



SAN MIGUEL CORPORATION

May 26, 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 May 26, 2010, with respect to the following news articles posted in the May 26, 2010 issue of the BusinessMirror:

1. "SMEC to mine coal in 3 sites," which reported in part that:

"SAN Miguel energy Corp. (SMEC), the power arm of San Miguel Corp., has recently acquired the right to operate in three mining areas in Mindanao with the capacity to produce coal for 1,200 megawatts (MW) of electricity. Ramon Ang, SMC president, said they have already concluded talks with the three local firms that own the concessions. "We have already bought 100 percent of Daguma, Bonanza and Sultan.".... He added their power firm is also planning to put a 300-MW coal plant in Negros. "We're looking into it already...."

2. "Secondary share sale an option if Purefoods offers not that good," which reported in part that:

"DIVERSIFYING conglomerate San Miguel Corp. (SMC) may pursue a secondary share sale for subsidiary San Miguel Pure Foods Co. should it become unsatisfied with offers from private investors. Ramon Ang, SMC president and chief operating officer, said on Tuesday that the Company expects to know by June if one of five groups it is in talks with will make an acceptable offer for a 49-percent stake in the food subsidiary.... San Miguel Purefoods has an enterprise value of \$1.8 billion, Ang said, suggesting that SMC can raise almost \$890 from the sale of a minority stake..."

We confirm that the statements of Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, relating to: (i) the acquisition by San Miguel Energy Corp. (SMEC) of 100% of the outstanding shares of Daguma Agro Minerals, Inc., Bonanza Energy Resources, Inc. and Sultan Energy Phils Corp., corporations which hold coal mining rights in the Mindanao region, (ii) the plan of SMEC to construct and operate a 300 MW coal-powered plant in Mindanao (not Negros as reported) and (iii) the alternative of the Company to initiate and pursue a secondary share sale of San Miguel Pure Foods Co., Inc., in the event the offers of solicited from private investors are not acceptable, as reported in the aforequoted articles, are accurate.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer