



March 17, 2015

PHILIPPINE STOCK EXCHANGE, INC.

3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

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

Re : Clarification to the March 16, 2015 BusinessWorld Online News Article

Gentlemen:

This refers to your letter requesting us to confirm the veracity of the information contained in the BusinessWorld Online news article dated March 16, 2015, entitled, "AboitizPower studying bids for STEAG, Casecnan, 2 others" a portion of which is quoted hereunder:

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"ABOITIZ POWER Corp. (AboitizPower) is studying various power assets that will be put up for auction by the Power Sector Assets and Liabilities Management Corp. (PSALM), the company's president said.

Antonio R. Moraza, who is also AboitizPower's chief operating officer, said the company is particularly interested in four assets.

'This year, PSALM wants to do [the auction for] STEAG. We definitely want to participate in that,' Mr. Moraza said after the company's analysts' briefing last week.

PSALM plans to bid out the independent power producer administrator (IPPA) contract of the STEAG plant in the second half of this year.

Located in Misamis Oriental, the plant supplies more than a fifth of the Mindanao grid's power needs.

Apart from the STEAG plant, Mr. Moraza said the company is also interested in the contracted capacity of the 140-megawatt (MW) Casecnan hydro plant in Nueva Ecija.

'Casecnan also, if that goes through, we want to participate,' said Mr. Moraza.

The IPPA contract for Casecnan will be put on the auction block this year, PSALM said earlier.

Another hydro facility -- the Caliraya-Botocan-Kalayaan (CBK) -- is also on AboitizPower's radar.

'I don't know about CBK but if they bid that out, we will participate in that,' said Mr. Moraza.

The CBK facility -- which utilizes pump storage technology -- can produce up to 720 MW of power. The auction timetable for the plant's capacity, however, has yet to be determined by PSALM.

The state-run firm also started the second-round auction for the remaining capacity of the Unified Leyte geothermal power plant (ULGPP).

Interested firms can conduct due diligence on the IPPA contract for the 'bulk energy' starting March 30. A pre-bid conference will be held on May 6 and the deadline of bid submission will be on Aug. 12.

Asked if the company's interested in this project, Mr. Moraza said: 'Yes. We will study it.'

The contract was first auctioned off in November last year but the winning bidder -- Unified Leyte Geothermal Energy, Inc. -- withdrew its bid, citing the damage typhoon Yolanda (international name: Haiyan) inflicted on the plant in November 2013.

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We confirm that AboitizPower is interested in participating in the bidding for the various power assets that will be put up for auction by the government, including the IPPA contracts for STEAG, Casecnan hydro and Caliraya-Botocan-Kalayaan hydro power plants. AboitizPower also submitted a letter of interest to the Power Sector Assets and Liabilities Management (PSALM) Corporation for the bidding for the selection and appointment of the IPPA for the bulk energy of the Unified Leyte Geothermal Plants. The company's participation in the bidding for these projects is still subject to further study and due diligence to determine if these are aligned with the company's strategies and long term goals, and compliant with regulatory requirements.

We trust you find the foregoing clarification to your satisfaction.

Very truly yours,

ABOITIZ POWER CORPORATION

By



M. JASMINE S. OPORTO

Corporate Secretary

Cc:

MS. VINA VANESSA S. SALONGA

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