

September 8, 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 September 7, 2009 *Philippine Daily Inquirer* article

Dear Ms. Encarnacion,

This has reference to your letter asking us to confirm the veracity of the information contained in the September 7, 2009 *Philippine Daily Inquirer* article entitled, "Aboitiz unit plans hydro plant in Benguet" a portion of which is quoted hereunder:

*"HEDCOR INC. IS PLANNING TO PUT up a 120-megawatt (MW) run-of-river hydropower facility in Benguet, according to its top official. Rene Ronquillo, Hedcor president and chief operations officer, told reporters that the proposed hydropower facility, which will consist of four small plants of varying capacities, will be so far the biggest project that the company would undertake. Ronquillo, however, declined to disclose the cost of the project, although as a rule of thumb, it may cost as much \$2.5 million to produce a megawatt of hydropower...The planned facility may take as long as four years to be completed, with two years needed to complete all the necessary permits and another two years to build the hydropower facility, he explained..."*

Please be advised that the proposed run-of-river hydropower project in Benguet is still under study and no definite decision has yet been made on this matter. The project is still on the engineering and permitting stage, which is expected to take two years. If a final decision to proceed with the project is made, it is expected that two additional years will be needed to complete the construction of the project.

We hope we have sufficiently clarified this matter.

Very truly yours,

ABOITIZ POWER CORPORATION

By



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