



May 21, 2018

**THE PHILIPPINE STOCK EXCHANGE, INC.**

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

Attention : **MR. JOSE VALERIANO B. ZUÑO III**  
Head, Disclosure Department

Dear Mr. Zuño:

This refers to the request to clarify the news article entitled “Ayala selling \$1-billion coal plants” posted in manilastandard.net on May 20, 2018. The article reported in part that:

. . . .

“AC Energy Inc., the energy arm of the Ayala Group, plans to sell as much as 50 percent of its thermal or coal energy assets, a top executive said over the weekend.

AC Energy’s entire power generation portfolio of 1,600 megawatts carries an estimated value of \$2.6 billion (P135 billion), according to investment group CLSA.

This implies the sale of 50 percent of the coal assets will raise \$1 billion for Ayala. Coal plants account for 80 percent of AC Energy’s total attributable power generation capacity.

‘AC Energy is currently in discussions with potential investors/partners for our thermal platform,’ AC Energy president and chief executive Eric Francia said.

The sale aims to balance AC Energy’s renewable and thermal portfolios and raise capital to support regional expansion.

‘While we will grow our renewables exponentially, we shall continue to grow our thermal platform in the Philippines and around the region,’ said Francia.

AC Energy wants a portfolio of 50-percent renewable energy projects and 50-percent thermal generation assets.

Francia earlier said the company was looking to achieve the balanced generation mix by 2025.

. . . .

The company plans to exceed 5,000 MW of power generation capacity by 2025.

‘Our goal is to exceed five gigawatts of capacity by 2025. We will do this by growing both in the Philippines and around the region,’ Francia said.

Francia said AC Energy was prepared to invest 'over \$2 billion of equity' to reach its 5-GW generation portfolio target.

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We confirm the statements in the abovementioned news article.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Solomon M. Hermosura', is written over a light blue rectangular stamp that contains the word 'Rectangular'.

**SOLOMON M. HERMOSURA**

**General Counsel, Compliance Officer, & Corporate Secretary**

**Cc: SECURITIES & EXCHANGE COMMISSION**

Attention: Mr. VICENTE GRACIANO P. FELIZMENIO, JR.  
Director, Markets and Securities Regulation Department

**PHILIPPINE DEALING & EXCHANGE CORPORATION**

Attention: Ms. Erika Grace C. Alulod  
Head, Issuer Compliance and Disclosure Department