

June 3, 2015

MS. JANET ENCARNACION

Head, Disclosure Department
Philippine Stock Exchange, Inc.
3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Re: Clarification to the June 3, 2015 Malaya Business Insight (Internet Edition) News Article

Dear Ms. Encarnacion:

This refers to your letter requesting us to confirm the veracity of the information contained in the Malaya Business Insight (Internet Edition) article dated June 3, 2015 entitled, **“12 Firms Liable for ‘Market Abuse’,”** a portion of which is quoted hereunder:

“The Energy Regulatory Commission’s (ERC) investigation unit found out that 12 companies committed anti-competitive behavior which led to the record high electricity spot prices in the later part of 2013.

The companies identified by ERC were Power Sector Assets and Liabilities Management Corp. which operates the Malaya and Casecnan plants, Pan-Asia, Therma Mobile Inc., Manila Electric Co. (Meralco), 1590Bauang, CIP II, TransAsia Power Gen, AP Renewables, Udenna Management Resources Corp., Strategic Power Development Corp., GNPower Mariveles and SEM-Calaca Power Corp.

‘The ERC expects the filing today of the corresponding complaints against those found by its Investigatory Unit (IU) to have committed acts constituting anti-competitive behavior or market abuse as stated in the report. Upon receipt of these complaints, it shall forthwith issue the orders for respondents to file their respective answers,’ ERC executive director Francis Juan said in a text message.

Under the Electric Power Industry Reform Act, the companies can be slapped with fines from P50,000 to P50 million and the cases will be filed with the ERC, said Juan.

‘Respondents will be accorded with due process after which, ERC will decide on the imposition of penalties, if warranted, and grant of other reliefs,’ he added.

The 12 companies were said to be among those that withheld capacity during the November 2013 supply month which led to a controversial Meralco rate increase of P4.15 per kilowatt hour in the December 2013 billing.

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‘Until we get actual findings, it’s very difficult to comment,’ Aboitiz Power chief executive officer Antonio Moraza said via text.”

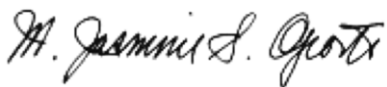
We confirm the statement of Aboitiz Power Corporation's (AboitizPower) President and Chief Operating Officer, Mr. Antonio R. Moraza, that AboitizPower's subsidiaries, Therma Mobile, Inc. (TMO) and AP Renewables, Inc. (APRI), have yet to receive the ERC Investigatory Unit (ERC IU)'s report, hence no comments about the ERC IU report can be made at the moment.

We trust that the foregoing is to your satisfaction.

Very truly yours,

ABOITIZ POWER CORPORATION

By



M. JASMINE S. OPORTO

Corporate Secretary

Cc:

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