



SAN MIGUEL CORPORATION

September 9, 2015

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 with respect to the news article entitled "SMC unit eyes Pangasinan dam" posted in The Standard (Internet Edition) on September 8, 2015. The article reported in part that:

"Strategic Power Development Corp., a company controlled by conglomerate San Miguel Corp., plans to build a 400-megawatt pumped storage hydro project in Pangasinan province.

Energy Department records showed Strategic Power, the current independent power producer administrator of the 345-MW San Roque hydro project in San Manuel, Pangasinan, had "ongoing study and permitting [application]" for the 400-MW San Roque west pump storage hydro project.

SMC Global Power Holdings Corp. president Alan Ortiz said the San Miguel group was "studying various options," when asked about the San Roque West project.

Ortiz also said the company was "studying the possibility" of expanding the San Roque hydro project, but he did not elaborate.

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San Miguel, through Strategic Power, also plans a 200-MW pumped storage hydro project in Aklan and is pursuing a 500-MW pumped storage hydro power project in Aurora province.

Meanwhile, San Miguel president Ramon Ang said the company would likely bid for the 728 -MW Caliraya-Botocan-Kalayaan hydro power plants and the 140-MW Casecnan hydro plant once government finalized the privatization schedule of the power facilities.

"We will bid," Ang said.

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By way of response to the Exchange, we advise that Strategic Power Development Corp, a subsidiary of SMC Global Power Holdings Corp. ("SMC Global Power"), intends to build a 400-megawatt pumped storage hydro project in the province of Pangasinan and is evaluating options for the construction of a 200-MW and 500-MW pumped storage hydro projects in Aklan and Aurora province, respectively.

We confirm that the Company, thru SMC Global Power, shall participate in the bidding for the privatization of the 728-MW Caliraya-Botocan-Kalayaan hydro power plant and the 140-MW Casecnan hydro plant, as advised by Mr. Ramon S. Ang, President and Chief Operating Officer of the Company.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer