



February 8, 2010

**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 February 6, 2010 *The Philippine Star* article

Dear Ms. Encarnacion,

This refers to your letter requesting us to confirm the veracity of the information contained in *The Philippine Star* article dated February 6, 2010 entitled, "Aboitiz Power unit hikes capital", a portion of which is quoted hereunder:

*"AP Renewables (APR), a wholly-owned unit of Aboitiz Power Corp., is raising its authorized capital stock to P1.5 billion from only P20,000. Documents filed with the Securities and Exchange Commission show that P1.2 billion out of the total increase in capitalization has been subscribed, and P570 million paid for, by Philippine Hydropower Corp."*

We confirm that the Securities and Exchange Commission approved last January 29, 2010, the application for the increase of the authorized capital stock of AP Renewables, Inc. (APRI) from Twenty Thousand Pesos (P20,000.00) divided into Twenty Thousand (20,000) common shares with a par value of One Peso (P1.00) per share to One Billion Five Hundred Million Pesos (1,500,000,000.00), divided into Three Hundred Million (300,000,000) common shares with a par value of One Peso (P1.00) per share and One Billion Two Hundred Million (1,200,000,000) redeemable preferred shares with a par value of One Peso (1.00) per share.

Out of the increase in the authorized capital stock of Two Hundred Ninety Million Nine Hundred Eighty Thousand (299,980,000) common shares with total par value of Two Hundred Ninety Nine Million Nine Hundred Eighty Thousand Pesos (299,980,000.00) and out of One Billion Two Hundred Million (1,200,000,000) redeemable preferred shares with a total par value of One Billion Two Hundred Million Pesos (1,200,000,000.00), Fifty Seven Million (57,000,000) common shares with total par value of Fifty Seven Million Pesos (P57,000,000.00) and Five Hundred Thirteen Million (513,000,000) redeemable preferred shares with total par value of Five Hundred Thirteen Million Pesos (513,000,000.00), respectively have actually been subscribed and paid up by the shareholder/subscriber, Philippine Hydropower Corporation (PHC).

PHC is wholly owned by Aboitiz Power Corporation and APRI is the owner and operator of the Tiwi-Makban geothermal plants which were recently privatized by the Power Sector Assets and Liabilities Management Corporation (PSALM).

We hope we have sufficiently clarified this matter.

Thank you.

Very truly yours,

**ABOITIZ POWER CORPORATION**

By

M. JASMINE S. OPORTO  
Corporate Secretary