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JANET A. ENCARNACION

Head, Disclosure Department
The Philippine Stock Exchange, Inc.
PSE Tower, 28th Street corner 5th Avenue
Bonifacio Global City, Taguig City

Dear Ms. Encarnacion:

We write in compliance with the PSE's request for clarification with respect to the news article entitled "EDC boosts local, overseas RE portfolio" posted in the BusinessMirror (Internet Edition) on September 25, 2018. The article reported that:

"LOPEZ-LED Energy Development Corp. (EDC) is beefing up its renewable-energy (RE) portfolio here and abroad, with plans to expand soon its solar, wind and geothermal assets.

EDC currently delivers 1,472 megawatts (MW) of RE to the country in the form of hydro, solar and wind power apart from geothermal.

EDC President Richard B. Tantoco said last week during the National Sustainability Summit for Millennials and Gen Zs that the company is planning to install solar power in 'about 14 to 15 different malls' and is looking at 'nine promising sites' for wind power installation in Ilocos.

Transmission constraints, however, may put the planned wind projects on hold but the company, noted its president, is still determined to look for opportunities. ' There are different issues in different sites.'

'We are now looking at some capacity expansion inside our existing geothermal sites,' added Tantoco.

....

The company has allocated P7 billion in capital expenditures (capex) this year mainly to improve reliability of its steam plants.

For its overseas geothermal prospects, EDC is preparing for auction for Chile and Peru geothermal assets.

He said pricing reviews for a geothermal investment in Chile, possibly around 150 MW, are in the works now.

In Peru EDC awaits government auction for geothermal sites.

EDC is also looking at Indonesia, with an assessed potential of probably 200 MW. ‘We’re doing it now. Drilling is expected to take place in about 18 to 24 months.’

Tantoco said that Indonesian law compels EDC to look for a local partner there, but he said that ‘it’s too early to sell’ because the project is still in the predevelopment stage. ‘We are always open to it. By law, it requires us to find a partner, 5 percent.’
....”

We confirm that the statements quoted in the news article are accurate.

Very truly yours,



Ryan Z. Velasco
Head of Investor Relations
& Corporate Information Officer

cc: **VINA VANESSA S. SALONGA**
Head – Issuer Compliance and Disclosure Department (ICDD)
Philippine Dealing & Exchange Corp.