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December 10, 2018

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Gentlemen:

We reply to your letter dated December 10, 2018 (received thru EDGE Submission System at 9:42 a.m. today) requiring us to clarify and/or confirm the information contained in the news article entitled “Meralco to spend US\$40M for stake in Ghana power utility” posted in Manila Bulletin (Internet Edition) on December 7, 2018. The article reported in part that:

“Philippine electric distribution giant Manila Electric Company (Meralco) will cough up US\$40 million on planned equity acquisition at an electricity distribution firm in Ghana.

‘We are required to have 30-percent, but we can bring that down to 19-percent in the JV (joint venture),’ Meralco President Oscar S. Reyes said.

The US\$40 million investment, he qualified, will be spread over time – prospectively over five years depending on the cash call of their co-venturers.

He expounded that Meralco is working with Millennium Development Authority (MiDA) and the Electricity Company of Ghana Ltd. ‘for proper transfer by first quarter or second quarter of 2019.’ Reyes noted the utility firm sent its legal team in Ghana to complete the documentation

processes prior to the signing of shareholder agreements or joint development agreements as well as the eventual firming up of financial agreements.

He said Meralco will be willing to reduce its targeted equity participation if there are other parties in the consortium 'who will be interested to increase their share.'

....”

In relation to our disclosure dated August 1, 2018, we would like to confirm the abovementioned statements attributed to our President and Chief Executive Officer, Mr. Oscar S. Reyes, on the planned equity investment in a joint venture company that will manage and operate the facilities and assets of the state-owned Electricity Company of Ghana Ltd.

We will apprise the Exchange for any further developments on this matter.

Very truly yours,



JOCELYN C. VILLAR-ALTAMIRA
Assistant Vice President & Head
Corporate Governance and Compliance