

December 22, 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 December 22, 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 Philippine STAR* news article dated December 22, 2011 entitled, “**Meralco-led RP Energy to raise P40 billion for power generation projects**”, a portion of which is quoted hereunder:

“Redondo Peninsula Energy Inc. (RP Energy), the consortium composed of Manila Electric Co. (Meralco) Power Generation Corp., Aboitiz Power Corp. and Taiwan Cogeneration International Corp., is planning to raise P40 billion early next year to finance its power projects.”

....

We hereby confirm that Therma Power, Inc., a subsidiary of Aboitiz Power Corporation (AboitizPower) is a joint venture partner of Meralco Power Generation Corporation (MGPC) and Taiwan Cogeneration International Corporation (TCIC) in Redondo Peninsula Energy, Inc. (RP Energy). As previously disclosed, RP Energy proposed to construct and operate a **2 X 300 MW** independent coal-fired power plant in Subic Bay Freeport Zone. Such project will require financing, but the source of the funds, as well as the terms and conditions thereof have not yet been determined and finalized.

Thank you.

Very truly yours,

ABOITIZ POWER CORPORATION

By



M. JASMINE S. OPORTO

Corporate Secretary

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