

NEWS RELEASE

16 October 2009
Corporate Communications Division

SPC acquires Naga LBGT power plant in negotiated sale

SPC Power Corporation today (16 October 2009) acquired the 55-megawatt (MW) Naga Land-Based Gas Turbine (LBGT) Power Plant after concluding negotiations with the Power Sector Assets and Liabilities Management (PSALM) Corporation.

The Naga facility is the seventh operating power plant successfully sold by PSALM this year.

In bagging its third power asset, SPC agreed to match the reserve price of USD1.008 million (USD1,008,000.00) set by the PSALM Board for the Cebu-based power plant. The company's initial offer was USD429,488.00.

SPC is also the new owner of the 146.5-MW Panay and 22-MW Bohol diesel power plants, which PSALM bid out in November last year.

PSALM will issue a Notice of Award to SPC to formally declare the company as the new owner of the Naga LBGT as soon as the accuracy, authenticity, and completeness of the bid documents it had submitted are verified by PSALM's Privatization Bids and Awards Committee.

Prior to its negotiated sale, the Naga LBGT underwent two unsuccessful biddings in April and June 2009. Under its bidding rules, PSALM may opt to enter into negotiations with any interested party after two failed biddings.

Formerly known as Salcon Power Corporation, SPC won the Rehabilitation, Operation, Maintenance, and Management contract for the 203.8-MW Naga Power Plant Complex in 1994. With the steady support of its partners, Salcon Philippines, Inc. and Salcon Limited of Singapore, SPC continues to contribute significantly to the country's power sector. Last 25 March 2009, in simple ceremonies, PSALM turned over the Panay and Bohol diesel power plants to SPC after the group paid in full its USD5.86-million (USD5,857,553.34) offer for the packaged power plants.

With the success of the Naga LBGT negotiations, PSALM has bid out a total rated capacity of 1,780 MW this year, spread among seven generating plants. These include the 600-MW Batangas (or Calaca) Coal-Fired Thermal Power Plant; the Power Barge (PB) 117 and the PB 118 rated at 100 MW each; the 620-MW Limay Combined-Cycle Power Plant; and the packaged 305-MW Palinpinon-Tongonan geothermal power plants. # # #