# SAN MIGUEL CORPORATION

August 31, 2010

**The Philippine Stock Exchange, Inc.**
Disclosure Department
3rd Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

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

Gentlemen:

We advise that the Company purchased 1,517,637,398 common shares of stock of Petron Corporation ("Petron") from Sea Refinery Holdings, B.V. at Seven Pesos and 20/100 (P7.20) per share. The shares were crossed at the Exchange today, August 31, 2010. Upon the exercise by the Company of the option to acquire 60% of the outstanding shares of Sea Refinery Corporation on or before December 15, 2010, the Company will have up to 67% equity interest in Petron.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer