



SAN MIGUEL CORPORATION

August 17, 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

Gentlemen:

Further to our disclosure dated June 8, 2011, enclosed is a copy of our press statement entitled "SMC buys Exxon Mobil's Downstream Oil Business in Malaysia."

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer

News Release

SMC CORPORATE AFFAIRS OFFICE
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August 17, 2011

SMC BUYS EXXON MOBIL'S DOWNSTREAM OIL BUSINESS IN MALAYSIA

San Miguel Corporation announced today that following approval by the company's Board of Directors, management has signed sale and purchase agreements to acquire three subsidiaries comprising Exxon Mobil's downstream oil business in Malaysia. The companies are: Esso Malaysia Bhd (EMB), a publicly traded company of which Exxon Mobil owns a 65% stake; and wholly-owned ExxonMobil Malaysia Sdn Bhd (EMMSB), and Exxon Mobil Borneo Sdn Bhd (EMBSB). The three subsidiaries form an integrated business engaged in the refining, distribution and marketing of petroleum products. Physical assets include the Port Dickson refinery with a rated capacity of 88,000 barrels per day; seven fuel distribution terminals; and a network of roughly 560 branded service stations, 420 of which are company-owned. The transaction is valued at US\$610 million.

US-based Exxon Mobil Corp. has an over century-old business history in Malaysia. It has said it will now focus on operations in Malaysia not impacted by the deal, including Upstream, chemicals, lubricants, and global business support.

Through subsidiary Petron Corporation, San Miguel is the largest integrated oil refining and marketing company in the Philippines with a crude distillation capacity of 180,000 barrels per day. Petron operates a network of over 1,700 service stations in the Philippines and is presently undertaking a major upgrade of its refinery that will allow full conversion of the fuel oil production to higher-value products such as gasoline, diesel, and petrochemicals.

"Exxon Mobil's Malaysian downstream business is attractive to San Miguel given that there is plenty of room to move up the value chain by upgrading refinery capabilities," said SMC President and Chief Operating Officer Ramon S. Ang. "Our plan would be to upgrade the Port Dickson refinery so that it can make use of a wider variety of crudes, and produce higher-value products." Ang added.

Ang further said SMC will continue to uphold world-class product quality, safety and environmental standards. "This acquisition provides us with a unique opportunity to expand our participation in the regional oil and gas sector, and we will focus our



efforts not just on upgrading refinery capabilities, but expanding reach into underserved areas in the fuels market.”

“We are committed to investing in the business, and providing the best products and services to Malaysian consumers.”

For media inquiries, please call:

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