

March 15, 2013

**MS. JANET A. ENCARNACION**

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

Re: Clarification to the March 14, 2013 *The Manila Times* News Article

Dear Ms. Encarnacion:

This refers to your letter requesting clarification and/or confirmation of the information stated in the *The Manila Times.net* news article dated March 14, 2013 titled “Aboitiz Power sets P2B each for hydropower projects,” which reads, in part:

*Aboitiz Power Corp. unit Hedcor, Inc. is looking to spend P2 billion each for the hydropower projects that it intends to develop within the next few years upon the Department of Energy’s (DoE) approval.*

*Hedcor president Rene Ronquillo said in an interview with reporters during the Philippine Hydro Summit 2013, which was organized by Philippine Association of Small Scale Hydropower, Inc. (PASSHydro), that the company is planning to work on around 60 mini hydropower projects, which has a collective capacity of about 400 megawatts (MW).*

*“We have about 39 [pending applications with the Department of Energy] that we’ve applied for. If we’ll be building two at a time, that’s quite a long time,” Ronquillo, who is also the PASSHydro treasurer, said, adding that the company intends to develop two projects a year as soon as the DoE grants them the contracts.*

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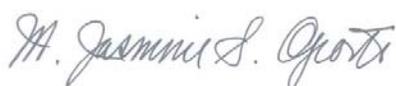
We clarify that Aboitiz Power Corporation (“AboitizPower”) has 39 Renewable Energy Service Contract applications with the Department of Energy (DOE). If these applications are approved, then AboitizPower, through its various subsidiaries, will start the development of the plants. The cost of each plant is yet to be determined depending on the scheme of the plant. The Sabangan hydropower plant, set to start construction in April 2013, has an estimated cost of P2B.

We will update the Exchange and the public on the developments of the pending applications. We trust the foregoing is to your satisfaction.

Very truly yours,

**ABOITIZ POWER CORPORATION**

By



**M. JASMINE S. OPORTO**

Corporate Secretary