

July 14, 2015

**MS. JANET ENCARNACION**

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

Re: Clarification to the July 14, 2015 The Standard News Article

Dear Ms. Encarnacion:

This refers to your letter requesting us to confirm the veracity of the information contained in The Standard news article dated July 14, 2015 entitled, **“PEMC appeals case against Aboitiz unit,”** a portion of which is quoted hereunder:

*“PHILIPPINE Electricity Market Corp., operator of the Wholesale Electricity Spot Market, has elevated its case against Aboitiz Power Corp.’s subsidiary Therma Mobile Inc. to the Court of Appeals.*

....

*Former Energy Secretary Carlos Jericho Petilla directed PEMC to elevate the case to the Court of Appeals following the agency’s inability to collect the penalties from Therma Mobile.*

*A separate source also confirmed that PEMC had elevated the case to the CA.*

....”

We confirm that Therma Mobile, Inc. (TMO) received a copy of the Philippine Electricity Market Corporation (PEMC) Petition for Review with the Court of Appeals seeking the reversal of the decision dated April 1, 2014 of Branch 157 of the Regional Trial Court (RTC) of Pasig in SP Proc. No. 12790 entitled “Therma Mobile Inc. vs. Philippine Electricity Market Corporation, represented by the Philippine Electricity Market Board”.

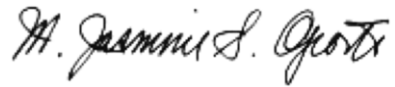
The April 1, 2014 decision of the RTC granted Therma Mobile Inc. (TMO) a writ of preliminary injunction preventing PEMC, through the PEM Board, and/or any other persons representing PEMC from: (a) demanding or collecting from TMO the amount PHP 234.9 million in financial penalties; (b) charging interest on the financial penalties of PHP 234.9 million and having the same accrue; and (c) transmitting PEMC-ECO’s investigation report to the ERC, until the dispute between TMO and PEMC is finally resolved through the dispute resolution process of the WESM Rules and Dispute Resolution Market Manual. The RTC decision also made a prima facie determination that an arbitration agreement exists between TMO and PEMC. The parties were likewise directed to continue with the dispute resolution process which commenced during the negotiation meeting on February 2, 2015.

Thank you.

Very truly yours,

**ABOITIZ POWER CORPORATION**

By

A handwritten signature in black ink, appearing to read "M. Jasmine S. Oporto". The signature is written in a cursive, flowing style.

**M. JASMINE S. OPORTO**

Corporate Secretary

Cc:

**MS. VINA VANESSA S. SALONGA**

Head, Disclosure Department

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