



**GT CAPITAL**  
HOLDINGS, INCORPORATED

October 02, 2012

THE PHILIPPINE STOCK EXCHANGE, INC.  
Philippine Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City

*Attention:* Ms. Janet A. Encarnacion  
Head, Disclosure Department

Mr. Norberto T. Moreno  
Assistant Head, Disclosure Department

*Subject:* Press Release of Global Business Power Corporation on its expansion in the Visayas

Gentlemen:

Please see the attached press release of our subsidiary, Global Business Power Corporation, regarding its expansion in the Visayas region.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Joselito V. Banaag'.

JOSELITO V. BANAAG  
Vice President and Head  
Legal and Compliance Division

## **Global Business Power proceeds with expansion plans in Visayas**

### **Adds 2x82 MW units in Iloilo**

Global Business Power Corporation (“GBPC”), through its subsidiary Panay Energy Development Corporation, exercised its option for the construction of a third 82 Megawatts (“MW”) unit in addition to its existing 164 MW clean power plant facility in La Paz, Iloilo City.

The option is part of a contract signed on March 8, 2012 with Formosa Heavy Industries to develop a new 82 MW unit in Toledo City, Cebu to support the mining expansion plans of Carmen Copper Corporation. The third unit will be completed in late 2014 eventually doubling Panay Energy’s total power capacity to **328 MW**.

Now on the second phase of its over-all power supply plan for the Visayas region, GBPC proceeds with its expansion plans in Iloilo in anticipation of the power demand hike in the area.

GBPC’s commitment to the Visayas region dates back to 2003 when it acquired the 72 MW diesel plant from the Lopez Group and Toledo Power Company in Cebu. The initial phase of GBPC’s plan was to immediately address increasing demand by putting up clean-coal power plant facilities in Iloilo and Cebu through its subsidiaries, Panay Energy and Cebu Energy. Both power plants started commercial operations in the first quarter of 2011, putting an end to the rotating brownouts that frequented the region. With its continuing confidence in the growing economy of the Visayas, GPBC again responds to the call for additional power supply by carrying out expansion projects in Iloilo and Cebu.

“Currently, Iloilo City and the island of Panay are encountering accelerated business growth particularly in the areas of real estate development, business process outsourcing (“BPO”) and tourism industries. Based on our projections, we are expanding our power capacity to address the possible shortfall of supply in the Visayas

grid by 2015,” said Mr. Jaime Azurin, GBPC’s Executive Vice President for Business Development and Commercial Operations. “As planned, we are eyeing to start operations of the third unit in late 2014. As part of GBPC’s commitment to provide adequate, reliable and cost efficient power supply, we are expanding our existing facilities in Iloilo. The Panay Energy plant was purposely built with infrastructure that can accommodate additional two 82 MW units in anticipation of our expansion plans. As there are existing structures like jetty port, coal yard and water treatment facilities that can be shared with the expansion plant, the cost of electricity would be lower as compared to a greenfield plant, due to lesser development cost,” he added.

Panay Energy was born out of the need for adequate, reliable and cost efficient power in Panay Island. Initially intended to bring down the price of electricity in Iloilo City through replacement of Panay Power Corporation’s more expensive diesel-fired plants, Panay Energy served a more significant role of not only lowering the electricity prices in Iloilo City by more than Php 3 per kilowatt hour but also addressing the need for baseload in Panay Island, limiting its dependence on submarine cables, thereby stabilizing the power supply in the area.

Today, Panay Energy supplies the base load power requirements of Panay including the island of Boracay. Aside from Panay Energy, GBPC also owns a 92 MW diesel-fired power plant in La Paz, which is being operated by Panay Power Corporation. Other power plants of GBPC are located in Cebu, Aklan and Oriental Mindoro. GBPC is a subsidiary of GT Capital Holdings, Inc.