



July 1, 2021

via PSE EDGE

PHILIPPINE STOCK EXCHANGE, INC.

PSE Tower, 28th Street cor. 5th Avenue,
Bonifacio Global City, Taguig City

ATTENTION : **MS. JANET A. ENCARNACION**
Head, Disclosure Department

via electronic mail

PHILIPPINE DEALING & EXCHANGE CORP.

Market Regulatory Services Group
29th Floor BDO Equitable Tower
8751 Paseo de Roxas, Makati City 1226

ATTENTION : **ATTY. MARIE ROSE M. MAGALLEN-LIRIO**
Head – Issuer Compliance and Disclosures Department

Gentlemen:

Please see attached Press Release.

Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

ABOITIZ POWER CORPORATION

By:

A handwritten signature in blue ink, appearing to read "Mailene", written over a white rectangular stamp area.

MAILENE M. DE LA TORRE

Assistant Corporate Secretary

PRESS RELEASE**1 July 2021****Bakun LGU resists DOE order, forcibly closes 3 hydros**

On June 30, members of the Bakun local government unit (LGU), together with representatives from the National Commission on Indigenous Peoples - Cordillera Administrative Region (NCIP-CAR) and the Bakun Indigenous Tribes Organization (BITO) went to Hedcor's Lower Labay, Lon-oy, and FLS hydropower plant facilities in Bakun to implement a forced shutdown upon the instruction made by the NCIP Regional Office in relation to the Cease and Desist Order (CDO) it issued last June 22. The instruction was made without any reference to the directive from the Department of Energy (DOE) dated June 25 to Hedcor to continue operating.

According to Atty. Jerry A. Marave who accompanied the group to implement the shutdown, a court order and not a letter from the DOE can supersede the CDO. They likewise insisted that the letter from the DOE was not an instruction, rather, a simple reminder.

However, the standing Status Quo Ante Order issued by the Regional Trial Court of Buguias which is a result of a mutual commitment between Hedcor and the LGU, represented by Atty. Sunny G. Sacla, to maintain the uninterrupted operations of the plants, was also not recognized by the group.

"Unless DOE expressly states in writing and confirms that their letter sent on June 25 addressed to Hedcor to continue operations is simply a reminder, we will treat DOE's letter as an order for Hedcor to keep operating our plants in Bakun. However, we are forced to stop operations, with the threat posed by the situation. As much as we want to continue delivering power to the Luzon grid, we don't want to compromise the safety of the community and our personnel," said Hedcor's Vice President for Operations and Maintenance Leo Lungay.

It can be recalled that DOE underscored in the June 25 letter its mandate pursuant to the Electric Power Industry Reform Act of 2001, "to ensure the quality, reliability, security, and affordability of the supply of electric power especially during this period of health pandemic."

Furthermore, DOE highlighted in the letter the importance of ensuring "integrity of the power system, pursuant to EPIRA and as mandated by the [aforementioned] circulars and issuances" and emphasized its advice to "continue operating the Bakun hydropower plants in compliance with the said laws, WESM rules, and the Philippine Grid Code."

"Hedcor has earnestly engaged and constantly reached out to the community in good faith for a reasonable dialogue. Prior to the issuance of this CDO, we were hopeful with the confirmed tongtongan that we were supposed to have with the IP leaders last June 15. However, with the last-minute cancellation advised by the LGU, and followed by the BITO, we are saddened that the situation has come to this," said Noreen Vicencio, Hedcor's Vice President for Corporate Services.

"We hear the community's desire for a dialogue and the demand for a shutdown before any discussions will commence, but we also have a mandate from DOE to continue operations in light of the ongoing

power crisis in Luzon. We reiterate our long-standing request to engage in a reasonable dialogue with the community, while allowing the plants to continue running, so we can serve the critical energy needs of the Luzon grid and at the same time, sustain the benefits for the Bakun IPs,” Vicencio added. ##

About AboitizPower

AboitizPower is the holding company for the Aboitiz Group’s investments in power generation, distribution, and retail electricity services. It advances business and communities by providing reliable and ample power supply at a reasonable and competitive price, and with the least adverse effects on the environment and host communities.

The company is one of the largest power producers in the Philippines with a balanced portfolio of assets located across the country. It is a major producer of Cleanergy, its brand for clean and renewable energy with several hydroelectric, geothermal, and solar power generation facilities. It also has thermal power plants in its generation portfolio to support the baseload and peak energy demands of the country.

The company also owns distribution utilities that operate in high-growth areas in Luzon, Visayas, and Mindanao, including the second and third largest private utilities in the country.

Currently, AboitizPower, together with its partners, is the Philippines’ largest owner and operator of renewable energy based on installed capacity. In the next 10 years, the company will significantly expand its Cleanergy portfolio, in support of the government's efforts to promote renewable energy in the country and as the company's contribution to the global renewable energy targets. AboitizPower is aiming for an almost 50:50 Cleanergy and thermal capacity mix by 2030.

For further queries on this Press Release, please contact:

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