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January 10, 2018

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Gentlemen:

We reply to your letter dated January 10, 2018 (received thru EDGE Submission System at 7:52 a.m. today) requiring us to clarify and/or confirm the information contained in the news article entitled “Meralco unit plans to spend P40 billion in wind projects” posted in BusinessMirror (Internet Edition) on January 9, 2018. The article reported in part that:

“A top official of the Manila Electric Co. (Meralco) said its wholly owned subsidiary plans to invest in two wind-power projects, each with a capacity of 150 megawatts (MW), with a combined project cost of about \$800 million (around P40.225 billion at current exchange rates).

‘Plus or minus, it’s \$800 million for 300 [MW] wind-power projects,’ Meralco President Oscar Reyes said during a briefing on Monday. Reyes added Meralco Powergen Corp. (MGen) may come in as an investor in the wind projects, though ‘the question of investment still has to be discussed.’

‘The total cost of the project in 75-25 debt-to-equity is roughly \$200 million in investment on a 100-percent basis,’ he said. ‘We have gotten indications, coming from possible partners.’

...”

With reference to the said news article, we would like to confirm the statements attributed to our President/CEO, Mr. Oscar S. Reyes, related to Meralco Powergen Corp.'s (MGen) plans to consider investment in two (2) wind-power projects amounting to P40 billion with the clarification that these projects are still in the exploratory stage at this time and no definitive agreements had been made thereon.

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