SAN MIGUEL CORPORATION

March 25, 2010

Philippine Stock Exchange
Disclosure Department
Listing and Disclosure Group
4thFloor, 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 25, 2010, with respect to the news article entitled "San Miguel eyes more coal mines in Mindanao," posted on philstar.com on March 25, 2010. The Article reported in part that:

> "MANILA, Philippines – SMC Energy Corp. (SMEC), the power development arm of food and beverage giant San Miguel Corp. plans to acquire more coal mines in Mindanao, a top company official said. SMEC president Ramon Ang said the acquisition of these coal mines will support the firm's plan to put up coal-fired facilities in the island and in other parts of the country…. The San Miguel executive said they have started preliminary talks with some coal mining firms in Mindanao. "We have started talks with some firms beside our Daguma coal exploration site," he said. Ang said they are also in discussions with Sultan Mining for a possible joint venture…"

We confirm that the statements of Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, appearing in the aforequoted article are accurate. The Company, thru San Miguel Energy Corp. ("SMEnergy"), has received offers for the sale of coal mines located in Mindanao and initial talks between SMEnergy and the proponents of such coal mines have been held.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer