



February 14, 2013

MS. JANET A. ENCARNACION

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

Re: Clarification to the February 13, 2013 *BusinessWorld Online* news article

Dear Ms. Encarnacion:

This refers to your letter requesting clarification and/or confirmation of the information stated in the *BusinessWorld Online* news article dated February 13, 2013 entitled, "Aboitiz Power to spend P85B in next four years" which reads, in part:

LISTED Aboitiz Power Corp. plans to spend around P85 billion in the next four years for its projects across the country, its top official said yesterday.

"We are going to invest around P85 billion for the building of new power plants across the Philippines in the next four years," Aboitiz Power President and Chief Executive Officer Erramon I. Aboitiz told reporters on the sidelines of the Philippine Economic Briefing at Philippine International Convention Center in Pasay City.

Mr. Aboitiz said the investment will be used for its equity share in Redondo Peninsula Energy, Inc. (RP Energy); expansion of the 700-megawatt (MW) coal-fired power plant in Pagbilao, Quezon; the 300-MW coal-fired power plant of its subsidiary in Davao; and some new hydropower projects.

"The 85 billion is a combination of our investments in RP Energy, the Pagbilao expansion, the Therma South, Inc. (TSI) coal plant in Mindanao, and some hydropower projects that we're looking at. That all sums up to P85 billion," he said.

...

Mr. Aboitiz said the company is also looking at building three to four mini hydropower plants with aggregate capacity of around 100 MW.

"In the next three to four years, we're looking at adding a little over 100 MW of mini hydro," he said.

"We're looking at here in Luzon, and also some more in Mindanao, but we don't have a particular approved site at this point."

Mr. Aboitiz said the company will finance the P85-billion investment through a combination of equity and loans.

...

We confirm that Aboitiz Power Corporation (“AboitizPower”) intends to spend around P85 billion in the next four years in building new power plants across the country, subject to further studies and board approvals. We assure the Exchange that we will provide the public with timely and relevant updates on these projects, once the details are firmed up.

We trust the foregoing is to your satisfaction.

Very truly yours,

ABOITIZ POWER CORPORATION

By

A handwritten signature in cursive script, appearing to read "M. Jasmine S. Oporto".

M. JASMINE S. OPORTO

Corporate Secretary