



SAN MIGUEL CORPORATION

October 15, 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:

Enclosed is a copy of our press statement entitled "**SMC completes acquisition of 10.1% stake in Indophil,**" which we will release to the press today.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer



MEDIA AFFAIRS

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REF :

SMC completes acquisition of 10.1% stake in Indophil

San Miguel Corporation (SMC) yesterday completed its acquisition of a 10.1-percent stake in Australian mining firm Indophil Resources NL, which owns a 37.5-percent stake in Sagitarrius Mines, Inc. (SMI), which has the rights to the Tampakan gold and copper mine in South Cotabato.

The deal, worth A\$ 41,294,585 (approximately US\$40 million) at A\$0.86 per share, gives the Philippine diversifying conglomerate an exclusivity period of until January 10, 2011 to complete its due diligence and decide whether the company should initiate a tender offer or other proposals to acquire additional shares in Indophil.

In a statement earlier released to the Australian bourse, Indophil said that SMC's buy-in "does not represent a statement of intention on the part of San Miguel to put forward a control proposal. These discussions are preliminary and non-binding."

The Tampakan deposit, discovered in 1992, is said to be a 2.4 billion tonne mineral resource and is ranked as the fifth largest known undeveloped copper-gold deposit.

San Miguel said it intends to carefully evaluate the benefits, as well as risks, arising from its participation in the project. Among the benefits, according to SMI, is the substantial revenue stream it will provide to the Philippine economy.

Risks identified include local government restrictions on open pit mining, environmental clearances, and development risks associated with securing energy and water resources improvements. ##

For media inquiries, please contact:

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