



May 10, 2019

THE PHILIPPINE STOCK EXCHANGE, INC.

The Philippine Stock Exchange, Inc.

6th Floor PSE Tower

28th corner 5th Avenue

Bonifacio Global City

Taguig City

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

Gentlemen:

Please find attached a press statement pertaining to the financial results of First Gen Corporation for the period ended March 30, 2019.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Rachel R. Hernandez', written in a cursive style.

RACHEL R. HERNANDEZ

Corporate Secretary

First Gen Earnings Increase to US\$77 million in 1Q19

Clean, renewable and low-carbon electricity producer First Gen Corporation (First Gen), a Lopez Group company, reported recurring attributable net income of the parent of US\$77 million (Php4.0 billion) in the first quarter of 2019. This was a 28%, or US\$17 million (Php1.0 billion) jump from its US\$60 million (Php3.0 billion) in earnings from the same period in 2018. The company's recurring earnings from its geothermal, wind, and solar platform surged to US\$26 million (Php1.4 billion) in the first three months of 2019, in comparison to US\$14 million (Php0.7 billion) in 2018 as the Unified Leyte and Tongonan geothermal plants normalized their operations and delivered higher earnings after recovering from the damage in the Leyte site caused by Typhoon Urduja in December 2017.

The hydro platform likewise came in higher at US\$10 million (Php0.5 billion) for the period as it benefitted from higher sales to the Wholesale Electricity Spot Market (WESM) and ancillary services. Lower expenses at the Parent attributable to its deleveraging initiatives further boosted the company's strong financial results. The company's natural gas platform recurring earnings of US\$45 million (Php2.4 billion) remained steady versus the US\$46 million (Php2.4 billion) generated last year.

First Gen's net income attributable to equity holders in the first quarter of 2019 was US\$81 million (Php4.2 billion). This was 104% better than the earnings in the first quarter of 2018 of US\$ 40 million (Php2.0 billion) due to the higher electricity sales of its natural gas, geothermal and hydro platforms, foreign exchange gains, and lower deferred income taxes.

"First Gen's conscious choice to focus on clean, low carbon and renewable energy is paying off as the long term prospects of our platform is looking brighter. Our impressive first quarter results have set the tone for the rest of the year driven by the reliable performance of our plants across our clean energy, low carbon platform. We expect natural gas and hydro to continue to deliver stable earnings, while geothermal should continue to outperform as it benefits from the full recovery of the Leyte assets and realizes the effects of its efficiency, resiliency, and cost-saving initiatives." First Gen President and COO Francis Giles B. Puno remarked.

First Gen's consolidated revenues from the sale of electricity increased by US\$64 million (Php4.1 billion), or 14% to US\$534 million (Php28.0 billion), compared to US\$470 million (Php23.9 billion) in 1Q18. The natural gas portfolio accounted for US\$328 million (Php17.2 billion), or 61% of First Gen's total consolidated revenues. Their revenues were 12% higher in the first three months of 2019 mainly due to higher natural gas prices.

Energy Development Corporation's (EDC) geothermal, wind and solar revenues accounted for US\$180 million (Php9.4 billion), or 34% of total consolidated revenues. From US\$149 million (Php7.6 billion) in the first three months of 2018, EDC's revenues improved by US\$31 million (Php1.9 billion) mainly due to Unified Leyte and Tongonan's recovery after Typhoon Urduja. This was supplemented by higher Bacman, Palinpinon, Nasulo, and Solar Rooftop revenues in 1Q19.

First Gen Hydro Power Corporation, owner of the 132 MW Pantabangan-Masiway hydroelectric plants, delivered better revenues by US\$6 million (Php0.3 billion), or 37% higher to US\$21 million (Php1.1 billion), as sales to WESM increased in terms of volume and price. Moreover, there was an absence of ancillary service sales in the first quarter of 2018 as it waited for its Ancillary Services Procurement Agreement to be approved then. The hydro plants account for 4% of First Gen's total consolidated revenues.

"In partnership with Tokyo Gas, we are working hard to firm up our LNG regasification terminal investment that is intended to ensure that our country can meet its future growing energy needs utilizing clean low carbon natural gas. Our LNG site in Batangas is now 'construction-ready', and

having received the Notice to Proceed from the Department of Energy in March 2019, we are now commencing the next stage of development work which will bring us to a Final Investment Decision by late 2019/early 2020.”

“First Gen and Tokyo Gas will be marking the completion of the pre-development work with a traditional Japanese “Kagami Biraki” groundbreaking ceremony which marks the start of something new, as symbolized by the act of breaking open a round sake barrel, representing harmony and good luck, by hitting the lid with wooden mallets,” added First Gen President Francis Giles B. Puno.

**U.S. Dollar balances were translated to Philippine Peso using the weighted average rate of US\$1.00: Php52.466 for 1st quarter 2019 and US\$1.00:Php50.924 for 1st quarter 2018.*

About First Gen

First Gen is a leading independent power producer in the Philippines that primarily utilizes clean and indigenous fuels such as natural gas, geothermal energy from steam, hydro-electric, wind, and solar power. The Company has 3,492 MW of installed capacity in its portfolio which accounts for 21% of the country’s gross generation. First Gen is a subsidiary of First Philippine Holdings Corporation, one of the most established conglomerates in the Philippines. First Gen has over 20 years of experience in power development and is a part of the Lopez Group of Companies.