



ORTIGAS AVENUE, PASIG CITY  
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August 1, 2018

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Gentlemen:

We reply to your letter dated August 1, 2018 (received thru EDGE Submission System at 8:14 a.m. today) requiring us to clarify and/or confirm the information contained in the news articles entitled “M.V.P. firm ready to submit proposal to develop L.N.G. terminal” posted in BusinessMirror (Internet Edition) on July 31, 2018 and “Meralco seeks to expand footprint in Africa” posted in Inquirer.net on August 1, 2018. The articles reported in part that:

“THE group of Manuel V. Pangilinan is expected to submit soon its proposal signifying its interest to develop a liquefied natural gas (LNG) integrated terminal under the Department of Energy’s Philippine Downstream Natural Gas Regulation (PDNGR).

Pangilinan said a company ‘between Meralco [Manila Electric Co.] and MPIC [Metro Pacific Investments Corp.]’ is ‘about to submit to the DOE.’

‘We have to prepare our own brief,’ he said.

....”

“Manila Electric Co. is looking at other countries in Africa for business expansion as its power distribution concession in Ghana moves forward.

On July 24, the Parliament of Ghana gave the go-ahead for the consortium led by Meralco to take over the management and operations of their country’s biggest power distributor, state-owned Electricity Company of Ghana (ECG).

‘Our partners in the Ghana concession might invite us to do business in (their home countries),’ Meralco president Oscar S. Reyes said in an interview.

Expanding Meralco’s footprint in Africa ‘will make the Philippines more known in that continent,’ Reyes said, adding that it was looking at ‘at least one other country’ in addition to Ghana.

Meralco has five partners in the Ghana concession, with Aenergia SA of Angola being the only other non-Ghanaian company in the group.

According to Ghana’s Ministry of Energy, the final ownership structure shows Meralco holds 30 percent while Aenergia controls 19 percent of the concession-holding entity.

The remaining 51 percent is shared by Ghanaian firms TG Energy Solutions (18 percent), Santa Baron Ventures Ghana (13 percent), GTS Engineering Ghana Ltd. (10 percent) and TBK Ghana Ltd. (10 percent).

Also, the ministry said Meralco and its partners would invest in ECG \$125.94 million in the first year; \$110 million, second year; \$144.01 million, third year, \$91.77 million, fourth year, and \$109.23 million, fifth year.

The consortium is required to invest in ECG a total of \$581 million in the first five years of the 20-year concession period, which is calendared to start in 2019.

....”

With reference to the first news article, we would like to confirm the statements attributed to our Chairman, Mr. Manuel V. Pangilinan, on the group's interest in submitting a proposal to develop an integrated LNG terminal under the DOE's Philippine Downstream Natural Gas Regulation.

On the second news article, we would like to confirm the statements attributed to our President and CEO, Mr. Oscar S. Reyes, that the Company is looking at business opportunities in another

country in Africa. We also would like to clarify that the Company is yet to receive the official confirmation from the relevant authorities in Ghana on the approval by its Parliament of the concession to manage and operate the facilities and assets of the state-owned Electricity Company of Ghana.

Rest assured, we will apprise the Exchange for any developments on the said project.

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

Very truly yours,



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