



Manabat Sanagustin & Co., CPAs

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Energy

April 21, 2010 – May 5, 2010



This industry update from Manabat Sanagustin & Co. CPAs is a biweekly collection of the latest news and developments from the country's Energy segment. We hope that you will find this service, which the Firm provides its clients for the different Lines Of Business (LOB), interesting and useful.

Hedcor eyes more hydropower projects in Mindanao

Hedcor Inc., a wholly owned subsidiary of Aboitiz Power Corp., is eyeing more prospective hydropower projects in Mindanao, as it moves to help boost power supply in the country's second biggest island. Chris Faelner, Hedcor SVP for operations and maintenance, said the company was studying a potential site in Sita, which is in the boundary of Bukidnon and Davao City. This can generate as much as 60 megawatts in additional capacity. Although he did not disclose investment details, Faelner said it could cost about \$2.5 million to produce a megawatt of power from hydro resources. This meant that Hedcor may have to invest as much as \$150 million in the project. Hedcor is conducting a pre-feasibility study to determine the viability of project in Sita. According to Faelner, Hedcor has hired Tonkin and Taylor Group of Companies, a New-Zealand based consultant that provides cost-effective and sustainable environmental and engineering solutions.

This proposed project is on top of the company's plans to put up other hydropower facilities in Davao, particularly in Sibulan and Tamugan.

http://archive.inquirer.net/view.php?db=1&story_id=267896

Korea Water bags Angat for \$440.8M

Korea Water Resource Corp., (K-Water), the leading water resources and power firm in South Korea, yesterday submitted the highest bid of \$440.8 million for the 218-megawatt Angat hydroelectric power plant in Bulacan. Conrad Tolentino, vice president for electricity trading of Power Sector Assets and Liabilities Management Corp., said K-Water bested the offers of First Gen Northern Energy Corp., diversifying conglomerate San Miguel Corp., SN Aboitiz Power Pangasinan Inc., Trans-Asia Oil and Energy Development Corp. (TA-Oil), and DMCI Power Corp. First Gen offered the second highest bid with \$365 million, followed by San Miguel with \$312.5 million, SN Aboitiz with \$256 million, Trans-Asia with \$237 million, and DMCI with \$188.9 million, Tolentino said. PSALM said in a separate statement that K-Water's offer exceeded the reserve price set by the board for the Angat hydroelectric facility. As soon as it has verified the accuracy, authenticity and completeness of the bid documents, PSALM said it would issue a notice of award to K-Water, formally declaring it as the winning bidder for the acquisition of the Angat power plant

http://archive.inquirer.net/view.php?db=1&story_id=267004

DOE allows SC 55 group to revise work program

Australia-based Otto Energy Ltd.'s subsidiary NorAsian Energy Ltd. has secured the Department of Energy's (DOE) approval on the amendments to the work program and budget within Service Contract (SC) 55. In a statement, Otto said the revised work program and budget requires the following activities, namely, the

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completion of the three-dimensional data acquisition under the Sub-Phase 3 from August 5, 2009, to August 5, 2011; drilling of one well under Sub-Phase 4 from August 5, 2011, to August 5, 2012; and the drilling of another well under Sub-Phase 5 from August 5, 2012, to August 5, 2013. Otto said DOE has also granted an increase in the service-contract area by an additional 880 sq km of previously unlicensed acreage partially covered by the recently acquired 3D seismic survey. Service Contract 55 covers 9,000 sq km of an oil block in the southwest Palawan Basin, and is a deep-water block in the middle of an oil-and-gas fairway that goes from the productive region offshore Borneo to the Philippine production assets in the northeast. Otto earlier said it has been in talks with the DOE in a bid to extend its current subphase commitments. Otto acquired its 85-percent interest in SC 55 in 2006 from NorAsian Energy Ltd. In July 2008, Otto announced it was seeking to farm down its working interest in SC 55 for a carried-through drilling. As a result of the increased timing and completion risk associated with a potential SC 55 farm-out, Otto said it has restructured the previously announced \$35 million in capital raising.

http://www.businessmirror.com.ph/index.php?option=com_content&view=article&catid=33%3Aeconomy&id=24690%3Aadoe-allows-sc-55-group-to-revise-work-program&Itemid=60

Malaya plant draws 4 bidders

At least four companies have expressed interest to bid for the management of the independent power producer administrator (IPPA) contract for the 650-megawatt Malaya thermal power plant, according to the Power Sector Assets and Liabilities Management Corp. (PSALM). PSALM vice president Conrad Tolentino said these companies submitted letters of interest in time for the deadline last Wednesday. He declined to name the prospective bidders. So far, only publicly listed Pacifica Inc. had disclosed its intention to bid for the Malaya facility. Aside from Pacifica, publicly listed Trans-Asia Oil and Energy Development Corp. had earlier expressed interest in bagging the IPPA contract. The bidding for the IPPA of the Malaya power plant will be held on June 16. Bidding packages will be issued from April 26 to 30. Prospective investors can conduct due diligence from April 14 until two business days prior to the bid submission deadline. A pre-bid conference will be held on May 12. Korea Electric Power Corp., through its Philippine subsidiary Kepco-Philippines, currently operates the Malaya thermal power plant. It won a 15-year rehabilitate-operate-manage-maintain contract in June 1995. The contract ends this year. The plant rehabilitation was completed 10 months earlier with the recovery of its original rated generation capacity of 650 MW and with the improvement of its thermal efficiency by an average of 4.5 percent. The 20-year-old power plant supplies electricity to Bulacan, Rizal and Laguna. http://archive.inquirer.net/view.php?db=1&story_id=265853

Mariveles coal plant to be linked to Luzon power grid

The Energy Regulatory Commission has allowed the National Grid Corporation of the Philippines to construct facilities that will connect GNPowder Mariveles Coal Plant Ltd.'s 600-megawatt coal power plant to the Luzon grid. In its decision, the ERC said the connection assets are essential to delivery of power from the generation facility, which will be completed in August 2012, to the Luzon grid. The NGCP is expected to spend P918.7 million for the construction of 19-kilometer 230-kilovolt transmission line to connect GNPowder's coal power plant to the Luzon grid at the Limay B substation. It would also fund the construction of a 3-km temporary line to provide power during the testing and commissioning period of GNPowder's facility prior to completion of the said transmission line; as well as the upgrade of the Limay B substation to accommodate the connection of the generation facility. NGCP has signed in January this year a Connection Asset Construction and Maintenance Agreement with GNPowder for this particular project. Under the agreement, NGCP shall construct the connection assets and provide the necessary financing for such construction. In consideration, GNPowder shall pay NGCP the related connection charges. NGCP and GNPowder earlier explained that it was imperative that the ERC approve the connection project because the power project will help avert a power crisis that will adversely affect the Luzon grid as early as 2011.

http://archive.inquirer.net/view.php?db=1&story_id=265855

NGCP to spend P10B on transmission projects

The National Grid Corp. of the Philippines (NGCP), the country's power-lines concessionaire, has programmed to spend P10 billion this year to complete priority transmission projects. Roque Corpuz, NGCP president, said in a press conference on Monday the amount is higher than what the government spent under the National Transmission Corp. of about P5 billion to P6 billion. He noted the capital expenditure will be used to rehabilitate transmission lines and to ensure the delivery of power to its customers this year. Corpuz said among the projects lined up for the year are the Mindanao Loop, the Maramag-Bunawan Transmission Project in North Cotabato, the Abaga-Kirahon Transmission Project and the Kirahon-Maramag transmission line.

Corpuz said another project lined up for this year is the Biñan-Sucat transmission line project, which is expected to be completed by August. NGCP earlier committed to invest P10 billion annually to raise the efficiency and reliability standards of the country's transmission highway. The transmission network consists of 20,236 circuit kilometers (combined length of transmission and sub-transmission) and a total capacity of 24,607 megavolt amperes.

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Philippine Stock Exchange Weekly Top Gainers April 26 - 30, 2010

Last Trade Price, Comparative Price Change & Total Value

Rank	Stock	Last Traded Price (in P)	Comparative Price Change (%)		Total Value (in P'000)
			1 Week	4 Weeks	
1	Active Alliance, Inc.	14.50	81.25	62.92	2,753
2	Bogo Medellin Milling Company	92	49.59	-9.80	920
3	Atok-Big Wedge Company, Inc. "B"	55	37.50	12.24	6
4	Alcom Gold Resources Corporation	0.0110	37.50	37.50	25,867
5	Ginebra San Miguel, Inc.	32	33.33	37.63	142,199
6	Vivant Corporation	6	33.33	33.33	24
7	Vulcan Industrial & Mining	0.79	27.42	51.92	6,015
8	Cityland Development Corporation	1.80	26.76	26.76	858
9	RFM Corporation	0.86	22.86	38.71	39,932
10	Interport Resources Corporation "A"	0.76	20.63	--	168

Philippine Stock Exchange Weekly Top Gainers April 26 - 30, 2010

PER, EPS & BPV

Rank	Stock	PER	EPS	PBV
1	Active Alliance, Inc.	1,107.76	0.01	14.70
2	Bogo Medellin Milling Company	-1,610.17	-0.06	3.54
3	Atok-Big Wedge Company, Inc. "B"	-234.23	-0.23	107.57
4	Alcom Gold Resources Corporation	73.55	0.00	0.99
5	Ginebra San Miguel, Inc.	12.81	2.50	1.10
6	Vivant Corporation	26.61	0.230	2.24
7	Vulcan Industrial & Mining	-259.45	0.00	0.73
8	Cityland Development Corporation	7.18	0.25	0.93
9	RFM Corporation	7.46	0.12	0.54
10	Interport Resources Corporation "A"	-5.58	-0.14	5.84

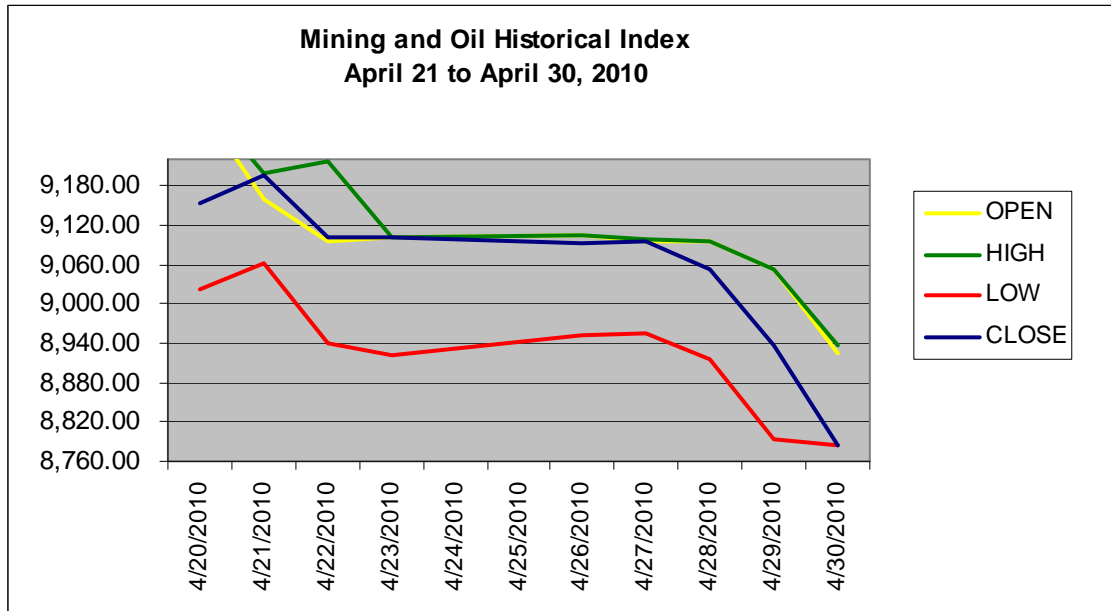
Source: Philippine Stock Exchange, Weekly Market Watch,

Philippine Stock Exchange Index Composition for Mining and Oil As of TUE MAY 04, 2010 11:49:21 AM

SECURITY NAME	PRICES	OUTSTANDING SHARES	FREE FLOAT LEVEL	FREE FLOA ADJUSTED MARKET
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				CAPITALIZAT
APEX MINING COMPANY, INC. "A"	2.26	458,981,818	26.0 %	269,697,710
APEX MINING COMPANY, INC. "B"	2.26	295,731,885	28.0 %	187,139,130
ATLAS CONSOLIDATED MINING & DEVELOPMENT CORPORATION	9.80	1,048,931,882	43.0 %	4,420,198,950
GEOGRACE REOURCES PHILIPPINES, INC.	0.66	2,522,105,615	98.0 %	1,631,297,910
LEPANTO CONSOLIDATED MINING COMPANY "A"	0.22	19,721,947,347	85.0 %	3,688,004,150
LEPANTO CONSOLIDATED MINING COMPANY "B"	0.225	13,145,619,988	84.0 %	2,484,522,170
MANILA MINING CORPORATION	0.02	120,862,277,583	62.0 %	1,498,692,240
MANILA MINING CORPORATION	0.02	80,517,583,773	66.0 %	1,062,832,100
NiHao Mineral Resources International, Inc.	3.95	600,000,000	61.0 %	1,445,700,000
OMICO CORPORATION	0.009	105,046,167,332	85.0 %	803,603,180
ORIENTAL PETROLEUM & MINERAL CORPORATION "A"	0.014	120,000,000,000	64.0 %	1,075,200,000
ORIENTAL PETROLEUM & MINERAL CORPORATION "B"	0.014	80,000,000,000	64.0 %	716,800,000
THE PHILODRILL CORPORATION	0.014	191,868,805,358	49.0 %	1,316,220,000
PHILEX MINING CORPORATION	12.50	4,912,950,125	52.0 %	31,934,175,810

Source: Philippine Stock Exchange, PSE Composite and Sectoral Indices



Source: Philippine Stock Exchange, PSE Composite and Sectoral Indices

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