



Filinvest Development Corporation

28 February 2013

Philippine Stock Exchange
3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

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

Gentlemen:

We refer to your request for clarification/confirmation of the article appearing on February 27, 2013 issue of the *BusinessMirror (Internet Edition)* entitled "FDCUI allots P30 billion for Mindanao plant", to wit:

Filinvest Development Corp. Utilities Inc. (FDCUI) is investing P30 billion for its 405-Megawatt (MW) circulating fluidized bed (CFB) coal-fired thermal power plant in an 84-hectare area within the Phividec Industrial Estate in Villanueva, Misamis Oriental.

The plant, which will be in operation for the next 25 years, will source 80 percent of its coal requirement abroad and 20 percent from local coal mines, said Ana Margarita Sanchez, FDCUI corporate communications manager.

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The first and second units of the plant are scheduled to start operation in 2016, while the third unit is scheduled in 2018.

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We wish to clarify that the project for immediate development is for two (2) units with total capacity of 270 MW. The construction of the third unit will depend on the need for additional power in Mindanao.

As regards the project cost of P30 billion, the latter is an estimate total cost for the three (3) units. FDCUI is currently negotiating with potential EPC contractor for this project.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Aileen Paulette S. de Jesus", is written over a light-colored rectangular background.

ATTY. AILEEN PAULETTE S. DE JESUS
Corporate Information Officer