



NOTICE TO PROCEED

11 April 2011

MR. GEMILIANO C. LOPEZ, JR.
PNOC Exploration Corporation
Building 1 Energy Center Merritt Road
Fort Bonifacio, Taguig City

ATTENTION : MR. JONEIL A. MAGPANTAY
Supervisor

MR. NOEL A. DE ASIS
Account Executive

SUBJECT : Supply and Delivery of 80,000 MT \pm 10% of Local
Blended Coal to PSALM Corporation for CY 2011

Dear Mr. Lopez:

With the approval of the attached Contract Agreement for the Supply and Delivery of 80,000 MT \pm 10% of Local Blended Coal for Naga Power Plant Complex, you are given notice to commence the delivery in accordance with the terms and conditions of the Agreement.


The effective date of the Contract Agreement shall be upon your receipt of this Notice to Proceed (NTP) but not later than seven (7) days upon issuance of the NTP.

Please acknowledge receipt and acceptance of this notice and the attached Contract Agreement by signing both copies in the space provided below. Please return one (1) copy to the Power Sector Assets and Liabilities Management Corporation.

Very truly yours,


EMMANUEL R. LEDESMA, JR.
President and CEO

Acknowledgement of Receipt and Acceptance:


GEMILIANO C. LOPEZ, JR.
Authorized Representative

April 11, 2011
Date