

August 22, 2007

ATTY. PETE M. MALABANAN

Head, Disclosure Department
The Philippine Stock Exchange Inc.
4th Floor, Philippine Stock Exchange Center
Exchange Road, Ortigas Center, Pasig City

Dear Atty. Malabanan,

This is in compliance to your letter dated August 22, 2007, requiring Aboitiz Power Corporation (AP) to provide additional information in connection with the formation of a consortium among the Aboitiz Group, Garcia Family, Global Business Power Corporation ("Global Power") and Formosa Group of Companies ("Formosa") for the modernization and development of the Toledo power project.

We wish to clarify to the Exchange that the Aboitiz Group's (as distinguished from AEV's or AP's) involvement in the Toledo project is still very preliminary, being at the conceptualization stage. AP has not entered into any agreement with Global Power and Formosa nor has it participated or entered into any discussions with any party regarding the Project. As disclosed, the Aboitiz Group merely envisions a role for AP in the project although at this point in time, everything is still under preliminary study. Nonetheless, AP deemed it prudent to disclose to the Exchange whatever limited information it has obtained about the project for good governance.

Hence, we cannot at this point give any of the requested details listed in your letter of even date, in particular, the sources of funds, total assets of the venture/consortium after its establishment, or effects on financial conditions/forecast since these have not been threshed out and discussed by all the parties who may be involved in the project, and we have no information on the foregoing.

Rest assured, that in the event that the Toledo project pushes through with clear involvement or participation by AP, then we will file the appropriate disclosure.

Thank you.

Very truly yours,

ABOITIZ EQUITY VENTURES, INC.

By



M. JASMINE S. OPORTO
Corporate Secretary

Passion for better ways