



SMC GLOBAL POWER HOLDINGS CORP.

15 September 2016

DB Trustees (Hong Kong) Limited
Level 52, International Commerce Center
1 Austin Road West
Kowloon
Hong Kong

Re: USD300 Million Undated Subordinated Capital Securities
Issued last May 7, 2014

Gentlemen:

SMC Global Power Holdings Corp. (the "Corporation") hereby reports that on September 15, 2016, during the Special Meeting of the Board of Directors of the Corporation and at the Special Meetings of the Board of Directors and Stockholders of SMC PowerGen Inc. ("SMC PowerGen"), a wholly-owned subsidiary of the Corporation, SMC PowerGen was authorized to negotiate, enter into and conclude with Petron Corporation the relevant definitive agreements for the sale by SMC PowerGen of its 140 MW Solid Fuel-Fired Power Plant located at the Petron Bataan Refinery (the "Power Plant") in favor of Petron Corporation, under such terms and conditions as Management may deem proper.

The Corporation shall provide further updates in the event the definitive agreements relating to the contemplated sale of the Power Plant is concluded with Petron Corporation.

For and on behalf of
SMC GLOBAL POWER HOLDINGS CORP.


Ferdinand K. Constantino
Director and Vice-Chairman


Alexander Benhur M. Simon
Chief Finance Officer