SAN MIGUEL CORPORATION

September 2, 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 refer to your letter dated September 2, 2010, with respect to the news article entitled "San Miguel Energy eyes LNG-fired plants," posted on the Manila Bulletin on September 2, 2010, which reported in part that:

> "San Miguel Energy Corporation (SMEC) is laying down big-time investment plan of $8.0 billion for liquefied natural gas (LNG) facilities with integrated power plant projects that may yield up to 5,000 megawatts of additional capacity to meet the country's future electricity needs. In an exclusive interview, San Miguel Corporation President Ramon S. Ang noted that they are eyeing the initial 1,200-megawatts of LNG-fired facilities in Luzon by 2013; and will ramp up investments by additional 600-MW around 2015. Another 600 MW of LNG power project is propounded for Visayas by 2013; while the company sticks with original investment blueprint at building coal mine-mouth facilities in Mindanao…""

We confirm that San Miguel Energy Corporation, a subsidiary of the Company contemplates to invest up to $8.0 billion for the construction of liquefied natural gas facilities and integrated power plant projects.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer