



INVITATION TO BID

The Power Sector Assets and Liabilities Management Corporation ("PSALM") Privatization, Bids and Awards Committee (the "Committee") invites interested parties to participate and bid in the 2nd round of bidding for the privatization of the following:

55 MW Naga Land-Based Gas Turbine Power Plant located in Brgy. Colon, Naga, Cebu

(the "Asset"). The Asset is being privatized on an "as is where is" basis.

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. 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 01 July 2009 (the "LOI Submission Deadline"). Only interested parties that submit an LOI by the LOI Submission Deadline shall be allowed to participate further in the privatization of the Asset.

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 Two Thousand U.S. Dollars (U.S.\$ 2,000.00) (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 03 July 2009 to entitle an interested party further participation in the privatization of the Asset.

The Bidding Package, which includes the Bidding Procedures, shall be issued during office hours (9:00 a.m. to 5:00 p.m.) from 15 June 2009 until 03 July 2009 (the "Deadline") at the PSALM Office. Only interested parties or consortium (as described below) who have been issued the Bidding Package by the Deadline will be allowed to participate further in the privatization of the Asset.

An interested party that submits an LOI must be the party that will participate in the privatization 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 privatization 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	:	15 June 2009 to 14 September 2009
Pre-Bid Conference	:	15 July 2009, 2:00 p.m. at the PSALM Office
Bid Submission Deadline	:	6 September 2009, 12:00 noon 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 Three Hundred Thousand U.S. Dollars (U.S.\$ 300,000.00) 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 details of the privatization of the Asset 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. Ricardo M. Empleo, Jr. at the PSALM Office or at telefax number (632) 892-6029 or e-mail address rmempleo@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.