



SAN MIGUEL CORPORATION

April 10, 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

Gentlemen:

We refer to your letter dated April 10, 2012 with respect to news article entitled "SMC Secures Clearance To Pursue New 3,000-mw Power Projects," posted in The Manila Bulletin Newspaper Online on April 9, 2012. The article reported in part that:

"Manila, Philippines - The power generation unit of San Miguel Corporation (SMC) has secured the go-signal of the Department of Energy (DOE) to proceed with grid impact studies (GIS) on six power projects across grids that will beef up its portfolio by additional 3,000 megawatts.

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Based on documents culled from the energy department, SMC Global Power Holdings Corporation is proposing to construct 1,200-megawatt coal plant in Cavite; and another 600-MW coal-fired facility in Bulacan for the Luzon grid.

In the Visayas, SMC's proposed greenfield power investments are 600-MW coal plant in Leyte and 150-MW coal plant in Panay. For the Mindanao grid, the company's proposed coalfired plant ventures are 300 megawatts in Davao del Sur and, 150-MW in South Cotabato.

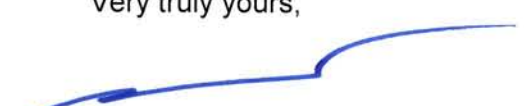
...."

We confirm that as of 26 August 2011, the Department of Energy has issued the relevant clearance for the National Grid Corporation of the Philippines to conduct Grid Impact Studies ("GIS") on the proposed greenfield power projects identified and submitted by SMC Global Power Holdings Corp., a wholly-owned subsidiary of the Company, namely:

- i) 1,200 megawatt in Cavite;
- ii) 600 megawatt in Bulacan;
- iii) 600 megawatt in Leyte;
- iv) 150 megawatt in Panay;
- v) 300 megawatt in Davao del Sur; and
- vi) 150 megawatt in South Cotabato;

as reported in the above-quoted article. All of the aforementioned contemplated projects are still subject to changes and amendments depending on the results of the GIS, market studies to be conducted and completed, the technical and commercial viability of the projects, and the requisite government approvals to be obtained in connection thereto.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer