



October 07, 2019

PHILIPPINE STOCK EXCHANGE, INC.

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

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

Re: Clarification to the October 07, 2019 Manila Bulletin (Online Edition) News Article

Gentlemen:

This refers to your letter requesting us to confirm the veracity of the information contained in the Manila Bulletin (Online Edition) news article dated October 07, 2019 entitled “Aboitiz unit targets new hydropower project”, the relevant portion of which is quoted hereunder:

“DAVAO CITY – Hedcor, Inc., a subsidiary of Aboitiz Power Corporation, will put up the first 20-megawatt (MW) of its targeted 200MW run-of-river hydropower project next year.

Hedcor President and COO Carlos Aboitiz said the facility will be constructed in Sablan, Benguet in the Cordillera region and the final investment decision (FID) on that venture is eyed early part of 2020.

‘We hope to be able to build that over the next 3-4 years, so that’s the next in the pipeline. If everything goes well, we will start construction in September next year and bring it into operations by 2021 to 2022,’ he said.

The off-take for the project’s capacity can be offered via the retail electricity supply (RES) system of marketing in the retail competition and open access (RCOA) policy regime of the industry, or the company may opt to join one of the competitive selection processes (CSPs) being carried out by the distribution utilities.

The project funding, said Aboitiz, will largely depend on a number of factors including the topography of the targeted site, the length of connection required for the eventual capacity wheeling of the plant’s generated electricity to the grid, and how big is the weir needed for the hydropower facility.

‘It could range from \$1.8 million to \$3.5 million – it depends on the specifics of the project,’ he stressed, noting further that another major consideration will be justifying the economics of the venture based on prevailing market conditions in the restructured electricity sector.

...”

We confirm that Hedcor, Inc. has plans of constructing its run-of-river hydropower project in Sablan, Benguet in 2020. However, details of the said project have yet to be finalized. Rest assured that AboitizPower will make the necessary disclosures once there are disclosable developments in the project.

We trust the foregoing is to your satisfaction.

Very truly yours,

ABOITIZ POWER CORPORATION

By:



MAILENE M. DE LA TORRE
Assistant Corporate Secretary

Cc:

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