



February 21, 2011

MS. JANET A. ENCARNACION

Head, Disclosure Department
Philippine Stock Exchange, Inc.
Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue,
Makati City

Re: Clarification to February 20, 2011 *The Philippine Star* news article

Dear Ms. Encarnacion,

This refers to your letter requesting us to confirm the veracity of the information contained in the *The Philippine Star* news article dated February 20, 2011 entitled, "Aboitiz unit gets SEC okay to hike capital", a portion of which is quoted hereunder:

"SN Aboitiz Power-Benguet Inc. has obtained the Securities and Exchange Commission's nod to raise its capitalization from P1.05 billion to P1.61 billion.

...

Of its new authorized capital stock, P1.01 billion has been subscribed and paid for..."

We confirm that SN Aboitiz Power-Benguet, Inc. (SNAP-Benguet), a consortium between Aboitiz Power Corporation (AP) and SN Power, obtained an approval from the Securities and Exchange Commission on November 19, 2010 to raise its authorized capital stock from P1.05 billion to P1.61 billion. We likewise confirm that the current subscribed and paid-up capital of SNAP-Benguet is P1.01 billion.

We would like to correct though certain items in the article. The mini hydro plants of AP are owned by AP subsidiary Hedcor, Inc., while the 70 MW Bakun Plant is owned by Luzon Hydro Corporation, AP's joint venture company with Pacific Hydro Pty Ltd of Australia.

We hope we have sufficiently clarified this matter.

Thank you.

Very truly yours,

ABOITIZ POWER CORPORATION

By

M. JASMINE S. OPORTO

Corporate Secretary