SAN MIGUEL CORPORATION

October 12, 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 October 12, 2010, with respect to the news article entitled "SMC eyes 100% of Indophil via tender offer," posted on the INQUIRER.net on October 11, 2010, which reported in part that:

> "MANILA, Philippines—San Miguel Corp. may make a bid to acquire complete ownership of Indophil Resources NL depending on the outcome of due diligence proceedings that it will conduct over the next 90 days. In a text message, SMC president Ramon S. Ang said the diversified conglomerate could initiate a tender offer to buy as much as 100 percent of the Australian firm within the exclusivity period that would run until Jan. 15, 2011…"

We confirm that the Company may initiate a tender offer to acquire 100% of the outstanding and issued shares of Indophil Resources NL, subject to the results of legal and financial due diligence which the Company shall conduct during the exclusivity period, up to January 10, 2011 (not January 15, 2011 as reported), and further negotiations with the relevant parties.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer