

August 29, 2013

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 August 29, 2013 *philSTAR.com* News Article

Dear Ms. Encarnacion:

This refers to your letter requesting us to confirm the veracity of the information contained in the *philSTAR.com* article dated August 29, 2013, entitled, "Aboitiz Power allots \$150M for Tiwi-Makban upgrades", a portion of which is quoted hereunder:

.....

AboitizPower president and chief executive officer Erramon Aboitiz said there is a possibility of expanding the plant's capacity.

"We really have to see how feasible it is. I guess this will have to come from different proposals and feasibility study," Aboitiz said.

He said it is possible to bring the capacity to over 460 megawatts from the current 400 MW.

"Right now we are producing a consistent 400 MW of power and when we took over, it was over 460 MW. I think there is an opportunity to at least bring it back to that level," he said.

He said the company could partner with Chevron, through Philippine Geothermal Production Co., for the expansion project.

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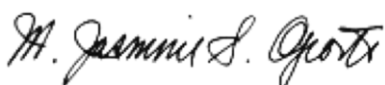
We would like to clarify that AP Renewables, Inc., an affiliate of Aboitiz Power Corporation ("AboitizPower") and the operator of the Tiwi-MakBan geothermal facilities located at Tiwi, Albay, Bay and Calauan, Laguna and Sto. Tomas, Batangas had already spent roughly \$150 million in the rehabilitation of the geothermal facilities over the past few years. We also confirm that AboitizPower is studying the feasibility of upgrading the capacity of the said facilities.

Thank you.

Very truly yours,

ABOITIZ POWER CORPORATION

By



M. JASMINE S. OPORTO
Corporate Secretary