

Public Notices

Asset Management & Electricity Trading Group
Tel. No. (632)892-6123 or (632)848-0263

INVITATION TO BID

The Power Sector Assets and Liabilities Management Corporation (“PSALM”) Privatization, Bids and Awards Committee (the “Committee”) invites interested parties to participate in and bid for the Appointment as IPP Administrator (“IPPA”) for the:

1200 MW Contracted Capacity of the Ilijan Combined Cycle Power Plant located in Barangay Ilijan, Batangas City (the “Ilijan Capacity”)

Interested parties must submit a Letter of Interest (“LOI”) to the Committee which shall state the full name, address, telephone and fax numbers of the interested party, name of the principal contact, and signed by an authorized representative. Each LOI must be in the name of only a single entity. All LOIs must be received by the Committee at the PSALM Office with address at the 7th Floor Bankmer Building, 6756 Ayala Avenue, Makati City, not later than 5:00 p.m. on 29 January 2010 (the “LOI Submission Deadline”). Only interested parties that submit an LOI by the LOI Submission Deadline shall be allowed to participate further in the bidding process for the appointment as IPPA for the Ilijan Capacity.

As a prerequisite to the receipt of the Bidding Package, interested parties shall execute a Confidentiality Agreement and an Undertaking pursuant to Section 78 of RA 9136, both in the forms provided by PSALM, and pay a non-refundable fee in the amount of Ten Thousand U.S. Dollars (U.S.\$10,000.00) (the “Participation Fee”). The Participation Fee shall be either in cash, manager’s check, or cashier’s check. All bank charges, if any, shall be for the account of the interested party. The Confidentiality Agreement, Undertaking, and Participation Fee must be received by the Committee on or before 5:00 p.m. on 5 February 2010 to entitle an interested party to further participation in the bidding process for the appointment as IPPA for the Ilijan Capacity.

The Bidding Package, which includes the Bidding Procedures, shall be issued during office hours (9:00 a.m. to 5:00 p.m.) from 18 January to 8 February 2010 (the “Deadline”) at the PSALM Office. Only interested parties or consortium (as described below) that have been issued the Bidding Package by the Deadline will be allowed to participate further in the bidding process for the appointment as IPPA for the Ilijan Capacity.

An interested party that submits the LOI must be the party that will participate in the bidding process, submit a bid, and enter into the pertinent agreements. Once an interested party submits the Confidentiality Agreement and Undertaking and pays the Participation Fee, such interested party may no longer be substituted in the bidding process, except through a consortium in accordance with the terms and conditions of the Bidding Procedures, among the requirements of which are (i) such interested party must own at least a majority of the shares outstanding and entitled to vote in such consortium; (ii) the consortium must be a juridical entity; and (iii) a letter requesting to bid through consortium must be submitted to the Committee on or before the deadline set for the same in the Bidding Procedures.

The schedule of the bidding activities shall be as follows:

Due Diligence	:18 January 2010 (until 2 business days prior to bid submission deadline)
Pre-Bid Conference	:2:00 p.m. on 11 February 2010 at the PSALM Office
Bid Submission Deadline	:12:00 noon on 16 April 2010 at the PSALM Office

References to the dates and times shall be based on Manila time. Should any of the above dates fall on a holiday, the deadline shall be extended to the same time of the immediately succeeding business day in Makati City.

A two-envelope bidding system will be adopted. Interested Parties will be required to post a bid security equivalent to Fifteen Million U.S. Dollars (U.S. \$ 15,000,000.00) in the form of an irrevocable letter of credit which must be acceptable to the Committee. The bid security of the winning bidder shall be substituted by a

performance security to guaranty prompt, faithful and complete performance of its obligations under the transaction. The Committee reserves the right to divide the Ilijan Capacity into two or more portions. The details of the appointment as administrator for the Ilijan Capacity IPPA are contained in the Bidding Package.

Letters of Interest, Confidentiality Agreements and Undertakings shall be addressed and submitted to: The Chairman, Privatization, Bids and Awards Committee, PSALM Corporation, 7th Floor, Bankmer Building, 6756 Ayala Avenue, Makati City, Philippines. Inquiries and clarifications shall be addressed to Mr. Pablo B. Anido at the PSALM Office or telefax number (632) 927-8170 or e-mail address pbanido@psalm.gov.ph.

The Committee reserves the right to accept or reject any interested party or bidder or proposals or bids therefrom, or any part thereof, and/or to waive any defects contained therein and accept the offer advantageous to the Government, without offering any reason whatsoever. It does not assume any obligation to compensate or indemnify parties for any expense or loss that they may incur as a result of their participation in the privatization process, nor does it guarantee that an award will be made. Finally, it reserves the right to modify, supplement or change the Bidding Procedures and other aspects of the privatization process at any time, including the schedule and the venue provided herein, for any reason whatsoever and without giving prior notice. Interested parties and/or bidders will be notified subsequently of such modifications, supplements, or changes.

PSALM Privatization, Bids and Awards Committee
January 13, 14, 15 2010