



December 8, 2017

The Philippine Stock Exchange, Inc.
3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Ave. cor. Paseo de Roxas
Makati City

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

Gentlemen:

This is with reference to your letter directing First Gen Corporation (First Gen) to clarify the following portions of a news article entitled “*Tokyo Gas affirms LNG partnership talks with First Gen*” posted in Manila Bulletin (Internet Edition) on December 7, 2017:

“Lisbon, Portugal – Partnership talks with Filipino firm First Gen Corporation had been affirmed by Tokyo Gas Co. Ltd. on planned liquefied natural gas (LNG) investments in the Philippines.

In an interview here on the sidelines of the recently concluded World LNG Summit, Tokyo Gas Executive Director Kunio Nohata said ‘we are talking with them (First Gen),’ albeit he qualified that discussions had not been really exclusive with the Lopez firm. He added “we have a lot of discussions with potential partners in the Philippines.” Notably, the Japanese firm just recently handed letter of intent (LOI) also to Philippine Energy Secretary Alfonso G. Cusi on its proposed LNG investment plunge in the country.

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More than a year back, First Gen executives indicated that they have at least eight groups in their ‘partner selection shortlist,’ reportedly a mixed bag of Japanese and European investors.

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First Gen noted that it could offer up to 40-percent stake to its prospective partners, although it still wishes to corner controlling interest in the projects.

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On blueprint, First Gen’s plan is for 5.0 million tons per annum (mtpa) of LNG onshore import terminal that would then be enough to underpin the capacity needs of its existing power plants as well as expansion ventures.

....”

As previously disclosed, we confirm that First Gen is developing an onshore storage and regasification terminal within the First Gen Energy Complex in Batangas City. The LNG terminal will have a capacity of 5 million tons per annum (mtpa) to support the demands of First Gen's existing gas-fired power plants and other potential third party users. First Gen is conducting various development activities for the LNG terminal.

We confirm that First Gen is open to the participation of both local and foreign partners in the LNG terminal, and has held exploratory discussions with a number of entities in this regard. The various discussions are still at a preliminary stage and no definitive agreements have been executed. Appropriate disclosures shall be made to the Exchange in the event that First Gen reaches a definitive agreement with any partner.

We trust that we have clarified these matters to the satisfaction of the Exchange. Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Rachel R. Hernandez', with a stylized flourish at the end.

RACHEL R. HERNANDEZ
Corporate Secretary