



October 4, 2012

PHILIPPINE STOCK EXCHANGE, INC.
3rd Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department

Gentlemen:

We refer to your letter dated October 4, 2012 which requested us to clarify and/or confirm the information contained in the news article entitled “Cebu Air casts an eye on Zest” posted in the Malaya Business Insight (Internet Edition) on October 4, 2012. The article reported in part that:

“Cebu Pacific Air has been added to the list of airlines keen to acquire low-cost regional carrier Zest Air, a source privy to the talks said.

The source said negotiations are ongoing with Cebu Air plus three other parties which earlier expressed interest in Zest Air. These are Philippine Airlines, Hainan Air and another regional carrier.

The source added the deal for the acquisition is likely to be sealed before the end of the year.

The source said if Cebu Pacific is able to acquire Zest Air, it would be another competitor out of the market.

....”

Please be advised that Cebu Air, Inc. (“Company”) has been approached to indicate its interest in this opportunity. However, any interest which the Company may have at this point is at best indicative and non-binding. The Company is presently not doing any due diligence on Zest Air.

Thank you.

Very truly yours,

ROSALINDA F. RIVERA
Corporate Secretary

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