SAN MIGUEL CORPORATION

June 9, 2014

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 "Apo geothermal draws nine interested parties" posted in BusinessWorld Online on June 9, 2014. The article reported in part that:

> "NINE investor groups have formally expressed interest in the September auction for the Mt. Apo geothermal power plants, the Power Sector Assets and Liabilities Management Corp. (PSALM) said over the weekend.
>
> 'The selection and appointment of the independent power producer administrator (IPPA) for the output of the Mindanao I and II (Mt. Apo 1 and 2) Geothermal Power Plants has drawn the interest of nine investor groups,' PSALM President and Chief Executive Officer Emmanuel R. Ledesma, Jr. said in a statement.
>
> These firms have been identified as: EDC Mindanao Geothermal Inc.; FDC Misamis Power Corp.; GDF SUEZ Energy Philippines, Inc.; Good Friends Hydro Resources Corp.; SMC Global Power Holdings Corp.; SPC Power Corp.; Therma Southern Mindanao, Inc.; Trans-Asia Oil and Energy Development Corp.; and Vivant Geo Power Corp.
>
> Mr. Ledesma made the announcement following the closing of the deadline for fulfilling initial bid requirements.
>
> . . . ."

We confirm that the Company, through SMC Global Power Holdings Corporation, wholly-owned subsidiary, shall participate in the bidding for the selection and appointment of the independent power producer administrator for the output of Mindanao I and II (Mt. Apo 1 and 2) Geothermal Power Plants to be conducted by the Power Sector Assets and Liabilities Management Corporation, as reported in the aforementioned article.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer