



August 28, 2009

- **AboitizPower's Therma Luzon, Inc. wins Pagbilao Bid**

**Aboitiz Power Corporation (AP)** subsidiary Therma Luzon, Inc. won the bid for the appointment as IPP Administrator (IPPA) of the 700-megawatt (MW) Contracted Capacity of the Pagbilao Coal Fired Thermal Power Plant.

Therma Luzon, Inc. submitted the highest bid of US\$691 million for the plant located in Pagbilao, Quezon. This value represents the present value of a series of monthly payments to the Power Sector Assets and Liabilities Management Corporation (PSALM) from October 2009 to August 2025 using PSALM discount rates.



Pagbilao Plant located in Barangay Ibabang, Pulo, Pagbilao, Quezon

Upon confirmation as IPPA, AP will have investments in power plants with a total capacity of 2,572 MW, up 54% from total capacity as of end of June 2009. With the acquisition of power barges PB117 and PB118 in July 2009 and the addition of Pagbilao, attributable capacity is expected to increase by 87% to 1,940 MW.

IPPAs are qualified independent entities that will administer and manage the energy output contracted by the National Power Corporation (NPC) with independent power producers (IPP) operating in Luzon and the Visayas.

Under the Electric Power Industry Reform Act (EPIRA), PSALM is required to appoint IPPAs to manage and control Napocor-IPP plants until such time that the contracts have expired.

In May 2009, the company, through wholly-owned subsidiary AP Renewables, Inc., took over the 747- MW Tiwi-Makban facilities, AP's first geothermal assets, located in Southern Luzon. Other successful bids include the Magat and Ambuklao-Binga hydro plants in Northern Luzon and its acquisition of a 34% stake in STEAG State Power Inc., which owns and operates a coal-fired plant in Misamis Oriental.

Team Energy currently operates the Pagbilao plant under a build-operate-transfer contract that will expire by 2025.

**Note:** This report is for information purposes only and should not be relied upon by its intended recipients for investment decisions. It is not an offer to sell or a solicitation of an offer to buy the security of the company covered by this report. AEV makes no warranties, implied or otherwise, as to the accuracy of the information contained herein. Any financial figures presented are unaudited unless stated otherwise. Under no circumstances should this information or any of it be copied, reproduced or redistributed without written permission.

**Head Office:** Aboitiz Corporate Center, Manuel A. Cuenco Ave., Cebu City, Philippines **Phone:** (63-32) 411-1800 **Fax:** (63-32) 231-4031  
**Manila Office:** 110 Legazpi Street, Legaspi Village, Makati City, Philippines **Phone:** (63-2) 793-2800 **Fax:** (63-2) 817-9508  
**Email:** [aev@abotiz.com](mailto:aev@abotiz.com) **Website:** [www.abotiz.com](http://www.abotiz.com)