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September 3, 2010

JANET A. ENCARNACION
HEAD, Disclosures Department
The Philippine Stock Exchange, Inc.
Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

Dear Ms. Encarnacion:

In compliance with the disclosure requirements of the PSE, we submit the attached press release entitled "EDC subsidiary pays PHP1.28 billion for Bacman power plants".

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Erudito S. Recio", written over a vertical line that extends downwards from the signature.

Erudito S. Recio
Investor Relations Manager &
Corporate Information Officer



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Press Release

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EDC subsidiary pays PHP1.28 billion for Bacman power plants

Bacman Geothermal, Inc. (BGI), a wholly owned subsidiary of geothermal leader Energy Development Corporation (EDC), has achieved closing on the 150-MW Bacman geothermal power plant acquisition after remitting to PSALM on September 3 the sum of PhP1,279,725,000 representing full payment of the purchase price for the power facilities. The turnover followed BGI's submission of the highest offer price for the Bacman plants in a competitive bid conducted by PSALM last May 5 and its successful completion of the conditions precedent required in the Asset Purchase Agreement (APA).

"Our main focus now is to rehabilitate these plants and restore capacity and reliability factors to 100 percent to add clean, reliable and much needed power to the Luzon grid," EDC President and COO Richard Tantoco said.

Located in the towns of Bacon, Sorsogon and Manito, Albay in the Bicol region, the BacMan plant package consists of two steam plant complexes. The BacMan I geothermal facility comprises two 55-MW turbines, which were both commissioned in 1993. BacMan II, on the other hand, consists of two 20-MW units namely, the Cawayan located in Barangay Basud and the Botong in Osiao, Sorsogon City. The Cawayan unit was commissioned in 1994 and the Botong unit in 1998. EDC supplies the steam fuelling these plants.

"The acquisition of NPC's geothermal power plants is one of our major platforms for future growth. With the turnover of the Bacman power plant, we are now fully integrated across the geothermal value chain. This vertical integration will result in a seamless and more efficient operations," Tantoco added.

The Bacman plants boost EDC's current portfolio of geothermal power generation assets to 1,199 MW. EDC also acquired the 112.5-MW Tongonan and 192.5-MW Palinpinon geothermal plants auctioned by PSALM last year.

EDC's other geothermal power generating assets are the Unified Leyte plants consisting of the 125-MW Upper Mahiao, 232.5-MW Malitbog, 180-MW Mahanagdong and 51-MW Optimization plants, the 106 MW Mindanao 1 and 2 plants in Kidapawan, Cotabato, and the 49-MW Northern Negros geothermal plant in Negros Occidental.