

May 19, 2009

**MS. JANET ENCARNACION**

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

Re: Clarification to May 19, 2009 BusinessMirror (Internet Edition) article

Dear Ms. Encarnacion,

This has reference to your letter asking us to confirm the veracity of the information contained in the May 19, 2009 *BusinessMirror (Internet Edition)* article entitled, "Aboitiz Power eyes P33-B capex", a portion of which is quoted hereunder:

*"Listed Aboitiz Power Corp. (AP) is planning to spend at least P33 billion for various projects in 2009 despite a 59-percent drop in the company's earnings in the first quarter. Chief Executive Erramon I. Aboitiz said the allocation excludes the amounts that the Aboitiz-controlled power firm is setting aside in bidding for a number of government-owned generation assets which would be up for sale this year...Asked how the company would raise the money for additional acquisitions, Aboitiz said the company may borrow additional about \$300 million of projects to finance what he said are "once in a lifetime opportunities..."*

We would like to confirm that AP has allocated approximately P33 billion in capital expenditures (capex) for the year 2009, which will be spent in the rehabilitation or completion of existing power generation projects as stated in the article. The amount represents the beneficial share of AP in the projected capex of the projects as some of these, like the 175 MW Ambuklao-Binga hydro plants and the 246 MW Cebu coal plant, are undertaken with joint venture partners.

Our officers have been quoted in other news articles that the AP capex allocation for 2009 is P44 billion. We would like to clarify that the amount represents the total capex requirements of the existing power projects where AP is invested in, which includes the share of AP's joint venture partners in these projects.

We hope we have sufficiently clarified this matter.

Thank you.

Very truly yours,

ABOITIZ POWER CORPORATION  
By



**M. JASMINE S. OPORTO**  
Corporate Secretary