



February 24, 2009

THE PHILIPPINE STOCK EXCHANGE, INC.

4th Floor, PSE Center, Exchange Road
Ortigas Center, Pasig City

Attn.: Atty. Pete M. Malabanan
- Head, Disclosure Department

Subject : Newspaper article published in the Philippine Daily Inquirer on Feb. 24, 2009, entitled ""Semirara island residents urge stop to pollution by coal mining firm""

Gentlemen:

We quote herein the newspaper article published in the February 24, 2009 issue of the Philippine Daily Inquirer, entitled "Semirara island residents urge stop to pollution by coal mining firm". The article stated, in part, that:

Iloilo City – Residents of Semirara Island in Antique are calling on the government to stop the alleged pollution of their coastal resources from coal mining on the island. The residents of Sitio Bigo of Barangay Alegria, one of the three villages of the island, have sought the help of environmental groups after the alleged pollution continued despite a letter sent to Environment Secretary Jose "Lito" Atienza in September last year...The residents said coastal resources including mangroves have died or have been contaminated by wastes coming from the coal washing plant of the Semirara Mining Co...The residents asked the DENR to help them by transferring or repairing the coal washing plant. They also sought the rehabilitation of affected areas and provide alternative livelihood for the residents. They also sought indemnification from the company and other measures provided by the law.....

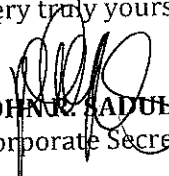
Relative to the above-quoted newspaper article published, please be informed that the CENRO Field Office acting on the complaint filed by residents of Sitio Bigo, Alegria dated September 6, 2008 conducted an investigation/ocular inspection at Sitio Bigo on February 8, 2009 in compliance with PENRO Memorandum Order dated January 30, 2009. As quoted in the Memorandum dated February 16, 2009 prepared and submitted to the OIC, PENR Officer-DENR- San Jose by OIC-CENRO Field Supervisor Freddie E. Magtoto, the following were findings:

1. No siltation in the natural grown mangrove forests, either in the established man-made mangrove plantation of Semirara Mining Corp., within the area and jurisdiction of Sitio Bigo, Brgy. Alegria;
2. That the brown color of the sand beneath and under the mangrove plantation is not a siltation caused by the mining operations, it was a natural sediments with a mixture of sandy loam and clay, which is but ordinary to any mangrove forests stand in any part of the country;

3. That there's no dead mangroves in Bigo Creek or even in territorial water, of shoreline of Sitio Bigo;
4. There's still plenty of sea grasses...
5. The seaweeds (Tambalang) plantation of Sitio Bigo residents in the sea water of Bigo and in the Tidal flat/or coral reef commonly known as "Bonbon Reef", were in healthy condition and good quality; and
6. It was the complainant/or petitioner himself, Brgy. Kagawad Cezar Dela Torre, who told us personally that they are so lucky now because their seaweeds were fast-growing and in healthy/good condition.

Thank you for your attention.

Very truly yours,


JOHN R. ADULLO
Corporate Secretary