

September 17, 2012

**MS. JANET A. ENCARNACION**

Head, Disclosure Department  
Philippine Stock Exchange, Inc.  
3<sup>rd</sup> Floor, Philippine Stock Exchange Plaza,  
Ayala Triangle, Ayala Avenue  
Makati City

Re: Clarification to the September 16, 2012 *Manila Bulletin* news article

Dear Ms. Encarnacion:

This refers to your letter requesting clarification and/or confirmation of the information stated in the *Manila Bulletin* article dated September 16, 2012 entitled, "Aboitiz Tapping Local Financing for \$3.6-Billion Power Expansion Projects" which is quoted hereunder:

*Aboitiz Power Corporation will be funding about 75 percent of the \$3.6-billion cost of its three coal-fired plants from the local debt market.*

*In an interview, Aboitiz Equity Ventures chief finance officer Stephen Paradies said they hope to close a financing agreement with banks for at least one of the three projects before the end of the year.*

*Project financing for the three power plants will amount to about \$2.7 billion.*

....

*Paradies said they may also have to raise \$600 million for the 400MW expansion of its coal-fired power plant in Pagbilao, Quezon as the rule of thumb is \$2 million for every megawatt or a total project cost of about \$800 million.*

We confirm that Aboitiz Power Corporation ("AboitizPower") through its subsidiaries and associates (with the joint venture partners, where relevant), are arranging project debt-financing for its Therma South Inc. (TSI) Davao Coal Project, Redondo Peninsula Energy Inc. (RP Energy) Subic Coal Project and the proposed Pagbilao coal fired power plant expansion. Total additional capacity of these projects amount to 1,300 MW.

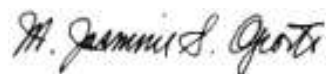
Rest assured that the public will be advised by AboitizPower as soon as these financing arrangements are finalized.

We trust the foregoing is to your satisfaction.

Very truly yours,

**ABOITIZ POWER CORPORATION**

By:



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