

May 19, 2022

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

Attention: **Ms. Alexandra D. Tom Wong**
Officer-In-Charge,, 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 “*FGen budgets \$810 million for capex until 2023*”, posted in philSTAR.com on May 19, 2022:

“MANILA, Philippines — Lopez-led First Gen Corp. has earmarked a capital expenditure (capex) of \$810 million until 2023, bulk of which will be used to complete its liquefied natural gas (LNG) terminal and geothermal projects, as well as expand its natural gas and hydropower platform.

During the virtual stockholders’ meeting yesterday, First Gen CFO Emmanuel Singson said the company is spending \$550 million this year and \$260 million next year, with most of it going to renewables subsidiary Energy Development Corp. (EDC).

He said EDC would continue to have a high capex level of \$266 million this year and \$141 million next year to fund its growth initiatives, drilling programs and upgrades.

‘[This year,] 50 percent of the capex is allocated for EDC’s growth projects, specifically the 3.6-megawatt (MW) Mindanao 3, the 29-MW Palayan Bayan, 20-MW Tanawon plant, and energy storage, low enthalpy geothermal, silica extraction, wind energy projects,’ Singson said.

EDC’s 2023 capex will be dedicated to its drilling programs, growth initiatives including Palayan Bayan, Tanawon and innovation projects, he said.

First Gen is also allotting \$135 million in capex this year to complete its interim offshore LNG terminal in Batangas and \$25 million next year to pay for transactions related to the terminal that closed in the previous year, Singson said.

First Gen president and COO Francis Giles Puno said the LNG terminal is on track for completion and operations by the fourth quarter.

‘This LNG terminal is crucial to maintaining the supply of natural gas in the Philippines as indigenous sources run out. All of the main structural components of the terminal have arrived on-site, and installation is ongoing,’ he said.

While the company is completing the LNG terminal, First Gen will purchase liquid fuel for its gas-fired power plants amid the persisting Malampaya gas supply restriction.

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For this year, Singson said the company is spending \$30 million for the operations of the company’s existing gas plants.

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On First Gen’s allocation of capex this year to its subsidiary EDC, we confirm that EDC is planning to spend ~US\$266MM to fund its growth initiatives, drilling programs, and upgrades. 50% of this ~US\$266MM capex is allocated for the development of EDC’s growth projects – the 3.6MW Mindanao 3, 29MW Palayan Bayan, 20MW Tanawon Plant, and the Energy Storage, Low Enthalpy Geo, Silica Extraction, and Wind Energy projects.

As for the amount that First Gen will be spending this year for the operations of its existing gas plants, please note that the company will be spending US\$26M, not US\$30M as reported.

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

Very truly yours,


CARA MARTHA D. MATHAY
Assistant Corporate Secretary