



January 11, 2012

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

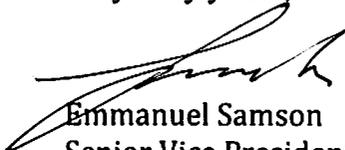
Attention: Ms. Janet A. Encarnacion  
Head, Disclosure Department

Dear Ms. Encarnacion;

Please see attached press release disclosing information on the following;

1. The Company's full year 2011 shipments by value and tonnage;
2. New pricing scheme for ore shipments to both Pacific Metals Ltd. and Sumitomo Metal Mining Co., Ltd.;
3. Agency agreement with Mitsubishi Corporation (Shanghai) Ltd.; and
4. The Company's executed contracts to date for the current year.

Very truly yours,



Emmanuel Samson  
Senior Vice President

## PRESS RELEASE

### **NICKEL ASIA 2011 SHIPMENTS UP 51% TO P12.1 BILLION**

The Company's total estimated value of nickel ore shipments reached P12.1 billion in 2011, a 51% increase compared to the P8.0 billion reported in 2010. The increase in shipments was mainly due to the robust demand for laterite ore by nickel pig-iron (NPI) producers in China.

The average realized exchange rate in 2011 was P43.15 to the dollar compared to P44.86 in 2010.

The total volume of nickel ore sold and delivered from the Company's four operating mines in 2011 amounted to 10.4 million wet metric tonnes (WMT) as compared to 8.3 million WMT in 2010. This is the highest volume of ore shipments achieved by the group in its history.

Of the total volume of ore shipped in 2011, 3.4 WMT was saprolite ore and 7.0 million was limonite ore, of which 3.0 million WMT was shipped to the Coral Bay hydrometallurgical plant. The corresponding figures for 2010 were 3.2 million WMT, 5.1 million WMT and 2.7 million WMT, respectively.

The realized LME nickel price in 2011, applicable to 4.4 million WMT of ore shipped in 2011 was at an average of \$10.54 per pound of payable nickel as against \$9.61 per pound of payable nickel in 2010. The balance of the shipments, which are mainly the low and medium grade variety ore sold to Chinese customers, was sold on the basis of a negotiated price per WMT of ore which averaged \$24.51 per WMT of ore compared to \$18.15 per WMT of ore in 2010.

The Company also announced that it has concluded price negotiations with its key Japanese customers, namely Pacific Metals Co. Ltd. (Pamco) and Sumitomo Metal Mining Co. Ltd., (SMM) with respect to the sale of its high and medium grade saprolite ore. As a result, the percentage of payable nickel in the ore will increase by an average of 20% for the 2% nickel grade and 40% for the 1.8% nickel grade should the LME nickel price average within the range of \$8 to \$10 per pound. The upward adjustment, which is retroactive to September 1, 2011, was largely the result of strong competition from the China market and will help cushion an expected lower LME nickel price in 2012.

In 2011, the volume of ore shipments to both Pamco and SMM reached 832 thousand WMT and accounted for 19% of total revenues. For 2012, our estimated volume of ore shipments to both customers should be approximately 1.3 million WMT.

The Company is also pleased to announce that it has signed an agency agreement with Mitsubishi Corporation (Shanghai) Ltd. (“SSL”) for the sale of approximately 800,000 WMT of saprolite and limonite ore to the Chinese market in 2012. SSL is a 100%-owned subsidiary of Mitsubishi Corporation, Japan’s largest general trading company. We consider this to be a major step forward with respect to NAC’s marketing strategy in China, as this would enable the company to tap SSL’s strong network and access to market intelligence in China.

To date, the Company has executed contracts with various customers for the delivery of 8.9 million WMT of saprolite and limonite ore for the current year, including about 2.8 million WMT of limonite ore to the Coral Bay nickel processing plant. The Company also intends to sell an additional 1.5 million WMT of ore of various grades through spot sales.