



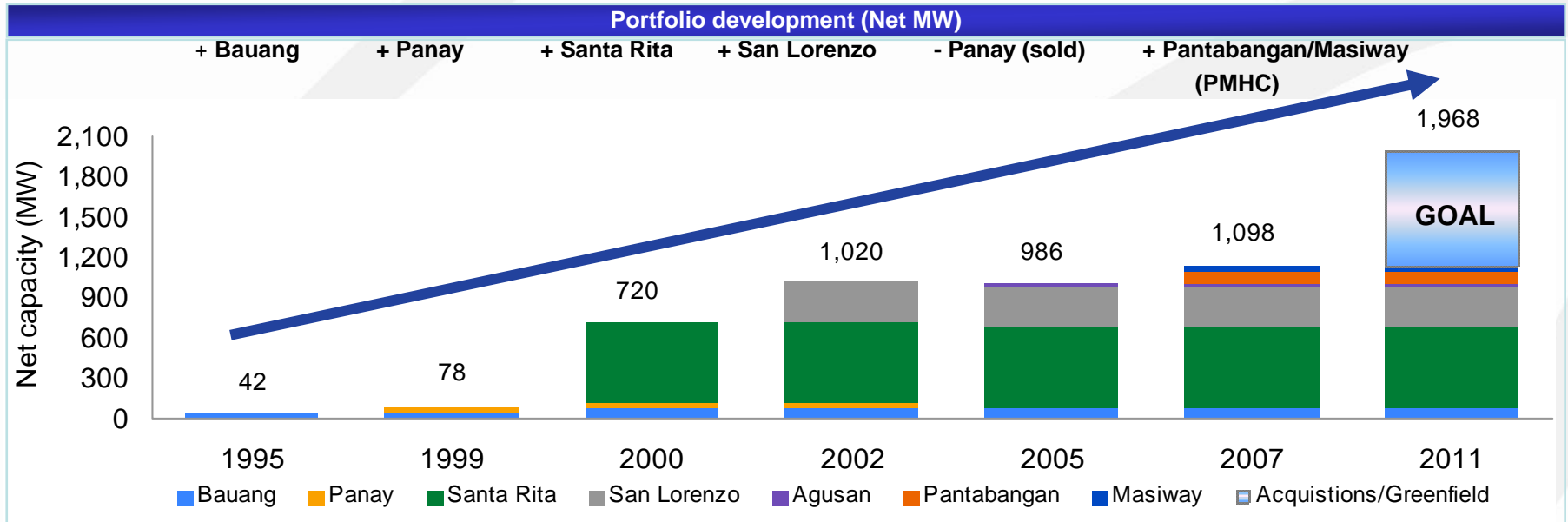
*First Gen*

**Annual Stockholders' Meeting**

**09 May 2007**



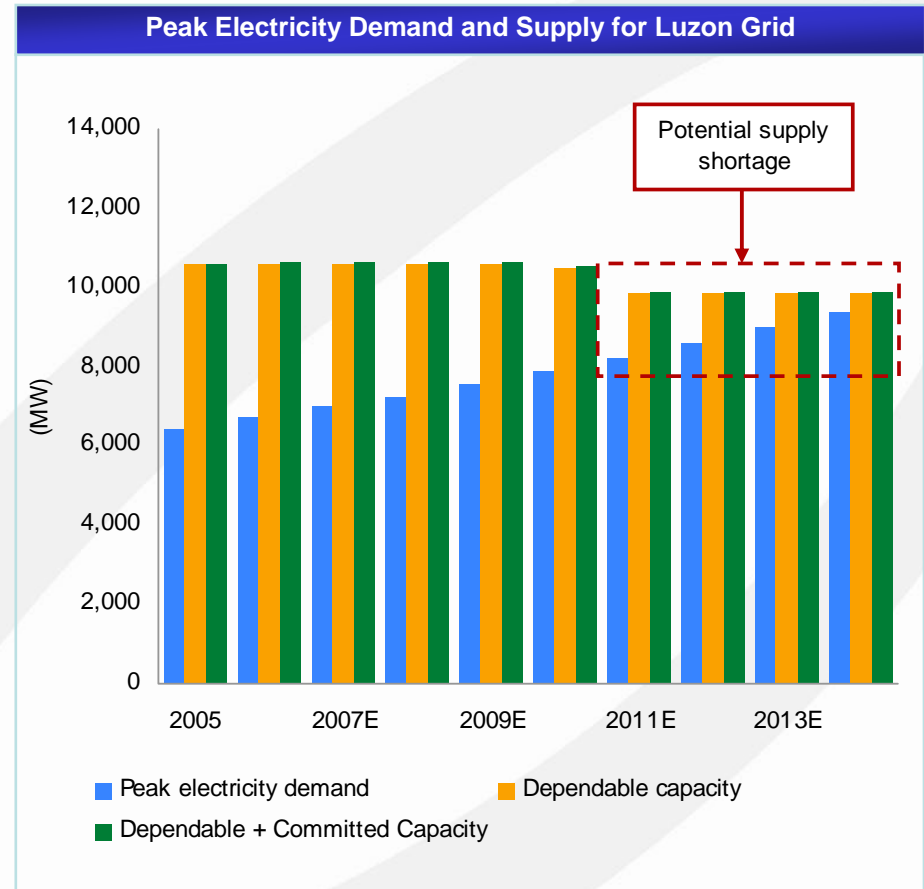
# FIRST GEN IS STILL COMMITTED TO DOUBLING ATTRIBUTABLE MW CAPACITY IN FIVE YEARS OR LESS





# FIRST GEN'S GROWTH IS HAPPENING AGAINST A BACKDROP OF ANTICIPATED SHORTAGES IN SUPPLY

- The Philippines' system peak demand is expected to increase from 8,767MW in 2005 to 10,963MW in 2010 and 13,349 MW in 2014
- For the Luzon grid, the actual 2007 peak demand (to date) of 6,559 MW is expected to grow to 7,878 MW in 2010 and 9,397 MW by 2014
- Dependable capacity in the Luzon grid is 10,596MW as of 2005
  - 20% of this capacity is made up of oil-fired plants which produce expensive power
- New capacity required in Luzon to avoid potential reserve supply shortage by 2011
- The WESM began operations on 19 June 06 for Luzon. The prices have been reflective of market conditions.

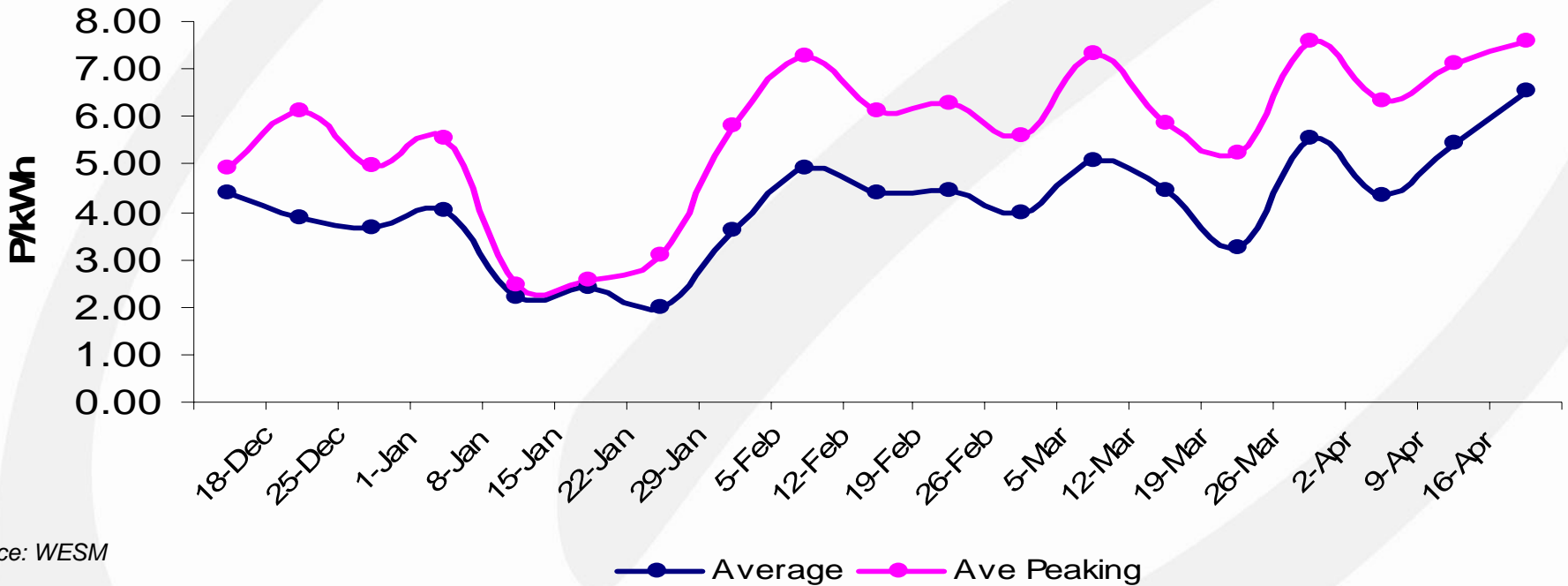


Source: Department of Energy, PDP 2006 update



# WESM PRICES HAVE BEEN EDGING HIGHER IN THE PAST MONTHS— PRICES ARE REFLECTIVE OF MARKET CONDITIONS

**WESM Weekly Average Prices  
December 18, 2006 - April 23, 2007**



Source: WESM

	Dec	Jan	Feb	Mar	Apr
<b>Average</b>	<b>7.09</b>	<b>2.96</b>	<b>3.49</b>	<b>4.26</b>	<b>4.64</b>
<b>Ave Peak</b>	<b>8.44</b>	<b>4.81</b>	<b>5.38</b>	<b>5.99</b>	<b>6.54</b>



# GROWTH OPPORTUNITIES ABOUND FOR FIRST GEN IN BOTH THE NEAR- AND MEDIUM- TERM

## Expand and Enhance Existing Plants

180MW of Expansions and enhancements

- SR and SL inlet air cooling (+48MW in '07) and compressor blade upgrades (min. +27MW in '07)
- PMHC upgrading +31MW in '08-'09, and expansion +78MW in '10)

550 MW San Gabriel

## Acquisition opportunities

2500 MW of the PSALM are potential targets; There are private acquisition opportunities as well

## Greenfield opportunities

100MW Panay Clean Coal

400MW Pagbilao Expansion

## Natural gas pipeline

Legislative franchise provides exclusive right to build gas pipeline in Luzon; start with 3km gas line to industrial user

## Renewables

Focus on clean energy; evaluating portfolio of Greenfield mini-hydros

## Going Overseas

Joint venture opportunities for new plants



## ENHANCEMENTS AND EXPANSION

# FIRST GEN WILL BOOST CAPACITY BY 75MW VIA INLET AIR COOLING AND COMPRESSOR BLADE UPGRADES

### Improvements to Existing Natural Gas Power Generation Facilities

<i>Total Capacity Additions</i>	32.6MW for Santa Rita 15.8MW for San Lorenzo 48.4MW in total
<i>Implementation Date</i>	Santa Rita full implementation 23 Jan 07 San Lorenzo full implementation 14 Nov 06
<i>Estimated Cost</i>	US\$3.0 million for both Santa Rita and San Lorenzo.
<i>Financing</i>	Internally generated funds
<i>Estimated Impact to FGEN's net income</i>	~US\$3.1 million

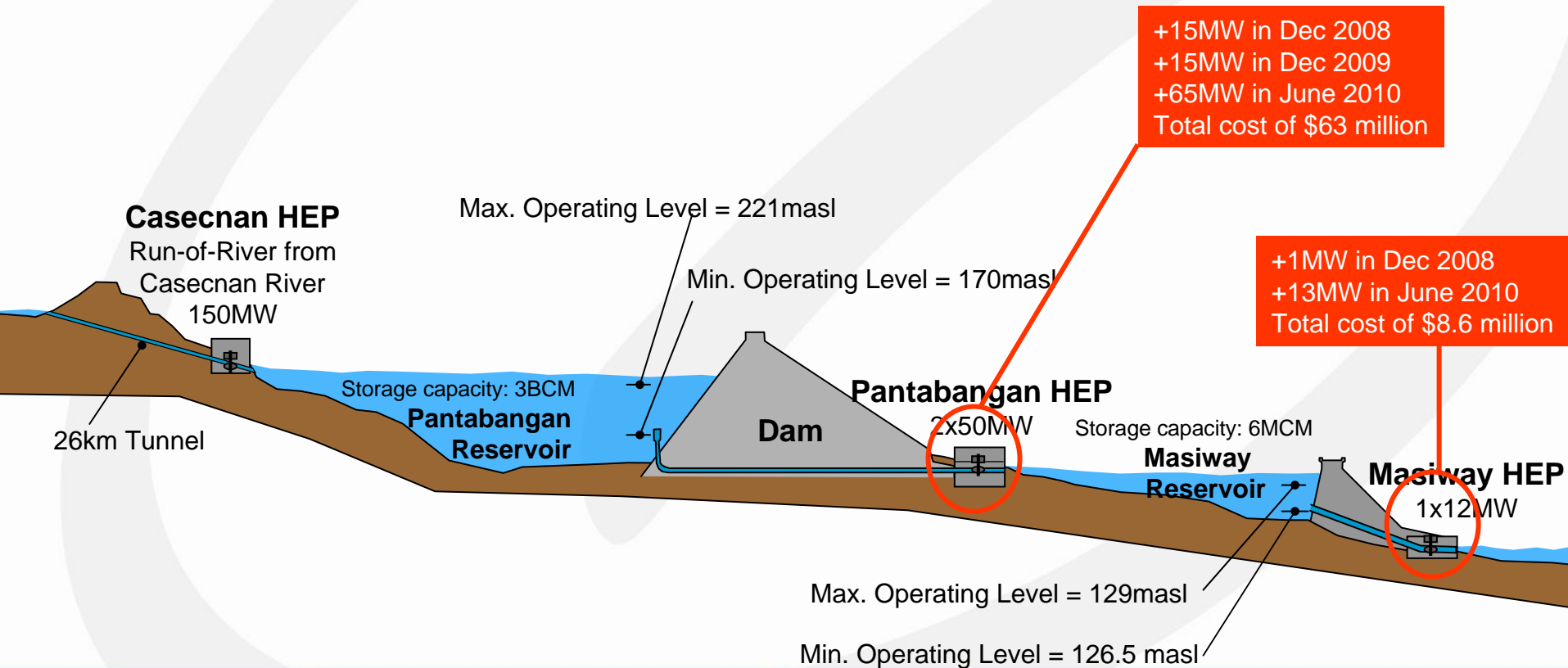
<i>Total Capacity Additions</i>	At least 18MW for Santa Rita At least 9MW for San Lorenzo 27MW in total
<i>Estimated Installation Date</i>	Santa Rita - Feb to July 07 San Lorenzo – Oct to Nov 07
<i>Estimated Cost</i>	US\$10.0 million for both Santa Rita and San Lorenzo.
<i>Financing</i>	Internally generated funds
<i>Estimated Impact to FGEN's net income</i>	~US\$1.6 million



## ENHANCEMENTS AND EXPANSION

# PMHC IS IN THE PROCESS OF EVALUATING TENDERS FOR ITS 109MW UPGRADE AND EXPANSION

### Hydropower Expansion



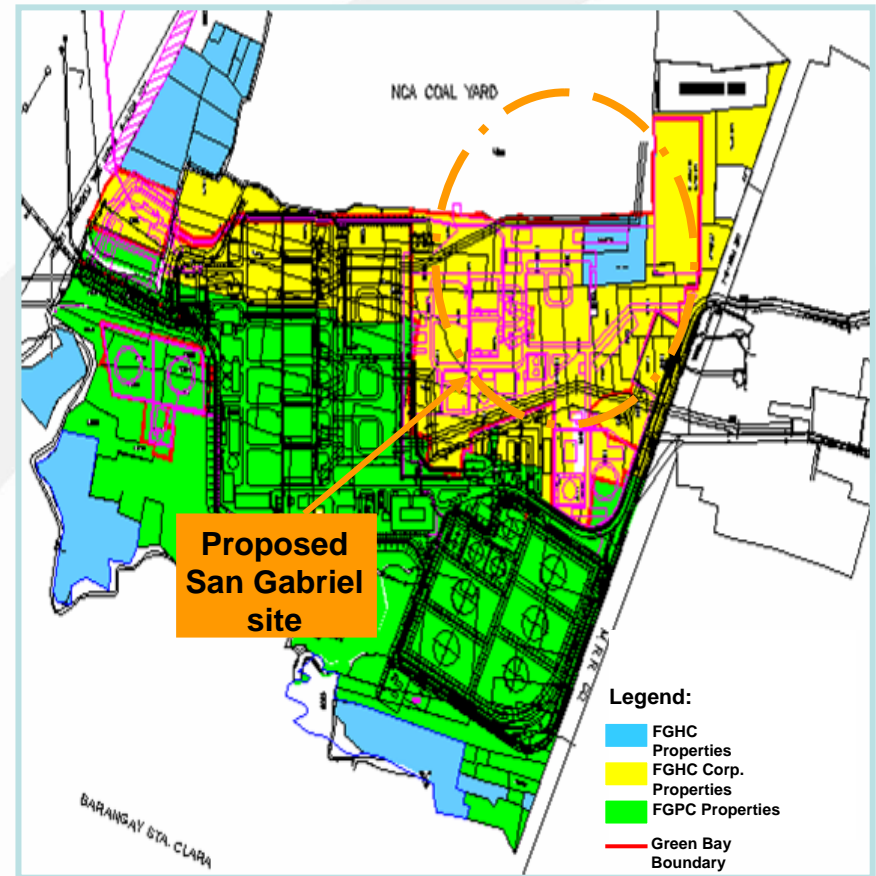


## ENHANCEMENTS AND EXPANSION

# THE 550MW SAN GABRIEL PROJECT IS EXPECTED TO MEET THE POWER SUPPLY SHORTAGE IN 2011

### Natural Gas

<i>Dependable Capacity</i>	550MW
<i>Location</i>	Santa Rita, Batangas
<i>Technology</i>	Combined cycle
<i>Dispatch</i>	Baseload
<i>Cost</i>	US\$400 – US\$450 million
<i>Fuel</i>	Malampaya gas and/or LNG







## ACQUISITIONS

# FIRST GEN EXPECTS ITS MAJOR SOURCE OF GROWTH TO COME FROM THE PSALM PRIVATIZATION AND PRIVATE ACQUISITIONS

### PSALM Privatization

#### 2007

- ✦ 600 MW Masinloc CFPP
- ✦ 600 MW Calaca CFPP
- ✦ 192 MW Palinpinon GPP
- 200 MW Manila TPP
- ✦ 175 MW Ambuklao/Binga
- ✦ 246 MW Angat HEPP
- 112 MW Tongonan GPP
- 22 MW Gen. Santos DPP
- ✦ 850 MW Sucat TFPP
- 310 MW Navotas/I/II DPP
- 22 MW Bohol DPP
- 114 MW Iligan I&II DFPP
- 54 MW Cebu II DPP

#### 2008

- ✦ 685 MW Tiwi/Makban
- 150 MW Bacman
- 108 MW Aplaya DPP
- 147 MW Dingle DFPP
- 620 MW Limay/  
Bataan GTPP
- 1 MW Amlan HEPP

- Willing to take a high level of merchant risk
- Ability to bid alone and take underwriting risk
- Extremely thorough due diligence and disciplined in bid
- Experienced in asset take-over

Source:PSALM



## GREENFIELD DEVELOPMENT

# FIRST GEN IS DEVELOPING ITS PROGRAM FOR A 100MW CIRCULATING FLUIDIZED BED (“CFB”) COAL PLANT IN PANAY

### Entrance to Coal



<i>Dependable Capacity</i>	100MW (2 x 50MW)
<i>Location</i>	Concepcion, Iloilo
<i>Technology</i>	CFB is viewed as “clean coal technology” in terms of air emissions
<i>Dispatch</i>	Baseload
<i>Customers</i>	West grid (Antique), South grid (Iloilo City) and the North grid (Capiiz and Aklan)
<i>Fuel</i>	possibly, Semirara Coal



## GREENFIELD DEVELOPMENT

# FIRST GEN IS MARUBENI AND TEPCO'S PARTNER OF CHOICE IN THE 400MW PAGBILAO EXPANSION

Coal

<i>Dependable Capacity</i>	400MW (expansion)
<i>Location</i>	Pagbilao, Quezon
<i>Technology</i>	Coal-fired steam generator
<i>Fuel</i>	Malampaya gas and/or LNG
<i>Partners</i>	Marubeni and TEPCO



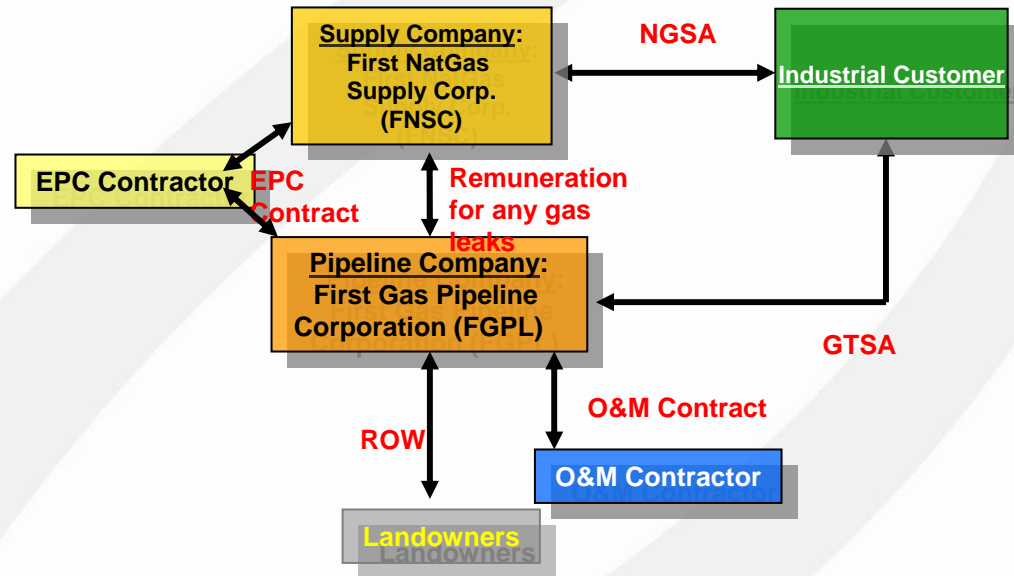


## NATURAL GAS DISTRIBUTION

# FIRST GEN HAS BEEN IN DISCUSSION WITH A MAJOR INDUSTRIAL USER FOR ITS FIRST NON-POWER GAS DEAL

### Industrial Customer

<i>First Gas Pipeline Corporation (FGPL)</i>	FGPL, a subsidiary of First Gen, is the only company in the Philippines with a Congressional franchise for the transport and distribution of natural gas
<i>Potential Customer</i>	Cocochem, the Philippines' leading oleo-chemical company
<i>Proposition</i>	Conversion to gas operation of Cocochem
<i>Environmental Imperative</i>	Enable the customer to meet the emission requirements of the Clean Air Act
<i>Cost</i>	US\$4 million
<i>Fuel</i>	Malampaya gas

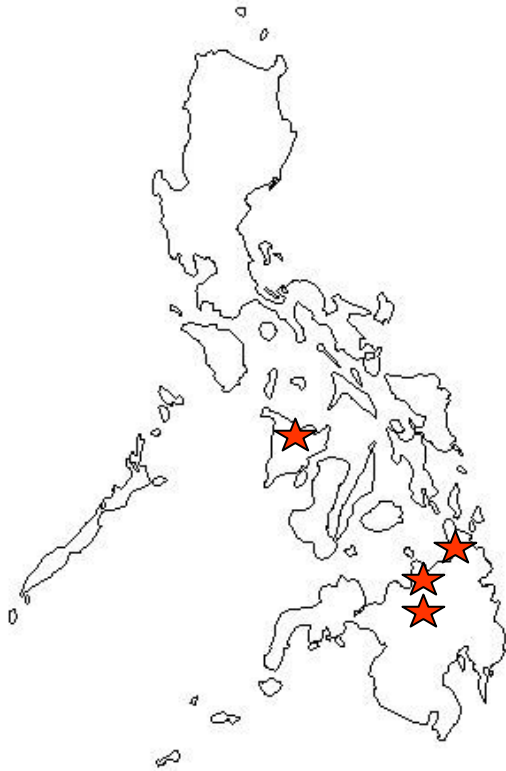




## RENEWABLES

# THE COMPANY IS CONDUCTING STUDIES FOR POSSIBLE HYDRO PLANTS IN THE ISLAND OF PANAY AND IN MINDANAO

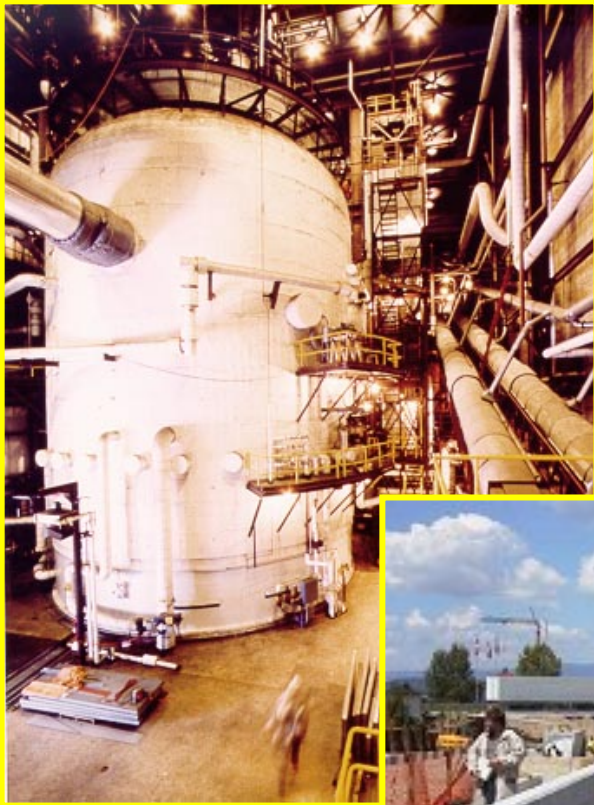
### Hydro Greenfield Development



<i>Dependable Capacity</i>	Up to 170 MW (12 projects)
<i>Location</i>	Island of Panay, Misamis Oriental, Bukidnon, and Agusan del Norte
<i>Technology</i>	Run-of-river mini-hydro
<i>Potential Customers</i>	Various A+/A electric cooperatives and nearby distribution utilities
<i>Estimated Start of Commercial Operations</i>	2011 / 2012



**THE JOURNEY TO A MUCH EXPANDED FIRST GEN WILL BE CHALLENGING AND WILL TRULY TEST THE METTLE OF OUR ORGANIZATION. WE ARE OPTIMISTIC THAT WE WILL SUCCEED.**





**END OF PRESENTATION**

visit us at  
[www.firstgen.com.ph](http://www.firstgen.com.ph)