



**Consolidated Resources & Holdings, Inc.**

No. 28 N. Domingo St., near corner Gilmore St., New Manila, Quezon City  
Tel. Nos. 724-3759 / 725-7875 / 724-5055; Fax No. 724-3290

23 June 2011

**THE DISCLOSURE DEPARTMENT**

The Philippine Stock Exchange, Inc.  
3<sup>rd</sup> Floor Philippine Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue, Makati City

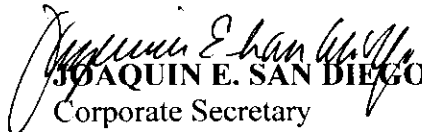
**ATTENTION: JANET A. ENCARNACION**  
Head, Disclosure Department

**Dear Ms. Encarnacion:**

Further to our earlier disclosure, we wish to inform you that Abacus Coal Exploration and Development Corporation (ACEDC) has signed its conformity to the terms and conditions governing the conversion of Coal Operating Contract 148 from Exploration Phase to Development and Production Phase.

We attached a copy of ACEDC's transmittal letter and the 12 April 2011 letter of the Department of Energy with ACEDC's conformity.

Very truly yours,

  
**JOAQUIN E. SAN DIEGO**  
Corporate Secretary

# ABACUS

## Coal Exploration & Development Corporation

No. 28 N. Domingo St., near corner Gilmore St., New Manila, Quezon City

Tel. Nos. 724-3759 / 725-7875 / 724-5055; Fax No. 724-3290

June 23, 2011

### HON. JOSE RENE D. ALMENDRAS

Secretary

Department of Energy

Energy Center, Meritt Road

Fort Bonifacio, Taguig City

Dear Sec. Almendras:

Reference is hereby made to your letter addressed to the Abacus Coal Exploration and Development Corporation (ACEDC) dated April 12, 2011 approving the conversion of ACEDC's Coal Operating Contract (COC) No. 148 to Development and Production Phase. We received the said letter via registered mail on June 17, 2011.

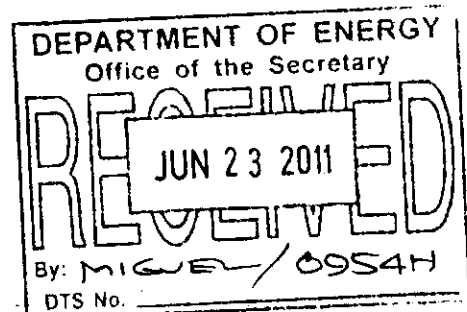
We are honored to inform your Department that ACEDC has accepted all the terms and conditions specified in your said letter of approval as could be shown by the signature of the undersigned as President of ACEDC on the "CONFORME" space provided for in your letter.

We are transmitting back to your good Office the subject letter of approval dated April 12, 2011 with the signature of the undersigned as President affixed together with the "Secretary's Certificate" of ACEDC authorizing the undersigned as President of ACEDC to sign on the "CONFORME" space provided for in your letter and to be bound by the terms and conditions thereof.

Finally, we are extending herewith our thanks and the assurances of our highest regards.

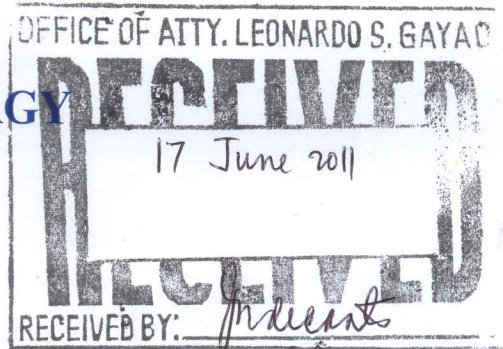
Respectfully yours,

  
**ATTY. LEONARDO S. GAYAO**  
President





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

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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*



Republic of the Philippines  
DEPARTMENT OF ENERGY

IN REPLYING PLS CITE:  
SDOE11-001808



Conforme:

  
**Atty. LEONARDO S. GAYAO**

President

Abacus Coal Exploration and Development Corporation