

Evonik Sells Stake in Philippine Power Plant Mindanao

November 15, 2007

- Transaction closed – 34 percent stake transferred to Aboitiz Power Corporation
- Evonik remains majority shareholder

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Evonik Industries AG has sold a 34 percent stake in its Philippines special purpose company STEAG State Power, Inc. to Aboitiz Power Corporation, a company listed on the Philippine Stock Exchange engaged in power generation and distribution. The transaction closed November 15, 2007. With its indirectly held 55 percent stake, Evonik remains the majority shareholder of STEAG State Power, Inc. Another 11 percent stake in the company is held by the local project partner State Investment Trust, Inc.

“We are continuing our strategy of reducing our stake in our foreign coal-fired power plants to not less than 51 percent and running the special purpose companies jointly with local partners”, said Dr. Alfred Tacke, Member of the Management Board of Evonik Industries AG with responsibility for the Energy business area.

Mr. Erramon Aboitiz, President and CEO of Aboitiz Power: “The investment is very strategic for Aboitiz Power. Aside from the expansion potential, the Evonik power plant is mitigating a shortage of power supply and improving the reliability of power in Mindanao. We have been providing Mindanao power for over 70 years”. Aboitiz Power’s distribution utilities in Mindanao include Davao Light & Power Company, which is the largest distribution in Mindanao, and Cotabato Light & Power Company. Aboitiz Power operates a hydro facility in Davao and has investments in various generation assets in Mindanao, which include Western Mindanao Power Corporation in Zamboanga and Southern Philippines Power Corporation in General Santos. “We are very committed to Mindanao. Our subsidiary, HEDCOR, is building 72 megawatts of run-of-river hydro in Davao, which should be operational in 2009”.

STEAG State Power, Inc. operates the coal-fired power plant Mindanao on the Philippine island of the same name. The plant was put into commercial operation in November 2006; the investment volume amounted to US\$305 million. It has an installed capacity of 232

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Registered Office: Essen
Register Court: Essen Local Court
Commercial Registry B 19474

megawatts and generates about 1 billion kilowatt hours of power each year. This covers about 15 percent of the electricity needs of the island, which has some 14 million inhabitants. The electricity generated is supplied to the Philippine state-run National Power Corporation over a period of 25 years. The Mindanao plant is the third coal-fired power plant designed, financed, built and operated by Evonik abroad, after the Termopaipa (Colombia) and Iskenderun (Turkey) projects.

Company information

Evonik Industries is the creative industrial group from Germany which operates in three business areas: Chemicals, Energy and Real Estate. Evonik is a global leader in specialty chemicals, an expert in power generation from hard coal and renewable energies, and one of the largest private residential real estate companies in Germany. Our strengths are creativity, specialization, continuous self-renewal, and reliability. Evonik is active in over 100 countries around the world. In its fiscal year 2006 more than 43,000 employees generated sales of about Euro 14.8 billion and an operating profit (EBIT) of over Euro 1.2 billion.

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