

December 20, 2024

**PHILIPPINE STOCK EXCHANGE, INC.**

Disclosure Department  
PSE Tower, 28<sup>th</sup> Street, cor. 5<sup>th</sup> Avenue  
Bonifacio Global City, Taguig City

ATTENTION : **ATTY. STEFANIE ANN B. GO**  
Officer-in-Charge, Disclosure Department

Re : Clarification to the December 18, 2024 Manila Bulletin Article

Gentlemen:

This refers to your letter requesting us to confirm the veracity of the information in the Manila Bulletin article dated December 18, 2024 (posted on Mb.com.ph last December 19, 2024), entitled “*Interconnection of gas pipelines for sharing of LNG imports proposed*”, the relevant portion of which is quoted hereunder:

*“The key players in the country’s gas-to-power industry are exploring interconnecting their pipeline facilities to share liquefied natural gas (LNG) imports, a lifeline designed to neutralize potential fuel supply disruptions and ensure steady electricity generation from gas-fed plants.*

*In an exclusive interview, Aboitiz Power President and CEO Danel C. Aboitiz revealed that he had proposed the concept of pipeline interconnection to First Gen Chairman and CEO Federico R. Lopez.*

*The proposal was met with a receptive response, signaling potential collaboration.*

*However, Aboitiz clarified that further discussions are needed, particularly with Aboitiz Power’s strategic partners—SMC Global Power Holdings of the San Miguel Group and Meralco PowerGen Corp. (a subsidiary of Manila Electric Company).*

*Their \$3.3 billion gas assets, including the integrated Ilijan gas-fired power plants and their LNG import facility, are critical to the proposed pipeline integration.*

*Aboitiz noted that the pipeline linkup might gain traction once the Philippine Competition Commission (PCC) approves the investment alliance of the three energy giants for the Ilijan gas facilities.*

*‘There are pipelines that will allow us to interconnect our plants to each other (First Gen and Ilijan plants) – and you have Malampaya that lands in Tabangao (Batangas); and there’s a pipeline that lands to Ilijan and another one to First Gen – and I was suggesting to him (Lopez) that we will interconnect our pipeline infrastructure together to interconnect their terminal and our terminal,’ he stressed.*

*Aboitiz emphasized that interlinking their pipeline assets would safeguard against fuel supply issues, allowing gas plants to tap into a shared pool of resources. One player’s LNG or indigenous gas shortfall could be offset by another’s surplus.*

*'If they have a problem, the ship can dock at the Ilijan terminal and provide gas to First Gen., and in the event that we have a problem or the consortium has a problem, First Gen can then supply gas to Ilijan also,' he explained.*

*Aboitiz said the pipeline interconnection could be a decisive move for industry players, guaranteeing more reliable operation of the country's gas plants. This approach aligns with the country's energy transition roadmap, where gas is poised to be a flexible bridge fuel, filling generation gaps when renewable sources falter, until energy storage systems become cost-competitive.*

...."

We confirm the statements of Mr. Danel Aboitiz, Aboitiz Power Corporation's ("AboitizPower" or the "Company") President and Chief Executive Officer, quoted in the article. We wish to clarify that as mentioned by Mr. Aboitiz in the fourth paragraph of the article, the discussions on this matter are preliminary and exploratory. As such, the Company will make the required disclosures to the public as and when there are material concrete developments.

On the request for the Company to provide updates on the transaction involving the Ilijan gas facilities with San Miguel Global Power Holdings and Meralco Powergen Corp. ("MGen"), we wish to clarify that as disclosed to the Exchange last March 1, 2024, AboitizPower (via its subsidiary Therma NatGas Power Inc.) entered into an Investment Agreement with MGen to acquire a 40% equity interest in Chromite Gas Holdings, Inc ("Chromite Gas"). In addition, as disclosed last March 8, 2024, Chromite Gas intends to invest in South Premiere Power Corporation, which owns and operates 1,278 MW Ilijan Power Plant.

To date, the Company has yet to receive any material concrete update concerning the transaction from its subsidiary Therma NatGas Power Inc.; AboitizPower will file the necessary disclosures at the opportune time.

We trust that you find the foregoing clarification in order.

Very truly yours,

**ABOITIZ POWER CORPORATION**

By:



**MA. CLARISSE S. OSTERIA**

Corporate Secretary

Cc:

**PHILIPPINE DEALING & EXCHANGE CORP.**

Market Regulatory Services Group

29<sup>th</sup> Floor BDO Equitable Tower

8751 Paseo de Roxas, Makati City 1226

ATTENTION: **ATTY. SUZY CLAIRE R. SELLEZA**  
Head, Issuer Compliance and Disclosure Department