



SAN MIGUEL CORPORATION

August 22, 2011

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: **Acquisition of the Downstream Oil
Business of ExxonMobil
International Holdings, Inc.**

Gentlemen:

Further to our disclosure, dated August 19, 2011, and by way of response to your directive to provide additional clarificatory information relating to the above-captioned subject, we advise as follows.

1. With respect to Item (a) of your Letter-Directive dated August 18, 2011, kindly refer to the Introduction of the Press Notice issued by Maybank Investment Bank Berhad ("Maybank") which was submitted to the Exchange on August 19, 2011 which contains the relevant and pertinent information required by the Exchange.

(a) By way of summary, the total consideration for the transaction amounts to USD 610,000,000 with the following components.

(i) A total of 175,500,000 voting shares in Esso Berhad Malaysia (EMB) equivalent to 65% of the voting shares in EMB was acquired from Exxon Mobil International Holdings, Inc. (EMIHI) for a total consideration of USD206,020,460 equivalent to RM614,250,00 or RMB3.50 per EMB shares.

(ii) A total of 35,539,000 ordinary shares in ExxonMobil Malaysia Sdn Bhd (EMMSB) representing 100% of the voting shares in EMMSB was acquired from Mobil International Petroleum Corporation (MIPC) at RMB1 per EMMSB share.

(iii) A total of 15,450,000 ordinary shares in ExxonMobil Borneo Sdn Bhd (EMBSB) representing 100% of the voting shares in EMBSB was acquired from EMIHI at RMB2 per EMBSB share.

(b) Kindly refer to the last three (3) paragraphs appearing under the heading Introduction of the Press Notice which present and explain the basis of consideration, terms of payment and the conditions precedent to the closing of the transaction, respectively.

2. With regard to Item (b) of the Letter-Directive, we disclose that:

(a) to finance the acquisition, the Company will utilize internally-sourced funds and, if necessary, draw on unused and existing credit facilities,

(b) there is no relationship between the sellers, its directors, officers or any of its affiliates, and the Company and its directors, officers or any of its affiliates,

(c) as stated in the Press Notice, the Company is required under the Malaysian Code on Takeovers and Mergers 2010 to conduct a mandatory take-over offer to acquire the remaining voting shares of EMB not yet already owned by the Company; kindly refer to page 2 of the Press Notice,

(d) we do not foresee that the acquisition will have any adverse effect on the financial condition and operations of the Company, and

(e) below are relevant information on the corporate background and capital structure of the Sellers, EMB, EMMSB, and EMBSB.

EMB was incorporated on September 20, 1960 as Standard-Vacuum Refining Company of Malaya Limited under the Companies Act of Malaysia (1965). It is a limited liability public company listed on the Bursa Malaysia. Its principal activities under its charter consist of the manufacturing and marketing of petroleum products in Peninsular Malaysia. The share capital of EMB is divided into two (2) classes of shares: (a) ordinary shares and (b) the EMB Preference Shares, which consists of participating, redeemable, cumulative preference shares with a par value of US\$1.00 per share.

As of December 31, 2009, the authorized capital stock of EMB is RM150,000,000 divided into 300,000,000 ordinary shares with par value of RM0.50 per share, out of which 270,000,000 ordinary stocks amounting to RM135,000,000 have been issued and fully paid. Of the foregoing issued and paid-up shares, 175,500,000 ordinary stock units are issued to EMIHI corresponding to 65% of the outstanding capital stock.

EMMSB is a limited liability public company incorporated under the laws of Malaysia. Its principal activity is the marketing of petroleum products in Malaysia. As of December 31, 2009, its authorized capital stock of EMMSB is RM50,000,000 divided into 50,000,000 ordinary shares with par value of RM1.00 per share, out of which 35,539,000 shares equivalent to RM35,539,000 have been issued and are fully paid, all of which are owned and held by Mobil International Petroleum Corporation.

On the other hand, EMBSB is a limited liability public company incorporated under the laws of Malaysia and its principal activity is the marketing of petroleum products in East Malaysia. As of December 31, 2009, the authorized capital stock of EMBSB is RM31,000,000 divided into 15,500,000 ordinary shares with par value of RM2.00 per share, out of which, 15,450,000 shares equivalent to RM30,900,000 have been issued and are fully paid, all of which are owned and held by EMIHI.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer

