

June 29, 2015

MS. JANET ENCARNACION

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

Re: Clarification to the June 28, 2015 The Manila Times (Internet Edition) News Article

Dear Ms. Encarnacion:

This refers to your letter requesting us to confirm the veracity of the information contained in the The Manila Times (Internet Edition) article dated June 28, 2015 entitled, **“RP Energy cuts Subic power plant capacity target to 300 MW,”** a portion of which is quoted hereunder:

“THE Redondo Peninsula (RP) Energy Inc. is lowering by half the target capacity of its newest coal-fired power plant at the Subic Bay Freeport Zone in Zambales.

The consortium is set to change the project parameters to reduce the capacity from 600 megawatts (MW) to 300 MW, Meralco Chairman Manuel V. Pangilinan said.

RP Energy is a joint venture of Meralco PowerGen Corp., Aboitiz Power Corp., and Taiwan Cogeneration International Corp.

Pangilinan attributed the changes to the issues surrounding the transmission line connection.

‘There were issues on the distance of the connection of the transmission line to the grid,’ Pangilinan told reporters.

....”

This is to clarify the foregoing, and other news items published today in various dailies quoting Meralco Chairman Manuel V. Pangilinan that Redondo Peninsula (RP) Energy, Inc. is lowering by half the target capacity of its newest coal-fired power plant at the Subic Bay Freeport Zone in Zambales.

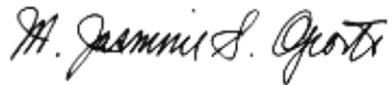
We wish to state that Meralco PowerGen (MGen), Aboitiz Power Corporation (AboitizPower) and Taiwan Cogeneration Corp. (TCC), are still in the process of evaluating options for RP Energy and have not made a final decision yet. Studies are underway on how to handle the transmission line right-of-way (ROW) including the possibility of phasing the implementation of the 2x300MW units.

RP Energy is working closely with the National Grid Corporation of the Philippines (NGCP) to resolve the transmission line issues soonest for the Castillejos to Hermosa interconnection. We trust that the foregoing is to your satisfaction.

Very truly yours,

ABOITIZ POWER CORPORATION

By

A handwritten signature in black ink, appearing to read "M. Jasmine S. Oporto". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

M. JASMINE S. OPORTO

Corporate Secretary

Cc:

MS. VINA VANESSA S. SALONGA

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