



SAN MIGUEL CORPORATION

December 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

Re: **Investment of San Miguel Corporation**
in Petron Corporation (Petron)

Gentlemen:

Further to the previous disclosures of the Company relating to the above-captioned subject, we advise that the Company exercised the option to acquire 60% of the outstanding shares of Sea Refinery Corporation (24,000,000 shares) this afternoon December 15, 2010, as provided in the Option Agreement dated December 24, 2008, as amended. With the exercise of such option, the Company beneficially owns approximately 68% of the outstanding and issued shares of stock of Petron.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer