



March 14, 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 March 12, 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 March 12, 2011, entitled, "Aboitiz group to raise P40B from debt sale", a portion of which is quoted hereunder:

...

*The group's power arm, Aboitiz Power Corp. is considering a P17-billion debt issue to fund a 300-megawatt coal-fired power plant project in Subic Bay, northwest of Manila, said Stephen Paradies, company chief finance officer.*

*Another 300-megawatt coal-fired power plant in the southern province of Davao would also require about P17 billion, with a group considering a debt sale with maturity of possibly 12 years.*

*Aboitiz Power (AP) would also seek to raise a separate P3.4 billion for debt refinancing.*

*"AP is looking to raise cash now to prepare us for some maturities that are coming up next year," Paradies told reporters on the sidelines of the listing of the company's P3 billion of one-year and three-year fixed rate notes.*

We would like to confirm and clarify certain items in the article:

- (1) The P17-billion debt issue to fund a 300-megawatt coal-fired power plant in Subic Bay refers to the estimated external financing requirement for the entire project of Redondo Peninsula Energy, Inc. (RP Energy), a joint venture with Taiwan Cogeneration International Corporation. Aboitiz Power Corporation's (AboitizPower) beneficial share in the project is 50%.
- (2) We confirm that AboitizPower plans to raise an estimated P17 billion from lenders to fund the wholly owned Davao Coal Project.
- (3) AboitizPower, on its own, is also planning to raise P3.5 billion to refinance its maturing debt.

We hope we have sufficiently clarified this matter.

Thank you.

Very truly yours,

**ABOITIZ POWER CORPORATION**

By

A handwritten signature in black ink, appearing to read 'M. Jasmine S. Oporto', written in a cursive style.

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