



**SEMIRARA
MINING
CORPORATION**

CLARIFICATION OF NEWS ARTICLE: “NAPOCOR, PSALM ORDERED TO PAY CONSUNJI GROUP P476.7M”

Please find below our reply-disclosure relative to the Philippine Stock Exchange’s request for clarification/confirmation regarding to the news article entitled “Napocor, PSALM ordered to pay Consunji Group P476.7m” posted in Manila Standard Today (Internet Edition) on August 26, 2014. The article reported in part that:

“The Energy Regulatory Commission has ordered National Power Corp. and Power Sector Assets and Liabilities Management Corp. to pay the P476.7 million worth of receivables of Sem-Calaca Power Corp. of the Consunji Group.

ERC said in a ruling the amount included an interest of 6 percent a year computed from August 2010 until the date of actual payment, which as of end-December last year amounted to P95.2 million, and the value-added tax collected by PSALM from Manila Electric Co.

‘The commission finds the motion filed by Sem-Calaca impressed with merit,’ the regulator said.

The amount covers Sem-Calaca’s receivables from the transition supply contract between Meralco and Napocor and direct sales to Napocor.

Sem-Calaca owns the 600-megawatt Calaca coal-fired power plant in Batangas which it acquired from the government while PSALM manages the assets and liabilities of Napocor.

...”

We wish to confirm the newspaper article with respect to the ERC order dated June 23, 2014 granting SEM-Calaca Power Corporation’s motion for writ of execution thereby directing PSALM to pay the amount of P467.7 Million to SEM-Calaca Power Corporation covering receivables arising from the transition supply contract from the period January 2010 to June 25, 2010. In the same order, the ERC scheduled a clarificatory conference among the parties to the case to discuss the details of the execution on September 3, 2014.

Thank you.

Very truly yours,

JOHN R. SADULLO
VP-Legal & Corporate Secretary