

May 17, 2016

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 May 16, 2016 The Standard (Internet Edition) News Article

Dear Ms. Encarnacion:

This refers to your letter requesting us to confirm the veracity of the information reflected in The Standard (Internet Edition) news article dated May 16, 2016 entitled “Aboitiz eyes Chevron’s assets”, the relevant portion of which is quoted hereunder:

“Aboitiz Power Corp. is open to acquiring Chevron Corp.’s geothermal assets in the Philippines to expand its own portfolio, executives said Monday.

‘We are always on the lookout for opportunities in the Philippines and Asia. We understand Chevron is thinking of selling these assets. When the time comes, when the process has started, we will be looking. We are waiting for the formal advice,’ Aboitiz Power chief executive Erramon Aboitiz told reporters after the stockholders’ meeting.

Aboitiz Power owns the 692-megawatt Tiwi and Mak-Ban geothermal power plants. Chevron, meanwhile, has a 40-percent interest in Philippine Geothermal Production Co. Inc., which develops and produces steam energy for the Tiwi and Mak-Ban geothermal power plants.

Chevron also has an interest in the Kalinga geothermal prospect area in northern Luzon that could support 100 MW of capacity. Chevron plans to sell its Asean geothermal assets.

Aboitiz Power is also looking at geothermal opportunities in Indonesia where exploratory drilling is ongoing.

....

Aboitiz Power is spending P51.5 billion this year, up from P34.4 billion in 2015 as part of efforts to increase generation capacity to 4,000 MW by 2020. The company has a net sellable capacity of 3,350 MW to date.

‘[The amount] is for Pagbilao, Cebu and Manolo Fortich,’ Aboitiz Power chief operating officer Antonio Moraza said.

....”

We confirm the statements made by Messrs. Erramon I. Aboitiz and Antonio R. Moraza, Aboitiz Power Corporation's Chief Executive Officer, and President & Chief Operating Officer, respectively.

We trust the foregoing is to your satisfaction.

Very truly yours,

ABOITIZ POWER CORPORATION

By:



CATHERINE R. ATAY

Assistant Corporate Secretary

Cc:

MS. VINA VANESSA S. SALONGA

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