



SAN MIGUEL CORPORATION

January 16, 2013

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 "SMC eyes 600-MW coal plant in Bataan" posted in the Manila Standard Today (Internet Edition) on January 16, 2013. The article reported in part that:

Conglomerate San Miguel Corp., through unit SMC Global Power Corp., is putting up a 600-megawatt coal-fired power plant in Limay, Bataan, an industry source said Tuesday.

"The SMC coal plant is in Limay, Bataan. It's a 4 x 150-MW circulating fluidized bed boiler," the source said.

The source added San Miguel was negotiating with electric power cooperatives and other prospective buyers of Limay coal plant's output. The plant is expected to be completed by 2016.

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SMC Global is also pursuing to construction of a 300-MW coal plant in Mindanao to address the island's power needs by late 2015.

We confirm that the Company, through SMC Global Power Corp. (SMC Global), intends to construct coal-fired power plants in Luzon (possibly Limay, Bataan) as well as in Mindanao, as reported in the aforementioned article. The construction by SMC Global of such power plants was the subject of prior disclosure dated January 10, 2013.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer