

November 2, 2011

MS. JANET A. ENCARNACION
Head, Disclosure Department
Philippine Stock Exchange, Inc.
3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Re: Clarification to October 31, 2011 the *Manila Standard Today* news article

Dear Ms. Encarnacion,

This refers to your letter requesting us to confirm the veracity of the information contained in the *Manila Standard Today* news article dated October 31, 2011 entitled, "Aboitiz Power plans 2 Luzon hydro projects", a portion of which is quoted hereunder:

"SN Aboitiz Power Inc., joint venture between SN Power of Norway and Aboitiz Power Corp., plans to build two hydroelectric power plants with a total combined capacity of 300 megawatts in Luzon, a ranking company official said over the weekend.

SN Aboitiz president and chief executive Emmanuel Rubio told reporters the company was studying plans to develop a hydroelectric project in Nueva Vizcaya with a capacity of up to 180 MW and a separate facility capable of generating up to 120 MW in Quezon Province.

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Rubio said the Nueva Vizcaya project could be completed by 2017 at the earliest.

He said SN Aboitiz would likely to go into a joint venture with another company holding a service contract for the project.

We confirm that SN Aboitiz Power-Magat, Inc. (SNAP-MAGAT) (formerly, SN Aboitiz Power, Inc), an affiliate of Aboitiz Power Corporation, is studying plans to develop hydroelectric power plants in both Nueva Vizcaya and Quezon Province with approximate capacities of 180 MW and 120 MW, respectively.

As part of its greenfield development program, SNAP-MAGAT initiated the groundwork for the projects by applying for the necessary permits with the Department of Energy. For the Nueva Viscaya project, SNAP-Magat intends to enter into an agreement with the National Irrigation Administration to study both the irrigation and hydroelectric potential of the area, which if approved, could be operational earliest by 2017. For the Quezon Province project, SNAP MAGAT will explore partnerships with qualified counterparties to study the development of the project.

Thank you.

Very truly yours,

ABOITIZ POWER CORPORATION

By



MAILENE M. DE LA TORRE
Office of the Corporate Secretary

cc: **Philippine Dealing & Exchange Corp.**
Market Regulatory Services Group
Attn: **Ms. Ma. Concepcion M. Magdaraog**
Issuer Compliance and Disclosures Department