

NOTICE TO PROCEED

30 September 2011

MR. RENE L. SARTE
Commercial Fuels Sales Manager
Pilipinas Shell Petroleum Corporation
Shell House
156 Valero Street, Salcedo Village
1227 Makati City

ATTENTION : **MR. CARMELO H. LAUENGCO**
Commercial Fuels Key Account Manager

SUBJECT : Supply and Delivery of Oil-Based Fuel for PSALM Corporation for
Second Semester of CY 2011

Dear Mr. Sarte:

With the approval of the attached Contract Agreement for the **Supply and Delivery of Oil-Based Fuel (*Industrial Fuel Oil*) 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 the date of 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. Thereafter, kindly return one (1) copy of the duly acknowledged and received notice to the Power Sector Assets and Liabilities Management (PSALM) Corporation.

Very truly yours,


EMMANUEL R. LEDESMA, JR.
President and CEO

Acknowledgement of Receipt and Acceptance:

Authorized Representative

Date