

**NOTICE TO PROCEED**

01 December 2011

**MR. GEMILIANO C. LOPEZ, JR.**  
Chairman, President and CEO  
**PNOG EXPLORATION CORPORATION**  
Building I Energy Center, Merritt Road  
Fort Bonifacio, 1634 Taguig City

ATTENTION: **MR. JONEIL H. MAGPANTAY**  
Supervisor

**MR. NOEL A. DE ASIS**  
Account Executive

SUBJECT: **Supply and Delivery of 66,000MT  $\pm$ 10% of Local Blended Coal  
for PSALM Corporation for 4<sup>th</sup> Quarter of CY 2011**


Dear Mr. Lopez:

With the approval of the attached Contract Agreement for the **Supply and Delivery of 66,000MT  $\pm$ 10% of Local Blended Coal for 4<sup>th</sup> Quarter of CY 2011 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

12/1/11  
\_\_\_\_\_  
Date