. The coal is estimated to cost up to \$150 million to \$300 million at a cost of \$1 million per megawatt. Ang said San Miguel recently acquired a coal mine in General Santos, whose deposits could supply a 2,000—MW coal plant. Ang declined to name the company but a source said San Miguel had bought Daguma Agro Minerals Inc., which is headed by businessman Ben Guingona..."

We confirm that the Company, through San Miguel Energy Corporation ("SMEnergy"), acquired 100% of the outstanding capital stock of Daguma Agro Minerals, Inc. ("Daguma"). SMEnergy contemplates to maximize the utilization of the coal deposits of Daguma in South Cotabato and is presently evaluating the viability of constructing and operating a 150 to 300 megawatt mine-mouth power plant in the vicinity of General Santos City.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer