



TANDUAY *Holdings, Inc.*

November 28, 2007

Disclosure Department
Philippine Stock Exchange
Philippine Stock Exchange Center,
Exchange Road, Ortigas Center
Pasig City

Attention : ATTY. PETE M. MALABANAN
Head, Disclosure Department

Gentlemen:

Please be informed that the Company was advised by Absolut Chemicals, Inc. ("Absolut"), a subsidiary of Tanduay Distillers, Inc., that the latter has entered into an agreement with Mitsubishi Corporation ("Mitsubishi") to undertake a Clean Development Mechanism Project ("CDM Project"). The CDM Project is to be funded by Mitsubishi and will involve the procurement, construction, installation, operation and maintenance by Absolut of a thermophilic anaerobic digester and methane gas capture system for the treatment of wastewater at the ethanol plant owned and operated by Absolut.

Further, the foregoing is in accordance with the Kyoto Protocol adopted on November 10, 2001 during the Seventh Session of the Conference of the Parties to the United Nations Framework Convention Climate Change ("UNFCCC") for the registration under its terms of certain emission reduction activities and the certification under the UNFCCC of emission reduction rights attributable to such activities. The Kyoto Protocol mandates developed countries who signed the agreement to reduce their greenhouse gas emissions by at least 5% of their 1990 levels by 2012. As an alternative compliance measure, the Protocol allows the developed countries to invest in greenhouse emission reduction projects in developing countries like the Philippines.

Should you wish further clarification on the matter, please let us know.

Very truly yours,
TANDUAY HOLDINGS, INC.
By:


ATTY. MA. CECILIA L. PESAYCO
Corporate Secretary