

**Message of**  
**HONORABLE ANGELO T. REYES**  
**Secretary, Department of Energy**

Signing of Geothermal Service Contracts  
DOE-AVR, 10 July 2008, 10:00 AM

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Distinguished guests, our new contractors, ladies and gentlemen, a pleasant morning to everyone!

For almost 30 years, our country has demonstrated its leadership in the geothermal industry through the promotion of vital partnerships with long-time and pioneer industry players Energy Development Corporation (formerly PNOC-EDC), Chevron Philippines (formerly Philippines Geothermal Inc.) and the National Power Corporation. While we recognize their exemplary performance, we believe we could have an even more vibrant geothermal sector with the entry of new players.

That is why we are very pleased to welcome the Guidance Management Corporation, Basic Energy Corporation and Biliran Geothermal Inc. in the exploration and development of the geothermal contract areas in Amacan, Biliran and Mabini. Your entry in the geothermal industry could not come at a more opportune time given the clamor and preference to develop environmentally friendly energy sources.

This morning we have formally given our commitment to a partnership geared towards helping the country achieve self-sufficiency in power generation by facilitating the energy sector's transition to a sustainable system with renewable energy as an increasingly prominent, viable and competitive fuel option.

The implementation of these geothermal projects will provide economic opportunities for the country and bring us closer to our goal of becoming the largest producer of geothermal energy in the world. Among the renewable energy sources, geothermal is proven to be very reliable. Economics-wise, geothermal projects are the most stable and "unaffected" by rising global fuel prices. Socially, they are also well-accepted. Thus, we believe our new contractors did not only make a wise choice financially but they have also shown their support and responsibility in pursuing cleaner energy sources for the preservation of the environment in view of the threat of global warming. Furthermore, your investments will help the country save huge amounts of foreign exchange through the displacement of a large fraction of imported fuels.

The substantial gains that can be realized for your companies and for the benefit of our country are evident and worth pursuing. However, we need private sector investment in this sector to be able to harness our country's vast potential geothermal resources. We hope that your successful participation in our contracting round would generate interest and encourage other firms to invest in this area by participating in future contracting rounds.

We know you will fulfill your obligations under the contracts that were awarded to you. As your partner, we assure you that we will support your efforts in the implementation of your projects. We appreciate and laud your assistance in helping the country reduce its dependence on imported fuel which will reap benefits for our people, our economy and our environment. Together, let us work hand in hand in achieving energy independence by developing and harnessing our indigenous geothermal sources.

Thank you.