SAN MIGUEL CORPORATION

September 7, 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 reply to your request for clarification of the news article entitled "Sokor firms keen on partnering with PNOC-EC on two projects" published in September 7, 2012 issue of the *BusinessMirror*. The article reported in part, that:

> PNOC-EC officials earlier said San Miguel Corp. has expressed interest to partner with the company to develop the Isabela and Zamboanga Sibugay mine-mouth power plant.
>
> San Miguel has several coal interests through its energy unit, San Miguel Energy Corp., which bought three coal companies which have coal mines in South Cotabato.
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> "The power plants are at 100 MW and will be coal-fired using PNOC-EC's coal mines. It will reduce logistics cost of transporting coal. Isabel and Zamboanga Sibugay are underserved provinces and the plants will hopefully boost business climate and general needed employment," the officials said.

We confirm that the Company, through SMC Global Power Holdings Corp., continues to evaluate business opportunities relating to the development of coal mines, inclusive of a possible partnership with the PNOC-EC.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer