



July 24, 2015

THE PHILIPPINE STOCK EXCHANGE, INC.

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

Attention : **MS. JANET A. ENCARNACION**
Head, Disclosure Department

Dear Ms. Encarnacion:

This refers to your request to clarify the news article titled: "AC Energy eyes owning government-run hydropower plants", posted on BusinessMirror (Internet Edition) on July 23, 2015, which reported in part that:

"AC Energy Holdings Inc., the power subsidiary of conglomerate Ayala Corp., may participate in the privatization of hydropower plants to be conducted by the Power Sector Assets and Liabilities Management Corp. (PSALM).

'Yes, we are,' AC Energy President John Eric Francia said when asked if the company will take part in the privatization of the remaining assets. 'We are interested in hydropower,' he said when asked what particular asset the company is eyeing.

. . . . Francia said the company is more inclined to acquire a hydropower asset rather than operate it only. 'We go for owning the asset,' he said. This means that AC Energy will likely participate in the Agus-Pulangi power-complex bidding but not the CBK and Casecnan assets.

. . . . ""

We confirm that AC Energy Holdings Inc. is interested to participate in the privatization of hydro power plants should this be put out for bid, subject to a proper evaluation and assessment of the projects. Further, we confirm that AC Energy is more inclined to acquire rather than to merely operate hydropower assets.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Solomon M. Hermosura'.

SOLOMON M. HERMOSURA
General Counsel and 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. VINA VANESSA S. SALONGA

Head, Issuer Compliance and Disclosure Department