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# Palawan moves to securitize Malampaya funds

Philippine Daily Inquirer

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PUERTO PRINCESA CITY—The Palawan provincial government is moving ahead with its plan to securitize half of its share from the Malampaya royalty currently being disputed in the Supreme Court.

Gov. Joel T. Reyes said on March 27 that the Land Bank, acting as its lead financial adviser and underwriter, is completing its due diligence work, including the determination of the exact amount of funds that may be floated.

“We are asking our financial advisers to securitize the maximum amount that we can get, to include the funds that have not yet been released to us from the accrued royalty and up to June 2010,” Reyes said.

Reyes declined to divulge the exact amount of money that will be raised from securitization but claimed that the Department of Budget and Management had already determined this figure.

Philippine Daily Inquirer sources earlier said that Palawan’s accrued shares until this year had amounted to around P15 billion.

Reyes added that Land Bank had begun approaching potential investors in the fund, including First Metro Securities.

He explained that the securitization plan is included in its agreement with the national government to jointly utilize the disputed 40 percent share of Palawan from the Malampaya gas project.

The national government has challenged Palawan’s claim to the gas proceeds in the Supreme Court. ***Redempto Anda, Inquirer Southern Luzon***

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