

May 11, 2009

MS. JANET ENCARNACION

Head, Disclosure Department
PHILIPPINE STOCK EXCHANGE
4/F PSE Center, Exchange Road,
Ortigas Center, Pasig City

Re: Clarification to May 11, 2009 BusinessWorld article

Dear Ms. Encarnacion,

This has reference to your letter asking us to confirm the veracity of the information contained in the May 11, 2009 *BusinessWorld* article entitled, "Aboitiz Power to bid for 12 state electric assets this year", a portion of which is quoted hereunder:

"LISTED ABOITIZ POWER Corp. has announced plans to bid for about 12 state-owned power assets this year, with the company upbeat that sales will recover after its low first-quarter performance. Luis Miguel O. Aboitiz, Aboitiz Power senior vice-president for power generation, said the company intends to submit its bids for diesel-fired plants Power Barge 117 and 118, both located in Mindanao, geothermal plants 192-megawatt (MW) Palinpinon in Negros Oriental, and 113-MW Tongonan in Leyte, and the hydroelectric plant 246-MW Angat dam in Bulacan. He said Aboitiz Power is also looking at the independent Power Producers Administrator (IPPA) contracts for the 140-MW Casecan hydro plant in Nueva Ecija, 70-MW Bakun hydroelectric plant in Benguet, Ilocos Sur, and the 345-MW San Roque hydroelectric plant in San Miguel, Pangasinan... Aboitiz Power has already registered for bidding of the 1,294-MW Sual power plant in Pangasinan and the 764-MW Pagbilao coal plant in Quezon. Along with this, the company is also looking at bidding for the 600-MW Calaca coal-fired power plant in Batangas and the 620-MW Limay combined cycle plant in Bataan ..."

Please be advised that although Aboitiz Power Corporation (AP) had previously signified interest in participating in the privatization of the assets of National Power Corporation, no firm decision has been reached yet on AP's participation in the bidding or negotiated sale (in the case of Calaca and Limay) of the 12 state-owned assets mentioned in the news article. AP is still in the process of evaluating the viability of these assets, and any decision to participate in the bidding or sale in any of these assets will have to be approved by the AP Board, which has not yet been obtained as of this date.

We hope we have sufficiently clarified this matter.

Thank you.

Very truly yours,

ABOITIZ POWER CORPORATION

By



M. JASMINE S. OPORTO
Corporate Secretary