

ABACUS

Consolidated Resources & Holdings, Inc.

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6 February 2012

THE DISCLOSURE DEPARTMENT

The Philippine Stock Exchange, Inc.
3/F Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

Attention: **JANET A. ENCARNACION**
Head, Disclosure Department

Dear Ms. Encarnacion:

We write with reference to the news article entitled “Abacus rethinks investment in Indon liner” posted in *BusinessMirror* (Online edition) on February 5, 2012 which reported in part as follows:

LISTED Abacus Consolidated Resources and Holdings Inc.’s remains undecided on whether to pursue an earlier-announced plan to acquire a minority interest in an Indonesian budget carrier.

A top official said last week that the investment is not one of the company’s main concerns.

Joaquin San Diego, Corporate Secretary and Vice President, said more information is being sought from the airline regarding its plans, but he admitted that the investment is no longer a “top priority.”

Abacus had until the end of January to pay \$1 million for a 33-percent stake in Lite Aviation Holdings Ltd., owner of a 49-percent stake in PT Lite Airways Indonesia (Lite Airways), which expects to start operations by the middle of 2012. The holding firm has an option to further increase its interest to 67 percent, based on an agreement with Lite Aviation.

“The level of interest isn’t that high. This is our first investment abroad,” San Diego said in a phone interview, citing Abacus’ focus on domestic opportunities such as its real estate ventures and gold prospects.

He clarified that the board of Abacus has yet to meet and formally decide on the matter.

We would like to clarify that, under the Memorandum of Agreement which our company executed with Lite Aviation Holdings Limited (LAH), which we previously disclosed, Abacus was granted the option to invest US\$1 million in LAH, which option Abacus may exercise at its sole discretion. Abacus continues to enjoy said option, since the January 31, 2012 deadline refers not to the payment of the first \$1 million investment but rather to


a “second million” option, that is, an option to invest another US\$1 million in LAH which Abacus would have been granted had it declared its intent on or before said deadline.

Please be clarified, further, that insofar as priorities are concerned, the LAH investment is so far not the largest investment exposure of Abacus, since Abacus has larger investment exposures in its other existing businesses, such as real estate and mining. It is only in this sense that the LAH investment may be seen as not being “top priority”. However, insofar as actual interest in pursuing the investment in LAH on the part of Abacus’ Board and management is concerned, we cannot issue any definite statement at the moment as the matter will still be taken up in forthcoming Board and management discussions.

Finally, we would like to point out that what the article refers to as a “rethinking” may have been intended to refer simply to a weighing of options in the sense that, despite the expiration of the January 31, 2012 deadline, Abacus’ Board and management may consider still requesting an extension of the deadline for the second million option or to simply maintain the first million option. At any rate, as stated above, the matter is still subject to further study and deliberation, which is the reason why Abacus is at present trying to obtain more comprehensive information not only on LAH’s current plans but more importantly on its actual status insofar as milestones leading up to the targeted April 2012 start of operations is concerned.

We hope that the above discussion will enable our stockholders and the investing public to have a correct appreciation of the status of our company’s investment in LAH. We shall provide more information as soon as we receive updates on LAH and once the Board and management have indicated further directions on the matter.

Very truly yours,



JOAQUIN E. SAN DIEGO
Corporate Secretary