

ABACUS

Consolidated Resources & Holdings, Inc.

No. 28 N. Domingo St., near corner Gilmore St., New Manila, Quezon City
Tel. Nos. 726-79-06, 727-49-23, 724-50-55, 727-57-21 Fax No. 724-32-90

17 June 2011

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 are pleased to inform you that the Department of Energy (DOE) has approved the conversion of Coal Operating Contract No. 148 of Abacus Coal Exploration and Development Corporation (ACEDC), our company's fully owned subsidiary, from Exploration Phase to Production and Development Phase.

For more details on ACEDC's work program and commitments for the development of the coal property subject of the aforesaid approval, we enclose for your perusal a copy of the 12 April 2011 letter from the DOE, which we have just received today.

In the interest of full disclosure, may we request that the present letter be made available on the PSE's website for the information of the Trading Participants and the investing public.

Thank you very much.

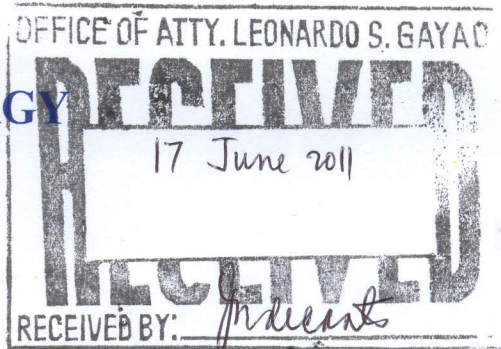
Very truly yours,



JOAQUIN E. SAN DIEGO



Republic of the Philippines
DEPARTMENT OF ENERGY



12 April 2011

Atty. LEONARDO S. GAYAO

President

Abacus Coal Exploration and Development Corporation (ACEDC)

28 N. Domingo cor. Gilmore Streets

New Manila, Quezon City

Dear **Atty. Gayao**:

We refer to your submitted 5-Year Work Program relative to the application for conversion of ACEDC's Coal Operating Contract (COC) No. 148 located in Tago, Surigao del Sur from Exploration Phase to Development and Production Phase.

Based on our evaluation of the company's proposed work program, we find ACEDC to be technically and financially qualified to undertake development and production of coal resources in the contract area. We likewise find the proposed 5-year work program acceptable.

Please be advised, therefore, that we approve the conversion of COC No. 148 to Development and Production Phase, subject to the following terms and conditions:

1. **Effectivity** - The COC for Exploration No. 148 is hereby converted into COC for Development and Production effective 10 January 2010 for a period of ten (10) years, and should there be remaining mineable reserves, extendible for another ten (10) years and thereafter renewable for a series of three (3) year periods not exceeding twelve (12) years under such terms and condition as may be agreed upon by the DOE and the Contractor.
2. **Contract Area** - The area subject of this COC for development and production shall cover seven (7) blocks - Coal Block (CB) Nos. 38-L-84, 38-L-85-, 38-L-86, 38-L-87, 38-L-88, 38-L-89 and 38-L-249 located in Tago, Surigao del Sur containing an aggregate area of 7,000 hectares more or less.
3. **Work Program** - Section IV, sub-paragraph 4.3 of COC for exploration shall be amended to provide for the development and production commitments, and shall read as follows:

"4.3 The Operator shall be obliged to implement the following work program in accordance with the schedule of activities as indicated..."

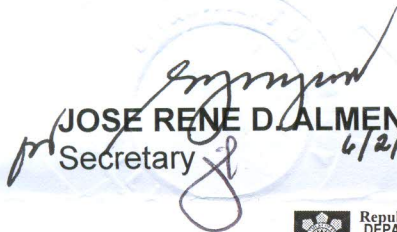
	Year 1 (1/10/2010 - 1/09/2011)	Year 2 (1/10/2011 - 1/09/2012)	Year 3 (1/10/2012 - 1/09/2013)	Year 4 (1/10/2013 - 1/09/2014)	Year 5 (1/10/2014 - 1/09/2015)
Supplemental Exploration					
Geological Investigation (has)					
Semi-detailed	3,000	3,000	-	-	-
Detailed	1,200	1,200	-	-	-
Geodetic Survey					
Topographic (has)	400	400	-	-	-
DDH Locations (holes)	11	11	-	-	-
Trench Locations (trenches)	18	18	-	-	-
Subsurface Exploration (no. / m)					
Trenching	18 / 5,200	18 / 4,800	-	-	-
Drilling	11 / 2,350	11 / 2,650	-	-	-
		ECC Acquisition			
Development (BCM)	-	-	1,067,000	1,067,000	1,067,000
Production (MT)	-	-	187,200	187,200	187,200
Supplemental Exploration Cost (PhP)	11,963,000	13,083,000	-	-	-
Development Cost (PhP)	-	-	37,404,400	37,404,400	37,404,400
Production Cost (PhP)	-	-	8,966,900	8,966,900	8,966,900
Capital Cost (PhP)		134,999,000	55,042,000	729,000	182,000



4. **Training Assistance** – The training component of the approved COC for development and production, per item 9.2, shall be PhP 200,000.00 per year cumulative during the Development and Production Phase.
5. **Safety, Health and Environmental Program** – ACEDC shall implement its health, safety and environmental protection program as well as its emergency response program, as the need arises, as approved by the DOE.

You are hereby enjoined to comply with the above terms and conditions, which are incorporated as integral part of COC No. 148. Please be advised further that any deviation from this approved work program should have prior approval from this Office. Please signify your conformity to the foregoing by affixing your signature on the space provided below.

Very truly yours,


JOSE RENE D. ALMENDRAS
Secretary *6/2/2011* *fw*



Conforme: _____

Atty. LEONARDO S. GAYAO
President
Abacus Coal Exploration and Development Corporation