

Subject: ODiSy - Disclosure Status
From: no-reply@pse.com.ph (no-reply@pse.com.ph)
To: disclosure@pse.com.ph;
Date: Wednesday, January 9, 2013 3:46 AM

Dear Sir/Madam:

We would like to inform you that as of JAN 08, 2013 11:46:57 AM today,

Reference Number: WLIST__2013000020545
Company Name: Basic Energy Corporation
Disclosure Subject: Clarification of news article: "Energy firm to invest \$2B in geothermal projects"
Status: APPROVED

Should you need further assistance, please e-mail us at

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Philippine Stock Exchange, Inc.
PSE Center, One Exchange Road
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Philippine Stock Exchange, PSE Plaza, Ayala Avenue, Makati City.



January 8, 2013

Ms. Janet A. Encarnacion
Head, Disclosure Department
Ayala Triangle, Ayala Avenue
Makati City

Madam:

Attached herewith is our clarification/confirmation to the Memorandum dated January 7, 2013 on the subject matter, Malaya Business News Online News Article entitled: "Energy firm to invest \$2B in Geothermal Projects".

Very truly yours,



ANGEL P. GAHOL
Compliance Officer



January 8, 2013

Ms. Janet A. Encarnacion

Head, Disclosure Department

Philippine Stock Exchange

3^F Ayala Triangle, Ayala Avenue

Makati City

Dear Ms. Encarnacion:

We respond to your letter dated January 7, 2013 regarding the news article in the Malaya Business News Online on January 6, 2013 entitled "Energy firm to invest \$2B in geothermal projects" which we quote hereunder:

"Basic Energy Corp. plans to invest \$2 billion in geothermal, oil and gas exploration projects, according to the company vice chairman Francis Chua.

Chua said that the company is currently negotiating with a Chinese partner for the projects.

Basic Energy has a service contract to develop geothermal energy in Mabini, Batangas.

It also eyes contracts for four frontier geothermal areas and 10 frontier mini-hydro areas.

Chua said Basic Energy will start building plants on the these sites as early as the first half of the current year with a budget of \$ 1 billion.

The other billion dollars will be set aside for the four oil and gas exploration project in West Philippine Sea.

Chua said Basic Energy is offering these projects for joint venture but would retain control at 60 percent."

We wish to advise you that we became aware of the aforementioned news article only upon receipt of your email today.

On the projects mentioned in the news article, we wish to clarify as follows:

We confirm that Basic Energy's business thrust as a renewable energy development company is to look into new projects in renewable energy development and production and in line with this business thrust, in 2012, we have applied for geothermal and mini-hydro areas with the Department of Energy (DOE).

We disclosed to the PSE last September 13, 2012 that three of the geothermal energy applications have passed the pre-qualification evaluations of the DOE, and to date, we are awaiting notice of the DOE for the signing of the covering service contracts. Our existing Mabini, Batangas Geothermal Energy project is still in the pre-development stage. On the other hand, the mini-hydro power applications which we have applied with the DOE are still pending evaluation by the DOE and hence, have not yet been approved.

The Mabini, Batangas geothermal energy service contract was awarded to the company by DOE in 2007, and has since been disclosed to the PSE. To date, the company is in compliance with its commitments under the DOE approved work program for this project. The company is preparing for certain gravity surveys and other program works in preparation for its commitment to drill one (1) well by 2014.

Lastly, Basic has no oil and gas exploration project in West Philippine sea, thus we deny that Basic has set aside billion of dollars for the said project.

We cannot confirm the following statements:

1. Basic is currently negotiating with a Chinese partner for the projects and;
2. Basic offered these projects for joint venture.

We hope you find the above confirmations and clarifications acceptable.

Very truly yours,


Atty. Angel P. Gahol

Compliance Officer/Assistant Corporate Secretary

Copy Furnished:

Mr. Juan Federico C. De Leon
Specialist, Disclosure Department
Philippine Stock Exchange