

October 17, 2024

ATTY. SUZY CLAIRE R. SELLEZA

Head – Issuer Compliance and Disclosure Department
Philippine Dealing & Exchange Corp.

Dear Atty. Selleza:

We write in compliance with the Exchange’s request for clarification with respect to the news article in the Business World on October 16, 2024 entitled “*EDC eyes P25B for geothermal project expansion*”. The article reported in part that:

"LOPEZ-LED Energy Development Corp. (EDC) plans to allocate P25 billion for the expansion of its 282.5-megawatt (MW) Southern Negros Geothermal Project (SNGP) in Negros Oriental.

"This covers the cost of drilling new wells, the expansion of existing pads, and the construction of new pads, road networks, pipeline routes and other support structures, as necessary," EDC said in a document submitted to the Department of Environment and Natural Resources.

The estimated amount also includes the budget for emerging technologies, it said.

EDC secured its environmental compliance certificate (ECC) in 2017 for a 5,163-hectare project development block. It includes facilities and activities to attain, sustain and support the operation of geothermal power plants.

A minor amendment was issued in July 2023 for the inclusion of a 30-megawatt-hour battery energy storage system, which consists of a transmission system to connect SNGP to a substation.

The company is currently applying for an ECC amendment for the steamfields of the SNGP, proposing a change in the boundary/shape of the development block and a reduction from 5,163 hectares to 4,027.59 hectares.

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We confirm that EDC filed an amendment of its Environmental Compliance Certificate (ECC) with the Department of Environment and Natural Resources (DENR) for our Southern Negros Geothermal Project. The plans are still being finalized but it may entail drilling around two or

more new wells and adding well pads, constructing road networks, pipeline routes and support structures, and may integrate emerging technologies. While our initial estimate for the redevelopment is P25 billion, we are still checking our assumptions and finalizing the cost requirements given the long timeframe and extensive nature of the project.

Very truly yours,



Ryan Z. Velasco

Vice President,
Corporate Information Officer,
Head of Corporate Strategy and Planning