

December 17, 2025

**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 December 17, 2025, entitled “*EDC enters lower-spend phase with P19-billion 2026 capex*”. The article reported in part that:

*“ENERGY Development Corp. (EDC) has set a capital expenditure (capex) budget of P19 billion for 2026, lower than this year’s allocation, as the company scales back drilling activities following several years of heavy investment in geothermal growth projects.*

*Speaking on the sidelines of the 2025 Sustainable Energy Awards on Tuesday, EDC Senior Vice-President and Chief Financial Officer Erwin O. Avante said the company is entering a less capital-intensive phase after an aggressive drilling program.*

*“In the last two years, our capex was very heavy in terms of drilling and growth projects,” he said. “Next year, we are winding down on drilling.”*

*The planned 2026 capex is below the roughly P30-billion budget earmarked for 2025, which was largely allocated to drilling activities and the development of new geothermal capacity.*

*EDC plans to drill six geothermal wells next year to support steam production and potential capacity additions. This compares with 12 wells drilled in 2025 and 24 wells in 2024.*

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*Under the agreement, the companies aim to develop geothermal resources with a combined potential capacity of up to 440 MW across several sites in Indonesia.*

*Mr. Avante said EDC expects to begin identifying prospect sites next year for the development of two geothermal projects under the partnership.*

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We confirm that all statements quoted in the news article are accurate.

Very truly yours,



**Ryan Z. Velasco**

Vice President,

Corporate Information Officer,

Head of Corporate Strategy and Planning