



SAN MIGUEL CORPORATION

October 16, 2008

Philippine Stock Exchange

Disclosure Department
Listing and Disclosure Group
4th Floor, Philippine Stock Exchange Center
Exchange Road, Ortigas Center
Pasig City

Attention: **Atty. Pete M. Malabanan**
Head - Disclosure Department

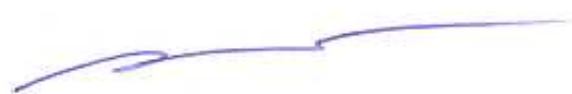
Gentlemen:

We reply to your request for clarification of the news article entitled "SMC interested in Petron" published in the October 16, 2008 issue of Business Mirror. The article reported in part that:

"San Miguel Corp. (SMC), the Philippines' largest food and drinks company, may bid for the state's stake in refiner Petron Corp. as it seeks to acquire assets as prices decline amid a global economic slowdown, president Ramon Ang said. SMC is "interested" in bidding for the Philippine government's stake in Petron, Ang said in a mobile-phone text message Wednesday... Ang said the Company...may also bid for shares of PNOC Exploration Corp. that the state plans to sell next month to fund the budget deficit..."

We confirm that the Company is interested in bidding for the Philippine government's stake in Petron. The Company may also bid for the government's interest in PNOC Exploration Corp.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer