

August 27, 2009

MS. JANET ENCARNACION

Head, Disclosure Department
Philippine Stock Exchange, Inc.
4th Floor, Philippine Stock Exchange Centre,
Exchange Road, Ortigas Center,
Pasig City

Re: Clarification to August 27, 2009 *The Philippine Star* article

Dear Ms. Encarnacion,

This has reference to your letter asking us to confirm the veracity of the information contained in the August 27, 2009 *The Philippine Star* article entitled, "ERC okays 22% power rate hike of Aboitiz-run VECO" a portion of which is quoted hereunder:

"Despite a shortage of power supply in Cebu, the Energy Regulatory Commission (ERC) has approved a 22-percent increase in the electricity rates of Aboitiz-run Visayan Electric Co. (VECO)...In its decision, the ERC gave VECO a rate adjustment averaging 22.67 centavos per kilowatthour (kwh)..."

We confirm the veracity of the aforesaid article. As previously disclosed, the rate adjustment application was made under the return-on-rate base (RORB) ratemaking regime and was computed based on an asset base as of yearend 2008 of approximately ₱6.41 billion.

We hope we have sufficiently clarified this matter.

Very truly yours,

ABOITIZ POWER CORPORATION
By



M. JASMINE S. OPORTO
Corporate Secretary