



Energy Development Corporation
38th Floor, One Corporate Centre Building, Julia Vargas corner Meralco Avenue
Ortigas Center, Pasig 1605, Philippines
Trunklines: +63 (2) 667-7332 (PLDT) / +63 (2) 755-2332 (Globe)

November 20, 2014

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

Dear Ms. Encarnacion:

Further to the disclosure requirements of the Exchange, and our previous disclosure dated 29 November 2013, we advise the following:

On 28 November 2013, BacMan Geothermal Inc. ("BGI"), a subsidiary of Energy Development Corporation ("EDC"), commenced an arbitration administered by the International Court of Arbitration of the International Chamber of Commerce ("Arbitration"), in relation to its dispute with TurboCare, Inc. (now known as EthosEnergy TC Inc.), and Siemens Inc. (together, the "Contractor").

The Contractor had been engaged by BGI in 2010 to carry out the rehabilitation of BacMan Units 1 to 3. Disputes arose in relation to the carrying out of those works, which were the subject of the Arbitration.

BGI and EDC are pleased to announce that, as of today's date, all claims under the Arbitration¹ have now been settled with the Contractor on terms satisfactory to BGI and EDC, and that the Arbitration will be discontinued as a result. EDC looks forward to pursuing new opportunities with the Siemens group, and strengthening the commercial relationship between the two companies.

As of today's date all Units at BacMan are operational and the facility is producing a gross output of approximately 130MW. The permanent fixes have now been completed on both BacMan Unit 2 & Unit 3, whilst BacMan Unit 1 will continue to operate with its interim solution until 27 December 2014 when it will then be shut down to install the new steam turbine rotor from Toshiba. It is planned that BacMan Unit 1 will be returned to service by 20 March 2015.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Erudito S. Recio", is written over a blue ink stamp of the same name.

Erudito S. Recio
Investor Relations Manager &
Company Information Officer

¹ Which represent less than 10% of EDC's current assets and are not considered to be material.