



September 27, 2018

Securities and Exchange Commission

SEC Building, Mandaluyong City

Attention: **Director Vicente Graciano P. Felizmenio, Jr.**
Director, Markets and Securities Regulation Department

The Philippine Stock Exchange, Inc.

3/F Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City 1226

Attention: **Ms. Janet A. Encarnacion**
Head, Disclosure Department

Philippine Dealing and Exchange Corporation

37/F Tower 1, The Enterprise Center
6766 Ayala Avenue corner Paseo de Roxas, Makati City 1226

Attention: **Ms. Vina Vanessa S. Salonga**
Head, Issuer Compliance and Disclosure Department

Mesdames/Gentlemen:

Please be informed that Aboitiz Power entered into a share purchase agreement with Arlington Mariveles Netherlands Holding BV, an affiliate of AC Energy, and a shareholders' agreement with AC Energy, a wholly-owned subsidiary of Ayala Corporation, for the proposed acquisition of a 49% voting stake and 60% economic stake in AA Thermal, AC Energy's thermal platform in the Philippines.

The AA Thermal platform will initially consist of AC Energy's limited partnership interests in GNPower Mariveles Coal Plant Ltd. Co., the owner and operator of an operating 2x316 MW coal plant in Mariveles, Bataan, and in GNPower Dinginin Ltd. Co., the developer and owner of a 2x668 MW supercritical coal plant project in Dinginin, Bataan, which is currently under construction.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Jose Teodoro K. Limcaoco'.

Jose Teodoro K. Limcaoco
Chief Finance Officer

PRESS RELEASE

AboitizPower invests in AC Energy's thermal power company

26 September 2018 – Aboitiz Power Corporation (AboitizPower) entered into a share purchase agreement with Arlington Mariveles Netherlands Holding BV, an affiliate of AC Energy, Inc. (AC Energy), and a shareholders' agreement with AC Energy, a wholly-owned subsidiary of Ayala Corporation, for the proposed acquisition of a 49% voting stake and 60% economic stake in AA Thermal, Inc., AC Energy's thermal platform in the Philippines (the Transaction).

Closing of the Transaction is subject to the satisfaction of certain conditions precedent, including the approval by the Philippine Competition Commission. The Transaction was valued at USD 579.2 million.

AA Thermal's assets initially consist of AC Energy's limited partnership interests in GNPower Mariveles Coal Plant Ltd. Co., the owner and operator of an operating 2x316 MW coal plant in Mariveles, Bataan (the Mariveles Project), and in GNPower Dinginin Ltd. Co., the developer and owner of a 2x668 MW supercritical coal plant project in Dinginin, Bataan (the Dinginin Project), which is currently under construction.

The agreement will increase AboitizPower's beneficial ownership in the Mariveles Project to 78.325%, and in the Dinginin Project to 70%. The Mariveles Project has been operating since 2013, while the first unit of the Dinginin Project is scheduled to go online in 2019.

"AboitizPower is committed to addressing the country's energy trilemma of adequate supply, cost of power, and protection of the environment. This is part of our strategy to reach our 4,000-MW net attributable capacity by 2020 through our balanced mix strategy. We are happy to be partners with the Ayala Group as we both seek to fulfill the energy needs of the country," AboitizPower Chief Operating Officer Emmanuel V. Rubio said.

"We are delighted to further strengthen our partnership with the Aboitiz group and we look forward to jointly pursue more opportunities in the future," according to AC Energy President and CEO Eric T. Francia. "This transaction enables AC Energy to balance its portfolio and provides capital for our growth initiatives, including our renewable energy projects," he added.

ING Bank N.V. acted as Lead Financial Advisor to AC Energy. BPI Capital also acted as Financial Advisor, providing transaction support to AC Energy. Standard Chartered Bank acted as Sole Financial Advisor to AboitizPower.

AboitizPower is the holding company for the Aboitiz Group's investments in power generation, distribution, and retail electricity services.

The company is one of the largest power producers in the Philippines with a right-mix portfolio of assets located across the country. It is a major producer of Cleanergy, its brand for clean and renewable energy, with several hydroelectric, geothermal, and solar power generation facilities. It also has various fossil-fired power plants in its generation portfolio to support the baseload and peak energy demands of the country.

The company also owns distribution utilities that operate in high-growth areas in Luzon, Visayas, and Mindanao, including the second and third largest private utilities in the country.

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About AC Energy

AC Energy is the energy platform of Ayala, one of the largest business groups in the Philippines.

AC Energy is one of the fastest growing energy companies with over \$1 billion of invested and committed equity in renewable and thermal energy in the Philippines and around the region.

The company aspires to exceed 5 GW of attributable capacity and generate at least fifty percent of energy from renewables by 2025.

www.acenergy.com.ph

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