



July 6, 2011

PHILIPPINE STOCK EXCHANGE INC.
3F Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

ATTN: Ms. Janet A. Encarnacion
Head, Disclosure Department

Dear Ms. Encarnacion;

Find attached press release disclosing information on the following:

1. The Company's first half 2011 shipments by volume and value; and
2. Updated disclosure on our key customer, Pacific Metal Co., Ltd.

Very truly yours,


Emmanuel Samson
Chief Financial Officer

NICKEL ASIA 1H SHIPMENTS UP 70%

The Company's total estimated value of nickel ore shipments increased by 70% to P5.1 billion in the six months ending June 30, 2011 from P3.0 billion in the same period last year due to continuing good demand, particularly from China, and much improved nickel prices. The average exchange rate during the period January to June 2011 was P43.52 to the dollar.

The Company operates four lateritic mines which sold an aggregate 4.2 million wet metric tonnes (WMT) of nickel ore in the first half of 2011 as compared to 3.4 million WMT in the same period last year, an increase of 24%. The Company's Rio Tuba mine and Taganito mine accounted for 74% of total shipments during the first half of the year. The Rio Tuba mine shipped and delivered 1.2 million WMT of saprolite ore and 1.3 million WMT of limonite ore, while the Taganito mine shipped a total of 484 thousand WMT of saprolite ore and 101 thousand WMT of limonite ore.

The Company's two other mines, Hinatuan mine and Cagdianao mine, both located in northeastern Mindanao, commenced shipments in the second quarter. Despite some operational disruptions brought about by heavy volume of rainfall over an extended period, Hinatuan mine managed to ship a total of 989 thousand WMT of limonite, while the Cagdianao mine shipped a total of 103 thousand WMT of saprolite. Weather conditions at these two mines have now improved in time for peak production period, which typically runs from July to November.

In terms of price, the estimated realized nickel price applicable to 2.3 million WMT of ore shipped in the first half was at an average of \$11.42 per pound of payable nickel as against \$9.18 per pound of payable nickel during the same period last year. The balance of the shipments for the first half was sold on the basis of a negotiated price per WMT of ore, which averaged \$15.3 per WMT of ore compared to \$15.6 per WMT for the same period last year.

The Company also disclosed that production at the ferronickel plant of its long-standing Japanese buyer of saprolite ore and shareholder, Pacific Metals Co., Ltd. (Pamco) has returned to normal. In fact, Pamco has already taken delivery of a shipment from both Rio Tuba mine and Taganito mine in June. This is the Company's first shipment to Japan since March, when operations at Pamco's ferronickel plant was disrupted due to the effect of the March 11 earthquake. Shipments in April and May, which were originally scheduled for Pamco, were sold to other customers while remedial work was ongoing at the Pamco facility.