



SAN MIGUEL CORPORATION

March 19, 2012

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: **Mandatory Take-over Offer by Petron**
Oil and Gas International Sdn Bhd

Gentlemen:

Further to the Company's previous disclosure relating to its investment in the downstream oil business in Malaysia of Exxon Mobil, please be advised that Petron Oil and Gas International Sdn Bhd (Petron International), an affiliate of Petron Corporation incorporated in Malaysia, served on the Board of Directors of Esso Malaysia Berhad (EMB) on March 16, 2012 a notice of mandatory take-over offer to acquire the remaining 94,500,000 shares representing approximately 35% of the total voting shares of EMB. The indicative cash offer price is RM 3.50 per share.

The mandatory take-over offer was required under the laws of Malaysia governing listed corporations and resulted from the completion of the acquisition by Petron International of 175,500,000 EMB shares, representing approximately 65% of the voting shares of EMB. Such acquisition was assigned by the Company to Petron International on January 25, 2012.

Very truly yours,

Virgilio S. Jacinto
Corporate Secretary