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August 4, 2016

MR. JOSE VALERIANO B. ZUÑO III

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Makati City

Gentlemen:

We reply to your letter dated August 4, 2016 (received thru EDGE Submission System at 8:30 a.m. today) requiring us to clarify and/or confirm the information contained in the news article entitled “Meralco keen on solar partnerships” posted in The Philippine Star (Internet Edition) on August 4, 2016. The article reported in part that:

“MANILA, Philippines – Manila Electric Co. (Meralco) is looking at a possible partnership with Solar Philippines of young entrepreneur Leandro Leviste.

The power company is keen on a partnership in ‘some solar farms in Tarlac,’ Meralco chairman Manuel Pangilinan said in an interview with reporters after the Financial Times-First Metro Philippines Investment Summit in Makati City Tuesday.

He said the solar power plant has a capacity of 135 megawatts (MW) but did not disclose the identity of the possible local partner.

Sought for further comment, Meralco SVP and head for customer retail services and corporate communications Alfredo Panlilio said in a text message the power distributor is under negotiations with a number of solar developers for power supply deals, which includes Solar Philippines.

'We are in discussions with several solar entities for (power supply agreements) PSAs including Solar Philippines. This is a normal process for us with our Energy Sourcing Group,' he said.

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For Meralco, the company is targeting to build a portfolio of up to 100 MW from solar rooftops, of which 20 MW is being looked at in the first year of operations of subsidiary Spectrum, Panlilio said earlier.

The Meralco group is also looking to have a portfolio of utility scale solar projects with an initial capacity of 50 MW soon, its president Oscar Reyes had said.

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With reference to the said news article, we would like to confirm the statements attributed to our Chairman, Mr. Manuel V. Pangilinan and our Senior Vice President, Mr. Al Panlilio that the Company is keen in partnering with solar developers such as Solar Philippines for the development of solar farms in the country with the clarification that the Company had not entered into any definitive agreement with any solar developer in this regard. We would also like to confirm the statements attributed to our President & CEO, Mr. Oscar S. Reyes and Mr. Panlilio regarding the intention of the Company to build a portfolio of solar rooftops and utility scale solar projects as part of its renewable energy initiatives.

We trust that you will find the foregoing clarification in order.

Very truly yours,



WILLIAM S. PAMINTUAN
First Vice President
Assistant Corporate Secretary &
Information Disclosure Officer