



SAN MIGUEL CORPORATION

April 23, 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 advise that the Executive Committee of the Company today authorized Management to: (i) exercise the option to acquire, on or before April 30, 2010, forty percent (40%) of the outstanding common shares of Sea Refinery Corporation ("Sea Refinery"), in accordance with the terms and conditions of the Option Agreement, dated December 24, 2008, executed by the Company and SEA Refinery Holdings, B.V., as amended: Sea Refinery owns approximately 50.1% of the outstanding common shares of Petron Corporation ("Petron") and (ii) initiate a tender offer for the common shares of Petron held by the public, on the appropriate date, in accordance with the mandatory requirements of the Securities Regulation Code, at an offer price of P6.85 per share.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer