



ORTIGAS AVENUE, PASIG CITY
0300 PHILIPPINES

June 5, 2014

MS. JANET A. ENCARNACION

Head, Disclosure Department

PHILIPPINE STOCK EXCHANGE

3rd Floor, Philippine Stock Exchange Plaza

Ayala Triangle, Ayala Avenue

Makati City

MS. VINA VANESSA S. SALONGA

Head – Issuer Compliance and Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORPORATION

37th Floor, Tower 1, The Enterprise Center

6766 Ayala Avenue corner Paseo de Roxas

Makati City

Mesdames:

We reply to your letter dated June 5, 2014 (received thru EDGE Submission System at 8:20 a.m. today) requiring us to clarify and/or confirm the information contained in the news article entitled “Meralco, Thai partner forge supply contract for Quezon plant expansion” posted in Manila Bulletin (Internet Edition) on June 4, 2014. The article reported in part that:

“A power supply agreement (PSA) that will cement the implementation plan for the 460-megawatt Quezon power plant expansion will be signed this week, a source privy to the matter has hinted.

No details were given on the volume of off-take (capacity purchase) and even the pricing that power utility giant Manila Electric Company (Meralco) will be underwriting for the project – to which its power generation arm Meralco PowerGen is a major equity holder.

The PSA signing, according to the source will happen this week, ‘unless plans will change last-minute.’ The plant construction is targeted this year following an anticipated closing for the project’s funding.

The Quezon power facility expansion will be undertaken via corporate vehicle San Buenaventura Power Ltd. – a joint venture between Meralco PowerGen and Thai firm Electricity Generating Public Company Ltd. (EGCO).

....”

With reference to the said news article, we would like to reiterate our disclosure on Friday, May 30, 2014, that Meralco has signed a long-term Power Supply Agreement (PSA) for a 455MW (net) capacity and electrical output with San Buenaventura Power Ltd. Co. (SBPL).

SBPL will be constructing the country's first supercritical highly fuel efficient, reliable and environment friendly pulverized coal-fired power plant in Mauban, Quezon Province. This is to meet the growing needs of residential, commercial, and industrial customers in the Meralco's franchise area and the Luzon Grid.

The PSA will subject to the approval of the Energy Regulatory Commission (ERC).

We trust that you will find the foregoing in order.

Very truly yours,


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