

First Gen group offers P58.5B for PNOC-EDC

By MYLA IGLESIAS

A consortium led by Lopez-owned First Gen Corp. offered the highest bid for a 60 percent stake in geothermal firm PNOC-Energy Development Corp. at P58.5 billion.

Red Vulcan Holdings Corp. the consortium of First Gen and Icelandic group Spalmare Holdings and Prime Terracota Holdings Corp., bested three other groups which made it to the final round of the bidding yesterday.

Officials said only two groups, Red Vulcan and another one led by FDC Geo-Energy Holdings, Inc. - the partnership of Filinvest Group and International Power Masinloc Holdings of the UK— had met the reserve price of P45.08 billion for the stake.

The Filinvest partnership had offered P48.528 billion.

A total of 24 groups originally expressed interest in bidding for the PNOC-EDC stake but only four tabled offers in yesterday's bidding. The other two were Aboitiz Power Corp. which offered the lowest bid of P33.165 billion and Panasia Energy Holdings Inc., the consortium of San Miguel Energy (a unit of San Miguel Corp.), Beleggingsmaatschappij Broem B.V. of Netherlands and New York-based Investment firm Avenue Asia, which bid P39 billion.

ACR-AEI Holdings, Inc., an alliance of Alsons Consolidated Resources and the Ashmore Energy International group of the US failed to submit its final bid.

The government is selling its entire 60 percent stake in PNOC-EDC, which generates power from volcanic hotspots, to help meet its 2007 budget deficit target of P63 billion or 0.9 percent of gross domestic product.

Antonio Cailao, president of PNOC-EDC, said the company's privatization committee will review Red Vulcan's bid before officially naming the winner today.

Francis Giles B. Puno, FirstGen senior vice president and chief financial officer, told reporters that the P58.5 bid price is equivalent to the PNOC-EDC P9.75 per common shares which is higher than the market price

Shares of PNOC-EDC dropped 0.7 percent to P6.30 per share yesterday. In December 2006, PNOC-EDC raised between P15 million and P16 billion through an initial public offering of some 5.2 billion shares at an offer price of P3.20 per share.

Last July, PNOC-EDC raised of P 17.1 billion in the secondary

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offering of its 3 billion shares which is equivalent to 20 percent.

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