



SAN MIGUEL CORPORATION

September 21, 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 21, 2010, with respect to the news article entitled "SMC looks for power acquisitions abroad," posted in the INQUIRER.net on September 20, 2010, which reported in part that:

"DIVERSIFYING Conglomerate San Miguel Corp. hopes to acquire five huge coal mines as well as oil and natural gas fields abroad, said company president Ramon S. Ang. He told the Inquirer that each of the five coal mines San Miguel was eyeing could hold as much as 500 million tons in resources."

We confirm that the Company is conducting an on-going evaluation of the viability of investing in coal mines which have potential mineral reserves of 500 million tons and oil and natural gas fields, both located abroad.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer