



November 10, 2017

THE PHILIPPINE STOCK EXCHANGE, INC.
3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue cor. Paseo de Roxas
Makati City 1226

*Attention: **Atty. Jose Valeriano B. Zuño III***
Head, Disclosure Department

Gentlemen:

Please find attached a press statement pertaining to the financial results of First Gen Corporation for the period ended September 30, 2017.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Rachel R. Hernandez', written in a cursive style.

RACHEL R. HERNANDEZ
Corporate Secretary

First Gen reports slightly lower 3Q17 recurring net income at US\$123 million

Clean and renewable electricity producer First Gen Corporation (First Gen), a Lopez Group company, reported recurring net income attributable to equity holders of the parent of US\$123 million for the first nine months of 2017. This was moderately lower by 4% or US\$5 million compared to the US\$128 million it earned for the same period last year. The Company's 420 MW San Gabriel Flex Plant earned positive income in the third quarter as a result of higher electricity prices at the Wholesale Electricity Spot Market (WESM). This partially diminished the losses incurred by the said plant reported in the first semester of this year. Moreover, Energy Development Corporation's (EDC) Unified Leyte facility was negatively affected by the earthquake that hit Leyte last July, though offset by the better performance of EDC's other power facilities.

The Company's attributable net income for the first three quarters of 2017 was US\$101 million. Attributable net income was lower than recurring net income by US\$22 million due to the one-time effect of break funding costs incurred as a result of a US\$500 million refinancing of the 1,000 MW Santa Rita Power Plant's long-term debt last May 2017, as well as the premium paid for EDC's partial buyback of its US Dollar-denominated bond, and the geothermal company's earthquake-related expenditures, among others.

First Gen's consolidated revenues from the sale of electricity increased by US\$104 million, or 9%, to US\$1,278 million as of September 2017 compared to US\$1,174 million for the same period last year. The natural gas portfolio accounted for US\$778 million, or 61% of First Gen's total consolidated revenues. Their revenues were 23% higher for the first nine months of 2017 mainly due to the fresh contributions of the 97 MW Avion Peaking Power Plant and the San Gabriel Flex Plant, though partially offset by the slightly lower combined dispatch of Santa Rita and the 500 MW San Lorenzo power plants at 74% in the first three quarters of 2017 versus 79% in 2016. The total recurring earnings contribution from First Gen's natural gas portfolio decreased by US\$9 million to US\$85 million in the first nine months of 2017 due mostly to the losses incurred by the San Gabriel and Avion power plants in the first half of 2017. Recall that San Gabriel did not operate during the 20-day Malampaya outage in February, while all of the gas plants temporarily halted operations due to the earthquake that hit Batangas in April.

EDC's geothermal, wind and solar revenues accounted for US\$462 million, or 36% of total consolidated revenues. From US\$499 million in 2016's first three quarters, EDC's revenues declined by US\$37 million mainly due to the shutdown of the Unified Leyte facility shortly after the earthquake. Recurring attributable earnings from EDC (excluding FG Hydro) was barely changed at US\$69 million in the first three quarters of this year, despite the earthquake, as the 140 MW Bacman plant and 150 MW Burgos Project delivered higher earnings this year.

The 132 MW Pantabangan-Masiway hydroelectric plants' revenues decreased by 30% to US\$29 million, or 2% of First Gen's total consolidated revenues. FG Hydro registered a decline in revenues as its Ancillary Service contract expired last February 2017. Consequently, the recurring attributable earnings contribution of FG Hydro was lower by US\$4 million at US\$9 million in the first nine months of 2017.

"Despite the recent calamities like the Batangas and Leyte earthquakes which negatively affected the operations of our gas plants and our largest geothermal facility, First Gen's recurring 3Q17 net income only slightly dipped. Other power plants in the portfolio, like Bacman and Burgos, were able to deliver better profits this year while our newest gas plant San Gabriel recovered in the third quarter. Our merchant natural gas-fired plants have been providing much-needed power these past few months as numerous power plants in the grid went offline due to unexpected and planned outages," President and COO Francis Giles B. Puno stated.