



SM INVESTMENTS

June 29, 2023

THE PHILIPPINE STOCK EXCHANGE, INC.

6th Floor, PSE Tower
28th St. corner 5th Ave.
BGC, Taguig City

Attention: **Ms. Alexandra D. Tom Wong**
Officer-In-Charge, Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORP.

29th Floor, BDO Equitable Tower
8751 Paseo de Roxas, Makati City

Attention: **Atty. Marie Rose M. Magallen-Lirio**
Head, Issuer Compliance and Disclosure Department

Ladies and Gentlemen:

We reply to the request for clarification of The Philippine Stock Exchange, Inc. on the news article entitled “SMIC unit eyes geothermal opportunities” posted in manilatimes.net on June 28, 2023, the pertinent portion of which reads:

“SM Investments Corp. (SMIC) subsidiary Philippine Geothermal Production Company, Inc. (PGPC) plans to increase its renewable energy output from 300 megawatts (MW) to 600 MW via exploration projects.

Potential development areas are in Kalinga, Daklan, and Cagayan in Northern Luzon and Mount Labo and Malinao in Bicol.

SM Investments said it was increasing its renewable energy assets support a growing advocacy for sustainable development, with PGCP investing around P3 billion annually for these developments.

‘SM is committed towards harnessing clean energy by increasing its capacity to provide steam,’ SM Investments President and CEO Frederic DyBuncio said.

‘The Philippines’ location within the Pacific Ring of Fire provides a huge opportunity for a low-carbon source of power,’ he added.

‘This is proven by PGPC’s half a century of reliable and consistent production of steam converted into renewable baseload electricity for its communities.’

SMIC's steam fields in Mak-Ban and Tiwi, Albay use the earth's natural heat to produce steam that is captured by production wells. The steam is, then, delivered to third-party power plants to generate electricity and power transmission lines for distribution to homes and offices.

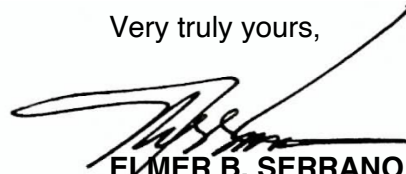
Since commercial operations were launched in March 2023, steam fields in Mak-Ban and Tiwi on Luzon were said to have contributed at least 57.5 billion kilograms in the effort to reduce carbon dioxide emissions.

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We confirm the pertinent facts in the news report that has been published.

Thank you.

Very truly yours,



ELMER B. SERRANO
Corporate Secretary