



SAN MIGUEL CORPORATION

December 23, 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:

We refer to your letter dated December 23, 2011 with respect to the news article entitled: "SMC in talks to acquire Asian energy firm," posted in the philSTAR.com on December 23, 2011. The article reported in part that:

"MANILA, Philippines – San Miguel Corp. (SMC) is hammering out a deal to acquire another energy company based in Asia with annual revenues of around \$7 billion, a top company official said yesterday.

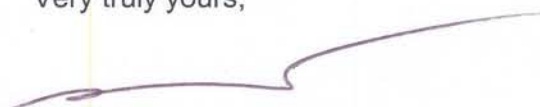
SMC president Ramon Ang said he is hopeful a deal will be signed with the company, which he declined to identify.

He did not disclose other details but said the target firm rakes in substantial revenues in the range of \$6 billion to \$7billion.

....."

We confirm that the statements of Mr. Ramon S. Ang, President and Chief Operating Officer, relating to the possible investment by the Company in an energy company doing business in the Asian-Pacific Region, as reported in the aforementioned article, are accurate. An appropriate disclosure shall be made in the event a definitive agreement is concluded for such investment.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer