



GREENERGY
Holdings

GREENERGY HOLDINGS INCORPORATED
(formerly MUSX Corporation)
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Pulilan, Bulacan
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23 May 2013

**THE DISCLOSURE DEPARTMENT
PHILIPPINE STOCK EXCHANGE, INC.**

Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Ave.
Makati City, Metro Manila

Attention : **MS. JANET A. ENCARNACION**
Head, Disclosure Department

MR. JUAN FEDERICO C. DE LEON
Senior Specialist, Disclosure Department

We write in response to your letter dated 23 May 2013 which requested Greenergy Holdings Incorporated (the "Company") to confirm or clarify the following news article that appeared on BusinessWorld Online on 22 May 2013:

GREENERGY Holdings, Inc. is set to acquire a majority stake in a China-based firm, marking its first venture abroad, for around P260 million, a top company official said in a phone interview yesterday.

Greenergy President and Chief Executive Officer Antonio L. Tiu said the company will acquire a 60% interest in Zhongzhe Renewable Energy Corp., which owns a four-megawatt (MW) biomass power plant in Heilongjiang, China.

"We already agreed to acquire the company, subject to due diligence. We already signed a term sheet for a 60% interest," Mr. Tiu said, confirming, "Yes, it's the first" venture of his company beyond Philippine shores.

He added that the company expects to finalize the deal "within 90 days."

The official said that capacity of the biomass facility could be expanded to 15 MW.

Mr. Tiu said the project in China, should the deal proceed, will be Greenergy's second renewable energy project after its biomass power plant in Negros Occidental. The company – through San Carlos BioPower, Inc. – is building an 18 MW biomass power plant in the province which is targeted to be completed by December next year.

Mr. Tiu said the company decided to acquire a stake in the foreign firm because Greenergy has "been aggressive in expanding" and the company saw "an open opportunity."

He said the planned acquisition will cost "more or less P260 million" adding that the deal will involve "cash infusion, issuance of shares and assumption of the company's liabilities."

He said definitive details will be disclosed when the deal is sealed.

Asked on funding, Mr. Tiu said Greenergy plans to issue 17.6 billion common shares equivalent to P176 million, adding "this will be added to the previous issuance of shares of the company, so its almost full already."

In this regard, the Company confirms that it is currently conducting a legal, financial and environmental due diligence on Zhongzhe Renewable Energy Corp. in Heilongjiang, China ("Zhongzhe"). Zhongzhe currently has four (4) biomass power plants located in the Heilongjiang Province and is the partner of China's biggest agricultural firm BeiDaHuang in converting its agricultural waste products into energy for the province.

Definitive and binding agreements that would allow the Company to acquire 60% equity interest in Zhongzhe shall only be executed after the completion of the due diligence and the results thereof are satisfactory based on the analysis of the Company's legal, financial and operations advisers. The proceeds from the Company's proposed capital infusion shall be used by Zhongzhe to expand its biomass power generating capacity to at least 15MW.

Further, the Company confirms its execution of a subscription agreement for the issuance of 17.6Billion primary common shares as indicated in its disclosure dated 22 May 2013.

We trust that you will find the same in order.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Jennifer T. Ong', written in a cursive style.

JENNIFER T. ONG
Alternate Corporate Information Officer

