



May 20, 2021

The Philippine Stock Exchange, Inc.
6th Floor PSE Tower
5th Avenue cor. 28th St.
Bonifacio Global City
Taguig City

Attention: **Ms. Janet A. Encarnacion**
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 “**First Gen allots \$530-million capital expenditure for 2021**” posted in BusinessWorld (Online Edition) on May 20, 2021:

“FIRST Gen Corp. is allocating \$530 million of capital expenditures (capex) this year, with majority going to projects of its geothermal subsidiary Energy Development Corp. (EDC), an official of the firm said on Wednesday.

‘In 2021, we are expecting to spend about \$530M in capital expenditures, mainly driven by EDC, the LNG (liquified natural gas) terminal (in Batangas City), and the Aya Pumped Storage Project (in Nueva Ecija),’ First Gen’s Chief Financial Officer Emmanuel Antonio P. Singson said during the firm’s virtual annual stockholders’ meeting on Wednesday.

The amount will cover \$280 million of funding for EDC’s drilling activities, investments, and binary geothermal projects; \$120 million for First Gen’s planned offshore LNG terminal; and \$60 million for the 120-MW Aya Pumped Storage in Pantabangan, Nueva Ecija.

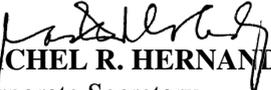
‘EDC is targeting a higher capex this year... as the COVID-19 pandemic resulted in the postponement of key activities last year. The (\$280 million) figure also includes the capex for the development of EDC’s binary growth projects — specifically the 3.6-MW Mindanao 3 and the 29-MW Palayan Bayan project,’ Mr. Singson said.

First Gen confirms that the company is expecting to spend ~US\$530MM in capital expenditures, primarily driven by Energy Development Corporation (EDC), the Liquefied Natural Gas (LNG) Terminal Project to be located in the First Gen Clean Energy Complex in Batangas City, and the Aya Pumped Storage Project in Pantabangan, Nueva Ecija.

EDC targets a higher CAPEX this year and is planning to spend ~US\$280M to catch up on its drilling and investments, as the pandemic resulted in the postponement of key activities last year. This figure also includes the CAPEX for the development of EDC's binary growth projects, the 3.6MW Mindanao 3 and 29MW Palayan Bayan projects. The LNG Terminal Project has ~US\$120M in CAPEX in 2021 as it begins construction, and is looking to be ready to declare commercial operations by 3Q22. For Project Aya, the company expects to spend ~US\$60M this year as we continue development work for the project.

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

Very truly yours,


RACHEL R. HERNANDEZ
Corporate Secretary